NORTH AMERICAN LIFE COMPANY.

It is no unfavourable sign of the times, in Canadian life insurance affairs, that company managements are more and more laying stress upon growth in surplus and economy in management. In 1909, notwithstanding a large increase in new insurance, the North American Life kept practically to its expense ratio of 1908; that year, as President J. L. Blaikie pointed out at the time, having shown continuance of the expense reductions of 1906 and 1907.

The 29th annual report, appearing elsewhere in these pages, shows new policies amounting to $5,091,029 to have been issued during 1909. This is a gain over 1908 of $625,805—clear evidence of the energy with which Managing-Director Goldman has done much to embue his field force. The total business on the books is now about $42,000,000. The year's total cash income was $2,029,878—the gain over 1908 being $131,788.

Payments to policyholders and their beneficiaries during 1909 amounted to $789,520—no less than $138,320 of this sum being in the way of policy dividends.

Assets of the North American Life totalled $10,490,464 at the year-end, a gain of about $900,000—and in this connection it is to be noted that stocks and bonds are entered at $100,000 less than their market value. The net surplus on policyholders' account is now well over one million dollars.

The directors in their report referred not only to the effective ability of the company's executive officers, but to the zeal of the field workers and branch managers—to the fore among the latter being Mr. G. Herbert Simpson, the Montreal manager. The company's Montreal headquarters in the new Eastern Townships Bank Building form a model branch office in point of convenience and equipment—and the local field organization grows steadily in effectiveness under Mr. Simpson's able direction.

LIFE INSURANCE FRAUDS, apparently involving state officials, prominent physicians and company agents, have been brought to light by the arrest of three local agents in Louisville, Ky. The device was the time-honoured one of insuring decrepit invalids.

THE FIRE INSURANCE COMMITTEE of the United States Association of Credit Men is continuing its vigorous campaign to bring about a reduction of the fire waste by urging preventive action on the part of business men throughout America.

THAT A NEGLECT TO MAINTAIN a sprinkler equipment in good working order in accordance with the provisions of a fire insurance policy invalidates the contract, is the verdict of the Supreme Court of the State of Washington.

THE BILL to incorporate the Merchants and General Insurance Company of Montreal, with a capital of $1,000,000, was reported by the Commons Banking and Commerce Committee a week ago.

THE WESTERN FIRE UNDERWRITERS ASSOCIATION has promised a reduction of 5 per cent. in the rates in Red Deer, Alta., when the new duplicate pump is installed.

Our London Letter.

POLITICAL HISTORY IN THE MAKING.

Stock Exchange Interest in Election Outcome—Cheaper Money a Factor in Preserving Steady Tone—Continued Success of Canadian Issues in London—As to the Hudson Bay Route—Insurance News—Special Correspondence of THE CHRONICLE, January 24, 1910.

By the time this letter reaches the readers of THE CHRONICLE, election results will be a matter of history—but of history still in the making. For several months past we have been spending a good deal of our leisure on the discussion of political affairs; it would not, perhaps, be going far beyond the strict truth to say that this week the great majority of us have been attending to business in slight intervals of leisure from politics. The interest of the General Election, now in full swing, is overwhelming. The leaders tell us this is the most important contest since '32; one can well believe that even that historic fight of political parties did not provoke anything like the excitement, enthusiasm, strenuous work, and, one may say, "hooliganism," that has been in evidence on this occasion. The London Stock Exchange, that ever faithful barometer of the Unionist party's hopes and fears, has been revealing the position day by day in the record of price movements. It finished up last week with a great burst of cheerfulness—the concomitant of the confident hopes of a Unionist victory. Then came Saturday's pollings; and on Monday morning there were gloomy faces about. The Unionist party journalists were confessing that they could not hope to win—and down came consols (7-16) and the rest. Tuesday was another gloomy day; prices were flat; on Wednesday, things political began to look a little more cheerful, thanks to some noteworthy Unionist gains, and prices began to stir again. On Thursday the county results, showing that the Unionists were doing better there than in the boroughs, came along, and the Stock Exchange spent most of the day cheering. As I write, though an absolute Unionist majority no longer seems possible, the Stock Exchange tends to be cheerful at the likelihood of the Government's position being too uncertain for it to make revolutionary changes.

Cheap Money.

The reduction in the bank rate to 3½ p.c. and the strong position of the central institution revealed by Thursday's return have been contributary causes to the generally good tone with which the week ends, though, as has been said, political sentiment takes the first place. The reduction was due to the fact that the 4 p.c. rate had, as had the 4½ p.c. rate previously in force, got entirely out of touch with conditions in the open market and that during the week the reserve had been reinforced by nearly a couple of millions. It now stands indeed at £26,911,000 as compared with £22,443,000 a year ago, and there is a general suspicion that a 3 p.c. rate is not far off. The reduction yesterday in the German bank rate to 4½ p.c. shows that conditions are improving on the continent, although, in this instance, London ex-