

such a grave neglect as letting the water works become inefficient, is not thereby freed from a very grave moral responsibility. The activities out of which comes the wealth of a city are sustained by vast amounts of capital, which is invested in the confidence that the city will protect such capital from the dangers of fire by an efficient fire brigade and an adequate water supply. The obligation to afford such protection is not a legal one, say the Courts, but it is far more binding to honorable men, for their honor is morally pledged to the maintenance of the fire protection necessary for giving confidence to capital. Instead, then, of any citizens worrying over suits against corporations of the class above indicated, they should direct their energies to securing representatives who are alive to their duties and responsibilities.

THE LONDON MUTUAL FIRE INSURANCE COMPANY.

On a later page we publish the thirty-sixth annual report of the above Company. The report speaks of the Company being "in its old age." The report is very hopeful in tone, and expresses much gratification at the result of the year's business, which would have been much more profitable but for losses by the conflagrations in Toronto in 1895. In spite of those losses the Company claims to have added \$18,895 to its assets last year. These consist of "premium notes" for \$233,165; "due on assessments" \$48,070; "due by agents," \$9,097, making a total of \$290,332 of assets made up of the indebtedness of policyholders, or agents. The balance of \$75,735 consists of debentures for \$58,239, with office premises and accounts for \$17,496, making the total assets \$366,067. That the Company is doing a very large business is evident from the number of policies issued for the year, numbering 16,646, covering insurance for \$21,521,415, and raising the total amount at risk to \$50,210,039. The losses paid aggregated \$117,960, of which \$3,801 were some of those incurred in 1894. A section of the Report is devoted to answering the charge made of the London Mutual being extravagantly managed. The claim is made that the management expenses per policy are only \$2.46 and 64 cents. It would perhaps have been as well to have given more fully and clearly the data on which this claim of economy is based, as, though easily worked out by the Company's officials, it will not be readily proved by outsiders. The inspector's schedule of the causes of last year's fires is interesting, and as it proves the bulk of the fires are preventable, the exposure of the causes of so many fires ought to lead to more careful methods of construction, and more watchfulness in the care of property. The inspector's report shows the Company to be fully alive to the value of having all risks carefully and periodically inspected. We trust the utmost caution is exercised in keeping risks well apart so as to avoid conflagration hazards which have a peculiar danger to companies without a large cash reserve.

THE INDEPENDENT ORDER OF FORESTERS BILL.

This extensive and powerful society is pressing for its amendment Act to be passed this session of Parliament. The main provision of the bill is one to enable the Order to issue policies of life assurance for \$5,000, the present limit being \$3,000. This proposed extension of its powers is another step taken away from the sphere of a friendly society's operations.

The association of the friendly society element with life assurance is not calculated to ensure that independence in the selection of lives which is essential to the business being conducted safely. The medical examination required for entrance into these societies is carried on as a matter of mere form. They are all so greedy for new members that the conditions precedent to entrance are made as easy as possible, amounting to little more than getting the proposal moved and seconded, and paying a small fee. Any society doctor who made a strict examination of candidates would soon be removed. This facility of entrance to such Orders is one of the special dangers to their life assurance business, as the fact of membership is allowed to constitute a strong claim to a life policy, the applicant being not regarded from the same independent standpoint as the person who applies to a life assurance company. The claim then of economy of management, because it is carried on by the amateur officials of the Courts of friendly societies, is open to such very serious drawbacks as to cancel its value. The assessment system on which the life assurance of friendly societies is conducted is open to the gravest objections. In this issue we record the disastrous failure of two assessment organizations, the list of such failures being quite lengthy. The Bill before us provides that assessments, dues and fines shall be purely voluntary, all pecuniary benefits being stopped during the time a member is in default. Section 6 is a wise one, it requires the deposit of \$250,000 with the government as protection to policy-holders, provided a proper reserve is also made obligatory, otherwise it would only mislead. Section six of the Act of Incorporation is proposed to be amended by adding thereto the following sub-section:—"The Society may invest in United States bonds, or in bonds of Municipal Corporations within the United States, in the aggregate, not exceeding at any time one fourth of the available surplus funds of the Society; also in Government Funds of the United Kingdom, or in Government Funds of any other country in which the Independent Order of Foresters has branches duly established, so much of its surplus funds as is necessary to meet the requirements of the law of such country to enable the Society to transact business therein: *Provided*, that the total amount of such investments, outside of Canada and the United States, shall not at any time exceed one-fourth of the available surplus funds of the Society." Clause 4 provides that the Society shall, not later than the 1st of March in each year, deposit with the Superintendent of Insurance, a statement, duly sworn to by them, and made up to the 31st December of preceding year, of the assets and liabilities of the Society, and its income and expenditure during such year, and such other information as is