

for losing the principal, as well as the compound interest accumulations.

Canadians in the past have not sufficiently prized the advantage that must accrue to our relying upon our own accumulations of capital, because it has been an easy way to tide over national fiscal operations by borrowing money from England. Thinking men must see that, sooner or later, this must stop. If Canadians are wise a new fiscal policy cannot safely be long deferred; we should not only cease borrowing from abroad, but every means should be taken to stop every waste. Viewed in this light the first step could wisely be taken by stopping the outflow of life insurance premiums; we cannot afford to lose them no more than we could afford to allow rival countries to attract away from us our savings banks deposits: in fact taking away our savings banks deposits would not be as great an evil as the loss of the life insurance premiums; the former could be withdrawn if necessary at any time, but not so the millions of dollars of life insurance money, not a cent of which can come back to Canada, even if starvation threatened, till each insurer first of all dies. Our prodigal use of capital, in view of the great needs of it for developing the unsettled continent Providence calls us to subdue, is about as foolish as it would be for an athlete to open his veins to let loose his life-blood previous to entering the arena.

Many persons think if government enter into the business of life insurance it might with equal propriety enter into the business of fire insurance or banking. This is a mistake, because the people only pay for fire insurance from year to year, and no one pays a bank for a service to be rendered by it in another generation. Canada would be a gainer by allowing foreign fire insurance companies to do its insurance; Canadian capital can be more safely employed in developing our wild lands than risking it in Canadian conflagrations.

It has been urged that, while our government might successfully inaugurate government life insurance, there were no reliable data to show that the scheme could be carried on successfully through a series of years. It would be singular indeed if so simple a work as government life insurance might be reduced to, should not enjoy the permanency of other matters which the people expect government to do. Persons taking this view seem to fancy that life insurance would add vastly to the burthens of a government. This is a great mistake. I have considerable knowledge of the business in all its details, and I feel quite certain that once taken in hand by government, life insurance, reformed as it needs to be, could be conducted by the Post Office savings department, making the Postmaster General the chief as now. I feel certain that it would be much easier to establish government life insurance, than the agency of a foreign company.

It is also urged that such a business would by its appointments of medical examiners, &c., put into the hands of a government an enormous power. But this should not always strengthen the hands of a corrupt government; these appointments might be, as they frequently are, a source of weakness to corrupt governments; at all events, if there be any force whatever in such a view it applies to all appointments made by government.

It has been stated that, while New Zealand and Great Britain issued government life insurances, and had, especially in the former country, proved a success, time, which is the true test of a life insurance, had not been given. It is thought that the countries referred to will some day find that they cannot conduct life insurance. Now it would be a singular demonstration of a fact if time should prove that a few clever capitalists with huge brass sign-plates over the door of their life insurance offices, elaborate prospectuses, fancy managers and travelling representatives of the type so well described by Charles Dickens, should be more capable of furnishing pure permanent life insurance to the people of New Zealand and Great Britain than the government of these countries. Such a view is based

upon the erroneous assumption that a life insurance company after the lapse of a few years becomes weak, because time weakens it. Life insurance, in the abstract, is based on the solid laws of life, and, so long as it is conducted honestly, time has no effect upon it whatever; and, when life companies fail, the cause may be traced to knavery or ignorance.

CANADIAN.

TORONTO, January 23rd, 1877.

INSURANCE.

AN INTERVIEW WITH A LIFE INSURANCE EXPERT. MR. JOHN G. HOLBROOKE, OF NEW YORK—THE GLOBE LIFE.

Desirous of ascertaining the bottom facts concerning the many vague and generally senseless rumors respecting the various life companies, the writer, at a recent visit to the neighboring metropolis, sought out several of the representative life underwriters of the city, whose reputation for candor and ability equally entitle their opinions to weight, and directing their attention to the wide-spread alarm about life companies in general, elicited a retrospect, and prospect of the business, which, could it be individually imparted to the hundred and thousands of assured, would almost universally allay their fears, and induce them to cling with never so great tenacity to their policies of insurance. Among those whose experience has eminently qualified to pronounce judgment in the premises, Mr. J. G. Holbrooke was sought, and a very clear analysis of the situation obtained from this gentleman, showing from the commercial and practical standpoint (the only one from which a life company's solvency should be judged), the strong intrenched positions of companies, their wonderful inherent recuperative power, and, if undisturbed by unwise and arbitrary authority, their undoubted ability to pull through the storm which lowers over all business, to the fulfilment of every trust committed to their charge.

Said Mr. Holbrook, there are periods of commercial depression when securities usually viewed as gilt-edged, in common with all property, suffer great temporary depreciation. Many of these, thrown in the market at a time when buyers are skeptic of everything except convertibles in hand, and submitted to forced sales would realize only the smaller part of their real worth, which, if retained until trade recovered from its abnormal condition, would bring their face, or more.

There are times, said he, when an arbitrary and artificial standard of valuation, applied to the strongest life insurance or other corporations would discover a technical insolvency. Companies whose management has evinced the utmost wisdom and prudence, were cited by him as examples, which if not cut off from their usefulness by the guillotine of uncommercial arbitrary measures of valuation, will in a brief period vindicate their solvency.

But, said the gentleman, with increased warmth, if these companies are to be sold out now, under the hammer of the auctioneer, to satisfy the senseless ritual of the law, let policy holders anticipate the worst, and the utilitarian prepare his tears, for it will wreak the most cruel martyrdom to tyranny, under the guise of law, that the commercial world has ever known, entailing disappointments and suffering to thousands who else would reap the blessings which life insurances so wisely and widely extends.

Mr. Holbrooke from his intimate connection with Insurance Companies both in the Old World and in the United States frequently abroad, and in constant communication with the foremost underwriters, both fire and life, has probably as clear an insight into the inside workings of Life Insurance Companies in New York as any one in that city, and his words are entitled to the most profound consideration.

Speaking of the Globe Mutual Life, located at 315 Broadway, New York, Mr. Holbrooke expressed the utmost satisfaction with its condition. There is probably no company, said he, in the United States which has so large a proportion of its assets in readily convertible securities as the Globe, having more than one million five hundred thousand dollars invested

in United States and New York bonds. It owes no expensive offices, purchased during war times at inflated prices and carried along at the old valuations, nor any real estate, save that bought in under mortgage foreclosure sale. It has no heavy lines of endowment of policies maturing in the immediate future. The company, by a wisdom which suggests the presence in its councils of its able and shrewd President, Mr. Pliny Freeman, well-known in Europe, as in this country, as a political economist and writer of great attainments, anticipated the storm which has swept in such fury over the country, taking in sail, and preparing the company for the stress of the present period by largely discounting its shorter term endowments, and reducing to the lowest minimum its early maturing obligations.

The company is conducted on a purely cash basis, and all its assets indicate actual dollars and cents.

The closeness with which these are kept in hand, is indicated by the fact that its deferred and uncollected premiums, which occupy so unenviable a proportion of the assets of some companies only amount to 34 per cent. of its entire net assets.

Although not commencing business until 1864, the progress and success of the Globe is shown by its having acquired assets to the amount of nearly five millions of dollars, with a large surplus over all liabilities. The small sum embraced under the head of "premium notes"—held by the Globe—Mr. Holbrooke particularly dwelt upon as an element of strength in the Company's assets, amounting to only thirty-three thousand dollars, taken mostly in the re-insurance of the risks of the Merchants Life Insurance Company.

At no period of its history has the Company had so small an amount of overdue and unpaid interest as the present, having exercised the utmost care as to the valuation of its real estate securities, and allowing for the present depreciation in the value of real estate, they can at any time realize in cash the full face of every mortgage held by them. The company are now awaiting the investigation of the Insurance Commissioner, which they in common with other sound companies desire at the earliest possible period, and, as the report of 1876 will clearly demonstrate, their business for the past year has been most satisfactory, showing a large increase both in available assets and volume of business.

Commencing business at a comparatively recent date, it has scrupulously avoided the errors that many of the older companies could not foresee in the early period of their history, and, from his intimate relations with the executive officers of the company, Mr. Holbrooke confidently predicts for the Globe Life, a brilliant future.

Commercial.

MONTREAL GENERAL MARKETS.

MONTREAL, Jan. 25th, 1877.

There is no change to note in the general aspect of business during the week, most firms being busy, preparing for spring trade. The daily reports of the numerous failures more especially from the west, are discouraging, and moreover in view of the superior advantages claimed by our sister city for tiding over the hard times. The money market is unchanged and stocks are weak.

ASHERS.—The receipts early in the week were very light and a few barrels First Pots sold as low as \$4.25 to \$4.30. The past two days receipts have been more liberal and sales of First Pots have been reported to some extent at \$4.35, the value at the close. Seconds and Thirds scarce and would sell readily at \$3.50 and \$2.50. In Pearls there is nothing doing and any quotation would be purely nominal. Receipts since 1st January only 60 brls, but stock is heavy and more than sufficient to supply demand for six months. The receipts for the year have been 624 brls Pots and 60 brls Pearls, the deliveries, 253 brls Pots and 3 brls Pearls, and the stock in store at six o'clock this