moved by an authorized statement, for the uncertainty gives a wide latitude to the imagination, and probably causes exaggerated reports to obtain some credence.

The Ottawa Government promises a Banking Bill that will be satisfactory both to the banks and Parliament. We doubt it, and still more that it will be satisfactory to the people; if, as generally believed, its main feature should make Government notes the unique currency of the country—thus threatening the future advent of an irredeemable currency, of which the value would constantly fluctuate from day to day.

—The Municipal Council of Hastings has granted a sum of money to establish a chair of mineralogy and agricultural chemistry in Albert College, at Bellville, and we are glad to learn that Mr. James T. Bell has been appointed its first occupant.

—The *Globe* states that the tenders for Canada Landed Credit forfeited stock came up to the market rate. The actual rate was about 43 on the amount paid up on each share, instead of 73, the market rate.

PROVINCIAL INSURANCE COMPANY.—The Manager and Assistant Manager of this Company are at loggerheads. The latter having preferred charges of mismanagement and incompetency against the former, the Board of Directors appointed a committee to inquire into the matter. Evidence was taken on both sides and the decision arrived at was to advise the belligerents to settle their little differences and attend to their work. It is stated that the Board, or some of its members, have expressed a willingness to give the Manager a pension of $1,200 a year if he will retire. This proposition has not, however, been accepted. However advantageous it might prove, its legality is very questionable. The salary is $2,400, and a bonus of 2¼ per cent. on profits, making the position of Manager of the Provincial Insurance Company worth at least $3,200 a year. This Company is certainly liberal to its Manager.

Communications.

LIFE INSURANCE.

To the Editor of the Monetary Times.

SIR,—In your issue of the 11th February is an article upon "The Crime of False Pretence in Life Insurance," taken from a Western journal, and immediately following it another, which furnishes a striking illustration of the first. A statement of figures is there given, attributed to Mr. Ramsay, of the Canada Life Insurance Company, to the effect that eight American life companies doing business here possess assets averaging only $8.44 for each $100 assured, while the Canada has $18.70 for every $100 assured.

I had previously seen a circular to the above effect, over the name of a newly-appointed agent of the Canada, and had attributed its publication and use in canvassing to his ignorance of the business; but when it appears in your journal as coming from Mr. Ramsay, it assumes quite a different character. That gentleman cannot but know that the statement, correct enough in its proper place, is to the last degree deceptive and false when placed before the public as a means of influencing business. * * * * *

The general public do not know, but every well-informed insurance agent must, that the soundness and strength of an insurance company cannot be determined by any comparison of its assets with the face of its policies, irrespective of the age and terms of those policies. A company having $10,000,000 assured on the ten-year endowment plan, and only $5,000,000 on the whole life plan, must show an amount of assets for each $100 very different from another company having the same amount insured, but on the whole life plan exclusively. Suppose each policy to have paid two premiums: the first company would then have to possess $12 of assets for each $100 assured, but the second company would be a much stronger one if it had only $3 for each $100 assured.

Another illustration, more applicable to the case. Suppose two life companies, each about twenty years in business. One of them may have assured pretty much the same amount from year to year from the first, thus making comparatively slow progress in increasing its business. From assuring an average of say $200,000 per annum during the first five years, it may have grown to an average of $400,000 during the last five years. The other company, from an annual average of $500,000, now averages say $40,000,000. It is manifest that the *new* and the *old* business on the books of the two companies respectively bear a very different relation to each other. No. 1 company will probably have received, and be required to account for, an average of ten premiums on each policy, while No. 2 will probably have received, on the average, only four or five. The policy-holders of No. 1 would be insecure with anything short of from $20 to $25 for each $100 assured, while those of No. 2 would be quite safe with from $6 to $8.

As an instance of slow growth, and necessarily large assets ($17) for each $100 insured, take the "State," of Worcester, Mass., which has spent twenty-two years in getting $5,138,771 on its books; and as an instance of more energetic management, take the "Knickerbocker," of New York, which has consumed but fourteen years in assuring $44,270,805, and whose assets for each $100 assured are only about $6.50. And yet, unless the Massachusetts Commissioner greatly misleads the public, the "Knickerbocker's" assets are, proportionately to its liability, far greater than the "State's," being $114.22, while the "State's" assets figure at $107.75.

If I correctly understand the design of Mr. Ramsay's figures, he would have his agents and the public believe that in all the above cases each company ought to possess about the same amount of assets for each $100 assured; that the companies possessing the largest ratios are the best and safest, and that others should be avoided!

A word as to notes. Every one will admit that a note is a better security than a book account. How particularly Mr. Ramsay informs the public that "*more* than one-tenth" of a certain company's assets are in notes; and how blank is the space opposite his own company's name, though it has a large amount loaned in the same manner, but devoid of the security and accuracy afforded by a premium note. It is singular how people with beams in their eyes can so clearly discover motes in the eyes of their neighbors.

No figures can be presented to the public giving a single view of the respective companies, that will afford a perfectly accurate test of their good standing. The table presented on page 88 of the last Massachusetts Report, however, furnishes the best index procurable. All of the eight companies whose names Mr. Ramsay uses so freely, submit their affairs *annually* to an official valuation by the Massachusetts Insurance Commissioner, and the result is obtainable at a trifling cost. The table above alluded to shows the nett assets and the nett liabilities, and gives the ratios of the one to the other for each company during 1865, 1866, and 1867. If the Canada Life would submit its accounts, in like manner, to an official *annual valuation*, the public could get a better idea of its standing than by the ridiculous exhibition it makes of "assets for each $100 insured." What is the proportion of its *present* assets to its *present* liablilities? The last report of the Canada only showed its liabilities, as valued by some private individual employed by the company, as they stood four years ago!

The following table is from page 88 of the Massachusetts Report, and shows the standing, exclusive of capital stock, of the eight American companies referred to, on the 1st of January, 1868:—

Companies.	Ratio of Assets for each $100 of present liability. 1865.	1866.	1867.
Ætna	$118 86	$120 97	$122 73
Atlantic	......	129 64	99 64
Connecticut	144 30	145 03	141 96
Equitable	100 98	114 22	105 63
New York	125 28	129 65	115 09
Phœnix	117 38	120 27	122 80
Travellers'	......	149 86	123 76
Union	124 44	121 67	121 01

The Atlantic, being a new company, appears a little below par in the above comparison; but it possesses a large guarantee capital, making its ratio, with capital, $169.58. The ratios of some of the other companies would be affected slightly by including their capital stock, but a really solvent company can always retire its capital unimpaired. The Connecticut, the Phœnix, and the Union appear to better advantage than they would had they made dividends earlier than four years from the date of their policies, as all the others have done. The main point, however, is, that by an independent governmental investigation, all are shown to have large balances on the right side of the ledger. Can Mr. Ramsay furnish any figures corresponding to the above for these or any other years?

As to low rates, of which a special point is made, all insurance men know that when a company lowers its rates, it correspondingly lowers its security, and renders its ultimate solvency more or less doubtful. To adopt rates about 20 per cent lower than either the oldest and strongest, or the youngest and most reckless of English or American companies presume to venture upon, is left to the Canada alone! It would be fairly entitled to the glory were its capital adequate to the risk; but where institutions with millions of surplus funds and wide experience stand back, it is to be regretted that any ordinary set of capitalists should make Canada the exclusive field in which to try so hazardous an experiment.

I enclose my card, Mr. Editor, and remain

Truly yours,

W.

Montreal, Feb. 27, 1869.

REDUCED RATES AND OVER INSURANCE.

Editor of the Canadian Monetary Times.

DEAR SIR.—An "Agent" in one of your recent numbers complains that some Companies are cutting down fire rates and that the tariff is a dead letter. I am glad to say it is, for it was full of errors, and was only valuable as to giving the construction and locality of buildings. Now, as to rates; I am convinced that it is not always the highest rate that pays a company the best, but the care displayed by an Agent in the selection of risks, is much more important; first, by ascertaining the character and standing of the party owning or occupying the property; next, that of those by whom the property is endangered, and by carefully explaining to the person that he can only insure two-thirds of the actual value; he being his own insurer for the other one-third. I am aware that this is often not done, as I have frequently been told "such a company will take any amount I will give them." The reply is a very simple one, "they may take your premium, but would not pay you more than your loss or two-thirds of the value." For instance, if the