

to deal direct with its New York office, the American companies could not object. The American laws permit any good foreign company to do business after depositing \$200,000 in any State.

The critic says that "Mr. McClintock has recently admitted that the larger the cash surrender value attaching to their more recent policies the smaller will be the cash bonus that any assured can expect to receive." The words are not my words, but the fact is that with policies which at the end of a 15-year or 20-year period are entitled to a surrender value of the entire reserve and the accumulated surplus, ordinarily known as "deferred dividend policies," the larger the reserve the smaller must be the surplus, other things being equal. If the total fund pertaining to each of two policies is £700 and one policy has a "reserve" or "guaranteed value" of £550 against £500 held as "reserve" on the other it will have £150 of "surplus" against £200 on the other. This not very abstruse bit of arithmetic is the sole basis of my "admission."

Finally, your correspondent thinks it "too difficult to believe" that "the company is at this moment in many respects in a better position to declare larger bonuses than it has ever been." May I not quote on this point from a great speech made on the 22nd of May in New York by Mr. Hughes, the chief investigator of the New York Legislative Committee, under whose "probing" the shortcomings lately discovered were brought to light? "I have been told," said Mr. Hughes, "by men who know, men interested in these companies of which I have spoken, that under the limitations which have been imposed, and which they believe to be wise, these companies will show results in the next two or three years which will be most gratifying to the public as a whole and to their policy-holders in particular. . . . We have had great companies exposed to close and unsparing analysis, only to find that their solidity was as the rock of Gibraltar."—

Yours, etc.,

EMORY MCCLINTOCK.

Mutual Life Ins. Co. of New
York, 17, Cornhill, June 18.

TORONTO CUSTOMS RECEIPTS.

Toronto, June 30.—To-day ended the fiscal year at the customs house. The total receipts since the 1st of July, 1905, have been \$9,735,000, showing an increase of \$140,608 over the previous year. The number of entries has been 141,700 for the year, as against 134,661 in the previous twelve months. During the past decade the custom house returns have almost trebled. Toronto has become the great distributing centre for Ontario and the Northwest.

GAIN AND LOSS EXHIBIT OF LIFE COMPANIES.

The report of the Commission to recodify the insurance laws of Massachusetts, is gaining widespread approval among experienced insurance men, and among those who have long labored for reform in the business, as well as among those managers who are simply thankful for treatment which is considerate. It is safe to say that the report is not simply an echo of the wishes of great corporations whose censure the Commission did not wish to incur, as I think the following quotation from "Practical Politics" of Saturday, June 23, is one indication. The paper is published in Boston, and is largely devoted to furnishing news items regarding legislation, civic, state, and national, and probably depends for support considerably on the patronage of corporations.

The quotation relates to the report of the Commission in favour of the use of the Gain and Loss Exhibit, which is in my judgment one of the most important recommendations of the Commission.

"Practical Politics" says, "The proposition that companies be required to furnish gain and loss exhibits was also anticipated, but as a matter of fact if this exhibit is to be presented at the time of filling the annual statement, it will not go for much, since it will be nothing but a series of estimates. It takes both time and much trouble to gather the material and as a matter of fact, no reliable gain and loss exhibit can be presented by a company of any size much under six months from the end of the previous year."

The following is what the Commissioners themselves say:

"In recommending as part of such annual statement a 'gain and loss exhibit,' so-called—that is, a statement of the profits and losses upon the year's business, together with the sources of such profits and losses—we have not been unmindful of the seriousness of the objection most often raised to the furnishing of such a statement, namely, that it provides unscrupulous insurance agents with a means of unfair comparison of rival companies by reason of the ease with which they can compare, to the seeming advantage of their own companies, items which are essentially unlike. But we believe the advantages to be gained from such an exhibit far outweigh the evils apprehended, and that such evils can be minimized by requiring such exhibits to be uniform, and in such detail as to prevent such unfair comparisons. To this end we recommend that the exhibit be required to be in such form as may be approved by the Insurance Commissioner."

THE CHRONICLE has certainly fairly reviewed the past action of the Royal Commission, and I hope may agree with me that one of the best conclusions which that Commission could reach, would be to