

satisfy all the losses sustained by the members of said association in such case, a just average shall be made, and the payment to be demanded by virtue of this policy shall be a dividend of said stock and contribution in proportion to the sum insured, agreeably to the tenor and true interest of the laws aforesaid."

The above quotation is from a cash system policy.

1. Is it not the insurer (policy-holder) that has to demand the amount of the policy?

2. In the above case, has the company to demand anything from the insurer?

3. Is not a cash system insurer, upon payment of the premium at the time of insuring, entirely exempt from any further liability, no matter what the standing of the company may be?

Yours, etc.,

A. F. SUTHERLAND.

### MUTUAL INSURANCE.

To the Editor of the Monetary Times:

SIR:—I have read with interest the article respecting Mutual Fire Insurance Companies, which appeared in your issue of September 27th, and find it has elicited a very long letter on the same subject published in the *Globe* of Saturday 13th Oct. As regards the raising of rates, I think that whatever means may be taken by stock companies, they cannot successfully make the movement alone. Whether Mutual Companies are carried on upon correct principles or not, they still exist and do a very large business, though not so popular as they once were; and it is impossible for proprietary companies to ignore their existence. It therefore appears to me that any attempt to obtain increased rates which does not include the co-operation of the mutual companies cannot be successful. Probably it would be better if possible to bring them under such stringent government regulations as would prevent them from indulging in the reckless freaks referred to by your correspondent. As to the dodge (for it is nothing else) adopted by some mutual companies to escape the payment of the deposit to Government, there can be no doubt. I have before me a circular of a brand-new Mutual, on which it is stated that the company will take risks for one year for eighty per cent. (80 p. c.) of stock rates in cash, and an undertaking or premium note for the remaining twenty (20) per cent.; and on three (3) year risks, for a cash payment of one third of stock rates; and that delightful institution called an "undertaking" for the remaining two thirds, which undertaking is of course, only to be assessed upon if needed. Is there a fool in the whole Dominion who cannot see that in this case an assessment must be needed, and can there be another fool in the country who cannot or will not see that a company carried on in this way must sooner or later come to grief? There we have a company without a cent of capital, taking risks for a smaller cash payment than any proprietary company, and by a subterfuge evading the requirements of the Act by which Mutual Companies doing business on the cash plan shall deposit with the Government one fourth of the cash premium.

The Ontario Act of 1873 gave Mutual Companies power to do a certain amount of business on the cash plan, in fact to a certain extent to do the business of a stock company. This, however, seems to have been thought unsafe, for by the Ontario Act of 1876, all Mutual Companies to be thereafter licensed, and doing such cash or really stock company business, were required to deposit with the Ontario Government one-fourth of their cash premiums received during the year. Mutual Companies previously incorporated had time given them to make this deposit, and companies doing a PURELY mutual

business were only required to pay for their license and make the annual returns named in the Act. It has not, however, required much ingenuity on the part of hard-up mutuals and adventurous promoters, the latter particularly, to find a way to evade all this, and the dodge has been adopted of collecting as much in cash as possible, and taking a premium note for the balance. The result is that we have a new batch of Mutuals cropping up, whose sole principle seems to be, to grab as much money as they can humbug their dupes into paying, utterly careless whether the sum they receive is an adequate equivalent for the risk or not. If they cannot collect (80 p. c.) eighty per cent. of stock rates in cash they will take 70 or 60 per cent., BUT always a premium note for the balance. By this means they are treated as if they were purely mutual companies, and thus evade the payment to Government, which was evidently intended as a safe-guard and security for the insured. There are mutual companies which have honestly and faithfully endeavored to carry out the mutual principle in its integrity, but their efforts have been thwarted by the attractions offered by such companies as are referred to above, and which are neither mutual nor stock, but might be better described by the term used in the United States: "*Wild Cat Companies*." I see that the writer of the letter in the *Globe* makes a strong point against mutuals, as to the amount of security they offer, compared with stock companies. If his statements are correct, they are certainly very damaging to mutuals. I have not looked into this matter very carefully, but from a hasty examination of the returns furnished to the Government, I am forced to think that his statement is not overdrawn.

**FIRE RECORD.**—Quebec, 22nd. Oct.—The residence of Mr. Dawson, Ursule St., was damaged by fire to the extent of \$700.

Aylmer, 22nd. Oct.—The barn and contents of Chas. Kontze was consumed by fire last night. Loss about \$2,500 insurance \$400, supposed incendiary.

Montreal, 23rd. Oct.—Considerable damage was done to the furniture factory of Tees Bro's, by fire last night. Insured in Royal Canadian for \$2000 on machinery and stock, the building in Citizens for \$3000, on building in Western \$4000, Commercial Union for \$5000, on building stock and machinery, Canada Farmers on machinery and stock \$1,500, and \$2000 in Canada Fire and Marine on building.

Cobourg, Oct. 23.—The brick shed and barns of Mr. Pettigrew, together with 1,000 bush. of wheat and a quantity of other grain were destroyed by fire this a.m. Loss \$5,000, insured, but amount not known.

Fredericton, N.B., 22nd. A fire here destroyed eleven buildings. Loss about \$15,000 to 16,000. The following is a list of the insurance co's. interested: National \$1,600, Stadacona \$1,300, North British and Mercantile \$3,200, Provincial \$3,000.

Westmeath, Oct. 20th.—A block of workshops owned by George A. Tucker, and F. McEwans, and occupied by G. S. Tucker, D. McKenzie, T. McEwan, T. Smith, and Geo. Leach were consumed by fire. Loss about \$1,500, not insured.

Milford Oct. 17th.—The Dominion House with driving sheds and contents Dodge's grocery shop, and Curries bake house, and blacksmith shop were destroyed by fire this a. m. \$2 600 insurance on hotel, other buildings not insured.

Barrie Oct. 17th.—A fire supposed to be the work of an incendiary, destroyed a frame house occupied by W. Hayes butcher and owned by G Hayter.

Parkhill Oct. 17th.—Twenty tons of flax stored in William Hastings barn and owned by

the Shantz Bros were consumed by fire neither barn or flax insured. Loss about \$1,300.

The citizens of St. John, N. B., are again sufferers by a fire which on Sunday last, destroyed about 230 houses in Portland, a suburb of that city. The following is said to be a correct list of Insurance losses: Provincial, \$8,100; Lancashire, \$3,000; Northern, \$6,600; North British and Mercantile, \$5,900; Queens, \$16,200; Citizens, \$7,650; Royal Canadian, \$600; Canada Fire and Marine, \$7,050; Aetna, \$3,000; Hartford \$3,200; Imperial, \$6,900; British America, \$500; Farmers' & Isolated Risk, \$900; Western \$200; National, \$500; Guardian, \$4000; Central, \$2,600.

### Commercial.

#### MONTREAL MARKETS.

(From our own Correspondent.)

Montreal, 23rd. October, 1877.

It is expected that the present cold "snap" will help the demand for heavy dry goods, which has not been particularly active lately. The boot and shoe trade will also benefit by it. Business for the season has on the whole been very fair, and prices in almost all branches favor holders. At this advanced season of the year when large additions to stocks can hardly be looked for, present prices are likely to be maintained if not advanced. Tonnage is plentiful and rates a little lower than last week; ships are now very busy getting in cargoes in order to clear before the 1st of November, and there has been a good demand for grain and flour for shipping purposes.

**ASHES.**—The market has been dull, demand having fallen off, and prices for past week have been in favor of buyers. Pots firsts were selling in the early part of the week at \$3.87½ to 3.92½; moving at \$3.80 to 3.90; seconds \$3.30 Thirds \$2.75. Pearls have also suffered a decline. Firsts are in large supply and are selling at \$4.35 to 4.40; inferiors are nominal. Stocks at present in store are pots 2451 brls, pearls 947 brls.

**BOOTS AND SHOES.**—Business has been fair for the season and manufacturers are well employed filling orders on hand. Some activity is anticipated with the approach of cold weather, prices of all kind are firm but without material change. We quote Men's kip boots \$2.50 to 3.00; ditto French calf \$3.25 to 4.00; do. buff congress \$1.75 to 2.25; do. split brogans \$1.00 to 1.25; Boys split brogans 95c to \$1.00; do. buff and pebbled congress \$1.35 to 1.60; Womens' buff and pebbled balmorals \$1.15 to 1.60; do. Prunella bals. 75c to \$1.75; do. prunella congress, 63c to \$1.50; Misses buff and pebbled bals. 75c. to 1.40; children's ditto. 65c. to \$1.00.

**CATTLE.**—The market has been moderately well supplied this week and prices was if anything in Drovers favor as compared with this day week ranging from \$3.00 to 4.50; for 100 lbs. Hogs were in abundant supply and sold from \$4.25 to 5.00; some owners however are holding back in expectation of higher prices.

**DRY GOODS.**—We cannot report much activity in this trade, but business is improving a little owing to the approach of the close of navigation, although the fine weather has checked to some extent the demand for heavy goods. In clothing there has not been much doing. The general stock of dry goods are not by any means heavy, but sufficient for all present and prospective demands. There has been some improvement in remittances.

**DRUGS AND CHEMICALS.**—There is no particular demand for articles in this line, still a