

## ANOTHER ACTUARIAL CONGRESS.

The Congress of Actuaries held in Brussels in 1895, attended by European, American and Australian representatives, was an event of more than usual interest. And its deliberations were regarded by financial and professional men so highly that the sale of the volume in which they were recorded has exhausted the edition, rendering a new edition desirable and likely. We now learn that a second International Congress of Actuaries is to be held in London, on May 16th-20th of this year, and that it is likely to be attended by actuaries from all over the world—members of the Institute of Actuaries, London; of the Faculty of Actuaries, Scotland; of the Actuarial Society of America and actuarial institutions in other countries. Not these alone, but government actuaries and statisticians of the council of the Royal Statistical Society, and distinguished men in the scientific world are expected to be present.

The secretary, Mr. Israel C. Pierson, of New York, is able to make an announcement of an uncommon kind respecting this gathering. Among the vice-presidents will be two members of the British Cabinet, one each from France, Germany, Belgium, Austria and Spain, the prime minister of Holland, Lord Rosebery, Sir John Lubbock and, probably, Mr. John Hay, United States Ambassador. Nor will life assurance alone be discussed. The circular describing the affair tells us that there will be papers and discussions on many scientific and practical questions "which will be of great value to all who are interested in the actuarial side of life insurance in the broadest as well as the mere technical sense." The proceedings, papers and discussions will be published after the congress in one volume.

## AN ASSESSMENT COLLAPSE.

The danger of relying upon cheap methods of life insurance has received illustration lately in what examination made known of the affairs of a co-operative concern called the United Life Insurance Association, which began business twelve years ago, the organizer of it being Mortimer A. Frisbie and the president ex-sheriff Peter Bowe, headquarters New York. It had issued some 12,500 certificates, and by the New York Insurance Report of 1896 owed \$106,000 in "contingent mortuary liabilities." In the month of August, 1896, it went into the hands of Bernard S. McKean, receiver, owing \$188,000 in death claims. Its assets consisted of furniture and cash, aggregating \$1,084. In going over the books, however, the receiver found that the assessments had been consistently "pinched"—that is, the policy-holders were required to pay less than the claims they were assessed to pay really called for. The purpose of this probably was to keep the policy-holders in good humor and under the impression that they were getting cheap insurance, with the hope that the deficiency might be made up after a time by a rush of premiums and a decline in death rate.

An actuary was engaged to tell each policy-holder the difference between what he was required to pay and what he ought to have been asked to pay. These differences vary in amount from 12 cents to \$1,000. Many of them run well up into the hundreds. So on Friday last, according to the *New York Times*, notices were sent out to some 4,800 holders of policies, asking them, under authority of a judge's order, to make good the deficiencies in their payments within thirty days. Mr. McKean thinks he will collect about 50 per cent. of the claims, and will thus be enabled to pay a fairly good dividend to the heirs of deceased policy-holders, whose claims are 57 in number, ranging from \$1,000 to \$10,000 each.

## NEW WESTMINSTER BOARD OF TRADE.

On Wednesday, 16th February, the New Westminster Board of Trade held its annual meeting, Judge Bole, president, in the chair. There had been four general meetings and sixteen council meetings during the year, and the membership is now 73. After a discussion of the views of the lumbermen's meeting, D. Robson moved, D. S. Curtis seconded, and there was carried *nem. con.*, a resolution that in view of the United States tariff on lumber and shingles "the Dominion Government ought to provide a remedy by which the lumber industry of British Columbia may be relieved from the disabilities under which it exists, and which threaten to retard its operations." A committee of three was appointed to look into the matter of obtaining better postal and telegraphic service, and another to look after improvement of navigation on the Fraser River. General meetings of the board are to be held in future, on the third Wednesday of each month.

The election of officers was then proceeded with, and resulted as follows:

President.—G. D. Brymner.

Vice-president.—Judge Bole.

Secretary-treasurer.—D. Robson.

Members of Council.—Jas. Cunningham, T. J. Trapp, R. F.

Anderson, J. G. Scott, Jno. Peck, M. Sinclair, D. J. Munn, L. A. Lewis, Jas. Johnson, J. E. Phillips, G. W. Booth, T. S. Annandale, Jno. McNab, J. W. Creighton and D. S. Curtis.

Board of Arbitration.—Jno. Hendry, Geo. Kennedy, Peter Grant and Jos. Reichenbach.

## TORONTO FINANCIAL CORPORATION.

The recent difficulties of the Toronto Financial Corporation reveal grave errors in the law regulating loan companies. This unfortunate concern was incorporated by an Act of the Ontario Legislature in 1873. For twenty years the charter had remained dormant, and was revived only in the autumn of 1893. The conditions of finance had altered in a marked degree during the period that had elapsed between the granting of the charter and its application to business; the policy of legislation had changed to meet the new circumstances, and had gradually grown more restrictive. The original idea appears to have been that the Toronto Financial Corporation should carry on a brokerage business. The objects of the company, as set forth in the Act of incorporation, are as follows:

"The company may acquire, hold and dispose of stocks, bonds, debentures and municipal securities, and the obligations of corporate companies and Government stocks or debentures, and may buy and sell debts secured by mortgage or pledge of freehold or leasehold lands, and may advance or loan money on such securities."

Mr. J. K. Kerr, who secured control of the charter in 1893, desired to use it for a special purpose, and in order to accomplish his end made application for an Order-in-Council altering the scope of the company's powers. Without any desire to imply that Mr. Kerr by any improper means secured from the Ontario administration the amendments which were necessary to carry out his designs, we think it needful to protest strongly against the use of Orders-in-Council in this way. They must always leave room for the suggestion that special favors are granted to privileged individuals, and tend to destroy the uniformity in provisions which is essential to a sound system of conducting loan companies. Important changes were made in the conditions of the original charter, as will be seen by a recital of the section above given in its amended form explaining the objects of the company. It was made to read as follows:—

"The company may acquire, hold, and dispose of stocks, bonds, debentures and municipal securities, and the obligations of corporate companies, and Government stocks or debentures, and may buy and sell debts secured by mortgage or pledge of freehold or leasehold lands, or other real or personal securities or obligations, and may advance or lend money on such securities or obligations." The company was enabled to advance money by way of loan or otherwise for such periods as it deemed expedient, on the security of real estate or on the public securities of Canada or of the provinces, or of school debentures, and to acquire by purchase any security upon which it is authorized to lend. Such real estate as was "necessary for the transaction of its business," not to exceed a yearly value of \$20,000, could be held for a period of seven years before sale or forfeiture. The capital stock authorized was raised from \$200,000 to \$2,000,000, and the company had authority to receive deposits.

The first work of the Toronto Financial Corporation in its rejuvenated form was to acquire the real estate of Mr. J. K. Kerr, and this appears to have been the main reason for the company's career as commenced in 1893. Mr. Kerr valued his holdings of land at \$349,000 over and above the encumbrances. From this amount \$104,000 was deducted and upon this basis Mr. Kerr's real estate became the property of the corporation of which he was president. This sum of \$245,000 was applied in the purchase of stock with the exception of \$55,000 which was placed to his credit in the books of the company. The amount to the credit of the president of the company was afterwards reduced to \$27,000 by a transaction in which Mr. Kerr took back West Toronto Junction real estate valued at \$28,000. The amount now standing to Mr. Kerr's credit is \$31,800.

It is unnecessary to discuss at length the steps which led to the failure of a company, the peculiar nature of whose assets we have indicated above. If real estate in Toronto and vicinity had increased in value, the company would have had fair chances of success. The books show the office management to have been honest and as capable as the circumstances in connection with the inception of the company permitted. The public never showed any great desire to deposit money with the corporation, although it opened a number of branch offices in Ontario, and early in the year 1897 began to display a marked lack of confidence in the company's ability to meet its obligations. This may be shown by an account of the deposits held in the different months of the year. They were as follows: