

in the past, when financial conditions are suitable. The basis of the whole business is the maintenance of the reputation and confidence which Canada has been fortunate enough to inspire among British investors. But discretion must be shown in selection of propositions that are suitable for the market, and, above all, care must be taken to see that the thing is not overdone.

Not Much Locally.

The proportion of capital available from local sources in Canada is slowly increasing from year to year, while the general wealth of the country is making rapid gain. Comparatively little permanent capital needed, however, is as yet supplied by Canadian investors. This factor will not have any important bearing upon Canadian borrowing in Britain for many years. Neither does Canada obtain many funds from the United States aside from industrial investments. The Americans are still large borrowers abroad, and consequently give little patronage to Canadian bonds.

On Mr. E. R. Wood's conservative optimism we can base a hope for the maintenance of good Canadian credit in Great Britain. "Nothing has occurred," he says, "to check the steady advance of settlement, the extension of the area of cultivation, or the proportionate development in transportation, and in general industry and commerce." Our waiting prairies and other farming areas still attract the industrious as our enterprises attract investors. Both have an assurance of adequate returns in the extent and character of our natural resources, the substantial nature of our general development, and the stability of our governmental institutions."

BITTEN BY UNLICENSED INSURANCE.

Interesting Story of Canadians Who Patronized Insurance, Cheap, Nasty and Unlicensed.

The troubles of Northern Ontario's people will undoubtedly be increased when those who carried insurance in unlicensed companies endeavor to obtain their money. A large amount of bad insurance was carried in the North, and the folly of this policy will be clearly defined during the next few months.

In February, The Monetary Times learned from one of its correspondents that a Mr. Frank W. Anthony, of New York, was busy writing policies in Canada. The Monetary Times warned its correspondent of the danger of unlicensed companies, and endeavored without success to commit Mr. Anthony to tell in writing something of his policies.

It appears that a Mr. E. M. Carroll, of Toronto, has proved a Canadian victim of Anthony's bucket shop fire mutual company. The story is told in part by the United States Review:—

Cash Premium Plunder.

Edward M. Carroll, manager of the Insurance Brokerage and Contracting Company, Limited, of Toronto, Canada, came to Philadelphia last week on a drifting chance of collecting a loss from two of the bucket shop fire insurance mutuals of Philadelphia that traffic in gold brick policies for cash premiums under the immunity of charters granted by the State of Pennsylvania. The fact is so notorious throughout the country that crews of small swindlers carry on a cash premium plunder under authority of Pennsylvania charters, with Philadelphia as the base of operations, that Mr. Carroll had a fairly clear idea of the case when he came here, but when he left, after spending a few hours of wasted time, he said the thing that most surprised him was that reputable fire insurance agencies would occupy offices in a building in which concerns of this type were rented space to carry on their schemes.

"Mr. Carroll brought with him two policies which had previously been sent to Philadelphia through the Girard National Bank with drafts attached and returned on May 8th, marked 'Payment refused.' On the back of one of the drafts was written the vague memorandum, 'Will wire.' Up to the time of his leaving Toronto Mr. Carroll had heard nothing of the 'wire.' A judgment against the company and pending litigation was given as the explanation of the refusal to pay the other draft.

"The two policies were issued on June 15th, 1910, to Hugh A. McNeill, and subsequently assigned to Anna M.

McNeill, on an opera house at Elk Lake, Ontario, and were the product of noisy circulars with which Frank Anthony, of 44 Court Street, Brooklyn, flooded the upper part of Canada a year ago, as well as some remote parts of the United States, offering 25 per cent. brokerage to any fire insurance agents for business which they had difficulty in placing on account of tariff rates or for any other reason.

"At the time these circulars were sent out a Toronto agent of reliable standing offered the Brooklyn man a fictitious risk that no map gave any trace of, to see what would happen. With breathless haste policies covering the phantom risk for \$10,000 were hurried back for delivery through the Traders Bank of Toronto, with sight drafts attached for the premium of \$650, the agent being notified by letter that it was necessary to make a C.O.D. collection on account of the cash needed for reinsurance, and authorizing him to retain one-fourth of the amount as commission. It is needless to say that the commission was not availed of.

Caught by an Anthony Circular.

"The policies represented by Mr. Carroll were fruits of the circularizing campaign of Anthony, of Brooklyn, and were placed by Anthony through H. C. Harvey, an agent of Elk Lake, Ontario, on the McNeill Opera House, a bona-fide risk, which burned last February with a total loss. One of the policies was in the Integrity Mutual Fire Insurance Company of Philadelphia for \$1,500 on building, and the other was in the Columbia Mutual Fire Insurance Company of Philadelphia for \$1,650 on contents.

"To this queer underwriting outfit in Philadelphia, assuming fire risks in remote parts of the United States and Canada under authority of charters granted by the State of Pennsylvania, notice of the fire loss under the McNeill policies at Elk Lake, Ontario, was duly sent, together with the fact that the firm of Stimson, Ring & Company, adjusters, of Toronto, represented the assured, and inquiring whether the companies were willing for them to act on their behalf. Word was sent back for the adjusters to go ahead, and in due time proofs of loss were forwarded."

No Sympathy for These.

Little sympathy can be offered Mr. Carroll for his patronage of such doubtful underwriting agencies. It would be interesting also to hear from the Toronto agents of the much discussed Frank Anthony.

Finally there comes news that the state insurance department of Pennsylvania has descended upon the Manhattan Life Insurance Building at Fourth and Walnut Streets, New York, where Anthony and his colleagues were housed. Anthony himself is under \$4,000 bail for trial.

The Bucket Shop Mutuals.

The concerns which were brought to light as frauds have the following titles: The Integrity Mutual Fire Insurance Company, the Columbia Mutual Fire Insurance Company, the Loyal Mutual Fire Insurance Company, the Fairmount Mutual Fire Insurance Company, the Colonial Mutual Fire Insurance Company, the Imperial Mutual Fire Insurance Company, the Metropolitan Mutual Fire Insurance Company, the Mercantile Mutual Fire Insurance Company, the Peoples Mutual Fire Insurance Company, the George Washington Mutual Fire Insurance Company, the Northern Underwriters Insurance Company, the Merchants Fire Underwriters Insurance Company, the Royal Fire Underwriters Insurance Company, and the Etna Fire and Marine Insurance Company of Delaware.

While the State insurance officials in the neighboring country are weeding out these pests in the underwriting field, Canada permits unlicensed insurance to flourish from coast to coast.

Every province in the Dominion will have a composite exhibit of its resources at the Canadian National Exhibition, Toronto, this year.

A proud record is that of the Sun Fire office of London, which is more than two hundred years in business. Besides its consistently honorable and liberal character in dealing with policy-holders, the Sun has always been an exemplar of care and conservatism in fire underwriting, and has built up a vast business.

In the year 1910 the fire premiums amounted to \$7,355,985, and the surplus on the year's business is the highest in the company's history. Losses were low, amounting to only \$3,273,555, equal to 44.5 per cent. of the premiums. Expenses of management and commissions absorbed \$2,708,040 or 36.8 per cent., both ratios being lower than the year 1909. These disbursements and the allowance of 40 per cent. reserve for unexpired risks leave a trading surplus for the year of \$1,387,860. With interest receipts of \$330,595, a total of \$1,727,455 is transferred to the profit and loss account from the fire account.