

LIMITED LIABILITY.

AN article in the September number of the *London Bankers' Magazine* shows the extent to which the banks of England and Wales have begun to take advantage of late of the limited liability principle. It was the failure of the City of Glasgow Bank and West of England and South Wales District Banks a few years ago that gave an impetus to the movement, although it had been noticed that there was a tendency toward the new arrangement even before that time. It will be remembered that the circumstances, accompanying the collapse of the institution first mentioned, were widely commented upon here at the time; and that a great many of the unfortunate stockholders were completely ruined by the assessments levied upon them to make good the liabilities of the bank. The particular hardship lay in the fact that a small stockholder was liable for the total debt of the bank, in case that the larger ones were unable to meet the assessments. However, the change toward limited liability has been steady since that time. In 1878 there were only 48 limited liability banks in England and Wales, but there are now 92, and two other large banks are about to become limited. Including these two, there are now only 23 unlimited banks in the country, and the majority of these are small. There was considerable opposition to the alteration on the part of old-fashioned bankers, and on account of the prejudice against deviating from the well-established principles under which the business had generally flourished for a long time. But this conservative spirit had in time to yield to the desires of the shareholders. One effect of the change has been the strengthening of the capital and reserves of the banks, which, after the two banks mentioned have adopted the system, will be about \$50,000,000 greater than it was three or four years ago.

LITIGIOUS INSURANCE COMPANIES.

WE give in another column details of a most extraordinary attempt to resist payment of a life policy. The case went into Court, and the defendant Company was defeated. The papers describe this Company indifferently as the New York Life Insurance Co. and the New York Mutual Life Insurance Co. We are not at all aware whether this is the Company of the same name whose Canadian licence expired in March, 1878; so far as relates to new business, but which is still in existence in Canada, with head-quarters in this city, and which duly reports annually at Ottawa, as required by law. At all events, like that, it is an American Co., having New York for its head-quarters. Nor, so far as our present object is concerned, are its real name and style material. It is what we regard as a deficiency in the official report, just issued in detail, of the Government Superintendent of Insurance, which has called up the subject now. The report in question is very elaborate, and it is evident that no pains have been spared

to make it perfect, so far as it goes. We have in all instances the most ample statistics—assets and liabilities, income and disbursements, number of policies issued, amount paid on account of policies, &c. All this is very necessary and useful, and has been, as before remarked, thoroughly well done in the Report. We would, however, suggest for consideration that in future other items be added. Let us have a statement showing how many policies have been refused payment, and why, and a chart of the progress of litigious resistance in the various Courts, and the final result when reached. As we had occasion some time ago to show, some of the Life Insurance Companies actually live on the policy of resistance to honest claims. These vampires select their victims with caution, knowing well that the financial resources of the latter are totally inadequate to a prolonged litigation with a wealthy and unscrupulous corporation. As a general rule, when the prey is so ill-advised as to make fight, it does not last long, and an inequitable surrender soon follows. Now and then a case of this kind gets into the Courts, and thence before the public through the newspaper reports, and more or less evanescent public indignation is excited. But where one instance of such oppression becomes known scores are quietly compromised, and the number of victims is legion. A simple and efficacious way to stop this kind of rascality would be, we think, such as suggested above. The annual official report would soon be generally studied by contemplating insurers, and the blood-sucking companies would at once grow chary of being gibbeted in black and white in an official report the truth of which there could be no possibility of gainsaying. We leave the idea for the consideration of the able and accomplished Superintendent, and should like to have his opinion on it.

A LIFE INSURANCE CAUSE
CELEBRE.

ANOTHER remarkable impersonation case, worthy of taking rank with the TICHBORNE and other *causes célèbres* of like kind, was exposed a few days ago in St. Louis. The impostor in this instance called himself WILLIAM WAEKERLE, and he was offered as the principal witness in a defence set up by the New York Life Insurance Co. (otherwise the New York Mutual Life Insurance Co.). The plaintiff represented herself as Mrs. WALBINGER WAEKERLE, who asserts that her husband WILLIAM was killed by a railway accident ten years ago, having previously insured his life for a considerable amount in the Company above named. Payment of the policy was resisted on the ground that the insured was not dead at all, and the defence put the before-named putative WILLIAM in the witness-box as being himself the alleged dead man! One witness only was brought to testify to the identity of this mock WILLIAM as the long-lost husband, but there was overwhelming testimony that he was an im-

pudent impostor. Nothing could be clearer than that the defence was a transparent fraud, and there was no difficulty in bringing in a verdict for the plaintiff for nearly \$7,000. The spurious WILLIAM did not even know how many children his alleged wife had borne, their sex, whether alive or dead, &c.! We read but too often of glaringly iniquitous resistances on the part of insurance companies to pay just claims, and how, to avoid doing so, they drag the poor and weary claimant from one Court to another. But of all the barefaced rascalities in this line the above case, if fairly reported, immeasurably bears away the palm above all infamous competitors. And perhaps the worst feature of all, among its many brazen ones, is that though perjury, conspiracy, and fraud are conspicuously manifest the hand of justice is not likely to be outstretched in punishment of any of these despicable offenders.

STATE RAILWAYS.

FRANCE and Germany keep moving steadily in the direction of acquiring each the entire railway system of the respective countries and bringing them under Government control. A similar acquisition on the part of the United Kingdom is now being discussed in the English papers also, and some of the statistics given are of much interest. As a technical journal puts it, the figures given are worth the consideration of those who believe that the purchase of the railways would be a step of no greater importance than the purchase of the telegraphs, and that the advantage to the public would be inconceivable. In the first place we learn that out of the £728,000,000 of railway capital existing at the end of 1880, £182,000,000 has been raised by loans and debenture stock, and £276,000,000 by guaranteed or preferential capital. This leaves only £270,000,000 of ordinary capital—a consideration of no little importance in attempting a practical view of the question. On the whole capital of 728 millions the interest divided amounted to 4.38 per cent. This, then, is the value of the property to be acquired by the nation in order to carry the plan of purchase. From the same source we learn that if converted into 3 per cent. stock, this would represent an amount of 1,062 millions sterling; and the annual interest for which the State would thus become responsible would be nearly 50 per cent. more than that now paid on the National Debt! But this is allowing nothing to the shareholders for compulsory purchase—a feature of some importance in the case. Again, out of the 458 millions of loan, debenture, preference, and guarantee capital, very little more than thirteen millions now pays less than 3 per cent. interest. The bulk of the remainder receives between 3 and 5 per cent., and small sums run up to as much as 10 and even 15 per cent. It is thus evident that the Government would require more than the present net earnings of 32 millions to save themselves from loss by the transaction; probably considerably