notion of justice and authority. We cannot proceed in this matter by the square and the rule. Every case will have to be taken on its own merits, for in no other way can justice be done.

LIFE INSURANCE ASSETS.

In judging of the soundness or prosperity of a life insurance company, too close attention cannot be paid to the character and position of its assets. Correct interest calculations, reliable tables of mortality, and hosts of policyholders, will not, together, give success, unless the assets are kept well in hand—prudently husbanded, and safely invested in sound securities. In the case of companies making the very full and explicit returns required by the New York and Massachusetts Insurance Departments, a very good opportunity is afforded for scrutinizing companies from this, as well as every other stand-point. Those who examine the annual reports made by the heads of these departments, will notice that some companies, who make an excellent showing in the gross—whose assets exceed their liabilities by a handsome surplus—do not appear to nearly so good advantage when the items that make up the assets are taken separately and subjected to the crucible of intelligent criticism.

For instance, the item of "premiums in hands of agents and in course of collection," figures altogether too prominently in the returns of a number of the American companies. This item comes, properly enough, under the head of assets, because the companies charge themselves with the reserves for the policies to which these premiums relate as if they had actually been received. But such assets are unrealized, and to them many contingencies and uncertainties appertain. Still, it is not so much the quality as the quantity of this kind of assets that is open to objection, and calculated to give rise to suspicion. Let us take a case for illustration—we select a company which is not represented in this country. The St. Louis Mutual Life is a prosperous life corporation of the better class, with about fifty millions of insurances in force. This Company collected premiums in cash in 1869 to the amount of $1,157,507; while under the head of "office premiums and premiums in hands of agents and in course of collection," the sum of $583,514 is taken credit for among the assets, being more than fifty per cent. of the year's premiums actually collected. But there is a further item in the assets of $217,473, returned as "deferred premiums." Adding these two items together, we have a total of premiums in anticipation amounting to 70 per cent. of the sum actually received. This is, to say the least, drawing rather heavily on what is contingent and probable. The laxity of this company's management may be rendered more apparent by contrast. The Mutual Life, with ten times the cash income of the St. Louis, had but $286,154 in the hands of agents at the end of the year—or only 2 per cent. as against 50 per cent.

As this point is one of some interest, we present the following table, compiled from the official returns of 1869, which includes all the American companies represented in Canada. The figures are:

Name of Company.	Prems rec'd in cash.	In hands of Agents.	Per cent.
Ætna of Hartford	$ 2,951,031	$441,127	15
Atlantic	236,635	91,879	39
Connecticut Mutual	5,318,721	408,570	07½
Equitable	5,769,294	400,343	07
Mutual of N. Y.	13,297,801	286,154	02
National of the U.S.	532,803	40,724	07½
New York	5,104,640	504,934	09¾
Phœnix	1,182,826	419,795	35½
Travellers'	680,279	119,003	17½
Union Mutual	601,763	258,434	42¾

To manage successfully an extended business carried on by the instrumentality of agents, is one of the most difficult of all financial feats. While this is the case the figures of two or three of the above companies indicate a looseness of management which is quite reprehensible. The cause of this state of things is easily understood. In the struggle for business, persons are induced to insure who are either unable or indisposed to incur the necessary expense, and the consequence is, that when the renewals come round, the agent has to treat these classes tenderly, and wait their tardy opportunity, or thier policies will go to swell the already too formidable aggregate of "lapsed and surrendered." We are believers in enterprise, and are admirers of an energetic persistency in pressing the high claims of life insurance; but when an agent incurs a bill—say a tailor's, and then induces the "knight of the shears" to accept an insurance receipt for his first premium in settlement of a doubtful account, we think this is carrying beneficence a little too far. Such modes of doing business serve only one purpose, that is to secure the agents' commission, but can never promote the interests of life insurance, or of any sound company that sells it. The loss of interest upon these uncollected premiums is a serious matter for the companies—some that we could name lose a good many thousands of dollars every year from this cause.

A further objection urged against allowing this, and other kinds of "unrealized assets" to fill so important a place in the companies' statements, is that they may be exaggerated and almost without the possibility of detection. In this way the gap between solvency and insolvency might easily be temporarily bridged over, or concealed from the public view.

In the November number of the *New York Underwriter*, an article appears, in which the "realized assets" of the companies are contrasted with their reserves, as charged by the New York Insurance Department. From a tabular statement in that article we extract the figures which represent the position of the companies doing business in Canada as viewed from that stand-point.§

Name of Co.	Gross Assets, including Capital Stock.	St'cks, B'nds, Mortgages & Cash Items.	Required Reserve on Am. table & 4½ p.c
Ætna	$13,237,458	$5,797,439	$ 9,902 174
Atlantic Mutual	597,794	324,499	452,532
Conn. Mutual	27,566,479	15,469,912	17,049,898
Equitable	10,510,824	9,315,715	9,009,978
National of U. S.	1,470,656	1,272,704	660,422
New York	13,424,924	11,293,256	10,585,338
Phœnix Mutual	4,998,313	1,956,307	3,410,233
Travellers'	1,330,309	1,146,755	498,111
Union Mutual	4,411,380	2,240,192	3,440,790

The *Underwriter* states the cash assets of 41 New York companies and 29 companies of other States as being $22,554,823 less than the required reserve, or re-insurance fund. Out of these 70 companies 35 show a deficit; it ought to be remembered, however, that this includes some of the old staunch mutuals, whose large hoards of premium notes are not taken into account, as they ought properly to be to some extent.

The danger of too great a preponderance of unrealized assets is one of the weak points which requires to be carefully guarded, especially in the case of young and ambitious companies, who are bound, at all hazards, to make a good show of assets in order to keep the field in the face of so many powerful old and wealthy rivals.

THE NOVEMBER BANK STATEMENT.

When the geologist examines a section of the earth's crust, which at one time lay under some primeval sea, he is able to say whether the waters over it were subject to tempests, or remained century by century unruffled by storms. In the latter case, the successive layers are placed with the utmost mechanical order, as though arranged artificially, and fossils are found perfect and entire, each end marked by its proper deposition of shells, leaves, fruits, &c., so that even a novice can discern the order in which strata has been piled upon strata, each in its own order, and each with its own special phenomena. When the conditions have been otherwise, all is confusion and disorder, and the story of each period is so mingled with others, that it is difficult to unravel the mystery of their progress. The student of our financial history, will have in the periodic Bank returns a complete key to the record, and each strata of progress will be shown by them, as though