

BANK OF OTTAWA.—This bank has had another good year, having earned about twelve and a half per cent. on its capital, which is doing even better than in 1884. The increase in volume of its business has not been great, loans and discounts being increased only from \$2,720,000 to \$2,790,000, but good fortune seems to have attended it in the matter of bad debts. \$25,000 in overdue loans and real estate on hand is a small sum for a bank with \$1,200,000 capital and rest and \$1,689,000 deposits, which creditable figures this bank has reached in its tenth year. After paying six per cent. dividend, \$50,000 has been carried to Rest and \$16,000 is left at Profit and Loss. Such results are not attained without effort and care on the part of the management. We do not wonder, therefore, to see a reasonable sum set apart for the remuneration of the directors, most of whom were already busy men in their respective spheres.

—A novel and simple feature in the way of accident insurance has been presented to public notice by the Accident Insurance Company of North America. This company offers joint policies of insurance against accidents on members of partnership firms, whereby all of the members of the firm are included under one policy. In the event of either member dying from accidental causes, the amount of the policy is paid to the survivors. Business firms and partnerships will see the desirability, in the interests of their business connections, of adopting this plan. The cost of such a policy is materially less than if each individual member were to insure himself, and the result is the same so far as the partnership is concerned, inasmuch as the whole policy is available on that member of the firm who may first be a victim of fatal accident. This mode of insurance must become deservedly popular, and by adopting it this well-known company shows itself to be fully abreast of the times.

—Mirimachi shipments of lumber abroad for the year ended 1st December, 1885 verify the predictions of last year in showing a decided falling off. The shipments for the five years before averaged 131,400,000 s. f. per year. They were as follows: 1880, 155 million superficial feet; 1881, 128 ditto and for three following years 117, 149, 108 million respectively, while, they were this year only 87 million feet. The timber shipments of this season have been rather larger than those of last year, the totals being, 1884, 3,974 tons, and in 1885, 4,944 tons. Palings to the number of 3,207,444; 71,900 broom handles, 720 shovel shafts and 12 bundles of shingles were shipped. According to the *Advance*, the deals, ends, scantling and boards went to the following countries:—

Great Britain.....	47,239,692	sup. feet.
Ireland	24,981,538	" "
France.....	10,223,213	" "
Australia.....	1,534,672	" "
Africa.....	2,262,198	" "
Italy.....	1,005,715	" "
Total	87,250,028	" "

Geo. McLeod and J. B. Snowball are the largest shippers this year, Stewart & Ritchie's firms coming next.

—Interest has been taken during the week in the forth-coming dividend of the leading Loan Company in Ontario, the Canada Permanent. The announcement has been made that the half-yearly dividend is six per cent. as usual. The Union Loan Co. pays four per cent. for the half-year, the London and On-

tario Investment Co. three and a half, the Ontario Investment Association, of London, four, the Ontario Industrial Loan and Investment Co., Toronto, four, the British Mortgage Loan Co., Stratford, three and a half per cent.

—A gentleman in Halifax, well-informed as to the condition of business affairs in Nova Scotia, writes as follows last week:—"Everything is as quiet as possible here. Many business men complain that there has been no fall trade at all, but in some lines business has been fairly active. Losses by bad debts have been small; and notwithstanding the universal grumbling (which is chronic here) the year will not be a bad one. Except, and it is an important exception, to those who depend on the fisheries."

THE ADJUSTMENT AND APPORTIONMENT OF FIRE LOSSES.

We give below a portion of the address of Mr. Henry Lye, before a public meeting, in this city, of the Institute of Accountants and their friends. It would give us much satisfaction to print the whole paper, did space permit, but enough has been given in these extracts to show the interesting character of the subject. Mr. Lye says:

From the "Report of the Superintendent of Insurance of the Dominion of Canada, for the year ending 31st December, 1884," I find that during the sixteen years then ended, the fire insurance companies reporting to that department paid losses in Canada to the amount of \$41,276,530. In addition to this amount large sums were paid in Canada by Companies with merely local powers, and by companies that did not report to any of our Government departments, so that we may count the average payment in Canada, by fire insurance companies, at about three millions of dollars per annum.

With the exception of the Canada Agricultural, of Montreal, and the Provincial, of Toronto, all the companies reporting to the Dominion Department have always paid all their losses in full; at the end of 1884, their unsettled losses (mostly waiting adjustment) amounted to only \$226,230, or less than thirty days' losses, and those resisted because of excessive claims, fraud, arson, or non-liability, were only \$57,456, (about equal to one week's losses.) Of these latter some were old affairs carried from previous years. The average of disputed claims in Canada is really less than one per cent of the whole.

These figures give us some idea of the work quietly done in Canada by the Fire Insurance Companies, but, if we turn to the statistics of the Chicago fire, in consequence of which some fifty millions of dollars were lost by Fire Insurance Companies, and then glance at the Dominion Report for 1877, (the year of the St. John fire,) and see that the payments of losses in Canada, during that year, amounted to over nine millions of dollars, we can form an estimate of the value of Insurance Companies when such emergencies arise.

In order to bring home to you the most practical idea of the value and importance to the people of Canada, of the proper adjustment of fire losses, I must ask you to remember that fire insurance companies are merely the vehicles for the collection and distribution of premiums; their capital is not intended for the payment of loss claims; it exists as a guaranty for their payment, but directly it is trenched upon for that purpose, the shareholders insist upon the reformation, or the discontinuance of business, and if their outcry does not suffice, the law steps in and stops the business of the company; so it is, that you, and I, and other people who pay insurance premiums, pay the insurance losses. The insurance companies have no inducement to do business unless our payments to them exceed their expenditures for losses and expenses; so it is we have personal interest in proper adjustments. Seeing that fire insurance is one of the necessities of the age, without which every branch of business would be seriously embarrassed, the companies might be tempted to be so untrue to their trust as to pay all claims presented, and to depend upon

increased rates of premiums to recoup them. But this method of business would result in endless crime, and in danger to the lives, limbs, and property of innocent people, and would finally cause the abolishment of fire insurance companies as contrary to the public good; therefore, I think the subject of the adjustment of fire insurance losses is one, the investigation and discussion of which is eminently proper to this Institute.

In the average annual payments of three millions of dollars, for fire losses in Canada, at least one million is annually paid, over and above the amounts honestly and lawfully due to loss claimants, because of the incapacity of loss adjusters, or their complaisance. Yet if any Fire Insurance Company dares to investigate the cause or extent of a fire loss, it is locally boycotted; if it causes the arrest of incendiaries, they can always find local interests and sympathies sufficient to secure a "no bill," or a verdict of not guilty; if it asks that the true amount of a loss shall be determined by impartial arbitrators, it is met by the demand that it shall abandon its defences, or else submit that the amount of loss shall be determined by a jury whose members may have no knowledge either of accounts or of business principles. If it defends a suit on account of arson or fraud, the addresses of some of the lawyers, the charges of some of the judges, and the verdicts of most of the juries, are such as would justify the idea, that, instead of an annual payment of three millions of dollars, with an average of disputed claims of less than one per cent., there must surely be ninety-nine disputed claims to every one paid without question, and instead of one million of dollars being paid in excess of the true amount, there must be millions of dollars per annum taken from the pockets of the people every year, without just cause, for the sole benefit of these fire insurance companies.

Every member of this Institute knows that it is the duty of every person who has a friend or an enemy, a wife, child, parent, creditor or debtor, to keep proper record of his business transactions, but many people assert their "independence" as an excuse for avoiding this plain duty. The purchasing of goods on credit is an implied warranty of payment in due course; the procuring of a policy of fire insurance is also an implied warranty to keep, in order to present when necessary, a true and intelligible record of business transactions, so that the amount and particulars of any loss can be truly and readily determined. Despite all these plain requirements of simple duty and good faith, the accountant, auditor, assignee, trustee or adjuster, too often finds accounts which are either incomplete, inconclusive, or are purposely falsified. It is very seldom he finds in any manufactory, intelligible "process" accounts; in many cases he learns that the books which should show the details of the raw material and its use, are unaccountably or unwarrantably missing; the weigh books, receipt books, shipping books, inventories, day books, cash books, have a strange way of absenting themselves when their presence is necessary to the establishment of the facts; statements are presented which are insulting, by reason of their glaring inconsistencies, or their evident untruthfulness, and we are held to be unreasonable if we ask for such particulars as would be required in any other business matter. It is not a new thing to find, in an inventory, more stock than has been purchased; or to find a statement of damages amounting to more than the original stock; or to be asked to believe in the keeping of an average stock of new and fresh goods to the amount of, say fourteen thousand dollars, for the purpose of doing a business of some ten thousand dollars per annum. But when adjustments are always insisted upon, and adjusters are employed to make them, then there will be no encouragement for the presentation of such claims; because the making of an excessive claim will then be held to be fraudulent, and will not be successful, because of the competence and experience of the adjusters.

I see in the *Mail and Globe* of the early part of November, 1885, an advertisement of a mill to be sold for one-third of its cost; yet, when that mill is burnt, it will be insisted that the reconstruction-cost is the measure of damage, and, as some of the companies entrust the adjustment of losses to persons who are merely appraisers, it is not improbable that they will pay the loss on a reconstruction basis, because they enter into reconstruction appraisements