larger returns than any mere four, five or six per cent. The sure and sound investments for trust funds which will give over four and a half per cent. net are not easy to find, and women are proverbially inclined to listen to alluring tales as to mining stocks, ranch bonds, real estate schemes, manufacturing companies and the like.

Evidently the life agents do not work their fields properly, or else the insurers have failed to give the question of income to be secured proper consideration. A man whose income is $7,500, and who has a wife and three children, represents to himself and family the earning power of $150,000 at five per cent. Assuming that his entire personal expense is one-third of the income, it would still take $100,000 well invested to maintain his family in the manner to which he had accustomed them. Yet how many men with approximately the income instanced carry only ten or fifteen thousnad dollars life insurance, and how few as much as thirty or forty thousand ?—New York *Journal of Commerce.*

AN INSURANCE BROKERAGE PROBLEM.

The *Commercial Bulletin* says :—There are in Greater New York about eight thousand insurance brokers, so called, and the effect upon many of them of the break in fire insurance rates will unquestionably be very serious. Probably about one-quarter of them will within a year be entirely crushed out of the business as a means of livelihood, and during this process insurance companies and policy-holders will lose money by the failure of a considerable percentage to faithfully pay to underwriters the premiums they have collected from the assured. The loss to the companies will be the earned premium up to the time the policy is cancelled for non-payment, and the loss to the assured will be the entire premium he has paid to the defaulter.

There will also be much unpleasant argument and loss of time occurring when the company failing to secure the premium from the broker proceeds to bill the assured direct and cancel the policy for non-payment in case the assured maintains that he has already paid the broker and refuses to pay again. It seems difficult for small policy-holders to realize that the broker is their agent, and not the agent of the underwriter. If they entrust a broker with the premium it is therefore at their risk. When this fact is forced home, however, by a cancellation notice they usually place the insurance with another company, and the one issuing the original policy to the dishonest broker finds itself unable to collect the premium for the time it has carried the risk, and is in addition put to trouble and expense in making sure that the cancellation is effected in proper, legal form.

During May and June the local underwriters rewrote about half of the business of this district, and much of it was then put on a three and five-year basis. The result will be that after the summer holidays are over a considerable number of brokers handling a small amount of business will be unable to pay premiums, as it is no secret in insurance circles that a certain percentage of brokers anticipate the flow of business out of current premiums and use the funds of Peter to pay for the policy of Paul. With the dearth of fall premiums they will be put in a tight place by the demands of the companies for settlement of May, June and July premiums.

Quite a number of insurance managers are giving their collections diligent attention, and are making persistent efforts to get in overdue accounts. This of course means that the offices which are lax in collecting will suffer when the critical period arrives, as the money collected from their policy-holders will have been paid to other companies. It is easy to discourse upon the folly of insurers in trusting irresponsible brokers, but are not the underwriters mainly to blame for their misplaced confidence? The companies allow anyone to act as broker and secure their policies. The broker puts "insurance agent" or "manager" on his card, and for all the assured knows to the contrary may be a regularly authorized representative.

He certainly can get the policies of the best companies, and while the companies have not placed themselves in such a position that the assured can legally establish an agency they have, in many cases, assumed the moral responsibility of permitting the assured to believe that the broker was the company's proper agent. If policy-holders should use more care in paying premiums to brokers, the underwriters should exhibit more conservatism in entrusting their policies to unknown unreliables. Meanwhile, the disappearance last week of an up-town broker who leaves many creditors behind has caused company managers to commence a determined effort to force collections, and property owners will do well to require the receipt of the company when paying brokers not known to them to be responsible, and, if that is unobtainable, making check for premium to the order of the company.

MUNICIPAL BONDS AND THE REDEMPTION PRIVILEGE.

The Town of St. Johns, Province of Quebec, has lately issued $32,500 of 4 per cent. bonds, repayable in fifty annuities. The bonds were advertised for sale, and the Town obtained several offers.

A perusal of the Town's Charter, however, discloses a rather extraordinary control upon its Debenture Debt. The power here referred to can be found in Quebec, 53 Cap. 71, Article 557, and reads as follows :

"It shall always be lawful for the Town to call in "its Bonds or Debentures, whensoever it shall be in "a position to do so with advantage; in which case "the interest on such Bonds or Debentures *shall cease* "*to accrue after one month* from the date of the publica- "tion of such calling in the Quebec *Offical Gazette.*