

aging officials of the company may well be proud. Judged by the true test of achieved results, and the conclusion follows that to the indefatigable energy and discriminating judgment of President Robertson Macaulay, the moulding and moving force in the company from the first, is largely due the success above recorded, though a generous share of that success is justly recognized as belonging to the actuarial skill and marked executive ability of Secretary T. B. Macaulay. The company is in good hands, and having disposed of its accident business to the Canada Accident Assurance Company, is enabled to direct all its energies to the building up of a strong life company of which Canadians may be increasingly proud.

STATE INSURANCE SCHEMES

In speaking of the various projects introduced by modern Solons in several State legislatures, the adoption of which would practically be government insurance, and on which we have heretofore freely commented, the *Insurance Post* of Chicago has the following vigorous and sensible things to say:—

What advantage or equity, not now attainable, the promoters of these ideas hope to secure, and why they hope to secure them, is very much of a mystery. It has almost become axiomatic that private corporations do better work for less money than governments, and there is no reason, up to date, to suppose that the same would not hold good of the business of furnishing insurance indemnity. Competition prevents rates from becoming too high, self-preservation from becoming too low, and emulation seeks to conduct the business so as to best secure the satisfaction of the public. All these incentives are wanting in the State service, as the imposing array of officials who go home on the tap of the clock, and zealously, conscientiously and punctually draw their pay when it becomes due most eloquently attests. Besides, supposing these bills were enacted, there is no occult power that confers an understanding of insurance business in State officials. It would be necessary to employ the same people that are managing it now, and would constitute the difference between tweedle-dum and tweedle-dee, plus the necessary expense and disarrangement of business involved by the change.

If these would-be reformers could only point to some successful scheme of government insurance, there might be a modicum of sense in what they ask. But no examples of the kind can be adduced, while dismal failures like the British attempt at postal life insurance, confront them. A favorite argument of theirs is the assertion that rates are too high, and that government permanency is absolute as compared with the uncertain tenure of private corporations. The fallacy of outsiders at attempting to judge the rate question, with which men of life-long underwriting experience are constantly struggling, is too obvious to require discussion. Neither is the permanency of our insurance companies that have been managed on correct principles open to serious objection.

But suppose the State should, in its permanency, reduce rates to the figures wanted by the reformers, and should lose money on them, what would make good the deficiency? Taxes from the non-insured citizens, probably: in other words, a preferred class would be created of one set of citizens at the expense of another. That would indeed be a lovely example of "reform!" Or, should the deficiency be assessed upon the insured class, what guarantee is there that the old howl of "rates too high" would not be repeated?

THE WESTERN ASSURANCE COMPANY

The annual report of this, the leading Canadian insurance company, for 1892, which we lay before our readers, will be perused with satisfaction by its hosts of friends and patrons, showing, as it does, advanced achievements and a firmly entrenched financial position. Although 1892 was a year of big fire loss, the Western paid its share, with all necessary expenses, and still had a balance on the year's transactions of \$221,457. The total gross premium income was \$2,557,061, of which \$1,365,352 was for fire and \$691,709 for marine premiums, the total, after deducting reinsurances, being \$2,266,284. The losses paid were \$1,385,217, of which \$1,007,593 was on the fire and \$377,623 on the marine business, while all other expenses called for \$707,239. The income from interest was \$47,630, making net premium and interest income \$2,313,913, against \$1,797,995 from these sources in the previous year—an increase of \$515,918. It is to be noted that both the general loss ratio and the expense ratio show a considerable diminution from the preceding year, the reduction being respectively about 6 per cent. and 1.37 per cent. After paying dividends equal to 12 per cent. per annum and adding \$190,000 to the reserve fund, a balance of \$5,054 is carried forward. The assets now amount to \$1,938,460, against \$1,637,738 at the close of 1891, while the surplus over all liabilities as stated in the report is \$356,281, and shows an increase.

That good management has uniformly prevailed in the affairs of the Western is evidenced by the statement made, that for the past twenty years the directors have been able to maintain ample resources and to pay an average dividend of 12 per cent. on its capital. How extensive have been its operations, as well as its importance in the field of insurance, is shown by the payment during the above period of nearly \$24,000,000 to loss claimants, and for the necessary current expenses involved. Recognizing the wisdom of providing for increased resources in keeping with the constantly expanding operations of the company, it was voted at the recent annual meeting to still further increase the capital stock by the issue of \$800,000 in new shares, making the total capital \$2,000,000, with \$1,000,000 fully paid in. Such is now the assured value of the stock that the issue of the new shares at the very handsome premium of \$8 per share to the present shareholders is easy of accomplishment. So long as directors with the financial ability and standing of the present board remain in charge, led by President A. M. Smith, Vice-President Geo. A. Cox and Managing Director J. J. Kenny, the accomplished underwriter, the steady increase of the Western in size and strength may be regarded as assured.

The magnitude of the work done by the inspection departments, etc., sustained by the fire insurance companies throughout the country may be partially seen by the report of the inspection bureau for Chicago. The manager reports 13,789 inspections during 1892, revealing 14,706 defects, of which 13,773 were remedied. During the past seven years 105,340 inspections were made, revealing 103,885 defects, most of which were remedied.