

lent, inasmuch as they, knowingly, participated in the fraudulent statement of the directors. As their false certificate led to depositors placing money in the bank, the auditors were justly punished. It was not true that they had not benefitted by the frauds, because, for a great number of years, the auditors had drawn a salary of which they would have been deprived had they acted honestly.

This fear of losing an annual fee is a very weak spot in the auditing system. It has been known in Canada to act as a gag in the mouths of auditors, which kept them silent when their duty demanded a protest against mis-statements in an annual balance sheet. Some years ago an English bank was saved from stoppage by a financial manœuvre that would have been exposed had the balance sheet been correct. The directors, therefore, appointed an auditor who was so impecunious and so dependent on one of them, and so incompetent that he made his audit under their direction and never even saw the deposit ledger. The sub-manager and secretary who refused point blank to sign the false balance sheet was dismissed summarily, and his life career blighted by his refusal to be a party to a fraud. That manœuvre consisted in the manufacture of bogus provision notes to extent of \$300,000, each one of which amounting to from \$5,000 to \$6,000, was passed to the credit of fictitious persons as deposits. This was done to hide the fact that, in the panic of 1866, deposits had been withdrawn to extent of 50 per cent. of those held prior to that event, and, in the same time, the bills under discount had been equally reduced. The above trick so swelled the deposits and the discounts as to conceal the depletion that had occurred. As the dismissed officer declined to hold his tongue, after a while the truth became known. That bank is no longer in existence.

Even a fraudulent auditor was not influential enough to stop the on-coming of Nemesis, no more than three fraudulent auditors were in the case of Dumbell's Bank, nor to save others from collapse. The secretary of one of the wealthiest companies in Canada had a very narrow escape from ignominious dismissal because of his protest against the President's frauds. They were both in peril, but the scale just tipped against the president, who fled. Every auditor ought to be so appointed and so protected as to be under no risk of losing office by doing his duty, and condign punishment ought to be the lot of any auditor who is proved to have placed a false certificate on a balance sheet.

THE LIFE INSURANCE OFFICERS' ASSOCIATION OF CANADA?

The adjourned Annual Meeting of this Association was held on the 1st instant, at which the following

gentlemen were present:—J. K. Macdonald (Confederation) in the Chair; J. F. Junkin (Manufacturers); William McCabe (North American); E. W. Cox and F. Sanderson (Canada); B. Hal. Brown (London and Lancashire); David Dexter (Federal); H. Sutherland Temperance and General; F. G. Cox and T. Bradshaw (Imperial).

It was decided to secure the legal incorporation of the Association under the "Ontario Joint Stock Companies Act," under the name of the "Life Insurance Officers Association of Canada," which action, it is believed, will add to the greater usefulness and success of the Association.

The election of officers resulted as follows:—

President, W. M. Ramsay; *1st. Vice-President*, H. Sutherland; *2nd. Vice-President*, B. Hal. Brown; *Secretary-Treasurer*, T. Bradshaw; *Auditors*, E. W. Cox, J. F. Junkin; *Executive Committee*, the above officers and Messrs. J. K. Macdonald and William McCabe.

A hearty vote of thanks was unanimously tendered to the retiring President, Mr. J. K. Macdonald, on the able and efficient manner in which he had fulfilled the duties of President of the Association in the past year, and especially for the great interest which he had manifested in its work and progress, and for his general efforts on behalf of the advancement of the true conduct of Life Insurance in Canada. The next meeting of the Association will be held in February, 1901.

EMPLOYERS' LIABILITY.

At the meeting of the Toronto Insurance Institute on the 29th ultimo, Mr. Arthur L. Eastmure, of Toronto, read an excellent paper on "Employers' Liability Insurance and the Law of Liability to Workmen," from which we quote his carefully prepared opinion upon the law of negligence:—

Employers incur liability in respect of persons not employees, who may be injured on their premises; merchants for accidents to shoppers in their premises; owners of elevators for accidents to persons riding in same; property owners for accidents due to slippery sidewalks or ice falling from roofs, &c. Common carriers, vessel owners, and transportation companies, in respect of passengers or the public; municipalities for accidents to citizens or others; principals in building work for accidents to employees of contractors or sub contractors, &c.

These hazards may all be covered by insurance, and, indeed, it would seem to provide the simplest and most effective remedy.

There is probably no more important question pressing upon the great army of industrial workers (employer and employee) throughout the world at the present time than that of settling what is to be done in the way of providing compensation for industrial accidents. It has forced its way into the parliaments of nearly every large civilized country