

there is little fault to find, but as it will shortly be a necessary part of every fire policy issued in Ontario it presumes to deal with matters that ought belong to the Federal government alone. In answer to the correspondent whose letter we published in our last issue it may be said that, as the act is worded the conditions must be printed on every policy issued either by stock or mutual companies after the first of July. Whether chartered here or at Ottawa all companies doing business in Ontario are subject to the enactment. If those having a Dominion charter refuse to comply with the law we will not presume to say what course the Finance Minister will take in dealing with them. They are certainly beyond his control, and it would make little difference whether or not any penalty was attached to their non-compliance. Any company with a Provincial charter violating the law will be dealt with by the Finance Minister as he may think best.

It is becoming more and more evident that the power of legislating on insurance should be taken from the Provincial governments altogether. So long as they are able to meddle the only result will be unnecessary interference and dissatisfaction. The country is not so large, nor the companies so numerous, that all the work could not easily be done by the Dominion Parliament. To remove all our insurance legislation to Ottawa would give us wiser and better administered laws.

**CO-OPERATIVE LIFE INSURANCE.**—From a prospectus that has just reached us we learn that the old scheme of co-operative life insurance, which has been so often attempted by different societies, including engineers, physicians, clergy, etc., is just about being tried by the Orangemen. Any organization which can furnish cheap life insurance, with undoubted security, ought to be largely patronised, especially during a season in which every person feels, or ought to feel, like curtailing his annual expenditure. But it must be remembered that in life insurance, as in every other business, there is a certain amount of expenditure necessary, and in addition to this death claims have to be provided for. Therefore, there is a limit as to the amount of premium receipts, below which a company cannot fall and give security to its policyholders. The Loyal Orange Mutual Benefit Association, located at Belleville, Ontario, will be disappointed in undertaking to secure the payment of \$2,000 for each of its deceased members, out of the small annual fee charged. None of the ordinary safeguards

are provided. In the case of failure there is no security of any kind, no Government deposit, no funds in the hands of trustees, nor any guarantee that the Company will be able to fulfil its obligations twenty years hence, should it live half that time. The history of all similar institutions is against this project. There is a Mutual Benefit concern, with its Canadian headquarters in Toronto, that issues policies for \$1,000, chiefly among a class of persons who know nothing about life insurance. Many of those policies when they become claims are settled for less than one-fourth of their supposed face value. According to the American experience of mortality the average death-rate at the age of twenty years is, in round numbers, eight out of every thousand persons; while at the age of sixty-five years forty persons out of that number die annually. Great difficulty will always be experienced, in the event of several deaths occurring within short intervals, in collecting the small fee of \$2 from each member, when the money is required. Should these small demands follow each other in rapid succession, there being no method of enforcing the payments many members will withdraw from the Association rather than be annoyed. We would suggest to the directors of this organisation that they give a little more attention to the first principles of life insurance before trying to induce their friends to become members of the Association, which like all others of its class, must sooner or later terminate unsatisfactorily to all parties interested, except it be to the officers of the company.

**BANK DIVIDENDS.**—The banks have come to the season when another half-year's dividends are declared, and in spite of the times we are passing through we find them still maintained. The Bank of Montreal has declared at the rate of fourteen per cent. per annum, the Bank of Toronto twelve, the Ontario, Dominion, and Hamilton, each eight. We are not sure that the maintenance of high bank dividends is a good indication. Unlike those loan companies that find their employment in connection with farm operations which are prosperous, banks have almost wholly to do with commerce and manufactures, every department of which has been under a cloud during the past year, and is so now. The banks must have shared to some extent in the disasters that have befallen their customers, and to keep up a style of dividend that belonged to a period of prosperity and inflation, in times like these, is not the best indication of good judgment. The Government returns show that there are millions

of dollars of overdue paper in the banks in excess of the average, and till this is cleared off and the country recovers from the prevailing depression, it would be better to declare moderate dividends. The danger, of course, is that to keep up appearances the pruning-knife is not applied to the risky accounts of the bank as close as it should be. This has been the error again and again, in Canada and elsewhere, and we should be sorry to see it repeated.

—Our council have come to the conclusion that the Credit Valley Railway would not benefit this city to the extent of \$250,000. They have therefore refused to grant the bonus for this amount so importunately asked, and we are not doubtful that their decision was wise. No public work can be legislated into a necessary undertaking, and unless it is felt to be a necessity is had better be let alone. And when it is wanted the capital for its construction will be at hand. If built, the Credit Valley might be a very useful line. But to build it is one thing; its usefulness is another. To add bonuses to our enormous municipal burdens, in the present state of trade and with such shameful streets as we now have would be the height of folly. The judicious speech made by Alderman Hallam set the matter in a very clear light; and we have no doubt the municipalities along the line will aid it in proportion as they recognize its utility.

—The half-yearly meeting of the Grand Trunk Railway was held in London yesterday. The report states a reduction in working expenses and anticipates the payment of interest on the first preference stock during the next three years.

**LIFE INSURANCE IN CANADA.**—The *Insurance Times*, of New York, refers in no very courteous terms to "the abortive attempt made by the Canadian life companies to induce the Dominion Parliament to legislate the American companies out of Canada," and attributes the late Insurance Bill to envy and jealousy. After some excess of language that journal affirms the preference American companies have over all others in this country. A little enquiry would certainly convince the writer of the article that he is mistaken. Instead of having the preference it would seem as if the American business is on the decline. In 1874 the issue of policies decreased \$3,038,048, as compared with the previous year. In 1874 and 1875 the number of their policies issued