

grave class existed on the books. He had noticed several. In one case, that of a policy loss at Kinderhook; the loss paid was \$175, on the check it was altered in figures and written over to \$1,175, and in the ledger and cash-book the entry stood \$1,775. In another case, a check for \$1,000 had been drawn. The President, Mr. Haws, told Mr. Doughty, the Secretary, to charge it to Mr. Miller, Superintendent of Insurance Companies. Mr. Doughty did, and subsequently by direction of Mr. Haws, erased the former entry, and charged it under the item of fees to Mr. John Fowler, the counsel for the company. These facts required grave consideration.

Mr. Doughty then made the following statement: There were irregularities in the books, but the alterations were made by the direction of Mr. Haws. In November a blank check was taken out of the cash box, and drawn to the order of some one for \$1,000. It came back, and Mr. Haws directed me to charge it to expenses of Mr. Miller, the Superintendent. Approaching the next examination, Haws told me the entry must be changed to that of counsel fees for Mr. John Fowler. I asked him why it must be done; he said it must not show. I said that I was under the impression that Mr. Fowler had no outstanding bills to that amount, and Haws says he would fix it, see Fowler, and get up a bill of costs. The next item was a loan of \$10,000 borrowed from Henry Clews & Co. We had sold some bonds, and Haws said, "Now send down to Clews and say we are ready to pay the loan." I did so, and Clews sent up the collateral security, a \$10,000 bond, but by some error only charged \$7,500 on the debt. I pointed out this to Haws, and he said, "That is their mistake, not ours." We only paid \$7,500, so owing them \$2,500. Haws kept continually saying that he would fix it, but he did not. So when Mr. Miller made the investigation, he at once found that we owed Henry Clews \$2,500. Shortly after this I noticed my cash running short, and could not account for it. It was short from \$2,500 to \$3,000. The office boy has since informed me that Mr. Haws opened my safe after I left the office at evening. The next case was where Mr. Haws advanced Gen. Joseph A. Hamblin \$1,000 of the company's funds. Mr. Hamblin died, and when I asked Mr. Haws what I should do with the debt he told me to charge it up to losses. The same thing occurred in the case of A. C. Smith, the amount being \$882. Mr. Slote's statement, in regard to the Kinderhook loss was correct; the different amounts on the checks and books should be \$1,175. These alterations are not further back than three months, and the amount involved is not more than \$6,000 in my opinion. I don't care to say whether Mr. Haws drank or not.

RETURNS UNDER THE ENGLISH LIFE ASSURANCE COMPANIES ACT.—In the matter of the Life Assurance Companies Act of 1870, it was never contemplated that the Board of Trade should become the auditor or examiner of the accounts of Assurance Offices. It was provided that the Board should receive copies of accounts of a tolerably clear character though capable of improvement, and hold them for the inspection of the public. All Companies carrying on Life Assurance business, with or without Fire and Marine business, are subject to this law. It will be observed that the whole object of the Act is to enable shareholders and policy-holders to know a great deal of what may be of interest to them in the conduct of the finances and business of their respective Companies. The powers of the Board are very great up to this point. If the accounts directed by the Act are not deposited in the prescribed form within nine months from the date to which they are made up annually, the Companies are liable to a penalty of £50 per day during such default, and if such default continue for three months after notice from the Board of Trade, which shall be published in one or more newspapers, as the Board may direct, the Company may be ordered

to be wound up on the petition of one or more policy-holders or shareholders. The action of the Board of Trade is thus very properly limited to the obtaining of copies of accounts, and holding the same on behalf of the public for inspection. We apprehend few persons will consider that the Government has assumed any extraordinary powers in this Act, or that the Life Offices will be prejudiced by its working. The officials charged with carrying out its provisions thoroughly appreciate the judicial position they hold, and courtesy on their part is met by promptitude on the part of the Offices, who universally recognize in the action of the Board of Trade the provision of a safeguard against the corrupt concerns which have too long had an opportunity of starting with the sole object of trading on the reputation of the established and well-managed concerns.—*The Review, London, Eng.*

LARGE LIFE POLICIES.—The average amount of the policies issued on lives in this country is about \$3,000, but the average is drawn from wide extremes. In the younger offices policies of from \$500 to \$2,500 are common, while in the old wealthy corporations with large accommodations, which naturally inspire a high degree of confidence policies ranging from \$20,000 to \$100,000 are not uncommon. And it is conclusive as well as gratifying evidence of the confidence reposed in the system of life insurance, that policies for such large amounts are written on the lives of intelligent capitalists, persons who are not only able to meet the heavy annual premiums, but who, by taking out such large policies, give the conclusive testimony of intelligent and experienced business judgment to the value of their securities not only as a future provision for their families, but as safe and profitable investments. The annual dividends or returned premium in many offices are such as to make these larger policies an attraction to capitalists in a mere business point of view. There are twenty-two leading capitalists in this city, whose average insurance is \$187,000, or a total of about \$3,930,000.—*N. Y. Underwriter.*

A WEAK SISTERHOOD IN LIFE INSURANCE.—It would spare the State Insurance Superintendent a huge amount of trouble and disagreeable official surgery if the following quartette of struggling Life Companies would put their houses in order and amalgamate or reinsure in some way to avoid further receivership process, viz.:—American Popular, American Tontine, Amicable, Metropolitan. One passably good Company might be made up out of the heterogeneous lot at a saving of three-fourths of future expenses. The process of amalgamation or reinsuring need not, however, end with the above-mentioned four Companies. It could be profitably applied to about half a dozen more which are in a languishing state in this city. It need not be supposed that because the Code bill failed to become a law this session that Mr. Miller's hands are not strong enough to to compress the weak sisterhood. We hope he will mould them into a good shape before they run into such chronic consumption as killed the "Great Western Life."—*N. Y. Underwriter.*

—A correspondent, referring to our article in a recent issue regarding the danger to insurers of neglecting to notify insurance companies of a change of interest in the property insured, attributes the blame of this neglect chiefly to the local agents. He says that they discriminate unfairly between large and small property-holders, and winds up his letter with this suggestion:—"Were all the companies to allow their agents a percentage on the profitable balance of each year's business, this kind of thing would be done away with, and, in the end, insurance companies would find the profits larger by 25 or 30 per cent."

—We understand that material difficulties have arisen with regard to the deposit of £20,000 required from American offices opening branches in

England. The only securities they can legally offer, the English Government cannot legally accept. An Act of Parliament is the only way out of the difficulty. There is no reason why 5-20 bonds, with a reasonable margin for fluctuation, should not do, provided it is also stipulated that the insurance reserve fund shall also be invested in similar securities, and retained in this country in trustees' name.—*The Review.*

—The Equitable Life, of the United States, is reinsuring the most eligible risks of the Great Western Life, which failed in New York some time ago.

Railways.

GRAND TRUNK RAILWAY.

The report of the Directors of this Company, presented at the meeting in London, on the 20th April, stated that the gross receipts upon the whole undertaking, including the Buffalo and Champlain lines, had been, during the half year, ending the 31st December, 1870, £793,740. From this was deducted ordinary working expenses £523,762, or 67-12 per cent., and for renewals, &c., of the permanent way and works, £13,101, leaving an available balance earned in the half-year of £124,877, from which, however, £8,284 had to be deducted for loss on American currency, leaving £116,593. To this was added £8,633, the balance from the proceeding half-year, making £125,226. From this was deducted £16,981, the amount of postal and military revenue due to the postal bondholders, leaving £108,245 applicable to the payment of £21,790 for interest, &c., on bonds and debentures, £28,400, (in full) of Atlantic and St. Lawrence lease, £11,250, (in full), of Detroit lease, £7,573 to the Montreal and Champlain, and £25,000 to the Buffalo and Lake Huron Railway proprietors; £15,000 interest on 1st equipt. bonds leaving a balance of £1,118. Comparing this half year with the corresponding period of 1869, the gross receipts showed an increase of only £2,546, although there were carried 34,912 more passengers, and 79,492 tons of freight. It was almost entirely in consequence of the lowness of rates, while passenger traffic increased in numbers 5 per cent., and the freight in quantity 13 per cent., the increase in money received during the half-year was only one-third per cent. The average receipt per passenger was for this reason 5s. 11d. against 6s. 2d., and per ton of goods 14s. against 15s. 7d. The fares and rates were lower than they had ever been since 1862, when the line was fully opened for through traffic. The rates for passengers were 25 per cent. lower in 1870 than they were in 1869. To this cause was to be mainly attributed, not only the small increase in gross receipts, but also the heavier percentage for working expenses. The ordinary expenses for the half year amounted to £523,762, or 67-12 per cent. of the receipts, being £48,191, or 5-87 per cent. in excess of the expenses for the same half, 1869. The train mileage was 3,193,290, as against 2,962,101, for the corresponding half of 1869, or an increase of 230,380 miles. The mileage of cars showed an increase of 3,616,370 miles. The renewal expenditure was unusually heavy, being £136,100, against £93,746 in the same half of 1869, but for the latter half year £36,343 was charged to capital for improvements of permanent way, extra weight of rails, &c. In the present half-year no such items are charged to capital. The laying of steel rails with a view to future economy would increase in the meantime the charge for renewals, as the extra cost of steel rails, as compared with new English iron rails, was about £4 per ton, and as compared with Toronto re-rolled rails about £2 10s. per ton. In three or four years, however, from the present time, the company would be receiving the benefit of this extra outlay for putting