

# The Chronicle

## Insurance & Finance.

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**Out of His Depth.** An esteemed contemporary recently requested the insurance companies to "read, mark, learn and inwardly digest" a somewhat alarming statement to the effect that New Westminster, British Columbia, was apparently inviting another disastrous fire. The paragraph was enough to startle interested underwriters. It read: "An official report from the B. C. town states that the reservoir lately contained only 18 inches depth of water, and on another occasion barely enough to swim a minnow."

However, in company with our interested subscribers, we breathe again. In response to an enquiry, a New Westminster insurance firm has telegraphed the following reassuring intelligence as to the reservoir and its contents: "10 feet, 8 inches water in reservoir. Overflows at 12 feet. Capacity million and half imperial gallons. Steam fire engine and fire boat fully equipped and ready for use at minute's notice, night and day."

Swim a minnow! Why, there is enough water in that tank to drown our friend and contemporary. We apologize to New Westminster for harbouring even a doubt as to the sufficiency of its water supply and the condition of its fire-fighting appliances.

**A Plimsoll Wanted.** We cheerfully surrender space in this issue of THE CHRONICLE to correspondents interested in an insurance question, and to an indignant patron of the Montreal Street Railway. This gentleman informs us that, instead of dishing up daily every new phase of the Dreyfus debate; indulging in guesses at the Liberal leadership in Great Britain; or reporting the latest breezy utterance of one of the bellicose Beresfords, our newspapers ought to unite in demanding an improved street railway service. However, his letter sets forth a genuine grievance, and will, doubtless, receive the attention of the Montreal Street directorate. Until a sufficient number of cars are placed on the most

congested routes, the dangerous and unhealthy overcrowding is likely to continue, unless the conductors cease taking a stevedore's delight in stowing passengers. At present, the hold of a vessel is not more closely filled with grain, cotton or wool, than a Montreal street car with its sweltering mass of humanity between the hours mentioned. Unfortunately, the load line is not drawn at the door of the car, but on the last inch of foothold.

**Selection of Lives.** As promised in our last issue, we publish this week some extracts from the admirable inaugural address delivered by Mr. N. B. Gunn, Manager of the Scottish Amicable Life Assurance Society, at the opening meeting of the late session of the Actuarial Society of Edinburgh. The subject chosen by Mr. Gunn for his paper is one of great practical interest to life assurance men. The address is being very extensively reviewed by the majority of English insurance journalists, who, being thoroughly aroused to the great importance of scientific selection of lives, and thereby knowing something of the quality of new business obtained by life companies, are all in accord with Mr. Gunn's belief that "it would not be amiss if the subject were generally recognized as part of the study of an actuary, for it is undoubtedly one of those he most requires to fit him for the duties he is called upon to perform."

It is only by reading such a clever paper as the one under review that the ordinary insurance man can be made to realize how much depends on his discrimination in the selection of lives. He hears a great deal about reserves, interest, expense ratios, and new business, but his notions about "selection" are hazy in the extreme. But the effects of selection are so clearly shown in Mr. Gunn's paper as to leave no doubt that the quality of the business obtained by a life office has a greater influence on the profit-earning power of the life assurance office than any other single factor.