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panies and mutuals, also the agents throughout the entire Dominion of all these classes of companies. The strongest opposition which the insurance companies have to face in the matter arises, strange to say, from the members of the Canadian Manufacturers' Association. On the plea that it is necessary to have protection against foreign manufacturers to build up industries in Canada, the Dominion has given lavish protection to the Canadian manufacturers, and, whether the insurance companies obtain a similar measure of protection or not the manufacturers are certain to damage their own cause, as the arguments used by them for free trade in fire insurance apply with as much force against themselves.

CANADIAN LIFE COMPANY AND BANK

Are Mentioned in Reports Made by Insurance Superintendent Hotchkiss of New York State Regarding Alleged Disposal of a Fraternal Society.

Apparently there is an interesting story regarding the control of the People's Mutual Life Insurance Association and League, a fraternal beneficiary society with headquarters in Syracuse, alleging that temporarily, at least, the People's Mutual furnished the money with which control of itself was bought by representatives of the Federal Life Insurance Company, of Canada. Attorney-General O'Malley obtained an order from Supreme Court Justice Andrews at Utica returnable at Syracuse on January 8th. This directed the Society to show cause why the State Superintendent of Insurance should not be put in possession of its business pending the determination of the question whether it should be liquidated.

Of the Old and New Directors.

"Their action seems to be a part of a scheme," says Insurance Superintendent Hotchkiss, of New York State, "whereby this society will be merged in that foreign corporation, not yet admitted to business in this state, and, because of the smallness of its paid-in capital, not even qualified to apply. On the same day, December 15th, upwards of \$150,000 of the securities of the Syracuse Company were so disposed of that an immediate transfer of \$150,000 was made to the Farmers' Bank of Canada, at Toronto, such bank issuing, through its manager, then in Syracuse, a pen-written certificate of deposit payable only after three months' notice, such manager, at the same time, apparently as the agent of the purchasers of the control of the Syracuse society, delivered \$150,000, which was, in whole or part, immediately distributed among the old directors, as, it is understood, the consideration for the resignation of certain of them and the transfer of the control to the new directors paying such consideration."

Deluge of Denials.

The president and secretary-treasurer of the People's Mutual, according to a Syracuse despatch, deny that there has been any irregularity in the management of the Society's affairs and they are said to regard the action of the State Insurance Department as unwarranted.

Mr. David Dexter, president of the Federal Life, which has its headquarters at Hamilton, Ontario, tells the Monetary Times that the report that the Federal Life was interested in negotiating the purchase and control of the People's Mutual

was news to the officers of his company. "We have no knowledge of the existence of such an institution," he says.

A despatch from Albany, dated Monday, says that eight of the nine directors of the People's Mutual received various amounts for permitting the control of the Society to pass into other hands.

As to Some Transactions.

"As to the disbursement of the \$50,000," says Superintendent Hotchkiss, in the course of a report, "it would appear that the \$10,000 paid Mr. Peck was by way of securing his services in connection with a new or reorganized company; that the payment to the First National Bank of Syracuse was in consideration of its accepting on deposit from one Travers of the Farmers' Bank of Canada, on behalf of Mr. Tevis, Canadian currency to the extent of \$150,000, and also for its good offices and the risks it might run in practically cashing \$180,000 of this society's securities that the same might be used in making a deposit of \$150,000 of the society's moneys in the Farmers' Bank of Canada, that the payment of \$10,000 to Mr. Tevis was a return to him of his own money; and that the payment of \$30,000 to Lieutenant Governor White was for moneys owing to him over a period of several years."

Mr. Travers, of the Farmers' Bank, has nothing to say for publication on the ground that so far as the bank is concerned it is a matter concerning its client.

The whole story, as read in the telegraphic despatches, seems to bear the impress of "sour grapes" somewhere.

HEAVY LOSSES MAKE HIGH RATES.

Mr. Arthur Hawxhurst, insurance manager for Marshall Field & Company, of Chicago, who carry on a large wholesale business and are also one of the largest department stores in the United States, expresses his opinion on the rate question recently as follows:—

"My opinion is the State is taking hold of the wrong end of the insurance tax. It should begin with it as it does with an epidemic, not by appointing a commission to find out if the doctors are charging too much for working night and day, but by appointing one to find out first the cause and eliminate the disease, and then to cure it. This is what should be done with the insurance business. First, laws should be made and strictly enforced that will permit only first-class construction, including every reasonable preventative measure to suppress fire.

Second, every fire, like a death, should have a severe post-mortem held after it by a State fire marshal, and if it is found that it was caused by carelessness or indifference, the responsible parties should be punished, as is now done in foreign countries.

If the States will but reduce the destruction by fire, which now amounts annually to nearly \$220,000,000, there will be no occasion for them to enter into the rate question, for that will quickly seek its own level, as it has done in the sprinkled classes.

Prevailing rates in this State are not unjust, neither is the entire country's general average rate paid of less than \$1.06 out of proportion to the risk assumed. For if the companies are to remain solvent, and that certainly is the most essential factor at all times, they must collect at least enough to pay losses, taxes and the cost of conducting the business. No rates can be made by any State that will prevent them from doing so, as long as the public wish to be indemnified from loss by fire or other insurance misfortunes."