

## LIFE INSURANCE.

The *Insurance Age*, of New York has, in a recent issue, drawn special attention to the well known fact that the practice of some companies has long been to report annually to the public the total amount of insurance written up instead of the true amount actually delivered and settled for. Something like a thousand million dollars of life insurance was, for instance, reported as issued in 1892 by the life companies, reporting to the New York Insurance Department, and of this vast amount, more than eighteen per cent., never had any existence in fact. On the books of the companies at the head offices, "Not taken" was written in red ink against the policies representing this nearly two hundred millions of fictitious insurance, not a dollar of which stood for the protection of a single life.

The Insurance inspector is strongly urged to eliminate from his reports the amount of insurance written and not taken, as fiction has no place in life insurance statistics, nor indeed, we may add, in those of any other form of enterprise. Facts are what all honest people have to deal with. In life insurance especially, good faith is one of the most important elements. If the applicant for a policy is expected to make honest statements regarding himself surely the companies are doubly bound not to attempt to build up business on a fabric of lies.

## HASTEN SLOWLY.

In view of the fact that the Manitoba and Northwestern Railway Company defaulted in the payment of the coupon due June 1, a meeting of the bondholders was held in London, England, recently. It was then stated by one of the trustees for the bondholders that the land grants of the company—an important item in its assets—had not been properly utilized, they being rich and valuable enough, if settled, to supply a profitable business for the road. This would seem to imply that the company has not done sufficient in the way of inducing settlement. To this idea the Winnipeg *Commercial* takes exception, pointing out that there were other powerful influences at work to obtain settlers for other parts of the country. Mr. H. Montague Allan, of Montreal, was present at the meeting as the largest judgment creditor against the road, whose receipts had never been sufficient to meet the interest on the bonds. From his remarks and from those of some of the bondholders there would appear to be dissension between the bondholders and the company, whose receipts were said to be about meeting expenses without paying interest upon bonds. A fairly favorable statement having been submitted by a committee of bondholders who had visited the country and gone over the road, steps were taken to provide for united action on the part of the bondholders and the company, both of whose interests it was recognized would be ruined by divided action.

We refer to this matter in view of the fact that the capital, whether in stock or

in bonds, for many enterprises in this province must come from abroad. The companies may be local—that is to say, Canadian—in name, and promising as may be the prospects they cannot all be realized right away. The Canadian Pacific Railway, which has been and is an undoubted success, required extremely careful nursing, but for which it would have fallen through and the great benefits that it has conferred would never have been obtained. We in British Columbia must remember this as well as the fact that, in view of the experience, it has had, capital is not only conservative, but extremely sensitive. It may not "catch on" right away, but if we are frank and straightforward in our statements and have not too much of "the dog-in-the-manger" about us we shall occupy a good position in the opinion of money men, the experiences of the Manitoba North Western indicating that we must not be surprised if our undertakings are obliged to hasten slowly rather than at the railroad speed which some people are inclined to expect.

## EDITORIAL COMMENT.

SUCH is the demand for hay in France, that it is reported two special steamers have been chartered to carry hay from the St. Lawrence to the French ports, where as high as \$31 per ton is being paid.

THE Dominion Trade returns for the fiscal year ended June 30 show export values £115,187,665, an increase of \$1,125,000. The imports are \$121,163,667, a decrease of six millions. The duty collected was \$21,161,692, an increase of \$611,000.

THE annual exhibition of the B. C. Agricultural Association opens at the Driving Park on the 7th of next month, and bids fair to be one of the most successful shows ever held. The prizes offered for exhibits are on an exceedingly liberal scale, the attractions being augmented by a programme of races and other items which is now being arranged.

THE British Natural Premium Insurance Company has, it is announced, found it necessary to dispute a claim for £5,000. It appears that the proposal was accepted and a post-dated cheque received in payment of the premium; but before the date had arrived the proposer died. The question at issue is whether the assurance was ever in force; and the company is advised that should it pay the claim without a judicial decision, an action might be instituted against it by any one of the policyholders; to avoid such a contingency, the money has been paid into court, and it now remains for the law to decide whether or not the claim is good.

ACCORDING to the New York *World*, President Cleveland's programme of the policy to be submitted at the special session of the United States Congress which is shortly to be held is the absolute and unqualified repeal of the Sherman law, and tariff reform, to be prosecuted in accord-

ance with the pledges of the party as soon as, but not before, the finances of the country are again upon a stable basis. The President believes in clearing the way for a settlement of the silver question, and suggests nothing as a substitute. The idea of this is as far as possible to restore public confidence; other action to be subsequently determined as occasion warrants.

FOR several days a court martial has been sitting to inquire into the circumstances attending the loss of H. M. S. *Victoria*. Upon the principle possibly that dead men tell no tales and cannot contradict, the bulk of the evidence has gone to show that Admiral Tryon was primarily and almost exclusively to blame, and were he living he might be surprised to learn the opinion entertained of him and his professional skill by the officers of his command. Everything considered, it has possibly been well that the admiral went down with the *Victoria*, for with that proverbial sympathy with the underdog for which the average Briton gets credit, there will be many to say that justice was not done to the dead who will live in their memories as having been the greatest victim of the disaster.

THE Australian *Insurance and Banking Record* has been giving some interesting information in connection with the financial crisis in that country which does not appear to have as yet entirely exhausted itself. It appears that with a population of three and a quarter millions, the convulsion from first to last exceeded \$665,000,000, which involved the failure of sixteen banking institutions, twelve of which showed by their balance sheets an aggregate, due to shareholders, of \$67,348,930; due to the public, \$149,227,140; cash and investments, \$36,483,965; advances, etc., \$113,556,985; and premises, etc., \$18,025,120. In 1892, the city of Melbourne lost through the crisis, 3½ per cent. of its population, while the great staple, wool, touched a lower point than had been reached for a quarter of a century, in which, however, ere long there is bound to be a recovery.

THERE has been a disposition on the part of loan companies in Ontario to encourage liberal borrowing amongst owners of improved property. In some cases their loans have represented an exceptionally high proportion of value, the mortgagees relying largely for protection in the fact of the property being insured for the full amount of their loans. One or two cases have arisen lately however, which indicate that insurance companies are finding it desirable to rebuild destroyed property rather than pay the claim in full, which option they have the right to exercise. This is not particularly satisfactory to some of the mortgagees who have been accustomed to at once recover their loans through the concurrent insurance upon the mortgaged property. It, however, is likely to teach loan companies and other parties to be much more careful in the selection of their mortgagees.