

a subordinate position, are scarcely free from blame. Of course, these things are in the way of business; yet, after all, it must have occurred to them at some time that such operations were not likely to be carried on with legitimate funds. There is reason to believe that some brokers, much to their credit, have refused to touch such transactions when offered by bank clerks, and in this very instance, we fancy, there are brokers who declined to undertake business offered by Barber. They have reason to congratulate themselves now.

There is one thing, finally, to be said. Managers of financial institutions will need to be more watchful than ever of the habits of their employees. Bank clerks, as a class, are somewhat in the habit of spending freely. We showed only lately, how easily debt results from this; and from debt, speculation; and from speculation, disgrace and ruin. After this, there should be somewhat less of club-frequenting and stylish expenditure; at all events, character and antecedents will be more carefully tested; known habits of economy and quiet living will weigh in the estimates of directors; and in future, we should think no more gambling either in stocks, or in any other form, will be tolerated for a day.

### INSURANCE AMATEURS.

In the matter of insurance, as in most others, there are always people who, having acquired a smattering of the business, and seeing what they suppose to be the money made out of it with but slight risk or trouble, considered that they have mastered the knotty points of the science, and are competent not only to manage a new company, but to do so with improvements upon their predecessors.

It is worth while to consider whether the admittedly unsatisfactory result of insurance business in the Dominion this present year is not in some degree traceable to the policy of those who have neither experience nor adequate knowledge of the business they conduct, and whom we will designate *amateurs* in this profession. It will require something more than the reasoning of the most persuasive agents, contending for sensible safeguards and sufficient rates, to combat the inducements held out by such companies as offer cheap and easy insurance.

In the direction of mutual insurance this disposition towards laxity and innovation is perhaps more noticeable. An instance of its exercise is shown in a policy which lies before us, containing some provisions which are worth notice, and presenting some novelties in the by-laws of the company that would be laughable, if

their effect were less grave. The peculiarity which first strikes one is an indefiniteness about the location of the company, which neglects to state, upon the policy, where the head office is situated. This may prove a puzzle to those who wish to have endorsements made on their policies, or who may desire to notify the company of circumstances affecting it. We trust that the company have at least complied with Sec. 14 of the Ontario Insurance Act of 1876, and that the Government know its *locus in quo*. But such an omission is especially embarrassing to members who, being required by by-law 13 to obtain receipts from the Treasurer for their annual payments, can find nothing in their policy to direct where he may be found. The motto of the company declares that "economy [is] wealth," which, if it has any force of application, must mean that, in this case, the members are economising and therefore growing wealthy. We shall see whether such economies as insurances of this kind lead to wealth.

The policy we refer to covers six hundred dollars on a certain dwelling and its contents. No specification how much on the house and what proportion on the furniture, &c., but: "on dwelling house, frame, (giving dimensions in feet) and contents, \$600." This is well termed a *blanket* policy. Sancho Panza's blanket was nowhere compared to it for comprehensiveness, and, in case of fire, the company which issues it might probably find its loss payable, so much upon the house, and so much upon its contents, distributed according to the pleasure of the claimant. Can this be economic insurance? Of the rate charged we shall say little, since the question of rates is one which is engaging the attention of the insurance world of Canada, and there may be room for divergence of opinion upon the inadequacy of the prices charged, if only the conditions were sufficiently protective, and properly adhered to. We merely remark that those who attempt so lightly to deal with the complicated science of insurance, may find the doctrine of chances with which they take so great liberties, is a much more rigid one than they imagine.

An amusing provision is that in by-law 6, to the effect that it shall be the duty of five directors to visit and inspect every fire loss they may make. How about the economy of this? How are the expenses of this quintette to be met? Do they generously pay their own? or is there any connection between such sociable journeys to and fro, as this liberal arrangement may permit, and the 21st by-law which stipulates that "each person insuring in this company shall pay fifty cents entrance fee."

Still another of the liberal peculiarities of this beneficent association is that every director is *ex-officio* a canvasser: that is, he is expressly authorized by one of the by-laws to receive payments of premiums, or annual subscriptions from any member. We must presume that every one of these directors is provided with receipts, and, utterly ignorant though he may be of the nature of risks or of the character of the hazard which is offered him, he has power by giving receipts for premiums to bind the company for any sort of risk until such time as the board—if there be a board—decide to decline it. What a free and easy mode of doing business to be sure!

The act referred to (clause 5) now permits the licensing of fire insurance companies in Ontario whose risks do not exceed \$2,000,000, upon depositing of not less than \$10,000, which amount must be increased in the ratio of \$5000 for every million dollars by which their risks are increased. This is equal to one half per cent., if risks taken from "other than its own members". Mutual companies however, doing a cash business are required to deposit a sum equal to one fourth the net cash premiums subject to increase or reduction yearly according to its amount. There is a strong feeling amongst those whose opinion is based on experience and therefore valuable, that anything less than one half per cent. deposit is insufficient for the desired protection, and that no company should be allowed to do business in this Province whether mutual or proprietary which has not deposited in the ratio named with the treasurer.

On reading the policy, some portions of which we have described, the conclusion is forced upon us that the time has arrived which is foreshadowed in the 30th section of the Ontario Insurance Act, when the Provincial Treasurer may, with much reason, begin a searching examination into the condition and affairs of companies licensed by the authorities of that Province. The establishment by the Dominion Government of a Superintendent of insurance has resulted in improvements which justified, in some degree at least, the hopes of the advocates of such an office. We are not saying too much in expressing the belief that good would flow from the periodical inspection, by an Ontario officer, of offices holding their licenses from that legislature.

### THE BEVERAGES WE DRINK.

In these days when national frailties are as frequently exposed by statisticians as by moralists, we may be pardoned for briefly calling attention to some interesting returns placed at the back of the Railway report