

ures to restrict the "rapacity" of underwriters whenever the latter make a move to raise premiums, or even to insist upon conditions which may help to lessen our exorbitant fire loss. When they associate themselves for purposes of mutual conference and support in trying times, they are accused of combining to bleed the public needlessly.

Any intelligent person who keeps track of the enormous fire waste on this continent, and who reads the reports of insurance companies, will perceive that the rates charged are barely such as have yielded a decent profit of recent years. And it will not be seriously pretended that fire insurers are not as fair and honorable a class as any other in the mercantile world. Why then this uproar about extortion. The matter was well put by the Commissioner of Massachusetts the other day when he said that fire insurance is absolutely essential to the business methods of the day, and the merchant can no more get on without it than without a roof on his storehouse; he could not get credit for a bale of merchandise, or borrow a dollar. "Now, when it is considered that even the very credit of the business world, and the foundations of its ability to carry on its enterprises are dependent to such an extraordinary degree upon the support given it by fire insurance, it seems about time for the public to realize the fact that the companies are not their enemy."

The fact is that both insurers and insureds have had something to learn from the conditions and events of recent years. "Old use and wont," the rule of thumb, respectable and moss-backed precedent, received some rude shocks and the experience of the companies has been severe. It is bearing fruit, however. As Mr. Merrill says: "The surviving companies have at length learned that, if they are to pay their losses, expenses and a reasonable return for the risk of capital, the premiums must be adequate to this effect. They have learned, too, that if the premium charges are justly allotted, it must be by making the cost proportionate to the risk; and to this end they are now extensively employing the plain, common-sense business method of carefully examining the properties proposed for insurance, and applying to each the charge which revised experience shows to be appropriate to that risk."

#### A BUSINESS MEN'S DISCUSSION.

A few weeks ago we placed before our readers portions of the paper on accounting and auditing read before a meeting of the Institute of Accountants and their friends, by Mr. Henry Lye, F.C.A. The paper was not only in itself a stimulating and interesting one; but it gave rise to a discussion among the business men present, parts of which, it seems to us, may be reproduced with advantage. Mr. Lye concluded with, among others, these words: "Let us then set such examples and lead such lives as will convert and convince our detractors that our directions—he is speaking of members of the Institute—our supervisions, our audits, and our certificates are of such value that they cannot afford to be without them. THEN the day of aunts and uncles, of cousins, and nephews and nieces of

Tom, Dick and Harry, as auditors, will be forever over." He went on to urge the necessity of right motives, competent skill, and also tact and good manners in an auditor. "Above all, we would have it thoroughly understood amongst our members that:

'Because right is right—to follow right  
Were wisdom, in the scorn of consequence.'

The paper was admirably read for the author by Mr. John T. Moore, F.C.A.; and the chairman of the evening having called upon several of the gentlemen present for their views upon it, Mr. George Dickson, M.A., Principal of Upper Canada College, remarked that the aims of the institute seem to him to be in the right direction. "What I am more immediately concerned in," said he, "is the preparatory work—the training of boys in a general way to become good business men. That is part of our work. . . . I think the practical business men in this country are the best judges of what the standard of business education should be." The Principal spoke of the awakening in England ten or a dozen years ago to certain conditions which were affecting commercial affairs—just as the great exhibition of 1851 aroused the manufacturers of the United Kingdom to their deficiencies in design or method as compared with some continental nations. On this awakening, people in Britain perceived that "foreigners were usurping the place that should be held by Englishmen. The foreigner came to Great Britain with a knowledge of the modern languages of Europe, and he was able to conduct correspondence and do business in the languages of the countries with which the various houses had commercial transactions. Besides this, he was an all-round good scholar and good mathematician, had been grounded in the elementary sciences and he was a good practical accountant, trained on the lines of the German schools, famous for their theoretics." The English authorities had consequently amended their system of training and broadened the basis of a commercial education, "instead of building up a boy on the standard of arithmetic, writing and book-keeping merely, which would make him nothing more than a hundred-pound man, with which the market is already overcrowded. What we want, in the words of an English public school teacher, is to build up ten-thousand pound men; they are scarce."

Mr. Alderman Bernard Saunders rejoiced in the fact that "our legislature has made the directors personally responsible for any improper reports sent to their shareholders. . . . We who have passed through commercial life know that there is nothing so valuable to business men as a competent, faithful book-keeper. I have heard men say [as to matters of accounting], 'Oh, any fool can do that; you can get a boy for \$200 or \$300 a year,' and at the same time they would raise a drain-digger up beyond the man who is doing the book-keeping of a department. It is in the hands of the Institute of the Chartered Accountants to teach the people different views."

"While some of the many points touched upon in the paper are open to discussion," said Mr. Walter S. Lee, managing director of the Western Canada Savings and Loan Company, "there is one thing we will all agree upon, and that is the necessity for an institution such as this." Mr. Lee showed that the desirable plan of having all auditors of public companies members of the Institute was not immediately practicable. "There is at present a large number of auditors, as good men, perhaps, as you can put through your institution, men who have had large practice in mercantile life, but have not as yet joined you and may not wish to do so. Yet these men are good

men, and are in confidential positions, and you cannot turn them out at once just because they do not belong to a certain institute. . . . It is true that accounts of public institutions coming from the Old Country, especially Scotland, are nearly always authenticated by a licensed person from some such institution. I felt the importance of this so much that in an institution which I preside over I have had to make a commencement. And while I could not see my way clear to replace two old and tried servants, I supplemented their services by adding one of your chartered accountants to our audit. . . . In relation to the teaching of book-keeping, you need more than the mere rudiments; you require more than double or single entry mechanically made by your clerk or official. You want a man with good general knowledge. We require men who can, from knowledge gained, put our books in the shape where they will be worked on the most advantageous plan."

In endorsing what had fallen from previous speakers, Mr. Hugh Blain, Vice-President of the Toronto Board of Trade, said: "We want such an institution as this; we require to be educated. We must look forward to the time now when owners of large establishments must be men who have cultivated habits and who understand accounts. It is out of the question to suppose that in this age of rapid advancement we are going to be able to succeed in the struggle of commercial life without a first-class commercial education. I assure you, sir, it is a question which the Board of Trade should take very active and very earnest, and also, I may say, a financial interest in pushing forward (hear, hear) with the members of an organization such as this. They are peculiarly dependent upon the business morality and the business ability of the whole community. We are resting upon the moral business character of the whole country. Our means are distributed all over this country in the hands of business men; and it is only by creating a business intelligence, such as your organization aims at, that we are going to be able to feel that our money is safe in the hands of such men. (Hear, hear.) I hardly feel competent to take up that paper upon such short notice. It is very comprehensive; it is written with great subtlety; it is an admirable paper."

The remaining notes of the discussion are held over for another issue.

#### INSTITUTE OF ACTUARIES.

Last year the first examination of the Institute of Actuaries of Great Britain and Ireland was held in Montreal. On that occasion Mr. R. W. Tyre acted as supervisor and the papers were sent to England. This year it was determined, for the convenience of candidates, to hold examinations in both Montreal and Toronto, as will probably be done regularly hereafter. The first Toronto examination of the Institute was held on the 21st and 22nd insts., Friday and Saturday last. The examinations were held under supervision of Mr. A. G. Ramsay, president of the Canada Life, and Mr. William McCabe, managing director of the North American Life, both of these gentlemen being fellows of the Institute. Five young men presented themselves, viz.: Mr. Home, an undergraduate of the London, Eng., University, also a graduate of the New York University; Mr. Frank Sanderson, a graduate of Toronto University and attached to the Canada Life office in Toronto; Mr. Thomas Bradshaw, for many years connected with the North American Life Assurance Company in