

## LORD ROTHSCHILD AND INSURANCE INVESTMENTS.

### Dangers of Chance Legislation—Policyholders' Interests Affected.

Lord Rothschild, chairman of the Alliance Assurance Company of London, England, made some interesting suggestions at the recent shareholders' meeting regarding the investments of insurance companies and the effect upon them of which had Rothschild designated as "chance" legislation. The remarks made are particularly interesting since attention was called to the fact that not merely the shareholders of the various companies are affected by depreciation in investments, but also, the interests of millions of policyholders are depreciated. Lord Rothschild said in part:

"The well-being of insurance companies, whatever business they may transact, and the prosperity of life business, depend on the value of the securities in which their money is invested. It is a question to which I have called attention before. I rather fancy that when I called attention to it last time my remarks were I will not say not appreciated, but were ridiculed. However, I wish you to bear in mind that on December 31st last we had to write down the value of the Stock Exchange securities we held by no less a sum than £533,000; and that is not all, because during the quinquennium I think we were one of the first offices to adopt what I call a conservative principle, certainly in the shareholders' account, of always writing down securities to the market value instead of having what I may term the storm signal of a fictitious reserve for depreciation. I am well aware, and I think it right to tell you, that, though we wrote down the securities by the sum of £533,000 on December 31st, yet on March 31st our Stock Exchange securities had improved by over £200,000; but they have since then, I believe, somewhat depreciated. My object in calling your attention to this is not simply to give the directors' point of view, although it is a disagreeable thing for them to have to write down securities; neither is it the shareholders' point of view, because, after all, numerous as are the shareholders in insurance companies, they are comparatively a small body; but I mention the matter as one which affects the millions who are insured in offices like the Alliance, or who have taken out industrial policies, or who have tried to make provision in friendly societies.

#### THE STABILITY OF INSURANCE SCHEMES.

The stability of the various schemes of insurance depends, not on actuarial calculations, but largely on the maintenance of the values of the investments. Therefore, it is not the shareholders only of a company, but the millions who are insured in all these companies, who have got to see that the securities in which their money is invested are not depreciated by—what shall I say?—chance legislation. Of course, no directors, nor anyone else, could have foreseen the events which happened during the past year. When I last had the pleasure and honour of addressing you I thought the Balkan War was over. It dragged on, however, to the end of the year, and there have been other disturbing elements in the politics of the world. At the present time there is a great Mexican crisis, and other things which may affect the markets.

## GLOBE AND RUTGERS FIRE INSURANCE COMPANY.

Mr. J. W. Binnie, manager for Canada, Globe and Rutgers Fire Insurance Company, has returned from a business trip to the West. The following well known firms have been appointed to represent the Company, Messrs. Hume and Telfer, Edmonton, Alta.; Messrs. Geddie, McKay & Smith, Limited, Regina, Sask.; Mrs. G. E. Rodwell, Calgary, Alta.; and Messrs. Byers, Butler, Bros. & Coderre, Limited, Saskatoon, Sask.

Mr. George H. Norris has been appointed city agent of the Excelsior Life, at Regina, Sask.

## BANKS AND LUMBER INDUSTRY.

The March statement of Canadian banks reflects the seasonal spring expansion of loans and current accounts consequent upon paying off the lumber camps and the starting up of summer industries, writes a Montreal correspondent. The lumber companies are expected to buy their timber limits and provide such short railway lines, sluices, and other equipment as are required for getting out the logs, with their own capital. Most of them are expected to meet the bills for provisions for men and horses during the early months of the winter. Then later in the winter the bankers make advances for current expenses; and in February and March they grant further loans for the purpose of paying off the men who have been in camp through the winter. The banks take security on the logs, retaining their hold on the same till they are floated down to the mills, converted into lumber and sold. It is supposed that loans to lumber manufacturing and pulp and paper companies had something to do with the increase of \$11,779,000 in commercial loans in Canada during March.

## GLENS FALLS CHANGES.

At the quarterly meeting of the board of directors of the Glens Falls Insurance Company just held, Col. J. L. Cunningham resigned the presidency of the company and Vice-President Russell A. Little was promoted to the vacancy. Secretary E. W. West was elected vice-president, and Assistant Secretary H. N. Dickinson was made secretary. Col. Cunningham has proposed resigning for some time, but has been persuaded to delay doing so till now. He has just passed his seventy-fourth birthday and rounding out his forty-seventh year of service with the Glens Falls. He will continue unofficial service of the company. These changes will not affect the administration of the company.

Mr. Little, the new president, is the son of the late R. M. Little, founder of the company and for many years its president. He has been in the company's service for forty-one years as field man, secretary and vice-president.

## NOTICE OF REMOVAL.

THE CHRONICLE has now moved  
into its new offices,

Suite 406-408,  
Lake of the Woods Building,  
10 St. John Street,  
Montreal.

Correspondents and exchanges are asked to  
address their communications accordingly.