

curing evidence respecting certain companies, comprising the Continental Life, Universal Life, Atlantic Life, Metropolitan Life, New Jersey Life, Hope Mutual Life, American Popular Life, Buffalo German, Clinton Fire, Equitable Life, Manhattan Life, Mutual Life, New York Life, Washington Life, Security Life, North American Life, United States Life, &c., &c.

In order that he might learn whether bills had been paid not audited by him, the Comptroller addressed the following letter to each of the companies named in the resolution, embracing the New York, the Metropolitan, &c.:

STATE OF NEW YORK, CONTROLLER'S  
OFFICE, ALBANY, Feb. 9, 1878.

To the ——— Life Insurance Company:

I enclose herein a copy of the resolution adopted in the Assembly on the 7th inst. You will please forward to this department at the earliest moment, copies of all bills paid by you, your company, or by any person or persons for you, to the Insurance Department, or to any officer, employee, attorney, appraiser, or other agent of that department, for any purpose whatsoever, since Jan. 1, 1877. You will also please furnish the department with a detailed list of bills which you have declined to pay, if any such bills have been refused payment, and the name or names of the parties to whom such bills are alleged to be due, and the service claimed to have been rendered. If any bills have been cut down or decreased, you will state the original amount claimed as well as the amount paid. If any amount has been paid for which no voucher has been taken, state the amount so paid and to whom and for what purpose. These inquiries are broad and comprehensive, in order to place before the Assembly the fullest information obtainable. Most truly yours,

F. P. OLCOTT, Controller.

In response to this inquiry, details of the following totals were supplied, none of which bore the Controller's audit: New York Life, \$32,781.61, of which nearly \$25,000 was paid to one firm; the Metropolitan paid \$4,074.40, and the Manhattan \$6,314.36. The last named refused to pay some \$10,000 more for bills which were presented by appraisers. The total bills not audited amount so far to \$55,011.21.

It is to be hoped that our translineal cousins, who generally are not slow in administering justice, will not forget, while treating with Mr. Smyth, that any investigation, to be satisfactory, should include the agents, abettors and associates in the transactions, and also the officers of the companies who paid the money. "We appreciate," says a New York daily, "the embarrassment which the members of a company believed to be prosperous will feel when asked whether submission to irregular and extortionate charges had

any connection with the rendering of a favorable report as to its condition; but the inquiry, in spite of its unpleasantness, forces itself upon the mind. The adverse report rendered respecting the Universal Company seems to operate against the suspicion thus generated, but the after-proceedings of the Superintendent in sanctioning the continuance of an insolvent company in hands that were directly responsible for the insolvency, sustain the unfavorable hypothesis. Whether literally correct or not, it is certainly not improbable. And hence the propriety of making the trial of Mr. Smyth the occasion of testing the *bona fides* of investigations which the policy-holders are expected to trust implicitly. The inability of Mr. Smyth to form an independent judgment on the subject,—his dependence on others in every part of the business, and his proneness to choose as auxiliaries persons in whom the public repose very little confidence,—must be regarded as detracting materially from the value of any report over his signature. If, in addition to incompetency, sinister considerations have room for almost unchecked play, it is evident that the removal and punishment of Mr. Smyth, and the punishment of those who have profited by his lawlessness, will but imperfectly satisfy the requirements of the situation."

The leading companies, generally those doing business in Canada, should assist by every possible means in tracing this matter to its source. There is somewhere a wrong to be righted. But the policy-holders should not grumble if a small portion of their property be employed in making investigations in which they are more interested than the public at large.

#### THE NATIONAL INSURANCE COMPANY.

The National has had a hard time of it from the outset. Launched in 1876 by E. H. Goff, of Canada Agricultural fame, the result of the first year's business showed an impairment of capital of nearly \$50,000, out of \$73,000 paid-up, the result of the first ten per cent call. Two more calls, of ten per cent each, have since been made, and the total now paid up, according to the report on another page, is \$195,000. The business of the past year has been still more discouraging, owing to heavy fire losses, especially that of St. John, N. B., and somewhat to the expensive horde of inspectors maintained by the company. We imagine that the staff organization of the National could be considerably reduced without any material loss in efficiency. As it is,

whatever of prosperity the company may meet with in the future will be chiefly owing to the gentleman presiding at the head of its affairs, whom the shareholders have almost solely to thank for any success hitherto attendant on the efforts of the frail concern in which he has been prevailed upon to embark, in riding out the storm. The expenses made during the year in obtaining gross premiums of \$113,450 amounted to \$42,895, or about 38 per cent. The amount paid for fire losses was \$190,952, almost wiping out the total paid-up cash capital of \$168,025, including even the proportion paid up by promissory notes of \$27,298. All gone save honor, pluck and organization.

It is to be hoped that the National may succeed in avoiding any future hard knocks of the momentum of the St. John disaster, where, however difficult it was, they honorably and promptly paid all claims against the company, amounting to \$151,556, and we have no hesitation in saying that all future claims will be paid with equal readiness as long as the worthy president and the majority of his co-shareholders are liable for a single dollar. The company has commendably applied to Parliament for an Act to enable them to reduce the original authorized capital of \$2,000,000 to \$500,000, thus lessening the gross liability to the public.

The National has, from its inception, been foremost in the laudable efforts to advance rates, but apparently with little success, so far as its own are concerned. Instructions to agents are supposed to indicate the maximum rates that will be accepted. We observe that convents and other such first-class risks are taken at 75 cents for three years, a rate which we fancy is not likely to be very profitable to the company, and is merely heaping up liabilities without any approach to remunerative prices. But, as Hudibras says,

"What's the worth of anything,  
But just so much as it will bring?"

There has been something said as to an amalgamation with one or two other home companies. If one strong company could be formed from such a combination, the sooner it were done the better. As it is, the weekly business troubles all over the Dominion are making heavy inroads on the aggregate strength of stock-lists, making it all the harder for those that remain, and in one or two cases compelling the few strongest to carry the entire load on their shoulders, with little prospects of any return adequate to the risk; but with the doubtful prospective comfort that the weaker will ultimately share equally in any prosperity that may be developed in the dim future. As far as amal-