ciates were present at the meeting, at which several interesting papers were read.

Colonel Macdonald will attend the triennial International Congress of Actuaries, to be held in Amsterdam during the first week in September, as vice-president representing the United States and Canada.

CALEDONIAN INSURANCE COMPANY.

The extracts appearing on another page, from the one hundred and seventh annual report of the Caledonian Insurance Company, "the oldest Scottish fire office," as it is able to describe itself, show that this well-known company pursues the even tenor of its way, content to place stability and growing strength before mere size. In its fire department, through whose operations the Caledonian is known in Canada, the net premiums during 1911 reached $2,190,728, and with an interest income on fire funds of $43,762, the total income on this account during the year, reached $2,234,490. The losses of 1911 reached $1,168,042, a ratio of 53.32 per cent.—a slight advance upon 1910—while commissions, expenses and taxes absorbed $26,367 or a ratio to premium of 37.73 per cent. The necessary addition having been made to premium reserve to maintain it at 34 per cent. of the premium income for the year, a surplus on the year's trading of $239,801 is carried to the profit and loss account.

At home, the Caledonian transacts an extensive life business and maintains also other departments of insurance, and, as will be seen on another page, its funds at December 31, aggregated well over $18,000,000. In Canada last year the Caledonian received net cash for premiums aggregating $388,130, and incurred net losses of $201,744, or 51.98 p.c. Mr. John G. Borthwick, of Montreal, is the Caledonian's manager for Canada, and the fact that the company's Canadian business is steadily increasing is effective evidence of its popularity.

HON. W. H. HOTCHKISS IN MONTREAL.

Addresses Life Underwriters—Declares against State Insurance and Urges Further Education of the Public in Insurance Matters.

Hon. W. H. Hotchkiss, formerly superintendent of insurance of the State of New York, visited Montreal this week, and on Tuesday evening addressed the local Underwriters Association at a banquet held at Coopers. About one hundred members were present. Mr. H. H. Kay, president of the Montreal Association, presided, his immediate supporters including Mr. W. B. Campbell (Toronto), Mr. George E. Williams, secretary of the Dominion Association, and Mr. J. C. Tory.

Mr. Hotchkiss' address was mainly concerned with the subject of state insurance, against which he put forth an able argument. He said in part:—

CONDITIONS TO-DAY.

"Let us congratulate you that in the field of life insurance there are no tariffs and, comparatively speaking, no misunderstanding. The bickerings of competition are not all passed; they are, however, much less. The quality of salesmanship has not yet reached the ideal; but, it is more manly, and therefore more effective. Lawmakers may not yet have ceased from troubling, but their interest is not so keen in insurance laws as it was a while ago. After a cataclysm which was needed, and, therefore, severe, the life insurance world has settled down, readjusted itself to new conditions and, alone of the fields of insurance, except the marine field, seems—again relatively speaking—at peace, and, as a consequence, constructively at work.

"The public still demands of your companies those returns and that conduct which such companies' trusteeship of the public's funds ethically requires. The time was when new policy clauses and unusual benefits were large factors in field competition. Your policies to-day are pretty much alike. Not many decades ago, trick settlements were resorted to that profits and surpluses might be increased. Such things would now fatally discredit a management and stir the supervising department to action and publicity.

STATE INSURANCE.

"The public interest in the cost of your commodity becomes a menace to insurance as a system in the arguments adduced therefrom by those who insist that insurance be taken over by the state. Say they: 'What is there in life insurance that government may not furnish it, instead of these corporations? The expectancy of life has been reduced to a methematical formula. Medical examinations under governmental regulation would be as accurate and reliable as those under companies. Salaries of state officials are much less. Agents could be hired on a salary, rather than on a commission basis. The state being the insurer, surpluses would be unnecessary. In short, why pay the heavy distribution and safety charges which now make premiums high? Let the state do the business and the people have insurance at net cost. No argument could be more popular, more plausible. Indeed, as you know, the mother country has already started down the road, under the leadership of Lloyd George; while one of our states is now writing life insurance contracts."

"But there are momentous reasons why no American commonwealth should ever make a beginning. Of all the insurance schemes yet proposed, state insurance, while, in the abstract, promising most, will, in my judgment, profit the people least. But, it can be stamped out only by satisfying that public that performance cannot square with prophecy. The duty of so satisfying the public—of educating that public in the facts—is, I take it, the highest duty of the insurance men of the present generation.

PUBLICITY WANTED.

"Let us, therefore, consider, not state insurance, its folly and the means whereby to show that folly, but the problem of educating the people to a sympathetic knowledge of what insurance is and does

"The people possess less accurate knowledge of what insurance is than they do of any of the other necessities of life. The people are not only wanting in sympathy, but fairly chock-a-block with prejudice against insurance, the insurance companies, yes, even insurance agents. Insurance has negligently failed to take the people into its confidence. Insurance, in its contact with the masses of the people, is usually content to rest its case on advertisements of bigness—long lines, nay, lanes, of figures, meaning nothing.