

defrauding them." Mr. Rogers' opinion differs rather widely upon this point not only from all who profess any regard for ethics, but also from that of Parliament, as expressed in section 147 of the Insolvent Act of 1869. The pity is that the penalty imposed by that section upon misdemeanors such as his—viz., imprisonment for terms not exceeding three years—was not exacted in his case.

Statements were found inside the insolvent's ledger, showing his "present worth" each year from 1864 to 1868, and these showed him worth, on the 21st April, 1863, \$38,300. He explained, however, on his oath, that he "did not regard these statements as reliable; that he never took stock correctly; he merely made statements of his affairs every year, with no particular object, but just to see how the figures would look." This may be regarded either as a flimsy pretence or a practical joke. Of the same kind is the statement that his "books generally were no record of his business."

The sum of the affair is, that after repeated attempts by lying, deceit, and fraud to circumvent his creditors, he finally accomplished his purpose by the aid of his father's bogus claim—increased to \$15,000—and compelled them to accept 87½ cents in the dollar, or be involved in expensive and tedious legal proceedings, with the chance of getting nothing in the end.

We would much rather, in the interest of morals and honest trade, have seen this latter alternative accepted. Fine and imprisonment are the measure that should be meted out to all such brazen schemers as this, and we are sure that many will join us in the regret that, instead of peddling sewing machines in the back townships of Lennox and Addington counties, as Mr. Rogers has been doing since falling from his former greatness, he is not serving out a lengthened term in the common gaol at Napanee. "The way of the transgressor is hard;" and it is chiefly because this case affords so striking an illustration of that truth that we give it a degree of prominence which otherwise it would not deserve.

TORONTO GAS COMPANY.—At the annual meeting on Monday last, a satisfactory report was presented. The Board of Directors were re-elected for the ensuing year, whose names are given in an announcement elsewhere.

HUNT'S MERCHANTS' MAGAZINE.—The last number of this useful periodical contains articles on "A Fast Age," "The New Gold Bank Notes," "Statistics of the Kingdom of the Netherlands," "Chief Justice Chase," "British Neutrality," "A Step towards Specie Payments," &c., &c.; also, full commercial, financial, and railway intelligence, and other valuable information.

LIFE INSURANCE IN THE UNITED STATES.

The reports of the two insurance departments of New York and Massachusetts, on the business of 69 American Life Companies for the year 1869, present some lessons which may be profitably studied, not only by the companies of the Dominion, but even by the time-honored institutions of the mother country.

The rapid growth of the American business, and the strong hold the system has taken upon the confidence and favor of the intelligent classes, is doubtless due, in a large degree, to the wide publicity of the several companies' affairs through the supervision of the departments and the general publication of the annual returns. In this respect the business, as conducted in the States, has always presented a marked contrast to the practice among English companies. There, the system has been surrounded by a spirit of exclusiveness, and the business of most offices shrouded in mystery. It seems to have been the conceit of officers that the public, who annually paid their money into the coffers of those "close" corporations for the future protection of their families, had no right to know whether it was being judiciously and safely invested; whether the necessary reserve or re-insurance fund to meet obligations falling in through the distant future was being sacredly maintained. True, most of the companies have had their annual general meetings, but the secretary's report and the speeches of directors related chiefly to the interest of the shareholders. The policyholders were left in the dark as to the general character of the lives insured, and the relative proportion of the assets and liabilities, including the reserve.

But the superiority of the American system of State supervision and publicity could not always be ignored, and in view of the numerous failures among English companies organized during the past 25 years, some legislation analogous to the American system, has been so urgently and so often called for, as to finally secure the passage of the Cave Bill, or 33 and 34 Vict. Chap. 61, passed in August of the present year. Our readers have already been made acquainted with the main features of the bill through these columns. An annual deposit of £20,000, and the filing with the Board of Trade of annual statements and exact balance sheets of each company's financial condition, will henceforth largely circumscribe the operations of the "promoters" and "wreckers," and by enabling the public to distinguish the really sound from the weak offices, give more certainty and solidity to the business, and largely increase the number of the insuring classes by removing the painful feeling of distrust so long prevailing.

The tendency to a dangerous expansion of the American business, by a too rapid increase of companies and reckless expenditure by these new companies, to secure more volume of business is to be strongly deprecated. The average ratio of expenses on the business of 1869, shows a small diminution, and the increase in the volume of business as compared with the three previous

years, indicate a falling off. This may not necessarily be a turning point in the tide of general expansion, but rather the consequence of a better safer policy and management.

And prominent among these indications of a safer management, may be instanced a growing disposition to place the companies more strictly upon a cash basis, by diminishing the proportion of notes, loans and other unrealized assets. The proportion of loans to cash, among the note companies, has been nearly 40 per cent. But the tendency of the business seems clearly towards reduction, which may work out a complete establishment of the cash principle. The business of 1869, shows that the reduction in the aggregate of premium notes, and loans on policies, is about 8 per cent., and about three per cent. on the net assets. One of the oldest and best of the companies—the New England Mutual—has abandoned the note system, and the other large note companies, such as the Aetna and Connecticut Mutual, are largely reducing the proportion of loan that will be granted.

As another desirable reform in the business, it is probable that under the strong treatment which the question of assets has received, at the hands of the department, in their reports for 1870, the annual returns of the body of younger companies, will hereafter contain fewer items of a doubtful character. The seven and a half millions of miscellaneous assets reported, include items that ought to be reduced, or wholly omitted. Such items, are office furniture, stationery, premiums in the hands of agents, or in course of transmission, deferred premiums, &c. These items, always easily overstated, are often so large, in proportion to the amount of business done, as to excite grave suspicions, and often make the assets appear much greater than they really are. Their recognition by the department confounds assets in possession with assets in expectancy. The difference being vital, the distinction should be carefully maintained. In this way only can the tares be sifted from the wheat. Under the head of "premium loans," a vast deal of deception can be and is practiced. One of the oldest note companies, which has now secured a large cash surplus is said to be surrendering the note liens on policies falling due, yet counting those notes among the assets, where they make a large item in the aggregate. Other companies allow these premium loans, with the open understanding that they are not to be charged against the policy. On this subject, Superintendent Miller says:—"In regard to 'credits,' 'margins,' or 'loans,' in any form made, or purporting to be made, at the time of issuing a policy, or any part of any premium thereon, but which are in no event to be collectable, or an offset to the policy, the superintendent cannot see how any value can be attached, and in the absence of any value, of course, cannot credit them as assets." Let us hope that next year we shall see a rigid enforcement of this ruling.

Many of these items, heretofore, allowed among the assets of the companies, are of such "questionable shape," that the Superintendent of the Massachusetts Department, intends, hereafter, to