

ket for their particular products as well as the labor which is employed. The result in some cases has been an actual reduction in wages instead of the predicted increase, while in others the reduction is soon to be made. A case in point is cited by the *Daily Commercial Bulletin* of New York, which lets some light in on the doings of the window-glass manufacturers. As soon as the tariff question was settled the various factories in Pittsburg and the West combined, and now the combination is extended to take in the Eastern establishments, the whole under the name of the "American Window-Glass Company." Speaking of this movement, the *Bulletin* says:—

The combination is a monopoly of the severest character. Up to a certain limit it is really free from foreign competition, and under any conditions practically free from domestic. It can therefore do what it will with the particular industry affected. It purposes, when the present fire ends, raising prices all round. This was to be expected as a natural result of the increased protection and absence of competition. But further, it also purposes reducing the wage schedule concurrently with advancing prices. This could scarcely have been looked for in view of the fact, that the workmen's welfare was one of the strongest arguments used to secure higher duties on imports. At the same time, it is a good object lesson on the beauties of a high tariff policy. It clearly exposes the fallacy of the argument, that under this policy the laborer *must* benefit as well as the capitalist, and shows what value is to be put upon protectionist professions of solicitude for the earnings of the working man.

Now, this is only one somewhat conspicuous fact, by way of illustration, and serves to indicate the probable action of manufacturers generally in the United States, who see and will use their opportunity to wield the two-edged sword of combination and protection to cut down wages. And when the people complain, the only reply they are likely to get is: "What are you going to do about it?" Unless we mistake the temper of the intelligent American public, that public will within the next two years show just what they are going to do about it. And the exhibition will be intensely realistic, but not at all comforting to some of the front seat spectators.

## Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents.

### LETTER FROM TORONTO.

Editor INSURANCE AND FINANCE CHRONICLE:—

Whenever two or three life agents meet together in competition, the respective merits of their companies and plans are fully discussed, each one earnestly endeavoring to prove that the company he represents certainly contains all the elements necessary to prove it to be the best and strongest in the world. Overhearing such a discussion some days ago, I was much impressed with the clever arguments brought forward by each agent to prove his case, and concluded that so long as competition existed, each agent would endeavor to show that the company which he represents is certainly the best and the strongest. The agent is quite right in so doing, for he is employed for that purpose. It may be admitted that there is a largest life insurance company, but it will be difficult to find any half dozen actuaries who will unanimously agree that one company is the

best. As to the strongest company, I consider that one having the largest amount of assets to its insurance liability to be entitled to that distinction. I would not include a new company with a large capital and having a small amount of insurance in force, nor one lacking a surplus, as, properly speaking, from a policyholder's standpoint, they would be undesirable companies. On the basis named, the title of the "strongest" may fairly be claimed by the Equitable Life Assurance Society of London, England. From its last published statement the assets were about \$22,000,000, and insurance in force about \$30,000,000.

A few remarks respecting this company may interest your readers. It was founded in 1762, is a purely mutual company, has never employed an agent nor paid commissions. The ratio of expenses to income is about 2½ per annum. Under a by-law passed in 1810, it was decided to make a division of the profits every 10 years. Another by-law was passed in 1816, providing that, at a division of profits, only the first 5,000 policies then in force should be entitled to participate. This by-law has never been repealed. This may be owing to the number of policies in force for many years not having reached that limit. The premium income is small—about \$700,000—while that from interest is about \$900,000. The death claims, including bonus additions, amount to about \$1,500,000 per annum. The new policies issued are about \$600,000 per annum, so it appears as though the company is working out its natural end, and in a few years will be in position to pay off all its policies as endowments. The surplus at the last division was nearly ten millions of dollars, of which about seven millions were divided, and the balance according to by-law carried forward. How regrettable it is to see a splendid institution like this just drifting along, the managers apparently satisfied to continue in the lines of 100 years ago. Under live Canadian or American management, this institution would quickly become one of the most successful competitors for business in Great Britain.

Reading Mr. Newbatt's speech on the management of a life company reminds me of a remark made by the president of a large American company on that subject. He said that over the water they are undoubtedly turning out some of the cleverest and most scientific actuaries in the world, but as business men to push forward a company they are failures. From the present appearance of insurance matters in Great Britain, our American friend sized up the situation pretty correctly.

Mr. G. McMurich, the representative here of the Royal Canadian, has been elected an alderman for St. George's ward. Mr. Maughan, formerly of the Royal, who represented that ward last year in our council chamber, met with defeat this year. Insurance friends are extending him any amount of sympathy, but I congratulate him on his relief from the arduous duties of an alderman in this city. It will leave him more time to attend to his large and growing fire business, and the loss of aldermanic honors will result in an increased income for 1891. Mr. Maughan is associated with the well-known and successful representative of the L. L. & G.,—Mr. J. B. Reed; they have lately taken over the London Assurance and lost the Queen, so there will be some hustling this year to see which agency shall retain the business held by the different companies at the time of the exchange.

Who doesn't know P. J. Brown, solicitor by profession, and for some years a successful solicitor of risks for the Equitable? P. J., as he is called, is a genial fellow, always wearing a happy smile and smoking a good cigar. He wears a good big smile these times, the Ontario Government having lately given him a handsome appointment at Osgoode Hall. He deserves it, and what is more has earned it, for I doubt if the Reform party had a more faithful warhorse in its ranks than the said P. J. He is pleased and so is every one else.

What an awful lot of nonsense there is talked about keeping down the mortality in a life company. I admit it is controllable to the extent of a careful selection of the lives admitted, but there it ends, although I know some differ from me on this point. For instance, a tale is going the rounds, that in the absence