

# The Monetary Times

Trade Review and Insurance Chronicle

39th Year—No. 39.

Toronto, Canada, March 23, 1906.

\$2 A YEAR  
IN ADVANCE.

## CONTENTS

	Page.		Page.		Page.
The Insurance Investigation.....	1263	Farm Products .....	1267	Regina's Sinking Fund .....	1276
Country Hotel Accommodation ..	1264	Western Population Clubs .....	1268	Peterboro' Board of Trade .....	1276
Western Development .....	1264	Loan Company Methods .....	1268	U. S. Fidelity and Guaranty Co... ..	1278
Reinforced Concrete in Building..	1265	Life Assurance .....	1268	People's Building Association ....	1278
Importance to Ontario of Hudson Bay .....	1265	Life Assurance in France .....	1272	Our Saint John Letter .....	1279
Canada's Mineral Production in 1905 .....	1266	Chartered Accountants .....	1272	King's County Board of Trade ..	1279
		Fire Insurance Notes .....	1272	Banking and Financial .....	1280
		Riverdale District .....	1276	Life Assurance Items .....	1280

### THE INSURANCE INVESTIGATION.

It is too early in the investigation now being made at Ottawa before the Insurance Commission to say what will be its final result. Thus far the enquiry has mainly been confined to the examination of Mr. Fitzgerald, the Superintendent of Insurance, and of Mr. Blackadar, the principal actuary of the Department. The former gentleman appeared to assume a defensive attitude, contending, for instance, that he had little if any power to control the investments of companies. He might with propriety, it seems to us, have taken a bolder position, and declared that he was not expected or empowered to do an auditor's work, for which indeed the equipment of his office was in no wise adequate. But if Mr. Fitzgerald was backward, Mr. Blackadar was absolutely timid. Neither of these gentlemen, unfortunately, gave an impression of frankness in their evidence, although it is everywhere admitted that they are honorable officials, and Mr. Blackadar is unquestionably a clever mathematician and actuary, of an unhappily nervous temperament.

Of course, the main intended object of the examiners of the Department of Insurance has been to satisfy themselves and the insuring public that the companies doing life underwriting in Canada were solvent, and able to carry out the undertakings of the policies they issued. And in the main, their investigations have for years established such solvency. But in our opinion there was warrant for these officials going further, and declaring to the Minister anything they found in the management of companies that savored of extravagance or speculation. The mere bigness of a company and the influential character of its directors should not deter a trusted official from declaring that companies had no right to do such and such things, and that they should be stopped, even though the specific letter of his instructions may not cover the problematical items he may come across.

Writing down of securities once a year by an insurance company if these securities have declined in

market value is a prudent and proper step; and two business men out of three will contend that by a parity of reasoning, writing up of securities to their market value ought not to be condemned. But it is not the proper business of a life insurance company to deal in notoriously speculative securities, especially foreign ones. It is done, we know, and is justified (by the doers) on the ground that profit has been made for the policyholders by the buying and selling of these. Still it is wrong, all the same. The contention of one company that its charter permitted investments, which the Department held the Insurance Act did not, will doubtless be pronounced upon in a definite manner. There should be no conflict of authority in such a matter.

A list of questions has been prepared, apparently by the legal advisers of the commission, and are put to managers of life companies in the form of a circular. They are sixty or seventy in number, and cover an immense field. Some of them are of undoubted appropriateness and importance; others look as if they may have been prepared for the American market. They give, however, the impression that the commission is resolved upon thoroughness. Putting the question yesterday to managers of two Toronto companies how long it would take to furnish answers to this set of questions, the reply of one was; "anywhere from three to six months;" and of the other, which was a larger company: "We should need an extra staff, and even then it would take ten or twelve months." Somebody, therefore, will have to foot a bill whose aggregate will be something generous.

Meanwhile, the stir that has been made in Canada in the last few months consequent upon the revelations before the New York Commission, and now the discovery of some irregularities by several of the Canadian companies has a deadening effect upon the procuring of new insurance. An agent in Quebec writes to us on Monday last: "I wish this commission would hurry up its enquiry, and tell us what companies are honest and what ones are unfit to be in the swim. My

Company

Life Assurance  
Fund of  
is paid up in  
on this paid  
Policyholders thus  
Security of \$300,  
greater importance,  
ful and conser-  
it as the Guarant-  
amount. By the  
corporation, every  
ing policy in the  
ch all premiums  
all have one vote  
000 of insurance  
holders are thus  
management  
rs. In short, it  
North American  
ual nor a Stock  
es the advan-

Toronto, Ont

VICTORIA  
COMPANY

ral good  
Special  
produc-  
eral con-  
ness (con-  
desired),  
KE,  
F.S.S.,  
Manager,  
MONTREAL.

FIVE  
SSIVE  
ITHFUL

of the Union Mu-  
e conservative in  
o be progressive  
ness—to be faith-  
holders.  
tion cordially

Insurance  
Portland, Maine.  
ARTHUR L. BATES,  
Vice-President.  
gent for Canada,  
al, Canada.  
Division, Province  
rio, apply to  
Manager,  
Montreal.  
rio, apply to  
Manager  
TORONTO.

X.....  
Company  
n, N. Y.  
CK. Agents,

CUAIG  
East, Toronto