

vention of Chambers of Commerce, in London, for the discussion of the question of preferential trade.

To municipal affairs much of the address is devoted, and its president defends the action of some of the board in taking a prominent part in the recent mayoralty contest. Public spirit and patriotic activity should need neither apology nor defence, and there is no good reason that members of the Board of Trade should not be active in what they regard as the best interests of the city. On the contrary, there is strong reason that they should take greater and more permanent interest in the governmental methods of the city council, which are often sadly in need of business-like revision. After having referred to the clause in his previous address which dealt with the "outrage that we should be obliged practically to increase our capital by one-fourth in order to provide the taxes levied for the city revenue upon our stock-in-trade," and the further outrage that Toronto's civic expenditure yearly exceeds that of the Province of Ontario, Mr. Davidson makes a strong plea in favor of fitness on the part of aldermen and civic employees. We quote his words: "The secret of success in all our banks, factories, railways, and business houses, lies in the selection of capable men to carry on their affairs, and the matter of salary is not allowed to stand in the way of securing their services. Why should any other policy obtain in city government? Why should the ratepayers of Toronto entrust the direction of its affairs to men whom no bank or business house would dream of employing in a like capacity? I speak with reserve, of course, for there are able aldermen and officers in the service of the city. But manifestly they are not in control, or we should have less cause for complaint and criticism. It is the ward politicians, the ringsters, and the nominees of societies who exercise the rule over us, and we are paying for their domination through the nose. An educated public opinion we have not got; neither can we look for it until the ratepayers come to regard the city's business as their business."

The address takes a business-like view of the Ashbridge's Bay question, and gives an interesting account of how Boston treated her unsavory Back Bay forty years ago. If any person of ordinary sense thinks that we can govern a city properly by rule of thumb or by the village methods of 1860, he or she may with advantage learn what an experienced Philadelphia man says about the need of very thorough scientific knowledge and very great scientific skill in looking after the happiness and prosperity of a city's population. Mr. F. P. Pritchard assures us, in his paper on the subject, that municipal government is a science, and adds: "It is time that we realized that many of the difficulties and mistakes of administration are due as much to ignorance as to corruption; as much to unskilful and unscientific measures as to dishonest ones. That honesty in officials is essential to good government no one will deny; but it is also true that skill and knowledge are quite as essential, and that

an ignorant and untrained official at the head of a municipal department may work as much injury as a dishonest one." That Mr. Davidson's lengthy homily upon city affairs is not inappropriate will appear when we remember that he had a good text, with which he closes instead of opens the discourse. It is this: "It is indeed a matter of grave import to find that in the ten years from 1881 to 1891 the annual expenditure [of Toronto] has grown from \$15.22 to \$23.52, and the net debt from \$71 to \$89, per head of the population."

THE NEW YORK LIFE INSURANCE COMPANY.

The result of examination into the affairs of the New York Life Insurance Company by the Insurance Department of New York State has been made public. Mr. Pierce, the superintendent of the department says that the company "is beyond all question solvent, and is the actual owner and possessor of a surplus of available assets and property exceeding its present liability by the sum of \$6,038,136.33 accrued upon its general account, and \$8,670,539.50 upon its tontine accumulation."

This surplus of \$14,708,675 is very satisfactory and reassuring after all that has been said and hinted about the condition of the company. But there is something more in the official report which calls for attention. It is there claimed that "erroneous judgment, excessive expenditure, and neglect" in the matter of investments have caused heavy losses to the company. Three or four cases are cited in this connection: First, a property named Holbrook Hall cost the company \$1,009,866, while its actual value, as estimated by the appraiser of the Department, did not exceed \$480,000. The account of this matter laid before the trustees convinces Mr. Pierce that "the interests of the company were neglected and trifled with in its earlier history," and that there was "gross neglect and incompetency in the management of this property." Next there appears to have been a loss by the company of \$283,994 on the Plaza Hotel, and then "the Home office building also shows a large shrinkage of value as appraised by Mr. Coleman" (a real estate authority). Lastly under this head, the real estate investments in Paris, France, which cost the company \$1,102,604.05, and which the French Government values at only \$470,400 (taxable value), and which the company's own selected appraisers value at only \$787,200, furnish another instance of great shrinkage in value and apparently of great extravagance in the price paid for it."

The officer entrusted by the Superintendent with the investigation was Mr. Michael Shannon, Deputy Superintendent. This gentleman reviews, under the head of Agency Management, the facts relating to the company's Spanish-American Department; L. C. Vanuxem & Co., and S. L. Dinkelspeil, to which he devotes some sixty type-written pages. The impression made upon the head of the Department by this review is that "a state of affairs exists in the company's agency management call-

ing for the severest criticism and condemnation, and which, if continued, must prove ruinous to the company. Extravagant commissions and unwarrantable allowances have been paid to the company's agents; funds of the company to the extent of hundreds of thousands of dollars have been advanced to these agents without interest and upon insufficient security. Funds of the company have been used for speculative purposes, and the greater portion of the profits arising therefrom have been presented to the agents, while in case of loss on any such transactions, the whole loss falls upon the company."

These three agencies owe the New York Life, it seems, no less than \$1,508,000, as under: Spanish - American Department, \$590,000; L. C. Vanuxem & Co., \$570,000; S. L. Dinkelspeil, \$348,000. The report of Mr. Shannon is lengthy, covering seventeen columns of the *New York Times*, which journal, as the one most prominent in attacking Mr. Beers, the president of the company, must be held in view of this report, to have made out its case calling for investigation.

June 30th, 1891, was selected as the date to which the examination of the company's condition should be directed. At that date Mr. Shannon finds the total assets of the New York Life to have been \$120,710,690 and the liabilities \$106,002,015. The principal items of both are given below:

ASSETS.

Real estate	\$13,225,038
Loans on bonds and 1st mortgages	20,825,484
Loans on collaterals	3,509,500
Bonds, stocks, etc., absolutely owned, market value	75,016,950
Cash in bank or office	2,624,187
Premiums deferred and uncollected	4,643,453
Other assets	866,078
	\$120,710,690

LIABILITIES.

On outstanding policies, net less re-insured	\$104,608,104
For death losses unpaid	990,507
" annuity claims	146,551
On lapsed policies	138,481
For matured endowments due	39,019
" premiums paid in advance ..	79,353
	\$106,002,015

Gross surplus on policy-holders' account is thus \$120,710,690.

When extravagance and speculation and negligence are laid, as they are in this report, at the door of officials of an important life company, it may arouse other like organizations to their duty of economy and prudence, which there is reason to fear the big companies, which deal in millions, do not always regard. But a worse feature in the conducting of such a business as life assurance is the employment of reckless, characterless, gambling persons as canvassers or agents, merely because they are "lightning solicitors," and can get business. There must be a limit to such dangerous folly. It has wrought harm already both in Canada and the States. The view taken of this question by Mr. Beers, the president of the New York Life, may be gathered from his evidence before the Trustees' Committee in 1887. Speaking of S. L. Dinkelspeil, employed by the company, when asked about his gambling, horse-racing and so on, he said: "I only wish this man was of a different character.