

for security and safety; and this assertion is made when her own companies are even on the higher reserve, making dividends ranging from thirty to fifty per cent. per annum. In the face of such patent facts it is useless to enter into an elaborate argument as to the abundant sufficiency of the New York re-insurance fund. American rates of premium were originally copied mainly from English companies where four and a half per cent. is the maximum average rate of interest attainable on safe securities. In this country our companies have averaged over six per centum, and it seems to be an abuse of public credulity to argue that assuming interest at four and a half per cent. is too high a rate, and gives too small a reserve for safety. It may be agreeable to some officers, actuaries and agents to overcharge premiums by excessive rates and reserves but the public desire only safety and security, and do not approve of the useless and unnecessary hoarding of overcharged premiums in the coffers of the companies, tempting to lavish expenditures on agents, officers actuaries, and to the general demoralization and destruction of public confidence in the business.

The New York State standard has already been adopted by the States of Michigan and Missouri. When the Department valuation tables are completed, facilities for its application to test the policy liabilities of companies will be furnished at comparatively small expense and trouble.

The American Experience Table of mortality was constructed mainly on the actual experience of the Mutual Life Insurance Company of New York, now the leading life insurance company in the world. The Actuary of that company (Mr. Sheppard Homans), who compiled the experience and constructed the table, availed himself of all the other statistics at hand for ascertaining the laws of mortality applicable to healthy insured lives in this country. The experience was not as broad and extended as the experience of the seventeen English offices upon which the Actuaries table was based; but the policies observed were American insured lives, and the latter advantage more than counterbalances the former for life insurance purposes in this country. All the standard European tables were also used for the purpose of comparison in graduating and modulating the American.

GOVERNMENT SUPERVISION OF LIFE ASSURANCE COMPANIES.

The *Economist* is a paper which for information and able comment on mercantile and monetary affairs is usually considered by City men to be of some value. In conjunction with several others, it has assisted in arousing attention to one special department of commercial speculation, and has in some degree prepared men's minds to acknowledge the urgent necessity for legislation with respect to it. A short time ago it contained a suggestion, not certainly original, since it had already been advocated in our columns, that life insurance companies should be required in all cases to seek and obtain a Government certificate by way of guarantee to their solvency as a condition of their commencing or continuing to accept premiums and issue policies. Of course the value of such a certificate would depend entirely upon the manner or conditions on which it was granted, the character of the commissioner or inspector, the thoroughness of the examination, and the degree of authority with which the officer was armed. If such examination was to resemble those which certain paid auditors confessed to have recently deemed good and satisfactory, the more seldom we see a repetition of such a mere farce the better. But if it were really thorough, and in other respects what we have before described, and were also supplemented by the appointment of a public prosecutor, an official the want of whose services is greatly felt in almost every department of the State, the regulation would be a most important and useful one. But then, naturally, there are

many who unite the strongest motives for avoiding publicity of every kind as regards the companies of which they are promoters or agents, with an almost unlimited command of funds to enable them to keep things as they are, or at any rate to advocate and disseminate their arguments as to deprive the proposed bill of all substantial power, while leaving to it its outward form. Added to the voices of these men are heard the cries of those whose instinct it is to resist all change simply because it is change, and whose capacity only enables them to repeat, parrot-like, a series of common places which do not bear on the point at issue, and would not be of much value if they did; which are wearisome to read and hear, and tiresome to refute, but which, since they are read and heard, must not be allowed to go unanswered. For example, we find one journal characterizing the suggestion alluded to as most mischievous, since every one ought to know that no Government would consent to allow companies to trade upon their certificates. This is but one illustration out of a score of fallacies put forth by that blundering ignorance which knows no hesitation or scruple.

The Government of the United States is commonly supposed to accord with the principle of freedom even to license; yet how does it manage this department of speculation? An officer, invested with large discretionary powers are specially appointed, and without his certificate no company may commence business, and he can at any time call for an investigation of the affairs of a company and suspend their business until they prove to his satisfaction that they are in a solvent and satisfactory condition. And even with regard to our own government, is the necessity of a certificate a quite unheard of thing? Quite the reverse; the principle is already widely accepted. No railway can commence running trains without a Government certificate; and what is a railway company but a trading company? The ships of mercantile marine are inspected by Government officials, whether owned by individuals or companies; building societies are obliged to comply with Government regulations, and the houses are inspected by officers appointed for the purpose. Our cabs and omnibuses (the latter in most cases the property of joint-stock trading companies) are now all alike required to have a certificate, failing compliance in which the vehicles are impounded and the owners fined. In fact, it is now the exception rather than the rule that trading companies should be free of official inspection. If such a thing could be imagined as a joint-stock hospital for the cure of disease, established with a view to profit, it would be no less subject to inspection than our private lunatic asylums now. And as with companies so more or less with individuals. What is the inspection of weights and measures but the recording that the certificate in question is publicly withheld? and notwithstanding that the President of the Board of Trade has some unfortunate sympathies with these disreputable pilferers of the poor, most men would be glad to see that inspection more frequent and systematic than at present. So far the inspection of schools other than those aided or established by Government is not compulsory, but public opinion already is settling that way, and this not so much because schools are mostly conducted on mercantile principles—i.e. to make a profit out of them—but because the quality of the commodity which they vend is so important to the welfare of the community that Government may properly be required to supervise and guarantee it.

But probably the most complete answer to the objections advanced is to be found in the circumstances that we have already found it absolutely necessary to do as much for the poorer classes. What is the registry of Mr. Tied Pratt but in reality a certificate, which guarantees that the societies so registered are established on a sound

basis, with equitable regulations, and on principles satisfactory from an actuarial point of view. This assistance the middle classes do not receive, and have not as yet claimed. The question for them to consider is whether they would not be wise to do so. Within the last six years, ninety-two life assurance companies came into existence. They had £30,000,000 of nominal capital, of which less than a tenth was subscribed for, i.e. three millions. But even of these nominal subscriptions not a third was *bona fide* paid up. Under these circumstances, there is no wonder that thirty-seven altogether failed, and eight others have transferred their liabilities to other companies. The best comment on this is that in America one of the first requirements of the public officer is that the nominal capital should not be more than that actually subscribed for, and what is even more important, that the sum subscribed for should correspond exactly with that which is already paid up and invested.—*Full Mall Gazette.*

FIRE RECORD.—Puslinch Lake, Aug. 9.—Mrs. Pembroke's tavern, lately occupied by one Pierce, was burned to the ground. The fire was evidently the work of an incendiary, as no one was living in the house at the time.

Edwardsburgh Township, August 13.—A barn belonging to Wm. McGannon, containing thirteen tons of hay, took fire, and the building and its contents were entirely destroyed.

Oshawa, Aug. 16.—A rather serious explosion took place in the Joseph Hall Works, by which two men were burned severely about the face and arms. The fire which followed the explosion was easily extinguished, without doing much damage.

Beverly Township, Aug. 11.—Saw mill of Peter Wood destroyed, together with a large quantity of lumber, and about 50,000 bunches of lath. Loss in the neighbourhood of \$3,000 or \$8,000, and uninsured.

Arthur Village, Aug. 13.—A fire broke out in Jos. Smith's store, occupied by John Buschlen. The fire was not put out till after considerable damage had been done.

Aberfoyle, Ont., Aug.—The oatmeal mill of Mr. George McLean was totally destroyed by fire. Loss \$15,000; about two-thirds insured.

North Orillia Township, Aug. 20.—A fire, evidently the work of an incendiary, occurred at the saw-mills leased by Messrs. Hall Bros., on lot No. 1 2nd concession. 400,000 feet of lumber and a stable were destroyed. The horses and waggons which were in and about the stable were saved. Loss nearly \$3,000.

THE GARRYOWEN.—This vessel which sunk some time since off the south shore of Lake Erie, has had a most unfortunate career. She was run as the propeller *Ekerman*, for a time. Her entire crew were lost, on one occasion, and numbers of people lost their lives in connection with her in various ways. At the time of the wreck she was owned by Messrs. Miller & Co., and was insured in the Montreal Assurance Company, for \$4,000 or \$5,000. The cook of the vessel, and his wife, made affidavits that she had been scuttled by the captain and a couple of the crew. This appears, from the investigations of a diver, to be pretty certain. The insurance money is, of course, withheld, and every effort will be made to bring to justice the perpetrators of the crime.

The bark "Pallas," Jones, master, of Liverpool, G. B., went ashore on the west coast of St. Pierre, Miquelon, on the night of July 28th. Her deck load was thrown overboard, and on the 29th the bark was got afloat and taken to St. Pierre Road, where, at last accounts, from the scene of disaster, she was lying at anchor full of water. The "Pallas" was from Miramichi, N.B., bound to Siloth, Cumberland, England.

—The propeller Pacific, while lying at the dock, at Marquette, was run into by the propeller *Chieora*, and struck on the starboard side, near the after gangway, cutting through the bulwarks and staunchions. Damage about \$500.