MR. RUSHER'S EXPLANATION.

ENGLISH ACTUARY'S STATEMENT REGARDING HIS COMMENDATION OF UNION LIFE IN 1910—POINTS WHICH SATISFIED HIM.

The investigation into the affairs of the defunct Union Life Assurance Company, of Toronto, has now been completed. At the penultimate hearing an important statement was read from Mr. E. A. Rusher, formerly assistant actuary of the Prudential of England, in regard to the conditions under which he prepared a special report for the English prospectus of the Company in 1910.

Mr. Rusher begins with a statement that in 1909 Mr. Harry Symons, K.C., of the National Agency Company, approached him with an offer to become consulting actuary of the Union Life, but owing to the opposition of the Prudential Life Rusher deferred giving a definite answer. Subsequently Mr. H. Pollman Evans consulted him and he consented to act in a private capacity, indefinitely.

In referring to the report prepared by him, Mr. Rusher emphasized the fact that the proof prospectus supplied him differed materially from the one actually published in the newspapers and issued to the public. He stated that in July, 1910, in a letter he charged Mr. Evans with a serious breach of faith, and also with having used the name of the Prudential Assurance Company on the prospectus, contrary to the agreement by which he had consented to do the work. Mr. Rusher added that Mr. Evans in his reply evaded this point.

CAPABLE MANAGEMENT NEEDED.

"With regard to the actual life insurance business," the communication proceeds, "I cannot do better than give the opinion of Mr. T. B. Macaulay, a leading Canadian actuary, in defending the action of the Canadian Insurance Commissioners, in a letter to the press, dated July 25, 1913, which was as follows: 'At that time (July, 1910), the Union Life Company could still look forward to a successful future, if under capable management. The additional capital from England should have ensured that success. The one essential was capable management, and that had to be supplied, not by the Government Department of Insurance, but by the shareholders.' "

Mr. Rusher proceeds:—"This report endorses the position I have always held, that, given capable management, the company had all the elements for developing a successful business. The fact that the Metropolitan Life Assurance Company of New York, on a forced sale, gave £80,000 for the acquisition of the business of the Union Life, in July last, is evidence that they, at least, thought the business was good."

Dealing with the position of the assets, Mr. Rusher points out that two considerations influenced him decisively in taking them at the value entered in the Canadian Insurance Superintendent's annual reports. The first was the knowledge that the Canadian Insurance Commissioners are suposed to pass no assets at an amount greater than their market value and to throw out all doubtful ones.

COMMISSIONERS SEEMED SATISFIED.

"There was nothing whatever in these reports by way of note or comment," proceeds Mr. Rusher, "to show that the Commissioners had not satisfied themselves as to the value of the assets of the Union Life Company, and I maintain that I was perfectly justified in accepting these figures as representing the real facts, and that any blame for any consequences of my doing so rests with the Canadian Insurance Commissioners. I understand that they defend themselves upon the ground that they had hoped the company would pull itself straight, and that by making no comment public confidence in the company would not be destroyed.

"The second consideration, in my mind at the time of making my report, was the fact that the Dominion Government a few months previously had passed a special act authorizing the raising of additional capital. I was impressed by this fact. Surely no one could not have conceived that such an act had been passed in favor of the company, which was known to be in a bad financial position. I would only add that I would never have agreed to the issue of the shares at the high premium. It was obviously inconsistent with the tenor of my report. I contend that I acted with reasonable caution in framing my reports.

"The assets are really the crucial point of the whole matter. Had they been of the value set out in the Insurance Commissioners' report all that the company would have had to fear would have been that critical early stage in the history of all insurance companies—especially those transacting industrial business—giving way to the expense of launching the business, appearing to be enormous as measured against the directly visible results."

In conclusion Mr. Rusher said that in its issue of November, 1913, the *Canadian News* implied that he resigned the post of assistant actuary to the Prudential Company owing to charges of bribery and bad faith.

WHY HE LEFT PRUDENTIAL.

"I have shown that there is nothing whatever in the charges," says Mr. Rusher. "The innuendo is equally false. I have resigned because of the withholding of material facts from me, my name had become connected with a company that was insolvent, and I did not desire that the Prudential Company should in any way suffer from this. My reports were based upon facts placed before me. Had I known the true facts it is quite certain that my reports never would have been given."

The Beaver Fire Insurance Company, of Winnipeg has received a Dominion license. The chief agent is Mr. André Gouzée.

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An exceptionally fine showing is made by the Canadian Car & Foundry Company in the fourth annual statement which has been sent out to shareholders. Gross sales for the year ended September 30th last showed an increase of $3,800,000, or 23 per cent., and net profits available for dividends an increase of $331,-721, or 32 per cent., over the previous year. The balance available for dividends on the company's common stock of $3,975,000, after all deductions, including a special appropriation of $350,000 for a contingent reserve fund was $913,153, equal to 22.98 per cent. earned, against $616,432, or 15.51 per cent., the previous year. After all disbursements a balance of $754,153 remained to be carried forward out of profits to surplus account, bringing that account on September 30th last up to $2,114,419.