

were allowed to invest in securities of municipal or school corporations of any country in which they were transacting business. They were, however, allowed without restriction as to transacting business, to invest in debentures, bonds, guaranteed stock, preference stock, and ordinary stock of commercial companies, subject to certain stipulations as to those companies having paid dividends over a certain term of years at a minimum rate. It seemed, therefore, that a Canadian company which was not transacting business, for instance, in England, would be precluded from investing in British municipal securities, while at the same time it could, under the Act, invest in the ordinary stock of certain breweries or even mining corporations, operating in any part of the world. There were other provisions of the Act which, while not apparently essential to the security of the policyholders, restricted the freedom of action of the companies. Take for instance the regulations as to bonuses. Companies had to give three options as to the manner in which bonus was to be taken, viz., cash, reduction of premium, or addition to the sum assured. Nearly all gave those options irrespective of the Act, but he did not see why an office could not be allowed to make a special feature of reduction of premiums. The business of some British companies had been built up on those lines and they had evidently met the requirements of a section of the insuring public. He could not see why companies in Canada should be restricted from proceeding upon the same lines.

Under the Act very large powers were invested in the Superintendent of Insurance. He had power to make valuations. He had the functions of auditor with powers to write down the securities of companies, and to examine the officers under oath. The forms of policies had to be submitted to him before they could be regularly issued. As a sense of responsibility was one of the best incentives to good work, it seemed to him somewhat unfortunate that it was thought necessary in Canada to transfer so much responsibility which would ordinarily be borne by directors and officers to the shoulders of a Government official.

CALEDONIAN INSURANCE COMPANY.

"The oldest Scottish fire office," as the Caledonian Insurance Company is able to describe itself, enjoyed another satisfactory year's business during 1910. In its fire department, net premiums were \$2,189,900, an increase of \$10,880 upon the total of the previous year. Interest on fire funds reached \$46,135, making a total income on this account during the year of \$2,236,035. The loss experience was favorable, the amount paid in losses being \$1,114,360, a ratio of 50.88 per cent. Expenses took \$820,880 or 37.49 per cent. After making small adjustments, there is a surplus on this account of \$298,955. The fire fund is increased to \$1,244,565, \$744,565 being an allocation of 34 per cent. for unexpired premiums, and \$500,000 being additional reserve. The amount carried forward on profit and loss account was increased substantially to \$615,030.

While confining its attention in Canada to fire business, the Caledonian has at home an extensive life business, and other departments, so that its total funds, as will be seen by the extracts from the annual statement published on another page, reach \$17,610,740. In Canada last year, the Caledonian received in fire premiums, \$357,401 and incurred net losses of \$210,508. Mr. Lansing Lewis, of Montreal, is the Canadian manager of this well-known Scottish office, assisted by Mr. J. G. Borthwick, secretary, and it is satisfactory evidence of the position and popularity of this office that in Canada, as elsewhere, its business is steadily increasing.

MONTREAL'S TAXATION OF FIRE COMPANIES.

The Case of the City against the Ontario Fire Insurance Company—Text of Mr. Recorder Weir's Judgment.

We print below the text of the judgment of Mr. Recorder Weir in the case of the City of Montreal vs. the Ontario Fire Insurance Company, the Royal Insurance Company, et al., intervening. The issue, it will be remembered, was the maintenance of the Fire Commissioners' office, the Ontario Company resisting payment on the ground that several companies doing business in the city are not called upon to make a contribution. The case was decided in favor of the Company.

By R. S. Q. Art. 3821 the City of Montreal is entitled to recover from the fire insurance companies doing business in the city two thirds of the amount so paid by it, in such manner and at such periods as may be determined by by-law which it is thereby authorized to make.

The City has passed a by-law, dealing with the matter, to wit No. 381.

The City declares that it has paid out for salaries of fire commissioners, secretary, stenographer's fees and contingencies the sum of \$6,900 and that the share of the defendant is \$20.56.

As to this it must be said that there is inexactitude. \$500 were allowed by the City for stenography, but it is not known or proved whether this was used in whole or in part. Consequently, it is impossible to say whether the amount now claimed by the City is absolutely exact or not. Failing such exactitude it would seem that there is an irregularity which vitiates, in part at least, the City's demand.

It is claimed by the defendant that the amount claimed is incorrect for another reason, viz.: that there are other fire insurance companies doing business in the City of Montreal who have not been called upon to contribute to the re-imbursement of the \$6,900, the cost of the fire commission.

I think there is proof that several companies were doing business during the period in question. Among these may be named, the Calgary Fire Insurance Co., the Eastern Canada Manufacturers Mutual Fire Insurance Co., the Mississquoi & Rouville Insurance Co., Jacques Cartier Insurance Co.

It is a question whether, admitting that all the fire insurance companies doing business in Montreal have not been called upon to bear their share of the expense, the defendant can escape altogether, seeing that it must be held that it is liable for some portion at least of the expense. Should not the defendant have made a tender? Is not the obligation equally binding upon both parties to ascertain the amount actually due by each company? Affirmative answers to these questions suggest themselves at first sight. It must be borne in mind, however, that the present action is based upon a by-law, and it is essential that a by-law be workable and reasonable. If the by-law upon which this action is based is not reasonable the action must fail.

Now the authoritative source of the by-law in question is the Article R.S.Q., 3821.

This article empowers the City of Montreal by by-law, in such manner as it may determine, to recover from the fire insurance companies two-thirds of the amount paid by it for salaries and expenses. The amount payable is in proportion to the revenue received by each company, and it is stated that each agent or representative of each company shall be obliged to make and furnish annually to the City a sworn statement of its revenues received in the City.

I think it is clear that the City may exact all this information and by by-law adopt the necessary machinery for obtaining the requisite information. It may be objected that the statute gives no power to enforce such machinery by penalty, but I think it must be held that such power to enforce is implied and that the City might at least enforce such a by-law by the same penalty by which it enforces other by-laws.

Now the City by the by-law 381 has not adopted any effective or reasonable method of obtaining the necessary data for assessing the cost of maintaining the fire commission upon the fire insurance companies doing business in