

and underwriters pay brokers by special cheque, earmarked for a particular loss, the custom is that the underwriter is thereby relieved from all further payment to the assured, although the broker may have failed before passing on that money to the assured.

There have been cases where guarantees have been given in addition to the usual deposit of £5,000 with the Committee of Lloyd's made by each member for the payment of marine risks only. A list of guarantees of this kind was published in July last. It bears the following heading:—

Notice.

"The following members of Lloyd's have deposited with the Committee of Lloyd's guarantee policies in respect of any claims which may arise on risks other than marine transport underwritten by them between the 1st January and the 31st December, 1908."

To this is appended the following notice in red ink:—

"N.B.—The Guarantee Policies only apply to risks underwritten through the undermentioned agents."

Efforts have been made to allay the uneasiness created on this side the Atlantic by the embarrassment of certain members of Lloyd's. Notably in an article of the *Financier*, of London, of August 21st, which seeks to make it appear that criticisms of the transactions of these embarrassed members proceeded from American fire insurance companies, jealous of the recent fire underwriting done at Lloyd's; whereas about the first intimation of insecurity came from an article in the *London Times*.

Sir John Luscombe, chairman of the Committee of Lloyd's, said, when asked what would happen in case one of his syndicates became involved in liabilities beyond its resources and its deposit: "I have no doubt whatever that the money would be forthcoming"—but he does not say whence or how; and this is exactly what insurants wish to know. Lloyd's have no power to compel any of its syndicates to pay when they lose. In July last, it is true, in view of the embarrassment of several members, an effort was made by a prominent underwriter to get the other underwriters to agree to stand behind those men and pay claims which had matured if they did not. But this proposal was unsuccessful, as we learn from a letter of 28th July. And we have seen no official announcement that this would be done, nothing but the indefinite statement of Sir John Luscombe, quoted above.

There is no obligation on the part of any underwriter to notify brokers of intention not to renew, each risk being quite a separate and distinct contract, and not renewable without consent of the underwriter. If a risk goes badly, underwriters may refuse to renew. The assured may be placed in an awkward position by such failure to renew.

Cases may be cited in which Lloyd's have repudiated liability, because of the ordinary fire policy, with Lloyd's as co-insurers, having been altered in rate or amount without notice. In such case Lloyd's fire insurance is of no value to the insured unless notice is given and the change acknowledged. In *McElroy vs. Martin* and other Lloyd's underwriters, tried before Justice Higham and a special jury, on August 2, 1898, judgment was given against the pursuer owing to the plaintiff having reduced the sum insured of the named office from £1,500 to £750. In *Bancroft vs. Heath* and other Lloyd's underwriters, before Justice Mathew, January 15, 1900, judgment was given against the pursuer because the sum insured in the named office was reduced from £1,750 to £1,350.

Again, it is necessary to have actions under Lloyd's policies tried in London, so that in the case of a Canadian plaintiff the expense of witnesses, counsel, etc., would be very great. Further, no figures or balance

sheets are published regarding the standing of each individual underwriter at Lloyd's.

In considering the question of whether there be monetary advantages in going past the companies permitted by the Government to operate in Canada, it should be borne in mind that a loss claimant under a Lloyd's policy, in addition to taking the risk of getting his money at second hand through the medium of a broker in London, has by the custom of Lloyd's to pay a collecting fee of one per cent. on the amount of loss. When a large loss happens this brokerage has very frequently been found to have exceeded the difference originally obtained on the rate. The law on this side forces the companies to make their payments to the order of the insured, so that the brokers or agents are not able to negotiate the loss drafts.

EDITORIAL NOTES.

"How is business?" is the present day greeting. "Business," came the answer this week, "was once a word to be found in the dictionary. It may be discovered there yet, but elsewhere—" And a shrug of the shoulders finished the sentence. Then the speaker's eyes turned towards the West. Anyway, hope is to be found elsewhere than in Webster.

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Penny postage between the United States and the United Kingdom of Great Britain and Ireland will be in operation from October 1st. Another wheel in the machinery of universal penny postage thus is turned. The wonder is that the public of Britain and of the United States have for so long borne the burden of a five cent tax upon letters. Commercial relations should have wiped away years ago what in these days can only be considered an extortionate franking fee.

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Edmonton and Strathcona, commonly known as the twin cities of Alberta, have been discussing the wisdom of becoming one. At present they are a sort of municipal Siamese twins. Which, according to anatomy, is scarcely one thing or the other, and according to geography, ditto. The relations of cities almost adjoining are not always of a friendly character. The progress of such centres has been delayed by the time wasted in endeavors of the one to score over the other. Some advice given to Edmonton and Strathcona is that the Capital and University cities of Alberta should each stand separate, and each work out its destiny. In a new country this is probably best. On the other hand, there is much to be said for a fusion of the interests of both municipalities. It means that one big city in Alberta will be born before two progressive cities will have the time to cut a very big historical figure. Whatever course the two Albertan giants decide to pursue, they will be rewarded with success. Hard workers usually are.

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Some features of the Canadian National Exhibition of to-day which merit notice are quite apart from its outstanding features of extent and comprehensiveness. Worthier buildings it has gradually acquired and a greater symmetry in their placing. The handling of crowds, the ordering of special displays, and the mechanism of judging and prize awarding have all been improved. But what is not less worthy of approving remark is the great change for the better in such elements of comfort for guests as improved restaurants, advanced lavatory arrangements, more substantial walks out-of-doors and floors within, signs of progress in tasteful planning and ornamentation, as well as in the general cleanliness and tidiness. The latest addition to the grounds, the concrete lamp-posts that grace the walks, is one to be entirely commended. For much of this betterment the country is indebted to the esthetic aptitude as well as the business sense of the directors of recent years. Then there is the picture gallery of to-day—of itself a delight.