

illustrated thus:—Take the case of a person 10 years of age insuring for \$1,000. After having paid 33 annual premiums, being then 43 years old, he ceases to pay; the policy at once goes under the control of this State act, and is continued in full force 18 years and 171 days—or until the person is nearly 62. This extension of premium is arrived at by taking the sum of the premiums paid during the 33 years, deducting 1-5 as an allowance for expenses, etc., and the remaining 4-5, or \$193.52 as a one premium controlled by the State to continue the \$1,000 policy in force for the 18 years.

THE AVERAGE CLAUSE.—The London Central Chamber of Agriculture have recently passed resolutions protesting against the average clause in fire insurance policies as not fairly applicable to farm property. The *Insurance Record* discusses the question at some length, and insists that the addition of the average clause to every species of fire insurance would be a perfectly just and equitable proceeding. So thoroughly is this principle recognized abroad, that on the Continent, in Germany in particular, every fire risk of whatever kind is of necessity subject to average. This practice no doubt entails upon the assured the obligation, if he desires to be fully covered against loss by fire, to insure to the full value of his property. But in this obligation we see nothing subversive of perfect equity as between the insuring offices and the assured. Indeed, we think it is only a proper and rational precaution, for any and every office to take measures to ensure the owner's being equally with itself, interested in the preservation and guardianship of the property insured. The operation of the average clause can never be detrimental to the interests of the assured, except when the property has not been insured to the full value. But in such a case it is surely not at all monstrous to demand that for the uninsured surplus the owner should be considered as his own underwriter, and should be held liable to bear a proportional share of any loss which may occur.

HINTS ABOUT FIRE RISKS.—Ambitious, inexperienced insurance officials should move cautiously in taking risks on any class of goods where the salvage will run low. Crockery, iron, grindstones, bricks, and sand banks will do to look wise about, guess for a rate, and write a line off-hand. But hardware, leather, drugs, books, millinery, fancy and dry goods, neither intuition nor assumption can properly grade. To run for luck in writing risks is not underwriting; it is gambling. Here insurance ceases to be a business; it is a game of chance, and where men hold five to eight hundred thousand dollars of other people's money, as well as the public confidence in each individual contributor to this amount, to dilly-dally with, there opens up to view very serious responsibilities. Because Jones has his stock of boots and shoes insured at sixty cents, Brown, milliner, next door, even in a better building cannot be covered at the same rate. Water and smoke will damage Jones seventy per cent., whereas the least whiff of smoke is likely to ruin the whole of Brown's stock. A fair fire in any of our large crockery houses would do sixty per cent. damage; and yet where a thorough soaking would scarcely affect this stock, books or hardware would be totally destroyed. It is in just such cases, apparently, as these, that the grosser blunders of underwriting occur. The moral hazard is all-important, and only a thorough knowledge of the world and age opens this secret. An acquaintance with the assured is often worth a per cent. more to one underwriter than to another, and where one office takes a risk as A 1, another is justified in classing it as extra hazardous. A proper drawing of the lines is the result only of years of experience. Just now when rates are being crowded lower and lower, the seemingly most unimportant things should be well considered, and no risks taken, no matter how flattering the proposals, of which the office has but little information. There are breakers

ahead; the best men at the look-out deservethem, and it is all the more necessary to be watchful and prudent.—*Bulletin*.

THE OBLIGATION TO INSURE.—A Chicago paper mentions the fact, that there are 4,000 persons in that city dependent on charity for their support through the winter, and of these seven-eighths or 3,500 are widows. On this startling announcement, the *Chronicle* of that city comments thus:—Alas for womanhood! The curse pronounced in Eden has followed it from the pangs of childbirth, through all the lonely garrets and bereaved homes of earth, taxing its frail strength with the heaviest burdens of life, and schooling its patience to an endurance almost infinite and quite sublime. After nearly 1900 years of Christian culture and endeavour, the wife, who makes a poor man rich in taking her bridal vows upon her, is only separated by the frail barrier of his life from the same sad fate that overtakes the "cripple" and the "broken down old man." Ultimate pauperism is the dower her husband leaves her at his death. The blind and the deaf have their asylums; but she, whose eyes were blind to the attractions of splendour without honour, whose ears, perchance, were deaf to the appeals of wealth without love, is left, when death overtakes her natural protector, to the cold charity of the public, or the comfortless and degrading refuge of the almshouse. Of the 4,000 destitute, whose only hope for the coming winter is in the mechanical charity of a corporation, seven-eighths, or 3,500 are widows. There is something indescribably sad in this statement. What stories of wasted lives and enduring griefs could these 3,500 helpless and well-nigh hopeless ones tell! How have the bright visions of the bridal morn sunk into the darkness of death's starless night. The marriage contract is the most sacred that man is capable of executing, and therefore, not only have its civil obligations been made as binding as law could make them, but religion has, in all ages, been invoked to throw around it her solemn sanction. The consideration which the woman gives, is the most valuable that humanity can give. The corresponding vow which man makes is, therefore, the holiest that humanity can make. It is to love, cherish, and protect until death separates the contracting parties. Who that is worthy of the name of man, of husband, would not, if possible, carry the obligation beyond death and continue thereafter the loving, the cherishing, the protecting? It is possible; but it is life insurance alone that makes it so.

NATIONAL LIFE INSURANCE COMPANY OF THE UNITED STATES.

The National Life Insurance Company of the United States of America, was established on the 28th July, 1863, with its head offices appropriately at Washington. The capital of the company is £200,000, fully paid up, and the statement of accounts now before us shows the position of the office on the 1st August, 1870, or two years and three days after its foundation. We commend these figures to the consideration of the English offices generally, and especially to those who consider that a large paid-up capital is better than a large subscribed capital backed by a small paid-up proportion thereof. The number of policies issued in the two years of the company's existence was 11,275, insuring £5,676,000. The new business for the year 1869 consisted of the issue of 6,767 policies, insuring £3,200,000. The total cash income at the close of the second fiscal year was £150,000. The total cash accumulated at the 1st of August was £330,000, out of which the insurance fund must be deducted, and the balance will be the capital in the hands of the shareholders. It may be interesting to know at what cost this immense business has been gathered together in such a short space of time. We therefore refer to the New York Superintendent's report for 1869, published in the November issue of

the *Review*, and find by this that the valuation just completed by the Insurance Department, of the financial position of all the companies doing business in New York, shows that the National after setting aside the reserve to meet the liabilities, according to the official standard, has yet £162,000 of its capital intact—in other words, there is only a deficiency of £38,000 on the capital account. This, then, represents the cost to the shareholders of getting together an amount of business which we venture to say is unprecedented in the history of Insurance. It is a striking proof of what energy will accomplish in the face of the most severe competition. We devoutly hope that the few truths above mentioned may awaken English managers to the fact that the whole system of getting business must be revolutionized if anything like the above results are to be achieved here. It is in energy, in intelligence, and perseverance, that the Americans excel us. We do not think much of the difference of interest obtainable in the States, as compared with England. This is merely an incidental feature of the rival systems. The Americans are constantly striving for success, and leave no stone unturned to secure it. The English offices seem to act on the principle of rest and be thankful. It is a fatal policy, and one which, if not altered, will lead to ultimate decay on the part of those who will not recognize the necessity for improvement.—*Insurance Review London, Eng.*

Railways.

GRAND TRUNK RAILWAY

This company have 1,377 miles of Road in operation,—there being no new lines under construction. The engineering features are favorable, the heaviest gradients being 1 foot in a hundred, or 52.80 ft. per mile. The bridges, between Montreal and Detroit, are wholly of iron, with masonry piers and abutments. Those on the Buffalo and Goderich district have been generally rebuilt with Howe truss, in wood, during the past three years. From Richmond to Riviere du Loup, the bridges are of iron, with stone piers and abutments; as also are a great many between Montreal and Portland, and the balance on the latter district are all first-class wooden bridges, generally Howe truss.

The local improvements during the present year have been,—large machine shops at Stratford, Ont., 500x90 ft.; stores building at Stratford; engine shed at Brockville, Ont., holding engines; freight shed at Brockville; two new car shops at Portland, Me.; and the Company's works there generally re-modelled. The Co. also erected new stations at Gorham, N.H., and at Stratford, Ont.,—the latter being a large and commodious building, for the traffic of its junction there (main line with the Buffalo and Goderich district), containing ample refreshment rooms and general waiting rooms, together with the general local offices of the Superintendent. These station buildings at Stratford, together with the new machine shops, water supply and other works in progress and projected, render the company's means of transacting business at this point very efficient.

At Fort Erie, the International Bridge is in course of erection,—two piers being finished, and another above low water; and the abutments and the other works are being pushed forward. At Portland, Me., in addition to the new shops already mentioned, the Co. have renewed, with heavy and substantial pile-work, the Boston wharf, covering the whole with a new shed, under which teams can discharge goods to and from the vessels.

In general, it may be said that the bridges, stations, buildings, &c., of the Road are in good order. The outlay during the present year in extensions of sidings and traffic accommodation, will amount to something like \$150,000, gold.

As to new equipment, the Co. have placed upon