

kinds, 1883. Work on the Montreal station is being hurried on before winter. The company expects to make arrangements to place its rails on the dike which is being built to save that city from spring inundations.

There was, as already indicated, a gratifying increase in the earnings of the company, for the half year ending June 30, 1887; the net receipts being £553,353 18s 7d, against £494,683 in the corresponding period of last year. After paying the interest on debenture stock, and on bonds, rent of leased lines, and interest payable in respect of subsidiary lines, there was left a net revenue balance on the working of the half year of £137,777 5s, which added to the balance of the previous half year, makes a total of £138,588 13s 5d.; out of which the full half year's dividend on the four per cent. guaranteed stock, £104,395 17s 6d, and a dividend on the first preference stock at the rate of two per cent. per annum. These payments exhausted the balance within a fraction, £2,043 0s 1d. The increase of business was thus divided: 9.14 per cent. on passenger and 8.18 on freight and stock. The tonnage carried exceeds that of any previous year. The full merit of the reduction of working expenses is realized when it is stated that the cost of clearing snow, £21,989 was higher by £7,800 than in any previous half year, during the last four years.

#### ONTARIO INVESTMENT ASSOCIATION.

As stated in our last issue, the motion made at the adjourned meeting of shareholders in the Ontario Investment Association, to transfer its mortgages to the Ontario Loan and Debenture Company, was carried by a vote of fifteen thousand votes to four thousand. It was objected by those who opposed the transfer that something like ten thousand votes were cast in its favor by persons whose stock was not paid up; and the opinion has been expressed that the intended transfer cannot be effected, but that the affairs of the company must eventually come to liquidation. We have already stated our belief that the purchase of the assets of the association by a good company like the Ontario Loan, is a desirable thing and we have given our reasons therefor.

The fact that an offer has been made by another company, to take over the assets and assume the liabilities of the association, is sufficient proof that it is regarded as able to meet its obligations to debenture holders and depositors. Indeed, no one appears to doubt that it can do so. The whole cause of the vehement opposition given by some shareholders to the proposal to sell, was their belief that it was possible to effect, by the gradual liquidation of the association, a larger saving for shareholders, after paying all outside debts, than would be possible under the offer of the Ontario Loan and Debenture Company.

It ought to be a sufficient answer to some timid people across the Atlantic who have expressed apprehension about the safety of our loan companies generally, to say that if

a company so shamefully mismanaged and abused as this one has been, can at once sell its assets for more than enough to pay its obligations, there need be no fear as to the debentures or the deposits of the sound and well-managed loan companies of Ontario, by which terms, we feel safe in saying, the great majority of such companies may be characterized.

For having some weeks ago ventured to apply to some of the operations of Henry Taylor and others in connection with this company the term "ingenious fraud," THE MONETARY TIMES was threatened with a writ for libel and asked for an apology, at the instance of that cool and unblushing operator. This, too, while he was an inmate of Middlesex gaol on a distinct charge of fraud preferred against him by Mr. R. M. Meredith, of London. Knowing something of Mr. Taylor's methods of "bluff," we did not apologize and were not seriously frightened, being content to await the making public, by investigators, of certain dealings of his concerning which we had private information. These dealings have been in part laid bare by Mr. Jewell in his report, printed in our columns last week.

In addition to the *expose* there made, the auditor gave particulars of amounts that had been checked out to Taylor, the president, Murray, the manager, and Cronyn, the solicitor of the company, to be paid on loans but which had not been so paid. Seven-eighths of the aggregate of these amounts is only partially secured:—

Cronyn & Greenless, as solicitors..	\$ 56,012 90
B. Cronyn, personally, .....	75,713 77
Chas. Murray, as manager, .....	116,375 00
Chas. Murray, as president, .....	9,249 28
(Less transferred property to the value of \$10,000 to reduce indebtedness).	

Henry Taylor—either directly or indirectly, not yet fully seen into 389,215 48

Total misappropriated, or stolen..\$646,566 43

An interesting specimen is also given of how Henry Taylor manipulated the company's stock to his own advantage. "This," says Mr. Jewell, "is given as an example of several similar operations:—"

Procured first loan of.....	\$10,000
Sold 300 shares.....	4,000
Procured second loan of.....	10,000
Sold 200 shares .....	2,500
	—————\$26,500
Paid premium .....	3,750
" first loan.....	10,000
	—————13,750

Net profit to H. Taylor.....\$12,750

When, after six or eight weeks of examination, a professional accountant uses, as Mr. Jewell does in connection with the operations of these officers, such terms as "crooked adjustments," "manipulation," "misappropriation," "false statements," "course of deception," collusion," "improper entries, not likely to be noticed." When he gives, as reasons for the sweeping reduction in value of assets from \$2,882,420 to \$1,835,293, such reasons as losses by unauthorized loans on certain stocks; losses by loans on mortgages upon real estate, not written off, though known, but dishonestly continued from year to year; moneys withdrawn without authority or else not applied to the purposes authorized. And when he furnishes proofs from the books and papers of the company of these grave irregularities, it will be admitted

that any language used by us to describe such transactions did not overstate their true character, however much it may have riled the virtuous soul of Henry Taylor.

#### OVER AND UNDER INSURANCE.

If the business of fire insurance is to be made fairly remunerative to insurance companies, they must not permit any kind of property to be insured for such an amount, that its destruction by fire would more than indemnify the assured for the loss sustained. Over insurance has been, and always will be, a fruitful source of incendiarism, and underwriters cannot exercise too much caution in looking into the contract of insurance with a view to the cash value of the property to be covered. It is but reasonable that the assured should assume a portion of the risk himself in order to ensure carefulness on his part against fire. It is well understood that a fire loss includes nothing beyond mere indemnity for the amount of loss sustained, and that no profit of any kind can justly be claimed from an insurance company by an owner.

On the other hand, under insurance is equally to be guarded against by insurance companies. A policy for \$10,000 on property valued at \$20,000 is in reality not an insurance of \$10,000 worth, but one of \$20,000 worth of property. In any case of partial loss under the amount named in his policy, the assured gets full indemnity for his loss, while the company realizes a total loss. If the insurance were for \$15,000, instead of \$10,000, the salvage to the company would be \$5,000, besides being paid fifty per cent. more premium than in the case first mentioned, while the loss liability would be no greater.

To guard against under insurance, companies have introduced the average or the co-insurance clause into their policies; and as an inducement to the assured becoming reconciled to this mode of insurance, the rate of premium is reduced. The Canadian Fire Underwriters' Association has adopted a seventy-five per cent. co-insurance clause in policies on such risks as come under the system of schedule-rating, allowing therefor a reduction of fifteen per cent. on the net premium. The clause referred to reads as follows:

"It is a part of the consideration for this policy, and the basis upon which the rate of premium is fixed, that the insured shall maintain insurance concurrent in form with this policy, on each and every item of the property hereby insured, to the extent of at least seventy-five per cent. of the actual cash value thereof, and that, failing so to do, the insured shall be a co-insurer to the extent of an amount sufficient to make the aggregate insurance equal to seventy-five per cent. of the actual cash value of each and every item of the property hereby insured, and, in that capacity, shall bear his, her, or their proportion of any loss that may occur."

At a special meeting of the Chicago Fire Underwriters' Association, held a short time ago in that city, an eighty per cent. graded co-insurance clause was adopted which was to be a condition in all policies on packing houses, warehouses and slaughter houses, and their ordinary contents in the Union Stock Yards in that city. The rates of insurance are made on a sliding scale, based on the eighty per cent co-insur-