

Pacific, not to mention a number of obscure lines upon which public money has been largely spent for local interests. In speaking of adding 5 millions to our debt, some exceedingly shallow remarks are made. Some persons seem unable to grasp the essential, the vital distinction, between a debt owed by a person as an individual obligation, and his proportion of the debt of his country. In the former case he must pay the principal sooner or later, in the latter case he is in no danger whatever of having any part of the principal to pay, his share of indebtedness is practically confined to his proportion of the interest, and even that is regulated by his expenditure in the purchase of dutiable articles. Any way, if Canada granted the extra 5 millions to secure Newfoundland, the burthen of that would only amount to a per capita charge annually of 3 cents on our population. Whoever objects to liberal concessions for the acquisition of a new Province, of a much wider market for our goods, of an Island rich in natural resources, is out of place in a progressive, enterprising country like this Dominion. Our conviction is that, in a question of supreme importance of this nature, which is wholly outside the sphere of party politics, there should be a confidential conference between the Government and the leaders of the Opposition, so that it could be considered on the grounds of national interest, and all party manœuvring be done away with, so the whole country would then be in a position to endorse what decision was arrived at, and, if union was the result, as we believe it would be, then the new member of Confederation would be welcomed by all sections of our people. So far as the apprehensions of difficulty with France are concerned over the shore privileges, they are much exaggerated, if indeed they are at all justified. It is forgotten by those who seem alarmed over this matter, that Great Britain was the party to the Treaty of Utrecht, not Canada, and the obligations of that treaty would not devolve upon the Dominion if Newfoundland were united to us. The motherland would never see Canada brought into trouble over such a treaty, and doubtless in the Imperial Act, which would be required to complete the union, there would be special provision made for our protection. The incorporation of the Island is favored by the British Government, it is desired alike by those of the Dominion and Newfoundland, it is very popular with our bankers and merchants, the difficulty which has caused a hitch in the negotiations they think ought to be removed, it is certainly a wholly inadequate reason for keeping back the union which would add so much to the national prestige, the safety and the trade of this Dominion. As we are going to press we learn that the Newfoundland subscribed stock loan of £550,000, at 4 per cent, for forty years, has been underwritten in Great Britain, and a public issue will be made by the eminent bankers, Messrs. Glyn, Mills, Currie & Co., within the next four or five weeks. Although this is highly satisfactory, under existing circumstances, yet it must not be regarded as a permanent solution of the difficulties of the Island, which may excite apprehension again in a few years. This loan, however, should pave the way for

the re-opening of negotiations for union with Canada, which must be regarded as the ultimate destiny of the Island. We "speak by the book" in denying that, at any time there was the least approach made towards any arrangements, financial or otherwise, with the United States of an annexation character.

#### **LIFE INSURANCE ABUSES—THEIR CAUSES, EFFECTS AND SUGGESTED REMEDIES.**

(Written for the INSURANCE & FINANCE CHRONICLE.)

By WM. T. STANDEN, Actuary.

Why is it that an apparently increasing number of risks of questionable moral and physical desirability find their way upon the books of the life insurance companies, and result in an increasing proportion of death claims of more or less suspicious validity, in spite of the precautions that the officers of the companies take to guard themselves against the admission of such risks? Of course the conditions of competition, which all impartial life insurance experts must be willing to acknowledge, are not restrained within reasonable limits; have something to do with this evil. They probably are not so directly responsible for it, however, as is another cause to which I desire to direct the most particular attention.

When life insurance on this Continent was in its infancy, it was a comparatively rare thing for one soliciting agent to work for another agent of a life insurance company without some direct contract or direct recognition from the home office. At that time the agents who secured the applications came into contact, either personally or by correspondence, with the officers of the company for which they worked, and consequently, in the very nature of things, they were led to feel some measure of direct responsibility for the quality of the work they did and the desirability of the risks that they were instrumental in causing their companies to assume.

As the business grew and assumed a magnitude never before even dreamed of, the executive officers of the companies began to feel the burden imposed upon the ordinary conduct of their business, growing out of the vastly increasing number of direct agency contracts, involving frequent periodical reports, and requiring more or less of direct personal supervision. They began a system of centralization, hoping to minimize the work and the friction that naturally grew out of a vast number of individual transactions, and this system of centralization has gradually grown more and more into favor, resulting in relegating the bulk of the soliciting agents into obscurity, so far as any personal supervision over their work, that could be exercised by the officers of the companies, is concerned.

Can there be any doubt that this system of centralization, under which a large and successful company would have only one recognized representative in a large State, or in perhaps two or three or more large States, would naturally dissociate the soliciting or sub-agents from the company, break down the sense of personal and individual responsibility under which they had theretofore labored, and create in its stead a feel-