INSURANCE MATTERS IN MONTREAL.

(From our own Correspondent.)

MONTREAL, Jan. 2nd, 1871.

This city has been remarkably free from alarms of fire since last report.

Dec. 26.—A fire broke out at 1.45 this afternoon, in a wooden dwelling-house, No. 41 Chaboilez street, which was speedily quenched on the arrival of the brigade. Insured with the Lancashire for $200, damage, say half that amount.

Dec. 26.—Intelligence was received here this morning of a most disastrous fire at Cornwall, Ont., on the afternoon of Christmas day, resulting in the total destruction of the magnificent manufactory, with its machinery and nearly all its contents, of the Cornwall Manufacturing Company, situate near the foot of the canal. This establishment, which owed its existence to the intelligent enterprise and liberality of a company of Montreal capitalists, was perhaps without an equal in the Dominion. Its destruction must be regarded on every account, a public calamity, and its effects on the neighborhood at this season will be most severely felt, as it afforded constant employment to over 200 people. The goods produced there—entirely blankets—are of the very finest description, and were rapidly supplanting the imported article. Your correspondent had the privilege of minutely inspecting it in every part some fourteen months ago, when every detail of its internal economy was pointed out and explained to him by Mr. Warwick, the able and respected manager, and he was greatly struck and highly gratified with the beauty and unerring precision of the costly machinery, and the perfect order and system that reigned throughout the place. Every appliance that experience, forethought and caution could suggest, for the prevention or repression of fire, had apparently been brought into play; and yet, on a Sunday, when the whole was at a stand still, the fires out, and a watchman on the spot, a fire breaks out, which defies all efforts to subdue it, and in a space of time incredibly short, reduces the magnificent establishment to a heap of smoking ruins. The only reason that is offered as the cause of the calamity is the spontaneous heating of some wool-waste in one of the upper floors. If this were the cause, it is singular that it did not reveal itself to the manager, who is said to have gone over the whole place but a short time before the fire broke forth. The main building was five full stories in height, the lowest of cut stone, the other four of brick, with a flat top; on the top of this was an immense tank, always kept full, from which a fire main, with connections and hose on every floor, descended to the tail-race, by which it was claimed and appeared practicable that any fire could be drowned out in an instant. There was no fire in the building, which was heated by steam, supplied from a boiler in a building outside, in which was nothing else except a rotary fire engine, capable of throwing 500 gallons per minute; adjoining this was the dye-house, of brick, two stories in height, and again, adjoining that, was the storehouse, 100 x 50, also of brick, and two stories high. The main building measured 140 x 56, and the whole establishment presented a front towards the river of about 270 feet. The ground floor of the main building was occupied by the washers, fulling-mills and driers, the upper floors, by the varied complex and costly machinery for carding, spinning, warping and weaving, all being worked by the water power copiously supplied from the Cornwall Canal. Various subsidiary buildings are scattered around the extensive plot belonging to the Company. The President of the Company is Hugh Allan, Esq., of the firm of H. & A. Allan, the extensive ship-owners, of this city, and it is gratifying to know that, undismayed by this calamity, the Company have resolved on proceeding immediately with the work of restoration, and have announced their intention to recommence operations in July next.

The following is an accurate statement of the insurances:—

1.—On the Building of Manufactory.

Royal	$6500	
British America	6000	
North British and Mercantile	2500	
London Assurance	2000	
Phœnix	6500	
Commercial Union	6500	
		$30,000

2.—On Machinery.

Royal	$6500	
North British and Mercantile	5000	
" " "	6500	
London Assurance	5000	
Phœnix	6500	
Commercial Union	6500	
Lancashire	10,000	
Scottish	5000	
Citizens'	5000	
		56,000

3.—On Materials and Stock.

Imperial	$4000	
Scottish Imperial	2000	
Liverpool, London and Globe	7000	
		13,000
Total insurance on Factory		$99,000

4.—On Building of Storehouse.

Imperial	$5000

5.—On Contents of Storehouse.

Royal	$10,000	
British America	5000	
North British and Mercantile	10,000	
Commercial Union	5000	
Scottish	5000	
Citizens'	5000	
Scottish Imperial	5000	
		45,000
Total Insurance on Storehouse		$50,000

6.—On Findings.

Scottish Imperial	$4000
Total	$153,000

Underwritten as follows:—

North British	$24,000	
Royal	23,000	
Commercial Union	18,000	
Phœnix	13,000	
British America	11,000	
Scottish Imperial	11,000	
Lancashire	10,000	
Scottish	10,000	
Citizens'	10,000	
Imperial	9,000	
London Assurance	7,000	
Liverpool and London & Globe	7,000	
		$153,000

The probability is, that the loss will exhaust the policies, and leave the Company large sufferers.

Dec. 31.—At about 8.30 this evening, a strong reflection, from behind the mountain, intimated that a fire of some magnitude was doing its mischievous work there. It proved to be on the farm of Mr. Rivet, destroying a new brick house, erected only last year. Paticulars not yet ascertoined. Shall communicate in next Report. Our fire companies proceeded some distance in the direction of the conflagration, but finding that their presence would be of no avail in repressing it, returned to their respective stations.

—It is stated that the Grand Trunk Railway Company have shown great promptitude in settling the claims for losses arising out of the late collision at Brighton.

THE HOME FIRE INSURANCE COMPANY OF NEW HAVEN—$230,000 WORSE THAN NOTHING.

The affairs of the Home Fire Insurance company of Haven, have for some time been known to be in a bad condition. Last June the capital of the company was reduced from $1,000,000 (the amount of its then *reported* capital, though not half that amount was ever paid up) to $500,000. The men who had mismanaged the affairs of the company were ousted and the management given to trustworthy men—C. S. Bushnell, president, S. E. Merwin, vice-president, and Mr. Clark, an experienced underwriter, secretary. The new officers, after the reduction of the capital, made a thorough reform in the management of the business of the company, and if its affairs had been in the condition represented to them when they took hold of the concern they would have no doubt, placed it speedily in a good position. But they as well as the public were deceived by the previous reports concerning the company's condition. At a special meeting of the stockholders of the company held in New Haven, yesterday, its affairs were fully inquired into. Statements made three years ago set forth the capital at $1,000,000, and in the reports, items were given as assets that never were assets of the company. Mr. Bushnell, the new president, said the stock never was over $400,000, but on the strength of the patched-up statements of the previous officers he was led to invest $70,000 in the stock, and after becoming aware of the company's real condition, he could not justify himself in disposing of his stock, and had never sold any of it.

It appeared in the course of the stockholders' meeting that one of the operations of the old officers of the company in 1866, was to *vote* to assess stockholders 15 per cent. to lift the company out of a slough, but the stockholders were studiously kept in ignorance of this vote, as one of its provisions was that if the assessments were not paid by a certain date the president of the company might *issue supplemental stock* to the amount of $150,000 to keep things swimming. It is charged that the stock was issued and exchanged for stock of the First National Bank, where some of the Home officers had influence. So that there seems to have been a double deception. The old officers of the Home were a precious set of financiers. The new board have shown that while the old officers were representing the stock of the company at $1,000,000 and counting other false assets, the company was really worse than nothing. The public will be interested in reading the following report of Colonel Merwin, after full investigating the company's condition:—

To the Stockholders of the Home Insurance Company:—

GENTLEMEN,—When your present board of directors entered upon the duties assigned them, in June last, they supposed with you, that this company was solvent, and had, substantially what was purported to be turned over to them by their predecessors. While every member of the board looked upon the situation as one in which we must suffer quite a loss, from the fact that our receipts were cut down and we had outstanding risks that had been taken when the company's income was nearly double, yet all felt that we could stand at least $250,000 loss in excess of receipts the first year, and then be equally as well off at the end, from our large gain in reinsurance. Entering upon the duties of my office in August, my first work was to look about and find, if possible, the value of our assets. This was before I supposed that I was to take an active part in the management of the company. Spending a month or more in this manner, I found that we had been most grossly imposed upon, and so reported to the directors, and at the same time advised them that some one must be made an active, and paid officer to look after and work out our various in-