

way loan stocks continue to be taxed twice—to the municipalities direct, and to the municipalities through the Provincial Government.

The great majority of the loan companies of Ontario are located in Toronto, and have for years been paying all their taxes to that city, notwithstanding that much of the stock is held by outside parties and that the larger percentage of the money comes from the country districts. Is it not fairer that a proportion should go into the provincial treasury, thereby benefiting the people of the whole province, rather than it should all be absorbed by Toronto, which only contributes a portion of the business that enables the companies to pay dividends?

Anyone, who is not an alderman, wanting the earth and all that therein is, would say that Providence is still kind, and that instead of grumbling he ought to be abundantly satisfied.—Stratford Beacon.

EQUAL TO THE OCCASION.

The Chicago Journal is responsible for this:

"As the manager of a large insurance company sat at his desk, the representative of another company walked in. The caller was a man to be cultivated, but Mr. H. could not for the life of him think of his name, although he had met him before. But the Chicago man was one of many resources. 'I beg your pardon,' he said to his caller, after the first hasty greeting, 'but if you will excuse me for an instant I will send a message I have just started. It is on a matter of much importance.' 'Certainly,' said the caller, 'I'll take just an instant,' said Mr. H., as he turned to his desk and wrote hastily on a sheet of paper: 'What in thunder is the name of the man I'm talking to? If you don't know name, find out and answer at once by boy. H.' The business man addressed the message to his chief clerk in the outer office, and handed it to his office boy, saying: 'Hurry and deliver this note, Archie: it is most important.' Mr. H. busied himself with his papers, and in a few moments the boy returned with an answer. Hastily tearing open the envelope, Mr. H. read, 'Jenkins, of the — Insurance Company.' Throwing aside the note, the Chicago man turned blandly to his caller: 'Ah, that bit of business is off my mind now. In what way can I be of service to you, Mr. Jenkins? It is a long time since we have been honored with a call from the — Insurance Company.'"

DEPARTMENTAL WHITE-WASHING.

The Insurance Department of Illinois is earning an unenviable reputation for itself by persisting in giving certificates of solvency to assessment institutions whose solvency is open to question when their policies are valued on a reasonable basis, and which are by the guardians of insurance interests in other States denied access thereto. The latest instance of this is the certification by that Department that the Western Mutual Life Association is solvent, according to the laws of Illinois, notwithstanding that the Departments of Michigan and Missouri have with similar laws held the company to be insolvent.

This action of the Illinois Department does not stand alone. The Department is also committed to the proposition that the Covenant Mutual Life Association is solvent; although it is declared to be a fact that the association has assets, not even sufficient to cover its liabilities for death losses and other payments, which are already due. This fact has been exposed by the New York Department,

which, on account of it, has refused the company admission to that State.

It is probably hardly necessary to go into further details concerning the shortcomings of the Illinois Department in this regard; but one other case may be quoted, viz.: that of an assessment life association, which recently passed into new hands, and which was then examined by the Department. This association has a number of policies outstanding, for which premiums, based upon the American experience table, and $4\frac{1}{2}$ per cent., were charged, and which guaranteed cash and other values based upon the same table. Still, in the valuation of the policies of that company, apparently no account could have been taken of this fact, as many millions of insurance, some of which had been in force for several years, was put in at ridiculously inadequate values.

The explanation of this and of the Department's behavior concerning the Western Mutual Life is that there has arbitrarily been adopted a system of valuing these policies supposed to be in accord with the assessment laws of the State of Illinois. According to the theory adopted by the Department, an assessment company should not be charged with liability for any moneys collected in excess of the current cost of insurance, no matter what it may have promised concerning the funds. Thus, apparently, if an assessment society were to collect \$100 each from its policy-holders, on the definite promise to return the money at the end of one year, giving its note therefor, this would be surplus and definite, ascertained liabilities could be charged against it.

This may appear to be an extreme view of the matter, but it is no such a thing. The Western Mutual Life Association, for instance, definitely promised in its policies that it would pay certain cash and other surrender values, provided its experience was as per the actuaries' table. Any fair construction of that would mean that if the experience were more favorable than the actuaries' table, it would pay more and that if as favorable, it would pay just that much, while only if less favorable to the company, it would be permitted to pay less. Under such a promise as that, no matter what liability the law might impose on a company, as an assessment company, its liabilities could not fail to be at the least a sum which would provide these surrender values. The Department of Illinois has had for many years an opportunity to do good work in the matter of helping assessment companies to develop into sound insurance institutions. Nearly ten years ago the Total Abstinence Life Association of that State started out to hold the full legal reserve on all its contracts issued after a certain date. Instead of receiving the support of the Department in its effort to keep upon the right track, it soon had the opposition of the Department to cope with. The improper action of the president of the company in making certain investments rendered its failure inevitable anyhow, but it is probable that it would have been strangled to death by the red tape of the Insurance Department, even though the loss of its funds had not ruined it.

Illinois is not the only State which has sinned in this regard; but it is the principal offender at this time. Those who are familiar with the facts will remember that the State of New York has at different times, though not recently, been guilty of a similar offence, viz.: that of disregarding the plain facts of the case in valuing the liabilities of insurance companies. Thus, as is well known, a certain regular company escaped for years being charged with a certain liability in addition to the statutory reserve, which it had assumed under its contracts. In an

almost precisely and similar manner, an assessment company was permitted thus to avoid its liabilities for a number of years.

The fact is that a liability does not cease to exist, just because a company fails to acknowledge it and because an insurance department fails to require that it be counted against the company in a statement of its assets and liabilities. A certificate of solvency, when the company is not solvent, does not make it solvent. In the long run, it merely makes the Department ridiculous.—U.S. Review.

HUDSON BAY CO.

The report for the past year shows a profit of £125,595, as compared with £69,373 last year. The result has been arrived at from a combination of exceptionally favorable circumstances—namely, (1) a considerable rise in the prices of nearly all descriptions of furs; (2) increased profits on the general business of the company, arising partly from the recent gold discoveries, and partly from the improved conditions of trade throughout the whole of Canada; (3) larger receipts from the sales of land, due to the increasing prosperity of the farming industry in Manitoba and the North-West Territories. To the profit of £125,595 has to be added the sum of £26,373 brought forward from last year, making a total of £151,968. Out of this sum the committee recommend the payment of a dividend of 13s. per share and a bonus of 7s. per share, tax free, making £1 per share, and absorbing £100,000. The committee further recommended that a sum of £10,000 be set aside from the profits of the year towards the formation of a provident fund for the employees of the company. After disposing of the above sums, there will remain a balance of £41,968 to be carried forward. The quantity of furs sold in January and March last was considerably smaller than in 1898, but, as already observed, the prices realized were generally higher than those of last year. The land account shows receipts from instalments, interest, rents, etc., amounted to £37,266, as compared with £25,933 for the previous year, while the expenditure shows an increase of £522. The farm land sales for the year were 61,546 acres for \$300,555, averaging \$4.88 per acre, as compared with 37,923 acres for \$183,890, averaging \$4.85 per acre in 1897—98, and ton lots were sold for \$26,330, as against \$9,174.

—"See here," said the grocer, bristling with righteous indignation, as the milkman made his morning call, "I'd like to have you explain how the chalk and white clay that I found in the bottom of my coffee cup this morning got there." Evidently," replied the milkman, as a peculiar smile chased itself across his countenance, "you have been sweetening your coffee with the same kind of sugar you sold my wife yesterday."

MONTREAL MARKETS.

Montreal, 5th July, 1899.

ASHES.—The demand is reported down to about zero, and though receipts are very small, values have, if anything, declined during the past fortnight. A lot of first quality pots is reported as bought at \$3.80, the tares were rather poor, however, and \$3.85 to \$3.90 would probably represent a fair present quotation; seconds are quoted at about \$3.70. In pearls there has not been a recent transaction.

CEMENTS AND FIREBRICKS.—Last week's receipts of cements were very small, but for the week ending to-day, there are reported 8,920 barrels of Belgian and Ger-