

less, high-handed steps and leave depositors in the lurch in this manner? The sooner legislation is brought about to stop it the better. A pure parallel case is that of the spider and the fly.

Yours, etc.,

JOHN D. RONALD.

Brussels, Ont., March 12th, 1894.

[It is quite possible that Mr. Ronald, like some other people we have heard of, beguiled by promises of compound profits and rich returns, has agreed to certain regulations without taking pains to understand them. The company now claims, possibly, that he is bound by these. It may be a legal question how far he is bound. We were told some two years ago by the man in charge of the company at Toronto that "if a man wants to withdraw after twelve months he can do so by giving thirty days' notice and can get back 52 cents of each 60 cents paid in." [The rest going for expenses.] "That is to say, however, only one-half the company's receipts per month can be used to so pay back. These are the new by-laws proposed."—ED. MON. TIMES.]

BIRKBECK LOAN COMPANY.

Editor MONETARY TIMES:

SIR,—Your warning, which sounds like a threat, passes by me as does the idle wind. If unsoundness can be pointed out in any of the proposals of the newly formed company, my cordial co-operation in every effort to rid the company therefrom may be counted upon, and I shall not be curious as to the honesty or otherwise of the proposer of any change that promises to be an improvement.

My objections were not to criticism, but to misrepresentations of various kinds; to wrong computations; to a garbled quotation; to the concealment of material information; and above all, to the statement of conclusions which even the misrepresentations do not warrant. Those objections were based upon the supposition that whilst every public company should welcome criticism, every journalist should desire his columns to be free from misrepresentations.

The letter replied to admits of two readings: (1) That "these people" are both knaves and fools; or (2) That their knavery is a result of their folly. It matters little which was intended.

The issue raised by your editorial comment, upon the reply is, that what you pronounce to be legitimate criticism, I regard as malicious slander.

W. H. CROES,

Auditor, The Birkbeck Company.

Toronto, March 13th, 1894.

Meetings.

LONDON MUTUAL FIRE INSURANCE COMPANY.

The thirty-fourth annual meeting of the members of the London Mutual Fire Insurance Company was held at the company's offices in London, on the 7th day of February, 1894. Capt. Thos. E. Robson, president, occupied the chair, and the manager, Mr. D. C. Macdonald, acted as secretary.

The annual report was read by the assistant-secretary, Mr. Cameron Macdonald, as follows:—

REPORT.

This is the thirty-fourth annual report of the London Mutual that has been laid before the members, and although in some respects your board cannot offer the same congratulations that it has been their privilege on many occasions to present, yet taking into account the great commercial depression that has existed in this country and the United States for many months past, affecting all classes of business, and none more so than the fire insurance interests, your board have reason to be thankful that they are able to submit as favorable a report as the one now read.

POLICIES.—The volume of business has been large. During the past year 13,622 policies were issued—£26,919 on the premium note sys-

tem and 6,703 on the cash system—covering property to the amount of \$15,553,095, which, being added to the sum carried on from the two previous years, make a total of \$43,298,886 at risk, with 37,890 policies in force.

FINANCIAL STATEMENT.—A full statement of the affairs of the company is appended. Your attention is called to the cash and capital accounts, which have been carefully gone over, audited and reported on by John Overell, Esq., public auditor, whose certificate will be found appended, and further, the annual inspection of the company's books was made by Wm. Fitzgerald, Esq., B.A., the Superintendent of Insurance for the Dominion, and pronounced satisfactory.

LOSSES.—A table of the losses is annexed hereto, showing in detail the name and residence of the claimant and the cause of fire, as nearly as could be ascertained. The bill is a heavy one, but as nearly all companies have the same tale to tell, we should not specially complain, although were "the boot on the other leg" there is no doubt but the fact would be proclaimed from the house top. The report of the Fire Inspector, Mr. Leitch, will as usual be of great interest to the members. It has been prepared with a great deal of care, and Mr. Leitch's remarks are deserving of the attention of every member. As will be seen, the destruction done by lightning has been very great, the losses aggregating over twenty-five per cent. of the total account; the heavy losses from this factor, following the two previous years of a similar, if not so great a record, rather upsets the calculations made after an experience of 36 years, that lightning claims appeared in an epidemic form for two years or so in succession and then gradually retired, to return after a cycle of seasons had elapsed. It is earnestly hoped that in this respect the bright side of our experience will be manifested in 1894.

The losses from "unknown causes" and "incendiarism" foot up to over \$36,000. It is here the "fire fiend" gets in his wicked work. The two causes are so closely allied that it amounts to downright folly to attempt to separate them. The unfortunate "tramp" is made to swell up this delectable list by some \$2,600, but the only case in which our inspector discovered substantial proof of the tramp theory, was one where the charred remains of the unfortunate were found in the ruins. The existing laws are wholly inadequate to bring home the crime of incendiarism to the guilty parties. Your directors have succeeded in a few isolated cases in procuring the conviction of the guilty, but as a rule the offenders go scot free. An individual company has but little chance to deter the evil-doer, and until the Government (as they have been time and again urged to do by all classes of underwriters) takes up the question seriously, and attaches fire detectives to the Department of Insurance in Ontario, and thus makes of it some practical benefit, the evil will grow. The insurance companies are now taxed for no useful purpose whatever, yet they would gladly consent to be further assessed if something were done to check the wanton waste of property. In the Legislature of Massachusetts at the present time a bill has been introduced bearing on this subject, which will probably become law. The Mutual Fire Underwriters petitioned last spring for a commission to be appointed to enquire into the alleged insufficiency of the insurance laws generally, but their request was unheeded, and not until a registration of fires is made compulsory will the public outside of the insurance world realize the frightful annual loss the country sustains by the work of the devastating element of fire.

FARM INSURANCE.—The members of the Canadian Board of Underwriters have practically abandoned the field of farm insurance by raising their rates to a point that may be deemed prohibitory. They allege that agricultural insurance has become unprofitable, and act on the principle, and a correct one from a proprietary company's standpoint, "heavy losses charge high premiums;" that is their panacea, but a mutual company has no right to assume such a position. They must afford insurance at its actual cost. If such insurance is unprofitable a strong reason for the fact can be laid at the door of one or two of the leading Old Country offices, who, seeing that the London Mutual was steadily progressing at low rates, jumped haphazard into the business, out-Heroded Herod with cheap rates, allowed their agents to value buildings too highly, and when loss happened

allowed the agent to act as the adjuster, paid claims with indelicate haste, thus prompting impecunious people to act dishonestly, and demoralizing the business. So the result cannot be wondered at. Your directors have adhered as closely to the old rates as they possibly could with due regard to the safety of the insured members. And although a slight advance has been made on the cash system, we hope, with a year of comparative immunity from fires, to revert again to the old and popular tariff. No change has been made on the premium note system excepting that the premium will be divided into two payments instead of one, thus making it easier for the members, and will, no doubt, be effective in preserving the company from loss by removals, death, failure, or change of property.

WIDE AREA FOR BUSINESS.—It was the view of the promoters of your company, and the result has justified the view, that the wider spread the operations of a mutual company the better opportunity would be afforded for equalizing rates—the cost of insurance being one year high, and another year low, the uncertainty thus created being the principal objection to the Mutual System of insurance. This theory being put into practice by your company, enabled it from its earnings to put up our large deposit with the Dominion Government for the security of its members, this being the only fire mutual that has ever procured a license from that Government. The wisdom of the plan adopted has been more than demonstrated during the past year; for instance, although the aggregate of losses has been very large, in certain localities the loss would be light, while in others it would be exceedingly heavy, heavy enough to drive out of existence any mere local company. In another year perhaps this order of things will be reversed, the loser of the past being fortunate in the future, and *vice versa*. The rule is inevitable in the history of mutual fire insurance, and members of small township companies should reflect upon this, for although the sky may be clear to-day, on the morrow they may have to face the storm; indeed this fact has to a certain extent been realized in the past, and from day to day members who have been seduced into joining small local fair weather concerns, are returning to their old and faithful love.

AGENTS.—Our agents, on the whole, have done well; been faithful and trustworthy; others have not come up to the mark, and their services were no longer needed. A careful scrutiny of risks has been made, and we are dropping all doubtful risks as soon as discovered. This will go far towards lessening fires.

Three directors now retire by rotation. They are Richard Gibson, Robert McEwen and Charles C. Hodgins. They are eligible for re-election.

All of which is respectfully submitted.

T. E. ROBSON,

D. C. MACDONALD,

Secretary.

President.

Mr. Lauchlin Leitch, the company's inspector, read his report, and Mr. Donald McMillan, accountant, the financial statement. With the former, which is an interesting report, we have dealt elsewhere. The cash account shows an income of \$189,253 for the year; \$75,871 of this came from assessments, \$47,537 premiums from agents, \$2,928 from interest, and \$2,918 from re-insurance, cancellations, etc. The remainder, \$60,000, consisted of bills payable discounted.

Expenditure included \$96,695 for losses of 1893 and \$2,392 for those of the previous year. The commissions to agents absorbed \$19,987; management and inspecting salaries and expenses, \$12,278; re-insurances, printing, law costs, postage and various petty disbursements, \$13,564, while \$47,000 went to meet bills payable. The capital account and auditors' report are as under:—

CAPITAL ACCOUNT.

Assets.

1893.	
Amount available of premium notes	\$247,495 61
Amount due on assessment No. 31	2,387 92
Amount due on assessment No. 32	16,546 62
Balance due by agents secured by agents' bonds and members' due bill	10,239 94
Bills receivable	1,124 10
Office furniture	1,186 01