

The Globe Mutual was chartered under the laws of the State of New York, and did business for a number of years in Canada. In 1879 it became insolvent, and Mr. W. C. Wells was appointed assignee here; the Company having a deposit of \$100,000 with the Government at Ottawa. After the insolvency the Canadian assignee, in accordance with the requirements of the Insurance Act of 1877, under which he was appointed, prepared a dividend sheet in which he collocated all the Canadian policy-holders for the full net values of their policies, or, in other words, 100 cents in the dollar of their claims.

The division of the Company's assets is made under section 16 of the Act, but there is a proviso of this section stating that where "it appears from the Charter, Act of Incorporation, or Articles of Association of the Company, and from the conditions of the policy; that any Canadian policy-holder claiming any such distribution has been insured on the mutual principal, then such policy-holder shall be entitled to claim a share in the distribution as, aforesaid, at the same rate as all other holders of policies," &c.

Under this proviso Mr. J. D. Fish, the Receiver appointed in the United States, obtained an injunction from the court restraining the assignee from paying any moneys under his dividend sheet, on the ground that the policy-holders in the Globe came within the proviso of section 16, and were insured on the mutual principal; and therefore were only entitled to the same percentage on their claims as all the other policy-holders. This contestation was answered by the assignee and evidence taken upon it, and the merits of the case came before Hon. Justice Mathieu for argument, some days ago.

The case was argued by Mr. J. N. Greenshields on behalf of the American Receiver, Mr. C. V. Davidson, Q.C., acting for the Canadian assignee. The argument in the case occupied three days.

The points raised by Mr. Greenshields on behalf of the American Receiver were as follows:

1st. That the Company comes clearly within the provisions of the Act as a Mutual Company.
2d. That by its Charter the policy-holders are entitled not only to the profits, but to a voice in the election of the trustees, involving the general management of the Company, and that all the Canadian policies were policies which granted to the assured participation in profits, and that the Act according to its terms required merely that a policy holder was entitled to share in the profits, and that such interpretation must be placed upon the Act, as when the Act was under discussion before our Legislature. This point was raised by a motion to reject the proviso to section 16, on the ground that it would include all the holders of policies that participated in profits, and would practically nullify the Act as regards the security of Canadian policy-holders. The House of Commons, notwithstanding this fact, rejected the motion and passed the Act as originally drafted.
3d. That it appeared from the policies themselves and from the evidence given by the officers of the Company that all had been treated as participating policy-holders.

Mr. C. P. Davidson, Q.C., contended, on behalf of the Canadian assignee, that the Company

was purely mutual, and consequently did not come within the provisions of our Act; that there was a subscribed stock of \$100,000 which made the Company at best a mixed Company, and that there being a subscribed stock the Company could not be mutual in the sense to bring it within the provisions of the Canadian Act. He also argued from the evidence that his Company had made deposits in several of the States of the Union, which deposits had been absorbed by payments to policy-holders in those States; they thereby obtained a privilege over other stockholders of the Company, and as our Act required that all should share alike the requirements of the Act could not be fulfilled, and that in the operations of the Company it had taken itself without the Statute, if it ever was such a Mutual Company at all. He also contended that a deposit having been made under the Statute of 1868, which gave the exclusive privilege to Canadian policy-holders, they had not been deprived of this right by the Statute of 1877.

Mr. Greenshields answered this by a reference to section 2 of the Act of 1877, which provides that that Act should apply to all policies issued subsequent to the 22nd day of May, 1868, and as all the Globe policies were issued after 1873, they must come within the provisions of the Statute of 1877.

The results of the case will be watched with unusual interest by all holders of policies issued by American companies, especially if these policies are what are known as Participating Policies. If the contention of the Company's Receiver in this matter be maintained, then the deposits made at Ottawa by American companies issuing policies on the participating plan will be no special security for holders of these Policies in Canada. The record in the case is very voluminous, and it will be probably some time before judgment can be rendered.

AN OLD GRIEVANCE.—A correspondent at Amherstburg, Ont., whose name we have been unable to decipher, which is sufficient reason for suppressing the names in the communication, writes us concerning a recent failure in that place, as follows:—Sir, In your issue of 3rd February you refer to "A. & Co." dealers in ready-made clothing and boots and shoes at Amherstburg. You say their liabilities are about \$42,000, with assets about \$38,000; you also say that they, the firm, attribute their embarrassments almost wholly to the want of wintery weather. This may be true as far as the above firm is concerned, but, Mr. Editor, how do they compare with other merchants in Amherstburg? Mr. J. D. Bork tells me that this past year and winter so far has been one of the best seasons for trade that he has had for several years, that his net cash receipts amount to over \$7,000 more than they were last year; but, I think, Mr. Editor, that this can be accounted for largely by close and careful buying, and not blowing himself up to double his size when making purchases from commercial travellers, and giving orders for large stocks of goods to keep in the cellar, where they remain for months, and are never thought of, perhaps, until the notes come due, which was the case with the above firm, as you call him. This firm has only been in existence for about a year, and it will become a man just starting in business, principally on credit, to be strutting around shortly after the business has been started with a \$250 diamond ring on his finger, and \$12 boots from the city of Detroit on his feet, and other similar

luxuries, such as attending operas, in Detroit, etc. Again, you say the insolvent "was formerly in partnership with his father, who, unfortunately, perhaps for the creditors, withdrew about a year ago;" mark the question, and say perhaps fortunately.

Now, Mr. Editor, I would like to ask, is it fair towards honest, steady, honorable and industrious traders, for creditors to compromise in this way with men who neither understand business nor care anything about it so long as they can get hold of a large stock of goods, then burst up in a year's time, compromise with their creditors at 60c on the dollar, come back to Amherstburg or any other town and throw out flaming advertisements of "Bankrupt stock for sale! Selling off at 50c on the dollar, etc." to the injury of business men who pay dollar for dollar, and who cannot compete with such men? I ask again, is it fair for wholesale merchants to compromise with such men to the injury of honest traders who never have their notes protested, nor compromise with their creditors? The answer must be, No, it is not. Such men as those after compromising can retire from business in a few years, and be pointed out as self-made men; they carry a high head in society, while honest traders have to take a back seat and struggle through all their life in business, and then cannot afford to wear a \$250 diamond ring or \$12 boots. A great deal more could be said on this compromise question; but I fear that I have already trespassed too much on your columns, and so will reserve the rest for another day. Hoping you will give this to the public, I am, etc., FAIR PLAY.

CANADA FIRE AND MARINE INSURANCE COMPANY.

The sixth annual meeting of the above company was held at the company's offices, in Hamilton, on Saturday, the 11th ult., at which there was a fair attendance, from the city and other places.

The chair was, on motion, taken by Mr. Wiser, the President of the company, and Mr. George Denoon acted as Secretary.

The minutes of the last annual meeting of shareholders having been read and approved, the secretary, at the request of the chairman, read the following report:

Sixth Annual Report of the Directors of the Canada Fire and Marine Insurance Company.

Gentlemen,—Your Directors beg to lay before you the sixth annual statement of the company, showing the receipts and disbursements for the year ending 31st December, 1881, and the position of the company on that date:

Receipts.
Gross premiums received during the year.....\$259,534 02
Interest on investments.....116,458 26
\$266,992 26

Disbursements.
Paid for losses (including \$16,970 06 of 1880).....\$152,074 10
Agency—including commissions and bonuses, return premiums and re-insurances.....96,703 90
Head office expenses, including salaries and fees, printing, advertising, stationery, agents' supplies, rent, taxes, cost of adjustment, &c.....20,274 15
\$269,052 15

Assets.
Cash in bank and head office.....\$ 9,167 57
Balance in agents' hands.....22,727 33

Investments.
Bank and Loan Co's stock.....\$20,880 95
Municipal debentures.....60,950 00
First mortgage on real estate.....155,000 00
\$81,430 95