

should not appear in the Blue Book, but the phrase, "net present value of policy liabilities" be substituted.

Mr. Papp's chief conclusions are summarized as follows:—

Shareholders, management and policyholders are equally interested in large profits.

Competition increases the cost of conducting the business.

Rebating is unfair to conscientious policyholders. It cannot be stopped by an individual company or group of companies.

Annual dividends can only be paid in early years by anticipating profits.

Deferred dividends are popular and reduce lapses. Their objections could be overcome by annual accounting and abolishing estimates.

Policy reserves are necessary.

* "Relationship of Policyholder, Shareholder and Management" of Life Companies. By Percy C. H. Papps. A.L.A., F.A.S.

POLICYHOLDERS COMPLAIN.

The London "Economist" reports that the International Policyholders' Committee has issued another circular in connection with the election of new trustees for the Mutual Life Insurance Company of New York and the New York Life Insurance Company. The committee complain in the circular that the companies are continuing their course of obstructing in every conceivable way the action of the policyholders to obtain control. They instance a circular calling upon servants of the Mutual company to support the Administration ticket, and the action of the general manager of the same company in South Africa with regard to proxies, whereby policyholders are officially invited to vote in favor of the Administration, and no alternative is offered to them, the fact that other tickets had been nominated being suppressed.

CASUALTY INSURANCE.

The number of employees killed by railways in the United States last year increased by 546 over the previous year, and the employees injured by 1,098. The number of passengers killed decreased by 119, and injured by 1,145. The totals for the three months to June 30 last, according to the Bulletin of the Interstate Commerce Commission, were:—

Passengers and employees killed or injured while on duty, 16,637, against 18,206 for the preceding three months. Passengers and employees killed in train accidents, 104, as against 274. The total number of collisions was 1,588, and derailments, 1,515; of which 172 collisions and 153 derailments affected passenger trains. The damage to cars, engines, and roadway by these accidents amounted to \$2,373,924. An improvement is thus shown in the three months, in the loss of life and limb, a fact which is welcomed by the accident insurance companies.

FIRE INSURANCE.

The big fire pump ordered for Brandon arrived there last week. The council has ordered its immediate installation.

The Law Union and Crown Fire Insurance Company of London will remove its United States department to Chicago on December 1.

The water department of Chicago is estimated to cost for the next ten years, \$17,500,000. Feed mains are planned for the whole 189 square miles of the city's area. The sum to be expended on these next year is \$972,000.

Sometimes it happens that a state officer in the United States, who has done his work uncommonly well, is continued in office beyond the four years, which is the usual limit. This agreeable fate is foreshadowed for the Ohio fire marshal, Mr. S. D. Creamer.

The sum wanted by the fire chief of Chicago for 1907 is \$4,000,000. Half of this will go in salaries and nearly the other half in new fire stations, a fire-boat, and the equipping of new companies. Repairs will cost \$100,000; the fire telegraph service, \$33,624; new hose, \$50,000; and new horses, \$50,000.

Among the changes proposed for the Ontario Parliament Buildings are a number for the purpose of lessening the danger from fire. These include new electrical wiring and appliances, some fire-proof walls, and alterations in flooring.

It is also proposed to build a separate library building north of the centre of the main building.

The Svea Fire and Life Assurance Company, of Gothenburg, Sweden, announces that its entire losses in San Francisco, amounting to \$2,125,321.59, have now been honorably adjusted and paid. It is a coincidence that on the day of the earthquake the directors of the Svea voted \$400,000 to be set aside from the company's assets and kept in what they decided should be called the "conflagration fund." The company paid its two millions of San Francisco losses from the head office, leaving its American assets untouched.

The development of the London and Lancashire in Western Canada has been very marked during the past year. Prior to this the business in Alberta and Saskatchewan was small, but the organization of that territory under Messrs. Fraser and Macdonald, of Calgary, has resulted in business up to the end of October to the extent of \$300,000. The Manitoba business was organized at an earlier period with very satisfactory results. L. W. Hicks and W. R. Allan, of Allan, Lang & Killam, are the company's chief representatives at Winnipeg.

At a recent meeting of the Winnipeg Board of Trade a communication from the Edmonton Board of Trade with reference to fire insurance investigation was considered. It was decided to ask the Dominion Government to require returns from fire insurance companies doing business in Canada showing details of the premiums collected, the losses incurred and the expense of management; the returns for each Province to be separate. The Manitoba Government will also be requested to require all companies taking out licenses for insurance business in Manitoba to make similar returns, giving information, and to show a period of five years' comparison.

Dr. Rosenstock, a representative of some of the San Francisco insurance claimants, has had an interview with the president of the Imperial Insurance Inspection Bureau at Berlin on the subject of the refusal of various German insurance companies to pay their losses. One great difficulty in the case is that the period under the German law in which such claims can be recovered expires on April 18, 1907, but it is impossible to prove the five hundred different claims before the expiration of that date. Under the circumstances Dr. Rosenstock has proposed that the claimants form a limited liability company in Germany, transfer their claims to it and begin legal proceedings against the delinquent fire insurance companies.

"Fire Insurance and the Public: the Problem of a Better Understanding," was the subject of a paper read by Mr. Paul von Szeliski before the Insurance Institute at Toronto on Tuesday evening. "The high fire rates prevailing on this continent," he said, "were not due to the rapacity of insurance companies, but simply to the high loss ratio. In a number of European cities this loss was 61 cents a head, compared with \$3.10 in United States cities, \$1.34 in Canada, and during the last five years in Toronto \$9 a head. The remedy must be applied by the citizens themselves by using more fire prevention methods." The paper concluded, "However ardently and often the insurance agent might urge upon the public the advantage of better fire preventive and protective construction and equipment, his labor would bear little fruit unless the press would discuss continually and keep before the public this, the burning question of the day."

UNKNOWN HAZARD REVISION.

It is understood that the following amended clause regarding hazards not directly caused by fire has been proposed for general adoption by fire insurance companies:—

This insurance does not cover loss or damage by fire occurring during or directly or indirectly caused by or in consequence of—

(a) Subterranean fire, earthquake, tempest, hurricane, volcanic eruption or other convulsion of nature.

(b) Invasion, act of foreign enemy, hostilities, riot, civil commotion, rebellion, insurrection, military or usurped power or martial law.

Unless the assured shall prove to the reasonable satisfaction of the company that any fire occurring at the time or during the continuance of such subterranean fire, earthquake, tempest, hurricane, volcanic eruption or other convulsion of nature, invasion, act of foreign enemy, hostilities, riot, civil commotion, rebellion, insurrection, military or usurped power or martial law, arose from a cause or causes independent thereof respectively.

In the Eastern Townships, south of Montreal, apples have been a prolific crop this year. Shipments from Frelighsburg, Hemmingford and Barrington have been large. From the latter two points 30,000 barrels have been shipped.

A BANK

Proposed-Remedy

Correspondent

Effective bank inspection by bankers and others. I published on the subject favored external inspection manager, urged the correspondent signing saying that he agrees last week, that an increase in bank statements is desirable and the chief cognizant of wrong reasons for doubting be effective.

The letter continued comments:—

1st. Inspectors should and intelligently in this in bank matters.

2nd. Inspectors should be independent of bank management certificates and licenses.

3rd. To obtain election by a board or committee Government licenses, as a judge or jury or

The third precaution accountant's certificate because there are many banks may be deceived by worthless entries. Current loans may cost a lot, but really represent

It is almost impossible to continue in a bank without a spectator and chief accuser times so afraid of the or objection on their silence until they can feel in honor bound to closet or the private

There may be, on the other hand, and accountants who, as a manager, or being desirous of themselves prominent, would for this reason the bank be a guild, with a committee of accountants could discuss act on their advice. The man will be able to the courteous firmness, but worse by his manner.

The appointment magnify the evil, unless banking, familiar with the bank, and could speaking this would the auditors must be men as to qualify for extra was suggested in Canada of banks warrants it. gladly join it, and in the future. It would management.

But neither men results. The most Canadian banks have nations which happily which would otherwise The old injunction, "may perhaps be proper be quite impracticable

BANK INSPECTION

"There are differences in Canadian banks," said effectual. In the large too, the system, while tory. In one or two satisfactory. My belief not by whom, the Bank to "inspect inspection Such a man must know the vital points in the courage and be matters out. No pet such a man. These trebled before he could