

IMPAIRMENT OF CAPITAL.

The officers of the Phenix Insurance Company of Brooklyn, have been ordered by the Insurance Superintendent of New York State to call in from the stock-holders enough money to make up an impairment of capital to the extent of \$436,562, or failing this to reduce the company's capital to half-a-million dollars from its present nominal amount of a million.

More than thirty years ago, the Phenix was organized under the presidency of Stephen Crowell, as a fire insurance company, and it has also of late years gone heavily into marine insurance. Its statement of 1885 claimed a surplus of \$714,167, which has been admittedly reduced by the close of 1886 to \$557,086; the assets claimed at that date being \$5,383,171 in amount, and the re-insurance reserve \$3,826,024. The aggregate of its risks, fire and marine, was very large, amounting to four or five hundred millions of dollars at the close of a year.

The report of the experts detailed by Supt. Maxwell to examine the company's condition was made public on Saturday last. It was found by these gentlemen that on 31st December last the liabilities of the Phenix were \$578,000 greater than reported in the company's statement to the Department, amounting to \$5,404,065, while the value of assets was only \$5,307,106, showing that the capital stock was impaired to the extent of \$97,959. But the examiners went further. We quote from the report: "We next turned our attention to the company's condition on 30th June, 1887. From its monthly statements we learn that its net assets on 31st December amounted to \$5,041,807, and on June 30th, 1887, they amounted to \$4,708,204, showing that in the first six months of this year the company lost \$338,602. Adding this sum to the amount by which the capital stock was impaired on 31st December last, we find that on 30th June, 1887, the company's capital stock was impaired to the amount of \$436,562. But the loss on the business was really much greater during the first six months of 1887 than the amount above stated, the actual loss being \$485,389.

"A comparison of the examiners' statement with the company's annual statement of same date discloses differences in many of the items of both assets and liabilities, as appears by the following memo of reductions in the assets and additions to the liabilities as reported by the Phenix, viz.:

DEDUCTIONS FROM ASSETS.	
From premiums in course of collection .....	\$69,268 33
From Real Estate owned .....	3,000 00
" Stocks and bonds owned .....	1,920 40
" Bills Receivable, taken for Premiums .....	1,877 00
Total .....	\$76,065 73
ADDITIONS TO LIABILITIES.	
To Fire and Inland Premiums unearned .....	\$200,373 74
To Marine Premiums unearned ..	176,959 66
" Marine Losses unpaid .....	156,438 95
" Inland Losses unpaid .....	51,517 00
" Fire Losses unpaid .....	33,212 32
" Unpaid Accounts .....	21,989 32
Total .....	\$640,490 99
Less re-insurance since collected ..	61,510 01
Net additions to liabilities .....	\$578,980 98

While the impairment of capital is admitted, by the management of the Phenix, it is nevertheless contended that there are some good assets of the company disallowed by the Department which ought to be permitted to lessen the impairment. Of these are farm notes, \$100,000, which Mr. Crowell considers a good asset; then the plant of the company scattered over its eleven departments is called worth \$800,000, but stationery, maps and plans, the Department contends, will not pay claims. Naturally, too, Mr. Crowell objects to the valuation of some other assets by the Department. There is another troublous item in the account, the reserve required by law to be held for unearned premiums. But after all, the greatest trouble with the Phenix appears to have been its heavy marine losses. Said the president "Marine losses were so large previous to January 1st, of this year, that we decided to abolish the department altogether by taking no more risks on vessels going coast-wise or any other wise. We have been since gradually obliterating that line ever since January, but even since that time heavy losses were added to heavy losses of last year and a decidedly heavy drain was made on our coffers."

There appears now to be dissatisfaction on the part of the stock-holders with the management, and there is talk of stipulating that a change of administration be made before share-holders will pay any call for further capital. Mr. Crowell appears to favor a reduction of the stock. One shareholder declares to a reporter (New York Times, 16th inst.) that the reckless plunging of the company on marine lines has almost swamped the concern. The company would take risks at one-third the usual rates.

The Canadian business of the company in 1886 resulted in fire losses, \$24,469, and marine losses, \$15,253, out of fire premiums \$65,924, and marine \$31,017. By what is known as a "jumbo" or blanket policy it lost at the Montreal refinery fire this year a round sum of \$50,000, total loss.

ACCIDENT INSURANCE.

It is perhaps an unavoidable penalty of success, to a person or to a company, that criticism and abuse are sure to follow. Sometimes the criticism is deserved, but the abuse oftenest results from jealousy. Some of the American journals are pouring out their vials upon the Accident Insurance Company of North America, alleging that it does not pay just claims against it. This sort of accusation does not go down in Canada, where the company has been longest established and is best known. It is foreign to the character of the management to refuse to pay just claims; but we can quite understand that there are cases where the company properly refuses to pay suspicious demands made upon it by persons who are "on the make."

As a matter of fact, the company has paid, since its establishment, more than sixteen thousand claims for indemnity, ranging in amount from two or three dollars to several hundred, the aggregate of these reaching \$525,000. Death claims numbered, up to May last, 201, for \$242,783, and the total sum expended for both accidents and deaths, up to-day, exceeds \$780,000. Out of a list that

we have seen, of over 300 claims, ninety-three losses were on policies of railway employees, seventeen on those of commercial travellers, the remainder on the lives and limbs of mechanics, merchants, policemen, farmers, clerks, in fact every class of the community, two-thirds of them in the United States. Among the large death claims paid by this company are six for \$10,000 each. Two of these arose out of insurances upon Canadian lawyers, one upon an Albany physician; and since May last that of E. M. Crandall, the Chicago suicide; of N. B. Harwood, a Florida orange grower; and the latest, that on Geo. D. Gould, of Moline, Ill., whose brother writes this month thanking the company for its honorable conduct, and commending it to the public. This is the sort of "actions" which "speak louder than any words" that detractors or rival companies can say about so deserving an association as the Accident Company of North America.

THE MANITOBA HARVEST.

In last Tuesday's Montreal Gazette we find an account of the prospects of Manitoba's harvest, given by Hon. Senator Ogilvie, who went, in August, from Winnipeg to Portage la Prairie by rail and thence north and west by buck-board. His opinion of the prospect is a flattering one. "About Portage la Prairie, and for miles around, the land is well cultivated and the crops are the finest I have ever seen. I should say the crop will average 30 bushels per acre. Last week there was a good deal of the wheat already cut, and the remainder was ripening fast." The Ogilvie Milling Company's head man returned on the 13th from a tour through Southern Manitoba, and his report is that the crops are magnificent—not only plenty of wheat, but grain of the very best quality. Mr. O. saw samples of the wheat he brought back and "it corroborated his statements to the fullest extent."

The Senator is of opinion that there will be six or seven millions of bushels for export from Manitoba and the North-west territories this year, whereas last year there was not more than five millions exported, (the Globe thinks, however, that one million is more like the quantity.—Ed. M. T.) without, of course, reference to the local consumption. He declares that there is more land in cultivation this year than last, and the crops are far better.

We further learn that on last Wednesday the first order from Yokohama for Canadian flour was received in the offices of the Ogilvie Milling Company. The supply mentioned in the order is to be sent monthly until further notice. Formerly the East was supplied from the Golden Gate Mills at San Francisco, and Canada has now a chance to compete. "The Canadian patent flour is very much stronger and more suitable for the East than any that can be made in San Francisco."

With respect to immigration Mr. Ogilvie admitted that it is light this year; "but you will find that a great many farms have been sold, and that settlement is taking place steadily all over the country. Mr. Hespeler, who knows all about the Mennonites, told me that they were getting rich. They have lots of cattle, hogs, poultry, and farming implements, and are in comfortable circumstances. I think the country is just as prosperous as it could be, and I am satisfied that if we have another year or two of good crops that the dissatisfaction in Manitoba and the North-west will have disappeared."

In reply to the question whether there are