

Communications.

AMERICAN INSURANCE COMPANIES.

To the Editor Monetary Times.

DEAR SIR,—In the columns of an Insurance Chronicle we look for an impartial record—one that ignores partizan statements, and utterly refuses admittance to the unseemly attacks of rival agents upon companies with which they do not happen to have official connection.

It is unfortunate, therefore, that, probably through inadvertency, such allusions should have been made, in the issue of your journal for Jan. 23rd, as the agents and policy-holders of several companies must consider unfair, as well as quite out of place. For instance, at the bottom of a very proper table referring to commissions paid agents, it is remarked that "the latter company paid \$18,000 dividends to stockholders." What such a remark, in such a connection, is calculated to show is, that either \$18,000 is a large sum to go to stockholders, or that it alone, of all the nine companies, is managed with a view to putting money in the pockets of people to whom, perhaps, it does not belong. A remark of so invidious a character is worthy the pen of an unscrupulous rival agent.

Of similar character was another statement on the same page, originally printed in Montreal as a canvassing document by an interested party. I allude to the table headed "Cash Synopsis." In its construction, the author of this table ignores completely a very large portion of the receipts of all the companies except one. Next we shall have some narrow-minded agent constructing a table ignoring bank stock assets, because he happens to find little or no assets of that description in the possession of his company. Another will throw out everything but Government bonds and real estate, and another will have some other crotchet—all the result of departing from the standards of value established by the official reports. If the \$6,000,000 which are omitted from the receipts of the six note companies are officially recognized as good and sufficient assets—if they are, as Hon. E. Wright declares, "the safest possible assets of a Life Insurance Company,"—why should they not be taken into account as receipts, the same as bank notes, cheques, drafts, money orders, postage stamps, and other representatives of value? Because, by their exclusion, it can be shown that the expenses of one particular company were only \$17 09 for each \$100 of income, while the others average over \$30 per \$100. But in reality, as official reports show, the expenses of several of the note companies were but little over \$11 for each \$100 received. So great is the difference between partizan patchwork and the official reports.

If the author of the Cash Synopsis is right in leaving out premium note receipts as worthless, then, Insurance Commissioners to the contrary notwithstanding, it must also be held that premium notes are worthless as assets! Such a doctrine dare not be openly avowed in commercial circles, but it is the life and essence of the "Cash Synopsis." Apply the principle to the Bank Statement for December, found in the same paper, and its absurdity will be fairly exposed in all its stark naked deformity:

Total Assets.....	\$78,866,098
Deduct notes and bills discounted—	
"worthless assets".....	52,827,508

Cash Synopsis' Assets	\$26,034,590
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Total liabilities, including paid up capital	\$74,394,673
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Totally insolvent by.....	\$48,360,083
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Such is the principle of the non-recognition of notes as valuable receipts, and their consequent worthlessness as assets. Admit that principle correct, and \$52,827,508 vanishes from Canadian Bank assets, their \$38,466,666 of bank stock is not worth the paper it is printed on; bank notes, drafts and cheques are useless lumber, and commerce is dead!

It is perhaps scarcely worth while noticing the details of a table so fundamentally out of joint, but such monstrous statements as that a mutual company paid its stockholders in 1866 the enormous sum of \$295,500, or 2.955 per cent., and another \$48,000 and \$8,862 besides,

or 93.83 per cent, afford additional proof, if any were needed, of the utterly unreliable source of the whole compilation.

In the sacred interests of Life Insurance it is to be regretted that any such erroneous statements should receive the slightest currency, and especially so through your columns.

Truly yours,

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Montreal, Feb. 1, 1868.

DECIMAL CURRENCY.

To the Editor of the Halifax Chronicle.

As the letter by "Verax" on the above subject, which was copied into your paper from the *Monetary Times*, was written ostensibly to open up a discussion upon the currency question, and as my name is mentioned in connection with the system I have proposed, I have to beg you will allow me the favor of appearing in reply.

Verax, in objecting to the gold \$2 50 piece as our unit of value or integer, says it would be "too high," because its copper piece or cent will be the one-tenth of a shilling, and not sufficiently low for retail or "detail" transactions.

This, certainly, would be a serious objection if it could be proved to be founded upon fact, if that objection were not capable of being "easily and comfortably" overcome. But setting aside the power or possibility of proving or disproving an assertion, let us try whether we can find out how it would be likely to work, or whether it could not be made to work all the better, for being itself a "little large if any thing." And first I will ask whether, in our retail transactions, we have any real need of our present diminutive half cent? Excepting because we have a half cent attached to two out of our four silver coins. I believe the answer in most cases would be in the negative; but allowing that half cents or even quarter cents are a great convenience in retail transactions, is it to be said we cannot have them without attaching them to our silver coins? If the cent of account proves rather large for small trade, the remedy is either to quit making such small purchases, or to have small copper coins of convenience, as other nations, as well as ourselves, have.

Under the system I have proposed, our cents now doing duty as *twenty-fifths* of an English shilling, might be called in, and, as I have before pointed out, be re-issued (stamped with a Dominion cypher) as *twentieths*. It is true they would not be part and parcel of our decimal system a bit more than our present half cents are; but, to say the least they would be equally as good a coin of convenience in the one case as in the other, and while they would enable us to carry on all our retail business, they would not in any way interfere with the plain sailing of our silver coins as our present half cent does.

Now allowing this to be a tolerably fair assumption of the all sufficient qualities which our present cents would have if converted into twentieths, I think we might arrive at the conclusion that even though a copper or other coin of the value of one-tenth of the English shilling might by some be considered too large to buy and sell with, yet with the aid of our present cents as our *then* half cents we might get along very well without any coin so absurdly small that it will not buy anything of itself.

In England they have large and rather awkward sized penny pieces, but the half-pence are decidedly the most numerous; and even were there no penny pieces at all, small sums would be just as easily paid as they are now. In like manner—under my system—the money of account would be cents, or tenths of the shilling; yet, even were we never to have an active coin of that value, we might easily pay any amount of cents by means of our present cents passing then, as two, to the new cent. But mark that, under my system of decimals, we should have a coin of convenience, in the shape of a *five cent piece*, or half decimal. This coin, which now passes as twelve and a half cents, would, when in use as five cents, or ten half cents Dominion currency, render it unnecessary, as a general rule, to use more than *nine* of our present cents as change, whereas now we may have to use *eleven and a half*.

Now, as regards the other objection that

"Verax" urges against my proposition, that, being so high, it will not work "comfortably" with the American dollar. To this I am almost inclined to plead guilty, and urge that it need not matter whether it work comfortably with the Yankee dollar or not; but I will not go that length. I think it better to try and point out, that as far as working with foreign coins is concerned, the particular mode of using British gold and silver coins which I have proposed for the Dominion will work or exchange just as easily and conveniently with American or any other foreign coins, as our present or any other mode of using the same coins can be shown to do.

There is an old adage that "a miss is as good as a mile," which simply means, that the ball that misses the target by an inch might as well have been fired in the air, for any good it has effected. Just so our Nova Scotia dollar—it just misses by a trifle of being of the same intrinsic value as the American dollar, and "Verax" tells us a very simple process of turning the one into the other. "Deduct one-twentieth," he says, "and the thing is done." This is as the case may be; but where is the so great simplicity of this contrivance that it should throw all the other systems into the shade? There is, at least, a process to be gone into—first, to find the twentieth, and next to deduct it. Of course this, or even worse, could be done when required, but what simple process of arithmetic cannot be carried out under the same requirement? The Superintendent of Education would find no very great difficulty in laying down a rule (for the guidance of schools) by which to exchange the figures that would represent a sum of money in Dominion currency for figures that would represent its equivalent in any other coins. Four English shillings were once a near approximation to what used to be an American dollar; but who can tell from day to day what they may be worth now?

There is one thing pretty clear—that by taking the British half sovereign as our unit of value, we should show to England and her Colonies an easy and convenient way by which (if she or they desired it) their series of silver coins could be most conveniently used as a decimal medium of exchange; and to the United States (in case she should ever return to specie payments) that by her adopting the quarter eagle, or gold \$2 50, as her gold dollar, or unit, (of which all her silver coins are in as good decimal proportion as ours are of our \$2 50 piece,) all the English-speaking nations would have the same system of decimals, and after that it would take but a short time—under special arrangement—to bring the silver and gold to the same standard, and the coins to the like intrinsic value.

To those who look ahead to the time when we shall have one system of currency for the universe, such a consummation might be considered as well begun—if those who had the lion's share of the world's commerce—could be brought to use such a pure and simple system of decimals in their transactions one with the other.

I think I have here sufficiently proved the fallacy of the objections brought by Verax against my pet scheme; but as he implies others, perhaps you will allow me to touch upon one at least of them also. In boasting of the great advantages we should enjoy under his florin system: "British coins would work easily and simply with it." This is as much as to say that this was a feature or good quality peculiar to the Nova Scotia System—whereas what is the fact patent to all? Why, that by having the dollar divided into halves, quarters and eighths, the result in practice is, that the eighth of one hundred being twelve and a half, makes almost every transaction of giving and receiving small change, an awkward and inconvenient one—and that of the four classes of coins and their combinations, two only are simple and convenient in their usage; while the other two, both separately, and in combination with the other, are anything but simple and convenient—their quantities being 12½, 37½, 62½, 87½.

On the contrary, look at what the result of using the same silver coins under the half sovereign as the unit would be—we should then be able to pay all the pure decimal and half deci-