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All Communications intended for THE CHRONICLE must be in hand not later than the 10th and 25th of the month to secure insertion.

**The Exemption Question.** THE city is to be congratulated on the victory gained in the Council on behalf of the sound principle that non-taxable properties shall not be made a basis for loans. Montreal hitherto has enjoyed, or rather suffered from, a monopoly of the power to borrow on exempted properties. The Municipal Act of Ontario expressly confines the powers of corporations to borrowing on a percentage of such properties as are taxable. The City Council having had the wisdom to endorse that principle by carrying a resolution in its favor, we hope it will be embodied in the new charter of this city. Such a restriction will have the most wholesome effect on our financial affairs, it will check extravagant expenditures, and put our loans on a strict business basis.

**The U. S. Tariff.** IN view of the changes contemplated, not only in the U. S. tariff as far as its home trade will be affected, but in the policy to be adopted towards Canada, the recent elections in the States have special interest for this country. The general result is regarded as a reaction from the movement which placed Mr. Cleveland on the presidential throne. That movement was to a large extent inspired by a desire for reductions in the tariff; it was claimed to be a victory for free trade. Although that was not justified, as free trade is not a live question in the States, still there was an emphatic verdict given against the extreme protectionist duties, which pass as McKinleyism. The recent panic seems to have alarmed a vast body of U. S. electors, as, whether justly or not, they have been guided by a large section of the Press into a conviction that the panic, with all its terrible consequences to trade and manufacturing, was largely caused by fears of a tariff that would do native industries a serious injury.

Whether that explains the reaction in favor of the Republican party is necessarily a speculation, but the Democratic tariff reformers will have their enthusiasm checked by the defeats sustained in the recent elections by their candidates. Canada has much reason to hope for more liberal treatment from Mr. Cleveland and his party than she has received from the Republicans, so that we should regret any check being put on the President's policy which tended to more cordial relations being established with this country.

Silver  
for  
Russia.

LET the price be right, there is a market for everything. The anticipated depreciation in price of silver owing to the repeal of the Silver Act has, it is believed, decided the Russian government to purchase heavy supplies of this metal for currency purposes, on the principle, we suppose, that anything is good enough to serve as money in Russia. That country enjoys a bad pre-eminence in regard to her monetary system, which will not be improved by forcing a vast mass of depreciated coin into circulation as is thought to be contemplated. At present that country has per head of population, \$2.21 in gold, 53 cents in silver, \$4.42 paper, which is uncovered, and at a serious discount. The precious metals are almost unknown, outside the banks, specie payments having been practically suspended for many years. It is in harmony with the fitness of things for a semi-barbarous country like Russia to take up a metallic system when it is discarded by more highly civilized America. Silver is, in fact, being drawn away from the most progressive nations towards those that are low in the scale of intelligence and commercial activity.

The Madison  
Square  
Bank Lesson

THE failure of the Madison Square Bank, New York, once more emphasizes the radical difference between banking in the States and in Canada, and shows how utterly ineffective is State supervision of banks in preventing grave frauds. The Bank held a large amount of State funds on deposit. Two weeks before its collapse it was examined by the Banking department of the State, and its accounts passed this ordeal without arousing suspicion or comment. Whether the examiners were in the pay of the politician whose proceedings

wrought such disaster cannot be known, but the probability is that the State examination was not made by an independent official. When such an officer discovers that irregularities have been committed by some politician who can advance him in the public service, or bring about his dismissal, he is under very serious temptation to make his reports in his own interests. A very close connection has been shown to exist between prominent politicians and the Madison Square Bank. It looks as though they had secured large deposits from the State in order to provide ample funds to raid upon. A cry is being raised to hold bank directors strictly accountable for the results of the management of institutions they direct. That is a very difficult question. But it would be easy to keep a bank out of the hands of political schemers by selecting directors who are fitted for the position by business experience and their standing as business men.

**Can a Company  
buy its own  
policies?**

A SUIT is pending in a Philadelphia Court, which involves the question whether a life assurance company has a legal right to buy up one of its own policies for whatever price the owner will accept who has acquired it by transfer from the original holder. Mr. Lardner of that city took out two policies in the Mutual Life for \$5,000 each, on which he paid premiums for twelve and fifteen years. Being in difficulties, he gave the policies to a creditor as security, who sold them at auction for \$200, and \$300 respectively. The company is alleged to have bought them in, and thereby traded in policies. The main point, we submit, is this, were these policies assigned absolutely to Lardner's creditor, did he abandon his title to and in them in favor of that creditor? If so, their ultimate destination was no concern of his. But, if they were assigned only as collaterals to secure a debt, they ought not to have been disposed of without his full knowledge and legally expressed consent. If the company took over those policies when the policyholder still held an equitable interest in them, they will have to take the consequences of an imprudent act; but if the policyholder's title was cancelled by his own act, and vested in another person, who transferred that title to the company, we believe Mr. Lardner's claim against the Mutual will be dismissed.

**Civil Service  
Assurance.**

A SCHEME has been promulgated by the Government for providing members of the Civil Service with life assurance. The rates are stated to be somewhat below those of the established companies. We are disposed to doubt the advisability of a government undertaking such a work. There is no need for any such scheme. The companies now operating in Canada are compelled to keep large deposits with the Government as a protection to policyholders. Those funds being so placed involve a loss, as they are withdrawn from the companies' control who could use them as investments to better advantage. We offer no objection to such deposits, but it seems hardly fair for the government to enjoy the use of such large funds,

owned by assurance companies, and at the same time be entering into competition with those companies for business. The small area of the field for such an enterprise and certain special conditions of it are not those which promise successful results to Civil Service assurance. The policyholders will not be continually augmented by new assurers as in large companies, and the business must suffer from stagnation. The members of the service already have to pay towards a superannuation fund, and, we have reason to affirm, regard the new scheme with much disfavor, as it means practically a compulsory system which takes from them their liberty of choice in a matter which is strictly a private affair. It may be said that no such compulsion is contemplated, but when the Government puts forth such a scheme, it becomes almost obligatory on the servants it employs. If it is thought necessary for members of the Civil Service to have their lives assured, that could be done by making each one take out a policy for a given sum in a sound company. Government competition with private enterprise is most objectionable.

**ASSURANCES ON FEMALE LIVES.**

There has been some common sense and a great deal of nonsense written in both the insurance and public press during the last two or three months, in connection with the discrimination exercised by most life assurance companies against applicants of the gentle sex. One or two ladies entered the arena on behalf of their sisters, and in the insurance congress at the World's Fair urged their claim, that those of their number who apply for life policies should be treated in exactly the same way as their husbands and brothers. The hearts and minds of their hearers and readers were evidently very susceptible to an appeal of this kind, for almost with one accord the insurance editors of the continent flew to arms—or pens—to defend the cause of the oppressed, and to prove to the world that the age of chivalry is not yet past and that a "ladye fayre" can still command the services of many a doughty knight. That an actuary should recommend that an extra premium be charged a woman, merely because she is a woman, is to these gentlemen positive proof that that member at least of the profession is behind the times and a mere survival from the barbarous ages when woman was considered an inferior being, whom it was the duty of her lord and master to keep in her proper place. And that any insurance manager should confirm the opinion of the actuary is conclusive evidence of his lack of gallantry and unworthiness to enjoy the confidence of the sex.

But even at the risk of losing the good will of all our lady friends, and of having the finger of scorn pointed at us by all our male acquaintances, we propose to discuss briefly and quietly the question of female mortality and its relation to our life assurance companies.

It may perhaps surprise our readers to be told that the system of imposing an extra premium on female lives is of comparatively recent origin. So far from being a relic of mediæval times, it has practically been in existence for about thirty or thirty-five years only.

Very few of the arguments brought forward by the valiant advocates of woman's rights in this matter are new. They were urged quite as strongly fifty years ago as they are to-day, and, what is more, they were believed in much more generally then than they are now. No company, so far as we are aware, charged the extra premium in those days, and quite a number of institutions actually took women at lower rates than those they charged men! It was pointed out as a convincing proof of the superior vitality and longevity of the weaker sex, that although there are on the average only one hundred girls born into the world for every one hundred and four boys, yet the number of old women and widows whom we meet considerably exceeds the number of old men and widowers. The soundness of this assertion is beyond dispute. Even the experience of the life assurance companies themselves supports it, as the following comparison will show.

Expectation of Life according to the experience of the Twenty English and Scotch offices (HM and HF tables).

Age.	Males.	Females.	Difference in favor of female life.
	Years.	Years.	Years.
20	42.061	40.815	— 1.246
25	38.405	37.409	— .996
30	34.681	34.503	— .178
35	31.016	31.445	+ .429
40	27.399	28.253	+ .854
45	23.792	24.987	+ 1.195
50	20.306	21.616	+ 1.310
55	16.962	18.192	+ 1.230
60	13.830	14.851	+ 1.021
65	11.012	11.772	+ .760
70	8.495	9.082	+ .587
75	6.376	6.925	+ .549

The statistics drawn from the total population of England and Wales are much stronger than even these, for they show that the expectation of life among women, taking the community as a whole, is greater at all ages than among men. The following is the comparison.

Expectation of Life, according to Farr's English Table No. 3, based on the returns to the Registrar General of England and Wales.

Age.	Males.	Females.	Difference in favor of female life.
	Years.	Years.	Years.
Birth.	39.91	41.85	1.94
5	49.71	50.33	.62
10	47.05	47.67	.62
15	43.18	43.90	.72
20	39.48	40.29	.81
25	36.12	37.04	.92
30	32.76	33.81	1.05
35	29.40	30.59	1.19
40	26.06	27.34	1.28
45	22.76	24.06	1.30
50	19.54	20.75	1.21
55	16.45	17.43	.98
60	13.53	14.34	.81
65	10.82	11.51	.69
70	8.45	9.02	.57
75	6.49	6.93	.44
80	4.93	5.26	.33
85	3.73	3.98	.25
90	2.84	3.01	.17
95	2.17	2.29	.12.

We fancy we hear some of our readers saying at this point, that in view of such facts as these the case must be considered as settled and that the injustice of charging an extra premium is clearly proved. Not so fast,

good sirs, it is well to look more deeply into the matter before you finally make up your minds. The actuaries and managers of fifty years ago thought they understood this question, but the next generation decided that their predecessors had been mistaken. A little knowledge is sometimes a very dangerous thing, and it may be so in the case of your honorable selves as well as with others. Let us study, for instance, the following table:—

Probability of Dying within one year (per 1,000), according to the Twenty British Offices Experience (HM and HF tables).

Age.	Males.	Females.	Excessive Mortality in the case of female lives.
10	4.900	3.140	— 1.760
15	2.871	6.838	+ 3.967
20	6.329	6.878	+ .549
25	6.630	10.814	+ 4.184
30	7.723	11.850	+ 4.127
35	8.774	11.760	+ 2.986
40	10.306	12.547	+ 2.241
45	12.192	13.618	+ 1.426
50	15.950	14.453	— 1.497
55	21.033	18.268	— 2.765
60	29.678	23.681	— 5.997
65	43.431	37.377	— 6.054
70	62.192	55.643	— 6.549
75	98.361	94.854	— 3.507
80	144.652	121.786	— 22.866
85	209.885	185.637	— 24.248
90	279.452	275.040	— 4.412

We are able, by this comparison, to trace the differing curves of male and female mortality throughout almost the entire course of life. This experience, however, gives no ratios for ages under ten, but from other tables we learn that from birth to age of ten also, the advantage is on the side of the girls. We thus find that female life may be divided into three sections, and that in the first and third of these the mortality is more favorable than in the other sex, but that in the middle division, extending between say ages of twelve and forty-eight, it is much in excess. The low death rate in childhood and old age is sufficient to give the women of the general population an expectation in excess of that for males at all ages, notwithstanding the heavy mortality in middle life. If we read the last column of the table as dollars and cents, we have the net additional amount which the companies would have required to receive for that year, in order to place their female lives on an equality with their male policyholders of the same age. To get the gross or office extra, a loading of say twenty-five per cent. should be added to these figures. It must be remembered that the great majority of applicants are under fifty years of age, and that as there are no means of compelling persons to keep their policies in force, the superior vitality which the sex exhibits in old age can hardly be taken into consideration when determining what premium should be charged. It cannot be allowed to offset the heavy mortality in the earlier years of the assurances, for none of the policies may be in force then. We see at once that a table of "Expectations of Life" may be a very unreliable guide, and it is difficult to avoid the conclusion that an extra of about one-half per cent. per annum is necessary at all ages under forty-five.

Perhaps it may be objected that the table which we

have used as our test is based on British lives alone, and that possibly the experience of Canadian and American companies may be different. To meet this view we extract the following from the Mortality Records of the thirty American offices, published in 1881, and which is the great authority on American assured life.

Rates of loss per 1000 (unadjusted) in thirty American offices—experience.

Ages.	Males.	Females.	Excess of mortality in the case of female lives.
15-20	6.27	6.71	+ .44
20-25	6.34	9.99	+ 3.65
25-30	6.73	10.65	+ 3.92
30-35	7.32	10.84	+ 3.52
35-40	8.66	10.82	+ 2.16
40-45	9.62	11.04	+ 1.42
45-50	11.38	11.03	— .35
50-55	14.69	14.32	— .37
55-60	20.17	20.15	— .02
60-65	28.99	28.22	— .77
65-70	42.36	49.37	+ 7.01
70-75	55.50	56.17	+ .67
75-80	77.24	124.28	+ 67.04
80-85	103.42	220.13	+ 116.71
85-90	177.57	213.63	+ 36.06
All ages.	10.96	12.34	+ 1.38

So far from the experience of American companies being better than that of their British competitors, it will be seen that it is by no means as favorable, the excessive rates in old age being a remarkable feature.

This peculiarity is probably due to smallness of the numbers under observation at these ages and to the selection against the company by those entering late in life, rather than to any real difference in the law of mortality as prevailing on the two continents. In the total population of England and Wales, the death rate follows much the same course as in the experience of the British offices already quoted, being higher for females at all ages of adult life under thirty-nine and uniformly lower thereafter.

If we seek for a reason for this difference between the sexes, it is easily found. The excessive mortality among women exists during the period of maternity, and not thereafter. It is easy to talk of the improvements in surgery and medicine, but the sad fact remains that the risk of child-bearing is and probably always will be a serious one. On the average, one mother dies from this cause for every two hundred births. There are great variations, of course, in the different classes of people and sections of the country; but, taken altogether, this proportion is about correct. And in addition to this direct and immediate danger there are the hundred and one other allied ailments to which women are exposed. This period of life is a peculiarly critical one, and if there be a weak spot in the constitution, it will be discovered at this time. On the other hand, those who survive to fifty years of age have as a rule proved by that very fact that they are over the average of their sex in regard to vitality. The delicate and sickly have been to a large extent weeded out, and those who remain may be considered as "selected."

Considerable fun has been poked at the companies because they charge their lady applicants an extra in

both directions—those who wish to assure, because they will probably die too soon, and those who desire annuities, because they are likely to live too long. And yet we have seen that not only are they justified in taking this apparently contradictory course, but that it is really necessary for them to do so. At the ages when people apply for life policies, women die off more rapidly than men, and at the ages when annuities are in order, the table is reversed, and they can with difficulty be induced to die at all! It must be remembered also that the selection exercised against the companies intensifies these differences, those who apply for assurances being under the average of their sex, and those who take annuities being over.

It will be noticed that in these remarks we have referred particularly to married women. The tables we have quoted are based chiefly on this section of the community. To just what extent a distinction may safely and wisely be made in favor of those who are unmarried, we are hardly in a position at present to say with definiteness. But that a line of division between the two classes can fairly be drawn is beyond question. Space, however, forbids our enlarging further on the subject at present.

#### TWO RICHMONDS IN THE FIELD.

It is satisfactory to find two leading insurance company presidents each claiming to have killed rebating. President A. McCurdy has filed a claim on behalf of the Mutual. He sent a telegram to the Cleveland Convention of Underwriters as follows: "In addressing the Convention, express strongly the condemnation of rebate by management of this company. The first resolution making it a misdemeanor was drawn in this office and was passed by our unaided effort." No sooner was this published than the plea was traversed by documentary evidence put forth on behalf of President John A. McCall, of the New York Life, whose claims to the paternity of the Rebate Bill are recognized in a letter from Superintendent Maxwell of the State of New York insurance department. When the Rebate Bill was about being introduced at Albany, the Superintendent wrote to Mr. McCall, saying: "The Department will give *your* bill hearty support." It is no uncommon incident in grouse shooting for a bird that falls to be claimed by two sportsmen, and at times correctly, for both hit the game. In such a case the post mortem examination made at dinner reveals a double wound in the bird. In the dispute between Messrs. McCurdy & McCall, this difficulty occurs, they both claim to have killed rebates—but where is the corpse? There are authentic reports abroad that the victim was "scotched, not killed," indeed some affirm it was not wounded at all, as the shots fell short. As these eminent men are both anxious to have the honor of wearing the rebate scalp, we shall, no doubt, see them on the war path until the one or the other is able to hang up a trophy of his prowess in his New York wigwam. When "rebate" is really dead we shall be glad to attend the funeral.



**FIRE LOSSES IN CANADA FOR OCTOBER, 1893.**

DATE.	LOCATION.	RISK.	TOTAL LOSS.	INSURANCE LOSS.
Oct. 1	Montreal.....	Orphanage.....	\$1,500	\$1,500
2	Berlin.....	Glove Factory....	10,000	3,000
1	Stayner.....	Exhibition Bldgs...	2,000	1,500
1	Siewiacke, N.S.	Saw Mill.....	10,000	5,500
2	Listowel.....	Stables.....	2,000	1,200
5	Montreal.....	Paper Box Factory.	10,000	7,500
4	Berthier.....	Farm Property....	4,000	1,700
4	Yamaska.....	Saw Mill.....	5,000	Nil.
5	Portage du Fort.	Woolen Mill.....	7,500	5,500
7	Lake Megantic..	Store.....	2,500	1,700
9	St. John R'r, N.B.	Steam Yacht.....	7,000	5,000
7	Brussels.....	Saw Mill.....	5,000	2,000
7	Milverton.....	Farm Property....	2,500	1,000
9	Woodstock.....	do.....	1,500	1,000
9	Tay Tp.....	Dwellings.....	2,000	2,000
12	Limehouse.....	Woolen Mill.....	5,000	2,500
14	Three Rivers..	Axe Factory.....	4,000	1,200
16	Montreal.....	Dry Goods Store...	3,000	3,000
15	London.....	Glass Works.....	25,000	21,000
16	Gananoque.....	Stores.....	12,000	10,000
16	Trenton.....	do.....	3,000	2,000
17	St. Ma's F'y, N.B.	Conflagration....	45,000	23,000
16	Port Dover.....	Livery Stable....	2,000	1,100
16	Oakville.....	Planing Mill.....	3,000	2,500
17	Alvinston.....	Farm Property....	3,000	1,900
17	Milford, N.F.	Stores.....	8,000	6,000
17	Penetanguishene	Store.....	1,500	1,000
17	Jarvis.....	Farm Property....	2,000	1,400
18	Strathroy.....	Machine Shop....	1,500	1,000
19	Montreal.....	Lithographer's...	45,000	38,500
22	Drummondville..	Dwelling.....	7,500	3,000
23	Yarmouth, N.S.	Hotel and Stores..	20,000	10,000
20	Montreal.....	Artist's Colors...	1,500	1,500
22	Regina.....	Office and Dwlg's..	5,000	2,000
22	Newdale, Man..	Stores.....	3,000	2,300
26	St. Genevieve...	Tannery.....	7,500	3,000
24	Novar.....	Saw Mill.....	2,000	1,200
25	Morewood, Ont..	Farm Property....	5,000	3,500
26	Midland.....	Box Factory.....	12,000	5,000
25	Ashburnham....	Stores and Dwlg's..	7,500	6,500
27	North Bay.....	Planing Mill&Lum	50,000	Nil.
27	Windsor.....	Hotel.....	1,500	1,000
29	Montreal Annex.	Dwellings.....	5,000	2,500
Total.....			\$ 363,000	\$201,300

**SUMMARY FOR TEN MONTHS.**

	1892.		1893.	
	Total Loss.	Insurance Loss.	Total Loss.	Insurance Loss.
For January.....	\$622,200	\$462,700	\$402,000	\$301,900
" February.....	245,400	171,700	722,800	449,100
" March.....	702,100	439,900	671,030	533,830
" April.....	407,400	319,600	661,900	501,700
" May.....	507,500	296,500	310,500	197,400
" June.....	195,800	140,900	1,060,800	382,500
" July.....	290,800	210,900	279,500	167,000
" August.....	495,600	374,800	678,300	496,500
" September....	576,200	353,500	338,300	275,700
" October.....	417,900	200,000	363,000	201,300
Totals.....	\$4,458,500	\$2,970,500	\$5,498,130	\$3,436,930

**SOME RECENT FIRE LOSSES.**

Glass Works, London, Ont.—Atlas \$6,000, London and Lancashire \$4,000, Scottish Union & National \$1,600, Union \$3,200, Western \$5,000. Total \$19,800.

Canada Bank Note Co., Montreal—Eastern \$2,000, Guardian \$8,000, Hartford \$1,900, Northern \$2,800, North America \$2,000, Norwich Union \$2,500, Queen \$3,700, Royal \$5,800, Phoenix of Hartford \$3,400, United \$2,000, Western \$4,400. Total \$38,500.

St. Mary's Ferry, N.B.—Ætna \$4,000, Albion \$800, Central \$1,000, Hartford \$4,700, Imperial \$6,000, Liverpool and London and Globe \$1,900, Phoenix of Hartford \$2,400, Phoenix \$500, United \$2,700, Sundries \$3,000. Total \$27,000.

**LIFE ASSURANCE AND SAVINGS BANKS.**

Copies of the following article have been so frequently asked for, at the request of subscribers we reproduce it, as it appeared in our issue of April 15th, 1891.

It is no uncommon thing for individuals, when approached on the subject of life assurance, to object to the outlay required by saying that they can invest their money to better advantage than a life assurance company can do it for them; and a common form of argument employed is that the amount of the required premium regularly deposited in a savings bank will yield better returns, besides being immediately available when required by an emergency. These people look only upon the surface of things, and jump at conclusions, without an adequate knowledge of a few simple but very important facts. The very material fact is overlooked, that while one is earning money to put into the bank, the chances of life are very uncertain; and if the adverse chance happens, the earning ability, and with it protection to the family, absolutely ceases. How great these chances are may be seen when it is stated that, according to the established mortality tables dealing with *selected* lives, the chances that a man of age 35 will die within ten years are 95 in every hundred, and that the number mathematically sure to die at that age is 9.2 in every thousand, the probabilities, of course, increasing with every year of added age. The life policy steps in to *assure* against this uncertain tenure of life, so far as the individual is concerned, by providing for the family when the provident life has ceased. All the savings bank can do is to take care of the depositor's money, *if he saves it*, and pay it back with interest when he calls for it, it provides for no contingency, and furnishes no protection beyond the amount actually put in and accumulated. In order to show clearly the immeasurable advantage of life assurance as a protection, we have prepared the following tabular statement of a policy for \$4,865, issued at age 35 on the continued life plan, without profits, annual premium \$100, and as compared with the same amount annually deposited in a savings bank and compounded at a 4 per cent. interest:—

One dying at age of—	THE HEIRS WOULD RECEIVE:		Chances in 100 of dying within 15 years.
	From Savings Bank.	From Insurance Co.	
35	\$ 100.00	\$4,866.24	14.69
36	104.00	4,866.24	15.10
37	212.20	4,866.24	15.57
38	324.70	4,866.24	16.10
39	441.50	4,866.24	16.68
40	563.30	4,866.24	17.34
41	689.80	4,866.24	18.07
42	821.40	4,866.24	18.89
43	958.30	4,866.24	19.80
44	1,100.60	4,866.24	20.80
45	1,248.60	4,866.24	21.92
46	1,402.60	4,866.24	22.14
47	1,562.00	4,866.24	24.49
48	1,729.20	4,866.24	25.96
49	1,902.40	4,866.24	27.58
50	2,082.50	4,866.24	29.32
55	3,096.90	4,866.24	40.26
60	4,331.20	4,866.24	54.70
62	4,896.80	4,866.24	57.60

It will be observed that while the heirs of the man who is assured would receive \$4,866.24 in case of death,

at any time from the day his policy takes effect, the savings bank investment requires about 27 years before the proceeds will equal the assurance, provided he pays in his \$100 during every year, together with accrued interest at the rate named, 4 per cent., though, as a matter of fact, many savings banks pay only  $3\frac{1}{2}$  per cent. The chances of dying, it will be observed, are more than fifty in a hundred before age 60 is reached, and even if both men live up to the full limit of their expectancy, or about 31 years, reaching age 66, the assured will have received only \$1,304 less than the savings bank yields. In other words, this amount distributed over the 31 years represents \$42.09 annually on his entire policy, or \$8.65 per \$1,000 assured, as the total annual cost of his protection, payable as promptly in the first as in the thirty-first year in case of death. In like manner, it can be shown that as a protection combined with investment, under a 20-year endowment, the \$100 annually would purchase a policy for \$2,485, without profits, payable at death at any time until the 20th year, when it becomes realized cash in hand; while it would take over 17 years, *if the man lived and kept up his \$100 deposits annually* before the accumulation would equal the \$2,485. It is obvious that the savings bank depositor must fulfill three conditions, each involving great uncertainty, viz.: he must continue to live for 17 years, though the chances before he reaches that age become nearly 40 in a 100 against him; he must continue to earn the surplus \$100; and he must continue to deposit it, together with interest, without fail every year. On the other hand, if the assured man dies the first or the tenth, or any other year, his adverse chance of life thus realized is turned into a certainty of beneficent provision for his family, and, living, if he should become unable to earn and to pay his \$100 premium, he has acquired a proprietary value in his policy, which, applied to its extension or to a paid-up proportion, still gives him protection. The comparison of life assurance with savings bank investment is a manifest absurdity, for the latter depends on the realization of elusive uncertainties, while the former is based upon guaranteed certainties.

#### THE MUTUAL OBLIGATIONS OF INSURER AND INSURED IN LIFE INSURANCE CONTRACTS.

Referring again to the requirement inserted in all applications for life insurance which calls upon the applicant to state the date of his birth, it has occurred to us to remark that all companies establish a limit of insurable age. They do not insure the very young nor the very oldest lives, and their reasons for this refusal are many and effectual.

In the first place, as regards very young lives, there does not ordinarily exist a satisfactory insurable interest, and companies will not generally, as we have already stated, grant insurance where the insurable interest is vague or doubtful. Then again, as regards very young men, it may be that their habits of life are in a state of formation, and perhaps their future life work not even determined upon; and these conditions all involve elements of danger to life insurance companies. Very few things are of greater importance to

a company issuing a life insurance policy than the habits of the applicant and the tendencies that his business and profession may be expected to have upon his future habits. In the cases of most very young men—at any rate in case of all those who are under the age of eighteen—it may be truthfully said that their habits of life, so far as they will prevail in the future, cannot be said to be sufficiently formed to constitute a reasonable safe-guard to the companies that propose to take all the risks of the acquirement of future *vicious* habits. Then, again, a very young man employed in a decent occupation, but which occupation may perhaps be of only a temporary character, is liable later on to drift into something of a less desirable kind—perhaps into “bar-keeping” or something equally undesirable for an insurance risk.

That an investment form of policy is a most excellent thing for a young man to take out just as soon as he is old enough to earn money, there is no doubt in the world, and very few companies will refuse Investment policies to those who have reached the age of seventeen or eighteen years or upwards, provided the family influences surrounding them and their social connections are such as to indicate the probabilities of future freedom from low associates and bad habits.

As to very old men there is no objection to granting life insurance to them, so long as their lives are financially productive, and they have more or less dependent upon them those who would suffer a pecuniary loss by their death. But, where there exists no longer a satisfactory insurable interest in the life of a man far advanced in age, no application for insurance should be accepted. If a man, however old, be still engaged in a productive and profitable business, and has dependent upon him those who would suffer financial loss by his death, no company would be justified in refusing him insurance provided he was willing to pay the rate commensurate with his risk. It is well known that a great many companies have a great timidity as regards risks well advanced in life, but this can be conclusively proven, on absolutely scientific grounds, to be unwarranted.

While no particular trouble generally occurs in the adjustment of a mistake in the records of the age of an applicant, it is well to avoid even the little trouble that such a rectification may entail. If you are not positively sure of the year, month and date of your birth, but know that you can state it beyond question by reference to any family records or other accessible documentary evidence, by all means, take the trouble to refer to such records, and make sure that you are right in your answer to this question. Most companies will be glad, if you submit such records to them, or a certified copy of such portions of them as refer to the date of your birth, to give you a certificate to file with your policy admitting the correctness of your age as stated in your application and upon which your policy is based, so that the question would never come up again for further consideration, and could not possibly occasion any necessity for adjustment when your policy becomes a claim.

Of course, no honest person would attempt to justify an intentional mis-statement of age; but beyond this we want to say, as a matter of fact, that any deluded person who might be guilty of trying to save a small difference in premium rate by making such a mis-statement would ever afterwards regret such a course, because it would necessarily entail upon him some little sense of insecurity, and if ultimately found out, would call for an adjustment by which any saving heretofore made would be entirely wiped out. The only true and correct principle on which to make out an application for insurance is to preserve the exact line of accuracy, so far as the applicant is able to do so, and for him not to make an untruthful statement even of what may seem to be the most trivial point.

#### SCHEDULE RATING.

Fire insurance is one of contingencies, and not of certainties; there is always an existing element of chance and uncertainty attendant upon every fire risk as to its destruction or continued safety, within a certain specified period of time. Just how to control these chances and confine the outbreaks of fire within any reasonable limits has heretofore proved beyond the skill and experience of the most efficient underwriters, as is very apparent from the constantly increasing numbers and volume of fire losses from year to year, despite the utmost efforts of fire insurance offices and of fire departments to prevent, or even lessen, the frequency of such occurrences.

The intent and purpose of the fire insurance business—alike from affording reasonable returns in the way of dividends to stockholders—is to indemnify such parties as may have availed themselves of the contingent security thus offered by the companies in the event of loss by fire to the subject covered by the policy. For this promised indemnity the insured pays to his underwriter an agreed ratio of premium upon the sum covered by the insurance. Just what this ratio ought to be, or how it shall be apportioned, has ever been, and yet remains, a disputed question among fire underwriters; and as "cost" is the unknown factor in the proposition, the fixing of premium rates has heretofore been, and will continue to be, the "unsolved problem" in fire underwriting, until greater harmony of action and a practical system of classification of fire hazards, as indicated by fire losses, shall be found and generally adopted among the fire offices.

It is this *fire loss* which makes the rate, and not the companies, whose only function in this direction is to carry out the law of their being, and divide, as best they can, this unknown cost among those who may desire to be indemnified for such losses when they occur. Hence, as fire losses rule the rates of premium, the logical result is that premium rates can only be reduced by a reduction in the number and volume of fire losses; and any practical method which will tend to this end will reduce the price of fire insurance correspondingly.

Nothing in the progress of the aleatory business of fire insurance demonstrates more clearly that it is becoming better understood and appreciated, nor comes

nearer to the solution of the vexed problem of price, than the system of schedule rating, backed up by the graduated co-insurance clause, whereby the rate, once found by schedule, is charged in the proportions of the amounts at risk to the insurance carried thereon.

*Schedule rating*—as distinguished from flat or specific rating—is a method of affixing prices by stating from a previously carefully considered *basis rate* fixed upon a perfectly constructed or *standard* building, fire-wise, of any of the various classes of insurance hazards, as dwellings, stores, factories, etc., and adding to such basis rate, under another carefully arranged subsidiary schedule of charges for deficiencies or departure from the requirements of such standard; but at the same time allowing to the insured, subsequently, due credit for the removal of, or any material improvements in, the shortcomings of the risk for which any extra charges may have been made, thus placing it within the ability and at the option of every insured, virtually, to fix his own rate within the limits of the standard. In this way schedule rating tends to individualize every risk by reducing inequalities in rates on risks of similar external appearance, though quite dissimilar in fire hazard characteristics internally, or otherwise, and still preserve the equities between the respective risks, each being rated upon its own approximation or removed from the same standard basis.

The *basis rate*, which is the fundamental "guess," varies with each locality, and will always depend upon the place itself, fire-wise. This basis rate being once established, the application of the deficiency schedule becomes easy to the initiated; but the formulating of such a schedule will require a practical knowledge of buildings, fire departments, and other insurance knowledge not usually found among tyros in the business.

The *Universal Mercantile Schedule*, now finding much favor, as it becomes better understood, in the principal cities of the United States, is simply an extended plan of schedule rating, made applicable, as far as possible, to mercantile risk, as its name indicates, in all localities, and thus provide for a uniform system of rating of fire hazards throughout the country to which used, as the initial starting point, all cities are to be properly classified as to standards, and a uniform basis rate established in each, according to its non-rating, with a uniform schedule of deficiencies to be charged for where any building may fall short of the standard basis; and in estimating such rates this schedule provides that at least 80 per cent. of the value at risk shall be covered by insurance. Thus, each city or town can find its appropriate place in this *universal* schedule, with the methods of affixing rates thereon carefully laid down.

As we said upon a former occasion, the great difficulty with Montreal is that rates of premium have, from competition in former years for the business, always been too low, of which no better evidence need be addressed than the fact that the companies have made no money in this city. Insurance-wise, Montreal is not first class; it contains within its limits but few, if any, "A" buildings (*i. e.*, externally fire-proof in all particulars); a few only of the best structures rank more the "B" (*i. e.*, the same as "A" without fire-proof doors and shutters);

while the majority of risks are but "C" (the next to B, but having composition or shingle roofs), without fire proof doors or shutters to protect against advancing flames, and many of them filled to overflowing with combustible, if not inflammable, matter, so that some mid-winter, if a conflagration set in in more crowded sections, the St. James street catastrophe would be but a bonfire compared with it. And yet owners and occupants exposed to these perils clamor for "A" rates on "C" buildings, because they have had them for so long a time in the past that they claim a prescriptive right to their continuance at any cost to the companies. Hence we say that schedule rating is the only recourse left to the companies for safety; then every tub will stand upon its bottom, and be rated on its own merits, be the same more or less; and the owner can see the why and the wherefore of the rate. And the sooner that our city underwriters recognize this indubitable fact, and apply the schedule, the sooner will complete equity be procured for both parties, and the underwriters can hope for and expect to make some money for their stockholders where all has for them been for many past years almost or quite *nil*.

#### A GOOD WORD FOR THE COUNTRY AGENT.

In these days of electrical developments and large enterprises we are in danger of miscalculating the relative value to life insurance of the very large achievements and the moderately small ones among life insurance solicitors. There is a tolerably large class of men who find their fields of labor in the large cities and commanding centres of business of the country and whose clientage is among the capitalists, bankers and commercial leaders, and who so successfully use their opportunities that they round up the year by turning into their companies from one to two million dollars of applications. Their achievements are heralded, very properly perhaps, by their associates and by their companies, and they are awarded both praises and bonuses on a liberal scale, while the small men of the country, so to speak, plod on from year to year with scant recognition. For the agent of large results, flowing from large opportunities, we have no disparaging words if his work is honestly and well done; but for the class of faithful solicitors who prosecute their calling under difficulties in the small towns and country neighborhoods, we would enter a plea for better appreciation.

There are a good many of these men who, considering their environment and opportunities, are deserving of quite as much praise as are their more favored brethren and whose scale of commissions might with justice be on a somewhat more liberal basis. It is a grand thing, no doubt, to be able to write the application of a millionaire for a hundred thousand dollars, but it may be quite as grand a thing, in its way, to write the small merchant's or artisan's application for three thousand, for the latter achievement may represent quite as much labor and the employment of quite as skillful tactics as are required for the former. In life insurance work, as elsewhere, every man should be measured by

his ability to produce results *according to his opportunities* and not by the mere standard of bigness. The navigation of a gigantic Cunarder on the broad Atlantic may be no more meritorious than that of a small propeller through the windings of an inland river. The point we make is that the intrinsic merit of the small agent's work may be and very often is fully equal to that of the man of larger results who commands larger opportunities.

Judged by the permanent value to the companies of the work done by the rank and file of smaller agents throughout the land, a good deal may be said in their favor. A little investigation of any good-sized life insurance company's experience will reveal the fact that the best class of risks and the business showing the least percentage of lapses is that secured among the middle class of the people, whose policies range from one to five thousand dollars and coming from the country rather than from the large cities. We have in mind as we write the record of a reliable, industrious agent, who for more than twenty-five years has worked life insurance in a village of fifteen hundred inhabitants and in the surrounding farming community, and whose applications averaged scarcely two thousand dollars each, and whose yearly total, one year with another, was not above two hundred thousand dollars. The lapses among his policyholders were merely nominal, and the death rate only about seventy per cent. of the general average experienced by the company. It goes without saying that the more of such business any company has on its books the better. The above Experience may be multiplied by thousands of similar experiences, not only in this country but across the water, where the moderate-sized policies, secured through agents who have no startling record as "hustlers," constitute the best portion of the business. As a rule, a thousand policies for from two to five thousand each issued to the small but thrifty tradesman, or the intelligent farmer, or the sober industrious artisan, or the school teacher, or the clergyman, will be better for the insuring company than fifty policies issued to the banker, or the great manufacturer, or the railway magnate for from fifty to a hundred thousand each.

For a good part of the valuable, enduring work done by the great army of life insurance solicitors, the companies are under obligations to the small agents of the small towns and rural districts, who do not figure in competitive contests for business, who never adorn the "hustler's" page, and who are the recipients of no gold watches or silver tea sets from headquarters; but just keep industriously "pegging away," obeying the instructions of their superiors, and keeping up a steady though slow stream of applications for policies which when issued are found to have staying qualities. All honor to these men, the bone and sinew of the life insurance army.

Electricity caused the destruction at Baltimore recently of a gaol where 540 prisoners were confined, who narrowly escaped cremation. The trouble arose from wires becoming crossed and setting wood work on fire.

### THE TRUE INWARDNESS.

The heavy loss ratio of fire insurance companies, both in the United States and Canada, during the last two years especially, has been causing a good deal of uneasiness on both sides of the Atlantic, and underwriters at the head offices have been puzzling their brains to discover the remedy. Fire insurance, like any other business, is not carried on for benevolence or philanthropy, but to make money for those who embark their capital in the undertaking. The first natural solution of the problem is that rates are too low, upon the same principle that when a merchant or a manufacturer has come to grief, and finds that he cannot make ends meet, it is pretty generally admitted that he has been selling his wares below cost. The main difference between this parallel is, that whereas with the merchant or manufacturer, the result is very quickly arrived at by the simple process of book-keeping taking the receipts and payments for six or twelve months, and striking a balance, with fire insurance—as we have often pointed out—there is not only an unknown quantity but an equally unknown indefinite period, which complicates the question considerably. The fire against which the company insures may never occur, or it may take place a few hours after the contract is entered into; while, again, such fire may be either a partial or a total loss under the policy. Nevertheless, underwriters make their calculations by the laws of average assisted by experience; and if these fail to produce a satisfactory result, the conclusion is that "there is something rotten in the State of Denmark" somewhere. Arguments are used to show that either rates are too low, or expenses too high, or perhaps a little of both. Now, although this may be all very true to a certain extent, and that in some districts or cities or even on a particular class of risks, rates may not be adequate, and while excessive expenditure may produce a balance on the wrong side of the ledger, yet we are of opinion that there is another factor in fire insurance than mere rates (as such) and expense. An English insurance journal some years ago laid down a broad principle, that the simple matter of expense never yet killed a company; and while willing to admit that there may be an exception to this rule, it is none the less true on the whole, and, as a manager of a leading company once remarked, it does not do to starve your business, or, in other words, have poorly paid men to transact that business. We next turn to rates, and so long as we observe that there are a few offices who manage to make money while the majority are losing it, the rate charged being the same in both instances, we come to that other factor spoken of above, which may be set down as selection of business or the avoidance of cut-throat competition. This competition has recently become too common in all branches of trade, and is answerable, we believe, for a good many of the evils now making themselves felt in fire insurance. It leads to what we alluded to in our last issue, "the other fellow will take the risk if we don't." Here the rate may be fair and adequate for the class to which the risk belongs, but the risk itself from some inherent defect, physical or moral, may be almost

uninsurable. In banking, the current rate of discount may be so much per cent., but does that prevent a banker from using his discretion with regard to accepting a bad or doubtful draft? So with fire insurance, selection of business is more than half the battle, and we should be sorry to see the associated offices so blind to both justice and their own interests, as to fix rates upon any class of risks, by their experience of their losses upon the inferior ones of that class.

Such a course would resemble some of the mistakes trades unions have made in fixing wages by the standard of the poorest workman. Healthy competition is the driving wheel as well as the safeguard of all trade, but in the midst of competition there must be discrimination, such as no association rules or regulations can deal with, but which must be exercised by the individual talent of each underwriter. This discrimination will be the only safe way out of the "slough of despond" in which fire insurance seems to be floundering.

### MERCANTILE ASSETS.

The statement of firm's affairs which are now in the hands of a committee of creditor is before us. It affords a very striking illustration of the delusiveness of such statements when the main items are so generalized as to give no clue to details, upon a thorough knowledge of which alone can a sound judgment be based as to the real character of such general items. In the case in question a statement of this firm's position examined without such knowledge would lead any person to pronounce it not only solvent, but owning a considerable amount of capital and surplus. But when the item of "Bills Receivable" comes to be analyzed, it is found that the concern is hopelessly insolvent, that the capital is all gone, and with it at least seventy-five per cent. of their creditors' money. The bills receivable include close upon \$200,000 of paper made by the partners in favor of the firm. Each partner for some years has been drawing a large annual salary. Not content with this heavy charge, the two active members of the firm have drawn out the large sum above named, which not only withdrew all the capital they had put in, but a third partner's also, and some \$50,000 in excess of those amounts combined. Yet, while this condition existed, the annual balance sheets of the firm showed the capital to be intact and the business in a sound state.

The exposure of the state of this firm's affairs will be of service in causing more caution to be exercised in accepting bald statements of the assets and liabilities of mercantile firms, by bankers and others. "Bills Receivable" looks all right in a balance sheet, but if it is made up of accommodation paper, of paper drawn to cover up withdrawals of capital, it is a very rotten basis for credit in any form. Those who lend money on the strength of such generalized figures need to be cautious, and before advancing funds should thoroughly test the details of each item in the schedule of assets, as placing confidence too readily is a very easy way of losing money.

## Financial and Statistical.

### TAXATION IN BRITISH POSSESSION.

The total amount raised in Great Britain and the various dependencies of the Empire by taxation, and the proportion of the revenue raised by taxation, with the taxes paid per head, are shown in the following table. The figures do not include taxes imposed by Provincial governments in Canada, nor by municipal bodies, they relate only to such as are levied by the central governments of the countries named.

Countries.	Year.	Taxation.		
		Amount.	Per head.	Perc'ge of taxation to total reve. e.
Great Britain.....	1892	\$366,654,666	9.62	82.80
<i>Asia.</i>				
India.....	1890	151,685,995	0.71	38.15
Ceylon.....	1888	3,753,766	1.25	73.33
Straits settlements....	1888	2,835,200	4.98	88.05
<i>Africa.</i>				
Mauritius.....	1888	2,033,337	5.77	50.64
Natal.....	1888	2,033,804	3.83	31.49
Cape of Good Hope....	1888	7,098,558	4.86	33.33
Lagos.....	1888	231,768	2.35	83.70
Gambia.....	1888	83,844	3.91	65.55
<i>America.</i>				
Canada.....	1892	28,446,157	5.81	77.04
Newfoundland.....	1890	1,373,310	6.79	94.42
Bermuda.....	1890	116,313	7.37	79.83
<i>West Indies.</i>				
Turk's Island.....	1884	34,835	7.35	68.34
Jamaica.....	1889	2,116,216	3.38	62.57
St. Lucia.....	1887	157,664	3.73	68.19
Barbados.....	1889	669,867	3.69	78.78
Grenada.....	1889	223,531	4.44	91.06
Tobago.....	1889	38,422	1.86	89.62
Virgin's Island..	1890	7,776	1.68	90.69
Antigua.....	1890	214,970	5.88	95.33
Montserrat.....	1890	31,254	2.67	95.39
Dominica.....	1890	101,981	3.84	97.13
St. Kitts—Nevis.....	1890	201,659	4.91	06.46
Trinidad.....	1889	1,541,945	7.86	69.90
<i>Australasia.</i>				
Victoria.....	1890	17,670,866	15.35	42.62
N. S. Wales.....	1890	13,373,600	12.14	28.91
South Australia... ..	1890	3,844,666	12.10	30.89
Queensland.....	1890	5,441,133	17.64	43.61
Western Australia....	1890	997,666	22.05	49.38
Tasmania.....	1890	2,209,466	15.39	59.94
New Zealand.....	1890	10,580,133	16.91	51.66
Australasia.....	1890	56,117,533	14.74	39.35
Fiji.....	1889	215,671	1.72	67.39

The total amount of taxation raised by the mother country and her colonies, in the years named, which would afford a fair average, was \$628,033,042. In this return the Australian colonies stand apart in two features, they raise more revenue from other sources than taxation than any other dependencies, except Natal and the Cape, and their per capita rate of taxation nevertheless is more than double the average of the rest of the Empire.

The average tax per head throughout Australasia is \$14.74, which is \$8.93 in excess of that of Canada. It will be noticed that the places where the rate of taxation is lowest, as India, Fiji, Tobago, Ceylon, are not advanced in civilization at all comparable with the lands where higher taxation prevails. While it is the duty of governments to administer National affairs with the utmost economy, the more elaborately organized a

country becomes in its industrial and social life the stronger becomes the tendency to higher taxation, as there is thrown upon the governing powers more and more the cost of certain services which in less advanced communities each man, or each family, performs for himself or itself. Taking the total sum of taxation as given above, which is drawn from official sources, we find the average tax bill throughout the Empire to be less than \$2 per head, which is a lower rate than that imposed on the people of any other great nation or empire.

### BANK RESERVES.

The question as to what amount of cash a bank ought to have on hand to meet the contingencies of its business is one that is not capable of being decided dogmatically. The ordinary conditions of each bank in this respect differ widely. Those conditions are under the daily observation of the chief officer. It is one of the functions of a manager to watch the daily outgoings and incomings of the institution he controls, in order to make the most economical use of the funds available for active employment, while at the same time keeping in his till amply sufficient for the calls that are liable to be made in the ordinary course of business, and to have other resources for times of emergency. A theory has recently been put forth in a local journal, that each bank should be compelled by law to hold an amount of cash up to a certain percentage of its liabilities, much higher than what they now have on hand. Before considering any such proposal, the question has to be settled, whether each bank ought so to organize its affairs as to enable it most efficiently to carry out the objects for which our banks are chartered, under the normal conditions of business, or whether each bank should constantly be guided by a policy which is only necessary in times of extreme financial disturbance? Is the ship of banking to adapt itself to varying winds, or should it be kept always with sails furled, and all made trim and taut ready for a hurricane? We venture to say that the whole financial affairs of the country would be paralysed if bankers had every day to pursue the policy some advocate of being at all times fully prepared to meet such calls as never come except at very long intervals in times of panic. An attempt was made in 1870 to compel the banks to hold always a fixed percentage of resources to liabilities. The late Sir Francis Hincks was very strongly bent on this scheme. A deputation of the leading bankers met at Ottawa to resist this. They differed widely as to what is an "adequate reserve," as the business of each bank represented was so unlike in its conditions to that of others. But they were so unanimous in opposing the imposition of any legal obligation to keep up a specific amount of reserves, that the scheme was dropped. In 1890 a strenuous effort was again made to get this embodied in the new Banking Act. The fight with the Finance Minister was so keen that the bankers asked to appeal to the whole Cabinet. This was granted, and the case of the bankers was afterward laid before each Minister in

writing, with the result that the banks were left free to manage their business without being controlled by a regulation as to their reserves, which would have hampered their operations and reduced the capital available for the active business of the country.

Referring to some strictures passed by a daily paper on some of our banks for keeping what their critic regards as unsafe reserves, the general manager of the Merchants Bank writes: "It is well known to those whose acquaintance with the subject is practical, that what is a strong reserve to one bank is a weak one to another, that what would be a strong reserve at one time would be a weak one at another time, and that a banker may at one period be perfectly safe in having his available resources in the shape of balances in foreign countries or in England, and at another time seek the path of prudence by drawing in such balances and holding a large amount in cash. The only fair, rational and proper statement of a bank's position is to take in all its available resources."

The object of what is called "a reserve," when it is applied to the cash resources of a bank, is to provide for some exceptional demand for money, such as is caused by a withdrawal of deposits or a pouring in of notes for redemption. The latter contingency is exceedingly remote. In regard to the former, a reserve which had to be maintained up to a fixed percentage of liabilities would be useless in case of a run for deposits. That is, at the only time when it might be regarded as a valuable provision, such a reserve would be entirely useless, it would be locked up in the bank treasury vault when customers were clamoring for it. So that, instead of a compulsory reserve of cash being either a strength to the banks or a protection to depositors, it would weaken the banks by causing a large amount of money to lay idle, earning nothing; it would weaken business by creating an artificial scarcity of money; it would keep up the rate of interest beyond the normal figure of a free market; and it would absolutely lessen the protection to depositors by locking up funds which, if left free, would be available to meet their claims. Years ago the bank returns were always made to show the total amount of "immediately available resources." The non-publication of this is to be regretted, as it is always a very useful and at times a highly significant item. In order to show what proportion of their deposits are held by the banks in resources which are immediately available, or in securities that could be readily converted into cash, we have prepared the following table:—

<b>BANKS WITH HEAD OFFICES IN QUEBEC:—</b>	
Deposits on demand.....	\$32,705,423
" payable after notice .....	47,706,974
Immediately available resources.....	33,467,634
<b>BANKS WITH HEAD OFFICES IN ONTARIO:—</b>	
Deposits on demand.....	20,810,754
" payable after notice.....	42,776,334
Immediately available resources.....	27,483,126
<b>BANKS WITH HEAD OFFICES IN NOVA SCOTIA:—</b>	
Deposits on demand.....	3,732,599
" payable after notice.....	11,257,018
Immediately available resources.....	7,571,633
<b>BANKS WITH HEAD OFFICES IN NEW BRUNSWICK:—</b>	
Deposits on demand.....	839,067
" payable after notice.....	1,370,709
Immediately available resources.....	1,157,352

The average percentage of the resources promptly available, in proportion to deposits on demand, of all the banks in the Dominion, is 116 per cent., that is, for every dollar of deposits *on demand* the banks could, at a pinch, put their hands on 116 dollars. The percentage available for *all* deposits, that is, public deposits on demand and payable after notice, is 43 per cent. Their position is one of indisputable strength, and any further locking up of the funds of our banks in their vaults is to be deprecated, as it is not needed for prudential purposes, and it would restrict their funds available for the operations of business so far as to be mischievous and oppressive. Mechanical rules are of little value compared to administrative capacity and probity of character in handling. The capable, honorable manager makes for himself better laws than any government could pass or enforce, and the incapable and dishonest banker will go wrong let him be under whatever legal restraints ingenuity can devise.

**THE CITY STREET RAILWAY RETURNS.**

The statistical report of the City Street Railway Company presents a most remarkable illustration of the promptness with which the public seizes upon any form of accommodation when offered at a cheap rate. For a length of time the company refused to make any concessions, on the ground that lower fares would simply mean diminished receipts. The results of granting sets of tickets at lower fares is as follows: the gross receipts from \$491,862 in 1891 went up to \$750,754 in 1893. The increase of operating expenses over 1892 was 27.09 per cent., this year the increase of receipts over that year was 33.02 per cent. Since 1891 the net earnings have grown \$86,398, and the number of passengers carried increased by 7,340,696. The number of transfers is set down as 5,094,113, during last year. This system needs a radical change, in the interest alike of the company and the public. The ticket system in use in Toronto will not work. Mistakes are so frequently made in marking them that disputes are incessant, and if the terms of the transfer ticket were insisted upon, one-half of those transferred would be put off the cars for trying to cheat the company. We congratulate the company on its present hopeful position and prospects.

The leading life insurance companies of New York have agreed upon an advance on existing rates on mortgage loans. The rates have run from four and a half to five and a half per cent.

The last month's imports of British goods into United States were the smallest for any one of the same month in fourteen years, being \$3,970,000, against \$8,200,000 in corresponding month 1892.

The total paid attendances at the World's Fair were as follows:—

May	1,950,037	August	3,515,413
June	2,675,113	Sept.	4,658,162
July	2,760,673	Oct.	6,799,102

Total. 21,458,910

The total admissions on passes were 5,953,818

The fire loss in Canada and U.S. in October was \$11,014,700, a reduction of \$2,300,000 below same month last year, but half a million in excess of September. The monthly average for this year to end of Oct. was \$13,284,700. For 1891 the average for same period was \$10,944,450, and in 1892, \$10,834,000.

The telephone line between London and Paris transmits 500 words for two dollars. There are nearly 600 words in each column of this paper, so it can be readily judged how long a message can be sent between the two capitals for this small sum. The voice expressions at each point are heard as clearly as at local "phones."

The electric light companies are complaining of the injustice of taxing their plant, while their rivals, the gas companies, in several cities, are exempt from taxes on their mains. As the underground conduits of the electric companies are practically for the same purpose as gas mains, it is certainly an unjust discrimination to exempt those that convey gas and charge those that convey electricity.

This city is asked to pay \$80,000 to the proprietors of the Queen's Hotel, for damages caused to their property and business by the widening of St. James st. not being carried on as they allege was decided upon, and which induced them to build their hotel. The expropriators' policy will find in this claim a strong argument for its soundness. We doubt however whether it can be shown that non-expropriation damaged that property to anything like \$80,000.

The postal revenue of the United States for last fiscal year was \$75,896,933, and expenditures \$81,074,104, leaving a deficit of \$5,177,171. The English postal revenue is close upon \$50,000,000, and of this country \$3,542,611, the deficit being \$663,374. The Canadian postal revenue is 72 cents per head, and expenditure 86 cents. That of the States is \$1.16 receipts and \$1.25 expenses, and in England the revenue is \$1.27 per head of population.

The provincial public accounts submitted to the House of Assembly, Quebec, by Treasurer Hall on the 9th inst. show a gratifying change from these we have had sadly too long. A surplus at Quebec is indeed a novelty. The figures in brief are as follows:—

DR.		
1892.	June 30, Balance.....	\$1,331,845
1893.	June 30, Total receipts....	5,617,288
		\$6,949,133
CR.		
1893	June 30 Total expenditure including payment of \$555,028 of warrants out on 30th June, 1893.....	\$6,897,589
	Less warrants outstanding.	313,811
		6,583,777

By balance carried forward.....\$ 365,356

As a start on the road to redeeming the credit of the Province, this is satisfactory. But the knife of economy will have to cut much deeper to do what is needed, the necessity is imperative for a more equitable adjustment of taxation, as this city is made too much the milch cow to fill the revenue pails of the whole Province. There are vast sources of revenue left untapped which, sooner or later, will have to be opened out and made to yield their just share of taxation. Delay will only render the final struggle the more bitter and difficult. Montreal capital is easily got at, it is an easy prey, but there is a movement afoot in this city which, unless met by equitable legislation, will compel the Government to do its duty.

Money is a glut in the States, hence some financial observers are forecasting advances in stocks and extensive speculative movements, which are favored by present circumstances. The exports of wheat and flour July 1 to Nov. 5 were equal to 77,504,069 bushels, which exceeded those in same period last year by 14,500,000 bushels. These heavy exports while imports are so light are telling favorably on American exchange. Although the repeal of the silver law has caused no "boom," there is a quiet advance being made to normal conditions of trade.

A common impression prevails that "combines," are a product of this continent. There is, however, one in Bavaria that compares with anything in the States for extent and completeness. Sixty-one boot and shoe factories have been merged into one concern with a share capital of \$4,375,000, and employing good hands. The staff of 321 commercial travellers engaged when these factories worked apart will be reduced to 12. Each factory will be devoted to a special quality of goods. The Boston *Commercial Bulletin* states that agencies are being established in foreign countries to secure orders for and distribute the goods of this enormous concern.

The Toronto Gas Company reduced the price of gas from \$1.12½ and \$1, to \$1.05 and 90 cents, with the result of raising its receipts for the year \$39,000, although it has to meet strong competition from electricity, and the people are more and more economical in using gas owing to the prevailing depression. The new meters for the year were 1538. The consumption of gas increases very largely when prices are reduced, and as such increase can be made without adding to expenses in anything like a proportionate degree, the result is that as prices come down profits go up. The consumption of gas in this city would be enormously increased were prices put down to 75 or 80 cents all round.

Montreal is being tendered very excellent advice by outsiders in regard to the boom alleged to be working up in real estate. While there is doubtless some activity in suburban properties, for this city is extending its limits, the record of sales and loans last October show that in the city, the real estate transactions were below the average. They stood as follows as given in the *Real Estate Record*:

Oct.	No. of sales.	Amount.	Loans.	Percentage of loans.
1888	157	\$ 599,594	\$352,734	58.79
1889	209	936,367	297,272	31.76
1890	186	1,014,652	390,266	38.46
1891	203	917,360	495,483	54.00
1892	127	423,628	537,936	78.70
1893	113	572,365	440,864	77.60
Average of 6 years. 166		\$ 743,994	\$419,092	56.30

The registered sales of land and houses during October, at suburban points, amounted to about \$190,000, which cannot be regarded as so large as to be evidence of any boom. The *Record* calls attention to the tax on transfers of real estate as having been followed by a considerable decline in operations. It appeals also to all who have this city's interests at heart to support the citizens municipal association. A classification of tenders is given as follows:

Estate and trust funds.....	\$ 15,500
Insurance companies.....	74,200
Local institutions.....	16,000
Building and Loan companies.....	67,550
Individuals .....	267,500
	\$440,834



The large loan companies operating in Toronto were interviewed by the *World* last week, to ascertain what amount of debentures held in England and Scotland matured this month, and how they were dealt with. The reports are to the effect that, those maturing at this season are being renewed at rates slightly below previous ones. There are about fifty millions of dollars worth of Canadian debentures payable in Great Britain, where there is the utmost confidence in this class of securities, the proceeds of which have gone into loans on real estate to the extent of fifty per cent. of the total volume of these advances. English investors take no stock in the pessimist reports about the Dominion.

The position of the Bank of England on 9th inst., when the last weekly meeting of the Governors was held, compares very favorably with same date last year. The minimum rate of three per cent. was maintained. The proportion of reserves to liabilities was 46.09 per cent. against 43.85 same date 1892. The bullion had decreased \$1,496,000 in past week, and surplus reserve also fell \$240,000. It is held by leading bankers in New York that the present strength of the situation will not last, and fresh imports of gold are anticipated. The Bank of England at present holds \$125,042,800 of gold, in 1892, at date, the figures were \$121,872,500, and in 1891, \$114,734,500.

The savings banks of Switzerland, Sweden and Norway, Austria, Great Britain, Italy and France hold \$2,383,000,000 on deposit. On the 30th June last, 646 of the 863 savings banks in the States showed deposits of \$1,712,000,000. The *U. S. Banker's Magazine*, in giving these statistics, boasts much over the deposits in the American savings banks. They are very great, and speak well for the thrifty habits of the people. But in comparing them with those of Great Britain, this must be remembered, that there is an enormously greater amount of active capital employed in England than in the States, and the savings banks of the Old Country are wholly different from American ones, being largely confined to the smallest classes of depositors.

## Notes and Items.

The bank dividends payable on 1st December exceed \$1,500,000.

The Royal has purchased the entire business of the Denver Fire of Colorado in many States.

The St. Henri assessment roll shows its taxable property to be \$5,000,000 and exempted \$1,000,000; the increase in past year is \$750,000.

The Mutual Life disbursed \$189,675 amongst its policyholders last week,—\$152,351 for death claims, and \$37,123 for matured endowments.

Workmen's accident insurance is compulsory in Germany and Austria. All workmen are classified into groups, and rated for risks accordingly.

Assessment endowmentism is said by *Views* to be ravaging the West and South. It threatens to ravage Canada also, as it is being pushed with great energy.

The Allan Steamship Company have secured \$1000 damages from J. H. Wilson, M.P., Middlesboro, England, for issuing placards reflecting upon the Company.

The Chicago fire epidemic which we foreshadowed has broken out in the suburbs; some of the speculative hotels and boarding houses will go up in smoke this winter.

The fire losses over \$10,000, for week ending 3rd inst., amounted to \$1,298,350. Singularly enough, the largest item is \$250,000 for "Ice Co. and warehouse" at Pittsburg, Pa.

Hard times in the Produce Exchange, New York, has caused fifty-nine members to be suspended for non-payment of dues. This shows how weak some of the operators are in that resort.

The amount of water used in the extinction of fires in London, England, on an average each year would supply every family in Montreal with two gallons a day the year through.

Heating cars by steam from the engine is being adopted on the C. P. R. This, and lighting them by electricity will prevent any more fires on trains, such as caused such horrors at Battle Creek.

The Hartford Fire Insurance office at Hartford was wrecked by a gas explosion followed by fire a few days ago. If such a company cannot keep clear of such a risk, what can be expected of the general public?

Fire losses at the World's Fair are estimated very low compared to anticipations. The *Argus* says, the loss to the companies on policies covering on the property of the Exposition company is less than \$2000.

The illegality of rebates has been affirmed by an Appeal Court at Baltimore, which has sustained the validity of the State insurance law, by which foreign insurance companies operating in Maryland are forbidden to allow rebates.

The Great Northern Insurance Co., Winnipeg, threatens suit against *The Investigator* of Chicago for libel. The G. N. I. Co. is accused of underground operations, of seeking business in the States without putting up the required deposit.

The California Exposition is to be opened on New Year's day. These displays will become a nuisance to manufacturers and others who are expected to exhibit in them, if held so frequently. The San Francisco show is a mere echo of Chicago's.

Rebate martyrs will soon be quite an army, enough to start a sect of their own principles. Mr. W. J. Madden, an agent of the Equitable, has followed rebater Ward's example, and been discharged for avowing his belief in this pernicious practice.

The Insurance Record, of London, says: "The dead weight of establishment expenses and general revenue account deficit, which hangs like a millstone round the neck of the Abstainers' & General, of which the company has made ineffectual attempts to rid itself by application to the Court of Chancery, renders it impossible to peruse the annual accounts with much pleasure." Having spent its money, so the capital has been practically sunk, this company has at least had the wisdom to trust to time rather than to further expenditure to put affairs on a better footing. The difficulties of this concern do not give much encouragement to sectional assurance or of assurance based upon some peculiar social habit. Assurance is not profitable on a retail scale, it needs a wide field of business and customers drawn from very diversified sources.

The two forgers of drafts on the Bank of Montreal, are now in custody. Having been in the employ of the Bank, they had access to stationery which helped their nefarious scheme. Both men were of extravagant habits, which have naturally culminated in their disgrace and ruin.

The Manchester ship canal is completed, water is flowing in at numerous points, and a steamer will make a trial trip the whole length on 10th December. This undertaking will add fresh interest to the contest between railways and canals, which is assuming very serious aspects to both, as rates are being cut below the line of profits.

The Times, Calcutta, correspondent says that the Oriental Life, which has the largest life business in India, states that of the claims paid during twenty years, not a single death is attributable to opium, and that no extra premium is charged upon moderate smokers of this drug. This looks as though a vast amount of morbid sympathy had been excited for Easterners who use opium.

An explosion of gas, caused by lighting a match in a room where there has been an escape, has been decided to come under the provision that "no claim shall be good for loss caused by explosion of any kind, unless fire ensues, and then for loss or damage by fire only." The Illinois Court held that the gas exploding caused the loss, and not the lighting of the match. The point seems far fetched.

Mr. R. R. Dobell, of Quebec, with characteristic enterprise, is endeavoring to obtain an independent Atlantic cable for Canada. The capital needed is \$2,500,000, of which 20 per cent. has been secured. The Dominion government will be asked to grant a subsidy. The project is a highly desirable one for both political and business reasons. It is not well for all Canadian messages, to and fro, to pass through foreign lands.

"We told you so," crows the *Standard*, over the enormous loss of \$475,500 last week from "undesirable and unprofitable risks," which it enumerates as follows, and charges with having lost the companies \$10,186,800 this year, viz., glass factories, country stores, planing mills, pork houses, laundries, theatres, churches and schools, carriage factories. These doubtless have their special risks which ought to be covered by adequate rates.

The *Post Magazine*, in an article which is based upon one from this journal, which it quotes at length, commends the course taken by the Accident Insurance companies in Canada as an example that ought to be followed by English concerns. The *Post* says: "The financial history of accident insurance during the past ten years would, if projected in black or white, shame into combination the most unwilling." We are glad to have the endorsement of our contemporary in this matter.

Le *Moniteur du Commerce* objects to Montreal holding a carnival this year, on the ground that, Quebec having first organized one, it would be unneighborly for this city to follow its example by having a rival exhibition. The point is well taken. Our contemporary alleges with truth that there prevails in Quebec in regard to this city, "un sentiment qui ressemble à de l'antipathie et qu'il est bon de faire disparaître." As opinion here is quite divided as to the advisability of a carnival this winter, it would, we submit, be better to give Quebec a monopoly this season,

The craze for amalgamations has set afloat reports of divers changes in the insurance world. Dame Rumor is apt to be busy in such times, and has taken the liberty of using the name of the Albion as about to seek amalgamation. We have the best authority for stating that the report has no foundation. Mr. D. Lawrie, the General Manager of the Albion, is determined to make his company a success, and to preserve its independence, in which he will be well aided by Mr. John Kennedy, manager for Canada.

Incendiary impulses seem likely to be a form of danger to property owners and underwriters, just as homicidal impulses are to persons. A boy, now in custody, has confessed that he deliberately started the great Boston fire of March last, and a number of others. When asked his motive, he said he was driven to those crimes by "uncontrollable impulse." For his own good, for the protection of the community, and as a warning to others who are tempted to give way to such impulses, a boy like that should be kept out of harm's way for life.

Professor Huxley, out of a few bones, built up the skeleton of a huge antediluvian monster, but this world-famous feat has been outdone by a farmer at Richmond. One of his cows was missing, and it was not found until nothing but the skeleton was left. Out of the bones the owner built up a theory that the animal was killed by lightning; whether also eaten by electricity is not stated. On this theory he has based a claim for the value of the animal from the insurance company in which it was a risk. There is not a medical expert in the world who could make out the cause of death from a mere skeleton, unless there were signs of violence, which in the above case are wholly absent. If insurance companies allowed such claims they would soon have no meat left on their own bones!

Accident insurance cards are placed in automatic delivery boxes at Bavarian railway stations. Any person travelling who meets with an accident or falls sick on the trip is allowed \$250 from the Basle Life Insurance Co., on presentation of an insurance card issued on the day of the accident. This statement is found in several papers, but we confess to being mystified by it, for as the system is described, the company gives \$250 for, nothing, as no arrangement is mentioned for payment of a premium in some form. Then there is nothing to indicate how the identity of a claimant is provided for, nor how proof is to be established of sickness having commenced while on the line of the railway. Nickel-in-the-slot insurance is too slipshod a way of doing business; it will defeat itself by leading to a great crop of law-suits.

Insurance of crops is proposed in Russia under government management. Everything, and everybody too, in Russia is under official control. Two forms are proposed—an obligatory one to which all arable land in the fifty provinces of European Russia, which is to come into force at once, and also a facultative form for other landed property. Land which is manifestly neglected would not be permitted to benefit by such insurance. This introduces a source of trouble, which can only be dealt with by a despotic authority. The rates for obligatory insurances, and any subsequent alterations, are to be fixed by the government, and it is thought 60 kopeks for nearly three acres will be enough as an average. Premiums may be paid in money or grain. Russian officialdom is so universally corrupt that we fear this scheme will be another instrument for raising bribes and fees from the farmers, without doing them any substantial service.

The death rate in thirty-three great cities of England and Wales for last week in October corresponded to an annual rate of 18.4 per 1,000. The highest was 26.9 at Blackburn, and lowest 11.8 at Derby. It is remarkable that the deaths by railway accidents in England far exceed those on this continent with double the population. Is it not time we had similar statistics published in regard to the health conditions of the chief places in Canada?

The Supreme Court, Washington, has decided that the recently passed law, requiring that a certificate setting forth that all taxes in real estate have been paid must accompany every deed transferring title, is unconstitutional. The judgment appears in *American Investments*, the pith of it being that such a law interferes unduly with personal rights, and may compel payment of taxes which are illegal, when a man wishes to deed his property. The law may be unconstitutional, but the practice is sound; whoever buys real estate without having the taxes paid up to date is liable to suffer for his carelessness.

#### PERSONAL MENTION.

MR. MCFAR, manager of the Federal in British Columbia, died a few days ago.

MR. CHAS. M. HERO, proprietor of *The Insurance Agent*, New Orleans, favored us with a call last week. Mr. Hero was greatly pleased with Canada and its climate.

A GREAT MAN HAS FALLEN in the realm of underwriting. The flag flying at half mast on the building of the Royal Insurance Co. indicated some serious loss amongst its staff. The sad event was the death of Mr. John H. McLaren, the General Manager of the Company at Liverpool, who was the acknowledged chieftain of fire insurance, or, as he was termed by many, the Bismarck of underwriting. He won the title by displaying the same iron will, administrative capacity, large views and foresight as the creator of the German Empire. Although an autocrat in business methods, he was not only just, but of a most kindly disposition. He will need no monument while the Royal exists, which owes its eminence to his energy and talent. The death of Mr. McLaren is one that will be regretted by the world of underwriters. The deceased began his career at Edinburgh in the Scottish Union & National, fifty years ago. He then became Fire Superintendent of the Lancashire in 1852, when it was first established, and afterwards its Head Office Secretary. At a later date his services were sought by the Royal, whose assistant secretary he became; then sub-manager, and finally, when Mr. Dove died in 1868, Mr. McLaren was made General Manager of the Company, a position which gave him a splendid field for the exercise of his pre-eminent abilities. As a trainer of able insurance managers he had no rival. Amongst others who passed through the Royal under his influence are: Mr. William Tatley, manager of the Royal in this City; J. M. Dove, general manager of the Liverpool & London & Globe; Digby Johnson, general manager of the Lancashire; G. C. Morant, assistant manager of the Commercial Union; J. J. Guile, United States manager of the Sun; Jeffrey Beaven, of the London & Lancashire; and Edward F. Beddall of the Royal, who by-the-way would no doubt make a fitting successor to his great chief. Deceased leaves a widow, nine sons and one daughter. His son James is manager of the State Fire of Liverpool, Charles is British manager of the Phoenix of Hartford, and William is foreign superintendent of the Royal. One son is a prosperous merchant in India. Mr. McLaren lived at Cloughton, Birkenhead, where he was a deacon in Trinity Presbyterian Church. He was universally admitted to be the greatest of underwriters. His memory will ever be honored as one who did honor to that profession. Having faithfully done his duty, he has gone to his reward.

Dr. W. J. McGUIGAN, of Vancouver, B.C., has been in the city some days. The doctor is medical referee of the London and Lancashire, for British Columbia. Being a whole-souled genial, merry Irishman, he has hosts of friends.

IN OUR LAST ISSUE, in recording that Mr. J. Herbert Wright was going to Portland as manager of the North Western Mutual, we inadvertently spoke of his having been general agent of the Ontario Mutual, instead of Mutual Life of New York.

THE NUMEROUS FRIENDS of Mr. John W. Molsor, the genial and popular resident Montreal agent of the Manchester and Hartford fire offices, who so much regretted his sudden illness on the 7th inst., will be very pleased to hear that he is improving so fast that it is hoped he will shortly resume his duties.

MR. A. T. McCORD, who for the last twelve years has been chief agent of the London Guarantee & Accident Co., at Toronto, has resigned, owing to ill health. The Board, to mark their estimation of his services, has appointed him consulting director for Canada. Mr. C. D. Richardson, who was Mr. McCord's assistant, succeeds him as chief agent.

MR. C. R. G. JOHNSON has been appointed resident agent at Montreal of the Connecticut Fire Insurance Company of Hartford. Mr. Johnson also represents the British America and Agricultural insurance companies. We congratulate the Connecticut upon having secured a representative so well and so favorably known in the underwriting profession as Mr. Johnson.

#### MUNICIPAL DEBENTURES

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British Empire Building, MONTREAL.

Debentures and other desirable Securities purchased.

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CAPITAL - \$7,500,000.

ESTABLISHED 1824.

HEAD OFFICE, MANCHESTER, ENG.

J. B. MOFFAT, General Manager & Secretary.

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Subscribers to this Company's Montreal Exchange and the public may now obtain telephonic communication over its Long Distance Metallic Circuit Lines to Quebec, Ottawa or Sherbrooke, and intermediate points, the rates being as follows:—

To Quebec.....	60c. to Subscribers.	\$1.00 to the Public.
To Ottawa.....	60c. "	.75 "
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Silent Cabinets for conversations are provided at the Company's Montreal Agency Office, 1730 Notre Dame Street, where full information regarding rates and places connected may be obtained.

**The JAMES ROBERTSON CO., Limited, METAL MERCHANTS**

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Lead Piping, Shot, Compressed Lead Elbows, Putty and White Lead. Specialty in covering Electric Wire with White Lead. Also Circular Saws, Gang Saws, Crosscut and other Saws.

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CAPITAL -



£2,127,500

Net premiums } for year 1892 }

£881,056

OF LIVERPOOL, ENG.

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INSURANCE **ÆTNA** COMPANY

CANADIAN AGENCY ESTABLISHED 1821.

HARTFORD, CONN.

CASH ASSETS, \$10,915,830.00.

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**WOOD & EVANS, General Agents MONTREAL.**

**THE CANADIAN BANK OF COMMERCE, HEAD OFFICE, TORONTO.**

Paid-up Capital, - \$6,000,000 Rest, - - - \$1,100,000

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 W. B. HAMILTON, Esq. George Taylor, Esq.  
 JAS. CRATHORN, Esq. Matthew Leggat, Esq.  
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Berlin	Dunnville	London	Stratford	Windsor
Blenheim	Galt	Montreal	Strathroy	Woodstock
Brantford				Winnipeg

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 BRUSSELS, BELGIUM—J. Mathieu & Fils.  
 NEW YORK—The American Exchange National Bank of New York.  
 SAN FRANCISCO—The Bank of British Columbia.  
 CHICAGO—The American Exchange National Bank of Chicago.  
 BRITISH COLUMBIA—The Bank of British Columbia.  
 HAMILTON, BERMUDA—The Bank of Bermuda.  
 KINGSTON, JAMAICA—Bank of Nova Scotia.  
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Commercial Credits issued for use in all parts of the world. Exceptional facilities for the class of business in Europe, the East and West Indies, China, Japan, South America, Australia, and New Zealand.

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 Hon. Thos. McGrovey, E. Groux, D. C. Thomson, E. J. Hale,  
 E. E. Webb, Cashier.

FOREIGN AGENTS.

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 New York.—National Park Bank. Boston—Lincoln National Bank.  
 Minneapolis—First National Bank.

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Steel Cooking Ranges, Cast Iron Ranges, Registers, Iron Pipe, Fittings, Sinks, Plumbers' Supplies, Hot Air Furnaces for Coal and Wood, Scales and Weighing Machines.

Agents for Canada Screw Co., and Ontario Lead & Barb Wire Co. We invite special attention to our Locks, Knobs, &c., the finest of this line of goods manufactured in Canada.

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INSURANCE COMPANY OF ENGLAND.

CANADA FIRE BRANCH, HEAD OFFICE TORONTO.

J. G. THOMPSON, MANAGER.

**FIRE. LIFE. MARINE.**  
**COMMERCIAL UNION**

Assurance Company Ltd. of London, Eng.

Capital and Assets, - - - - - \$27,947,330  
Life Fund, (in special trust for Life Policy Holders) 7,349,285  
Total Annual Income, - - - - - 7,000,000  
Deposited with Dominion Government, - 374,248

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**EVANS & MCGREGOR, Managers.**

Applications for Agencies solicited in unrepresented districts.

**Scottish Union & National**

Insurance Company of Edinburgh, Scotland.

ESTABLISHED 1824.

Capital, - - - - - \$30,000,000  
Total Assets, - - - - - 40,506,907  
Deposited with Dominion Government, - 125,000  
Invested Assets in Canada, - - - - 1,415,468

**M. BENNETT,** Manager North American Department.  
**J. H. BREWSTER,** Asst. Manager.  
HARTFORD, Conn.

**WALTER KAVANAGH,** - Resident Agent  
17 St. Francois Xavier Street, MONTREAL.

**UNION ASSURANCE SOCIETY.**

OF LONDON.

Instituted in the reign of Queen Anne,  
A.D. 1714.

Subscribed Capital, - - - - - \$2,250,000  
Capital Paid up - - - - - 900,000  
Total Invested Funds exceed - - - - 12,000,000  
Annual Income, - - - - - 1,300,000

**T. L. MORRISSEY**

RESIDENT MANAGER FOR CANADA.

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AGENTS WANTED.

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**CANADA ACCIDENT**

**ASSURANCE COMPANY.**

Incorporated in 1887.

THE CANADA ACCIDENT has acquired the business of the

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**THE SUN OF CANADA.**

THE CANADA ACCIDENT is now controlled and guaranteed by the **PALATINE INSURANCE COMPANY** (Limited) of Manchester, but will continue under its original name, but with new Officers and Manager, and is fully prepared to offer Accident Insurance in all its branches, together with Employers' Liability Indemnity on the most liberal terms.

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This Company in addition to its own Funds has the security of those of

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The combined Assets being as follows :

Capital Subscribed.....\$5,550,000  
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Funds in Hand exceed ..... 2,750,000  
Deposit with Dominion Government for Protection of Canadian Policy-Holders ..... 204.100

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Head Office, Winnipeg,

A. F. SHORT, General Agent

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The "United" having acquired by purchase the business and good will of the "City of London Insurance Company," and assumed all the liabilities of that Company, is alone entitled to the benefit of the connection thus formed, the continuance of which it respectfully solicits,

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THE INSURANCE & FINANCE CHRONICLE,

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**Comparisons Challenged.**

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A comparative ratio, interesting particularly to new Insurants, is published in "The Life Insurance Policy-holders Pocket Index" for 1893, issued by the "Spectator" Company of New York. It gives the following figures under head of "Expenses and taxes to new business": **Canada Life, 5.23 per cent., The Great-West Life, 1.54 per cent., and under same head, after allowing for care of old business, Canada Life, 2.73 per cent.** These figures are taken from sworn statements to Canadian Government.

If the Canada Life will consent to open its books to an impartial competent actuary to make comparisons with the results attained by the Great-West Life for a similar period, all the expenses of such a report will be paid by this company, including the expenses of publishing it in all the leading papers.

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Examine our contract before insuring

TOTAL ASSETS, \$15,029,921.09 SURPLUS, \$2,570,794.24  
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**PROVIDENT SAVINGS LIFE ASSURANCE SOCIETY OF NEW YORK.**

**SHEPPARD HOMANS, President.**

**Eighteenth Annual Statement**

**FOR THE YEAR ENDING DECEMBER 31st, 1892.**

Income.....	\$ 1,902,222.39
Paid Policy-holders.....	1,181,498.36
Total Expenses of Management.....	404,141.34
Assets.....	1,287,010.23
Liabilities, Actuaries' 4% Valuation.....	605,215.00
Surplus, Actuaries' 4%.....	681,795.23
Surplus, American Experience, 4½%.....	716,395.23
Policies issued in 1892.....	19,517,516.00
Policies in force December 31st, 1892.....	76,843,241.00

\$50,000 deposited with the Dominion Gov't.  
ACTIVE AGENTS WANTED.

**R. H. MATSON, General Manager for Canada.**

Head Office, - - - 37 Yonge St., Toronto

1850 THE 1893

**United States Life Insurance Co.,**  
IN THE CITY OF NEW YORK.

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JOHN P. MUNN, . . . . . Medical Director.

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JULIUS CATLIN, . . . . . Dry Goods.  
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The two most popular plans of LIFE INSURANCE are the CONTINUABLE TERM POLICY which gives to the insured the greatest possible amount of indemnity in the event of death, at the lowest possible present cash outlay; and the GUARANTEED INCOME POLICY which embraces every valuable feature of investment insurance, and which in the event of adversity overtaking the insured may be used as COLLATERAL SECURITY FOR A LOAN, to the extent of the full legal reserve value thereof, in accordance with the terms and conditions of these policies.

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OLD                      RELIABLE                      PROGRESSIVE  
FIRE AND MARINE INSURANCE.

Cash Capital, - - - \$500,000.00  
Total Assets, - - - 1,015,570.70  
Losses paid since organization, \$12,475 201.09

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INCORPORATED IN 1851.

Head Office, - - - TORONTO.

Capital.....\$2,000,000.00  
Cash Assets ..... 1,938,480.00  
Annual Income ..... 2,313,913.28

LOSSES PAID SINCE ORGANIZATION, \$18,000,000

**DIRECTORS :**

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**FORTY-EIGHTH ANNUAL REPORT**

OF THE

# New-York Life Insurance Company

**JOHN A. McCALL,** President.

**SUMMARY OF REPORT.**

BUSINESS OF 1892.

Premium Income,	- - - - -	\$25,040,113.93
Interest, Rents, etc.,	- - - - -	5,896,476.90
<b>Total Income,</b>	- - - - -	<b>\$30,936,590.83</b>

Death Claims,	- - - - -	\$7,896,589.29
Endowments and Annuities,	- - - - -	2,484,432.29
Dividends, Purchased Insurances, etc.,	- - - - -	3,613,990.75
<b>Total to Policyholders,</b>	- - - - -	<b>\$13,995,012.33</b>

Number of New Policies Issued,	- - - - -	66,259
Amount of New Insurance Written,	- - - - -	\$173,605,070.00

CONDITION, JANUARY 1, 1893.

<b>Assets,</b>	- - - - -	<b>\$187,499,198.99</b>
Liabilities, 4 per cent. Standard,	- - - - -	\$120,694,250.89
Surplus,	- - - - -	16,804,948.10
Number of Policies in Force,	- - - - -	224,008
Amount of Insurance in Force,	- - - - -	\$689,248,629.00

PROGRESS IN 1892.

Increase in Benefits to Policyholders,	- - - - -	\$1,323,521.45
Increase in Assets,	- - - - -	11,551,908.18
Increase in Surplus,	- - - - -	1,663,924.79
Increase in Insurance Written,	- - - - -	20,940,088.00
Increase in Insurance in Force,	- - - - -	60,165,451.00

**DAVID BURKE,** GENERAL MANAGER.

Company's Building, - - - - - MONTREAL, Canada.



# In Memoriam

## The Late John H. McLaren, Esquire, Manager Royal Insurance Co'y.

Copy of Article in "Insurance Record" of London, Eng., Nov. 17th 1893.

### THE LATE GENERAL MANAGER OF THE ROYAL.

By the death of Mr. JOHN HAGART McLAREN, the General Manager of the Royal Insurance Company, the insurance world has sustained one of those great and sudden losses which seem for a time to shake its fabric by removing a corner stone, and even to paralyze for the moment the progress of events. Though men may come and men may go, the world, indeed, must go on for ever; but at the departure of a great leader from the stage upon which he has played a conspicuous part even the hurrying world seems for a brief space to pause to look back. Such a leader was the late General Manager of the Royal, and such is the sensation of a pause in the march of affairs that the news of his sudden death, which we have with the deepest regret to announce this week, has produced. It is difficult to accustom ourselves to an insurance world in which Mr. J. H. McLAREN is no longer an acknowledged chief—difficult to realise that the man who a week ago was an impelling force in insurance business, the impersonation of the financial pre-eminence and world-wide reputation of the Royal, is to-day only a memory and a name. The fact that first of all impresses us is that the aristocracy of insurance is the poorer by the loss of one of its foremost representatives; the men who stand in the front rank must be few, and the late General Manager of the Royal leaves a vacant place in that rank which not many are competent to fill. But intimately associated with our reflections of what insurance business has lost by Mr. McLAREN's death is our recollection of what it has gained by his life. In another column we reprint from a contemporary, whose detailed notice conveys to us some idea of the esteem in which the late General Manager of the Royal was held in the great commercial centre where the chief work of his life was done, an account of the deceased leader's long and honorable career. There is, perhaps, nothing to add to the simple statement of facts. Since his exceptional business capacity and indomitable energy brought the junior clerk of the Hercules Insurance Company rapidly and certainly to the front, Mr. McLAREN has passed his business life on a public stage, and can seldom have escaped to brief retirement from the full blaze of the lime-light. He has filled the stage long and worthily, and, while we regret his death, we must admit that there seemed few fresh laurels for him to win. It is in truth his own fireside and his wide circle of friends—amongst whom we were proud to be numbered—who have most to mourn his loss, for he had accomplished the work of more than a lifetime for insurance business, and even the control of the vast operations of the Royal could hardly have de-

tained him long from a well-earned leisure. Leisure, however, has been denied him by destiny, and he has died, as he had lived for over half-a-century, a man of the insurance world.

The early events of Mr. McLAREN's history—his rapid advance through the various stages of his profession to a position of responsibility in the Lancashire Insurance Company, his first connection with the Royal in 1856, when he was appointed Assistant-Secretary of the company, and his subsequent promotion to the Sub-Managership and finally his appointment, in 1868, to succeed Mr. FENY M. DOVE, in the general managership—we have laid before our readers elsewhere, and his later history is written in the remarkable annals of the Royal Insurance Company during the last quarter of a century. Such a record as that which has raised the Royal from a fire office of comparative obscurity to the premier institution in the world is one upon which it is given to few men to look back, and the record is peculiarly Mr. McLAREN's own. Of the Royal as it stands to-day, its late General Manager might have said "*le Royal; c'est moi*," for the insurance world with one consent identified the success of the company with its manager. That he has enjoyed the assistance of a staff second to none in the world, of an organisation of unsurpassed efficiency, of a powerful directorate, and of an influential and sympathetic body of shareholders, inspired like himself with a clearly defined purpose—all this is an additional tribute to Mr. McLAREN's great qualities of leadership. Never, perhaps, did a man work under better auspices, but the auspices must have been largely of his own making. The Royal seems to have realised from the first that large reserves would be the basis of fire insurance business of the future. Dividends, therefore, were placed second to reserve, and the prudent co-operation of the shareholders gave Mr. McLAREN the chance of which he was not slow to avail himself. Constant consolidation and well-timed amalgamations have been the leading principles of the policy which gave the Royal steadily increasing weight, and at length by the absorption of the Queen placed it first among fire offices in magnitude and resources. The history of the Royal is, as we have said, the later history of the young junior clerk of 1842, and it is one in which every junior among us must find absorbing interest. Of the future it is early to think, but in closing our tribute to the late chief it is well to remember that his rare insight was in no way more happily shown than in the association with himself of able coadjutors. As regards the leadership of the Royal we can have little anxiety; the world had never perhaps more capable insurance men than it has to-day. But for the time the paramount fact is that the man who had won almost a regal title in the business is dead.



The Late Mr. John H. McEwen,  
LATE GENERAL MANAGER OF THE ROYAL.

## THE LATE Mr. JOHN H. McLAREN.

### A REMARKABLE CAREER.

Very keen and widespread regret was felt in business circles in Liverpool on Monday at the death, which took place with some suddenness only a few hours before, of Mr. John H. McLaren, General Manager of the Royal Insurance Company. On Friday last Mr. McLaren was at the office of the company, North John-street, transacting business, and in his usual health; on Saturday morning, after breakfast, he had an attack of syncope, and remained indoors. A severe attack supervened on Saturday evening, but under the care of Dr. Francis Johnson, of Cloughton, he rallied from that also. Hopes were then entertained by his family that he would recover, and he was sufficiently well to receive a visit from Mr. Beausire, one of the directors of the Royal and a personal friend. On Sunday, though still weak, he appeared to be recovering. In the evening he retired to rest in an easy chair, but at about two o'clock in the morning he had a third and fatal attack, and on attempting to rise fell dead. The news was received in Liverpool on Monday with painful surprise, for though Mr. McLaren had had premonitions of his weakness, the great and complex affairs of the Royal being an undoubted tax upon his strength, in spite of his commanding ability, the fact was known to few. He was, however, a tower of strength to the company, and as it was not easy to make up for his loss he had decided for the present not to retire. The board of the Royal met on Monday morning, and the deepest sympathy was expressed for Mrs. McLaren and her family, although a formal resolution of condolence was deferred until after the interment, which takes place at Flaybrick Hill Cemetery.

Born in Edinburgh in 1827, and therefore at his death in his sixty-sixth year, Mr. McLaren, who was educated for a business career, began his connection with insurance at an early age. He was but fifteen when he entered the office of the Hercules Insurance Company of Scotland, in Edinburgh, and was retained in the service when the Hercules Company amalgamated with the Scottish Union, now by a subsequent amalgamation the Scottish Union and National. It need perhaps hardly be said that he began on the lowest rung of the ladder, an apprentice clerk. After a career as a junior of considerable promise, he entered the office of the Lancashire Insurance Company, Manchester, where in time he became sufficiently esteemed to be appointed their assistant-secretary in London. In 1856 he obtained the similar position of assistant-secretary to the Royal, Liverpool, a company which, it may be observed, as a matter of historical business interest, was founded in 1845, and had in 1851 extended its direct operations to the United States. Two years after his appointment on the staff Mr. McLaren became the company's sub-manager, and in 1868, upon the death of Mr. Percy M. Dove, his predecessor in the general management, that position was without hesitation conferred upon him. He had now, step by step, attained to the front rank of his profession, and from this date, though the foundations of future prosperity had been solidly laid before, he steadily pursued the work of building up the superstructure which has become since its amalgamation with the Queen Insurance Company the largest in the insurance world.

In this regard it will be of interest to compare the growth of the Royal during the years in which he held the responsible control. In 1867 the Royal had life funds amounting to £977,000; and a fire and reserve fund of £146,000. Its premium income from fire insurances was £460,000, and its life premiums £194,000, a total of £654,000. At the present time the company has in life funds £4,730,357; it has fire reserves amounting to £2,836,000, and a total reserve fund of £1,582,335. The total worth of the corporation at its last report was £8,003,205, 17s.; its premium income from fire insurances being £2,050,000, and

from life insurances £180,153. A development like this is absolutely beyond parallel; but it has not been accomplished without business genius of a high order, such genius as that with which the late manager was pre-eminently endowed. The lines of this policy have been twofold. It involved, first, a recognition that the most valuable asset of any insurance corporation is credit, solid and unshaken credit. To obtain this the company had to be placed at any sacrifice beyond the reach of any probable disaster; so that if the bonuses voted at annual meetings were not so large as they might have been, the property of the shareholders has increased to an extent that has gone far towards making many a fortune. By enterprise, however, as well as by integrity, the financial results have been all that could be desired; the accumulation of funds stimulating enterprise and attracting confidence at one and the same time, whilst it gave the proprietors the full benefit of compound interest.

The other line of policy was that of never-ceasing watchfulness in the extension of the field of business; this being done not by entering recklessly into competition with other already established companies, but by securing through amalgamation some solid foundation already laid, and bringing to bear the credit, activity, and immense power of the Royal to develop the enterprise in its new sphere. The policy so pursued has succeeded greatly. The successive amalgamations with the National, Brighton and Sussex, Midland Counties, and not least with the Queen, have proceeded on these lines, each opening new doors to developments of which the Royal was fully prepared to take the advantage. Mr. McLaren's latest great achievement in this direction was the amalgamation with the Queen, negotiations for which began in 1890. They were pushed through with characteristic promptitude, for in July, 1891, the arrangements were complete. The undertaking was, however, no ordinary one, for the Queen had funds of over £1,544,000, and a premium income which in 1890 was £232,468, with a business which extended through the United Kingdom and the United States and Canada. Much was aided by this amalgamation to the influence of the Royal, which thus became the greatest insurance corporation in existence.

Very active interest was taken by Mr. McLaren in the Liverpool Salvage Committee, and in the prevention of fires. In the lessening of fire risks he did a public service of importance, such risks being, of course, a burden on the business of the port. His experience in insurance matters, it may be added, was almost unique, for in a career of more than fifty-two years he passed through every grade of insurance business, and was master even of its minutest details. Two years ago he celebrated his professional jubilee, an occasion on which he was the recipient of some gratifying testimonials. During his management the Royal has had to face the historic fires of Chicago in 1871, Boston in 1872, St. John, New Brunswick, in 1877, and St. John's, Newfoundland, in 1881; but though the Company has borne its share of the loss, the wisdom of its policy has enabled it to pass through these reverses as well as the gigantic losses in the Liverpool cotton fires last year, without a shadow on its credit or fame. In a word, the late manager of the Royal has been conspicuous among those whose business talents have at once made the insurance companies of Liverpool the first in the world, and laid the foundations of their credit broad and deep. But the responsibilities and anxieties of his position were, nevertheless, heavy, and he has closed at too early an age an important and strenuous career, passing from among a wide circle of friends, to whom his accomplishments and his pleasant and engaging manners had endeared him, and leaving a widow and a numerous family to deplore his loss.

Mr. McLaren was a man of considerable culture and taste, especially in matters of art and *brisa-lore*, and there was seldom a great sale at Christie's at which he was not present. He was very much liked by all the officials in the Royal Insurance Company. His frank, genial manner, his unflinching tact and good temper, made him a very general favourite in the insurance world generally, where his death leaves a blank that will not soon be filled.