

BRITISH AMERICA ASSURANCE COMPANY.

FIRE AND MARINE.

Incorporated 1833.

Head Office—British America Buildings, cor. Front and Scott Streets, Toronto.

BOARD OF DIRECTORS.

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Cash Capital, \$500,000.

Gross Surplus, \$518,534.90.

Net Surplus, \$151,329.29.

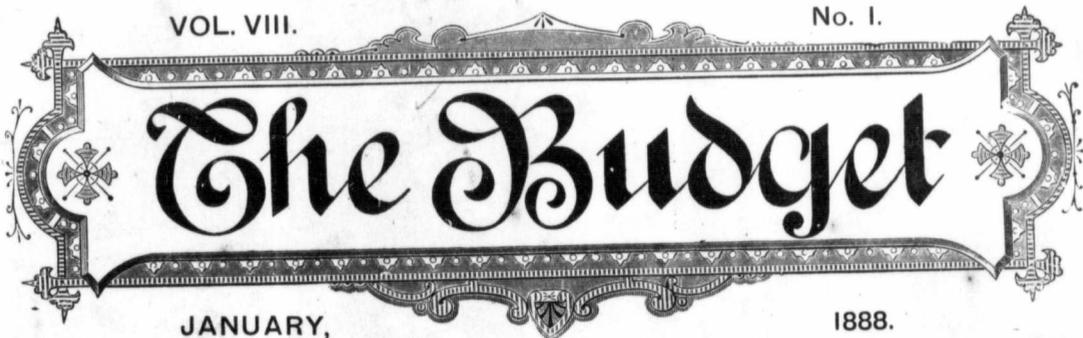
JOHN MORISON, Esq., Governor.

JOHN LEYS, Esq., Deputy Governor.

G. E. ROBINS, Secretary.

VOL. VIII.

No. 1.



JANUARY,

1888.

— THE — FEDERAL LIFE ASSURANCE COMPANY OF ONTARIO.

HEAD OFFICE, - - HAMILTON, ONT.

Guarantee Capital, \$700,000.00

FULL GOVERNMENT DEPOSIT

New Insurance in 1885	- - - - -	\$2,304,500
New Insurance in 1886	- - - - -	3,258,000

PURE INSURANCE ON THE

— HOMANS' PLAN —
EQUITABLE, SAFE AND POPULAR

AND POLICIES ON OTHER PLANS WRITTEN IF DESIRED.

THE BUDGET.

— THE —
MANUFACTURERS' LIFE

INSURANCE COMPANY.

— OF —
THE MANUFACTURERS' ACCIDENT INSURANCE CO.,

Under the same management and directorate.

Head Office: - - 38 King Street East, Toronto, Ont.

Incorporated by Special Act of the Dominion Parliament.

Combined Authorized Capital and
 other Assets, Over \$3,000,000.

FULL DEPOSIT WITH THE DOMINION GOVERNMENT

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MODIFIED NATURAL ENDOWMENT PLAN.

MODIFIED NATURAL PREMIUM PLAN.

AGENTS WANTED IN UNREPRESENTED DISTRICTS.

SUN
 LIFE ASSURANCE COMPANY

Head Office—MONTREAL.

The rapid progress made by this Company may be seen from the following Statement:

	INCOME.	ASSETS.	LIFE ASSURANCES IN FORCE.
1872.....	\$48,210.93	\$546,461.95	\$1,064,350.00
1874.....	64,073.88	621,362.81	1,786,362.00
1876.....	102,822.14	715,944.64	2,214,093.00
1878.....	127,505.87	773,895.71	3,374,683.43
1880.....	141,402.81	911,132.93	3,881,479.14
1882.....	254,841.73	1,073,577.94	5,849,889.19
1884.....	278,379.65	1,274,397.24	6,844,404.04
1886.....	373,500.31	1,593,027.10	9,413,358.07

THE SUN

Issues absolutely Unconditional Life Policies.

THOMAS WORKMAN,

President.

R. MACAULAY,

Managing Director.

A. H. GILBERT, TORONTO,

Manager Western Ontario.

THE
Star Life Assurance Society
 OF LONDON, ENGLAND.

Canadian Branch Office, 16 King St. East, Toronto.

The Assurance and Annuity or Reserve Fund now amounts to upwards of \$10,000,000.

The Company makes Loans on Real Estate in Canada on very favourable terms. Church authorities can borrow at 5 per cent. interest. Borrowers on the security of the Company's Policies are charged only 5 per cent. interest.

Upwards of \$1,000,000 are now invested in Canada, and \$100,000 deposited with the Dominion Government.

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 Chairman of the Board of Directors.

W. W. BAYNES, F.I.A., Secretary.

The great Labour Saver
 for Business Men,

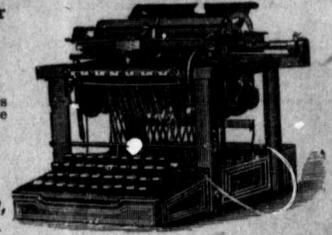
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 faster than the pen. Double
 work can be done with it

A boon to business men.

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WESTERN Assurance Co.



FIRE AND MARINE.



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A. T. FULTON, GEO. A. COX,
GEO. McMURRICH, H. N. BAIRD,

J. J. KENNY,
MANAGING DIRECTOR.

CAPITAL,	\$1,000,000 00
CASH ASSETS	\$1,188,200 46
ANNUAL INCOME over	\$1,300,000 00
LOSSES PAID SINCE ORGANIZATION over	\$10,000,000 00

AGENCIES IN ALL PRINCIPAL CITIES AND TOWNS IN CANADA AND UNITED STATES.

WESTERN ASSURANCE COMPY.

Fire and Marine. Incorporated, 1851

Capital and Assets \$1,503,828 28
Income for year ending 31st Dec., 1883. 1,690,553 85

Head Office - - - Toronto, Ont.

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JAMES BOOMER, *Secretary*

The ACCIDENT Ins. Co. of N. America.

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EDWARD RAWLINGS,
Managing Director.

MEDLAND & JONES,
General Agents, Toronto.
N.E. cor. Adelaide and Victoria Streets.

The attention of mercantile and professional firms is especially directed to the Joint Accident System just introduced by this Company. The cost is much less than the ordinary Accident Insurance, and it has received marked support from some of the leading firms.

GLASGOW & LONDON INSURANCE COMPANY.

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Manager.
STEWART BROWNE.

Inspectors.
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C. GELINAS,
A. D. G. VANWART.

TORONTO BRANCH OFFICE - 34 TORONTO ST.

WM. FAHEY,

AGENTS:

W. J. BRYAN.

STANDARD Life Assurance Company OF EDINBURGH.

ESTABLISHED - - - 1825.

Head Office in Canada.—St. James St. Montreal.

Total Insurance over..... \$100,000,000
Total Invested funds over..... 32,000,000
Investments in Canada over..... 2,500,000
Policies issued under all systems, including their new Reserve Bonus plan, under which very large profits may be expected.
Prospectuses and all information furnished at Head Office or at any of the Company's agencies.

W. M. RAMSAY,
Manager for Canada.

CHARLES HUNTER,
Superintendent of Agencies.

F. SPARLING,
City Agent, 9 Toronto Street.

THE GUARANTEE Comp'y of North America

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Managing Director.

JOHN STARK & CO.,
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THE NORTH-WEST Fire Insurance Co. (Limited).

Head Office—Winnipeg, Man.

Authorized Capital - - - \$500,000

DUNCAN MACARTHUR, Esq., *President.*
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G. W. GIRDLESTONE, *Secretary & Manager*
(Also Agent for the City of London and Guardian Fire Offices.)

PHŒNIX Fire Insurance Company, LONDON.

Established in - - - 1782

Canadian Agency established in 1804.
Losses paid since the establishment of the Company have exceeded £12,000,000 Sterling.
Balance held in hand, for payment of fire losses only, exceeds £900,000 Sterling.

Liability of Shareholders unlimited.

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General Agents for the Dominion of Canada.

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R. W. TYRE, *Manager*

TORONTO OFFICE:
LEWIS MOFFATT & CO.,
20 TORONTO STREET

Telephone communication.

- NORTHERN - ASSURANCE COMPANY OF ENGLAND.

INCOME AND FUNDS (1886)

Subscribed Capital, \$15,000,000.	\$1,500,000
of which paid up - - -	16,485,000
Accumulated Funds - - -	2,910,000
Annual Revenue from Fire Premiums -	990,000
Annual Revenue from Life Premiums -	690,000
Annual Revenue from Interest upon Invested Funds - - -	

HEAD OFFICES:
LONDON AND ABERDEEN.

BRANCH OFFICE FOR CANADA:
MONTREAL, 1724 NOTRE DAME ST.

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JAMES LOCKIE, *Inspector.*

Manager for Canada, ROBERT W. TYRE.
E. P. PEARSON, *Agent for Toronto.*

SAMUEL BURLAND & CO.,

Real Estate Investment, Insurance, General Commission & Estate Agents

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Mortgages, Loans, &c., Negotiated. Fire and Life Insurances Effected. Leases of Houses, Stores, Offices, and other Property attended to.

The Budget,

AN INSURANCE JOURNAL.

VOL. VIII.

TORONTO, ONTARIO, JANUARY, 1888.

No. 1.

The Budget

ISSUED Monthly from the Office of Publication, No. 64 Bay Street.

Annual Subscription, in advance - - - \$1.00

Single Copy - - - - - 15 cts.

Rates of Advertising furnished upon application.

W. CAMPBELL, *Editor.*

W. B. CAMPBELL, *Manager.*

✉ All communications for this Journal should be addressed—THE BUDGET, 64 Bay Street, Toronto, Ont.

TORONTO, JANUARY, 1888.

THE DIFFERENCE.

WITHOUT wishing to re-state here THE BUDGET's position in respect of assessment life insurance, we desire to correct statements pretty positively made by assessment advocates, namely, that the assessment system gives insurance cheaper than the old-line plan gives. Such is not the fact, because what is given by the one and the other are not the same thing. They differ pretty much as do single and double entry in book-keeping, or as a part differs from the whole. The assessment system, as compared with the old-line, gives less insurance than does the single entry system give of sound book-keeping as compared with the double entry system. We do not say that the old-liners cannot lower the cost of insurance, for we think that they could safely do so, both in their own interest and that of the public, and thus promote the universal adoption of life insurance. We think they should lower the cost to a minimum with all due expedition. This, we are glad to say, they are wisely doing through the numerous concessions that are constantly being made to the insured in various ways. But we at the same time frankly admit that they cannot cheapen life insurance to the price of the assessment article, simply because the old-line article is worth much more. It is full, complete insurance. The assessment article is not that, hence it is less valuable and should not sell for as much as the old-line article. Why then speak of the two as being the same, and especially when comparing them, why claim the preference for the semi-real over the real article? Why speak of the less as being equal to the greater, or of the part as greater than the whole? We have all along admitted that assessment insurance has its value and its place, but we insist that neither in value nor place can it be ranked with insurance afforded on the old-line plan. It is therefore disingenuous to disparage the old-line plan as assessment advocates generally do. We mean this as a suggestion kindly made to all assessment institutions of whatever name or stripe, and we hope that they will accept and act upon it in the future by desisting from the unfair comparisons as between old-line and assessment insur-

ance, so common on their lips, with the unjustifiable inferences and erroneous statements that old-line insurance is inferior to, at same time that it is more costly than, that afforded by the assessment system. These are statements that the facts will not bear out, and which no candid inquiry into, or sound reasoning upon, the two systems will substantiate. Properly conducted, and understood by those who patronize it, assessment insurance is commendable as a step in the right direction, but only a step—towards insurance. To those who will not or cannot procure straight insurance we would say, Take the assessment form—much better than none.

THE REMEDY FOR THE COMMISSION EVIL.

ONE of the many good things THE BUDGET has done for insurance is the series of letters and interviews upon the state of the business, published in our last issue. We have reason to believe that the opinion of the gentlemen, who were good enough to favor us with an expression of their views, have been read with great interest not only throughout Canada but in the British and American head offices which have now, or hope soon to have, representatives in this country. With not less pleasure than any other part, we publish the good-natured criticism of THE BUDGET by the respected general agent of a leading English company. This gentleman, in speaking of the commission evil, gave THE BUDGET credit for having opposed the system, but said that he did not remember having seen in THE BUDGET any practicable substitute, or even any substitute at all. From remarks made by others, and from the tone of letters we have received expressing much the same view, it is quite evident that we have been remiss in not reiterating with sufficient force the remedy we propose for this great evil, the root of all evil in insurance.

THE BUDGET has certainly proposed the remedy. Whether it is practicable or not may be a matter of opinion. Let us again state the remedy, and give our reasons for believing it to be practicable. In the very first issue of this journal, published exactly seven years ago this month, appeared an article on the subject of commission, from which we republish the following:

What then is the remedy? Simply and briefly this: Do away with the present system of paying agents by commission solely and let their remuneration be by salary or guaranteed income, made up in part of commission fixed at a moderate rate on the premium, according to circumstances, and a bonus on the profit of agencies, the remuneration inclining largely in the latter direction.

It may be said that this is merely saying that the best way to make a change is to make a change, and the *how* it is to be made is still left in darkness. But, before assuming that to be the case, we would ask our readers, managers especially, to consider carefully the remedy proposed. It is impossible to go into details in reference to a plan for general adoption, for the reason that the details must vary with different cases.

But in the reading of the proposed remedy too little weight is apt to be given to the idea of a *small commission on the premiums and a large bonus on the profits*. In this, however, is the chief feature of the proposal. Over and over again the plan has been tried of offering the agent a small bonus on the profits, as a sort of "for-a-good-boy" holiday present, to induce him to run the business in the interest of the company. But it does not take a man of the average agent's shrewdness to see that it would be foolishness for him (regarding the matter as one of self-interest), to let go the bird in the hand of a good commission on the chance of getting the brace of partridge of a share of profits still in the bush of the uncertain future. We do not want the plan we propose judged by these failures, and we submit that this half-and-half plan is not to be ranked as at all in the same class with one which gives a *guaranteed income with a large bonus on the profits*.

If this point is given due weight we are quite ready to admit that when it comes to the question "How is it to be done?" our answer is "The best way to do it is—to do it."

We are as far as can be from pretending that such a radical change can be made without disturbing the present state of affairs. It would make a great disturbance. Some men would have to go out of the business, some companies even might be compelled to succumb, though we doubt it. Radical changes would be necessary in the method of conducting the business and officials would be compelled to learn a new routine to a considerable extent.

We are prepared to maintain the advantages of our system as against any other that has yet been proposed. But the question is not as between one system which may be claimed as good, and another which its supporters say is better. Our position is that of the advocates of a system which has every argument in its favor as a matter of theory, it never having been given a trial, and one which is bad in theory and which has been proven, and is now admitted to be, in practice, utterly and irredeemably vicious, not merely hindering insurance but turning it into a caricature of what it ought to be.

That being the case, we claim that it does not rest with us to show *how* this thing should be done further than to state the general method. It is admitted that true insurance can not be conducted without the commission evil, and even the so-called insurance which now holds sway is getting into such fearful complications through this system that even it will soon be brought to a stand-still at the present rate of going. The true question is not *how* the plan we propose is to be carried out, but *how* the business is to be carried on longer without some such improvement.

THE AGENT TO PAY FOR ALL.

A remarkable poem is "John o' the Smithy." It shows how the producing masses pay not only for the necessities of life for those "above" them in social station, but must bear the burden of their extravagance and errors as well. What is true in the wide circle of general industrial life is true also of each of the narrower circles which lie within it. In insurance the agent is the producer, and we do not hesitate to say that, so far as the present abuses do not disseminate their ill effects throughout society generally, those ill effects rest with crushing weight upon the agents. No matter whether the business is large or small, the manager still draws his salary, and has his pleasant office "found" him. No matter whether the business is conducted on right principles or in defiance of

them, the salaried officers of the company still have their regular hours, and the routine of the office goes on without accommodating anybody to any serious extent. In fact the more the work is complicated by the attempts of the company to carry on business in contravention to true business rules, the more men are needed in the offices, and the better salaries there are likely to be for those who have the heaviest part of the work to do.

But it is altogether different with the agent. If his territory is invaded and his business interfered with, he has no remedy save increased effort and more enterprising methods of securing business. If commissions are increased beyond a fair rate, it is done for the purpose of placating some brokers in the cities, and the only result, so far as the agent is concerned, is to make it worth while for bank agents, loan company agents, bookkeepers and others to demand consideration at the hands of the company, and so divide his commission. If fire-preventing and fire-suppressing appliances are insisted upon by the companies, it is made easier for the insured to carry his own risk, rates are forced down and the receipts of the business are diminished. Moreover, it is the agent who must come in direct contact with the insured day in and day out, year in and year out, while the officials of the company see the policy-holders only once in a while, and then on business which, except in case of loss, is mere routine. If the company pursues an unpopular policy, upon the agent falls the responsibility of holding the business together in spite of that policy. If the officials make errors which cause the insured annoyance, the agent is the man who must pocket the loss of business, if loss results. If dilatoriness characterizes the getting out of policies or the answering of letters by the head office, the agent is the person to whom complaints are made, and he must bear the brunt.

These facts are but a tribute to the importance of the agents' position and proof positive that there should be inducements for the best men to act as agents. But what inducement is there for a young man to enter the business to take the place of the worthy veterans who have borne so well the burden and heat of the day? A big commission. That is the one thing the companies have to offer. But is it after all a fair and square inducement? Does it mean in reality what it seems to mean on the face of it? Those who have been in the business know that it does not; they know that the big commission has to be divided with every Tom, Dick and Harry who can "control" half a dozen risks; they know that no agent receiving a large commission has undivided control of his own territory; they know that if the office can get a risk direct it will take it, considering that it has saved so much in commissions; they know that for these reasons the insurance agent who wants to be honest with his company and with the people he deals with cannot make more than a bare living. It is no wonder, then, that so many men change and leave the profession soon after entering it. The way in is easy, but the inducements to remain and study hard and work hard, so as to learn the true methods of conducting the business, are, under present conditions, very few indeed.

But if every agent were given a guaranteed income with an interest in the profits, and thus made one of the officers of the company, the very best men in the community would enter the competition for these positions. The places which, in the nature of things, must some day be left vacant by the good men who are now working so hard for so little, would be filled by men equally as good or better. The standing of those members of the profession who come in contact with the com-

munity being raised, the business itself would rise in public estimation, and insurance would be recognized for what it really is—the bulwark of commerce and the trusted guardian of the people's temporal interests.

FRIENDLY SOCIETIES.

FRIENDLY Societies is the name given to a numerous class of provident associations in Great Britain, very varied in their designations and distinct in their immediate purposes. But, generally speaking, they have but one object, which is the amelioration of the condition of their members through mutual aid and comfort in trouble, sickness or distress; the relief of the destitute among themselves caused by the death of a fellow member, the society administering aid and comfort to his bereaved ones.

While we do not intend to give the history of these societies, or enter into details concerning them, we may state that many of them are of long years' standing, are large and influential, having large funds in hand, and have done immense good in the relief afforded through the various ways planned to that end. But many of these plans are crude and their administration faulty. These are qualities that rather more than less characterize the societies as a whole. The societies are regulated under the Friendly Societies Act of 1875 and amendments. That law has been found insufficient to meet public requirements, and numerous amendments are proposed. In fact a new law is much needed. Many of the large societies as well as the smaller ones are in financial troubles, and, having their ramifications in and through the masses, it may truthfully be said that the whole of British social life is in a ferment, a disturbed condition over this question of friendly societies. The condition of the societies will be understood from what follows.

Commenting on the parliamentary return, containing a summary of the annual returns and valuations of friendly societies, issued quite recently, the *Insurance Record* (London) says :

For our present purpose, we may be content to deal with the aggregate total of the returns contained in the blue-book. Here we find that 798 valuation returns are given, of which 176 disclose a surplus, and 622 a deficiency. The total amount of funds, with the present value of benefits and contributions, and the net result of striking a balance between liabilities and assets, are shown in the annexed account :

FRIENDLY SOCIETIES (EIGHTEEN ENGLISH COUNTIES) SUMMARY VALUATION BALANCE SHEET.

Dr.	
Present value of benefits.....	£3,369,296
	£3,369,296
Cr.	
Present value of contributions.....	£1,844,672
Funds.....	1,380,490
Deficiency as shown by <i>Economist</i>	£389,461
Balance not accounted for.....	51,673
	444,134
	£3,369,296

A word of explanation may be devoted to the item of deficiency. According to the figures of the *Economist*, the total surplus shown in the 176 favorable returns amounts to £154,289; and the total deficiency belonging to the 622 unfavorable returns amounts to £543,750. It would, therefore, appear that a net deficiency exists to the extent of £389,461. But this leaves an amount of £54,673 unaccounted for, by which sum the deficiency must be increased to make the accounts balance. Which ever total, however, represents the true net deficiency, it will not be denied that the position of matters is sufficiently serious to arrest attention. Looked at in a rough way, our friendly societies require one-third more funds than they at present possess, in order that their finances may be barely balanced. Taking another view, the benefits would, on the present basis, have to be cut down by about 12 per cent before solvency could be reached; or, alternatively, the contributions all round would need to be increased to close upon 25 per cent. We fear that any strong measures such as are obviously demanded to remove the existing insolvency would never be taken voluntarily by friendly societies, which it must be remembered are so often presided over by ignorant men. The only thing that could do good in the present juncture would be to bring friendly societies under the operation of some new Act, which compelled

them to place their affairs on a solvent footing as a condition of their right to continue their business. One slight loophole for hope exists in the fact that the last parliamentary committee nominated to discuss the subject of national provident insurance, travelling somewhat from its appointed track, expressed its views of great reforms in friendly society legislation. It is true their recommendations have almost exclusive reference to new societies, but it is safe to assert that no action would be taken in regard to the new societies without doing something to remedy the condition of the existing associations. Reform is, however, urgently needed in both directions, and the government that will take the matter up in a serious spirit will do useful work for the nation that will entitle it to enduring praise.

Many of the assessment societies of this country take pride in referring to the friendly societies of Britain as being the models after which themselves are fashioned, and simply because some of those societies have been in existence for many years that fact is used to prove that the assessment system here is an enduring one, and therefore safe as a basis for life insurance. It is true that some of the friendly societies are old, but they have not performed the functions of insurance companies, nor have they been required to do so. Their plans could not sustain the demands of insurance. What we have quoted above conclusively shows that any system of insurance claiming to be based on that of the friendly societies should be looked upon as unsound and misleading. Such, to our view, is the leading feature of the life insurance offered by numerous societies all over this country, and their operations should be prevented or regulated by law as deceptive, and in numerous instances, fraudulent.

Since the foregoing was written we have learned that the Legislature of Ontario is taking up the subject of friendly societies, and we do hope that it will overhaul the whole thing thoroughly and place the friendly societies on a sound footing without confounding them and their doings with insurance and insurance institutions.

THE ROYAL ARCANUM.

The *Royal Arcanum Journal* seeks to build up the Royal Arcanum on the pretence that the Order is persecuted by the old-line journals. It is an old trick of orders and associations that deal in simulated life insurance, to excite sympathy for themselves through the cry of persecution, by which people that could not be reasoned into the act are, from motives of pity or compassion for the down-trodden, induced to join the ranks. Thus an amiable trait of human nature is availed of by designing men to bolster up, for selfish purposes, unreliable organizations, mis-called life insurance associations, ephemeral affairs that come and go like the prophet's gourd.

The *Royal Arcanum Journal* is trying this stale trick with THE BUDGET, and apparently with success, for it appears that numbers are being "roped" into the Royal Arcanum in Canada on the plea that THE BUDGET is persecuting the Order and seeking to injure it by misrepresentations and other spiteful means. In a communication from Toronto to the *Journal*, of a month or two back, it is stated that :

Canada Council, No. 612, Toronto, keeps up its grand record and is adding to its laurels every meeting. Fourteen applications was its record for September, and an equal number for October. Secretary Thomson suggests that we petition our "*Budget*" friend to give us another round, as it is good for our constitution, and helps our wind. As things look now our fine record for 1886, in Toronto, will be far exceeded by that of 1887.

Yet these people are ungrateful and affect to sneer at THE BUDGET's influence.

What THE BUDGET says is that the Royal Arcanum is not an insurance institution, and that is precisely what the Order

claims for itself. In a recent issue of the *Journal* it is distinctly stated that "the Order is not an insurance company," from which the inference is simple and direct that the Royal Arcanum does not grant insurance. But when THE BUDGET makes the statement, the *Journal* resists and resents it in an angry and vindictive manner, indulging in ungenerous and untruthful allegations against THE BUDGET, as we clearly showed on a recent occasion. In keeping with its inconsistent pretensions the Royal Arcanum, while it disclaims being an insurance company, stoutly urges its claims on the public in favor of its insurance rates as compared with those of old-liners. Of the standing matter in the *Journal* is a "table showing estimates of cost in the R. A. as compared with mutual and stock life insurance companies." The comparisons made are with the *Etna* Life and the State Mutual Life of Worcester, Mass., and of course the rates of the R. A. come out ahead as the lowest. All of which means, and is intended to prove, that the R. A. sells life insurance at lower rates than the other two companies. Thus the R. A. establishes, beyond a peradventure, the fact that itself is a life insurance institution, the *Journal's* oft-repeated disclaimer to the contrary notwithstanding.

If price were all that is to be considered in procuring life insurance, the R. A. could claim the palm in this instance. But price is not all. The articles offered are not the same, and besides, the supply of the R. A.'s. article is precarious as compared with that of the old-liners. It is likely soon to give out, as will be seen from the following exhibit, which we clip from the *Insurance News* :

The history of the Royal Arcanum is proving what all insurance men predicted at its beginning. A career of prosperity, succeeded by one of decay, with inevitable death. This extract is taken by *Insurance* from the report of the Supreme Council, of that organization :

Year.	Members.	Deaths.	Death assessments paid by the average member.
1881	33,230	188	\$17 12
1882	40,390	230	17 50
1883	47,744	307	18 87
1884	53,811	352	19 55
1885	60,957	430	20 73
1886	70,823	522	21 79

Death assessments do not include the quarterly dues.

As the membership was more than doubled, there was plenty of new blood. Still the death rate steadily increased and with it the death assessments. That the day of its demise is fast approaching, is recognized by many of its members. The fault is not in the administration, but in the system. It is a fault which is inherent in all assessment companies and which will sooner or later bring calamity upon them.

That looks pretty much as if the R. A.'s. supply of "insurance" is dwindling away and will be gone in no long time. In view of this fact we do hope that no person will be rash enough to join the Royal Arcanum just to spite THE BUDGET. That would indeed be cutting his nose off to spite his face. Still, we would that all should join who incline to do it of their own free will and not of malice aforethought against THE BUDGET. Our desire in regard to life insurance is that every person shall have perfect freedom to do that which seemeth best in his own eyes for himself without prejudice to others. Even the *R. A. Journal*, with all its splenetic assertiveness, will admit that this is pretty liberal doctrine for THE BUDGET to avow and promulgate. Still, we do like to lend a hand in leading people from pitfalls and other dangers, all too common now-a-days, in life insurance on the cheap plans, that of the R. A. included. Hence it is that THE BUDGET cautions people against buying the R. A.'s. codfish for the salmon it is represented to be. There is fish and fish, also insurance and insurance, yes, and, as a reality, the Royal Arcanum's insurance is a very fishy affair indeed.

MARINE INSURANCE IN THE UNITED STATES.

DISCUSSING marine matters in connection with the late trouble of the Phenix of Brooklyn, the New York *Journal of Commerce*, as quoted in the Philadelphia *Intelligencer*, which we copy, states that :

Within ten years or thereabouts, the following companies have retired from business in New York alone : The Pacific Mutual, the Union Mutual, the Mercantile Mutual, the Sun Mutual, the Great Western Marine and the Orient Mutual, leaving at present in the New York field only three regular companies, the Atlantic Mutual, the New York and the Commercial. The American Lloyds and the New York Marine Underwriters are not companies in the same sense as the three named, and, of course, companies belonging to other states and counties having agencies there, are not now referred to. The latter companies do not all find it profitable to remain in the existing fierce competition for the business here. The Beylston, of Boston, has recently discontinued its agency, and within the period named, two English and two Swiss or German companies entered and left the field discouraged. The withdrawal of domestic capital from marine underwriting has gone on contemporaneously in other cities. In Boston the winding up of the Manufacturers' Insurance Company was caused to a large extent by marine losses. In Baltimore the Merchants' Marine, its only institution of the kind, was recently put in liquidation. * * * Nevertheless it is a matter of lament among domestic underwriters, that the hot competition for American business has to such a large extent driven American capital from the field, at least in part. At the same time current rates have been cut to an extent which leaves even the remaining American companies such small inducements. In fact, rates are often made which the principal American companies refuse to accept at all, preferring to lose the business than to do it at less than cost. It appears, therefore, to be the judgment of our ablest domestic marine underwriters that the matter with the business as a whole is not bad management, but excessive foreign competition and low current rates in consequence of such competition.

There, it is the same old, old story of disasters on lake, ocean and stream, the wreckage of insurance companies, brought about by competition for business run mad under the demoralizing, insane guidance of commission. When will the horrid slaughter cease ?

SUB-TROPICAL EXPOSITION.

FLORIDA is having a Sub-Tropical Exposition. It opened this month, and will last until May next. The season is a good one for Canadians and other northern people to go down to the warm climates of the sunny south.

The exposition is being held at Jacksonville, the capital of the state, but visitors will not be limited for accommodation to that city, they will find ample accommodation in the neighboring cities and towns, concerning which the Florida *Times-Union*, from which we copy, says : "No other cities of the same population in the world are so well equipped with good hotels as the cities of Florida. The exposition will secure in advance fixed and reasonable rates from hotels and boarding-houses in Jacksonville and throughout the state, and will publish the list for free distribution. Hack fares will be moderate and rates will be posted in every hack." These are highly commendable features of the exposition.

Of the exposition itself the *Times-Union* says :

The Florida Sub-Tropical Exposition was projected for the purpose of presenting a complete display of all the products and resources of Florida, and of the most attractive and valuable exhibits that can be obtained from sub-tropical countries, such as the Bahamas and West Indies, Mexico and South America. Such a display has never before been attempted in the United States, and when completed according to the plans originally proposed, will be unequalled in the world.

The attention is to make, this first year, as complete a display as possible, and to increase the magnitude, variety and quality of this display, year by year, until it shall have such a world-wide reputation as will attract to it visitors from all parts of the world to see under one roof and in one enclosure such a collection as cannot be found in any other country.

Every precaution seems to be taken and provision made to secure comfort and pleasure to visitors. To those who desire

to see the products and enjoy the hospitalities of sub-tropical climes, the Sub-Tropical Exposition offers the readiest, most available means. Everything, the grounds, the buildings, displays, and entertainments of all sorts, are to be on a grand scale.

CONTRIBUTIONS OF LONDON FIRE OFFICES TO THE FIRE BRIGADE.

THE Review (London), publishes a complete table of the business done and the contributions of the London fire insurance offices to the Metropolitan Fire Brigade. There are 57 companies. The business done in 1885 amounted to £749,074,682, and the contributions to £26,217 12s. 4d. In 1886 the business amounted to £741,099,316, and the contributions to £25,938 9s. 4d. The following are the amounts of business and contributions by the companies having branches in this country :

NAME OF COMPANY.	1887.			1888.		
	Business done in the year 1885.	Amount of Contribution at £35 per million.	Amount of Contribution at £35 per million.	Business done in the year 1886.	Amount of Contribution at £35 per million.	Amount of Contribution at £35 per million.
Phoenix.....	72,322,0-6	2,531 5 8	2,391 17 0	68,338,457	2,391 17 0	
North British and Mercantile.....	38,967,756	1,363 7 8	1,240 5 8	35,436,385	1,240 5 8	
Liverpool and London and Globe.....	37,362,253	1,327 12 4	1,357 18 0	38,797,170	1,357 18 0	
Royal.....	35,320,350	1,236 4 4	1,223 6 0	34,951,421	1,223 6 0	
Imperial.....	27,566,375	964 16 4	920 12 4	26,304,481	920 12 4	
Commercial Union.....	22,984,608	804 9 4	739 7 8	21,139,495	739 7 8	
Atlas.....	22,800,438	798 0 4	780 3 8	22,290,830	780 3 8	
Guardian.....	21,835,422	764 4 8	750 11 8	22,505,486	750 11 8	
London Assurance Corporation.....	21,369,811	745 16 8	714 11 8	22,131,042	714 11 8	
Northern.....	14,517,533	508 2 4	492 15 0	14,826,978	492 15 0	
Norwich Union.....	14,456,539	505 19 8	482 15 0	14,078,320	482 15 0	
Queen.....	9,375,800	328 3 0	318 0 0	9,100,000	318 0 0	
London and Lancashire.....	8,313,060	290 19 0	280 10 0	8,011,250	280 10 0	
Lancashire.....	8,013,400	280 9 4	280 11 0	7,016,000	251 10 8	
Fire Insurance.....	7,355,382	257 9 0	249 10 8	7,089,853	249 10 8	
Scottish Union and National.....	5,969,400	209 19 8	192 10 0	5,292,065	189 4 4	
City of London.....	5,247,221	183 13 0	182 10 0	5,300,000	182 10 0	
Caledonian.....	2,145,000	75 1 8	75 0 0	2,800,000	98 0 0	
National of Ireland.....	1,000,000	35 0 0	33 16 8	1,066,942	33 16 8	
Glasgow and London.....	414,000	14 10 0				
Totals.....						

OUR attention has been called to the fact that Messrs. John Davidson and John Taylor, the well-known insurance agents of Guelph, Ont., have secured the Canadian patent, and are expecting the United States patent, for an improvement in the passenger coach safety lamp. The improvement is simple and complete. "The point gained is that if the lamp is overturned, the moment it attains an angle of forty-five degrees the light is put out, thus obviating the danger of it setting fire to the surroundings as well as of exploding. It can be mounted on a stand and used as a table lamp."

Editor's File.

WE are glad to note the revival of the *Insurance Age* and to learn that it has come to stay.

HOTELS in New York are now insured as three year term risks. The irresistible broker and the commission interest in the management have gained the point so long undecided.

THOUGH we do not endorse its views, the *Rainbow*, the official organ of the Order of Chosen Friends, has a kindly tone that we like.

THERE are two insurance men in the city council this year. These are : A. H. Gilbert, general agent of the Sun Life, a new member, and John Maughan, jr., an old timer, both as an alderman and underwriter.

IT is a matter of conjecture at this office what has become of the *Shareholder*, Montreal, and if it still lives and thrives, as we have no doubt it does, why has it ceased to exchange with THE BUDGET? The *Shareholder* has not been seen at this office for a long time past. Why?

WE thank the Superintendent of Insurance for the Preliminary Abstract of Canadian Life Insurance Companies, for the year 1887, kindly sent us, and from which we copy the tabular statement in other columns. Comment is withheld until receipt of the superintendent's full report.

MR. GEORGE GRAHAM, agent of the Queen Insurance Co., mentioned in THE BUDGET for December as having been stricken down with a serious attack of disease, has since died of heart disease, induced by over anxiety and worry about business affairs. The funeral was well attended by the underwriters of the city.

THE New York Insurance Club, that was to be, has flattened out. Probably it was projected on too large a scale. There were to be 175 members to cost \$100 a year each. The Equitable Life was to provide a handsomely furnished suite of rooms in their building, for which the club were to have paid the amount of subscriptions. But, failing to get the requisite number of members, the scheme has fallen through.

TORONTO, with a population of 125,000, has 260 policemen, an able body, well gotten up, well drilled, and well handled by a competent chief, while Montreal, with a population of 200,000, has but 228 policemen, a force complained of as not sufficient for the requirements of the city and as being defective in many points necessary in an efficient police force. Recent fires in the city have emphasized these defects.

THE collapse of the Tariff Association of New York is the only legitimate outcome of such bodies. Insurance is better without them. That a demoralized state of insurance affairs may follow in New York is likely. But what other condition have those affairs been in for many years past? It all goes to show that the underwriters of Gotham are not insurance men.

THE Agricultural of Watertown, New York, has added \$104,500 to the base of its solid pyramid.

* * *

MR. J. D. WELLS, general manager of the Mutual Reserve Association, for the Dominion, took first prize at the annual general meeting of the association, lately held at New York, for the largest business done at any of the general agencies. J. D. did it before, and expects to do it again. He is known as the prize agent of the association.

* * *

THE appropriation of \$10,000 by Montreal for improvements of its fire department, was not made a day too soon, judging of that department by the reports made of it by the local underwriters. The condition of the department, it is presumable, must have been known to the underwriters in fixing their rates, or it was not. The inference is clear.

* * *

THE Toronto agency of the Gore District Mutual Fire Insurance Company, made vacant by the death of Mr. Geo. Graham, late agent of the company, has been given to Mr. D. M. Harman. The "old Gore" was established in 1839, head office Galt, Ont., R. S. Strong, manager. Though not yet very familiar to the business community of Toronto, the Gore is a solid, prosperous institution, and the security it offers is equal to the best. None better.

* * *

WE refrain from comment on the case of A. E. Ridley, insurance agent at St. Thomas, Ont., who is charged with forgery. Mr. Ridley insists that he is innocent and, as the case is now before the courts, and it having recently taken a new turn—the paper said to have been forged has disappeared—we prefer to say nothing more but await developments. We have known Mr. Ridley for a number of years and always regarded him as an active, intelligent insurance agent and safe business man.

* * *

THE secretary of the Huron and Middlesex Fire, London, Ont., writes:

Our business for 1887 has been fairly good, a large increase of undertakings. We have increased our premium note capital in round numbers \$20,000. Our losses have been heavier than last year by about \$2,000. The outlook for 1888 is very good. We have for January nearly trebled our undertakings and more than doubled our cash income.

* * *

REFERRING to the annual report of the Canadian Mutual Aid Association, which appears in this issue of THE BUDGET, we note that the business done last year was larger and every way more satisfactory than was that for the year before. It shows marked progress which, most likely, is owing to extra efforts made for new business, "new blood" being at once the source of life and the stay of the assessment system. The report is ample in details, and should be as satisfactory to the members, as it must be gratifying to the management to be able to make such a presentation.

* * *

THE automatic sprinkler does not always sprinkle automatically. This fact is too often lost sight of by fire insurance companies. But perfect trust is reposed in the machine by both policy-holder and company, and one demands and the other grants large concessions because of the sprinkler. But even when the sprinkler sprinkles automatically it is only after it has been carefully kept in order, and that can't be

done by trusting to its automatic properties. The fact is that a paying business under honest management is better protected than one with an automatic sprinkler, and this should be remembered in rating risks.

* * *

WE see it stated in some of our British exchanges that notice has been given that the London city corporation will apply to parliament at coming session for leave to bring in a bill giving power to the city coroner and his deputy to hold inquiries into the cause of fires in the city. The coroner is to have the same rights in regard to these inquests as he has in regard to inquests on dead bodies. Other cities and towns will follow the lead of the metropolis in this matter. It would be better to pass a general Act for the purpose, so that fires in all parts of the United Kingdom and Ireland could be officially inquired into.

* * *

CALLERS at this office during the month have been: J. B. Cook, inspector Mercantile Fire, Waterloo, Ont.; A. L. Rundle, special agent Federal Life, Oshawa, Ont.; George R. Morrison, manager Eastern Ontario, Manufacturers' Life, Peterborough; Major E. A. Baynes, manager, P. Q. Manufacturers' Life, Montreal; H. J. Farmer, general insurance agent, Montreal; J. B. Lawlor, inspector London and Lancashire Life; B. P. Richardson, inspector North-West, London and Lancashire Life, Winnipeg; T. C. Livingstone, general agent North-West, Mutual Life, N. Y., Winnipeg; Jas. H. Scott, agency manager English and Scottish Law Life, London, England; Chas. E. Goad, C. E., Montreal.

* * *

WE learn from the *Packet* that there is a disturbed state of affairs at Orillia between the policy-holders and the insurance companies in regard to permits allowing the use of electric lights. J. P. Secord, a prominent insurance agent, has been active in procuring the permits, but does not appear to have succeeded in reconciling the "combatants" as to which of them is to pay for the inspection of the electrical fixtures. This is the bone of contention. Policy-holders everywhere should know that whatever the insurance companies pay or allow, is paid or made "good" to them by the insured, for otherwise the companies would have to pay out of their own pocket—their capital,—which they do not like to do, nor can they afford to do it. So that all charges, ordinary and extraordinary, must be paid by the policy-holders. If not paid, it means loss to the company, and that again means weakened security to the insured. Policy-holders will please note.

* * *

IN reply to a letter from Mr. W. Jones, secretary of the Lion Provident Live Stock and Life Association of Toronto, complaining of an item in the December issue of THE BUDGET as misleading and very libellous, or words to that effect, we beg to say that said association, from its title, appears to be a provident association, organized under the Benevolent Societies Act, and appears as a matter of fact to have been so incorporated. The terms of the association's printed circulars, etc., however, suggest that the association does the business of a licensed insurance company, that is, life insurance, which would of course be incompatible with the intention of the Benevolent Societies Act. As an insurance journal, speaking to insurance agents, THE BUDGET informed them in effect that the association is simply a provident association and that they could not truthfully represent it to the public as an in-

insurance company. Nothing more was intended, and if anything else was conveyed or implied to the prejudice of the association, we regret it.

* *

The following letter will be of interest to life insurance managers desirous of establishing life associations in Canada:

To the Editor of the POST MAGAZINE.

Sir,—It may be interesting to your readers to learn that an Association of the Managers of Life Assurance Offices has just been founded in Holland, and is incorporated by royal resolution of August 1st last. I believe the association includes twelve offices.

It is formed somewhat on the lines of the Association of the Managers of the Scottish Life Assurance Offices, and my correspondent in Amsterdam describes its "first and cardinal rule" to be that the "association will never be allowed to interfere with the freedom and enterprise of any office, but that it will only act as a purely consulting body."

Mr. Blankenberg, of Amsterdam in a paper which he read at the first meeting held last month referring to similar associations at present existing in Europe, stated that the Scottish Association is the oldest, having been founded in 1837; that of Germany was founded in 1869; of France in 1876; of Austria in 1881; of Scandinavia about 1885; and that of Holland in 1887.

I am, yours faithfully,

WM. FINLAY.

26 St. Andrew Square,
Edinburgh, Dec. 6, 1887.

* *

THE *Life Assurance Agents' Journal* is published at Manchester, England. It is the official organ of the National Union of Life Assurance Agents, established in August, 1884, and registered in 1886. The objects of the Union, as set forth in the *Journal*, are:

To improve the condition and protect the interests of life assurance agents.

To obtain and maintain a reasonable rate of remuneration.

To settle disputes by arbitration, or failing it, by other lawful means.

To provide legal assistance for its members when necessary.

To promote a better feeling among life assurance agents.

To provide superannuation in old age.

To obtain compensation for its members for all improved business in case of resignation or dismissal.

For the purpose of agents meeting in conference to discuss questions appertaining to their trade and calling, and for the social and moral elevation of its members generally.

To assist its members by a weekly allowance, in case of illegal dismissal from their agencies.

We quote the objects for the guidance of life agents or others desirous of establishing a union or other such organization in Canada.

* *

ELSEWHERE in this issue will be found the first annual report of the Manufacturers' Life Insurance Company, and a remarkable report it is. It contains only the business of the first five months of the company's existence, that is, from August last, when the company began business, to 29th December, both inclusive. In that brief term the business done exceeds that done by any other new company in the same length of time. It is a volume of business that might well be considered a heavy year's work by the average company of long standing. The report states that 1,035 applications were received for insurance amounting to \$2,878,000, that 919 of these were accepted for \$2,564,500, that applications for \$119,500 on 81 lives were declined, and that applications for \$115,000 were in course of being completed at date of report, 29th December, 1887, when the books were closed for the year. In the absence of detailed statements, the account forms usually given in annual reports of the transactions, which we understood were given to the meeting, the report now before us is only of a general character, and can be dealt with only as such. The details we note as absent, probably will be in the superintendent's report when it ap-

pears, and we suppose these will be full and satisfactory. The meeting was held in the Board of Trade rooms and was a very large and respectable assemblage of officials, proprietors and policy-holders of the company. A reading of the report to which we refer will inform the reader of the transactions thereat. Everything was conducted in good style. Great satisfaction was shown in regard to the remarkable amount of business done and the utmost confidence was manifested in the stability and continued progress of the company.

* *

THE twenty-fifth annual report of the Waterloo Mutual Fire Insurance Company, published in this issue of THE BUDGET, shows that the business done last year, though large, was not profitable. The expenditure equalled the income, the premiums and other items being \$114,650.75, and the expenditure \$115,902.74. But this result was not disastrous, nor was it even much of a loss to the company. The fire losses amounted to \$75,784.06, say 71 per cent. of premium income, a rate which, though heavy, very many of the companies would gladly put up with instead of the rates that unfortunately for themselves they have to be content with. Last year was very severe indeed on a large number of the fire insurance companies. The Waterloo is in a good, sound condition to do battle with the fiery element, for it will be noted that the report shows a balance of \$198,080.41 assets over and above all liabilities. To use the language of the report, it may truly be said that "in every respect the standing of the Waterloo Mutual is such as to entitle it to the fullest confidence of the insuring public."

Communications.

COMMISSION.

To the Editor of THE BUDGET.

SIR,—I am sure I would fail in my duty did I not give utterance to my sympathy with you in the views you have so often and so well expressed in regard to the bad results following the making of commissions the basis of remuneration to agents.

Your references on this subject have of course been mainly to fire insurance, but I can assure you that equally ill results are following the same system in life insurance.

I hope you will continue your advocacy of what I feel is a better plan, and that at no distant date both the fire and life insurance interests may feel the benefit which I am sure a change will bring about.

Yours, etc.,

J. K. MACDONALD,

Managing Director Confederation Life Association.

Toronto, January 4th, 1888.

CHEAP INSURANCE PLAN.

To the Editor of THE BUDGET.

SIR,—I regret to have to trouble you again, but what am I and others to do when we wish information on so complicated and mysterious a business as that of life insurance. The only persons who seem capable of understanding it are the educated agents of the various companies, and it very frequently appears to me that very many of these know a good deal more about other companies than they do about their own, or the true principles of life insurance.

Several others and myself, who are policy-holders in the Federal Life, upon what they call the Homans Plan, will be greatly obliged if you will kindly explain to us the important points of difference, if there is any, in the principles between the plan above referred to and the following, viz: that known as the Commercial Plan of the North American Life, also a cheap plan practised by the Temperance and General,

and yet another known as the Natural Premium Plan, adopted by the new company, the Manufacturers'. Are the last named based upon more solid or scientific principles than the Homans Plan? We cannot see any greater difference. Have not these other plans been adopted more recently than the Homans Plan, or are they practically the Homans Plan with variations? Would you consider any of the others safer, to insure on than the Homans Plan direct? Efforts have been made to induce us to withdraw from the Federal and insure on one of the other plans. A journal was furnished us to read, which condemns in the strongest terms the Homans Plan. We searched carefully but could not find in that issue where it condemns any of the other plans. Can you tell us whether it has done so or not, and, is it opposed to all cheap plans, or is its opposition confined exclusively to the Homans Plan. There are now four joint stock companies operating the cheap plans of life insurance referred to. I would like to ask you two or three more questions but dare not do so at this time for fear you will consider me a perfect down-east-Yankee.

Yours,
POLICY-HOLDER ON H. P.

AGENTS' ATTENTION.

To the Editor of THE BUDGET.

SIR,—It is some time since I have seen anything respecting the Agents' Association. Why is it? Has the matter completely collapsed? If so, why? Is there no constancy among this class of insurance men that they should attempt a much-needed organization and then let it die? An agents' association would bring about the changes necessary to place the agent in his rightful position. That position would give him some control of his business instead of simply being obliged to obey his many harassing rules and regulations of the tariff association.

Come, let us wake up! This age of the world is no time for sleeping. When all classes are seeking protection of some kind surely we have rights other than to be the grubbers we now are. Under the present system we are simply laboring on from day to day and are all the time working to our own disadvantage. Let us now determine to work to our own advantage as well as to that of our several companies. Can we not meet, say in Toronto, and talk this matter over. Unity is strength, and strength is what we are much in need of. Will some one appoint a day in the next issue of THE BUDGET, and let every agent get to the Queen City and let us work for the advancement of our own interests, social and professional.

Allow me to make a few suggestions as to matters that should receive our early attention. I refer to fire business only, viz:

1. The agent to have half of all endorsement fees.
2. No bankers, lawyers, students, merchants, doctors, and in fact only those who make a business of insurance, to be employed as agents.
3. That the agent get from the insured a survey fee on all three-year risks.
4. That the agent get 15 per cent. on all similar risks.
5. That we ask that all policies be issued not later than twenty days after date of application.
6. That we meet once a year at some place to be agreed upon.

No doubt there are many other changes that would be beneficial to our cause, and I would suggest that we make THE BUDGET the agents' journal, and let every agent subscribe for it, and in the editor I believe we have a man of true insurance principles. In conclusion I would ask to hear from as many agents as possible on this matter through THE BUDGET.

Yours, AGENT.

BANKING.

To the Editor of THE BUDGET.

SIR,—Since you favored the public with your independent opinions of the banking system, another of these institutions has gone to the wall. Another wave of dismay, embarrassment and loss is spread far and wide over the unhappy business community.

The bankers promise that no losses will be sustained by the depositors of the Federal; but if the stockholders do not lose heavily, who makes up the half million of aid extended to them? Does it not come out of the pockets of other bank stockholders? You say the banking system is faulty: I agree with you, only the term is not strong enough to express the deception. I cannot agree with you that the management could be

improved in the manner you suggest. I imagine that bankers are at least equal in character and ability to any class of business men, and if they are lending their active aid to destroy the industries of the country, it is not because they are as a whole incompetent men. I cannot from my long experience of bankers think so; but the cause, in my estimation, lies deeper than the management, and is involved in the character of the banking law itself.

That law is briefly this, that a company say with \$500,000 paid up capital may discount commercial paper with their issue payable on demand. The notes fall into the hands of the other banks in the ordinary course of trade and come back for redemption at the daily balancings between the banks. The capital which should have been held as a reserve to secure the creditors, and give stability to its business, is paid out, and after a few months the reserves become reduced to a more economical sum, and the assets of the bank assume the form of a bundle of commercial and other paper half of which is worthless when suspension is inevitable. It does not take very long, as experience teaches, for a bank to get around the circle and into the toils of pure speculation, when the manager loses his head and his actions become those of a maniac, and it may be a criminal.

Just think of a banking law which proposes the conversion of capital into credit—a tangible property into a form one cannot be sure exists. The authors of such a law wot not of what they did. "Foolish hands may mix and mar, but wise and sure the issues are." The process is easily traced. The banker goes for what he considers first-class paper made on the actual sale of importations; so that, apart from the illegitimate business, three-fourths of the discount is paper representing importations, and that stimulates imports to an unwarrantable degree, so much so that, notwithstanding the barrier which the tariff interposes, the country continually committed to excessive importations; not merely in excess of exports, but also in excess of actual wants. It is even surmised by persons in the way of knowing, that some of the influential bankers are personally interested in the business.

It follows that the drafts of the foreign manufacturer are promptly attended to, and every dollar of exchange on exports and otherwise is absorbed by this nefarious process of robbing the country of its capital, which fully accounts for the chronic scarcity of the circulation in the ordinary channels of trade. These imports are pressed upon the retail dealers; and in their anxiety to make sales they are led to credit to a very large extent, so that all retailers have debts which cannot be collected, nor can sales be made from the scarcity of circulation; and their own maturing paper has to be renewed—adding to the general embarrassment. In this way the domestic industries are placed at the mercy of a currency based mainly upon importations and limited by the means of payment.

In my next I shall deal with the problem, "How to increase the reserves and at the same time increase the volume of the bank circulation."

January 30th, 1888.

Yours, G—

REBATE.

To the Editor of THE BUDGET.

SIR,—The attention of THE BUDGET readers has been frequently called to the existence—or stated existence—of certain abuses prevalent among insurance companies and their agents, and in your position as editor you have earnestly and frequently appealed to the managers of the different insurance corporations and to the agents representing their interests, and back again from the foot to the head; that for the prosperity of the insurance business as a whole, for the maintenance of that uprightness and integrity which is an essential element to prosperity, and for the influence and honor of the individual and collective staff employed, these stated abuses should be at once and forever blotted out.

It is not my purpose to enumerate these abuses to which, in the general interest of the underwriting profession, both life and fire, you have called attention, but rather to make special reference to the one that, in my opinion, ranks as the greatest evil of them all—I mean the *rebate nuisance*.

The time will come when this evil must cease from the force of public opinion, when the intelligence and honesty of the general public must realize its demoralizing effects and demand its removal. But we want to hasten this time, you by your editorial influence and agents by exposing each case as it is encountered, giving the name of company and agent, so that the managers of the former may have no excuse for shirking the responsibility of dealing directly with the case, and the latter may be held up to the deserved censure of his confreres.

Recalling personal experience, extending over several years, and over a large part of the Dominion, I am free to confess that I do not know of any one abuse so cumulative in its evil effects or so well calculated to destroy that confidence which is a necessary factor to satisfactory progress. If any logical ground could be occupied in defence of the practice, or any necessity existed for a reduction being made in an insurer's first premium, of course complaint would be absurd, but so very far from this being the case lies the undoubted fact that all the weight of sound argument is on the side of its abolition.

The very fact that the agent himself is the principle sufferer, both in pocket and reputation, should, according to all the laws of common sense, give birth to a fixed determination upon their part to obliterate the evil. I do not for a moment lose sight of the fact that it is human nature we are dealing with, and that in the present keen competition for new business the temptation is very great to offer an extra inducement to the prospective applicant, but, great as the temptation may be, is it true wisdom, is it studying our own real interest, to give way to it? I say not; that it is really a short-sighted policy, for which the future will exact a high rate of interest. How much better for company and agent to rely altogether on the strong points that may be honestly urged as in favor of the company represented, or upon the specially attractive and advantageous system of insurance such com-

pany may have to offer. If the company has no such strong points and no such attractive feature, then let it be relegated to its proper position, and its representative seek a more favorable company to spend his energies upon, but, having these bulwarks of strength, it is certain that if such advantages are not strong enough to secure the risk the offering of a rebate can only be calculated to create a dissatisfied policy-holder that the first breath of suspicion cast upon the company so buying his risk would be sufficient to wipe out the memory of the reduction, and, having nothing else to fall back upon, he is swept out at a loss to the company, a loss to the agent and a loss to himself. Is the result obtained in any case worth the cost? Can any good outweigh the evils which must cling like barnacles about the whole transaction? Experience declares No! with all the emphasis at its command. What remedy can we apply then to this confusedly, undesirable and unremunerative practice? I think the adoption of some such plan as suggested above would go far to mitigate the evil, and, if coupled with a determination on the part of the agents themselves to keep their hands clean in this direction, the speedy dissolution and prompt interdict of this costly and professionally demoralizing evil might hopefully be looked for. Let one of the new year resolutions be a fixed resolve to make the effort.

G. K.

Hamilton, January, 1888.

PRELIMINARY ABSTRACT OF CANADIAN LIFE INSURANCE COMPANIES, FOR THE YEAR 1887.

COMPANY.	†Premiums for Year.	Number of Policies new and taken up.	Amount of Policies new and taken up.	Number of Policies in force at date.	†Net Amount in force.	Number of Policies become Claims.	†Net Amount of Policies become Claims.	†Claims Paid.	Unsettled Claims.		Date of Return.
									Not Resisted.	Resisted.	
	\$		\$	\$	\$		\$	\$	\$	\$	\$
*Canada Life.....	1,207,676	1,931	4,175,789	21,175	41,549,545	205	438,718	450,808	39,462	6,500	Dec. 31, 1887
Citizens.....	59,161	324	503,000	1,413	2,006,767	16	27,705	32,205	2,000	None	do.
Confederation.....	517,220	1,556	2,455,500	10,201	15,599,162	81	134,743	110,388	34,566	3,000	do.
*Dominion Safety Fund.....	40,458	120	172,000	2,268	2,626,000	24	26,000	21,000	5,000	None	do.
Federal.....	137,073	1,351	4,039,000	2,935	7,847,537	11	30,000	30,000	None	None	do.
London Life { General.....	34,609	357	402,930	1,460	1,461,860	14	11,400	9,400	2,000	None	do.
{ Industrial.....		3,112	320,385	2,029	206,006	None	None	None	None	None	do.
Manufacturers' Life.....	40,458	907	2,543,000	905	2,342,000	1	7,000	7,000	None	None	do.
North American { General.....	204,564	1,468	2,209,689	3,826	6,536,742	15	40,064	33,064	9,000	None	do.
{ Industrial.....		None	None	186	24,648	4	284	284	None	None	do.
Ontario Mutual.....	301,662	1,948	2,412,100	8,605	10,935,090	56	75,306	63,306	14,500	1,000	do.
*Sun (Life Branch).....	407,779	1,847	2,803,349	7,141	10,846,639	50	105,026	96,064	17,892	2,000	do.
Temperance and General.....	36,450	967	1,605,600	1,099	1,840,100	1	1,000	1,000	None	None	do.
Totals for 1887.....	2,987,110	15,898	23,642,342	63,243	108,822,094	478	897,246	854,519	124,420	12,500	
Totals for 1886.....	2,498,453	11,011	20,168,159	53,900	89,904,071	407	734,702	777,670	76,110	23,000	

* Including the business outside of Canada.
† These amounts are net, re-insurance having been deducted.

Sanitary.

STATE MEDICINE—COMPULSORY VACCINATION.

(Written for THE BUDGET.)

It was once believed that a man's house was his castle, his place of refuge from all his enemies; but the compulsory vaccination laws of Ontario and New Brunswick require a man to admit the filthy cast-off pus of a diseased beast into the tissues of his body—the home he lives in—into the very citadel of his life. All men and women in Canada have an equal right to their respective religious opinions and practices. Why should they not have an equal right to their respective medical opinions and practices? Certain revolutions have taught, and are still teaching, the would-be tyrants of the world that individuals have certain inalienable, essential, undying, natural rights which inhere in and grow out of their constitutions as human beings. These rights are sacred from the touch of all persons, and ought especially to be kept unspoluted from the greedy grasp of priests, doctors and legislators.

The end and purpose of all governments is to secure to individuals, who compose the body politic, the power of enjoying in safety and tranquility these natural rights and the blessings of life. Good health, if a person be so fortunate as to inherit it or otherwise possess it, is a natural right, which one does not derive from doctors or legislators. He possesses, and it is in and of him from the nature of his being. No right is more sacredly inherent in, or more essential to, an individual than good health. No one of the blessings of life is more valuable. Surely no government has a rightful power to imperil that good health

by compelling its possessor to submit his body to the disputed theories and experiments of doctors. A man's good health is his property. It enables him to obtain a livelihood and support the government. A man's body is his property. Formerly in British colonies many men's bodies were the property of their masters, and, notwithstanding the fact that human slavery no longer exists under the flag of Britain, certain Medical Health Boards (?) hold the delusion that they are the owners of the bodies of the people, and entitled to vaccinate and revaccinate those bodies without the consent of their owners, as if unconstitutional, inhuman and tyrannical statutes could confer the right. If parliament, believing that vaccination is a public benefit, enact statutes compelling people to submit to medical outrage, and any of them be thereby injured or killed, are not such persons entitled to compensation? And if so, what shall be the compensation to the parents of an innocent and healthy child, or the healthy man or woman whose blood has been poisoned by vaccination? Parliament has no constitutional right to authorize, select or favor any corporation, profession or class to outrage the natural, inalienable, personal rights of the people, and it is nothing less than tyranny to coerce, or attempt to coerce any individual, much less all the people, to take any particular doctor's medicine or submit to his practices any more than it is its function to establish a particular religious system and compel the people to accept it. Both the one and the other are tyrannous and perverse of honest legislation.

The medical profession have never been agreed as to the efficacy of vaccination. Some doctors and some people profess to believe that vaccination prevents small-pox, and other doctors and other people, equally intelligent, that it, like other unwholesome conditions of life, tends to produce small-pox and many other diseases.

An honest respect for the natural rights of personal liberty, bodily health and the morality of the people, require that these despotic compulsory vaccination statutes, which the people never asked for, should be repealed, as were the cruel, inhuman statutes (enacted in former times at the mitigation of a tyrannical priesthood to preserve the spiritual health of the people). Leaving the people at liberty to be vaccinated is not vaccinated according as each individual may be assured in his mind. "Let every yoke be broken and the oppressed go free."

Further, the compulsory vaccination statutes now in force in Ontario and New Brunswick are unconstitutional, because they close the doors of our educational institutions to the unvaccinated. Why should the presence of healthy children innocent of vaccine pus infused into their bodies contaminate vaccinated children?

If vaccinated children are protected from small-pox surely contact with healthy, unvaccinated children cannot contaminate them. A man clad in bullet-proof armor does not make himself secure by compelling his neighbors also to use an armor. Evidently the vaccinators distrust the efficacy of vaccination; and if they distrust it, it is a monstrous tyranny to enforce it upon unwilling people. The so-called health boards of the several provinces of Canada are pressing for legislation to deprive the people of their natural right to choose their own medicine for themselves and for their children. It's not the people who ask for, or require protection, but the needy, political doctors who are personally incapable of earning their bread and butter by honest medical practice.

Dr. A. M. Ross.

MEDICAL DELUSIONS PAST AND PRESENT.

(Written for THE BUDGET.)

LESS than one hundred years ago, the delusion of inoculation with small-pox to prevent small-pox, was practised and recommended by the medical profession as vaccination is to-day. Now it is a penal offence to inoculate, as it was proved before a Royal Commission that tens of thousands of people had died from small-pox as a direct result of inoculation. This delusion swept into untimely graves more than forty thousand people in England before it was abolished!

Less than fifty years ago, the delusion of arm-to-arm vaccination was in fashion. This delusion was upheld by the profession until within the last fifteen years, when it was discarded, because it was proved beyond a doubt, before a Parliamentary Committee of the British House of Commons, that syphilis, scrofula, and other vile diseases of vile men, were transmitted by arm-to-arm vaccination from victim to victim; and there is no doubt that the bodies of hundreds of thousands of the present generation are saturated to a greater or less degree with the *scattered venom* of syphilis and scrofula, as a direct result of arm-to-arm vaccination. When arm-to-arm vaccination, like inoculation, was abandoned and relegated to the same tomb with previous medical delusions—such as the "Dried blood of a Black Cat," "Infallible Powders," made from the tails of lizards, snakes, and white puppy dogs; "King's Powders," made from dried toads and the *spittle of a reigning king*; calomel, bleeding, and other modern delusions—then the monstrous fallacy of vaccination was introduced, substituting the *putrid pus of diseased cattle* for the syphilitic and scrofulous *pus* of diseased men. *O tempora! O mores!!*

Less than thirty-five years ago, millions of human beings up to that time had gone to untimely graves, begging piteously for a cup of water to cool their parched lips, while the burning fire of fever was consuming their lives. Fathers and mothers, each in turn, had refused the agonizing appeal of their dear ones for this natural antidote, all because the doctor had forbidden it. Doctors in those days said: "Cold water is death; do not give a drop. Give the patient a dose of calomel and a spoonful of warm water." Thus parents were made actual (though ignorant) instruments in the murder of their children. Not only were fever patients denied cold water—nature's remedy—but light and pure air were also denied them; and they were drugged with calomel, physiced with jalap, depleted of their life-blood by the lancet, and starved until they gave up the ghost—a tribute to this medical delusion.

Less than twenty-five years ago, thousands upon thousands of human beings had up to that time been hurried into untimely graves by the lancet. The doctor of that period had termed the lancet his "Samson," and very properly, for with it he slew his thousands. Old and young alike were subjected to blood-letting for the most trivial ailments; thus whole generations were swept away by this bloody delusion, which, happily for the present generation, has been discarded.

Less than fifteen years ago, calomel was in continual use, and resorted to as an antidote for nearly all the ills that flesh is heir to. This horrid delusion was not discarded until it had filled the world with human wrecks, and produced untold misery and woe.

The "germ theory" is the latest fashion in medicine, and bids fair to revolutionize, if it has not done so already, the generally received opinions, in etiology and pathology. Already surgery has wheeled into line with its "antiseptic" treatment; and Therapeutics promise to follow suit with the administration of "germicides" for the extermination of the *microbes* which are affirmed to be the cause of disease. "Preventive medicine," acting on the Jennerian hypothesis, proposes the cultivation of germs with which to inoculate the healthy; that is to say, it proposes to prevent and arrest the progress of corruption by inoculating with corruption those who are healthy and clean. Small-pox is no longer to monopolize vaccination; but must share it with scarletina, diphtheria, typhoid, tuberculosis, erysipelas, cholera,

measles, malaria, and probably the whole catalogue of diseases; for if the "germ theory" be correct, its universal application in the causation of disease is only a question of time. There can be no doubt of it being shown to produce gout and ophthalmia, epilepsy and osteomalacia, rheumatism and hydrocele, pneumonia, St. Vitus dance and urticaria, psora abscess and tic-doloureux, hysteria and varicose veins, nymphomania and the "jim-jams," molities cerebrum and microphobia. The latest "scientific" therapeutics are "germicides" and "cultured virus." All that need your watchful care are your vermifuges, germifuges, subterfuges, and—*fees*. The *sine qua non* for a fashionable "scientific" physician is microbiology, the *ultima thule* in physic.

Verily the medical practice of to-day has no more foundation in science, philosophy, or common sense, than it had one hundred years ago. It is based on conjecture and improved by sad blunders, often hidden by death. A drug which forms the favorite remedy for many forms of disease at one period, will, in a short time, be discarded as inert and useless, and speedily replaced by some other, and that in its turn will soon fall into oblivion as some new medicine comes into fashion. Yes, there is fashion in medicines, and the theories on which they are adopted and administered are largely hypothetical. If the deplorable consequences which frequently result from medical blunders, delusions and conjectures were visited upon the doctors themselves it would be a righteous punishment, but unfortunately it is the people who suffer by medical fallacies; the people, who, by custom and early education, have been taught to believe "that the doctor knows best."

Let my readers think me unduly severe in my strictures on the medical profession, I beg them to carefully read the publicly expressed opinions of some of the most independent professors of the medical schools of England and America.

Dr. James Johnson, a distinguished English physician, says in the preface of one of his books: "I declare my conscientious opinion, on long observation and reflection, that if there was not a single physician, surgeon, apothecary, man midwife, chemist, druggist, or drug on the face of the earth, there would be less sickness and less mortality."

Dr. Mason Good, also a very successful London practitioner, says: "The effects of medicine on the human system are in the highest degree uncertain. Except, indeed, that they have already destroyed more lives than war, pestilence, and famine combined."

Prof. B. F. Barker, M.D., New York, says: "Instead of investigating for themselves, medical men copy the errors of their predecessors, and have thus retarded the progress of medical science and perpetuated error."

Prof. Jameison, of Edinburgh, says: "The present practice of medicine is a reproach to the name of science, while its professors give evidence of an almost total ignorance of the nature and proper treatment of disease. Nine times out of ten, our mis-called remedies are absolutely injurious to our patients, suffering under diseases of whose real character and cause we are most culpably ignorant."

Sir John Forbes, M.D., F.R.S., physician to Queen Victoria, says: "Some patients get well with the aid of medicines; more without it; and still more in spite of it."

Dr. Wakely, in the *London Lancet*, says: "How little do we know of disease, compared with what we have yet to learn! Every day develops new views, teaching us that many of what we before thought immutable truths, deserve only to be classed with baseless theories; yet, dazzled with the splendor of great names. On these theories, which have usurped the place of truth, a system of routine or empirical practice, has grown up, vacillating, uncertain and often pilotless, in the treatment of disease."

Sir Astley Cooper says: "The science of medicine is founded on conjecture and improved by murder."

Benjamin Rush, M.D., formerly professor in the Pennsylvania University, says: "What mischiefs have we not done under the belief of false facts and false theories! We have assisted in multiplying diseases; we have done more—we have increased their fatality."

Dr. Marshall Hall, the distinguished English physiologist, says: "Let us no longer wonder at the lamentable want of success which marks our practice, when there is scarcely a sound physiological principle amongst us."

Prof. W. Parker, M.D., N.Y., says: "Of all sciences medicine is the most uncertain."

Prof. Valentine Mott, M.D., N.Y., says: "In their zeal to do good, physicians have done much harm. They have hurried many to the grave, who would have recovered if left to nature."

Prof. Oliver Wendell Holmes, M.D., of Harvard University, says: "The disgrace of medicine is to-day what it has always been, a colossal system of self-deception. If all the medicines in the world were thrown into the sea it would be the better for mankind."

ALEXANDER M. ROSS, M.D.

SOLELY to please our friend of the *Insurance Journal* we will admit that perhaps we ought to have incorporated the word "knowingly" into our remark about the man who insures a building for more than it is worth, and said that "a man who knowingly writes a policy on a building for more than its value is quite as bad as the man who sets it on fire to get the insurance." There can be no question as to the criminality of a man who prompts or suggests to another to do a criminal act. And the man who insures a building for more than it is worth that he may make a little extra commission, and trusts to the sharp practices of the adjuster to cut down the amount when the loss occurs, is just as much of a rascal, except in the amount to be gained by the rascality, as the fellow who burns the building to get the insurance.—*Price Current.*

THE ELECTRIC LIGHT AND FIRE INSURANCE.

THE electrical industries of this country have hitherto received remarkably fair treatment at the hands of the fire insurance officers. When electric lighting was first introduced upon a large scale, a great deal was said as to the superiority of the incandescent lamp over gas flames in respect to immunity from fire. A fair estimate of the comparative safety of the two methods of illumination may be obtained from the consideration of the fact that, so long as the electric light apparatus remains in good condition, it must also remain a physical impossibility for a fire to break out from any cause due to electricity, but external to the apparatus itself. This is not so with gas. The pipes may all be in good order, there may be no leakage, no immediate menace of fatality either from carbonic oxide poison or from an explosion, and yet the presence of a naked flame must always constitute a certain element of risk, even when the pipes and fittings are perfect. Under these circumstances, it might at first be inferred that, when the fire insurance offices placed the electric light upon the same footing as gas, they did not, after all, treat the new comer as well as he deserved. It must, however, be recollected that insurance offices are accustomed to conduct their business to calculate their premiums, and apportion their risks with mathematical accuracy. The voluminous records of accumulated years enable them, by the "law of probability," to foretell with the utmost accuracy, for several years in advance, what will be the average losses from each class of risk. When, however, a new risk, such as that of electric lighting, arises, having no experience of their own upon which to proceed, they have at first nothing to guide them but the statements of those who are probably more or less interested in the question. Undoubtedly the larger fire insurance offices were enabled fully to appreciate the theoretical side of the question. They were prepared to endorse the statement that, so long as all went well with the wires and other apparatus, so long was it a pure impossibility for a fire to be caused by the electric current. They merely wished to have a little practical experience of the system, so that they might be in a position to estimate the risk of such apparatus *not* remaining in proper condition. In the meantime, we think that it cannot be considered other than a very fair proposal when the companies offered to accept electricity upon the same terms as gas. In the course of a few years they will have obtained sufficient data to calculate for themselves the exact risk from this source, and we will look forward to such a re-adjustment of the scale as will prove a stimulus to the mode of lighting, which all agree to be the best in itself, and which we cannot but think to be more in accordance with the scientific development of the nineteenth century. Meanwhile, the Phoenix Office as taken the lead in issuing a set of rules or conditions to be observed in the installation of electric light in any building insured by them. These rules have been adopted by all other English companies. As both the insurance offices and the electrical companies have become better acquainted with the practical details of the subject, revised sets of rules have from time to time been issued. The eighth addition has now appeared, and this contains clauses relating to the introduction of "secondary generators"—a class of apparatus which, upon the observance of one or two very simple conditions, will be admitted upon the same footing as all other electrical apparatus. It is a remarkable fact, and one which will, some day, call for investigation, that while the board of trade rules fix the limit of potential which may be introduced into any building at 200 volts, the fire insurance offices, whose personal interests are immediately at stake, lay down no general rule upon this point. They are prepared to treat each case upon its own merits, and, under suitable condition, they have already sanctioned the employment of a difference of potential amounting to over 2,000 volts within a single building. The board of trade, in fixing the limit at 2,000 volts, were guided more by considerations of what was then supposed to be dangerous to human life, than by the danger of fire. But it is tolerably safe to say that no difference of potential can be dangerous to life which is not also dangerous to property. In any case, there can be no doubt that the insurance offices have adopted the more judicious course in refusing, for the present, to fix any definite limit.

The manufacturers of electrical apparatus, whether in the shape of heavy electrical engineering work, or in the lighter departments of the industry, have also nothing to complain of with regard to the action of the fire offices. They are at liberty to employ the electric light or not, just as they please. In estimating the risk incurred, the insurance companies simply ignore the presence of electricity, and deal with each establishment, either on the basis of a factory working in wood—as in the pattern shops, or else as employing inflammable materials—as in the winding-rooms, where varnish is freely applied. From 20s. to 25s. per cent. is about the average premium paid by such factories.

Upon the other side of the Atlantic, however, things are not nearly so satisfactory for the electric lighting industry. Their fire insurance premiums are three or four hundred per cent. higher than those above quoted. Much dissatisfaction has long prevailed upon this account, and, at last, action has been taken with a view to resorting to what we cannot but consider the very hazardous expedient of a mutual insurance company. A circular has been issued to the trade, embodying such a proposal, and endorsed by the leading electrical companies of Boston. The subject was to be fully discussed, and some decision taken, at the general meeting of the American Electric Light Association at Detroit. We term this a hazardous proceeding, simply because experience has shown that, except in the case of the most largest and extensive industries, it is not possible to make the mutual system a financial success. It is a fundamental principle of fire insurance, never to retain more than a certain limited risk upon one building, and it is a well-known

fact that the large offices in this country invariably re-insure among themselves to such an extent that they seldom individually lose more than £5,000 to £10,000 upon any one fire. But a mutual company is precluded from distributing their risk, and they cannot claim any assistance from the established offices. The result, in this country at least, has been that although such a company may, by good fortune, sail pleasantly along perhaps for years at a time, yet, when the bad time does come, they invariably go to the wall. Of course, the larger the industry, the more widely the risks are distributed, and the longer is the enterprise likely to survive. But even in the case of so huge an industry as that of the millers' the system has proved unworkable in this country. In America, they are encouraged by the success which has hitherto attended the operations of the "factory mutuals," where, by good management, the working expenses are, at present, very nearly paid out of the interest on the accumulated premiums. But this is a very much larger concern than the proposed mutual insurance of electric light firms, and, consequently, no guarantee for the success of the latter. —*Industries.*

MANUFACTURERS' LIFE INSURANCE COMPANY.

The first annual general meeting of the Manufacturers' Life Insurance Company was held in the council chamber, Board of Trade Rooms, Toronto, on Tuesday, 17th of January current.

The president, Right Hon. Sir John A Macdonald, occupied the chair, and Mr. J. B. Carlile, managing director, acted as secretary.

At the request of the chairman the report was read to the meeting by Mr. J. F. Ellis, one of the directors. It is as follows.

REPORT.

"The directors have pleasure in announcing at this their first annual meeting, that the operations of the company during the five months of its history have been of a most satisfactory character, having far exceeded in importance their most sanguine expectations.

"A year ago our company was not in existence. About that time our indefatigable managing director, Mr Carlile, was beginning to think that there was room for another life insurance company in Canada, and with him, to think was to act, so that during the year just past, obstacles that seemed almost insurmountable have been overcome, and results accomplished which are usually only reached by years of steady application.

"Since then the charter has been obtained from the Dominion Parliament. Capital stock to the amount of \$621,000 has been subscribed; \$126,800 of which has been paid up. All the intricate forms incident to the organization and carrying on of the business of a life insurance company have been prepared; its plans have been in the main part devised; its tables of rates have been calculated, and among its schemes we find some hitherto adopted by no other company, but all bearing the endorsement of some of the ablest actuaries on the continent. Its agency department has been so far organized that it forms a complete network over the whole Dominion, only needing a slight revision to make it equal in all respects to the other organizations which it has taken other companies years to build up. So rapidly, and so quietly has all this been accomplished, that the statements which are made here to-day are almost incredible. The company issued its first policy on the 19th day of August, 1887, leaving less than five months for active operations in procuring business.

"The best efforts of our valued staff of agents have been put forth in the meantime with results never before approached in the history of life insurance.

"On the 29th day of December the business aggregated the handsome sum of \$2,564,500, on which the annual premium is \$90,000. In closing our books on the date mentioned, we had in view the requirements of the insurance department, as we could have readily put on our books—had we chosen to keep them open until now—over \$3,000,000.

"Indeed, we can say that the insurances already written exceed that amount. We preferred, however, to close our books promptly, believing that nothing is gained by issuing policies up to the first of March in any one year, and crediting the business to the previous year.

"We have been called upon to pay one claim for \$7,000 under a policy on the life of our first agent, the late Andrew Wilson, in whom the company has lost one of its most efficient workers, and whose place it will be difficult to fill.

"Although it is an unusual course for new companies to pursue, we decided to submit our policies for valuation to an independent actuary, a gentleman of high character and undoubted ability, and his report is before you to-day in the company's general report, showing that a handsome surplus still remains, after providing for all our liabilities, including the statutory reserve on the policies, and in addition thereto a contingent fund. Of the large item for promoting the company, but \$3,355.73 remains unprovided for, which is a most satisfactory state of things, when it would not have been unprecedented had our capital stock been impaired at the end of the first year. We therefore congratulate the stockholders on the very satisfactory state of their account.

"The company received 1,035 applications for insurances, amounting to \$2,878,000, there were 915 for \$2,564,500, with annual premium amounting to \$62,000, which were accepted and issued, others amounting to \$119,500 upon 81 lives have been declined and applications for \$115,000 were in course of completion at the date of the report.

"The report would be incomplete did we not tender our thanks to the agents of the company everywhere, for their extraordinary efforts on behalf of the company, and also to the office staff, for whom no hours seemed

to be too long; no work too heavy. All have borne their fair share in bringing about this satisfactory state of things.

"All the directors retire, but are eligible for re-election.

"JOHN A. MACDONALD,
President.

"GEO. GOODERHAM, } Vice-Presidents."
"WILLIAM BELL, }

Sir John A. Macdonald moved the adoption of the report. Mr. T. G. Blackstock, in seconding the motion, said that since the figures of the report had come before his observation as a member of the executive committee he had taken some pains to compare the position which the company occupied after five months' business with that of other Canadian companies of reputation and financial standing of which they were all, as Canadians, justly proud. He found that there was on the first day of January, of this year, as much business upon the books of the company as many Canadian life companies had after being years in the field. It was due to the policy-holders to say that the cheaper the institution could be run the more money there would be to divide between them in the shape of a reduction of premiums. The speaker knew that there was a very great difference between the conditions now existing in life insurance matters and those which existed years ago when the Canada Life Insurance Company was incorporated.

At that time the only insurance offices in this country were branch offices of British companies. The persons who were insured at that time were the persons who presented themselves voluntarily at the offices of these companies and solicited insurance. At the present time this is not the way in which business is done. If a man makes up his mind that it is the wisest plan to insure his life he will not get down town before he will have presented to him a half dozen different schemes of insurance. At the time the other companies were started some sixteen or seventeen years ago competition had become very keen. The American companies had also opened agencies in this country and entered into competition, but at the same time the competition was hardly what it is at the present time. It was really remarkable that the Manufacturers' Life Insurance Company had been able to make such progress during the five months which they had carried on business. It was, however, to be noted, according to the government returns of the insurance business, the business was increasing with great rapidity, and that the business of the Canadian companies exceeded that of the foreign companies, which showed that our people had increased confidence in the stability of our own institutions. He thought then, while seconding the adoption of the report, that it was only fair to the policy-holders that he should refer for a moment to the schemes of life insurance which they had adopted. These schemes had all been worked out by their manager, Mr. Carlile.

The executive committee at once submitted the plans of insurance to two actuaries of the highest standing, and, having gone over them carefully, each gave a certificate endorsing these plans in glowing terms. He thought the financial statement was a most satisfactory showing of this company during its first five months of its existence. This justified the hope that their success would continue. With the same amount of attention to business which had been evidenced in the past, this company will occupy, in a very short period, as good a position as any company on this continent. It was only a matter of a little over forty-four years ago that the largest insurance company in the world commenced business. At that time its only capital was its first premium, and after struggling along for a number of years in a quiet sort of way it eventually forged its way to the front, and to-day that company has assets to the extent of one hundred and sixteen millions of dollars. The Manufacturers' Life Insurance Company might before very long extend their business to the other side of the line and take a prominent position and become one of the best life insurance companies on this continent. He thought any remarks from any member of the executive would be imperfect which failed to emphasize the feeling which they all had, of indebtedness to their general manager, Mr. J. B. Carlile. He had heard some people say: "There is only one Carlile, and we have him." At any rate, in season and out of season, in favor or out of favor, Mr. Carlile's zeal had never flagged, and his energy had never tired. Not only had he brought a vast amount of experience to the management of the affairs of this business, but he had succeeded in introducing a great deal of his own enthusiasm into his large body of agents, than whom, the speaker thought, there were none better throughout this country.

Addressing the chairman, the Right Hon. John A. Macdonald, the speaker said: I desire also to express our obligations to you, sir, considering the fact that in times past you have not been willing to give the weight of your name to incorporated enterprises, that you have done so in this instance, I think it must be a source of gratification to you to know that the good fortune which has seemed to follow you in other matters with which you have been identified, has not failed you in this instance, and the affairs of this company and all concerned depend a great deal on you to-day. I can only express the hope that at some future time, I trust at some distant day, such as I have heard you allude to, when you leave this scene of earthly labors for a higher sphere, when the people speak of your great labors in this Dominion, they will not regard this as the least enterprise with which you have been connected. The report was adopted unanimously.

Mr. E. M. Chadwick then moved a vote of thanks to the retiring directors, which was seconded by Mr. Clark and unanimously carried.

Mr. J. F. Ellis thanked the meeting on behalf of the directorate for the hearty manner in which they had passed the vote. Personally as a director, he had taken a very keen interest in the success of this new company. They all knew, of course, that the president, who had many

public duties, could not give to the company that personal supervision that a president was usually expected to give, but at the same time, his advice and his personal popularity had been a tower of strength to the company in the conduct of business. The two vice-presidents, Mr. Geo. Gooderham and Mr. Wm. Bell, had ably assisted the managing director in carrying on the daily details of the business; they had been always ready at his call for advice and assistance and he was sure that these two gentlemen, with their active and constant work, have done a great deal towards the success of this company. Of course, the success of a new enterprise depended in a great measure if not almost entirely, on the manager. And they all agreed with what Mr. Blackstock had said of the energy and enthusiasm with which Mr. Carlile had entered upon the work and added to the success of this company. In fact he had infused that energy into everyone who had anything to do with it. The company's staff of agents seemed to be alive. They worked with energy and will. Perhaps some of those present, in looking over the report presented to-day, would notice that the expenses incurred in carrying on the business of the company, had been put at \$28,708.68. Of this sum \$7,000 had been paid as a death claim. For comparison perhaps it would be well to see what the other companies had been doing in the way of expense. In the government returns they would find that for every \$100 of new premiums received by the Canadian life companies last year the expenses had been \$79. He thought this was an extraordinary comparison considering the expense incurred in promoting the new company. This showed how cheaply the business had been conducted when everyone connected with the company had that object in view. In fact one place where a great saving had been made, was in the amount of insurance effected at the head office. Out of the two and a half millions business, over half a million had been done from the head office, that of course they would quite well understand was through the personal efforts of Mr. Carlile, the managing director. They could all see what a wonderful difference this made upon current expenses. He did not think they could feel too proud of the position this company had now taken among the life insurance companies of Canada. He felt sure that they would prosper in a like manner in future.

Mr. Clark then moved a vote of thanks to the medical directors of the company. In making this motion, he said he saw by the report, that out of 1,035 applications for insurance 81 had been declined, in addition to a large number deferred. They all knew the great responsibility which rested upon the medical gentlemen as part of the staff of an insurance company. The resolution was seconded by Mr. J. B. Armstrong, and carried.

Dr. J. F. W. Ross, in reply to the resolution, explained the grounds upon which these applications were refused. They were particular to secure the best medical examiners in the country, and some of these physicians were employed by the best companies doing business in Canada.

Mr. J. B. Armstrong moved a vote of thanks to the auditors of the company, Messrs. H. J. Hill and Edgar A. Wills. The motion was seconded by Mr. S. F. McKinnon.

Mr. H. J. Hill responded on behalf of the auditors. They had, he said, been most careful in auditing every item of the company's affairs. They had been somewhat exacting in their demands, but had been promptly met by the managing director, who gave every information, to the great satisfaction of the auditors. He thought it was due to the staff in Mr. Carlile's office, that they were a body of men that any company might be well proud of. In checking over the accounts in their books, notwithstanding the enormous amount of business which passed through the books during the past few months, the auditors did not find a mistake of a single cent. The office of the company had been visited at all hours of day and night, and the staff was on hand to keep abreast with their work. The speaker trusted that they had done their duty properly. He was sure that they had the desire and hoped they had the ability.

Mr. R. L. Patterson, in a humorous yet stirring speech, moved a vote of thanks to the agents and inspectors of the company. As chairman of the agency committee he could say that the agents had done their duty, and they had done it well. He would like to see them continue with the company. They had made the prosperity of the company an object, and, at the same time, the prosperity of the company meant their own prosperity. Their managing director, he might say, fully appreciated the services of the agents. Insurance agents, in his opinion, were much maligned individuals, because, in his belief, they were a benefit to mankind. He respected the life insurance agent; he respected him for his integrity and industry; for the manner in which he could talk up his own company, and lastly, he respected him also for his motives. Mr. Robt. Crean seconded the resolution, which was carried with applause.

Mr. J. D. Henderson replied on behalf of the agents. He thanked the shareholders as well as the policy-holders present for the enthusiastic way in which they had carried the resolutions just adopted. He desired to say in a few words, respecting this company with which he had been connected since it started. They had had it not been for the success in a very short time. He believed that had it not been for such energy of the managing director, they could not have met with such great success, but he was alive to the fact of the great benefit derived by the company, from the connection with it of the honorable gentleman who occupied the chair. He had to say in addition, that the people of Canada would not have had that confidence in the company which they now had were it not that the Right Honorable Premier of the Dominion was at its head. The people had confidence in such men as Sir John A. Macdonald, Geo. Gooderham, Wm. Bell, and other prominent officers of the company, and with such men at their head, the work of the agents had been made comparatively easy. The agents

had no trouble whatever in getting good policies and very good premiums, and this was chiefly due to the confidence inspired by names referred to. On behalf of the agents he could say, that the company would receive as much energetic work as has been received in the past, and he only hoped that the company would have the same success in the future as they have had in the past.

Mr. J. F. Mathieson said that it was not in the capacity of an agent that he arose to address the meeting, but of a policy-holder. It was the name of Sir John A. Macdonald, the veteran statesman, who had received such numerous public honors, that was the strength and power of the company and consequently the task of the agent was quite an easy one. The managing director, Mr. Carlisle, possessed a wonderful amount of magnetism and he had given his agents the same magnetic powers which he possessed. The company, they all knew, had already been established in the confidence of the Canadian people.

Mr. John Massey then moved a resolution expressing the gratification which policy-holders feel at the founding of the Manufacturers' Life Insurance Company. As a policy-holder he could only say that he had found the policy of this company more liberal and satisfactory than any of the other policies which he had held. He felt sure that with this company they had the maximum of insurance for the minimum of premium. He believed the company would go on prospering from year to year, in the way Mr. Blackstock had spoken of, and soon become one of the leading insurance companies of Canada and one of which Canadians might well be proud.

Mr. Wm. Bell, one of the vice-presidents, then moved a vote of thanks to the policy-holders for their efforts in assisting the company. He said that if every policy-holder introduced into the company one new policy-holder during the ensuing year, it would maintain its successful position among the companies of Canada. The annual report just read showed the great extent to which policy-holders had appreciated the company. He hoped this confidence would be continued and if so the success of the enterprise was sure.

Mr. Alex. Manning seconded the resolution, which was unanimously adopted.

Mr. L. A. Morrison thanked the meeting on behalf of the policy-holders. He had heard of the proposed company before it became an incorporated body. The great point in favor of the Manufacturers' Life Insurance Company was that claims were paid without delay. Some companies paid over the money ninety days after the death had been proved to their satisfaction, but this company paid one large claim, to his knowledge, on the very day the proof arrived. He hoped to see the day when insurance would be better appreciated by the masses of the people, when larger policies would be taken, and when mechanics and clerks would carry from two to ten thousand dollars each upon their lives.

Mr. Frederic Nicholls then moved a vote of thanks to the office staff for the careful and enthusiastic manner in which they had performed their duties since the formation of the company.

Mr. Robert Crean seconded the motion, which was unanimously adopted.

Mr. Martin, accountant, replied on behalf of the staff, stating that the staff would do all in their power to assist the president and directors to carry on the business of the company with as much success in the future as in the past.

The election of directors for the ensuing year was then proceeded with.

ANNUAL MEETING OF THE WATERLOO MUTUAL FIRE INSURANCE COMPANY.

The annual meeting of this company was held in the board room on Thursday, 5th January. Among those present were: Messrs. Charles Hendry, president, I. E. Bowman, M.P., James Livingstone, M.P., John Shuh, J. L. Wideman, N. Killer, C. Bowers, Thomas Gowdy, J. Kalbfleisch, Thomas Cowan, B. Devitt, Wm. Snider, C. Bricker, Dr. Webb, Wm. Hawke, John Alchin, H. D. Tye, W. H. Bowlby, Simon Snyder, Allan Bowman, I. D. Bowman, J. M. Muir, H. L. Janzen, Geo. Randall, F. Colquhoun, and others.

The president occupied the chair and proceeded to read the secretary's financial and other statements and the directors' and auditors' reports.

THE SECRETARY'S FINANCIAL STATEMENT.

<i>Receipts.</i>	
Balance in hand, per statement, 31st Dec., 1886.	\$ 83,160 75
Premiums and assessments.	106,289 48
Re insurance claims, interest, rent and transfer fees	8,361 27
	<u>\$197,811 50</u>
<i>Expenditures.</i>	
Losses	\$ 75,784 06
Rebates, cancellations, commissions to agents, and re-insurance	26,313 13
Salaries and directors' fees	7,219 30
Miscellaneous expenses	5,586 25
Balance on hand	82,908 76
	<u>\$197,811 50</u>

<i>Assets.</i>	
Real estate	\$ 14,593 93
Mortgages	40,820 00
Debentures	11,915 00
Deposit receipts (Molson' Bank).	1,670 00
Bills receivable	2,874 03
Assessments in course of collection	2,617 03
Agents' balances	1,527 91
Office furniture	475 73
Unpaid rent	58 33
Molson's Bank, account current.	6,238 22
Cash	118 58
	<u>\$ 82,908 76</u>

<i>Liabilities.</i>	
Unadjusted losses	\$ 7,795 00
Re-insurance fund, to provide for all outstanding risks	56,200 00
	<u>\$ 63,995 00</u>
Balance of assets	18,913 00
Balance of assets	\$ 18,913 00
Accrued interest (not due)	1,950 26
Premium notes, less premiums and assessments paid thereon	177,211 15
	<u>\$198,080 41</u>

(Signed) C. M. TAYLOR, Secretary.

DIRECTORS' REPORT.

To the Members of the Waterloo Mutual Fire Insurance Company:

GENTLEMEN,—The directors of your company beg to lay before you their report for the year ending the 31st December, 1887, being their twenty-fifth annual report.

There will be submitted for your consideration and disposal the several detailed statements of your secretary and auditors. From their statements we have prepared the following synopsis of the company's transactions:

During the past year we have issued 5,597 policies. The total number of policies in force is 12,627. The aggregate amount insured under these policies is \$11,675,613. The amount paid for losses is \$75,784.06. The total assets of the company are \$262,076.17. The amount required to re-insure all outstanding risks on the cash and mutual systems is \$56,200, to which must be added losses unadjusted at the close of the year, viz., \$7,795, leaving a balance of assets above all liabilities of \$198,080.41.

It will be seen that the amount paid on account of losses by fire was considerably in excess of the previous year. As a reason for this we have only to refer to the well-known fact that in all parts of our country the fires were more frequent and the losses very much heavier during the past year than the one preceding it.

We are pleased to be able to state that in looking over the list of losses there is no evidence of any laxity in the care of your officials, whose duty it is to supervise the acceptance of all applications for insurance.

We find, also, that the experience of this company, in respect to excessive losses, has been the experience of a very large proportion of the companies doing business in this country. It is a matter for congratulation, however, that each of the four years, closing the first quarter of a century of this company's existence, shows a marked increase in the volume of business transacted and that in every respect the company's standing to-day is such as to entitle it to the fullest confidence of the insuring public.

We conclude this report by calling your attention to the two main objects of this meeting, viz., to dispose of the several statements about to be read to you and the election of five directors. The retiring directors are, Messrs. Hendry, Gowdy, Cowan, Killer and Livingstone, all of whom are eligible for re-election.

Signed on behalf of the board,
CHARLES HENDRY, President.

AUDITORS' REPORT.

To the President, Directors and Members of the Waterloo Mutual Fire Insurance Company.

GENTLEMEN,—We beg to report that we have carefully examined the books and accounts of your company for the year ending the 31st day of December, 1887, and compared them with the vouchers therefor, and that we have found them correct.

We have also examined the various securities for investments held by your company and find that they correspond with the statement herewith submitted.

J. M. SCULLY, } Auditors.
D. L. BOWMAN, }

Waterloo, 10th January, 1888.

The president moved the adoption of the various reports and Mr. B. Devitt seconded the motion, which was carried unanimously.

Messrs. Allan Bowman and J. L. Wideman were then appointed scrutineers for the election of directors. The scrutineers' report showed Messrs. Charles Hendry, N. Killer, James Livingstone, Thomas Gowdy, and Thomas Cowan, the retiring directors, to be re-elected. For auditors, Messrs. Allan Bowman, D. L. Bowman, J. M. Scully and

Ben. Devitt were nominated. On a vote being taken D. L. Bowman and Ben. Devitt were elected.

Mr. I. E. Bowman moved and Mr. H. L. Janzen seconded, that the remuneration of the president and the directors be the same as last year. Carried. Mr. Cowan moved and Mr. Gowdy seconded a vote of thanks to the agents and officials of the company for their faithful services during the year. The meeting then came to a close.

At a meeting of directors, subsequently held, Mr. Charles Hendry and Mr. George Randall were unanimously re-elected president and vice-president, respectively.

THE CANADIAN MUTUAL AID ASSOCIATION.

Assessment System Life Insurance.

ANNUAL MEETING.

The seventh annual meeting of the above company was held in the company's office, on Thursday, the 19th inst., the president, Mr. Rennie, in the chair. In opening the meeting the president referred to the large increase of business over that of the previous year. The new business, new policies issued being 20 per cent greater, while the death rate was 12 per cent lighter. The lapse rate was also lighter, the result being a large increase in the membership of the Association.

Insurance has been given at a very small cost, compared with that of stock companies, about one-third. Security under our system of insurance we consider equally good. The benefits thus afforded, of reliable insurance at reasonable cost, is becoming appreciated by the public, hence the large increase in our business last year, and the prospect of still greater increase the coming year.

The death rate of 1887 being so much lighter than that of 1886, shows the fallacy of the argument used by representatives of old-line companies and others in their attempt to under-rate the principle of Assessment Insurance. The general cry that the death rate will increase with the age of the company is not correct. Certainly it will increase for the first few years of any company, but will soon reach the maximum, as in our case, when the usual average death rate may be expected, and will be kept at that rate thereafter. Of course this all depends upon care in selection of risks and the addition of new members, which applies to all systems of insurance, Old-Line as well as Assessment Insurance.

The cost of life and disability insurance per thousand dollars, for the year 1887, was as follows:

Age.	Yearly Cost.
From 25 to 30 cost per \$1,000.....	\$ 7.59
31 " "	7.70
32 " "	7.82
33 " "	8.05
34 " "	8.16
35 " "	8.28
36 " "	8.51
37 " "	8.62
38 " "	8.74
39 " "	8.97
40 " "	9.20
45 " "	10.35
50 " "	11.50
55 " "	15.41
60 " "	23.00

This cost covers death claims and total disability claims, and the amount set apart for Reserve Fund and Disbursement Fund, being the total cost for the year exclusive of annual dues.

During the year a special effort has been made to extend business to the Maritime Provinces and Manitoba with marked success, having fortunately secured the services of some capable and earnest men in these provinces. Our staff of agents is larger and more efficient than ever. There being increased confidence established as a result of careful management, persevering energy and prompt payment of legitimate claims, the accumulation of a large Reserve Fund giving back-bone to certificate contracts, we anticipate a prosperous business for 1888. Along with the agents we ask the hearty co-operation of members. Every good risk added gives strength to the Institution and permanent value to certificates.

FINANCIAL STATEMENT.

CERTIFICATE STATEMENT

Applications for insurance received 1887.....	1174
Policies issued 1887.....	1097
Representing insurance to amount of.....	\$1,866,200
Applications not accepted.....	77
Number of deaths during the year.....	34
Total Disability claims paid.....	.4
Present membership (Dec. 31st, 1887).....	3904
Amount of insurance in force Dec. 31st, 1887.....	\$8,479,625

Assets.

Amount loaned upon real estate by mortgage, first lien.	
(Reserve Funds).....	\$26,300 00
Cash at Head Office.....	\$ 137 39
Cash in banks.....	8,588 12
Agents' ledger balances.....	1,442 98
	<u>\$10,168 49</u>

Interest due on mortgages.....	621 00
Interest accrued.....	366 86
	<u>\$ 987 86</u>
Amount due from members on assessment to be made for claims accepted (estimated).....	17,200 00
Furniture and fixtures.....	250 00
Total assets.....	<u>\$54,906 35</u>

Liabilities.

Claims for death losses:	
1. Due and unpaid.....	None
2. Adjusted but not due.....	\$14,525 00
3. Unadjusted but not resisted.....	5,000 00
Resisted, in suit.....	1,300 00
	<u>\$20,825 00</u>
Due on account of general expenses.....	2,542 98
Total liability.....	<u>\$23,367 98</u>
Surplus to credit of Policy-holders.....	<u>\$31,538 37</u>

Income.

Gross amount paid by members to the Association, or its agents (this represents the total amount paid by applicants, but as agents retain their fees, only a portion of this comes to the head office. * That amount retained by agents will be seen under expenditures.)	
Membership fees.....	\$11,721 02
Annual dues and expense assessment, and for changing policies.....	9,460 86
Received after assessment closed, placed to reserve.....	174 28
Collected on assessments for the year.....	71,372 52
Total paid by members.....	<u>\$92,728 68</u>

Interest.

Reserve Fund.....	\$ 670 85
Mortuary Fund.....	92 80
	<u>\$ 763 65</u>
Total income.....	<u>\$93,492 33</u>
Amount on hand at beginning of year.....	6,097 70
	<u>\$99,590 03</u>

Expenditure.

Cash paid for death losses.....	\$61,124 72
Cash paid for Total Disability claims.....	3,650 00
Legal expenses.....	437 33
	<u>\$65,212 05</u>
NOTE—Of the above payment of claims the amount of \$6,591.30 was upon claims for assessment No. 6 of 1886, not paid at the close of the year.	
Commissions and fees retained by agents from membership fees.....	\$ 9,360 69
Cash paid for salaries and other expenses of officials, including general agents.....	7,153 54
Cash paid for rent and taxes.....	374 98
Cash paid for postage, printing, stationery, etc.....	\$16,889 21
	<u>\$ 3,740 89</u>
Total expenditure.....	85,842 15
Amount of cash on hand.....	2,278 67
Carried to "Reserve and Disbursement Fund".....	11,469 21
	<u>\$99,590 03</u>

"RESERVE AND DISBURSEMENT FUND."

Special reserve at close of 1887.....	\$22,798 85
Interest received and accrued.....	919 71
Total Reserve Fund.....	<u>\$23,718 56</u>
Disbursement Fund.....	9,277 14
Interest received and accrued.....	739 00
Total Disbursement Fund.....	<u>\$10,016 14</u>
Total "Reserve and Disbursement Fund".....	<u>\$33,734 70</u>

WM. RENNIE, President. W. PEMBERTON PAGE, Secy-Manager.

AUDITORS' REPORT.

To the President and Directors of The Canadian Mutual Aid Association.

GENTLEMEN,—We have carefully audited the books and accounts of your Company, also compared vouchers with expenditure, for the year ending 31st Dec., 1887, and have found them correct. We have also examined all bonds, mortgages and securities, and have much pleasure in certifying to their accuracy as shown in foregoing report.

JOHN PETERS, Hastings, } Auditors.
JOHN WALES, Oakville, }

Toronto, Jan. 19th, 1888.

Announcement, 1888

For months past **THE BUDGET** printing office has been overcrowded with work. But, in order to start the New Year well, we have increased our facilities, and are now ready to fill all orders promptly and as satisfactorily as ever. We have almost doubled our supply of Job Type, the new importations including the very latest designs from the best founderies. We have added a new Job Press which, for general work, cannot be excelled. Also, we have just placed in position a large two-revolution press from the celebrated Campbell Works, in New York. This machine has all the latest improvements, and is as fine a press as there is in the Dominion. The present issue of **THE BUDGET** is the first turned out on this press, and we confidently exhibit it as a

SAMPLE
—OF—
GOOD WORK

Insurance Forms are a specialty with us. Our knowledge of office work, and the experience of our workmen in printing this class of documents, enable us with special confidence to solicit orders in this line. In Noteheads, Circulars, and other Fine Work, our productions are unexcelled. Agents desiring a finer class of printing than their local office can supply, should write to us. Managers will consult the interest of their companies by entrusting us with their orders.

We have made it a rule to do everything well, consequently the best attention of good workmen will be given the smallest order, just as to the greatest piece of work entrusted to us.

THE BUDGET Printing and Publishing Co.

JOHN FORSYTHE,
Valuator, Adjuster and Ins. Inspector,
308 KING STREET - LONDON, ONTARIO.

Fire losses on buildings promptly and carefully valued
and Adjustments made.

SPECIALTIES:
Factories, Mills and Machinery.

"The Bell Organ"

Is pronounced the best by all our
Principal Professors.

Send for Catalogue before buying.

➡ **SIXTY DIFFERENT STYLES.** ➡

W. BELL & Co.,

GUELPH ONT.

THE LONDON MUTUAL FIRE INSURANCE CO. OF CANADA.

The Successful Pioneer of Cheap FARM and RESIDENCE Insurance.
Financial Statement 31st December, 1884, shows Assets, \$365,541.32.

Over 41,000 Members. Nearly 15,000 Policies issued in 1884.
The only "Fire Mutual" licensed by the Dominion Government. Takes risks on Farm Property, and on Private Dwellings in City, Town or Village on more favourable terms than any other Company.

HEAD OFFICES: 438 RICHMOND ST., LONDON, ONT.
JAMES ARMSTRONG, M.P., President. JAMES GRANT, Vice-President
W. R. VINING, Treasurer. C. G. CODY, Fire Inspector.
D. C. MACDONALD, MANAGER.

The "London Mutual" does a larger business in the Insurance of Farm Property and Private Residences than any other Company in the Dominion, and has done the same for now over a quarter of a century. Parties intending to insure should give this "old and tried" Company the preference for until it was established, the stock Companies, having all their own ways charged the owners of farm property and private residences high rates to make up for their losses on more dangerous classes of property; this is changed now, through the efforts and working of the successful "London Mutual." For reports or insurance apply to any of the Agents, or address the Head Office.

THE CITY MUTUAL FIRE INSURANCE CO.

HEAD OFFICE:
LONDON, ONTARIO.

JAMES COWAN, Esq., President.
THOMAS C. HEWITT, Esq., Vice-President.

THIS Company having been licensed by the Provincial Government to do business, on either the Cash or Mutual plans, is now insuring all classes of property at fair and equitable rates of premium, based on experience and according to the nature of the hazard, every consideration being given to all modern improvements for the prevention of fires.

AGENTS WANTED IN ALL UNREPRESENTED LOCALITIES.

APPLY TO

HUGH VALLANCE,
Secretary.

SECURITY The Natural System of Life Insurance. **ECONOMY**

The Dominion Safety Fund Life Association, ST. JOHN, N. B.

FULL DOMINION DEPOSITS.
The only regular Company in the Dominion devoted to pure Life Insurance.
PRACTICAL EXPERIENCE. ——— **UNPARALLELED RESULTS**

TWELVE PER CENT. Dividend annually, in reduction of natural cost now enjoyed by those enrolled in 1881. Our Annual Dividend larger than that declared by any other Company after (5) five years enrollment.

SPECIAL FEATURES.

MUTUAL INSURANCE, but security of Trust Fund guaranteed by a fully subscribed Capital of \$120,000.

INSURANCE AT NATURAL COST ONLY, without any loading what ever, for an indefinite Reserve Fund.

TONTINE PROFITS FROM THE SAFETY FUND, after five years enrollment, in reduction of cost Insurance.

FULL ENDOWMENT FROM THE SAME FUND, under the conditions set forth in the Policy.

Commended and Endorsed by the entire Insurance Press of Canada.
Active First-class Agents Wanted. } **CHARLES CAMPBELL,**
Apply at Head Office, St. John, N. B. } **Secretary**

AGRICULTURAL INSURANCE COMPANY OF WATERTOWN, N.Y.

Capital	\$500,000.00
Assets	\$1,650,057.00
Government Deposit	\$120,000.00
Losses Paid	\$4,000,000.00

Non-hazardous Property only Insured.

M. A. PENNINGTON, 97 James St. N., Hamilton, Agents for Hamilton and Co. Wentworth.
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Agents wanted in all unrepresented localities. Apply to
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LLOYD'S PLATE GLASS INSURANCE CO.

Insure Plate Glass against accidental breakage. The most prompt in replacing glass when broken, and most progressive, and does the largest business of any Plate Glass Insurance Company in the world.

The gross assets on the 1st of July was \$241,347, and \$5,000 deposited with the Dominion Government as security for the Canadian policy-holders.

Rates as low as any other company. AGENTS WANTED.

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THE United States Life Insurance Co.

IN THE CITY OF NEW YORK.

(ORGANIZED IN 1850.)

261, 262 & 263 BROADWAY, NEW YORK.

GEO. H. BURFORD, - - President.

C. P. FRALEIGH, **A. WHEELWRIGHT,** **WM. T. STANDEN,**
Secretary. Assistant Sec'y. Actuary

Increase in assets over	\$100,000
Increase in new business	40 per cent.
Increase of business in force	\$2,400,000

POLICIES INCONTESTABLE **CLAIMS PAID PROMPTLY**
TEN DAYS' GRACE **ABSOLUTE SECURITY**

The most liberal and equitable contract consistent with recognized business principles.

GOOD AGENTS, desiring to represent the Company, are invited to address **J. S. GAFFNEY,** Superintendent of Agencies, at Home Office.

THE LEADING INDUSTRIAL INSURANCE CO. ON THIS CONTINENT.

AGENTS WANTED BY THE
Metropolitan Life Insurance Co.

FOR ITS PLAN OF INDUSTRIAL INSURANCE.

This plan embraces all the members of a family, male and female between the ages of 1 and 70. Premiums from 5 to 60 cents per week. Claims paid immediately at death. Dues collected weekly from the homes of members.

Benefits range from \$14 to \$1,000 and upwards. The assets of the Company amount to Three Millions of Dollars, and its surplus, Seven Hundred and Fifty Thousand.

All needed explanations will be furnished upon application to the Company's superintendent, or to the Home Office in New York.

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JOHN R. HEGEMAN, Vice-President. STEWART L. WOODFORD, Counsel

W. FAIRBANKS, Supt., Toronto, Canada.

THE
CANADIAN : MUTUAL : AID
ASSOCIATION

Assessment System, Life Insurance.

Wants good canvassing agents in every part of the Dominion. Good commission, or salary.

The Most Popular Insurance Company in Canada.

Apply to the Head Office,

10 KING ST. EAST, TORONTO.

37th Annual Statement

—OF THE—

AETNA

LIFE INSURANCE COMPANY,
OF HARTFORD, CONN.,

JANUARY 1, 1887.

Premium Receipts in 1886	\$ 3,930,946.26
Interest Receipts in 1886	1,617,992.24
Total Receipts during the year	4,648,938.50
Disbursements to Policy-holders, and for expenses, taxes, &c.	3,696,352.66
Assets, January 1, 1887	31,545,930.77
Total Liabilities	26,196,060.41
Surplus by Connecticut and Mass. standard	5,349,870.36
Surplus by standard of N. Y. and Canada	6,800,000.00
Policies in force January 1, 1887, 63,293, insuring	92,262,569.44
Policies issued in 1886, 6,728, insuring	13,927,993.00

MORGAN G. BULKELEY, President.

J. C. WEBSTER, Vice-President.

J. L. ENGLISH, Secretary.

H. W. St. JOHN, Actuary.

GURDON W. RUSSELL, M.D., Consulting Physician.

W. H. ORR & SONS, Managers,

TORONTO.

THE
EQUITABLE

Life Assurance Society,

120 BROADWAY, - NEW YORK.

HENRY B. HYDE, President.

AMOUNT OF LEDGER ASSETS, JANUARY 1ST, 1886. \$62,087,513 85
INCOME.

Premium	\$16,272,154 62
Interest, rents, etc.	3,601,578 57
	19,873,733 19
	\$81,961,247 04

DISBURSEMENTS.

Claims by Death and Matured Endowments.	\$5,121,473 91
Dividends, Surrender Values and Annuities	3,017,113 28
Discounted Endowments	198,020 71
Total Paid Policy-holders	\$8,336,607 90
Dividend on Capital	7,000 00
Commissions, Advertising, Postage and Exchange	1,946,046 69
General Expenses	1,305,931 98
State, County and City Taxes.	169,400 17
NET LEDGER ASSETS, December 31st, 1886.	\$70,196,260 30

ASSETS.

Bonds and Mortgages	\$19,881,470 94
New York Real Estate, including the Equitable Building and purchases under foreclosure	10,406,394 10
United States Stocks; States Stocks; City Stocks and other investments.	26,568,537 31
Loans Secured by Bonds and Stocks (Market Value \$1,876,937)	1,392,606 00
Real Estate outside the State of New York, including purchases under foreclosure and Society's Buildings in other cities.	6,021,831 22
Cash in Banks and Trust Companies, at interest; and in transit (since received)	5,855,390 07
Due from Agents on account of premiums	70,030 66
	\$70,196,260 30
Market Value of Stocks and Bonds over book value	2,794,052 14
Interest and Rents due and accrued.	640,387 32
Premiums due and in process of collection (less premiums paid in advance \$51,446)	334,135 00
Deferred Premiums	1,445,638 00
Total Assets, December 31st, 1886.	\$75,510,472 76

I hereby certify, that after a personal examination of the securities and accounts described in the foregoing statement, I find the same to be true and correct as stated.

JOHN A. McCALL, Jr., Comptroller.

TOTAL LIABILITIES, including Legal Reserve on all existing policies (4 per cent. Standard).	\$59,154,597 00
Total Undivided Surplus, over 4 per cent. Reserve	\$16,355,875 76
Of which the proportion contributed (as computed) by Policies in general class, is	\$ 5,728,761 76
Of which the proportion contributed (as computed) by Policies in Tontine class, is	10,626,114 00
(On New York Standard of 4½ per cent. interest, Surplus is, as computed	\$20,495,175 76)

We certify to the correctness of the above calculation of the reserve and surplus. From this surplus the usual dividends will be made.

GEO. W. PHILLIPS, }
J. G. VAN CISE, } Actuaries.

New Assurance written in 1886	\$111,540,203
Total Outstanding Assurance	\$411,779,098
Increase of Premium Income	\$2,810,475 40
Increase of Surplus (Four per cent. basis)	\$2,493,636 63
Increase of Assets	\$8,957,085 26

H. C. DENNIS,

Manager for the Province of Ontario,
2 & 5 YORK CHAMBERS, TORONTO.

B. H. BENNETT Cashier.

GORE DISTRICT

Fire Insurance Company.

Head Office GALT, ONT.

ESTABLISHED 1836.

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Vice-President, ADAM WARNOCK, Esq.
Manager, R. S. STRONG

HURON & MIDDLESEX

Mutual Fire Insurance Comp'y.

HEAD OFFICE.—LONDON, ONT.

This Company does a general Fire Insurance business. Rates charged according to hazard. Business done exclusively on the Premium Note System.

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President, Vice-President
JOHN STEPHENSON.—Manager & Secretary.

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THE COUNTY OF PERTH

Mutual Fire Insurance Co'y.

ESTABLISHED 1863.

Head Office.—STRATFORD, ONT.

insures Buildings, Merchandise, Manufactories, and all other descriptions of Property on the Cash or Premium Note System.

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President, Vice-President
CHAS. PACKERT, Secretary.

Agents wanted in Unrepresented Districts.

MUTUAL

FIRE INSURANCE COMPANY

of the County of WELLINGTON.

Business done exclusively on the Premium Note system.

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President, Secretary.

Head Office GUELPH, ONT.

SCOTTISH UNION

& NATIONAL

Insurance Co. of Edinburgh, Scotland

ESTABLISHED 1824.

M. BENNETT, Jr.

General Manager, N.A. Branch, Hartford, Conn.

Capital	\$30,000,000
Total Assets	34,472,705
Invested Funds	13,500,000
Deposit with Dominion Government,		
market value	125,000

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A Canadian Journal of Politics, Society and Literature.

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ONE MILLION DOLLARS.

Cash Assets,

OVER TWO MILLION DOLLARS

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Accident and Plate Glass Insurance on the cash
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Reliable Agents wanted, to whom a liberal
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Insurance on Plate Glass in Windows.

Stock held on hand for immediate replace-
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This Company has been

Over Twenty-three Years in Successful Operation
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Intending insurers have the option of insuring on the Premium Note or
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with *CHARLES L. BOSSE, Superin-
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Assets, December 31st, 1886..... \$6,124,716 82
Surplus (New York Standard)..... 701,270 98
Total amount paid to policy-holders, Dec. 31 '86. 22,334,971 57

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1879	560,767
1880	676,566
1881	877,460
1882	966,938
1883	1,152,728
1884	1,415,944
1885	1,676,334
1886	2,032,710

J. K. MACDONALD,

Managing Director.