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THE

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Stabbing in the Dark.

A couple of months back the *Insurance and Commercial Magazine* made an uncalled for attack upon the Canada Life Assurance Company for doing business in the States without being legally qualified. We referred that journal to the commissioners of Michigan and Minnesota (the only two States where the company transacts business) as a direct refutation to the charge, but in reply the above magazine does little more than reiterate its former statement, adding in another paragraph that the Ex-Postmaster was paying for worthless insurance *in Canadian Companies*. What companies? Is the *Insurance and Commercial Magazine* trying, like a lawyer when beaten, to shift his plea? Such tactics are unworthy of respectable journalism. We can assert without fear of being controverted that the Canada Life will enter no state or country without loyally complying with their laws.

Two of a Name.

We learn that the "Sun Life" of England has taken out an injunction against the "Sun Life" of Canada to stop the latter's doing business in the United Kingdom upon the ground of the similarity of names. It seems to us that this plea comes a trifle late. The "Sun" of Canada has been established a quarter of a century, and was inaugurated and carried on for that period under the British flag without any hindrance. Reverse the positions, and supposing it was the "Sun" of England had come to Canada, would that company have considered that the "Sun" of Canada had any right to stop the former's doing business in the Dominion? It is true the Sun of England is older than our Canadian Company of the same name, but so are the "Equitable" and the "Mutual" of England older than those of the like titles hailing from New York; yet we find the latter doing business in the United Kingdom undisturbed by that fact. The "Sun" of Canada was in India before the Indian "Sun" rose upon the horizon of that country, and though the latter emanated from the English office it is we believe independent in funds of the older company. The "Phœnix" Fire of England has been in Canada long before the "Phenix" of Brooklyn or the "Phœnix" of Hartford opened here and in like manner the latter two companies had been established a long time in the States before the older "Phœnix" soared over the field. Objections if made were never sustained, and although we do not pretend to follow the glorious uncertainties of the law, it does not appear to us that in equity the "Sun," if blessed with legs, has one to stand upon in the present instance.

A Foolish Idea.

There is no more suicidal methods of taxation, for a city, town, province, or country than that which is aimed directly at capital upon the specious but false plea, that such a system, by laying the burden upon the rich, gives relief to the poor. We will venture to say that not one of those, who—in order either to bulldoze or curry favor with the working men—advances the above theory, believes in it himself. Have we not all read the fables of the foolish woman who killed the goose which laid the golden eggs, and of the arms and legs which quarrelled with the stomach for not taking its share of the toil? So surely as you place an embargo upon capital which either keeps it from coming, or, worse still, drives it away, do you impoverish the whole community. Many wealthy institutions, including banks and insurances offices, have not only helped to beautify our city by the erection of handsome buildings, but in so doing have given employment to numbers of laborers, clerks, janitors, etc., and will anyone in their senses maintain that, by taxing and thus curtailing the capital from spending its money in this useful manner, those employed are benefitted? We remember some years ago a certain State in South America under native government which was so stupidly jealous of foreign capital finding employment within its boundaries, that it actually kept an enormous amount of useful capital from its shores. The consequence, as any

but a semi-barbarous community would have foreseen, was that a country with wonderful natural resources but no ready money was starved and not half developed.

We sincerely trust that Montreal will not endeavor to imitate the above barbarous nation, and bring discredit and ridicule upon its fair name. Taxation should be adjusted and borne equitably by rich and poor, by capital and labor, but the moment a blow is struck specifically at the former under the clap-trap cry of relieving the poor man from his burden, that blow will recoil with tenfold force upon those it pretended to benefit. We know of certain cities in Canada ready and willing to make favorable arrangements with large institutions who will establish or remove their head offices there, and we would respectfully ask our city fathers, whether, to refer to our metaphor they desire to emulate the foolish dame in killing the goose which gives us the golden eggs.

Another point is, that there is a large amount of foreign capital which annually seeks investments at from 4½ to 5 per cent., enabling many to build houses and homes which would become impossible did such capital cease to come, and the interest rate would then advance to 6 per cent. or over.

We might go on "*ad infinitum*" almost in showing up the reckless and childish folly of the new taxation scheme which was lately hinted at by some of the reports of a meeting in the city council, but for the present we have said enough, believing with Mercutio that though "it is not as deep as a well, or as wide as a church door, it will serve."

THE FIRE WASTE OF 1892 IN UNITED STATES.

The year 1892 showed the largest aggregate loss of property by fire in the United States in its history. 1891 was considered a serious year, when the losses reached $143,765,000; but last year even surpassed its predecessor by eight millions of dollars, the amount being $151,516,000. This fact gives added interest to the fire tables for 1892, issued in pamphlet form by the N.Y. *Chronicle*, affording comparisons for a period of eighteen years, according to the following table:—

Years.	Aggregate Property loss.	Aggregate Insurance Loss.
1875	$78,102,285	$39,327,400
1876	64,630,600	34,374,500
1877	68,265,800	37,398,900
1878	64,315,900	36,575,900
1879	77,703,700	44,464,700
1880	74,643,400	42,525,000
1881	81,280,900	44,641,900
1882	84,505,024	48,875,131
1883	100,149,228	54,808,664
1884	110,008,611	60,679,818
1885	102,818,796	57,430,709
1886	104,924,750	60,506,564
1887	120,283,055	69,659,508
1888	110,885,665	63,965,724
1889	123,046,833	73,679,465
1890	108,993,792	65,015,465
1891	143,764,967	90,576,918
1892	151,516,098	93,511,936
Totals	$1,769,839,404	$1,018,018,202

The foregoing shows a ratio of 57.52 per cent. between the aggregate of insurance loss and the aggregate property loss, during the 18-year period; and according to the same authority there were 5,000 more fires in 1892 than in '91, the number having reached 29,332. Geographically distributed, the heaviest losses to insurance companies last year, and in order of greatest loss, occurred in the States of New York, Pennsylvania, Ohio, Wisconsin, Massachusetts, Illinois, Texas, and California, all of these States having exceeded three millions of dollars, and the first named (New York) having been nearly 14½ millions. Says the *Chronicle*: "Tens of millions of dollars would be saved to the people of the United States each year if they understood what this fire waste means to them. There is an important economic question awaiting consideration and remedy in this waste by fire. All the insurance in the world cannot reduce one iota the burden of fire tax which the people of the nation bear. It is a plain proposition that if the fire loss increases in size in greater proportion than the property exposed to danger from fire increases in value, fire insurance premiums must be advanced. Otherwise the protection of the individual by insurance will ultimately become impossible, for insurance as a business must keep pace, in its charges, with the cost of the indemnity it sells—or fail."

From the special tables showing the principal causes of fires in the classes of property specified,—*i.e.*, of fires originating on the premises,—the following compilation of over 40,000 fires will be found interesting, and are given in the relative order of the heaviest losses. viz:—

Dwellings and tenements	26,978
Retail groceries	1,454
Country stores	1,274
Hotels	1,196
Liquor stores and saloons	1,171
Cotton-gin houses	1,169
Churches	681
Bakeries and confectioneries	667
Retail dry goods stores	699
Restaurants	601
Foundries and machine shops	534
School houses	479
Retail drug stores	470
Retail clothing stores	430
Furniture stores	396
Printing and lithographing concerns	324
Boot and shoe stores	320
Millinery stores	284
Grain stores and elevators	257
Carriage factories	253
Hardware stores	169
Breweries	168
General warehouses	139
Asylums	99
Theatres	96
Public halls	72

In dwelling and tenement houses one is surprised at the variety of causes, there being over 60 different origins of fires, from the sun's rays on a milk can, up to the heaviest sinner of all, defective flues, their number being 6,243, with incendiarism next at 3,124, matches 2,355, lamp explosions 2,168, forest and prairie fires 2,160, sparks 1,705, and stoves 1,517. There are about thirty different classifications of risks given in these tables, and the most frequent causes of fires seem to be incendiarism, defective flues,—and in the case of churches and public halls, the furnaces,—lamp explo-

sions, stoves, and matches. Spontaneous combustion occupies a prominent place, as also defective insulation of electric wires, with a host of minor causes following in greater or lesser degrees. The tables well repay careful examination of underwriters.

APPOINTMENTS OF MEDICAL EXAMINERS.

A REMARKABLE DECISION.

The decision recently given by his honor Judge Jetté, in the Superior Court, Montreal, in the case of Laberge *vs.* The Equitable Life Assurance Society (INSURANCE AND FINANCE CHRONICLE, June 15, 1893, p. 283), and which we reprint in full in this issue, is one which merits the careful consideration of all insurance managers. It brings into clear relief the necessity of extreme care being exercised in the wording of appointments and all such contracts. The facts of the case are briefly these. The Equitable Life in June, 1888, appointed Dr. Laberge its alternate examiner in Montreal, with the understanding that he should report on all French applicants living in the city. The appointment was apparently made in accordance with the regulations of the company, and a copy of these regulations was forwarded to the Doctor with his commission. By the rules therein set forth it was provided that the number of examiners was to be kept as small as possible, namely, the examiner in chief and one alternate, and that although the commission was only during the pleasure of the company, yet it would only be revoked for sufficient cause, and especially that he would not be replaced or discharged merely to please the agents of the company. It can hardly be supposed that these remarks or instructions were intended to constitute a contract with the examiner, and yet in the opinion of the learned judge they did so. The court held that they were an agreement by which the company was bound, and that as the result Dr. Laberge could not be removed except for sufficient cause. It is true that it was urged that a life policy of $3,000 which the Doctor applied for was in consideration of the appointment, but this fact was as strongly denied, and the judge does not seem to have taken it into account to any great extent. He based his decision solely on the terms of the appointment, and the explanations of them brought out in the evidence. The company desired to appoint a new examiner, but, instead of openly cancelling the commission already granted, they asked Dr. Laberge to resign, which he refused to do. They then appointed another alternate French examiner and sent no more applicants to Dr. Laberge. In court they declared that the appointment had never been revoked, and was still in force, though they felt at liberty to employ another physician. The judge held that if it was in force at all, it was governed by the original terms, and that Dr. Laberge is therefore still the company's sole French examiner in Montreal, and entitled to his fees for all the proposals reported on by his substitute as fully as if he had made the examinations himself. These amounted to $285, and judgment for this sum was given, reserving the Doctor's recourse for all "damages" he had suffered since the date of the action, and those which he may suffer in the future so long as the contract exists between the parties, and the company refuses to carry it out. In other words, the court seemingly held Dr. Laberge to be the sole French examiner of the company in Montreal during his life and good conduct.

Such a decision as this is well calculated to make our managers re-examine the wording of their various appointment and contract forms. It may well be that, as in this case, there are ambiguities and dangerous possibilities contained in innocent-looking little phrases in agreements, instructions, or circulars to which they have hitherto given but little attention, and from which they have never expected the least trouble.

But when all has been said and finished with regard to any possible looseness on the part of the companies in the wording of examiners' commissions, we cannot but return to this particular case and ask ourselves whether the decision was after all justified by the facts. In other words, did the terms of the appointment, and the evidence produced, show that it was the intention of the parties to make the appointment of Dr. Laberge practically a life engagement? It should be the aim of our judges in all cases to rise beyond technicalities and legal quibbles, and determine every case on the broad lines of common sense and the general understanding of the parties. We do not say that this has not been done by the learned judge in this instance, and yet if the published report of the decision be correct, we cannot but dissent emphatically from the conclusion arrived at by him. It is a well understood principle of law that a person who is employed by another even on salary can be dismissed by his employer at any time upon giving fair notice. Much more reasonable is it that a person shall be at liberty to dispense with the services of a professional man, be he lawyer or doctor, whenever he considers it desirable to do so, and that too without being called upon to give a reason for his action. The fact that he has employed such a person in times past in no way binds him to continue to do so for the future. He has paid a fee for every service which has been rendered, and is under no further obligation to continue paying those fees. If it had been a private individual who was being sued instead of a hazy impersonality, known as a wealthy insurance company, we feel convinced that the judgment would have been different, for its unreasonableness would have been too evident. The same expressions as are made use of in the regulations of the company would have been seen to be what they really are, expressions of present intention, and explanations of the manner of doing business, both subject to change and not in any way provisions of a formal contract. Imagine, for instance, Dr. Brown suing Mr. Robinson for damages because he had ceased to employ him as his physician, and producing as evidence a letter in which Robinson stated that he wished him to attend his family from that time on, and the court sustaining that action and condemning Robinson to pay over again the fees he had since paid to Dr. Smith for services rendered. It should require very strong evi-

dence indeed to prove that a contract for employment, especially of a professional man paid by fees, is to be permanent and not solely during the pleasure of the employer, and that evidence we fail to find in the present case. Perhaps, however, we do the bench an injustice, for it is quite possible that, if the company had formally revoked the appointment, the decision would have been different The wording leaves us in considerable doubt on this point. But even as it is we cannot but think that the company was at perfect liberty to change its methods of doing business at any time and to employ a second French examiner, and that any decision to the contrary was a mistake and entirely opposed to the universal practice in the business.

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

In our last issue we showed that good faith is the essence of the life insurance contract; that it is absolutely necessary in the making of a contract that is to be binding in law and in fact; and that the good faith of the insured is the safeguard of the insurer; and the good faith of the insurer the safeguard of the insured. This element of absolute and reliable good faith becomes a source of mutual interest of the greatest possible value in securing the perpetuity of the contract upon a satisfactory basis; and if strictly adhered to can be safely relied upon to remove almost every possible source of misunderstanding that may arise between the parties bound thereby. It is therefore of the greatest importance that it should not be impaired unnecessarily in even the slightest degree. A reasonable amount of care on the part of both the insured and the insurer can easily secure it against impairment, because a lack of good faith *must* be deliberate and intentional.

The application or proposal for insurance forms the basis or foundation of the insurance contract, and by the terms of all policy-forms it is made part of the contract. The application and the policy issued thereon become one contract—inseparable and indissoluble. They are to be considered together, and one aids in the legal and logical interpretation of the other, and helps to indicate and interpret its terms, conditions, value and manifest intent. The application is the necessary complement of the policy-contract which is based upon it, and dependent upon it for its legal inception.

An application usually consists of three separate and distinct forms:

First: The proposition, request or proposal to the Life Insurance Company to issue upon a certain life, in favor of a certain beneficiary, a policy of insurance of a stated amount, on a certain plan and for an agreed premium to be payable annually, semi-annually, quarterly or otherwise. It binds the applicant by a statement of the day, month, year, and place of birth, and defines the present age according to which the rate of premium payment shall be determined.

Second: The second form is almost universally taken up by the statements of the applicant as to his past and present physical condition; the diseases or injuries from which he has suffered in the past or may be subject to in the present; the statement as to family history and many other essential items of information, to be more definitely and categorically criticised in their relation and bearing hereafter.

Third: The report of the appointed medical examiner of the company, as to the physical condition of the applicant.

These three forms are usually incorporated into one application blank, but some companies find their business expedited by having two blanks—one containing the first-named form, and the other the two last named.

The first two forms are *always* to be signed by the applicant, individually, on his or her own behalf, and sometimes by him or her also on behalf of the desired beneficiary. This involves the absolute responsibility of the applicant for the truth and reliableness of the answers given to the specific questions contained in these two forms, and here is principally where the essential good faith of the applicant is involved. Any deliberately incorrect answer to any one of the questions asked in these two forms constitutes a breach of warranty—a violation of good faith which is liable to be misleading to the company, and upon which a subsequent contract void of legal effect may be issued. It is manifest therefore that the blame for any such unfortunate complication rests upon the applicant, and may be avoided by ordinary care and honesty upon his or her part.

We thus refer to the important bearing of the application in its entirety, because it is so easy to recognize how absolutely the policy contract depends upon it for its force and validity, and because it logically follows that the responsibility carried by the whole communicates itself to each part, and involves the good faith of the applicant in each answer that he warrants the accuracy of.

In the third part, which consists of the report of the medical examiner on the physical condition and development of the applicant, he or she is relieved of all responsibility, beyond that of affording every facility to the examiner to ascertain his or her exact physical condition. The result of the examination is a very important matter, not only because the issue or non-issue of the policy applied for may depend upon it, but also because it often develops the presence of some curable disease of which the person examined might otherwise have remained in utter ignorance until it had run beyond the curable stage. Many a life has thus been saved for future enjoyment and usefulness by the medical examination for a policy of life insurance.

To men or women seeking the manifold benefits of life insurance, we say, let the full responsibility that will rest upon you when you complete your application be clearly recognized. Look upon the filling out and signing of your application as a serious matter—just as serious as any other legal instrument by which you may see fit to bind yourself in your business necessities or arrangements. Remember that you will be the first to exact absolute good faith from the life insurance company that may issue a policy on your life, and that it is your manifest duty to make your application in strict good faith and integrity of purpose.

An error in the statements of the applicant, if it re-

lates to some material point that has a responsible bearing upon the character of the risk, may be difficult of subsequent rectification. If such an error be discovered by the insured, he should at once acquaint the company with the true facts in a statement over his own signature. If the company is still willing to remain on the risk, it will so notify the insured, accepting his or her correction of the original error or errors made in the application. If in view of the gravity of the newly discovered facts (the policy being still within the period of disputability) the company should decide to cancel the risk, the course commonly pursued is to tender back to the insured the amount of premium payments made.

Having dully emphasized the general necessity of following the strict line of truth, we will in our next issue take up the consideration of the various questions usually contained in the two forms of the application that the applicant is required to answer under his or her positive warranty of truthfulness and accuracy. Before closing for the present, however, we would remind you that if any questions are asked that you are not able to specifically answer with certainty, it is always better to say that you do not know the correct answer, than by any pure guess work to run the risk of (perhaps unintentionally) misleading the company or the medical examiner.

THE CASH SURRENDER VALUE QUESTION.

In view of the present serious financial disturbance, and which bids fair to grow more serious in the United States, the practical effect of giving cash surrender values on life insurance policies is likely to be well illustrated. It is a long time since monetary affairs have been so generally upset and the banks of the United States in such a condition of uncertainty. Already numerous banks have gone into the receivers' hands, the business public has become panicky, and extensive mills and factories have shut down, with more to follow. General distrust exists, with the usual result that deposits have been extensively withdrawn from savings and other banks and hoarded up, while the latter are exceedingly timid about loaning money to customers. Very naturally money, in a commercial sense, is "tight," and the question naturally arises as to how far the holders of life policies in need of ready money may avail themselves of the privilege, guaranteed in Massachusetts by law and voluntarily guaranteed by some companies of other States, to draw out their cash surrender values. As we have heretofore shown in these columns, the Massachusetts and other fixed cash surrender companies have not been in the past subjected to any "run" to realize on policies, the percentage of total surrenders to insurance in force having been but little more than among companies with which the payment of cash values has been optional. It will be especially interesting just now to set down the record of surrenders by the leading United States companies for three or four years past, and to compare the results with the record of the present year later on when that record is completed. For this purpose we have selected twenty-three of the principal companies, leaving out those which transact industrial insurance and three or four of the small companies. Taking all these 23 companies and we find the record for four years to have been as follows:—

Year.	Ins. in force on Jan. 1.	Surrenders during the year named.	Percentage Surrendered.
1889	$2,654,113,048	$50,693,561	1.92
1890	3,015,560,751	65,269,119	2.16
1891	3,383,171,641	87,205,705	2.57
1892	3,704,865,936	89,936,914	2.43
Totals....	$12,757,711,376	$293,105,299	2.29

Now taking the Massachusetts companies, compelled by law to give a definite surrender value, and the Mutual Benefit Life of New Jersey, which for years has guaranteed large surrender values in its policies, and grouping their record for the above four years we have the following result:—

Year.	Ins. in force on Jan. 1.	Surrenders during the year named.	Percentage surrendered.
1889	$325,136,920	$6,340,169	1.95
1890	353,423,813	8,827,786	2.41
1891	383,549,056	12,286,034	3.20
1892	410,030,354	11,930,487	2.91
Totals....	$1,472,140,143	$39,394,476	2.67

From these figures it appears that the facility with which surrender values can be obtained in the companies here last grouped has not very materially affected them, as compared with the general average of all the companies for the four years. If we compare the record of the Massachusetts companies and the Mutual Benefit with the other remaining companies of the twenty-three, first above given, we still find a difference of less than one-half of one per cent. The companies, excluding the second group above given, show results as follows:—

Year.	Ins. in force on Jan. 1.	Surrenders during the year named.	Percentage surrendered.
1889	$2,328,976,228	$44,353,392	1.90
1890	2,662,136,938	56,441,333	2.13
1891	2,999,622,585	74,919,671	2.49
1892	3,294,835,582	77,996,427	2.37
Totals....	$11,285,571,333	$253,710,823	2.24

The argument, or rather one of the arguments, against the giving of large surrender values by the life companies has been, that in times of financial stringency, like the present, a much greater proportion of policyholders in the fixed surrender companies will throw up their policies and take their cash value than in the companies which do not promise definite surrender values. Thus far experience, as here shown, does not justify the argument, but it is to be remembered that for many years the financial condition of the country has not been so demoralized as now. This year will be a good test of the relative experience of the two classes of companies in the United States, and we shall watch the result with interest.

BRITISH SHIPPING.

The following figures taken from the Newcastle (Eng.) *Chronicle* show the comparison of the increase of British over Foreign tonnage, the table giving the respective amounts of tonnage which were entered and cleared from ports in the United Kingdom opposite the various years:—

Year.	British.	Foreign.
	Tons.	
1860	13,914,000	10,774,000
1870	25,072,000	11,568,000
1880	41,348,000	17,387,000
1882	43,670,000	17,820,000
1892	54,372,000	21,494,000

THE UNIVERSAL MERCANTILE SCHEDULE OF THE UNITED STATES.

At this time the new "Universal Mercantile Schedule," as it is called, is occupying the serious attention of fire underwriters across the line, having been already applied in several of the American cities, amid much discussion pro and con, more especially, however, among journalists, who know but little about its objects, or its fitness for its purposes, and hence abuse it more than underwriters, who have for a long time been in search of some practical method of affixing adequate premium rates upon some uniform basis that will be equitable and fair between insurer and insured anywhere and at any time. The favor with which it is being received by underwriters evidences the fact that it is deemed to be practical and effective for the purpose intended, and that it shall have a fair trial before being ignored and cast aside, after so much time and labor, for the good of the business, and not for a selfish end, have been bestowed upon it.

The system is simply that of schedule rating which has been in operation for many years, and very extensively, both in the United States and in the Dominion, whereby each risk is, so far as practicable, rated upon its own merits, and priced as it may approximate or recede from a given standard, insurance wise. The special advantage claimed for this new system is, that it creates an uniformity of rate throughout the country wherever it may be used. To this end, the initial step is to establish a "key" or "basis rate" for each and every town or city; which is done by affixing an uniform basis rate for a *standard* commercial building in any city or town. To this basis rate upon the building will be added fixed sums for specified deficiences, or other fixed sums for improvements will be deducted, such among the first named as water, how supplied; fire and police departments; fire alarm, fire telegraphs; width of streets; building laws; and fire records for some time past of the several localities, whether good, bad or indifferent, from an underwriter's point of view. (Where would Montreal stand under such a classification?) From this initial estimate a "key or basis rate" for a standard commercial building in such city is made. The following is the "key rate" for the City of Boston :—

Established basis for building		25 cts.
Plus charges for :—		
Water supply	02 cents.	
Trolley railway wires	02 "	
Streets	02 "	
Fire department	04 "	10 cts.
Total		35 cts.
Plus for records, past 5 years		07
		42 cts.
Minus for ladder and chem. eng.		04
Leaves "Key Rate" (unoccupied)		38 "

Or in another city the following additions charged to basis rate of a standard building, as modified by variations from the city standard :—

Basis rate, standard building		25 cts.
Water works, direct pressure, duplicate steam pumps	04 cents.	
Absence of stand pipes or reservoir, affording a supply should pumping machinery fail to work	03 "	
No city fire marshal	02 "	
No building law	03 "	
Trolley railway wire	02 "	
Natural gas for heating	02 "	16 cts.
Total *standard city* "Key Rate"		41 "
If the building should be deficient, viz :—		
Walls, not standard	02 cents.	
Composition roof	01 "	
Floor, ordinary	05 "	
Area charge	03 "	
Stairways	10 "	
Kerosene for lighting	02 "	
Heating by furnace	03 "	26 cts.
Key rate, *building*, unoccupied		67 cts.

Occupancy and class of contents add to the rate according to the schedule.

From the foregoing formula it will be seen that the whole system is simply that of scheduling, first the city for a basis rate, and then the building for a rate thereon. Estimates being made for exposure, adverse legislation, taxation or additions to rate, and allowances made where the co-insurance clause is to be found as a part of the policy. With all of these formalities being provided for any and every town or city in the country can be as equitably and fairly rated for insurance purposes as lays within the skill and ability of the best underwriter to perform such a task. Unlike ordinary ratings, there is but one important factor to be "guessed" at, and that is the basis rate of a "standard" building yet unoccupied. From long experience and close observation by leading, thinking, practical fire underwriters, there is little, if any, doubt that 25 cents decided upon by the committee in charge of the preparation of this schedule, as a proper basis rate upon which to formulate a "Key Rate," is by no mean in excess of, but rather below, an adequate price. We feel quite safe in saying that there is not in the city of Montreal a mercantile building that is not, insurance wise, worth fully three times that rate to any company. And 25 cents as a basis rate, upon which to formulate the standard city rate, would be far below its actual value.

The system as now offered to the public has been a labor of love to Mr. Moore, the chairman of the committee, and he has sought far and near, from every available source, for information bearing upon the subject, into which he has entered with such minutiæ that it would not be surprising that errors should be found in some detail that could be easily amended when discovered. President Moore is highly deserving of the thanks and goodwill of the fire insurance fraternity, for the benefit he has conferred upon the business at large, and not alone upon his own company. Criticisms of the press usually writen by parties who are not underwriters, and know little or nothing of that about which they write, fall harmless against such a man.

OUR TRADE WITH GREAT BRITAIN.

The total value of Imports into Great Britain from Canada for the first half of this year was £1,708,190 as compared with £2,093,444 for 1892, while the value of goods exported to Canada for the same periods was £2,404,603 and £2,163,191 respectively.

Financial and Statistical.

THE JUNE BANK STATEMENT.

With the Review of this month's Bank returns closes two years under the New Banking Act, and, as we observed in our issue of a year ago. "that, should the remaining years for which the charter has been granted prove as prosperous for the banks and the country as this past year has been, it will be a labor of love for a true Canadian to write a review of Banking in Canada for the ten years ending 30th June, 1901." The late year, like its predecessor, has shown perhaps no extraordinary strides, but there has been a steady growth upon legitimate business principles. We find trade developing, notwithstanding a few branches are at a comparative standstill. The agriculturists are prospering, as may be seen from the accumulation of deposits in Chartered Banks, Savings Banks and Loan Companies as well as other Institutions, which Bank managers credit to the farming community. We fail to notice in the returns before us any indication of the money stringency going on in other countries of more boasted wealth and prosperity, for which and other similar blessings we may be thankful. The returns show a careful watchfulness over money matters here, which we presume is owing largely to the "Jetsam and Flotsam" of financial wreckage surrounding us in neighboring countries. It is to be observed in the figures of the Commercial Bank of Manitoba, among others, a couple of items which are worthy of attention. Such bank notes in circulation increased during the month $118,360, a somewhat large increase for its business capacity, and was the prelude to the coming calamity. Overdue debts was another weed of rapid growth, increasing $36,197, and, though these items may not seem of much importance among the large amounts under the same headings in other Banks, they must be noticed as helping to explain the increase in our abstract below.

We have, and we think justly, on previous occasions referred to the amount of Bank notes in circulation as the barometer of trade, and we offer a comparison of the month under revision with its predecessor, together with that of a year ago, which we hold gives a fairly accurate idea of the extent of business transacted in said months. Climatic differences, however, may, and no doubt do, influence the output at certain periods, such as a wet or dry season, a late or early spring, and so forth. In order therefore to arrive at the demand, as the demand for money represents the amount of business of the country, we must take the average of the past ten years, the figures of which are as follows:—

Year.	Average Circulation.
1883-4	$31,472,259
1884-5	30,433,306
1885-6	30,714,503
1886-7	31,867,980
1887-8	32,381,146
1888-9	32,429,146
1889-90	32,067,276
1890-91	33,087,457
1891-92	33,376,453
1892-93	35,460,224

These figures indicate fairly the trade of the country it being known that all the while commodities were procurable at reasonable prices.

BRITISH TRADE RETURNS.—The trade returns of Great Britain for June and the first half of the present year show a decrease for the former period of 2.7 per cent. in the imports and for the six months of 7 per cent., but the exports exhibit an increase of nearly 4 per cent. for the month of June, which lessens the decrease for the preceding five months.

STATISTICAL ABSTRACT OF THE CHARTERED BANKS IN CANADA.

Assets.	31st June, 1893.	31st May, 1893.	30th June, 1892.	Increase and Decrease for month.		Increase and Decrease for year.	
Specie and Dominion Notes	$18,547,669	$19,230,156	$17,926,410	Dec.	$ 682,487	Inc.	$ 621,259
Notes of and Cheques on other Banks	7,333,408	7,066,104	8,661,927	Inc.	267,304	Dec.	1,328,519
Due from American Banks and Branches	17,331,728	17,814,497	19,078,815	Dec.	482,769	Dec.	1,747,087
Due from British Banks and Branches	1,587,320	1,182,665	1,686,766	Inc.	404,655	Dec.	99,446
Canadian Municipal Securities and Brit., Prov. or For'gn. or Colonial other than Dominion	8,985,524	9,028,757	7,437,652	Dec.	43,233	Inc.	1,547,872
Railway Securities	5,801,724	5,759,032	8,054,776	Inc.	42,692	Dec.	2,253 052
Loans on Stocks and Bonds on Call	14,880,373	15,213,352	15,550,797	Dec.	332,979	Dec.	670,424
Current Loans to the Public	208,793,415	207,685,450	192,498,571	Inc.	1,107,965	Inc.	16,294,844
Overdue debts	2,326,010	2,041,068	2,185,009	Inc.	284,942	Inc.	141,001
Total Assets	304,363,580	303,169,653	292,052,017	Inc.	1,193,927	Inc.	12,309,563
Liabilities.							
Bank notes in Circulation	33,483,413	31,927,342	32,614,699	Inc.	1,556,071	Inc.	868,714
Due to Dominion Government	4,320,333	2,922,671	4,162,709	Inc.	1,397,662	Inc.	157,624
Due to Provincial Governments	2,866,508	3,361,053	2,907,599	Dec.	494,545	Dec.	41,091
Deposits made by the public	170,817,433	170,440,831	160,942,778	Inc.	376,602	Inc.	9,874,655
Do payable on demand or after notice between Bks.	2,503,558	2,636,417	3,143,967	Dec.	152,859	Dec.	640,409
Due to American Banks and Branches	210,628	165,758	270,038	Inc.	46,870	Dec.	59,410
Due to British Banks and Branches	4,751,476	5,504,346	4,641,999	Dec.	752,870	Inc.	109,477
Total Liabilities	219,666,996	218,102,617	209,362,011	Inc.	1,564,379	Inc.	10,304,985
Capital.							
Capital paid up	61,954,314	61,950,654	61,512,630	Inc.	3,660	Inc.	441,684
Reserve Fund	26,007,668	25,981,362	24,662,336	Inc.	26,306	Inc.	1,345,332
Directors' Liabilities	7,558,290	7,443,137	6,850,094	Inc.	95,153	Inc.	688,196

Deposits with Dominion Government for security of note circulation being 5 p.c. on average maximum Circulation for year ending 30th June, 1892, $1,761,259.

SPEAKING OF THE FINANCIAL control of Mexican affairs by American and English capital, *Money and Trade* says:—"It is a curious fact that for several years past all the new corporations organized abroad for enterprizes in the Mexican Republic have originated with the two great Anglo-Saxon peoples, who to-day own ninety per cent. of her total joint-stock investments. Neither Germany, France, Belgium nor Spain has taken any co-operative part in the regeneration of Mexico—at all events in recent years; and in regard to individual enterprise only the Teuton has been at all active. The commercial predominance of the English-speaking race is exercising a most important influence on Mexican life; formerly French was the leading foreign tongue spoken, now English is almost supreme." Of fifty-nine new companies organized last year in Mixco, fifty were Americn and nine English, the respective aggregate capitals being $19,625,000 and $8,000,000

LEGISLATING AGAINST INSURANCE COMPANIES.—To attempt to drive away or curtail what is absolutely necessary to the welfare of a country or community is always a short-sighted and stupid policy, and referring to hostile legislation against Fire Insurance Companies, the *Insurance Advocate* exhibits the folly of such so well that we cannot do better than quote the paper's own words.

"In theory, as in practice, fire insurance is simply an accumulation of numerous small deposits of money from a large number of persons; a process whereby business men and property holders combine to bear reciprocally one another's burdens against the ever-present contingency of ruin by fire. There can be no insurance against fire. It does not agree to restore what the flames may have destroyed, being simply a proposition to indemnify for, or 'make good' to a certain extent, any such loss when it may chance to occur, thus keeping the machinery of trade, commerce and manufacture in operation enabling the production of wealth to continue uninterruptedly by holding indemnity ready to make good any deficiency should the customary channels of trade run dry in consequence of losses by fire,—standing in the breach between the insured and impending bankruptcy.

"'Insurance is security' as an axiom has become so intricately interwoven with the prosperity and existence of trade, commerce, manufacture, and the preservation of property generally, that without its promised indemnity in the contingencies for which it provides, all business would come to a stand-still from sheer inability to carry on needful financial operations."

We would recommend these remarks to some of those who fancy that Fire Insurance could easily be dispensed with.

CANADIAN BANKING SYSTEM.—We insert the following complimentary remarks upon our Banking system from a New York financial journal:

"The insolvency of a bank under the Canadian banking law no more affects the validity of the notes issued by it than does the suspension of a national bank in this country impair the value of the notes issued by it. Under the Canadian law bank notes are a first lien upon the assets of the bank, including the stockholders' liability. When a bank suspends the notes issued by it begin to draw 6 per cent. interest from the date of the failure until they are redeemed, therefore receiving a benefit instead of an injury from a bank's failure. Moreover, Canadian bank notes are protected by a redemption fund held by the Government, which is made up by assessing each bank in the Dominion 5 per cent. on the average amount of its notes in circulation during the year. This redemption fund now amounts to about $1,500,000, although only two assessments of 2½ per cent. each have been levied. Should the redemption fund in any instance not be sufficient to redeem the notes, all other banks may be assessed to make up the deficiency, this assessment to be refunded from the assets of the insolvent bank. Moreover, any draft on the redemption fund to redeem an insolvent bank's notes is afterwards made good by a transfer to the redemption fund of the insolvent bank's assets."

SILVER AND FIRE INSURANCE.—It would seem as though the disturbance in the matter of silver with our neighbors is beginning to make itself felt in Fire Insurance, the gold clause having been introduced by some companies on their Policies in Boston, and a well-known manager of a Foreign Office is reported to have spoken as follows:

"Whether, in the present agitation for a repeal of the compulsory coinage of silver and a possible compromise on such measure and perhaps a premium on gold, this practice will be continued, or whether those policies that have been endorsed with the gold clause will be called in, is a question now worth considering. Were there a large demand for fire contracts payable in gold it might be worth while for insurance companies to keep two sets of books, as was done by many merchants and others during war time, but we shall question the desirability of making a few contracts payable in gold or its equivalent in currency, and therefore the risk, especially on term policies covering dwellings, of paying in currency more than the face of the policy."

Notes and Items.

The Steam Boiler and Plate Glass Insurance Co., of Canada has received license from the Insurance Superintendent to transact business in the Dominion under date of the 26th ult., Mr. James Laut, is the chief agent, and the Head office will be London, Ont.

In the New York *Review* we observe a communication from the well-known authority on Fire Insurance, Mr. Edward Atkinson, of the "Boston Manufacturers Mutual," upon two points with regard to storage warehouses in connection with manufacturing risks. The first as to the desirability of such warehouses being equipped with automatic sprinklers, and the second referring to the advantage of dividing the area, and the separation of the raw from the manufactured goods. We shall probably treat this subject more at length shortly.

To those who are continually talking about the enormous profits of fire insurance, and how the companies fleece the public, we submit the total results of some of the best known British companies for the year 1892, the figures being the percentage of losses and expenses combined upon the premium income for that year:—

Atlas 97.6; Caledonian 101.1; Commercial Union 107.0; Guardian 104.0; Imperial 100.2; London and Lancashire 105.0; Lancashire 95.5; Liverpool and London & Globe 95.5; London Assurance 99.9; Manchester 91.4; Norwich Union 96.5; Northern 100.5; North British and Mercantile 100.8; Royal 101.8; Scottish Union 90.6; Sun 99 0; Union 102.0; United Fire 97.6.

How would our merchants like to transact business upon those lines?

We take pleasure in thanking Insurance Commissioner Smith for his twenty-second annual report of Insurance in Minnesota State for the year 1892. With regard to Fire Insurance it may be of interest to note the stock companies (Home and Foreign) took in $4,413,663 in premium, against $132,313 for the Mutuals; and while the loss ratio of the former was 47 per cent., that of the latter was 73.50 per cent.

We also return our thanks to Insurance Commissioner Lineham of New Hamphire for his neatly bound volume containing the Insurance report for his State on the business of 1892. New Hampshire appears to have suffered along with many other States in regard to increased loss ratio during the past year, the percentage for 1892 being 58.02 compared to 39.24 for 1891.

The BRITISH EMPIRE MUTUAL LIFE ASSURANCE COMPANY has appointed Mr. Gerald Hemmington Ryan to succeed Mr. H. J. Rothery, lately deceased. Mr. Ryan, besides being actuary of the *Royal Exchange* assurance company, belongs to the council of the Institute of Actuaries. The British Empire is to be congratulated in securing the services of one of the ablest actuaries in Great Britain, and one who will, we feel sure, be a good successor in every respect to the late Mr. Rothery. Mr. F. Stancliffe is the well-known manager of the *British Empire* for the Dominion.

PERSONAL MENTION.

MR. C R. BURT, secretary of the Connecticut Fire Insurance Company, spent a few days in Montreal recently.

Mr. Wood, manager at New York of the "Palatine," of Manchester, sails for England on the 9th inst. on the steamer "New York."

MR. JAMES H. BOOMER, Canadian manager for the Manchester of England, was recently in Montreal on his way to St. John, N.B.

IT IS STATED that manager E Cozens Smith of the *Imperial Fire Insurance Company* is shortly to visit the United States and Canada.

GEORGE PRITCHARD, who for ten years has been sub manager in the United States for the *Lancashire*, has retired from that company, and Mr. Daniel Winslow has been appointed in his place.

MR. G. A. ROBERTS, assistant manager for Canada of the *Guardian Assurance Company*, has sailed for England on a six weeks holiday. We cordially wish him *bon voyage* and a safe return.

MR. R. H. MATSON, Canadian manager of the Provident Savings Life Assurance Society, recently visited British Columbia and the Northwest Territories in the interests of his company. He reports business as good, and the general outlook very encouraging.

Mr. Fred. Lamontagne, who has been for some ten years connected with the *London and Lancashire Fire* in Montreal, is shortly, we learn, to join the staff of the *United Fire*. He has our good wishes, and we believe the *United Fire* has secured a good man.

Mr. F. H. JOHNSTON has become associated with his father, the manager for this Province of the CONFEDERATION LIFE, under the style of H. J. Johnston & Son.

We note with pleasure that Mr. F. H. Johnston has recently passed the colonial examination for the Institute of actuaries which looks as though he would make his mark in life insurance, as he has already done in athletics. We wish the new firm the success it so well deserves, and that the junior member will be found as strong a competitor in his new field as he has been upon the M.A.A. grounds.

MR. LAIDLAW has been appointed Inspector for the Lancashire Insurance Company in Canada. That gentleman leaves the Norwich Union in Toronto, in which company he was employed as chief clerk—Mr. A. Blogg of the Commercial Union in Toronto takes Mr. Laidlaw's place with the Norwich.

IT IS PLEASING to note from the late examinations for the Institute of Actuaries held in the Colonies, that out of the eleven who passed in Part I five were Canadians, they being:

Class I. R. Henderson, Montreal.
" II. H. M. Boddy, Toronto.
F. H. Johnston, Montreal.
W. J. R. McMinn, Montreal.
" III. T. Bradshaw, Toronto.

While in Part II, Class II, we are glad to see as the one successful candidate our old friend Mr. A. K. Blackadar of the Insurance Department.

AMONG THE CALLERS at the CHRONICLE sanctum recently were Messrs. J. H. Boomer, Toronto; C. R. Burt, Hartford, Frank Halloway, Quebec; R. F. Steban, Ottawa; James O'Cain; St. John; David Smith, Quebec; Geo. K. Martin, inspector of British Empire Life, Toronto, and others.

Legal Intelligence.

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL.
No. 2598.

SUPERIOR COURT.

On the twenty-third day of May, one thousand eight hundred and ninety-three.

Present: The Honorable Justice JETTE.

LOUIS LABERGE, Plaintiff; *vs.* The EQUITABLE LIFE ASSURANCE SOCIETY of the United States, et al., Defendants.

The Court after having heard the parties by their attorneys upon the suit existing between them, taken communication of written pleadings for the instruction of the case, examined the documents filed, heard the proof and deliberated.

Whereas the plaintiff, appointed by a commission of date sixteenth of June, one thousand eight hundred and eighty eight, alternate examining physician of the Company defendant, sued in damages said Company and its manager Stearns, alleging that from what had been agreed between Stearns and the plaintiff at the time of his appointment, the latter was to make the examination of all French-speaking persons who should desire to obtain an insurance policy from the Company defendant; that that agreement was carried out faithfully up to the twenty-sixth day of May, eighteen hundred and ninety one, but that since that date, without cause or reason, the said defendant, acting by its manager Stearns, has ceased to have the said examinations made by plaintiff, and has even requested plaintiff to resign his said position, and upon his refusal has appointed another French Canadian physician for the aforesaid examinations, and has since totally deprived plaintiff of the same.

That the said examinations were yielding plaintiff on an average a sum of three hundred and thirty dollars a year; that in consideration of the profits to be derived from that office the plaintiff had made with the defendants an insurance contract for a sum of three thousand dollars for a term of fifteen years, upon payment of annual premiums of two hundred and six dollars and nineteen cents, so that by the virtual, if not formal, dismissal of plaintiff by defendant, the plaintiff suffers 1st, on account of his being deprived of the annual profit; 2nd, on account of the obligation that he has undertaken to pay the aforesaid annual premium; 3rd, on account of the injury caused to his reputation as a physician; and in consequence he is well founded to claim ten thousand dollars from the Company defendant, and from its manager Stearns.

Whereas the Company defendant pleads in substance:

That the medical service of the said Company is under the control of two medical directors residing in New York, and that the Montreal office is under the charge of an examiner in chief assisted by alternate examiners who have to make such examination as the examiner in chief cannot make himself or sends to them; that at the time the appointment of plaintiff there were already in Montreal two alternate physicians, so that plaintiff could expect only such examinations as might be

sent to him by the chief; that Stearns had not the right to promise more to the said plaintiff, and in consequence has exceeded his powers if he has done so; that the Company never promised to give to plaintiff exclusively the examinations of the French-speaking persons, and that it is false that the insurance taken by plaintiff was a condition of his appointment; that, further, plaintiff holds his commission under the will and pleasure of the Company, and that, although the latter has not always been entirely satisfied with plaintiff from a business standpoint, he has never, however, been dismissed, and is still enjoying all his rights and privileges, but that notwithstanding that appointment defendants had the right to cause examinations to be made not only by the other alternate examiners, but even by outside physicians to the exclusion of plaintiff, and that defendant has caused no damage to the latter.

Whereas the defendant Stearns also contests plaintiff's action, invoking the same grounds of defense, and pleading specially that he never promised plaintiff that he would have exclusively the examinations of the French-speaking persons, nor that his office would be permanent; and finally that he never induced plaintiff to insure in consideration of promise made in regard to his appointment as such alternate examiner.

Judging first upon the contestation between plaintiff and the Company defendant:

Whereas plaintiff has been appointed alternate examining physician of the said Company under the warranty of the regulations of the said Company which were transmitted to him at the same time as his appointment; that by the said regulations the number of alternate examiners was to be kept as small as possible, to wit, the examiner in chief and one alternate; that although the commission is given during will and pleasure, it is, however, enacted that after a physician has received his appointment it cannot be afterwards revoked unless for sufficient cause, and specially that he must not be changed to please the agents or to favor them. Whereas it is established by the proof that at the time of plaintiff's appointment there were in the office at Montreal only an examiner in chief and two alternate English speaking examiners, but that since some time the manager of the Company had reported the necessity of appointing an alternate French-speaking examiner, and that plaintiff was appointed to supply this want.

Whereas plaintiff has always fulfilled the duties of his office from one thousand eight hundred and eighty-eight to the twenty-sixth August, one thousand eight hundred and ninety-one, without any complaints having been made against him; that nevertheless since that latter date the Company has ceased to employ plaintiff, and has caused the examination of persons speaking the French language to be made by another physician. Whereas on the fourteenth of November, one thousand eight hundred and ninety-one, the physician in chief had written plaintiff requesting his resignation on account of representations made by agents; that plaintiff having complained of that demand to the New York office, he received a reply that as he refused to hand in his resignation the Company considered itself free to appoint another French examiner; that in consequence that appointment would be made, and the agents would be authorised to employ this new examiner at their option for the examination of persons speaking the French language.

Whereas in conformity with that letter Doctor Leblanc was appointed in December, one thousand eight hundred and ninety-one, French examiner of the Company defendants, and that it was to this new examiner that all persons speaking the French language were thereafter sent for examination.

Whereas it has also been proved by the deposition of Dr. Simpson (pp. 16 and 17) chief physician of the said Company, that Dr. Leblanc was appointed conjointly with the plaintiff only because the latter refused to resign, and that if he had agreed Dr. Leblanc would have been appointed sole French examiner of the said Company.

Whereas it is also proved by the witness Stearns, manager of the Company, that the demand of resignation was made upon the plaintiff only because the Company had no other means to liberate themselves from their obligation towards plaintiff (p. 22).

Whereas the examinations made by plaintiff, when the Company was sending its clients to him regularly, amounted to an average figure of sixty per year; and that in one thousand eight hundred and ninety-one, before they ceased to send them to plaintiff, he had made thirty-eight examinations, and Doctor Leblanc made twenty-two during the remainder of the year; that in adopting the same proportion for the seven months from the first January to the twenty-ninth of July, one thousand eight hundred and ninety-two, the date of the institution of the action, we arrive at the figure of thirty-five examinations to which plaintiff had a right for that period, and these thirty-five examinations with the twenty-two taken away from him in one thousand eight hundred and ninety-one form a total of fifty-seven, representing a sum of two hundred and eighty-five dollars.

Whereas notwithstanding the pretended complaints alleged vaguely against plaintiff the Company defendants did not revoke his commission, and that they even assert that he is still in possession of all his rights and privileges; that under these circumstances said Company was bound to execute in good faith the contract made with him; that the interpretation given to this contract by the defendants themselves during the first years fixes the sense thereof in an absolute manner; that the said Company does not allege any plausible reason for refusing to execute as in the past the convention which binds them towards plaintiff, and that the proof made establishes only complaints made by certain agents, complaints against which the plaintiff is protected first by their futility and in the second place by the regulations of the Company.

Whereas, under these circumstances, plaintiff is well founded to complain of the damage caused to him by defendants' refusal to execute in good faith the agreement entered into between them; that these damages amounted to the profits that plaintiff has been deprived of in one thousand eight hundred and ninety-one, and in one thousand eight hundred and ninety-two, up to the date of the action, to wit, the sum of two hundred and eighty five dollars as hereinbefore established; but that, as to the other damages claimed, on account of the contract between the parties still remaining in force from defendants' own avowal, there is no necessity to grant them now, and that it is sufficient to reserve to the plaintiff his recourse for what he may have suffered since the date of the action, and what he may suffer in future so long as the contract will subsist between the parties and defendants refuse to execute it:

Doth dismiss the exception and the defense of defendants, and granting for so much the conclusion of the action, condemns the said Company defendant to pay to plaintiff the said sum of two hundred and eighty-five dollars, with interest from the ninth of August, one thousand eight hundred and ninety-two (1892), date of service, and costs, including all costs of enquete of which costs distraction is granted to Messrs. Archambault & Chauvin, advocates and attorneys for plaintiff.

And judging now upon the contestation of the defendant Stearns:

Whereas the plaintiff has not proved that in the relations had with him, the said defendant has acted in any way beyond the mandate which he had received from the Company defendant; that on the contrary it is established that the said Company has approved and ratified all that the defendant has done in his quality of agent of the Company; and that in consequence he has not incurred any personal responsability, and that no damages can be claimed from him for which his principal is alone responsible.

Whereas plaintiff's action is unfounded as to Stearns:

Doth maintain the exception of the said Stearns, and doth dismiss plaintiff's action as far as he is concerned, with costs distraits to Messrs. Macmaster & McGibbon, attorneys for the said defendant.