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The Forest Fires Warning.

THE unfortunate victims of the recent forest fires in the States doubtless never dreamt of the calamity which overtook them being possible. In the same happy state of unconsciousness as to risk from bush fires, are some of the inhabitants of several villages and towns in Canada. During this summer a large village in the West was in imminent danger of being swept away by the flames of an extensive bush fire which reached close up to the houses. Happily the fire occurred in the day time when a large force of men were available for protecting the place; had it been in the night, the whole village and the outskirts of a neighboring city would have gone up in smoke, with probably a serious disaster to the service of one of our main railway lines. The proximity of a bush must always entail this contingency to settlements. Those who have not seen such fires would not believe it possible for flames to spread so rapidly as we have seen them do in autumn, after a drought. The dry leaves and grass carry fire in an ever widening circle, until in an amazingly short time a wide area is a flame which it is most difficult to isolate unless a large body of men are on hand. We trust our rural municipalities situated near the bush will take warning by the disasters in the States, and guard the community from like sufferings. A wide space should be cleared between settlements and the bush, and special precautions taken to prevent boys and tramps making fires in places where the embers are likely to spread. The one we refer to was caused by boys gipseying, who had left a fire unextinguished in their camp, some sparks from which were carried by a wind to places where dead leaves abounded that soon raised a very alarming bush fire.

The Canal Conference.

In a few days a conference will be held in Toronto, for the purpose of furthering a projected enlargement of the water ways westward of this port, so as to permit the passage of ocean vessels through the great lakes. The agitation for this vast scheme is chiefly confined to Toronto. We do not see, however, why that city should take any deep interest in the project, as if vessels of a sufficient tonnage and build were enabled to make their way from Lake Superior to the sea, they would certainly not enter the harbor of Toronto *en route*, save under stress of weather; they would be seen passing from the Welland canal towards Kingston in a direct course, just as grain boats now do. On the other hand, vessels with westbound freights would find it far more economical in every way to unload at this port, as the light loads they would have, after unshipping what was consigned direct to Montreal, would never pay them for a tedious trip through one or two hundred miles of a canal, and a return trip over the same course with another half load. Already our Southern neighbors are indicating their policy should the water ways westward be so enlarged. They would meet this by making the Erie canal capable of heading off to New York the new class of large vessels proposed to be accommodated; and were this done, the St. Lawrence route westward of this port would, to a very large extent, be used for local freights. The enormous expenditure this scheme involves is a dead weight which it will be very hard, indeed we are inclined to think, it will be found impossible for Canada to lift. Certainly the outlay will not be less than \$100,000,000, a sum which, with the annual extra cost of working the canals when deepened and widened, would add at least five or six million dollars a year to the expenditures of this country, and therefore to its taxation, for which the national benefit to be derived would be doubtful. It is, however, proposed that the American government be asked to share the expenses of this canal enlargement scheme, and that the present water ways so increased be under the joint control of the authorities of the two countries. If, to any extent, the proposed scheme hinges upon this idea, it must be regarded as chimerical. A proposal to give a foreign power any proprietary rights over a canal in Canadian territory would meet with a stern refusal by the people of this Dominion.

**Decline of London
bank Dividends.**

THE banks in London seem to have reached a period when their high rates of dividends are on the decline. Compared with the dividends paid by our banks, those of some London ones have for many years been very large, ranging from 12 to 18 per cent. The fact is, the London banker whose reputation is established is in one of the best positions in the world for making profits. As the agent of a number of country banks, he usually holds a large aggregate of balances kept by them, on which no interest is paid, and he holds also very large deposits kept always to a high average by customers' balances, and others of a more strictly deposit character. Thus the London & Westminster has about \$550,000,000 of deposits, with a capital of \$13,000,000, its 15 branches in the metropolis all contributing to make up this enormous total. Another bank, the Capital & Counties, has \$300,000,000 of deposits, drawn largely from its country branches. This bank has reduced its dividend from 18 to 16 per cent., and the Westminster, which paid 18 per cent. in 1890, 16 in 1891, 13 in 1892, and 12 in 1893, has come down to 11 per cent. It is manifest that to keep such vast accumulations active requires a steady demand for money on a scale of magnitude difficult to realize. It can be seen that the current rate for money, the bank rate, is affected to a marked extent by the operations of these banks, who are keen competitors for business in the discount market, and for other business calling for large loans, such as only banks having such vast deposits can handle. The record of nearly all the London banks is alike in this respect, their dividend rate has been on the down grade, and, we believe, this tendency has not exhausted itself, as the disasters from ill-advised foreign loans in recent years, and the American panic of last year, have made London bankers more cautious than ever before. This policy has caused the floating of new financial schemes to fall off more than 50 per cent. below those initiated in 1890, with a consequent depreciation in the earnings of the banks.

**Universal Tele-
graph Code.**

A NUMBER of our contemporaries are urging the banks and other financial institutions, to adopt a uniform telegraph code. We are unable to see any advantages in such a policy to offset its drawbacks. The absolute secrecy of a private code is essential to its usefulness. The comparative infrequency of its use is one safeguard of such secrecy. If the same code is used by a large number of persons, the operators who are curious, and ingenious in solving such riddles, would gradually become familiar with a number of combinations of words, the repetition of which in financial messages is hardly avoidable. Indeed, the solution of a cypher code has been accomplished owing to this re-iteration, and secrets of moment betrayed thereby. A wiser plan far is for those using a code to vary it at fixed periods, and so render it as exclusive and private as possible. Why should one bank, broker, or merchant wish to be able to read the private messages of any other? No such desire exists, but it is better to render it wholly impos-

sible for the wrong person to read a cypher message, which can only be done by each one having his own code. It is urged that this plan prevents a bank sending a cypher message to banks not in direct affiliation with it, who are thus compelled to act on an open message, and at times to advance money on that authority. Such a custom is most risky, and it would also be risky to use a code known to every banking house, as it would be a very great temptation and a snare to officials who might use their knowledge to perpetrate serious frauds. Advances to strangers, or irresponsible persons, should never be made on telegrams without some ratification of the contents.

**Departmental
Returns.**

WE refer our readers to a paper read at the National Insurance Convention by Mr. Geo. S. Merrill, commissioner of Massachusetts, on the subject of Insurance office returns to the various States. It has long been a matter of public complaint in the United States that notwithstanding their elaborate system, or rather systems, of investigation, the public are quite incapable of gathering reliable information in regard to the companies, because the figures given in the various official reports vary in most essential features.

The concealment of extravagant expenses by "divers ingenious and conscience-stretching devices and fictions" is a serious accusation to bring against institutions entrusted with conducting so vast and important and almost sacred a trust as dispensing the funds of Life Insurance Companies; but undoubtedly Mr. Merrill knows whereof he speaks, and if, as he says, "the people will correct this extravagance when its proportions come to be set forth fully and in clear light," the sooner the adoption of uniformity in the official returns, and lucid statements, that can be relied on, as to the cost of procuring new business, are available for the public, the better for them in particular and all honest insurance companies, for as things are at present, the conscience-stretcher and expert figure-manipulator has the unfair advantage.

It is a grave reflection on the Commissioners themselves that no inconsiderable part of unnecessary expense to the companies is forced on them by those officials not abiding by their decision arrived at in 1871, namely, the simplification and unification, both of form and of law, and reciprocal action among the various State officials. When these officials will decide what information will satisfy all their requirements, and have the State laws in conformity and unison with these requirements, then instead of each insurance company being obliged to incur the expense of a dozen or more investigations in a year, one will suffice, and will be more reliable and better understood by the public because not conflicting with other official reports. As matters are at present, it is notorious that the unscrupulous agents make use of the returns made by companies to one State to discredit their statements to another, and so try to reflect on the honesty of companies which have perhaps given correct returns in each instance.

We sincerely hope that the uncompromising tone of Mr. Merrill's paper will so impress his hearers that this subject will not again be allowed to become one of complaint or the part of the Convention, but that it will become compulsory on State officials to procure uniformity on all subjects that they in their capacity of scrutineers on behalf of the public deem necessary for the protection of those whom they serve.

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

In our analysis of the importance of the various items of information conveyed to the company by the applicant for Life Insurance through the means of his written application, we have now covered all those questions concerning which the Medical Examiner does not generally or necessarily have any knowledge. We now come to the series of questions usually put to the applicant by the Medical Examiner himself before making his physical examination of the applicant.

As the application blanks of the various companies differ more or less materially from one another, and as some contain inquiries that are not contained in others, and as also, some require certain inquiries to be made by the Medical Examiner, while others do not, it is difficult to draw an exact line as between these two forms or parts of the application. This, however, does not necessarily make very much difference, and we shall go by a standard to which most of the companies approximate very closely.

Several inquiries are made in order to draw out the desired information upon certain points; and while the wording of the applications of different companies differs somewhat, the intent of these queries is the same in each case. They cover the question of whether the person applying is then insured in the company, and if so, for what sum; also whether his life is then insured in any other company or companies, and if so, for what sum, and in what companies. Also whether any other negotiation for any other amount of insurance is either contemplated by the applicant at that time, or is pending and undetermined.

These inquiries are designed to draw out such facts as will enable the company to determine whether the applicant is proposing to carry an amount of insurance on his life that is fairly within his means and resources, because, of course, nothing is so important in the determination of the moral hazard of any particular case as the amount of insurance placed upon a particular life. If an applicant be loaded by an insurance out of all proportion to his means or income, there will be very good room for the company to suspect his integrity of purpose, and reason to investigate his motives and intents very closely.

It should not be assumed from this that a company dislikes to see a man apply for a large amount of insurance. On the contrary, the companies are extremely glad to have evidence that a man appreciates the general system and benefits of life insurance so thoroughly as to be willing to carry a large amount of insurance;

but it stands to reason that the suspicion of some illegitimate intent would be engendered by any indication that an amount of insurance was being applied for and carried which was manifestly in excess of the ability of the applicant to carry. Of course in most cases the ability can be only approximately assumed by considerations of the occupation and the probable resources that would naturally flow from such occupation, and such other considerations as might be developed from the application in general.

If the applicant suppresses the fact that he is insured, or, while admitting that he is insured elsewhere, fails to give the details of a large line of insurance that he is carrying, this suppression would not only be a gross breach of good faith, but might be an injury to himself personally, because it is very reasonable to suppose that the fact that other companies have taken the risk upon his life would have a favorable influence upon the company to which he was then applying.

IS MUTUAL LIFE INSURANCE "MUTUAL"?

It is a well known fact that for some years past the great bulk of life insurance in the United States—and to a large extent the same is true in Canada—has been issued ostensibly on the mutual plan. Many companies in the States are purely mutual in their organic form—while in the main those companies which were organized as stock companies issue participating policies on standard mutual rates, and profess to do for their policyholders exactly the same things which are done by the purely mutual companies. For the purposes of this article, therefore, most of the companies may be regarded as mutuals. Business is solicited on practically the same terms, and policies are issued with essentially the same conditions. And this especially applies to the various modifications of the tontine policy, by whatsoever kind of company it may be issued. A life insurance company conducted on the mutual principle is simply composed of an associated membership, each member or policyholder having exactly the same rights and privileges which belong to every other member assuming the same obligations. The executive officers are simply the custodians of the funds and the managers of the details of the business in behalf of the policyholders. They are the trustees of the member, ship, charged with the administration of an important trust, neither more nor less, and amenable to that membership.

The logical and necessary conclusion is, that not only the funds belong to the policyholders and to no one else, but that a perfect knowledge of the management and application of these funds belongs to the members. The home office officials are not in the position of the officials in a close banking corporation owned by stockholders, to whom alone they are responsible and not to the general public. This fact is recognized, in theory, when annually the executive officers of a life insurance company make a professedly detailed "statement" to the members, voluntarily; while, expressly for the protection of the interests of the members, and further for the information of the general

public, a portion of whom may become members, the law requires an exhibit of each company's affairs. It would give us great pleasure to be able to record the fact that the mutual principle had been carried out, and that satisfactory publicity had prevailed in the making of the customary annual statements. Much, unfortunately, is not the case. Anything like a full, business-like statement of affairs, in detail, such as a board of directors is required to make to the stockholders of a company, is the exception and not at all the rule among life companies. Important expenditures aggregating from a quarter of a million to a million or more dollars are covered under a single vague entry in the reports; nothing definite is shown about the cost of new or the expense of caring for the old business; new premium receipts are padded with irrelevant items; agency expenses and commuted commissions are inextricably confused; home office expenses, including salaries, are treated *en masse*; the profitableness or unprofitableness of buildings owned is concealed instead of being revealed, and a variety of minor transactions are "lumped off" without explanation.

Not only are these grave defects in the alleged annual statements found, as a rule, but anything like a frank statement of the various kinds and classes of insurance issued is unknown. This is especially true of the form of insurance known as tontine, which in the experience of some companies goes to make up a very large part of the business. Beyond the fact that a certain portion of the surplus—stated in bulk—belongs to the tontine business, nothing whatever is known. All else is a sealed book to the general membership, and equally unknown to the special tontine membership. We do not care here to raise the question as to whether the formation of special classes of policy holders with special privileges is consistent with the principle of mutuality, and we do not here enter upon a criticism of the tontine system, as such. The point which we urge is that a knowledge of the practices and of the condition of a company belongs of right to the policyholders as members of a mutual confederation. It has also recently transpired that a policyholder of one of the grants has entered suit in a United States Circuit Court, to compel a statement of the particulars of the settlement offered him on a tontine policy. Similar attempts, we believe, have been made before with this and other companies; but so far as we are aware, the courts have been prevented from pursuing an extended inquiry by a private settlement of the cases out of Court. Very likely such will be the history of the case referred to. Of the merits of the particular case referred to we know nothing, and refer to it here simply to show that the mutual principle does not prevail. We know of no good reason why a company should refuse to give, upon application, a simple statement of account covering the history of John Brown's policy when settlement is offered him. We assume of course that the books show, as they profess to show, exactly how the results belonging to any tontine policy have been reached. Certainly the information is not the exclusive property of the book-

keeper or of the board of directors, but if mutuality means anything it is also the property of the holder of the policy. The excuse for withholding information of this kind is, we believe, that the attempt to furnish the information to several thousand members would entail great expense. Of course this is a very flimsy excuse, for, aside from the fact that probably not more than one man in a hundred would ask for the detailed information, any business which is in danger of bankruptcy from the employment of a clerical force sufficient to carry out the fundamental principle upon which it appeals to the public for business can scarcely find justification for its continuance.

The simple fact is, that the application of the mutual principle to life insurance means a frank and full report of the officers to their constituents, the members, or else becomes a transparent sham. The public, who have long been taught by the companies themselves that the policyholders constitute the company, are growing more and more dissatisfied with meagre statements, and with the assumption from home offices that the officers are really the company, and information if imparted comes of grace from the powers that be and not of privilege founded on vested rights. It seems to be quite time that either all that is professed by the companies conducted on the mutual plan be put in practice, or that the system be abandoned outright and corporate control through stock-holders take its place. Ambiguity does not belong to true life insurance management.

NATIONAL CONVENTION OF INSURANCE OFFICIALS OF THE U.S.

The twenty-fifth Annual Convention of Insurance Officials of the United States was held at Alexandria Bay on the 5th instant. The Hon. James F. Pierce, superintendent of insurance of the State of New York, presided, and took as a text for his address of welcome, Washington Irving's words on the influence of nature in forming character. He likened the business of insurance to "a stream deep as it is broad, and bearing with honorable faith the bark that trusted to its waves."

"Interference by the State," said the speaker, "is but for the purpose of freeing it from the dangerous sand-bar or perfidious rock."

A most valuable contribution to the work of the Convention was a paper on the official statements from life companies, required by the several States, entitled "Statement Blank for Life Companies," and read by Mr. George S. Merrill, commissioner of Massachusetts, and was as follows:—

"The present form of net balance blank was adopted by the Convention in 1874, and went into general use in 1875. Very few modifications of it by authority of the Convention have since been made, the principal one being a division of premium income into new and renewal and a separation of the cash from the other income items.

"When the form was adopted by the Convention, the convenience and importance of uniformity, both to the companies and the departments, seemed so apparent, that it was agreed that no change ought to be made in the blank by any one of the departments until the suggested change should have been submitted to the Convention for full consideration and discussion; then, if found necessary and appropriate, the change could be incorporated and the uniformity of the general form be preserved.

"The importance to the companies of the uniformity

of statement is very evident, not only in respect to a consistency of presentation of their affairs in the various Department reports, but especially in the labor and detail involved in the compilation of the accounts in the offices of the companies.

"The business of the companies has become so large and is so rapidly growing, that any innovation upon established forms must entail much labor, confusion and delay. The form once established and the books and methods of the offices adopted with reference to the information desired, the accounting would proceed consistently and without embarrassment. The companies have always professed an entire willingness to furnish every item and detail of information the departments deem necessary and proper, and they only reasonably ask that the departments shall agree upon what those items should be, so that the exhibit elaborated in conformity with the Convention requirement may be sufficient and satisfactory for all.

"However important and convenient the uniformity of statement requirements may seem to the members of the Convention at the session in which the forms are discussed and adopted, the impression naturally and necessarily loses its force, or disappears in consequence of the frequent changes and successions of administration of the various departments.

"But this subject, which is one of the most important and technical of all that come into the administration of the departments, should be kept constantly alive and prominent before the Conventions, not only in the interest of the convenience of the companies, and commissioners, but very especially to the end that the public may be provided with the most clear, consistent and intelligent exposition of the progress and affairs of their companies.

"The uncertainty and confusion from a departure from uniformity of State requirements is strikingly illustrated by a comparison of the income exhibits as published in the reports of the various departments during the current year. And it may be said that inquiry made at the several departments discloses the fact that in only seven of them have the modifications in respect to income items, agreed upon and adopted by the Convention, been in the slightest degree regarded. And it may be further said that a comparison of the forms used by twenty-six of the oldest State Departments shows many and important departures, not only from the Convention standard but that variations among themselves are very numerous, and result in much uncertainty and confusion to the companies and the public. And so it comes to pass that the companies are again being subjected more and more to the same old trouble that was the principal moving cause for the calling together of the first Convention in 1871."

Mr. Merrill then quotes from a paper upon the general subject, read at the session in Denver in 1889, relating particularly to fire statements; but the analogy of the life situation is, as he says, quite apparent, the closing paragraph of which is as follows:—

"An exhibit was intended to show the exact relations of the Company to its policy-holders and the public, regarding the Company in its entirety of home office, branches, departments, agencies and all other machinery in its control, on the one hand—on the other, the insuring public. To be of any value as such exhibit, it must show the entire and precise cost to the community of its insurance protection and the quality of the protection offered."

Proceeding with his subject, Mr. Merrill continues as follows:

"In recent years a great deal of stress is laid upon the large and confessedly extravagant expense of gaining new business by the life companies. It is depre-

cated by all, and by none more earnestly than those who are the greatest offenders. There seems to be something like a spell over the whole subject, all detest and shrink from it, but none, either severally or all in concert, seem able to break it.

"All confess to it, but the most that any pretend to do in the interests of common decency is to conceal as much of it as possible. This concealment is by divers ingenious and conscience-stretching devices and fiction, which only become apparent by a careful analysis and comparison of items and years.

"This extravagance will correct itself, or, what is the same, the people will correct it, when and only when its proportions come to be set forth fully in clear light, just as long as the statement forms and Department requirements permit the concealments of the cost of this new business and who pays for it, so long will the waste go on and no longer.

"Two things must be shown fully and without shadow before the matter will right itself,—one, what amount have the new policies actually paid into the Treasury of the Company, the other, what has the Company paid or agreed to pay out of present funds to secure this new business.

"The present Convention form of income is believed to be sufficient to secure from a conscientious officer the first item. For the second a considerable modification of outgo account is necessary, and a movement in this direction ought to proceed at once, and during the present session of this Convention if possible.

"Since the last amendment of the blank order by the Convention, there has come into the accounts another and new item that seems to have no appropriate and definite place in the accounts, at least not such a place as that it is likely to be treated unforlunately and unmistakably by the different companies. Allusion is here made to the disposal of the instalment business of such of those policies as have become claims.

"Under the instalment plan the Company agrees that when the policy matures there shall be paid at once, say, one-twentieth of the amount insured, to the beneficiary, and an equal amount at the beginning of each of the following nineteen years. Thus, if the amount insured is the nominal sum of \$10,000, there would be payable \$500 per year for each of twenty years, and the actual liability of the Company at the date of the maturity of the policy would be, not \$10,000, but the present worth of \$500 to be paid at the beginning of each of twenty years, which, counting interest at 4 per cent., would be \$7,067. And the natural and common-sense position of the accounts, when the first instalment has been paid, would seem to be, in expenditure \$500 and the balance \$6,567 in liabilities.

"It would probably be best that no part of the accrued claim under this policy, except barely the instalment for the current year, should enter the income and expenditure accounts at all, and this in a separate item of expenditure as amount actually paid under claims upon matured instalment policies. But if to satisfy bookkeeping it is found necessary to enter the full amount promised under the matured policy in both income and expenditure, it should be distinctly stated in items for that purpose alone, and not confused with annuities or any other account.

"There is apparently at this time no duty before this Convention more serious and important than an agreement upon the proper form of the income and expenditure accounts of the life companies for the annual statements, and it is respectfully urged that when such agreement is attained, the departments should rigidly adhere to the form adopted until some needed change becomes evident and is presented to some future Convention for full consideration."

THE CHRONICLE FIRE TABLES.

To quote the Publisher's prefatory remarks: "Every fire insurance company in the United States will find THE CHRONICLE Fire Tables a valuable supplement to its own experience;" and as the conditions of fire risks in Canada are very similar to those in the States, we think that every fire insurance company in the Dominion may get valuable guidance in many classes of risk, by the lessons to be learned from this most valuable publication.

The year 1893 has quite eclipsed all previous records of fire in the United States. The number of fires shows an increase of 5,856, being 35,188 against 29,332 in 1892, and the value of property loss \$167,544,370 against \$151.5 millions the preceding year. The average loss per fire to the Insurance Companies was \$3,012, nearly the same as the previous year, but whereas that year was only 61.71 of the property loss, the proportion for 1893 was 63.26, or, in other words, the Insurance Companies loss per fire in the United States during the year 1893 was 1.55 greater than in 1892. The following is the Chronicle table showing the average annual loss per fire, to which we have added a column showing the proportion the Insurance loss bears to the Property loss:—

Year.	Average Losses per Fire.		Proportion of Insurance to Property Loss.
	Average Property Loss.	Average Insurance Loss.	
1885	\$ 7,285	\$ 4,069	55.85 p.c.
1886	6,893	3,975	57.66 "
1887	7,336	4,248	57.90 "
1888	6,922	3,993	57.68 "
1889	6,992	4,187	59.88 "
1890	4,863	2,901	59.65 "
1891	6,167	3,885	63. "
1892	5,166	3,188	61.71 "
1893	4,761	3,012	63.26 "

It will be observed that the proportion that the Insurance loss bears to the Property loss is a steadily increasing quantity; this is to be expected in the natural order of things, as the custom of insurance against fire becomes more general from year to year; but there is another factor which at times appears to have an undue influence on the proportion of loss sustained by the insurance companies, namely, depression in trade. The year 1893 had the largest number of business failures ever recorded in the United States, the proportion of insurable property burned was larger than the previous year by 1.55 per cent.; then the two years preceding that, which were also years of commercial depression by .26 and 3.61 per cent. respectively, while compared with the year 1885, when business was in a normal condition, the proportion of average insurance loss per risk, compared to the average property loss, was 7.41 per cent. less than those experienced during last year's bad times. These facts point very conclusively to moral laxity, to put it mildly, on the part of the assured, and it would appear that in times of commercial difficulty, an amount of merchandise that fails to find a market is realized on by means of the fire policy. In view of this circumstance it will probably become a recognized system on the part of the fire companies to advance rates in the early years of depression instead of waiting until the record of losses forces the action on them.

FOREST FIRES.

The following interesting information is from a paper prepared by Gen. C. C. Andrews of St. Paul, Minn., author of a report on Forestry in Sweden, and read at a recent meeting of the American Forestry Association held in Brooklyn, N.Y:—

"Official reports published by the United States Government in 1887, 1888 and 1890 devote attention to the subject, and show that the loss from forest fires in the United States amounts to the enormous sum of \$25,000,000 a year, a sixth part of which is occasioned from fires started by railway locomotives.

"Attention has been freshly drawn to the subject by the dreadful forest fire which raged in July of this year in Northern Wisconsin, devastating especially the county of Price, wiping out the town of Phillips, its county seat, and causing most pitiable distress to a great number of people and the loss of many lives. It is difficult to imagine the horror of such a catastrophe. It is difficult to imagine the dismal appearance of the blackened ruins and chaos of obstruction such a fire leaves for a generation or two, or the apprehension, terror and suffering of inhabitants whose lives it endangered.

"This recent calamity calls to mind the awful forest fire which raged in Northern Wisconsin and Michigan during the first half of October of 1871, and which destroyed not only many million dollars worth of timber and other property, but the lives of 800 people. The *London Daily News*, in an editorial at the time in regard to it, used the expression 'that terrible phenomenon of the Western world, the forest fire!' Well, indeed, might any enlightened writer exclaim 'That terrible phenomenon of the Western world, the forest fire!' These fires occur every year, and they are treated only as a sort of nine days' wonder, deeply lamented and speedily forgotten. For the American people to allow such calamities to habitually occur without adopting any adequate means for their prevention, causes our country to be regarded as, in some respects, only semi-civilized.

"Of course forest fires sometimes occur in countries which maintain systematic care of forests, but not so frequently nor to the extent that they do in this country. In such countries as Germany, France, Austria and Sweden the public forests are administered so as to yield a steady net revenue of about four per cent., without any diminution or deterioration of the forest, but rather an increase of its resources. Their principal means of preventing destructive fires are the constant watching and patrolling of the forest by guards or foresters who reside in their respective divisions.

"I have pleasant recollections of observing the clean and thrifty appearance of forests in each of the countries mentioned. An outline of the prevailing system of management is about as follows:—

"The public forests are divided into districts, sub-districts (reviers) and divisions. A district may embrace a large geographical area, and is in charge of a forest inspector.

"A sub-district, which includes several divisions, is in charge of a director, and a division, usually comprising 1200 to 2500 acres, is in charge of a forester, who resides in a dwelling belonging to the government, and who personally or through an assistant keeps watch of everything in his division pertaining to the forest.

"He also attends to its economical details, to the building of roads, the propagation of valuable game, and the destruction of noxious animals. He has received a forestry education; he is a government official of humble rank, it is true, but his position is partly scientific, it is permanent, and he is proud of it, and looks forward through efficiency and fidelity to being

ultimately promoted. His division is provided with roads.

"Underbush is not allowed to accumulate; in some places belts of green leaved trees are grown or openings left to prevent the spread of fire. Trespassers of all sorts are excluded. It is personal presence, watching and patrolling, and the enforcement of reasonable regulations that prevent fires. But should a great fire occur, he is already instructed how to proceed for its extinguishment. There are good means of communication, and he can promptly summon assistance. It is made the duty of all neighboring inhabitants to lend their help. Women and children with wet brooms are sometimes his effective assistants. If a fire has gained considerable headway, he can pretty quickly have a belt of timber felled in its path, or he can meet it by an opposing fire. There is a sentiment in those countries which carefully administer their forests against any act or neglect that might cause a forest fire.

"If our government would adopt reasonable measures for preventing forest fires on its own timber lands, it could more effectively insist that railroad companies should employ guards to extinguish fires set by locomotives, or that appliances be used to prevent their setting fires.

"As one step, I would suggest that this Association adopt a short memorial to Congress substantially like the following:—

"To the Congress of the United States: Your memorialists, the American Forestry Association, respectfully represent that forest fires annually cause great damage to the timber lands of the United States, and are frequently attended with a great deal of suffering and loss of life; that such fires could very largely be prevented by the adoption of forest management, such as has proved successful in Germany and several other European countries; and we would respectfully ask that suitable legislation for this object may be enacted. Also that a committee be appointed by the Association to request the president to consider this subject in his next annual message."

CAUSES OF FIRES.

Compiled by THE INSURANCE AND FINANCE CHRONICLE, from *The Chronicle, N.Y.*

[The figures represent the percentage of fires from each cause in each class of property, omitting those under 5 per cent.]

Agricultural Implement Factories.—Spontaneous combustion, 18½; sparks, 15½; engines and boilers, 10½; friction, 8; stoves, 5; defective flues, 5½.

Agricultural Implement and Seed Stores.—Spontaneous combustion, 16; defective flues, 15½; cigar stubs, 10½; explosions, lamps, 10½; matches, 11; sparks, 10½; candles, 5.

Asylums.—Defective flues, 46½; sparks, 6½; defective ovens, 6; stoves, 6½.

Auction and Commission Stores.—Matches, 11½; stoves, 10½; defective flues, 8½; cigar stubs, 8½; spontaneous combustion, 7; candles, 6; carelessness, 5½.

Bakeries and Confectioneries.—Over-heated and defective ovens, 26½; ignition, grease, 16; defective flues, 12½; stoves, 5½; matches, 6; explosions, lamps, 5; sparks, 5.

Barns, Stables, Granaries, etc.—Lightning, 43; matches, 12; sparks, 7; cigar stubs and tobacco pipes, 6; lamp accidents, 6; explosions, lamps, 6.

Billiard Saloons.—Explosions, lamps, 17; defective flues, 16½; cigar stubs, 16½; sparks, 12½; stoves, 12½.

Book-binding and Blank Book Factories.—Spontaneous combustion, 20; matches, 15; explosions, lamps, 15; carelessness, 5½; explosions, naphtha, 5; explosions, chemicals, 5; natural gas, 5; gas jets, 5; sparks, 5; stoves, 5; electric wires, 5; ignition, alcohol,

Blacksmith Shops.—Sparks, 65½; spontaneous combustion, 6;

Book and Stationery Stores.—Matches, 12½; explosions, lamps, 12½; gas jets, 11; lamp accidents, 9½; defective flues, 9½; stoves, 7½.

Boarding Houses.—Defective flues, 18½; explosions, lamps, 16; gas jets, 10; matches, 9; stoves, cigar stubs, 6½; sparks, 5.

Boot, Shoe and Materials Factories.—Defective flues, 11½; stoves, 8½; explosions, lamps, 8; spontaneous combustion, 6.

Boot and Shoe Stores.—Explosions, lamps, 21½; stoves, 14½; defective flues, 12½; matches, 10; gas jets, 7½; lamp accidents, 6.

Box Factories (Fancy and Paper).—Stoves, 21½; spontaneous combustion, 8½; engines and boilers, 8½; matches, 8½; carelessness, 9.

Box Factories (Wood).—Sparks, 21½; engines and boilers, 20; friction, 6½; forest fires, 5; locomotive sparks, 5; stoves, 5.

Breweries.—Sparks, 13; explosions, dust, 11½; friction, 9; ignition, tar, 8½; spontaneous combustion, 7; defective flues, 5½; engines and boilers, 5½.

Brick and File Works.—Over-heated and defective kilns, 48½; sparks, 19; engines, 8.

Broom and Brush Factories.—Ignition, chemicals, 11½; stoves, 10; sparks, 8; spontaneous combustion, 7½; explosions, lamps, 6; carelessness, 6.

Butcher Shops and Meat Markets.—Explosions, lamps, 20; defective flues, 13; stoves, 12; ignition, grease, 11; matches, 9½.

Button Factories.—Spontaneous combustion, 18; stoves, 18; furnaces, 9; ignition, japan, 9; sparks, 9; ashes, 9; friction, 9; ignition, paint, 9; carelessness, 9.

Candy Factories.—Defective flues, 20; furnaces, 14; stoves, 11½; gas jets, 5½; grease, 5½.

Canning Establishments.—Carelessness, 9; defective flues 9½; explosions, gasoline, 9; furnaces, 6; sparks, 6; lamp accidents 6; spontaneous combustion, 6; engines and boilers, 6; explosions, alcohol, 6; explosions, lamps, 6.

Carriage and Wagon Factories.—Spontaneous combust 22½; sparks, 20½; defective flues, 11½; stoves, 9½; engines and boilers, 6½.

Cement, Lime and Whiting Works.—Over-heated and defective kilns, 20; lime slaking, 20; accidents, 10; sparks, 6½; defective flues, 7; engines, 6½; explosions, lamps, 6½.

Cheese and Butter Factories.—Engines and boilers, 30; defective flues, 19; stoves, 13; sparks, 9½; spontaneous combustion, 8.

Churches.—Furnaces, 23½; defective flues, 21; lightning, 15; defective heating apparatus, 6.

Clothing and Furnishing Goods Factories.—Stoves, 22; matches, 9½; ashes, 7; explosions, lamps, 7; furnaces, 7½; friction, 5; explosions, gas, 5; explosions, oil stoves, 5.

Clothing (Retail) Stores.—Gas jets, 12½; explosions, lamps, 12; electric wires and lights, 11; stoves, 10½; matches, 8; defective flues, 8; cigar stubs, 6.

Club Houses.—Defective flues, 16; cigar stubs, 14; furnaces, 11; matches, 8; sparks, 6; explosions, gas, 5; gas jets, 5.

Coal and Wood Yards.—Spontaneous combustion, 43½; sparks, 15; locomotive sparks, 13; engines and boilers, 6½.

Coffee, Chocolate and Spice Mills.—Sparks, 17; spontaneous combustion, 12½; friction, 12½; accidents, 13; furnaces, 11; carelessness, 9.

College Buildings.—Defective flues, 35; furnaces, 7; stoves, 7; explosions, lamps, 6.

Cooperage Establishments.—Sparks, 21½; defective flues, 12½; over-heated and defective kilns, 10½; engines and boilers, 8; carelessness, 6½; furnaces, 7.

Cordage and Twine Factories.—Friction, 53; lightning, 13½; matches, 7; engines and boilers, 6½; carelessness, 7; stoves, 6½; spontaneous combustion, 6½.

Cotton-Gin Houses.—Matches, 41; friction, 25; sparks, 19; accidents, 7½.

Cotton Goods Factories.—Friction, 62½; spontaneous combustion, 12½; matches, 6.

Cotton in Transit.—Locomotive sparks, 66½; sparks, 16; cigar stubs, 7.

Cotton on Wharves and Platforms.—Locomotive sparks, 51; sparks, 21½; matches, 8½; cigar stubs, 6½.

Cotton Warehouses and Storehouses.—Locomotive sparks, 18; spontaneous combustion, 16; matches, 16½; lightning, 11; sparks, 11; cigar stubs, 9; accidents, 7.

Country and General Merchandise Stores.—Defective flues, 26; explosions, lamps, 15; matches, 8½; lightning, 7; accidents, 6; spontaneous combustion, 5.

Court Houses.—Defective flues, 24½; defective heating apparatus, 14½; spontaneous combustion, 10; stoves, 9½; accidents, 7½; cigar stubs, 7½; sparks, 5; furnaces, 5.

FIRE LOSSES IN CANADA FOR AUGUST 1894.

DATE	LOCATION.	RISK.	TOTAL LOSS.	INSURANCE LOSS.
Aug 2	Bridgeworth	Saw Mill Steam	\$6,000	\$3,000
3	Tweed	Stores	7,000	5,000
4	Harrow	Flour Mill and Stores	25,000	14,000
4	Woodstock, N.B.	Carriage Factory	20,000	7,100
5	Alton, Ont.	"	8,000	3,000
6	Balmoral, Man.	Flour Mill	9,000	5,000
6	Med, Alberta	Saw Mill	6,000	3,500
7	Owen Sound	Laundry	2,500	1,200
8	Toronto	Slaughter House	1,200	1,000
8	Shelby, Man.	Cordwood	2,300	2,300
9	Romney Tp.	Steam Stave Mill	18,000	11,000
9	Strathroy	Hotel Stables	2,000	1,300
10	Tp. Drumbo	Farm Property	3,000	1,700
13	Port Arthur	Steam Saw Mill	30,000	11,500
10	Tottenham	Hotel	4,000	2,600
11	Forest	Grain Elevator	6,500	5,000
14	Tp. Sidney	Farm Property	6,000	3,600
14	Belleville	Stores	8,000	5,400
16	Montreal	Steam Laundry	40,000	31,000
15	Quebec	Dry Goods	5,000	5,000
16	Sarnia	Racing G'nd St'nd	1,500	1,000
16	Berlin	Livery Stables, &c.	7,500	5,000
16	Scotland	Farm Property	4,000	2,800
17	Winnipeg	Grain Elevator	20,000	17,500
17	Toronto	Stores	7,000	3,600
17	Tp. Dumfries	Farm Property	3,900	3,000
18	Gananoque	Hay Barn	5,500	4,000
17	Brandon	Flour Mill	30,000	23,000
20	Montreal	Plumber	9,000	9,000
21	Pierreville	Stores and Dw'ing	18,000	7,000
21	Little Glace Bay, C. B.	Store	3,500	2,800
22	New Castle	Farm Property	2,000	1,300
22	Plattsville	Flour Mill	10,000	6,000
23	Lachute	Dwellings	10,000	6,400
23	Beaverton	Bakery and Stall	6,000	3,000
24	Midland	Steam Saw Mill	25,000	17,000
26	Ottawa	Lumber and School	50,000	44,000
27	Wellesley	Farm Property	3,000	2,000
28	Montreal	Coal Yard	5,000	5,000
28	St Vincent de Paul	Dwelling	4,000	3,400
28	Wallaceburg	Livery Stable	3,000	2,400
30	Cote St. Louis	Farm Property	3,500	1,600
30	Collingwood	Hotel Stables	1,500	1,000
			\$142,700	\$295,000

SUMMARY FOR EIGHT MONTHS.

	1893.		1894.	
	Total Loss.	Insurance Loss.	Total Loss.	Insurance Loss.
For January	\$402,000	\$301,900	\$391,300	\$269,600
" February	722,800	449,100	598,800	276,350
" March	671,030	533,830	352,000	193,000
" April	661,900	501,700	746,400	470,600
" May	310,500	197,400	578,200	373,100
" June	1,060,800	382,500	526,200	348,200
" July	279,500	167,000	294,400	210,700
" August	678,300	496,500	442,700	295,000
Totals	\$4,786,830	\$3,029,930	\$3,930,000	\$2,436,550

BANK AGENCIES IN OTHER COLONIES.

The prospect of a considerable extension of our trade with other colonies—which is becoming more and more hopeful—has raised a question of much interest, one too which will be of increasing importance as intercolonial trade begins to develop. Those who have hitherto not shipped goods to such distant markets as Australia, New Zealand, South Africa, are often deterred from pushing business in those markets from ignorance of the conditions under which commerce with such places is carried on. To ship goods to a Canadian customer and to draw upon him are part of the daily routine of business houses; but what puzzles many is how to secur

orders for goods from customers so distant, and how to arrange the financial part of the transactions is a mystery. As to the securing of orders, we believe there are arrangements under consideration by the Minister of Trade and Commerce, in concert with the Colonial officials, which will bring the merchants and manufacturers of Canada into such contact as is needed for each class to negotiate business with the others. We have the highest authority for stating that the representatives of the different colonies are thoroughly satisfied that when all the arrangements they contemplate making are complete, a Canadian house will have no difficulty in discovering what goods it can profitably import or export, nor in making any purchases or sales that promise to be advantageous in those little known markets. The question is now under consideration as to the methods to be adopted in financing such transactions. At present our banks have no direct connection with those of the other colonies. Whatever business of a banking character has hitherto been done has been transacted through London agencies of banks in this country, and those of Australia and other places. Settlements of all kinds have been and are made by this, what we may call, triangular course, as they are in our dealings with some other nations. London is the great exchange market of the world, it acts as the clearing house of international commerce, money for transmission to any point is more promptly and cheaply procurable there than anywhere, and there too can drafts on any other country be more speedily and economically sold than elsewhere. Hence the rate of exchange in London is the ruling factor in the vast mass of international trading transactions. While this is so we believe that it would be an appreciable convenience to our traders were some of our leading banks to open up direct agencies in other colonies. We are betraying no secret, we believe, in saying that one bank, whose head office is in Toronto, has been considering such a step, the utility of which has been urged upon it by one who is actively engaged in promoting intercolonial trade. We are not very sanguine about any large profits being likely to accrue from such agencies for a length of time, as we doubt any sudden extension of the business which suggests them. But in trade "the day of small things" must not be despised. If this plant is ever to grow, it must have all favorable conditions; it is wiser to get the trade developed in its early stages in the soil which is best adapted for its healthy expansion. We see no reason why whatever banking has to be done by us arising from colonial trade should not be done directly as a rule, and indirectly whenever that course is more desirable. Drafts, with bills of lading attached, drawn on a house in Melbourne, Sydney, Auckland, Cape Town, or elsewhere, might, we submit, be most conveniently negotiated in Canada, and sent direct to the agency of one of our banks in these places. It would be a great help to our traders to have direct advices to their own bankers as to the credit of customers, or would be buyers, in the far away colonies, and a help to bankers to have direct communication with banks at points where their customers were doing business. When the new Pacific

cable is laid, as it will be ere long, this directness of contact between the respective banks and traders would be of the greatest benefit. Happily the high standing of our banks would help materially the carrying out of this policy, and there needs be no difficulty from doubts as to the position of distant colonial banks, for at every point we have named there are institutions of stability. We commend this to the consideration of bankers, who, irrespective of immediate profit, may serve the promising cause of intercolonial trade by showing a sympathetic readiness to do what in them lies to facilitate its operations.

THE LOAN AND BUILDING COMPANIES' REPORT.

The annual report of the above companies for last year is just issued. The returns give a highly interesting exhibit of a class of business which plays a most important part in the financial affairs of this country, and which has done much for its progress. As a rule, the operations of our loan and building societies are conducted on lines that ensure the safety of the extensive capital they employ. The sharp division which exists between these institutions and the banks has proven to be a system that contributes to the stability of both. In Australia the mixing up of banking with loaning on mortgages taught the same lesson. The two classes of business are so distinct in nature, and in the conditions they create, that they cannot with prudence be associated. The loans of a bank are made mainly to facilitate transactions of a temporary nature, to assist traders in carrying goods from the time of purchase to that of their sale; their business is essentially a department of commerce, hence their funds are in a perpetual state of flux. The loan societies on the other hand do not desire to make transient loans, they are investors in permanent securities,—securities, to use the French term, representing immoveable properties. Hence the funds for working this class of business differ widely from those of the banks. It would be unwise, and at times very dangerous, to extend loans on mortgages based mainly upon deposits liable to be withdrawn after a short notice, as the necessary funds for meeting any call for deposits could not be procured by converting the securities held into cash, as the bulk of a bank's assets can be under stress of an unusual demand. The return before us gives a striking illustration of this point. During last year the low price of wheat and general depression caused a drain of the deposits held by the loan companies. The amount they held in 1892 was \$19,392,165, the figures for 1893 are \$18,531,573, a decrease of \$860,592. In 1892 the companies had \$3,577,255 of cash in the banks whereas in 1893 this reserve had gone down to \$2,729,756, a decrease of \$847,499, almost the same sum as they had paid out in deposits. Had then the banks, and loan societies been one institution, and a drain set in for deposits all round, there could hardly have failed to be considerable financial disturbance, not a sign of which was shown by either our bank or loan companies during the panic and severe depression of the past

year. The more experienced managers of these enterprises are fully alive to the desirability of giving as far as possible a permanent character to their assets in order to bring them into harmony with their liabilities. To borrow money which may be recalled in a month, and lend it on a mortgage which is not repayable for several years, would be a grave imprudence for a private person. The older heads who have had the longest experience in conducting loan and building societies, recognizing that the same principle has its application to their business, favor more reliance being placed on debentures and debenture stock, which, though somewhat less profitable, afford a more satisfactory basis for their class of loans than deposits. The following table shows the respective amounts of total loans on real estate, of deposits held, and debentures afloat in the years given.

	Loans on real estate	Deposits	Debentures
1880.....	56,512,200	11,713,633	23,212,768
1885.....	78,775,243	15,435,081	34,798,038
1890.....	103,535,648	17,893,567	54,996,455
1891.....	106,404,855	18,482,958	56,496,224
1892.....	109,867,355	19,392,165	60,051,815
1893.....	110,916,559	18,531,573	62,049,805

The above shows that the increase of deposits for the last 13 years has only been \$638,006, while the debentures have increased \$7,053,350, the large increase of two millions having occurred last year when the deposits declined nearly half that amount. A very significant fact shown in these returns is that the amount of interest paid and accrued during the year is not keeping pace, but falling far behind, the increase in real estate loans. In 1880 the amount of interest was \$2,289,717, and of those loans, \$56,512,200; in 1893, the interest was \$3,760,435, and of real estate loans, \$110,916,559. One of the most important items in the statement of a loan company is the one showing the amount of principal and interest overdue and in default on mortgages. The return for 1893 gives us a very satisfactory exhibit in this respect. In 1880 this item stood \$4,130,557, in 1885, \$3,084,113; in 1893, \$2,746,648, while the mortgages had gone up from 56 to 110 millions. The item for 1893 is less than 2½ per cent. on the gross amount loaned, upon which principal and interest are in arrear. Considering the great outcry there has been about farms in Canada being so unprofitable, and the financial condition of our farmers so deplorable, we must say that they have managed to keep their mortgage engagements with remarkable success, and they have presented this paradox.—while they have been, as some affirm, going on for many years from bad to worse, from embarrassment to ruin and poverty, they have succeeded in reducing their arrearages of debt very considerably, and in keeping up their payments with most satisfactory regularity. We propose to return to this Report when sufficient time has elapsed to enable us to give the elaborate statistics more close inspection.

Female assurance is done on a large scale in the States. Mrs. Heart, of California, carries \$300,000, many carry \$100,000, still more, \$50,000, and for amounts down to \$5,000 the number is very large.

Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents.

TORONTO LETTER.

Mr. Boomer convalescing.—Letting go the once much sought farm business.—Some of the alleged causes of its unprofitableness.—Mr. E. B. Harper and the Mutual Reserve —A Blazon of note.

DEAR EDITOR,

I am glad to say that Mr. James Boomer, manager of the "Manchester," is now convalescent after an attack of typhoid fever. It will probably be some two or three weeks before he will be able to resume his official duties, but his friends will rejoice to see him about again.

The abandonment by Companies, of that class of risks and business known as "Farm Risks" seems to be proceeding at a rapid rate. It seems to be generally admitted, or nearly so, that there is no money to be made by writing them at present rates, or even at any presently obtainable advance, and the best way therefore is to drop them altogether. It is not very long ago, in the seventies and eighties, when "the profession" went wild fraet such risks. The back townships were covered with travelling agents (expenses paid with a commission) soliciting three year farm risks. Illustrating this feature of the times, the story was told that during a wind storm a tree was blown down across a concession road, and in falling killed three Life agents, two Fire insurance agents and one sewing machine agent who happened to be passing by! In those days the ordinary applications were considered satisfactory, but as recurring losses, demonstrated that the household goods under one sum, farm implements and vehicles, under another with produce, live stock, etc., under the "ordinary contents" phrase, and no limits named, resulted in an undue proportion of loss, each Company prepared a detailed form of application for itself. Later the C. F. U. A., with the object of securing uniformity, evolved the present Farm Application, the use of which was made obligatory on its members for farm business. It seems that so far as this was to be a relief to the Companies, it came too late to render much service. The C. F. U. A. also made a rule to the effect that an extra charge of 25c per cent. be collected where a mortgage existed on a farm property. But the innocent farmer still keeps ahead of the companies, and some of them have given up the contest, and others are thinking of doing so, 1% for 3 years or \$1.25 even does not tempt them to stay longer in this branch of the work. In the old days one and one and a quarter per cent. was the figure *per annum*. I do not believe there is hope of a profit much below these rates. The Mutuals, from the nature of their methods, stand a better chance of making a profit, where each one of the insured is also one of the insurers they exercise an interested supervision over each other, not obtainable by any stock Company.

The Agricultural of Watertown, N. Y., a Company specially organized and equipped to insure Farm and other three year dwelling house risks is one of the latest to drop these risks having on 1st instant ceased writing them in Ontario. The "Phoenix of Brooklyn" has followed suit. The "Quebec" stopped writing them eighteen months ago. The "Western" and "British America" still indeed are accepting them, but insist on the business being choice and select; other Companies, no doubt are adopting the same line. These are signs of the times. When for a series of years a special class of risks is found generally unprofitable, and paying rates cannot be got, common prudence says, stop writing them. The hard times, farmers with mortgaged farms, are said to be experiencing increasing frequency of thunder storms as the country is cleared of its growing timber, tramps, over insurance, and possibly "prompt payments" following not too severe investigation of the loss; all these combined are suggested as reasons why Companies cannot make money out of three year farm insurance.

Our old friend, Mr. E. B. Harper of the Mutual Reserve Fund, installed in the famous Red Parlor of the Queen's Hotel, Toronto, on the 6th inst., has been a shining star in Toronto skies for a few days. But I must abandon metaphor. The occasion of this visit was to be present at a banquet by that "great international organization" the M. R. F. I. A. The feast came off in the Queens on Friday the 7th inst., and was a huge success. The list of "invited" guests, I note, was immense, and comprised "the leading citizens of Toronto and Canada," as the report says. One feels that the list would have been more satisfactory if those *present* had been noted. Nevertheless, Divinity, Law, Medicine, Politics, Policy-holders and fellow-workers were well represented. What was called "the event of the evening" was the presentation of his own portrait in oil to Mr. Warring Kennedy, our mayor, and a great admirer of Mr. Harper. I should have thought the "great event" was the "big Ad" given the M. R. by columns of report in the daily papers and the general splurge. "Your beautiful City," "Magnificent reception," "Devotion to principle," "Final triumph of the M. R.," "The insurers are the insured and the insured are the insurers," "The Napoleon of Insurance." There was great store of good things solid and liquid, and, as you see by my extracts, many pretty things said. "Napoleon of Insurance" is especially neat, eh? "Final triumph" is not bad either. That means, I suppose, the overthrow of the "Canada Life" and Confederation Co. and such "old liners." I do not like to contemplate that much. It is too awful. One of the most touching things in the reported speech of Mr. Harper was where he solemnly says that he will never desert the M. R., not even if they nominate him for the governorship of New York State. I must close, hoping you will read the published proceedings for yourself; extracts do no justice to the whole scheme. I must, like the dinner, be taken as a whole.

Yours,

ARIEL.

TORONTO, Sept. 13, 1894.

Notes and Items.

The Chicago Grand Jury has found true bills against the anarchist incendiaries.

Insuring the safety, good condition of watches is another new fad, the annual premium to be \$3.

"Cheap Jack" life assurance is having a run in India, where the "pass-round-the-hat" system is thus styled.

A fire brigade telephone is carried to each fire in Cincinnati, which keeps the men in contact with headquarters.

Electrolysis caused by currents from trolley car wires is giving serious trouble in some places, by destroying water mains.

The Pioneer Life Assurance Co., of England which started to do a "natural" premium business, has reorganized on the level premium system.

Discrimination against colored persons is forbidden by an Act passed by the State of New Jersey in May last. No difference on account of color is to be made in premiums, or in any other matters. The companies, however, are at liberty to reject any applicants, so, in this way, the color line will be drawn whenever desirable.

Mr. G. S. Duryee, Commissioner of banking and insurance, New Jersey, has our best thanks for his valuable Report, Part 2, for 1893.

Sympathy for Mr. J. R. Booth, elicited by his two serious fires this year, is being heightened by news that he is a sufferer from bush fires at Snake Creek, Madawaska river.

The Insurance Commissioners of the United States met on 5th inst. at the Thousand Islands. The fraternal and assessment companies received considerable notice at the meeting.

The Chronicle Company has our thanks for their "Fire Tables for 1894," and a manual for insurance agents, "The Art of Canvassing," by Mr. W. Miller; both are appreciated.

The Masonic Mutual Benefit Society of Indiana, after paying \$5,000 at death for a premium of about \$45, has lowered the amount of its assurance to \$2,000, and the old members who have been paying for 25 years have to pay a heavy assessment, or be expelled. The mutuality is not apparent.

The Guarantee Company of North America has dismissed its Pittsburg agent for doing a class of business he was not authorized to effect, and issuing policies without the knowledge of the company, for which he used bogus forms with fictitious signatures. The company will replace these bonds by genuine ones without extra cost.

The Provident Savings Life Assurance Society is assuming a policy providing for a diminishing assurance with a fixed premium. The amount of the policy goes on decreasing until at 70 years the amount is at its minimum, and so remains, unchanged through life. The insured person has the option of changing the policy for one under another plan.

"Government Life Assurance—how not to do it," is discussed in the *Fortnightly*, by Sir Jules Vogel, who is severe on the post office staff for carelessness of work, and inability to supply reliable information. Sir Jules regards it necessary to place the government life assurance department under an experienced, energetic manager, to make it successful. Why not leave life assurance to companies who understand the business, and meet all legitimate requirements?

The French law is much approved by Mr. George P. Field of Boston, which imposes a heavy penalty on the occupant of a house where a fire occurs. There, unless a tenant can show that a fire was caused by fault in the structure, the policy is invalid. If a delinquent's neighbors are damaged, he must repair the injury. Against this risk insurance is taken which is valid in relation to the neighbor's loss, but not to his own. The law is a very severe one, and is believed to induce such caution as reduces fire risks materially.

Western Minnesota, Wisconsin and Iowa have had devastating forest fires, by which 20 towns have been swept away and several hundred lives lost. Apart from the timber, the loss is estimated as at least 12 millions of dollars. It is urged that the precautions taken in Europe against forest fires should be adopted in the States and Canada. The conditions are not alike. In Austria and France, for instance, there is less an acre of forest per head of population, and less in England, in this country the ratio is 136 acres of forest per head, and in the States about 7.

The fire waste of 1894 up to end of August is reported as \$10,432,800. We fear the forest fires in the West will make the September return a disastrous record. This brings the total for this year to \$87,453,000.

The development of dairying and cattle raising seems to be raising the status and importance of the cow. A rural agent of a local company was so deeply impressed by the impressive event that he telegraphed the death of a cow to the head office! He got this in reply: "As we cannot resuscitate the animal, we hardly see the urgency of telegraphing in this case;" but that answer does not do the agent justice, who, no doubt, was anxious to give ample time for getting some of the staff up to the funeral, which was very thoughtful of him and very respectful to the deceased.

FINANCIAL ITEMS.

The half-yearly dividends of the Bank of British North America at 5 per cent. per annum, and the Molsons Bank at 8 per cent., are payable on 1st October.

The extent of new loans and securities made and placed on the London market to middle of July this year was \$176,000,000, which is 36 millions in excess of same period in 1893, but less than in 1890 by 325 millions.

A dispute has arisen between several of our leading jute importers and the customs authorities, the charge being made that they have imported this material free, in a higher state of manufacture than the Tariff allows when, no duty is charged.

Ocean penny postage is stated by Sir Adolphe Caron not to be obstructed by any difficulty in Canada. He suggests that England should commence with the Dominion in this reform, and this would lead to its extension throughout the Empire at no distant date.

The Registrar of English Friendly Societies reports the funds held by them to aggregate \$986,616,935; if to this be added the deposits in Savings Banks in the United Kingdom, we get a total of \$1,126,068,888 as the total funds laid by for a rainy day by the humbler classes in Great Britain.

The Trustees of a Coliseum in Minneapolis have been taught a lesson as to the duties and responsibilities of their position by a fire having destroyed \$10,000 of this property in their charge, which they had insured for only \$15,000, having reduced the insurance when a recent advance in rates was made in that city.

Municipal bonds have become a more than usually favorite investment in the United States this year, doubtless owing to a well grounded distrust of some other securities. The idea seems to be dawning on a large class of investors that a thoroughly sound security yielding a moderate but sure revenue are preferable to those whose value is, to a large extent, contingent upon the fluctuations of trade.

The production of gold rose in 1893 over that of ten years ago, by \$10,770,000, or 53.05 per cent.; that of silver in the same decade by \$79,565,000, or 97.59 per cent. In the same period gold has fluctuated inappreciably in price, while silver has dropped from about 95 cents to 56 cents per ounce, a decline in value of 41.05 per cent. To maintain a parity in value between two products so variable in market value is proven by such variations as the above indicate to be an impossibility.

The revised revenue returns for last year show a decline in Customs of \$1,755,154 and other items of \$139,793. This leaves a deficit for the year on Consolidated Fund account of \$1,156,620. In the last year the net debt of the Dominion increased \$1,483,948, largely owing to increased outlays on canals and railways from capital account, a policy which is to be deprecated, more especially when revenue is declining.

A decision upon "combines" has been given by the Supreme Court of Pennsylvania, the point of which is this, a combination in restraint of trade is not in itself unlawful; but if it is established that such combination is injurious to the public interests, then it is contrary to law. The point is rationally put, and leaves a very wide scope for combinations for legitimate business purposes.

The Harney Tin Mining & Manufacturing Co., which made so great a stir soon after the McKinley Bill was passed, has collapsed. The capital, mostly English, was \$15,000,000, with bonds of \$4,850,000 has evaporated, the property being now valued at \$253,000. The whole scheme was fiercely denounced by an English financial paper when first floated. The Americans put the blame of this enormous *fiasco* on English mismanagement. Certainly investors in so wild-cat a scheme mismanaged their funds.

This year's yield of wheat is one of the most important items in the financial situation. Various estimates have been published, the reliability of which it is impossible to ascertain. We, however, regard the London *Times* as a first class authority, its figures are as follows,—strange to say, Argentina being left out:

Countries	1891. Bushels in millions.	1892. Bushels in millions.
United Kingdom.....	58	50
France.....	320	280
Germany and Belgium.....	128	144
Austria-Hungary.....	154	204
Italy.....	120	130
Russia and Bulgaria.....	360	410
United States.....	464	456
India.....	258	268

Totals..... 1891. millions 1,912 m.

There is nothing in these figures that promises a rise in prices of wheat.

Mr. Preston, Director of the U. S. Mint, estimates the production of gold in the United States for the first six months of this year as \$18,000,000 against \$15,000,000 last year. The deposits of gold bullion at the U. S. assay office at Denver during the past month have been from \$600,000 to \$700,000 against an average of \$100,000 to \$125,000 last year. This great stimulus to gold mining has been caused, according to Mr. Preston's view, by the small profit resulting from silver mining at the present low price of silver and the consequent increased attraction of gold mining. It is expected that the production of gold in the United States for the year 1894 will reach \$43,000,000, being an increase over the average of the past five years of about \$10,000,000. As a result of the probable heavy deposits of this domestic gold at the United States Assay offices in exchange for greenbacks, Mr. Preston expects to see a substantial addition to the gold reserve from this source. The gains of the past two weeks have been in part due to this cause. The domestic production this year, therefore, besides being a valuable addition to the gold stock of the country, will be something of a factor in restoring the gold reserve to its legal amount of \$100,000,000. The gold reserve of the Treasury has increased daily from the 1st Sept., when it stood at \$55,216,900 to \$55,877,347 on the 6th,—an average of about \$200,000 a day.

PERSONAL MENTION.

MR. WILLIAM TATLEY, Manager of the Royal, we are very glad to learn, is improving in health.

MR. ARTHUR BROWNING has returned from Great Britain, where he spent recently a very enjoyable holiday.

MR. J. W. MOLSON we have much pleasure in announcing, is daily gaining in health, and we hope soon to see him as vigorous as of old.

WE MUCH REGRET the death of Mr. G. M. Greer, of Halifax, who was one of the most popular agents in the Lower Provinces. He enjoyed the entire confidence of the offices which he represented as general agent, viz., the Western; the Manchester; and the Connecticut fire insurance companies.

MR. THOMAS DAVIDSON, the popular Managing Director of the North British & Mercantile Insurance Co., has returned from his extended visit to Great Britain. Along with his numerous friends we have pleasure in observing that the trip has been beneficial to his health. He looks remarkably well.

AMONGST THE CALLERS at our sanctum in the past week were Messrs. C. R. Burt, Secretary of the Connecticut Fire Office, Hartford, J. H. Ewart, Toronto; F. W. Gates, Hamilton; F. H. Brydger, Winnipeg; E. F. Doyle, Halifax; W. P. King, Truro, N.S.; R. H. Matson, General Manager of the Provident Savings Life, Toronto.

MR. J. H. BOOMER, the much respected Manager of the Manchester, at Toronto, is, we are very glad to say, convalescent after an attack of typhoid fever, and we trust will be so far recuperated in strength as to assume his duties soon. We advise him, however, not to be hasty in doing so, a few weeks spent in getting strong is advisable after such an attack.

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1880	141,402.81	911,132.98	3,881,479.14
1884	278,379.65	1,274,397.24	6,844,404.00
1888	525,275.58	1,536,816.21	11,931,316.21
1893	1,240,483.12	4,001,776.90	27,799,756.51

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MONTREAL.
Price, \$15.00.

PROVIDENT SAVINGS LIFE ASSURANCE SOCIETY OF NEW YORK.

SHEPPARD HOMANS, President.

Nineteenth Annual Statement

FOR THE YEAR ENDING DECEMBER 31st, 1893.

Income.....	\$ 2,149,859.61
Paid Policy-holders.....	1,333,783.25
Total Expenses of Management.....	442,767.61
Gross Assets	1,516,271.82
Liabilities, Actuaries' 4% Valuation.....	801,945.77
Surplus, Actuaries' 4%.....	714,326.05
Policies issued in 1893.....	23,669,308.00
Policies in force December 31st, 1893.....	83,101,434.00

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

R. H. MATSON, General Manager for Canada.

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

1850

THE

1894

United States Life Insurance Co.,

IN THE CITY OF NEW YORK.

OFFICERS:

GEORGE H. BURFORD, President.
C. P. FRALEIGH, Secretary.
A. WHEELWRIGHT, Assistant Secretary.
WM. T. STANDEN, Actuary.
ARTHUR C. PERRY, Cashier.
JOHN P. MUNN, Medical Director.

FINANCE COMMITTEE:

GEO. G. WILLIAMS, Pres. Chem. Nat. Bank.
JOHN J. TUCKER, Builder.
E. H. PERKINS, JR., Pres. Importers' and Traders' Nat. Bank.

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

Good Agents, desiring to represent the Company, are invited to address the PRESIDENT at Home Office.

FIRE. LIFE. MARINE.
COMMERCIAL UNION

Assurance Company Ltd. of London, Eng.

Capital and Assots. - - - - - \$27,947,330
 Life Fund (in special trust for Life Policy Holders) 7,343,285
 Total Annual Income, - - - - - 7,500,000
 Deposited with Dominion Government, - - - 374,246

HEAD OFFICE CANADIAN BRANCH:
 1731 Notre Dame Street, - MONTREAL.
EVANS & MCGREGOR, Managers.

Applications for Agencies solicited in unrepresented districts.



PHOENIX
INSURANCE COMPANY
 (Of Hartford, Conn.)

ESTABLISHED IN 1854.

CANADIAN BRANCH.

Full Deposit with the Dominion Government.

Head Office:

114 St. James Street, MONTREAL.

SMITH & TATLEY,

G. M. SMITH. Managers for Canada. J. W. TATLEY

Applications for Agencies solicited.

UNION Assurance Society.

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

HEAD OFFICE, 81 CORNHILL, LONDON, E.C.

Subscribed Capital, - - - - - \$2,250,000
 Total Invested Funds exceed - - - - - 12,300,000
 Capital Paid up - - - - - 900,000
 Annual Income, - - - - - 3,263,340

CANADA BRANCH:

HEAD OFFICE, Cor. St. James and McGill Sts., MONTREAL

T. L. MORRISEY, - - MANAGER.

J. E. E. DICKSON, Sub Manager.

The Temperance and General
LIFE ASSURANCE COMPANY.

HEAD OFFICE, Manning Arcade, TORONTO.

Hon. GEO. W. ROSS, Minister of Education, PRESIDENT.
 Hon. S. H. BLAKE, Q. C. } VICE-PRESIDENTS
 ROBT. McLEAN, Esq., }

Policies issued on all the best approved plans, both Level and Natural Premium. Total abstainers kept in a separate class, thereby getting the advantage of their superior longevity

H. SUTHERLAND,

Manager.

AGENTS WANTED.

THE
CANADA ACCIDENT

ASSURANCE COMPANY.

Incorporated in 1887.

THE CANADA ACCIDENT has acquired the business of the

MUTUAL ACCIDENT ASSO'N. (of Manchester)

THE CITIZENS OF CANADA, and

THE SUN OF CANADA.

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

HEAD OFFICE:

1740 Notre Dame Street, - MONTREAL.

LYNN T. LEET, Manager.

UNITED FIRE INSURANCE COMPANY
OF MANCHESTER, ENGLAND.

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

PALATINE INSURANCE CO of England,

The combined Assets being as follows:

Capital Subscribed.....\$5,550,000
 Capital paid up in Cash. 1,250,000
 Funds in Hand exceed 2,750,000
 Deposit with Dominion Government for Protection of Canadian Policy-Holders 204,100

HEAD OFFICE FOR CANADA, 1740 Notre Dame St., MONTREAL.

J. A. ROBERTSON, Supt. of Agencies.

T. H. HUDSON, Resident Manager.

NOVA SCOTIA BRANCH,

NEW BRUNSWICK BRANCH,

MANITOBA, B. C. & N. W. T. BRANCH,

Head Office, Halifax,

Head Office, St. John,

Head Office, Winnipeg,

ALF. SHORTT, General Agent

H. CHUBB & CO., General Agents.

G. W. GIRDLESTONE, General Agent.

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

The British America

INCORPORATED 1833.

ASSURANCE COMPANY.

HEAD OFFICE, - - TORONTO.

OLD RELIABLE PROGRESSIVE
FIRE AND MARINE INSURANCE.

Cash Capital, - - - \$750,000.00
Total Assets, - - - 1,392,240.00

Losses paid since organization, \$13,242,397.27

DIRECTORS :

GEO. A. COX, **J. J. KENNY,**
President. *Vice-President.*

A. M. SMITH	JOHN HOSKIN, Q.C., LL.D.
S. F. MCKINNON	ROBERT JAFFRAY
THOMAS LONG	AUGUSTUS MYERS
H. M. PELLATT.	

P. H. SIMS, *Secretary.*

C. R. C. JOHNSON, *Resident Agent,*
42 St. John Street, - - - MONTREAL

THE WESTERN

Assurance Company.

FIRE AND MARINE.

INCORPORATED IN 1851.

Head Office, - - - TORONTO.

Capital.....\$2,000,000
Cash Assets, over..... 2,400,000
Annual Income, over..... 2,350,000

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

DIRECTORS :

A. M. SMITH, **GEORGE A. COX,**
President. *Vice-President.*

HON. S. C. WOOD	ROBERT BEATY
GEO. R. R. COCKBURN, M.P.	W. R. BROCK
GEO. McMURRICH	H. N. BAIRD

J. J. KENNY, *Managing Director.*

Agencies in all the principal Cities and Towns in Canada and the United States.

New York Life Insurance Co'y

JOHN A. McCALL, - President.

JANUARY 1, 1894.

Assets,	\$148,700,781.21
Total Undivided Surplus,	17,025,630.18
Income,	33,863,646.95
New Insurance written in 1893,	223,848,991.00
Outstanding Insurance,	779,156,678.00

CANADIAN BUSINESS.

New Insurance issued—1893,	\$6,080,860.00
Insurance in force,	20,720,765.00
Total Income in Canada,	919,167.07
Assets in Canada as per Statement to Canadian Government,	
January 1, 1894,	\$3,344,660.27
Additional Deposit with Canadian Trustees, May 11, 1894,	350,000.00
Total Assets in Canada,	\$3,694,660.27
Liabilities in Canada under policies issued since March 31, 1878,	\$2,512,303.42
Under policies issued previous to March 31, 1878	540,381.29
Total Liabilities in Canada	\$3,052,684.71
Surplus Assets in Canada over and above H. M. 4½ per cent. Reserves on all Policies and other Liabilities,	\$641,576.56

DAVID BURKE, GENERAL MANAGER.

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