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CHRONICLE.



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R. WILSON SMITH, Editor and Proprietor.

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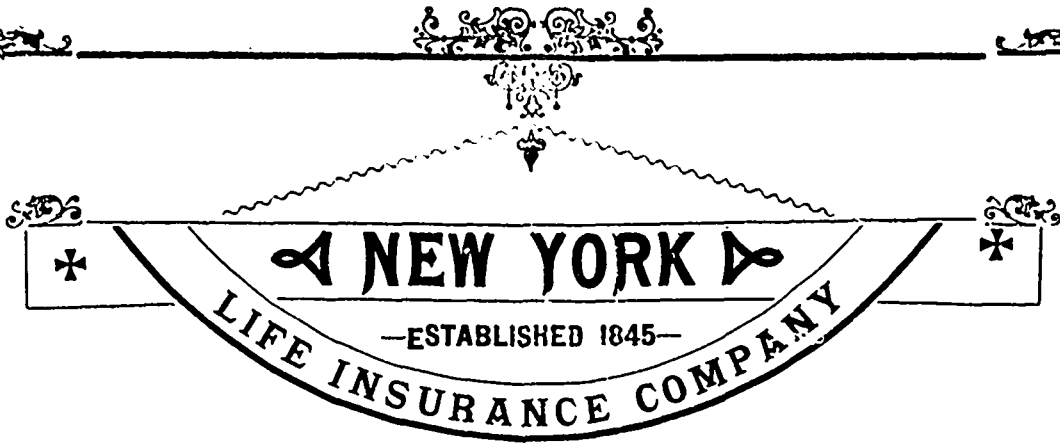
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LIFE INSURANCE IN CANADA IN 1884.

THE following figures, taken from the last official returns of Life Companies on file at Ottawa, show the new business done by the active Life Insurance Companies in Canada during 1883 and 1884, and their increase or decrease (New Business actually paid for.)

COMPANY.	Policies issued during 1883.		Policies issued during 1884.		Increase of New Business in 1884.	Decrease of New Business in 1884.
	No.	Amount.	No.	Amount.		
Ætna.....	1437	2,258,875	1065	1,650,117		608,758
British Empire	519	1,154,700	575	1,080,300		74,400
Canada Life.....	1775	3,609,250	1891	4,160,700	551,450	
Confederation.....	1512	2,280,662	1392	2,245,315		35,347
Equitable.....	678	1,915,000	850	2,169,895	224,895	
London and Lancashire.....	624	1,056,141	532	851,750		201,394
NEW-YORK LIFE.....	176	529,000	594	1,851,250	1,322,250	
North American.....	601	1,333,400	874	1,831,100	497,700	
Ontario Mutual.....	1463	1,907,500	1538	2,079,700	172,200	
Sun Life.....	941	1,505,433	868	1,225,300		280,133
Standard.....	508	956,031	521	1,080,300	124,269	
Union Mutual	474	709,250	431	721,375	12,625	
United States Life.....	199	414,400	142	230,100		184,300

Agents wanted in unrepresented Districts.

Apply to **DAVID BURKE,**

General Manager for Canada,

MONTREAL.

HEAD OFFICE FOR CANADA, MONTREAL.

LONDON AND LANCASHIRE LIFE

ASSURANCE COMPANY

OF LONDON, ENGLAND.

This Company has deposited with the Receiver General, in approved Canadian securities, over One Hundred Dollars for each One Hundred Dollars of liability, thus affording absolute security.

WILLIAM ROBERTSON, GENERAL MANAGER.

AGENTS WANTED. SPECIAL TERMS.

B. HAL. BROWN, SUPV. OF AGENCIES.

HEAD OFFICE FOR CANADA, MONTREAL.

The Fire Insurance Association

OF LONDON, ENGLAND.

The Funds of the Company are:

CAPITAL PAID UP	- - - - -	\$500,000
RESERVE FUNDS	- - - - -	850,000
CAPITAL	- - - - -	4,000,000
DOMINION GOVERNMENT DEPOSIT	- \$100,000	
TOTAL SECURITY	- - - - -	\$5,350,000

WILLIAM ROBERTSON, General Manager.

E. P. HEATON,
Inspector.

AGENTS WANTED IN UNREPRESENTED DISTRICTS.

I. E. BOWMAN,
President.

W. HENDRY, Manager.
W. H. RIDDELL, Secretary.



ONTARIO MUTUAL LIFE ASSURANCE CO.

HEAD OFFICE, - - - WATERLOO, ONTARIO.
DOMINION DEPOSIT, - - - \$100,000.

o—] The only purely Mutual Life Company in Canada [—o

TOTAL NUMBER OF POLICIES IN FORCE, DEC. 31, 1884. 6,086!

COVERING ASSURANCE TO THE AMOUNT OF \$7,835,900.71

The following shows the steady progress the Ontario Life has made from very small beginning, in 1870, until it has attained its present respectable dimensions:

YEAR.	ASSETS.	YEAR.	ASSETS.
1870	\$ 6,216	1877	\$110,200
1871	7,530	1878	142,610
1872	12,246	1879	177,927
1873	23,147	1880	227,424
1874	33,721	1881	339,000
1875	53,681	1882	427,420
1876	81,105	1883	514,795

AND FOR 1884, - - - \$652,661.76!

In addition [to] the rapid growth [of] its assets there has been from year to year:

- A gain in membership,
- A gain in premium receipts,
- A gain in interest receipts,
- A gain in assurance in force,
- A gain in gross income,
- A gain in new business,
- A gain in surplus, and
- A gain in readily convertible cash assets.

The Company's Reserves are based on the Actuaries' "Table of Mortality," and four per cent. interest—the highest standard adopted by any life company in Canada, and one-half per cent. higher than the standard used by the Dominion Insurance Department.

The rapid growth of the Company may be seen from the fact that in 1870, the first year of its business, the total assets amounted to only \$6,216, while last year they reached the handsome total of \$652,661.76!

FEDERAL LIFE ASSURANCE COMPANY.

HEAD OFFICE, HAMILTON, ONTARIO.

GUARANTEE CAPITAL, - - - \$700,000.00 DEPOSIT WITH DOMINION GOVERNMENT, \$51,100.00

The only Company in Canada offering the ROMANS PLAN of Insurance by MORTUARY PREMIUMS.

DAVID DEXTER, Managing-Director

SUN LIFE

ASSURANCE COMPANY

OF CANADA.

UNCONDITIONAL INCONTESTABLE LIFE POLICIES. ASSETS, about \$1,300,000.

THE objection is very often made to Life Assurance that the Companies may take advantage of some of the numerous and complicated conditions on the policies and thus either avoid entirely the payment of claims, or compromise with the widow for a small sum. There is considerable force in this argument, but it cannot be urged indiscriminately against all Companies. The **SUN LIFE ASSURANCE COMPANY OF CANADA**, issues absolutely unconditional policies. There is not one restriction of any kind on them.



The assured may reside in any part of the world without giving notice or paying one cent of extra premium. He may change his occupation at will; he may travel, hunt or do anything else without any extra of any kind. The contrast is remarkable with other policies.

Ask an Agent to show you one; it speaks for itself. Remember **THE SUN** is the only Company in America, which issues an absolutely unconditional policy.

Directors: THOMAS WORKMAN, Esq., President. | ROBT. ANDERSON, Esq.
A. F. GAULT, Esq., Vice-President. | HON. A. W. OGILVIE,
J. S. McLACHLAN, Esq. | W. I. WITHALL, Esq.

R. MACAULAY MANAGING DIRECTOR.

INSURANCE

ROYAL

COMPANY.

GENERAL RESOURCES.
 CAPITAL
 \$10,000,000
 INVESTED FUNDS,
 \$28,000,000.
 SURPLUS OVER
 LIABILITIES.
 \$9,616,424.
 SHAREHOLDERS LIABILITY
 UNLIMITED.



ASSETS, \$28,000,000.
 CHIEF OFFICE FOR CANADA.—MONTREAL.
M. H. Gault & W. Tatley,
 CHIEF AGENTS.

CANADIAN
POLICY-HOLDERS
 SECURED BY
 \$800,000
 DEPOSITED WITH
 GOVERNMENT
 IN ADDITION TO OTHER
 DOMINION INVESTMENTS.
 CANADIAN PREMIUMS
 EXCEED
 \$600,000.
 RATES MODERATE.
 LOSSES EQUITABLY ADJUSTED
 —AND—
 PROMPTLY PAID.

CANADA LIFE ASSURANCE COMPANY

ESTABLISHED 1847

HEAD OFFICE, - - - HAMILTON, ONTARIO.

Capital and Funds, over - - \$7,000,000. Annual Income over - \$1,200,000

A. C. RAMSAY, Pres't. R. HILLS, Secretary. ALEX. RAMSAY, Superintendent.

J. W. MARLINC, Manager Province of Quebec, 180 St. James St., Montreal.

J. D. HENDERSON, Agent, Toronto.

D. MACCARVEY, Secretary. P. McLARREN, Gen. Agent, Maritime Provinces Branch, Halifax, N.S.

GEO. A. COX, General Agent, Eastern Ontario Branch, Peterboro.

W. L. HUTTON, Manager, A. McT. CAMPBELL, General Agent, Manitoba Branch, Winnipeg

TOTAL ASSETS - - - \$29,484,019.

NORTH BRITISH & MERCANTILE

FIRE & LIFE INSURANCE COMPANY.

TOTAL ASSETS - - - \$29,484,019.

HEAD OFFICE FOR THE DOMINION, 72 ST. FRANCOIS XAVIER ST., MONTREAL.

<p>ESTABLISHED 1809.</p> <p>SUBSCRIBED CAPITAL . . . \$12,100,000.</p> <p>PAID-UP CAPITAL . . . 3,011,000.</p> <p>FIRE FUND AND RESERVES . 7,718,513.</p> <p style="text-align: center;">WM. EWING, Inspector.</p>	<p>—[DIRECTORS]—</p> <p>GILBERT SCOTT, Esq. CHARLES F. SMITHERS, Esq. HON. THOMAS RYAN.</p> <p style="font-size: 1.2em; font-weight: bold;">THOMAS DAVIDSON,</p> <p>—[MANAGING DIRECTOR]—</p>	<p>ESTABLISHED 1809.</p> <p>LIFE AND ANNUITY FUNDS . \$18,000,000.</p> <p>FIRE REVENUE 5,770,076.</p> <p>LIFE REVENUE 2,693,007.</p> <p style="text-align: center;">G. U. AHERN, Sub-Inspector</p>
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—[AGENTS IN ALL CITIES AND PRINCIPAL TOWNS IN CANADA]—

JANUARY, 1886.



AND

FINANCE CHRONICLE.

VOL. VI. { OFFICE: 1724 Notre Dame Street. } MONTREAL, JANUARY, 1886. { SUBSCRIPTION: \$2. per ANNUM } No. 1.

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Per Hundred Copies - - - - 12.50
Prices for Advertisements on application.

We propose for the future to enlarge what we may call the sphere of usefulness of this Journal. Life and Fire Insurance are so intimately connected with Finance in its different branches, that it is difficult, if not impossible, to entirely separate them. It is our intention to in no way reduce the amount of space and thought devoted to insurance interests pure and simple, but to increase the size of the paper and devote the additional space chiefly to Financial matters. We promise our readers that they will lose nothing, while they will gain much, for we feel sure that they will find the added information interesting and valuable. This number contains thirty six pages.

We propose to continue to be what we may fairly claim to be The Insurance Journal of the Dominion, and by enlarging our space and reaching a larger body of readers we are directly benefiting all insurance interests.

We wish our readers, one and all,

A Happy and prosperous New Year!

1885.

The year that has just passed has marked a steady growth in almost all the branches of Insurance. We are still in the depths of a severe commercial depression which has unfavorably affected all branches of trade, and Insurance is one of these which suffers first and most heavily. When this is borne in mind the insurance fraternity have good cause to congratulate themselves on the position they find themselves in on the first day of January, 1886.

Life Assurance has made rapid progress during the year. We think we are safe in saying that, on the whole, a considerably larger new business has been secured than during 1884. The year has been marked by the re-entrance to Canada of the Mutual Life of New York. The increased competition from American companies does not seem, however, to have injuriously affected our Home companies which still secure their full share of the new business. The result is that by means of all the different agencies now at work, the untold blessings of life assurance are being much more extended than formerly.

The most noteworthy point in connection with the Fire business has been the completion of the tariff arrangements. The benefits of this are only beginning to be properly felt, and it is expected that the forthcoming yearly accounts will show an improved state of affairs in many cases. If an era of better times has dawned on the fire companies, as we think is the case, it will be a result to be viewed with unalloyed satisfaction.

In Inland Marine Insurance a fair profit has been the result of the year's operations.

In Accident Insurance the competition is yearly becoming keener. It has taken the shape of cutting rates. When we compare the premiums charged now with those charged even five years ago, the difference is striking. Permits for Ocean travel have been abolished, and the ordinary premiums for some risks reduced by even one-third. Formerly the business was very profitable, if enough of it could be secured, but the profit in it is now but small.

SCHEDULE RATING.

It is a pity there is so much random talking with respect to fire insurance. It was stated the other day that Mr. Alfred Perry had been appointed a rating officer for the Montreal Branch of the Canadian Fire Insurance Association, but this is incorrect, he having been made simply Inspector, an important post for which we believe no one in Montreal is more competent; but Mr. Perry's duties will consist in examining the construction of various special hazards together with the fire appliances in connection with them, and he will then hand in his report to a committee appointed by the association, who will rate the risks accordingly.

OCCUPIED AS A DWELLING.

"VACANT AND UNOCCUPIED."

One of our subscribers asks: "Does a dwelling become vacant and unoccupied when the owner and occupant locks it up with all of the furniture remaining therein, and leaves it in this condition during several weeks' absence upon a pleasure trip?" And under the clause of the policy requiring that when a dwelling is left "vacant and unoccupied" for any time, notice of the same must be endorsed upon the policy or the insurance thereon will be void?"

This question is a delicate one to answer, being rather within the province of the courts and the jury to decide, as to what constitutes *vacancy* on the one hand, and *occupancy* on the other. But as the question is one that frequently arises in the insurance business, we shall endeavor to so far answer it as to give some of the general principles which govern occupancy and vacancy.

The forms used in the policy clause are not always the same, hence it may be well to commence with two of the most common of these expressions, viz., vacant *or* unoccupied, and vacant *and* unoccupied, but evidently supposed to be of the same import and legal meaning. The difference between the two, is small seemingly, but serious in reality, as will be apparent as we proceed to define the legal construction of the words vacant and occupied.

Vacant, applied to a building, means simply empty: not filled, void of every subject, except air, as a vacant space between houses, a vacant room.—(*Webster*).

Vacant possession, A term applied to an estate which has been abandoned by the tenant; the abandonment must be complete in order to make the possession *vacant*, and therefore, *if the tenants have goods on the premises it will not be vacant.* (*Bourrier's Law Dictionary*. Title "Vacant.")

From these definitions there need be no difficulty in coming to correct conclusions as to the exact meaning of the word "vacant," when used in the fire insurance policy clause. A *vacant dwelling* house is an empty one, containing no household or other furniture suitable for the purpose of a household.

Of occupancy, Webster says: "Occupied: possessed: used, employed. To occupy, to keep in possession, to possess, to hold for use, as a tenant occupies a farm under a lease for twenty-one years, a lodger occupies an apartment: Occupation, possession, holding or keeping, tenure, use; as lands in the occupation of A. B.

Occupancy, in its strict legal signification, means the possession as owner, not necessarily, however, implying that such owner must reside upon the premises. In popular language tenements are said to be occupied by such and such persons, for such and such purposes, though such property may be owned by another termed in such cases *landlords* or *lessees*, and the actual occupants, *tenants*. In many policies the very proper form of "occupied as a dwelling (or family residence) by A. B. tenant." Or, if the ownership be in the insured, who is also the occupant, the form will be, "Owned and occupied by A. B. as a family residence." An occupant, then, is one—owner or tenant,—who has the actual use or possession of a thing, under his own control. Under the phrase "occupied as a dwelling" the occupancy must be substantial and actual, not merely con-

structive. It implies an actual use of the house as a dwelling-place, and involves the consequent presence of property appropriate to the kind of occupancy, as household furniture and the like.

A *dwelling house* is a building occupied by persons—owners or tenants—as a family residence.

A *residence* is the place where one resides; abode, home, dwelling, habitation, domicile.

Of the two phrases first spoken of "vacant *or* unoccupied, and vacant *and* unoccupied, the strict meaning of the conjunction *and* and disjunctive particle *or* is as follows:

And, a conjunction, connective or conjoining word. It signifies that a word or part of a sentence is to be *added* to what precedes. Thus, *vacant and unoccupied, i.e., both*, vacant or empty, and without an occupant.

While *or* is a disjunctive particle, that marks an alternative; and frequently corresponds with the word either; thus vacant *or* otherwise unoccupied; *either* vacant or unoccupied.

Thus under the expression vacant *or* unoccupied, the dwelling may be *either* vacant, that is, entirely empty,—or it may be filled with domestic furniture, and yet be untenanted by the household, which may be temporarily absent. In either case the clause of the policy would be applicable.

Closing a dwelling house for a short absence, leaving the furniture in the building, does not create a *vacancy*, for though there may be a temporary non-occupancy, there is no vacancy; but the policy clause under this form will apply to the non-occupancy.

Under the phrase "vacant *and* unoccupied," the difference in legal construction is essentially different. In order to bring this clause of the policy into operation, the dwelling must be *simultaneously* both vacant *and* unoccupied; but if *vacant, i.e., empty*—it would scarcely be occupied; hence the phrase is redundant and illogical. If simply *unoccupied* by the household, yet full of household stuff of the absent family, the term vacant, as we have shown, cannot apply to premises which are not empty.

A curious case illustrating this reasoning occurred in the courts of New York city, sometime since, where the premises were insured in two companies, one which had the phrase "vacant *and* unoccupied," and the other "vacant *or* unoccupied;" the former lost its case and the latter gained theirs, and, further, both cases were appealed, the latter by the assured, and the former by the company.

The law decisions that we find in cases of temporary non-occupancy, as a custom hold, upon general principles, that such vacancy or non-occupancy do not avoid the policy, notwithstanding the restrictive clause. But few companies ever contest this point, deeming it unsafe policy to do so. There are exceptions, however, and we call to mind the case of *Paine v. Ins. Co.* (5 N.Y. S. C. C. 19) where a house was left unoccupied by the family for three months and a half, though the household furniture remained on the premises in charge of persons living near by and, the policy clause read that "in case the premises shall be left unoccupied.....without giving immediate notice to the company, the policy shall cease and be of no effect." The Court held that "occupation of a dwelling house means living in it, nor mere supervision over it. That which will make occupancy must depend on the circumstances of each case, and is a fact for the jury or reference to determine. That where the policy requires immediate notice of non-occupancy, the non-occupancy that will not work a forfeiture of the policy *must be very short indeed.*"

THE MUTUAL RESERVE FUND'S CARTOON.

The representatives of the Mutual Reserve Fund have apparently an unexpected fund of humor in them. They have inserted a double-page illustration as an advertisement in *Grip*, which is really interesting and laughable. The design is good. The Mutual Reserve Fund is represented as a lion ready to devour, the unfortunate members, we suppose, for it is rapidly eating up their money with advance, single, one and a half, and double assessments. Then Mr. E. B. Harper is represented in the act of delivering his world-renowned speech before the Parliamentary Committee at Ottawa in defence of his "more—divine—than—human" progeny, now the devouring lion. The picture hardly does justice, however, to his noble mastiff features. Mr. Wells is shown as in the act of receiving the license, which, by the way, he did not receive. Rumor saith that he was much chagrined that the gallant Major Hopper got ahead of him in this. Perhaps he is trying to mollify his wounded feelings in this way. How is it, though, that Major Hopper who secured for the association the bulk of its Canadian business is not introduced?

The representatives of the principal companies are in one or two cases well taken off. The Canada Life, New York Life, Confederation, Sun, North American, Etna and Ontario Mutual are introduced. Many of the faces, however, would not be recognised by their best friends, but for the ticket "this is a horse." The Editor of the *Monetary Times* as also the Editor of *INSURANCE SOCIETY* have prominent positions in it.

WINNIPEG FIRE INSURANCE.

We certainly should feel honored at being noticed by a journal of so wide a circulation as the *Commercial* of Winnipeg,—or we suppose we should say "calling itself" so—for such is the sportive satire with which our contemporary endeavors to crush us, coupled with an amount of verbose and incomprehensible statements such as is almost beneath notice were it not that our silence might be misinterpreted.

The *Commercial* states that it is "merely a trade journal which views every question upon the principle of value for value," and straightway considers it quite unnecessary to decide the question of conflagration hazard to substantiate any statement it has made—in relation to fire insurance of course. Now let us ask what it exactly means by "value for value" regarding fire insurance, unless the conflagration hazard is taken into consideration? Because if we are not very much mistaken it is this very conflagration hazard which is the *pons asinorum* of fire insurance to "trade journals" like our contemporary, and we are confirmed in this theory by the said paper becoming infuriated, because, after pocketing thousands of dollars, the foreign companies do not contribute one cent in taxes or to the support of local institutions! In the name of common-sense why mix up two distinct subjects? Fire insurance is to give the public indemnity against loss by fire upon certain conditions, the rate being fixed accordingly, but if the companies, after basing that rate upon the fire hazard alone, without calculating taxes, are suddenly assessed for say ten per cent. of their income the natural consequence should be that a risk formerly charged two per cent. becomes 2.20 per cent., inasmuch as levying taxes does not decrease the fire hazard.

Our contemporary is inclined to run his head against a wall as to the conflagration hazard. Probably the public of Chicago or Boston could not comprehend why insurance companies continued to pocket thousands of dollars before the great conflagrations of those two cities, and therefore it can hardly be expected that a "mere trade journal" should exhibit greater wisdom.

The *Commercial* takes us to task for uttering unmitigated humbug regarding prairie winds and extremes of temperature, and yet a cow kicking over an oil lamp set Chicago in a blaze!

In reply to the taunt that the insurance companies do not "place their business statements in the same manner before the public as other business men do," we would refer to the Blue Book of the Insurance Department, and ask whether merchants, manufacturers or even "trade journalists" exhibit their balance sheets to the public gaze as the insurance companies are compelled to do; and further, in proportion to the magnitude of the transactions is there any business here or in any other country by which the public lose so little?

Finally, by the statement that "the whole system of fire insurance in the province of Manitoba is a parasitical organization, the *Commercial* leaps out of the frying pan into the fire, for it would be utterly impossible in these days for Winnipeg or any other city to exist without fire insurance for any length of time, and it is well-known that a new city without a history must pay a little more for its insurance, until, at all events, its record is established.

But we have said enough upon a subject so little understood by a "trade journal" as fire insurance, and would recommend our contemporary not to go sailing into unknown waters in future.

QUEBEC WATER WORKS.

The Ancient Capital, after much procrastination and many delays, boasts that it has at length established its new system of water works, second to none in Canada, and, as regards pressure, we believe the boast has a very good foundation, the pressure being sufficient to send a stream (not spray) from Champlain street up to Dufferin Terrace, but there is much virtue in the Latin words "*quantum sufficit*" which, for the benefit of our country cousins and to save them the trouble of referring to their dictionaries, we will translate, "as much as is sufficient" or in other words "enough is as good as a feast."

Indeed it is to be feared that Quebec has run into the opposite extreme, and that from a paucity has now an excess of water power, so far as fire-extinguishing purposes are concerned, or perhaps we ought to say the city has the strength without knowing how to control it. It is one thing to have an unlimited supply of an article and quite another to know how to utilize that supply judiciously.

There is a feeling in Quebec that, now an abundance of water has been procured, the rates for fire insurance should be considerably reduced, and the chief of the fire brigade takes a pride in exhibiting to managers and inspectors the enormous force of water which can be brought to bear upon a fire in case of need, but, though "Brag is a good dog, Hold fast is a better," and it yet remains to be seen whether since the new water works system, Quebec has improved as a fire

hazard to what she was formerly. So far, we reluctantly are compelled to say, we see no reason for the companies to make any concession in rates, and this for two reasons, outside of the heavy city tax: firstly, that the present water pipes are not equal to the increased pressure, having burst upon two or three occasions, and such a "contretemps" has cost a loss by fire, and might do so again; and, secondly, that from ignorance of how to control the force of water, or niggardliness in providing the proper nozzles for the hose, there is a continual danger of the damage by water being so great as to make it doubtful whether the increased supply is a benefit or the reverse. It is only the other day that, in the case of the fire in Messrs. Brunet, Laurent & Co.'s store, we understand that of the damage to the stock at least seventy-five per cent was the result of water and smoke, the fire having been quite trifling, but a deluge was poured upon the flames with a recklessness arising either from the utter incompetency to control the flood or from a want of care or knowledge on the part of those in charge.

Now, Quebec is old enough by this time to be assured that in matters of business there must be a "*quid pro quo*," and in order to gain low rates of insurance it is necessary to provide efficient fire protection; and, if the insurance offices are true to themselves, they will decline to make reductions in a city where they have, as a whole, lost money, until that city can give satisfactory evidence that it is worthy of such reductions.

We desire to do justice to our sister city of this province, but instead of boasting of her water works, and crying out for concessions let her remember the saying of Livy "*Ex factis non ex dictis amici pensandi*." (Again we translate to save the leaves of the dictionary). "Friends are to be estimated from their deeds not their words."

UNITED STATES LIFE INSURANCE COMPANY.

We have much pleasure in presenting our readers with the balance sheet of the United States Life for the year 1885. It will no doubt be a surprise to most of our readers to read a statement of the business of such a large institution for the year ending 31st December, published and circulated by the 3rd day of January following. This is a promptness which is highly commendable, and shows that the books and accounts of the company must be kept in very good shape.

The transactions of the year have also been very satisfactory. The assets have increased to \$5,473,124.36. The surplus has also been swelled to \$947,209.49, an increase of \$195,959.28 over that of 1884. As was the case last year, so also this year, the company is able to boast that it closed the year with no interest overdue and unpaid on any of its assets. This speaks volumes as to their quality. We congratulate the worthy president, T. H. Brosnan, Esq., on the result of the year's transactions, and the position the United States Life Insurance Company occupies to-day.

Mr. John Wm. Molson is the manager for Canada of this Company, and we understand the result of last year's business in Canada has been satisfactory. Mr. Molson has lately appointed Mr. R. Pownall, inspector and superintendent of agencies. There is no reason why a company of the standing and popularity of the United States Life should not

transact a much larger business in Canada, but this no doubt has been owing to the fact that heretofore business was not pushed to any great extent outside of its own State, New York, where fully one-half of its entire business was written. We are therefore glad to note that Mr. Molson is making arrangements to extend its operations in the Dominion.

PREMIUMS ON RENEWALS.

A subscriber hands us the following proposition, and asks for an opinion concerning the case, viz:

A term policy for three years expired July 22nd, 1885. On the 18th of July the agent delivered a renewal receipt to the insured for another term of three years, informing him at the same time that it was a receipt for his insurance. The insured denies that such a delivery had ever been made. The agent paid the company for the premium in August 2 next succeeding. The insured was called upon several times for the premium. On the last demand he said that he had insured elsewhere at less cost, and on being called upon for a return of the renewal receipt he said that he had lost it or burned it. The premium receipt has never been returned to the agent nor payment of premium made. Hence the agent brings suit for its collection, but to what amount or for what time our querist fails to say.

Query: What is the status of that policy at this time? Has the insurance been cancelled by the act of the agent in demanding the return of the receipt, or does the failure of the insured to return the renewal receipt either voluntarily, or on demand of the agent, continue the insurance in force until such surrender?

The case as it here stands is one of law rather than of insurance; the only question of fact being as to the actual delivery of the renewal receipt to and acceptance by the insured; and this fact is clearly established by the subsequent acknowledgment of the insured himself that he had lost or burned the receipt; for he could have done neither unless he had had it in possession prior to the losing or burning. The remaining points in the case are governed by law, and insurance-wise the legal points are about as follows:

1. A delivery of the renewal receipt by the agent to, and acceptance by the insured, without objection at the time of such delivery, gives vitality to the renewed policy, and makes it a valid and existing insurance from the date of the instrument.

2. Such delivery by an agent, without prior payment of the premium, is a waiver of the prepayment clause of the policy, and, is held by the courts to be equivalent to giving credit for the premium, but does not affect the validity of the policy; the premium from that time becoming a simple debt between the company or the agent and the insured, which may be sued for and recovered like any other debt for money due and unpaid (sec. 28 N.Y. R. 153, 43 Bars, N.Y. 351, 35 N.Y. 131, 12 Wall. U.S. 288, 27 Eng. Law & Eq. R. 140.)

3. The agent may, at his option, pay to or credit his company with the amount of premium due on the policy in his customary account, and give credit to the insured for the amount, and, if unpaid on demand, may sue for the same, as for any other debt (25 Conn. 207 542). But such credit is given at his own risk, and leaves him without recourse upon the policy after it leaves his possession; and, should loss

occur to the premises insured before the premium is paid the agent must look to the insured for his debt (See Jones v. Aetna et al. Ins. Co. U.S., C. C. Mass. 8 Ins. Law Jour., and authorities there cited).

4. All existing insurances are held to run until expiration, unless sooner cancelled by one of the parties thereto.

As the insured never tendered the renewal receipt for cancellation, nor in any other way called for a termination of the insurance, there can have been no cancellation on his part; hence, as to himself, the insurance remained in full force, *unless* by some overt act of the agent—by which the insured may have been misled to his injury—the necessity for the surrender of the receipt was waived.

5. As to the agent, the premium between the insured and the company—having been paid, he could not cancel the policy for non-payment of such premium, but could call in the policy for other cause, at his option. Did he do so? This we are not sufficiently informed to answer, except hypothetically. Hence, if he called for the return of the renewal receipt only after he learned of the taking out of a policy in another company, he committed an act of supererogation, because, by the act of taking out another insurance without notice to and consent of the first company rendered the original policy void and of no effect, and the company was entitled to the premium for the term. But if a surrender of the receipt was called for at such time by the agent, this could and would probably be held as a waiver of any forfeiture, and on surrender the premium would cease to run from and after such call.

6. Cancellations are made either pro-rata or at short rate. If the recession be at the instance of the company the return premium will be estimated pro-rata. If the cancellation be by order of, or by any act of the insured inducing recession, the return premium will be estimated at short rates. That is, where the policy is to be discontinued *volens volens*; but if an option be left to the company either to accept other terms for the continuance of the insurance or cancel it, then the act being that of the company the estimate will be at pro-rata rate.

We have thus discussed, somewhat at length, the main point upon which this case hinges, we leave it here, trusting that the agent's attorney may find enough therein to enable him to formulate such a brief therefrom as will satisfy the court of the equity of his claim for the premium for the whole term, or for such portion thereof as the court may decide that the policy had run before the agent had waived further rights in the premises.

If the renewal receipt cannot be produced at the time when a settlement is arrived at, the insured must give a release to the company therefor as a voucher for the agent to submit to his company when claiming the unearned premium thereon. That such a settlement will be enforced by the court there seems no chance for doubt, because, had a loss occurred while the receipt was valid, the insured would have been the last person to insist upon the invalidity of the insurance; and, as sauce for the goose is sauce for the gander, if the policy was valid to the insured the insurer was entitled to his premium therefor.

Eighteen Co-operative Concerns failed in Ohio during the past twelve months.

MUTUAL RESERVE FUND LIFE ASSOCIATION OF NEW YORK.

MORE ASSESSMENTS.

The members of this Association are being rapidly initiated into all the mysteries of the assessment system, at least so far as the mere members are ever initiated. Their duties are supposed to be merely "to pay and look pleasant." Their patience, however, is likely to be put to a severe strain soon. Not long ago there was an "advance assessment" which went into the pockets of the agents. Then there was a "double assessment," to provide for excessive mortality from pneumonia. Now there is "a mortuary call, equal to one and one-half of one assessment," to provide, no doubt, for the excessive mortality from small-pox at Montreal. Moreover notice is now being given "that further mortuary calls, each for at least an amount equal to one single assessment, are hereby made upon you, which will be due and payable within thirty days from the first day of February and April, 1886." In other words, double assessments are again to be made on February first and April first next. The reason given is "in order to comply with the requirements of some of the Insurance Departments." All this is very comforting and reassuring to the happy members, and of course ex. tly agrees with the representations made to them in the circulars when insuring. We hope they will be as happy five years hence as they are supposed to be to-day.

ADJUSTMENT AND APPORTIONMENT OF FIRE LOSSES.

We are under obligations to the President of the Institute of Chartered Accountants for a copy of the very able and comprehensive address of Henry Lye, Esq., read before the Institute at Toronto, Dec. 17, '85, from which we make a few excerpts in the present issue, reserving further remarks for a future occasion.

Among other subjects, speaking of fire losses in Canada and settlement of the same by incompetent adjusters, he says:—

In the average annual payments of three millions of dollars for fire losses in Canada, at least one million is annually paid over and above the amounts honestly and lawfully due to loss claimants, because of the incapacity of loss adjusters or their complaisance. Yet if any Fire Insurance Company dares to investigate the cause or extent of a fire loss it is locally boycotted; if it causes the arrest of incendiaries, they can always find local interests and sympathies sufficient to secure a "no bill" or a verdict of not guilty; if it asks that the true amount of a loss shall be determined by impartial arbitrators, it is met by the demand that it shall abandon its defences, or else submit that the amount of loss shall be determined by a jury whose members may have no knowledge either of accounts or of business principles. If it defends a suit on account of arson or fraud, the addresses of some of the lawyers, the charges of some of the judges, and the verdicts of most of the juries, are such as would justify the idea, that, instead of an annual payment of three millions of dollars, with an average of disputed claims of less than one per cent., there must surely be ninety-nine disputed claims to every one paid without question, and, instead of one million of dollars being paid in excess of the true amount, there must be millions of dollars per annum taken from the pockets of the people every year, without just cause, for the sole benefit of these Fire Insurance Companies.

* * * * *

To one, who, after twenty years of study and observation finds it continuously necessary to seek new light, in order to meet the experiences of every day, it appears astonishing that the adjustment of losses should be so often entrusted to persons who must be qualified by birth or by inspiration, seeing that their only experience has been obtained by having been occasionally employed to appraise the damages to a stock of dry goods, or it may be to a wheelbarrow, or a pig sty, after which they at once put out a sign and cards as Adjusters of Fire Losses; consequently, we see difficulties and disputes, generally disastrous to the insurance companies, arising from the malpractices of these so-called adjusters, they "rush in where angels would fear to tread;" they assert their ignorant knowledge before they have noted and studied the "signs," and so deprive themselves and the companies of the information which would enable them to defeat a fraud if one is attempted, or to do justice in any event; they attempt the sharpness which would deprive the assured of his lawful indemnity; if they succeed, they boast loudly of their smartness; if they fail, they abuse the claimant. they proceed on the assumption that all loss claimants are dishonest, and may properly be met by dishonesty in adjustments, they will give a rich and influential person, or a particular friend, a twelve thousand dollar certificate for a four thousand dollar loss, but if they meet a widow, or an orphan, or an ignorant honest man, they will reverse the figures, unless some one comes to the rescue.

The consideration of these malpractices is essential, because in the avoidance of them lies true adjustment. I hold that the duty of an adjuster is to "adjust" and thereby to establish the right, to defeat the attempted wrong; to assist the honest claimant, whether poor, or ignorant, or helpless, a widow, or an orphan; to checkmate the scoundrel, whether he be rich or influential, a bully or a grant, and, having ascertained the true amount of an honest loss, to rightly apportion it amongst the different companies in accordance with the liabilities severally assumed by them, acting with the firm conviction that

"Because Right is Right,

To follow right were wisdom, in the scorn of consequence,"

being fully impressed with the idea that "truth is mighty and will ultimately prevail."

Speaking of the requisites of a good Adjuster he says:

To get the several facts, and to arrive at just conclusions, requires an observing eye, a calm, considerate brain, a heart which seeks Divine guidance, a conscience which seeks Divine approval, an experience gathered from deep study of human nature and human affairs; with a proper respect for the law, without any fear of those entrusted with its administration or its advocacy; a knowledge of the law without any desire to invoke it except for the purpose of check-mating a fraud; using all his acquirements as quietly as he would the pieces on a chessboard, and with as little display of offensiveness as is usual to an ordinary game of chess.

After every fire he will find rumors of every kind, and, in his search for facts, he will encounter statements, urged with vehemence and with appearance of authority which make them appear conclusive, but he must carefully consider their consistency; if he deems them inconsistent he must examine as to their possibility; if possible, their probability; and if he deems them probable, he must investigate the evidences in support of them.

Speaking of the various forms of policies met by adjusters, Mr. Lye presents the following:

A policy which covers a specific amount on each description or item of goods, or a specific amount on each of several buildings, is known as a "specific" policy.

One which covers more than one of such buildings or description of goods, or items, in one amount, is known as a "general" or "blanket" policy.

One which covers, in one amount, on or in more than one building or place, or on goods in course of removal

from place to place, or so situate as not to be subject to the one fire, is known as a "floating" policy.

One in which the amount payable is restricted to such proportion of any loss as the amount by it insured bears to the value of the property at risk, is known as an "average" policy.

One in which the insured is bound to maintain insurances to an amount at least equal to a specially stated proportion of the value at risk, or, failing to do so, to be his own insurer to the extent of the deficiency, is known as a "co-insurance" policy.

One in which it is stipulated that it shall not be liable for any loss until all other insurances are exhausted, is an "excess" policy.

There are also policies which restrict the liability to two-thirds or to three-fourths of the value at risk. Others restrict the liability to two-thirds or to three-fourths of the amount of any loss.

The other policies, however, can neither receive benefit nor injury, because of any of these restrictive agreements, unless they have specially recognized the preferential arrangements, whether by "excess," "average," "co-insurance," or two-thirds or three-fourths policies.

The growth of loan and mortgage companies has necessitated special policies by which the liability of the insurance company to the assured owner may be for a less amount than that to the specially insured mortgagee, the insurance company being entitled to subrogation for the difference between the two amounts. There are from time to time, other forms of special policies, such as those issued to railroad companies, some of which contain strange and wonderful provisions.

Mr. Lye then proceeds to an enumeration of the various kinds of Rules for the apportionment of losses in cases of non-concurrent insurances, of which more particular notice will be taken in our next issue.

YARMOUTH, N.S. WATER SUPPLY.

A correspondent has sent us the published statement of the negotiations between the Water Company and the town of Yarmouth. According to the papers before us it would appear that after the completion of the Water Company's works and the testing of the hydrants, the fire wardens recommended the council to accept the service. The council appointed a committee to carry this recommendation into effect, the only question being the one of price.

Subsequently, the suitability of the hydrants was questioned by the Committee; and the fire wardens notwithstanding their previous recommendation, seemed to find out that an entirely different description of hydrant would be more suitable. Our correspondent informs us that the present hydrants are similar to those in use in Glasgow and far better than this new hydrant which the fire-wardens now recommend.

The action of the fire-wardens and council seems rather curious, and requires some explanation if the above statements are correct. We would strongly recommend the rate-payers of Yarmouth to see that an arrangement be made without further loss of time for a proper water-supply. It may be that the fire insurance companies will consider it advisable to further increase the rates or else hesitate about doing business there at all, if this matter is not settled in some way without further unnecessary delay.

A New Fire Office.—The City Mercantile Insurance Company, limited, has been registered in England with a capital of £100,000 in £5 shares.

INSTITUTE OF ACTUARIES OF GREAT BRITAIN.

PRESIDENTIAL ADDRESS OF THOMAS BOND SPRAGUE.

The members of the Institute of Actuaries of Great Britain and Ireland met on November 30th, at their rooms No. 9 Adelphi Terrace, Strand, London, under the presidency of Mr. Thomas Bond Sprague, M.A., on the occasion of the opening of the Session 1885-86.

The PRESIDENT read the inaugural address, and said that he proposed to submit a few remarks on the business aspects of their work, and on some of the circumstances on which the success of a life office depends. In the first instance it might be useful to examine what is the relative importance of life assurance to the country. In order to do that he would compare some of the figures of that business given by the Board of Trade with other figures in relation to other undertakings. It appears from the returns of the Board of Trade that the income and assets of life offices are steadily increasing, for the total income of the British life offices has risen from nearly 14½ millions sterling in the year 1871, to over 32 millions sterling in 1884. The total life funds now amounts to about £140,000,000, being an increase since 1871 of over £52,000,000. Those figures prove that the business in which actuaries are engaged is a very important one. But as they might by themselves give them an exaggerated idea of the importance of the business, he would compare them with the figures as to the extent of other industries. In the 'Statesman's Year Book' he found that the value of the total imports in the United Kingdom in the year 1883 was nearly £427,000,000 sterling, and the value of the exports of British produce £240,000,000. The largest item of import was that of corn and flour 67½ millions, and the largest item of export was that of cotton manufactures, which was of the value of about 76½ millions. The total paid-up capital of the railways of the United Kingdom was £785,000,000, and their total annual receipts were £71,000,000. The amount of the National Debt was, in March, 1884, £746,000,000, and the annual charge in respect of it about 29½ millions. In Professor Leon Levi's work on the *Wages and Earnings of the Working Classes*, it is stated that in 1842 Mr. Porter estimated the amount of personal property of the country at £2,200,000,000, and of real property £2,382,000,000—total £4,582,000,000—and in 1878 Mr. Giffen estimated the total at £8,500,000,000. In comparison, therefore, with those figures the business of life offices seems small. The population of the country was estimated at about 36,000,000 in 1884. Well, what proportion of the population have their lives assured, and is the number increasing or not? The figures of the Board of Trade give very little information upon that point. It had, however, been estimated that the total amount of life assurance policies in 1884 was about £450,000,000. He (the speaker) was, however, inclined to place the figure at £485,000,000. The total premium income of the assurance offices was reported to the Board of Trade in 1884 to be £15,300,000, viz., in Ordinary business £12,300,000, and in Industrial companies £3,000,000. Three per cent. was a fair average premium for the Ordinary companies, and that would give a total sum assured of about £410,000,000. The total policies in the Ordinary business he estimated at 820,000. The Industrial companies average rate of premium was somewhat higher. If they took 4 per cent. for the average rate of premium, that would give a total amount for the Industrial companies of £75,000,000, and, with an average sum assured of £10, the policies would be 7½ millions. The question, then, was whether those figures could be considered satisfactory, having regard to the wealth and population of the country, and whether the practice of life assurance was as widely adopted as could be reasonably expected; or whether they might not hope to see the practice of life assurance occupy a more important position than at present. His opinion was that present results could not be regarded as so satisfactory that they should rest contented, for he believed that the business

of life assurance could be largely increased, even supposing there were no further increase in the population and wealth of the country. It would be very desirable to compare the premiums annually paid to the companies with the income of the population, and also to compare the claims paid by the companies of nearly £12,000,000 annually, with the total amount of the estates of the persons who died each year, as deduced from the death duties. The figures he had given related to policies and not lives assured, because many persons were in the habit of having more than one policy on their lives. The first question he would now discuss was in what light were they to regard a life assurance company. And the answer that he proposed to submit to them was that every such company is to be considered as a trading concern, and should be administered upon commercial principles, and not as a trust, as some persons thought should be the case. There was nothing in a trust that was at all analogous to the business carried on by life offices, and the business entered into by life assurance companies was not at all in the nature of a trust. The various processes essential to the granting of new policies, the keeping of an office for receiving proposals, the medical examination of candidates for assurance, and all other steps taken in connection with the issue of new policies, seemed to him quite foreign to the idea of a trust. Still more alien to the idea is the payment of commission to agents and others who introduce business. A life office is a trading partnership, of which the directors are the managing partners. Any manager who acted as if the business under his charge was a trust, would soon see the success and development of the business interfered with. As another instance of a theoretical view that was held of life assurance, he mentioned the doctrine which he said seemed now to be very popular, viz., that a life assurance office makes no profits, and that the sums distributed as bonus should not be called profits, but surplus. That was a doctrine with which he had never been able to sympathize, and which he could not fully understand. Ordinary life assurance offices were trading bodies which carry on the business of settling life assurance at certain rates calculated to yield a profit, and which take stock from time to time and divide the profits which had been earned among the persons entitled to them according to the partnership contract. That was equally true whether the premiums charged were high or low. They were all trading concerns, whether the office is proprietary or mutual. The only exception was those which make a yearly estimate of their liabilities, and on that basis charge a reduced premium for the ensuing year, calculated so that as far as possible there would be no profit on the year's transactions. Another theoretical view, which was perhaps only a development of the last mentioned, was that which found expression in the opinion that it was an anomaly, if not an absurdity, for anyone to effect a life policy with participation in the profits, and that the more reasonable and preferable course was to effect a non-participating policy. It must be admitted that this takes no account of the fact that the share surplus allotted to participating policies is, in nearly all cases, of greater value than the difference between the participating and non-participating rates of premium. It seemed to him that the doctrine proceeded on the idea that life assurance was exclusively a contract of indemnity—the object being to indemnify the family of the life assured against a loss if he died prematurely and was deprived of the opportunity of saving money for those who were dependent upon him. It might, however, be held that life assurance is also a species of investment. Policies contain elements of both investment and indemnity, and it seemed to him that the indemnity element was usefully supplemented by the investment element, and it might be argued that a life policy is the best investment that a man can make for his family. In England, the investment element is, and he believed deservedly so, very popular. Persons who assure their lives are willing to pay a high rate for a participating policy rather than a low rate without participation in profits.

America, which furnished them with an instance of policies in which the indemnity idea had been carried to the extreme, also furnished them with an example of the investment idea being carried to an extreme, viz., in the tontine policies, of which so much had been heard in recent years. That subject had called forth some unnecessary warmth of feeling. The tontine principle entered into the arrangements of most British life offices, and in proof of that he cited several examples. Looking at the matter commercially, the offices which made the granting of tontine policies a special feature, need not be regarded as formidable competitors by offices conducting ordinary business, because persons who effect tontine policies would not effect ordinary policies. The result of the competition of American offices in this country had been to increase the total amount of life assurances effected. They had created the business they transacted, and the assurance they effected would not have been effected with other offices, and the amount of business they had drawn away from British offices had been comparatively small. Competition was a good thing, for all offices. The more offices there are working in the field, the larger the amount of life policies effected; and especially so if they do not proceed upon exactly the same lines, but have material differences in their principles and practice. Therefore, he was not only content to see American offices working here permanently, but would even welcome some of the large Australian offices, if they opened agencies in this country for ordinary life assurance business. He found that the mortgages on property out of the United Kingdom—most of which being probably on Colonial securities—had increased from £1,225,000 in 1881, to £1,578,000 in 1884; and quite recently it had been announced that one of the largest offices was sending out an experienced official to Australia, to represent them in the matter of investment, with a view, probably of investing some of their millions in good Australian securities. The foregoing remarks indicated how some theories might mislead them in practice. They must always remember that, although their business is built upon a scientific basis, yet the institutions they advise must be conducted upon purely commercial principles. Whenever, therefore, they found that the conclusions of theory can not be reconciled to those suggested by their business experience, theoretical results—however conclusive the reasoning might appear to be—should be distrusted; and it would be found very often that the theory they had proceeded upon was imperfect, and that they had taken no account of some practical consideration. Whilst, however, theory was often imperfect, every step taken to improve it would have some effect in removing the anomalies that exist. He strongly condemned a blind adherence to an imperfect theory, as it often led to wrong conclusions, especially with reference to net premium value. As an instance of the way he thought a too rigid adherence to an imperfect theory might lead them astray, he referred to the graduation of mortality tables, and said that all attempts to express the law of mortality by a mathematical formula had had only partial success, no formula yet produced having been found thoroughly successful. Whilst warning them against a too rigid reliance upon theory, he said that theory was a most useful assistant, although not a guide to which they could trust themselves blindfold. They should always be on the watch to see where it would lead them, and refuse to follow it if it pointed to conclusions which did not accord with their common-sense. They should test, by the teaching of experience, the doctrines of theory. If their companies were to be successful, the theories of the man of science should be carefully scrutinized by the man of business before acting upon them. Passing on to consider upon what the success of a life office depended, he said that he was of opinion that, in order to be successful, the management of a life office should be conducted upon purely commercial principles. A life assurance office was not a benevolent or charitable institution, although sometimes directors acted as if it partook of that character. Some of them had voted

sums of money in relief of exceptional distress, but any such use of funds under their charge was of doubtful legality. Again, directors were sometimes disposed to deal more leniently with a poor policyholder than with a rich one, but that again was quite contrary to sound principles. Commenting upon the points upon which the success of a life office depends, he said that no office should be considered successful unless the annual waste produced by deaths and secessions is fully supplied by the new business. It was not sufficient that the amount of funds should increase, but the total sums assured and the premium income should also increase or be permanently maintained. Any life office which does not fulfil that condition is lacking in one of the essential elements of success. Every life office, therefore, must take measures to attract customers, although all offices need not take the same steps to attract new business. There were two ways of getting new business, viz., by advertising and travellers. Some companies, through special circumstances, are able to approach the public direct, and receive a great part of their business over the counter. He thought it was certain that no office which trusted to its connection, could hope to be permanently successful; and every office must take some steps to make good from new sources the losses it sustains in various ways. In some cases probably the two ways of obtaining business which he had mentioned, were inconsistent with each other. Experience showed that, in a populous place like London, there are large numbers of prosperous men who should be candidates for assurance, but who are not accessible to the solicitations of agents; and in order to reach them it is necessary to advertise in some way. In the long run, the conditions of assurance would be of great importance in determining the success of the company. The object of a manager should be to ascertain what conditions public sentiment would accept as just and fair, and foremost amongst those he placed the nonforfeiture arrangements now being adopted by some companies. The managers of offices acted wisely in devising methods which remove hardships. A general move in the direction of liberalizing the conditions of assurance was one upon which both the offices and the public were to be congratulated; and it would render life assurance more popular, and increase the business of the companies. He mentioned the payment of early claims as one instance of the way in which the conditions of assurance had their effect upon life offices. One of the most indispensable conditions of success was, as he had said before, the obtaining a satisfactory amount of new business. But, when the business had been obtained, there were other essential conditions in order that the office might be considered really successful. For instance, it was essential to a smooth working of an office that careful attention should be given to the internal arrangements. A question that arose naturally in every large institution was the remuneration of the staff and the promotion of certain members of it, and these must be dealt with upon broad and fixed principles, laid down, not only with regard to the present, but with a view to their probable working in the future. A fundamental object was to obtain a good and efficient staff, interested in their work, and to pay them the least possible amount consistent with their being thoroughly efficient. A broad distinction must be drawn between those officials whom it was essential to keep in the office, and those who might be replaced without difficulty. The principal considerations to be kept in view were threefold: In the first place it was desirable that all the officials of a large and wealthy company should have such remuneration that they could live in comfort. The other considerations which bore upon the question were, secondly, what salary would any member of the staff obtain elsewhere, supposing he left the company? and, thirdly, what would it cost the company to replace him? The regulations as to promotion were also very important, and the conclusion at which he had arrived was that the worst of all possible systems is simple promotion by seniority. It was essential to the welfare of every

large and important institution that the staff, as far as possible, should be promoted to positions of responsibility whilst in the prime of life and with energies unexhausted. Under a strict system of promotion by seniority, that is not possible; and, therefore, promotion should be made by selection, and, where possible, according to merit. It was desirable to encourage junior clerks in a life office to become members of this Institute, and to hold out a prospect of increase of salary after passing the examinations. In some departments of work, however, promotion by merit was not found practicable. A broad and fixed principle should also guide the dealing with both agents and the public. A life assurance office should not be squeezable. If the rules and conditions of an office were such as to commend themselves by their fairness, then the public would not think any worse of the office if the rules and conditions were strictly adhered to. In conclusion, the president apologized for introducing a number of controverted subjects into his address, but stated that it was only by a full consideration of controverted matters that they were able to arrive at the truth, and he should be especially gratified if time proved that the reflections of that night were any contribution to the elucidation of the truth.

HON. JOHN A. McCALL, Jr.

The following circular has been sent us by Mr. McCall, announcing his resignation of the Superintendency of the New York Insurance Department, and his acceptance of the position of Comptroller of the Equitable Life. It will be difficult indeed, if not impossible, for Governor Hill to find as efficient and suitable a Superintendent of Insurance as John A. McCall, Jr., has been. The Equitable Life is to be congratulated in securing the services of such an able and efficient administrator. He carries with him into his new office the good wishes of every one who has known him.

INSURANCE DEPARTMENT, ALBANY, N.Y., Dec. 26, 1885.

TO THE GOVERNOR :

SIR,—Having accepted the position of Comptroller of the Equitable Life Assurance Society of the United States, I hereby resign the office of Superintendent of the Insurance Department, the resignation to take effect December 31, 1885.

I have not lightly regarded your desire, so kindly and repeatedly expressed, that I should continue in my present position for another term. If it were not for the fact that the appointment which I have accepted—the offer of which is doubly appreciated because it comes unsought—fills the measure of my ambition, and carries with it a pecuniary reward, I could not afford to ignore, I would cheerfully comply with your wishes.

Believe me, I am deeply grateful for the many personal and official courtesies you have shown me during our association of three years in the government of the State, and I sincerely regret that I am to be deprived, as one of your official household, from sharing in the success that I am confident will attend your administration.

With renewed assurances of my obligations to you, and with the greatest respect for you personally and officially,

I am,

Your most obedient servant,

JOHN A. McCALL, JR.

EXECUTIVE CHAMBER, ALBANY, N.Y., Dec. 28, 1885.

HON. JOHN A. McCALL, JR.,
ALBANY, N.Y.

DEAR SIR,—Your letter of the 26th instant, presenting your resignation as Superintendent of the Insurance Department, to take effect December 31, 1885, is received. Until now, notwithstanding rumors of your intended retirement, I had hoped to have associated with me in the administration of State affairs during my entire term of office, you, who have so acceptably risen through every position in the department

over which, latterly, you have presided with such signal ability. Selection as Superintendent in 1883 was urged by, and was most satisfactory to, the great financial interests over which your department has the supervision, and your appointment met the unqualified approbation of the people of the State, whose faithful servant and trustee you had already shown yourself. Your management of the department has conclusively proved that this confidence was well placed. And, to the credit of the State, it may, to-day, justly be claimed that the Insurance Department of New York is the best organized and most efficient in the country.

On behalf of the people of the State the insurance interest generally and myself, I express regret at the decision conveyed by your letter. At the same time I cannot fail to appreciate the sagacity of the great corporation which calls you to fill one of its most important offices.

I congratulate you that this change will bring a pecuniary reward and a permanence of position to which you are fully entitled.

To the duties of your new office, you bear with you the best wishes of the people of the State and especially of the party to the honor of which your able and honest administration during these last three years has contributed in no small part.

Reciprocating your expressions of esteem, and wishing you the highest success, I am, with kindest regards,

Very truly yours,

DAVID B. HILL.

THE INSURANCE SUPERINTENDENT.

It is with great satisfaction that we insert the following extract from a letter received from an esteemed correspondent who is in a position to know of what he is speaking:—

“I take the liberty of referring to an article which is not altogether fair to the gentleman who has been appointed Superintendent. Mr. Fitzgerald has far more important qualifications than that of being a lawyer. Besides being a great worker and a conscientious man he is a thorough mathematician. He graduated at the University of Toronto as Gold Medalist in mathematics, and was some years afterwards an examiner in mathematics in that institution and his name did not first occur to the politicians in connection with the place.”

These remarks agree very largely with information we have received from other quarters, and, should they be confirmed by experience, we promise, as we have already said, that Mr. Fitzgerald will have our fullest and heartiest support, so far as we can conscientiously follow him. The office is admittedly a difficult one to fill, and if the choice made should prove to have been wise the whole insurance interest will have to be congratulated. We, however, did not in any way insinuate that the appointment had been made for political reasons, for we did not think it had been, our information being otherwise. The objections we made were to the nomination of a lawyer to a position requiring such technical knowledge and tact. We are, however, glad to hear that our objections do not apply in this case.

The English Miller's Gazette says: “This is the season for fires in flour mill”, we believe; at any rate we have had to chronicle two serious fires within a week, the total loss being £30,000 to £35,000. This will spoil the average of the present year, which, up to the present, had been behind some of its predecessors in this respect. Large fires such as these are not only serious matters for those immediately concerned, but affect all millers more or less, for such occurrences render the large insurance companies more and more indisposed to accept these risks at any premium; in fact, as a leading miller remarked lately, “We shall shortly be unable to cover our mills at any price.”



UNITED STATES LIFE INSURANCE COMPANY OF NEW YORK.

T. H. BROSINAN,

President.

J. S. GAFFNEY,

Superintendent of Agencies.

Thirty-sixth Annual Statement for the Year ending December 31st, 1885.

Dr.	BALANCE SHEET.	Cr.
To Reserve at 4½ per cent. American Table (N.Y. State Standard), including dividends - - -	\$4,490,544 00	
" Claims in course of settlement - - -	26,242 86	
" Premiums paid in advance - - -	2,849 74	
" Liability for lapsed policies presentable for surrender - - -	2,037 00	
" Accrued rent and unrepresented accounts - - - - -	4,541 27	
" Surplus as regards policy-holders	947,209 49	
TOTAL - - - -	\$5,473,424 36	
		By Bonds and Mortgages - - - \$2,355,208 23
		" United States and other Bonds - 2,460,451 06
		" Real Estate - - - - - 80,500 00
		" Cash in Banks - - - - - 105,236 97
		" Cash in Office - - - - - 523 66
		" Loans on Policies - - - - - 145,913 31
		" Loans secured by Collaterals - 114,486 15
		" Balances due by Agents, secured - 25,132 60
		" Interest Accrued - - - - - 68,708 64
		" Deferred Premiums, less 10 per cent. for collection - - - 63,585 67
		" Premiums in course of collection, less 10 per cent. - - - 53,678 07
		TOTAL - - - - \$5,473,424 36

All Policies issued by this Company are **INDISPUTABLE** after three years.

All Death Claims paid **WITHOUT DISCOUNT** as soon as satisfactory proofs have been received.

This Company issues all forms of Insurance including Tontine and Limited (Non-Forfeiting, Tontine.

One Month's Grace allowed in the Payment of Premiums on Tontine Policies, and Ten Days' Grace on all others, the Insurance remaining in full force during the Grace.

HEAD OFFICE FOR CANADA:

101 St. Francois Xavier Street, Montreal.

JOHN WM. MOLSON, - - - Manager.

Correspondence.

TORONTO LETTER.

Turkey!—The M. & M. likely to join the Association—The Agents' choice—Schedule rating commenced—Is the practice of the C. F. U. A up to the preaching?—A possible result—An apt name for a correspondent—Happy New Year!

To the Editor of INSURANCE SOCIETY.

DEAR SIR,—As you have elected to issue "your valuable Journal" on or about the first of each month, and have requested all matter in the way of correspondence to be forwarded not later than the 26th of December, here I am sitting down to write a few lines to you, instead of being out in the bracing air, assisting nature to throw off the evil effects of my gastronomic and other efforts yesterday. In a changeable climate like this of Toronto one needs to take great care of his or her constitution (Secretary McLean has two constitutions to look after), and as I desire to live long and act as your correspondent I shall not put upon myself any unusual strain, or unduly exert my brain power, (for which excuse me) in the production of this letter. I hope you enjoyed your Xmas dinner and that the day was really a "merry" one for you. Talking of constitutions,—you ought to have seen the shattered constitution of our turkey, after the family got through with it yesterday, but, I forget, you have personal experience yourself of such social wrecks.

Without being able to assert as a fact that the Millers and Manufacturers have joined the C. F. U. A., I am told that it is now considered certain they will send in their adhesion to the Association on the lines proposed by the C. F. U. A. It seems a little incongruous that a company projected to reduce rates should pledge itself to collect tariff rates, with the only "advantage" (?) of undertaking to return to its policy holders at the end of the year a share of the profits, if any. Even this "share of profits" is set off somewhat by the premium note to be given by the insured in addition to the premium, because, in lieu of profits he *might* be called upon to contribute some more premium, so that it is possible, if not probable, that his insurance might eventually cost him more than the *old style* companies charge in advance as a straight premium.

Still, I think it is as well for the M. & M. to join the Association. If they really mean mischief they might, if so willed, do more harm in the Association than out of it. "A little leaven leaveneth the whole lump."

"Walk into my parlor," saith Mr. McLean,
"You've hurt all our feelings, don't do it again."

We all hope *he* won't do it some more, but there is no telling.

As the 2nd January approaches interest is felt in then learning what agents have made their choice between tariff and non-tariff companies. Some well-known agents will, I think, decide to stand by their mutual business, and let the tariff business go. The great majority of agents will of course elect the other way. The consequence will be that a bitter war will now ensue between stock and mutual companies. It is all very well for some big hearts to pooh-pooh the contest and say, "who's afraid," but there may be such results ensue from this beginning of antagonism as would shake if not shatter the C. F. U. A.

I am glad to see that steps are taken to hurry forward schedule rating by the C. F. U. A. It is a just system of rating, and its equity both to insurers and insured will soon be very manifest. When we think of the system at present in vogue of charging the *one rate* for two risks, similar in name and class, yet very dissimilar in regard to "appliances," one having costly appliances for extinguishing incipient fires and the other having none, it is to be expected that the party who has incurred trouble and expense to improve his risk feels an injustice is being done him.

I wonder if really there is as much talent and insurance ability in the Grand Association as one would like to think, who is a lover of his country and her institutions. Anyone who has had the proper introduction, and can therefore get access to a full meeting of the C. F. U. A. on a "speech day," cannot fail to be impressed by the able way subjects are nearly always debated upon, and by the knowledge displayed; but, unfortunately, the *practice* has not been sufficient to satisfy the needs

of the business nor to do justice to the public in some very important directions. "Do you know," as the secretary, (the private secretary," not McL.) would say, I am beginning to think that perhaps the "M. & M." so ill received as it has been, may after all have rendered good service to some classes of risks, such as those to which schedule rating will be applied. Whether that company has a long or a short life, it cannot be said to have existed in vain, if millers and manufacturers have in future their respective risks rated on their merits.

I observe from your remarks that INSURANCE SOCIETY is now in her 6th year, and is about, I also hear, to add to her name. She looks healthy, and I think a long and useful life is before her. Allow me to wish your interesting charge a prosperous New Year.

In the course of my Shakespearean reading, I came across a line that seemed very apropos to our mutual relations, and to the choice of my *nom de plume*, which name as originally chosen by me was quite accidental. I might as well have signed "Murphy" as "Ariel." The lines I refer to are to be found in the *Tempest*—Act I, Scene 2, and are as follows:—

Ariel—(to Prospero). "I will be correspondent to command and do,
"My spiriting gently."

I hope I shall always do my spiriting "gently."

Once again, Happy New Year to you, and your readers.

Yours,

ARIEL.

TORONTO, 26th Dec., 1885.

LATIN QUOTATIONS BY AN AGENT.

To the Editor.

SIR,—I have remarked that there is an extra liberal supply of Latin phrases and quotations scattered through your valuable articles from time to time. I suppose city insurance agents and your city readers generally have all had a classical education, and can readily construe, and take in the points made, whether written in Latin or any other language, but most of us poor country agents cannot boast of any attainments beyond those afforded by a common school education, so that we are occasionally bothered about the meanings of words used. Communicating these sentiments of mine, and others, to a brother agent the other evening he said he knew very little Latin to be sure, but he would venture to undertake to write at short notice an article that would *bristle* with Latin quotations. He rather joked me on my inability to do as much, our classical knowledge being the same in extent. I challenged him to produce something "bristling" with Latin, and here is what he gave me:

"After all, it was only a question of time, *in rerum natura*, before "a business of so great importance, *pro loco et tempore*, as Canadian "Fire Insurance should call for the establishment of a periodical, "which, as a class journal, would become the *caduc mecum* of every insurance agent, and the faithful exponent of insurance theory and "practice. The want of such a journal being recognised the publication known as INSURANCE SOCIETY, which to day is, *par excellence*, "the leading insurance publication of the Dominion was started. INSURANCE SOCIETY is still progressing, *pari passu*; we find it in the front "rank of Canadian class literature. Independent, outspoken, and "firm in the advocacy of right principles and practice in fire underwriting, its work and methods though, *sui generis*, are truly *pro bono publico*. *Subrosa*, I have been given to understand that important "changes are *sub judice*, or perhaps already are on the *tapis*, in reference to the name and future scope of the paper. I hope that success "will crown all efforts to attain a higher place, and that a sphere of "still greater usefulness may open up, both for the sake of the proprietor and publisher of INSURANCE SOCIETY and that of his subscribers "and patrons, whose *summum bonum* he has evidently always at "heart. I would conclude by asking him to remember that to attain "success one must at least deserve it, *carbam aut sapientia*." Vale!

What, thank you, Mr. Editor, is your production? I was astonished at the facility with which my friend composed the above, but he showed me his pocket dictionary with all the Latin phrases done up to order, as it were, so I now comprehend the situation. May be I will write you a letter myself similarly garnished, one of these days.

Yours,

FERGUS.

Dec. 15, 1885,

NOT AN UNDERTAKER.

To the Editor INSURANCE SOCIETY.

DEAR SIR,—From the Toronto *World* of 22d inst., I clip the following:—It may interest your readers, when told that the writer of the letter is the good secretary of the Canadian Fire Underwriters Association.

MR. ROBERT McLEAN NOT AN UNDERTAKER.

SIR,—I noticed in *The World* of last Saturday a report of the "public meeting held in St. Andrew's hall on the previous evening, in reference to a proposed reduction of the number of hotel and shop licenses in this city, in which, among others, my name is given as on "the platform, with the addition of "Undertaker." I have at no time been engaged in that very necessary business; but I must say it would afford me much pleasure to act in that capacity at the obsequies of the liquor traffic in this city, an event I trust *The World* will have to chronicle at no distant day."

Toronto, Dec. 21.

ROBERT McLEAN.

Just think of our Secretary, being dubbed, "undertaker!" The mistake arose through the *World* reporter asking who Mr. McL. was, and being answered "an underwriter." He got it down in his notes, however, as above. Mr. McLean passes the error over with pleasantry, but a croaker at my elbow says that it may yet eventuate, that it will be at the obsequies of the C. F. U. A. that Mr. McL. will do the undertaking at no distant day.

MEMBER

TORONTO, 23rd Dec., 1885.

ANSWERS TO CORRESPONDENTS.

T. B.—The companies referred to can take care of their own interests. Our interference might not be agreeable. Write the Secretary, confidentially, if you like; he will tell you what is best to do.

Statist!—(1) It cannot be ascertained until after the Government "summaries" of insurance companies business be issued, in April or May. (2) We cannot help you.

Inquirer.—(1) Yes. (2) The facts mentioned in the latter part of your letter would, to our mind, be considered a good and sufficient reason for the refusal of any independent person doing so. (3) We are prepared to insert it on condition that you will simply stick to the facts mentioned by us.

Agent.—The theory is sound, but we fear in the present day it is impractical to carry it on successfully on the conditions named.

CONTINGENT COMMISSIONS.

In reply to a correspondent the *Insurance Monitor*, N. Y., thus states its opinion on the above subject: "The contingent plan of compensation has never seemed to us to be so simple or so easy of general application as some of its admirers hold it to be. In the first place, only a very few agents can afford to work on a contingent, they must have, week by week, all there is in their work to live on. In the second place, when a fire occurs early in the year so as to destroy the possibility of a contingent, the average agent will cease doing business for that company, and not only put all his new risks into others, but draw away its renewals also. This has been found by actual experience. Then there is the obvious injustice included in the case mentioned by our correspondent, where the loss occurs on one of the agents best risks."

There is one point which seems to us to be very much overlooked by the advocates of contingent compensation, when they argue for unity of interest and unity of result between company and agent, and that is this: *the agent is not an insurer*; he has no capital to justify him in taking the chances which it is the company's specific business to take. An agent on a contingent is very much like a small local company whose entire business is confined to the village or county where located; a very small reverse ruins it, the principle is directly opposed to the broad grounds on which their companies are run by those who advocate contingent compensation. * * * We believe in contingent compensation if it can be applied, and will be greatly delighted when the plan is discovered and perfected whereby it can be successfully applied to the business of the companies.

RATES ARE TOO HIGH.

How easy this assertion rolls over the tongue of those who *haven't* stopped to consider the matter. Now, let's think a minute: 5 per cent is the rate on yonder frame range. Seems high, don't it? Well, it is high; but do you know just what it means? It means that we are wagering that the range will last *twenty years*. Think of it! *Twenty years*. In other words, if that range burns inside of twenty years the company loses money; if it last twenty-five years and then burns, the company only profits to the extent of five premiums: they must carry the risk twenty years to keep even.

Or look at your neighbor's house, a dwelling, rate, say 1 per cent; the company must carry it over *one hundred years* to be able to pay the loss and make any profit on it. Would the assured bet his money against such odds? We don't think he would; and still they talk about rates being too high!—*Fireman's Fund Record*.

Hand Grenades—The *American Architect* of Boston showed up the worthlessness of these grenades, for which it was taken to task by some of the manufacturers. The following letter to the editor of that journal proves the correctness of its allegations:

PHILADELPHIA, PA., November 21.

In view of your remarks last week relative to the merits of hand grenades and similar appliances for extinguishing fires, your readers may be interested in the results which attended some very fair tests, which were made at the Novelties Exhibition, recently held under the auspices of the Franklin Institute in this city.

The tests were conducted by the superintendent of the fire patrol of Philadelphia, who insisted upon having the conditions as nearly as possible like those which actually attend incipient fires, the only class, of course over which it is claimed that such limited appliances have any control. I say as "nearly as possible," because the make-believe fire in an open lot has after all the very great advantage of getting rid of its smoke, which every fireman knows to be about the most serious obstacle he has to encounter.

All that was insisted upon was that the fires should be about as hot as incipient fires really are, and no hotter.

Of course the exhibitors came well provided with tar barrels and oil cans, and laughed at first at the idea of any test performed without these time-honored auxiliaries, but the tests were made without them all the same, and failed one after another as each was tried. Only one exhibitor was spared the humiliation of seeing the smouldering fire still smoulder on when he had done his best to stop it, and that was the one who declined the test, saying with delightful frankness that he wasn't going to let the Franklin Institute make a fool of him.

What you say about the desirableness of having something, even this little, at hand in case of accident is just and to the point, and there is little doubt that the manufacturers of these extinguishers will continue to prosper and to be of use, but there can be no harm in knowing just where the truth lies, after all.

Yours very truly,

L. W. MILLER.

It has been stated on several occasions in these columns that the so-called hand grenades or "soda water bottles" were almost worthless; as a means of extinguishing incipient fires, a bucket of water is far better. We were present at a trial or exhibition on an open space in McGill street, in this city, when some planed, tongued and grooved boards were formed into the shape of a packing case with a back and two sides. This was tarred, oiled and set on fire. The use of three or four of these grenades swept the flame away, but the fire managed somehow to get into one corner of the boards, and it was laughable to see the exhibitor trying to extinguish it by kicking and upsetting it on the ground; it was too much for the grenades.

Incipient fires are not supposed to originate in awkward corners!

Street Accidents.—During the year 1884 there were 265 persons killed and 3,593 maimed by street accidents in London, Eng.

Financial and General,

CANADIAN BANKING.

A GLIMPSE OF THE PAST AND PRESENT IN RELATION TO OUR BANKING INSTITUTIONS.

To compare Canada of to-day and Canada of thirty years ago, is not without its interesting side to those who have the welfare of the country at heart. Comparisons of this kind enable us to judge of the progress we have made, and by noting the points on which we have succeeded and those on which we have failed we can draw lessons of great value for the future. This is particularly true in the field of Finance, and it may not therefore be amiss to examine the condition of our Banking Institutions as they were say thirty years ago and their growth since. We say thirty years ago for that is about the date at which the first statements can be found which were published in the *Official Gazette*.

The BANK OF MONTREAL is the largest and most important in Canada, and naturally deserves our first attention. It commenced business in the year 1817, but its first official statement seems to have been published in the form given below for 31st July, 1856.

LIABILITIES.		ASSETS.	
Promissory Notes in Circulation not bearing interest (<i>pounds currency</i>).....	£ 58,061 5 0	Coin and Bullion.....	£208,843 19 1
Bills of Exchange in Circulation not bearing interest..	.....	Landed or other property of the Bank.....	55,570 7 4
Bills and notes in circulation bearing interest .....	.....	Government Securities.....	140,700 0 0
Balances due to other Banks.....	98,927 12 11	Promissory notes or Bills of other Banks.....	72,312 3 9
Cash Deposits bearing interest.....	194,613 1 9	Balances due from other Banks.....	163,539 19 2
Cash Deposits not bearing interest.....	435,637 1 0	Notes and Bills discounted.....	2,373,602 9 5
Total Liabilities.....	£1,587,239 0 8	Other debts due to the Bank not included under the foregoing heads.....	124,757 19 2
		Total Assets.....	£3,139,326 17 11

About the date of this statement the Bank of Montreal had attained its fortieth year. Further on we shall endeavor to show what has been accomplished by this Institution within the last thirty years, or ten years shorter period than that taken to reach the proportions shown in the foregoing statement.

STATEMENT OF THE BANK OF MONTREAL ON THE 30TH DAY OF NOVEMBER, 1885.

Capital authorized, - \$12,000,000. Capital subscribed, - \$12,000,000. Capital paid up, - \$12,000,000.
 Reserve Fund, - \$6,000,000. Last annual dividend declared. Rate 10 per cent.

LIABILITIES.		ASSETS.	
Notes in circulation.....	\$ 5,911,469 00	Specie.....	\$ 2,262,822 17
Dominion Government Deposits, payable on demand.	3,020,606 76	Dominion Notes.....	3,666,492 00
Deposits held as security for the execution of Dominion Government contracts and for Insurance Companies.....	25,764 91	Notes, checks and balances due from other Banks..	1,378,768 53
Provincial Government Deposits, payable on demand, or payable after notice or on a fixed day.....	903,496 30	Balances due from Agencies of the Bank in Great Britain and foreign countries.....	8,879,222 49
Other Deposits payable on demand or after notice, or on a fixed day.....	16,073,610 68	Dominion Government Debentures. Provincial, British or Foreign public securities. Loans to the Dominion and Provincial Governments. Loans, for which stock or debentures of Corporations, or Dominion, Provincial, British, Foreign or Colonial public securities are held as collateral securities. Loans to Municipal Corporations..	5,837,032 69
Loans from or deposits made by other Banks in Canada, unsecured.....	793,086 48	Loans to other Corporations.....	5,184,537 62
Due to other Banks in Canada.....	115,021 77	Other current loans, discounts and advances to the public. Notes and bills discounted overdue and not specially secured.....	15,268,846 40
Due to Agencies of the Bank or to other Banks, or Agencies in foreign countries.....	22,076 31	Notes and bills discounted overdue and other overdue debts secured.....	184,488 34
		Real estate the property of the Bank (other than Bank premises), mortgages on real estate sold by the Bank.....	146,426 01
		Bank premises.....	440,000 00
		Other assets not included under the foregoing heads.	2,760,116 33
	<u>\$26,865,132 20</u>		<u>\$46,008,752 58</u>

Aggregate amount of loans to and liabilities direct or indirect, of Directors, and firms or partnerships in which they or any of them have any interest..... \$ 893,771 00
 Average amount of specie held during the month..... 2,261,682 00
 Average amount of Dominion Notes held during the month..... 3,550,791 00

The first general statement of all the banks reporting was issued in compliance with the "Free Banking Act" of 1851 and was as follows:—

STATEMENT OF ASSETS AND LIABILITIES OF BANKS issuing Notes under the Free Banking Act to July 31st, 1856, (13th and 14th Victoria, cap. 21).

ASSETS.

NAME OF BANK.	Debentures deposited with Receiver General.	Real Estate.	Furniture and other Assets.	Debts due by other Banks and Notes of other Banks.	Bills discounted.	Debts due by Individuals.	Specie in Vaults.	Total Assets.
	\$	\$	\$	\$	\$	\$	\$	\$
Provincial Bank	100,000 00	1000	2,986 15	.....	25,840 09	74,400 00	6,106 52	210,332 76
Bank of the County of Elgin.....	100,000 00	.....	.....	9,457 93	16,030 26	687 85	3,178 83	129,354 87
(a) Bk of B. N. A.....	682,833 33	.....	.....	.....	.....	.....	.....	.....
(a) Molsons Bank.....	50,000 00	.....	.....	.....	11,913,08	24,315 36	.....	115,759 34
(a) Niagara District Bank.....	152,000 00	.....	20,971 96	19,978 28	305,023 50	10,500 83	23,921 76	532,402 33

LIABILITIES.

NAME OF BANK.	Notes in Circulation.	Deposits.	Debts due to other Banks.	Other Liabilities.	Total Liabilities.	SHAREHOLDERS.
	\$	\$	\$	\$	\$	
Provincial Bank.....	100,000 00	10,332 76	.....	.....	110,332 76	G. W. McCollum.
Bank of the County of Elgin.....	10,000 00	5,903 16	.....	1,000 00	20,899 16	86 Shareholders.
(a) Bank of British North America.....	(a) 371,438 00	.....	.....	.....	.....	.....
(a) Molsons Bank.....	29,551 00	.....	.....	.....	29,551 00	J. & W. Molson.
(a) Niagara District Bank.....	250,222 00	34,589 36	74 00	.....	293,885 36	70 Shareholders.

(a) These Banks are also acting under Charter. (b) Including \$20,000 Public Debentures. (c) Bk. of B. N. A. issues only \$1 and \$2 Notes under the above Act.

But two out of these five institutions now survive in their old forms.

Ten years later than the date of this statement we find the form greatly changed, and although the returns are only from banks doing business in Ontario and Quebec, they begin to assume larger and more manly proportions.

On June 30th, 1866, there are 18 banks reporting namely:

- Bank of Montreal.
- Quebec Bank.
- Bank of Upper Canada.
- * Commercial Bank.
- * City Bank.
- * Gore Bank.
- Bank of Brit N Am (Can. Branches only.)
- Banque du Peuple.
- * Niagara District Bank.
- Molsons Bank.
- Bank of Toronto.
- Ontario Bank.
- Eastern Townships Bank.
- Banque Nationale.
- Bank Jacques Carrier.
- Merchants Bank.
- * Royal Canadian Bank.
- Union Bk. of Lower Can.

* Not now existing under old form.

The amounts at that date were as follow :-

Capital.	
Capital authorized by Act.....	\$30,466,666 00
Capital paid up.....	20,034,700 90
Liabilities.	
Promissory notes in circulation not bearing interest.....	\$10,920,055 00
Balance due to other banks.....	818,767 92
Cash deposits not bearing interest.....	13,880,719 55
Cash deposits bearing interest.....	14,860,471 99
Total liabilities.....	\$40,488,004 46
Assets.	
Gold and Bullion.....	\$6,130,519 15
Landed or other property of the banks.....	3,060,573 43
Government Securities.....	6,007,400 00
Promissory Notes or Bills of other Banks.....	1,768,404 04
Balance due from other Banks.....	5,830,859 48
Notes and Bills discounted.....	45,542,634 32
Other debts due to the Bank not included under foregoing heads.....	3,404,495 25
Total assets.....	71,593,975 67

A statement up to the 30th June, 1866, was the last made prior to confederation, after which the Provinces of Nova Scotia and New Brunswick were included, which then added nine new banks to the list, but for several years after confederation, and in fact up to within a few years ago, it seemed a difficult matter to procure regular monthly returns from the banks in those Provinces, but in that also, time has worked wonders.

By the "Banks and Banking" Act of 1869, the form of return to the Government was laid down, and such returns were made thereafter to the Auditor of Public Accounts. It was found, however, necessary to enact further detail from the Banking Institutions for the information of the Government and public, and in 1873, by an Act 35 and 36 Vic., Cap. 43, the return to the Government was so enlarged that, instead of 8 headings under liabilities, and 14 headings under assets, there were 11 headings under liabilities, and 18 under assets. An Act 38 Vic. cap. 17, also required the aggregate amount of the direct and indirect liabilities of the banks to their directors and of the firms or partnerships in which they or any of them have any interest, to be appended. In 1881 the return was further enlarged giving under liabilities 14 headings and under assets 23 headings, besides "average amount of specie and of Dominion notes, held during the month." In 1883 an Act was passed attaching penalties to neglect to conform to the provisions of the Banking Laws, and ordering that the Reserve Fund and the rate of last dividend declared be given.

It will be seen at a glance that steady advancement has gone on, and that it is the fixed intention of Parliament to make our Banking Institutions a safe repository for the people's savings and to retain the confidence of the business community. In our opinion, however, there are some important changes that can and should be made to make the returns of the greatest value possible to the public, and on this we may treat in a future issue.

We append for comparison condensed statements of the banks on 30th September, 1874, 30th September, 1884, and 30th November, 1885.

CAPITAL.

	Sept. 30th, 1874.	Sept. 30th, 1884.	Nov. 30th, 1885.
Capital authorized	\$ 71,760,666	\$ 71,806,666	\$ 74,179,999
“ subscribed	68,083,810	61,685,933	70,720,209
“ paid-up	6,297,957	61,530,520	61,703,149
Reserve Fund	None	18,479,129	17,858,766

LIABILITIES.	Sept. 30th, 1874.	Sept. 30th, 1884.	Nov. 30th, 1885.	ASSETS.	Sept. 30th, 1874.	Sept. 30th, 1884.	Nov. 30th, 1885.
Notes in circulation.....	29,016,273	31,456,024	33,702,934	Specie	\$ 7,354,992	\$ 7,616,463	\$ 6,750,470
Dom. Govt. deposits payable on demand or after notice...	11,162,662	3,213,184	5,036,186	Dominion Notes.....	9,464,992	11,420,826	12,895,307
Deposit held for execution of Govt. contracts and Ins. Cos.	None	516,500	733,158	Notes and Cheques on other Banks.....	5,549,952	5,778,216	6,629,555
Provincial Govt. deposit and other deposits.....	69,904,300	94,771,939	102,654,827	Balances due from other Banks and agencies in Great Britain and foreign countries.....	14,810,581	19,952,000	23,234,341
Loans from other Banks in Canada.....	None	1,745,497	1,014,969	Dom. Govt. Deb. or Stock ...	1,373,190	993,220	4,117,250
Due to other Banks and agencies in Great Britain and Foreign Countries	11,118,562	2,250,494	2,120,719	Provincial or British or Foreign or other public securities than Canadian		1,523,870	3,305,965
Liabilities not included under the foregoing.....	499,688	106,187	519,582	Loans to Dominion Govt.....	75,551	786,006	1,425,079
				Loans to Provincial Govt.....	68,301	528,541	1,350,896
				Loans and Discounts, advances to Corporations, and all other current Loans.....	147,168,003	156,160,255	154,033,617
				Notes and Bills discounted and other overdue debts	3,041,110	5,789,174	3,765,132
				Real Estate, the property of the Bank [other than the Bank premises].....	571,478	1,168,655	1,439,974
				Mortgages on Real Estate sold by the Bank.....		805,886	651,832
				Bank Premises.....	2,681,657	3,142,979	3,310,814
				Other assets not included above	2,473,548	2,059,052	4,018,617
Total Liabilities.....	122,031,485	134,059,625	145,782,377	Total Assets	194,579,450	216,826,952	226,937,857

There are at present forty-three Chartered Banks doing business in the Dominion of Canada, viz., 13 in Ontario, 15 in Quebec, 9 in Nova Scotia, 4 in New Brunswick, 1 in Manitoba, and 1 in British Columbia.

We shall probably give a short sketch of the history of another bank in our next issue.

IS FREE TRADE THEORETICALLY CORRECT?

The question of free trade as against protection has been so often discussed and rediscussed in Canada that we hesitate to refer to it. Still we venture to take it up in a manner different from the usual way of discussing it, and will try to give our readers a fairer and more impartial view of the matter than we think they have been accustomed to see. We crave their indulgence for a few minutes and hope they will not at once pass on, as too many may feel inclined to do. Listen to what we have to say before you condemn the subject as overdone and uninteresting.

Let us drop as much as possible all reference to particular countries and to particular articles of commerce and take the free traders on their own ground—theory. Is free trade correct in theory or is it not, or is it only partly so? It is claimed to be “the one subject in political economy which is susceptible of complete demonstration.” This is how one of the most prominent advocates of the system (Prof. B. many Price in his Practical Political Economy) sets forth its claims:

“Free Trade rests on two fundamental principles:

“1. The first is the fact that all trade is an exchange of equivalent values or services. This is the very essence of trade. Trade always exacts as much as it gives away. A single transaction may involve loss, but continuous trade

“necessarily balances itself on the average of its dealings. Hence the fact of buying is a complete and conclusive proof of the corresponding act of selling. Every nation, therefore, which buys, sells also, and sells to the full value of what it buys. This is the first absolute incontestable truth on which free trade reposes.” He then proceeds to combat some objection which might be made to this assertion, claiming that if payment is not made in goods it has to be made in gold, of which only a limited supply can be sent abroad. He says that the so-called balance of trade is of no value whatever, for a full and equivalent exchange is taking place continuously even if the figures do not show it. “No statistics are needed in proof of this fact, nor if the statistics failed to point out how the equivalent has been received, would the demonstration be in any way weakened. No thinking person need give himself a thought as to what the statistics may or may not bring out. The trade goes on; therefore selling is taking place to the same extent as buying abroad.”

“Under free trade foreign countries give in every case as much employment to English workmen and capitalists as if nothing had been bought abroad. English goods of the same value must be purchased by the foreigner, or the trade comes to an end. There must be an equal amount of English goods in use and sent away, or England will never obtain the foreign commodities.”

2. The second principle on which Free Trade rests is that all are gainers when each man and nation betakes himself to the making of those articles for which his labor is the most productive. The popular saying that it is wise to

"buy in the cheapest market expresses the same truth." "If every man were to supply all his wants by his own labor he would obtain miserably few of the conveniences and comforts of life, civilization would be impossible, and very few inhabitants could maintain themselves in any land." This principle he elaborates at considerable length.

This is the basis on which the theory of free trade rests. If these two assertions are correct it is almost impossible to conceive of circumstances in which it is not exceedingly desirable and beneficial to any country to adopt free trade principles instead of protective ones. But, on the other hand, if the foundation be overthrown, the whole theory falls to pieces like a house of cards.

Are these fundamental propositions correct or are they not? Let us examine each one separately.

The first one is worthy of careful study. For ourselves we do not hesitate to say, that it is true to only a very limited extent; in fact, that, whatever it may be theoretically, *practically* it may generally be said to be not true. In all the reasoning on which it is based no consideration is given to a very important factor, which can perhaps be covered by the word "credit" better than by any other. It is true that every purchase must be settled for by the purchaser in some way if trade is to go on. But when we are dealing with countries or communities we must not forget that the sellers do not always want to be paid back immediately in goods. If they have confidence in the community or country to which they are selling goods, they will often allow the value of their goods to remain as a debt due to them. They acquire a lien or interest in that country, which may take the shape of possession of the national debt, or of the stock or debentures of its corporations, or of mortgages on its real estate, or a hundred other forms. The sellers, or at least the community to which the sellers belong, are satisfied with these as an offset to the goods exported, and in fact prefer this very often to an immediate payment in goods, and there the transaction ends. It will be seen at once that "the fact is buying" is not "a complete and conclusive proof of the fact of selling. Every nation which buys "does not" necessarily sell also to the full extent of what it buys." This first so called principle is not true.

The only objection which can be made to our statements is that every debt must some time be paid, and it will be said that the postponing of the day of payment for a time in no way destroys the fact that payment must be made at some day. This may seem to be true in theory, but it is not true in practice, and any theory which is not confirmed by practice is of no value—in fact, only misleads. Let us look at the national debts of the world. England, speaking of the individuals who compose the nation, owns a large share of the debts of all countries. Many of them became indebted to her one or two hundred years ago. Which of these or of any of those who have borrowed since, has reduced its indebtedness to English householders? Does any person think that these States must necessarily pay off their indebtedness to England at any time, even five hundred or one thousand years hence? Cannot any person see that so long as England does not become poor, and thus need to use up its capital, these national debts can be, and no doubt will be renewed again and again, perhaps till the end of time? Every civilized country in the world, excepting the United States, England and Holland, seems to be steadily and

rapidly increasing its debt, rather than paying it off. Even the interest on the debt is not always paid in goods year by year, but is added to the principal. Thus, while theoretically these debts have to be paid, practically they have not to be, for persons are satisfied with the possession of certificates of indebtedness call them by what name you will. And even if these debts are paid off five hundred or one thousand years hence, of what practical value is that to the business of this century or of the next two or three either? Speculations as to what may possibly happen in such a distant future have no right to be considered in connection with the pushing, throbbing business life of to-day.

We have no time to deal with the other foreign investments of countries, but the general remarks we have made in regard to national debts apply to them also.

The statement that statistics of trade have no right to be considered, and that the so-called balance of trade is of no value whatever, is a curious begging of the question. It is strange that thinking men should take such an utterly untenable position as not to allow their theory to be tested by practical facts, and yet that is what free traders do. They ask us to believe, for instance, that Great Britain exports as much as she imports, although the figures of the Board of Trade show that the exports in 1883 only amounted to about £2,10,000,000 against £127,000,000 of imports. "No statistics are needed in proof of this fact, nor, if the statistics failed to point out how the equivalent has been received, would the demonstration be in any way weakened." This style of argument may be very satisfactory to those who use it, but, with all due deference, we must say that it is not satisfactory to persons who wish to investigate the matter from an independent standpoint.

The explanation which is now generally given, and we believe correctly so, of the excess of the imports of Great Britain over its exports, is that this surplus is the payment in goods of the interest, or part of it, on England's foreign and colonial investments made in years past. This however can hardly be admitted by consistent free traders, for it implies the truth of all we have just been contending for: that England has sold in times long past vast quantities of goods which have never yet been paid for in goods imported by her, and which it is not intended or wished shall be paid for in goods, the interest alone being paid. It follows that if the imports of Great Britain exceed the exports by just the amount of yearly interest on all her foreign investments (supposing this could be exactly calculated), the country would be exactly holding her own in regard to these, while, if the amount were less than the interest, her foreign investments would be increasing, and *vice versa*.

There is, however, a grain of truth in this first assertion which we are now discussing.

It is necessary for the banks of every country to settle in some way their foreign balances, but in this settlement credit is of course taken or given by both sides, not only for the actual trade balances but for the international investments or repayments which have been made on each side, as well as for all other remittances of any kind whatever. A country might thus, for instance, import from Great Britain \$50,000,000 more than she exported; but if she, during the same year, increased her national debt to Great Britain by \$20,000,000 and English capitalists invested another \$30,000,000

in the securities of that country, the bank balances would be settled. The necessity of settling these bank balances certainly has, to a slight extent, an influence on trade, but how far that influence extends our readers can judge. The amount of trade between the countries is one factor in the question, but only one; and whenever a financial strain arises in regard to international exchange, it is generally settled by an increase or decrease, as may be required, in the international investments and thus, but very slightly, if at all, affects the volume of trade.

The second proposition now requires attention. Fortunately it can be disposed of without discussion, for it is undoubtedly true. It is certainly an advantage for consumers to be able to purchase in the cheapest markets, since by so doing they can either save part of the purchase price or obtain a better article.

We see, thus, that one of the "fundamental principles" of free trade is unsound, and the other sound. What position does this, then, place us in? We have been discussing the alleged advantages of free trade, and have said nothing of the other side, the alleged advantages of protection. Our readers have, however, no doubt heard so much on this point that we need say little about them here. It is, however, undoubtedly desirable (without considering other points) to build up large manufactures in any country, and thus increase its population and wealth and retain in the country the value which would otherwise be sent abroad or save the indebtedness which would otherwise be incurred in purchasing from a foreign country the goods now manufactured at home. On the other hand, it is equally true, as we have said, that it is a very great advantage to the inhabitants of any country to be able to purchase in the cheapest market, be that market home or foreign. The point to be decided then is, which of these advantages outweigh the other? Which is preferable, free trade, with only the one leg, or protection, since the choosing of either means the loss of the advantages of the other? Or is some middle course possible? These are difficult questions to answer and for the present we will express no opinion on the matter, preferring to leave it with our readers to cogitate over. If they have a clearer insight into the real merits and difficulties of the problem than they previously had our object will be attained. In a future issue we propose to continue the discussion and state our own views.

DISMEMBERMENT OF THE KINGDOM AND IMPERIAL FEDERATION.

It is somewhat curious that at this particular time two subjects so diametrically opposed as "Dismemberment of the Kingdom" and "Imperial Federation" should be brought forward by the respective advocates of each and argued by many, we are ready to admit, with an honesty of purpose and patriotism we can admire while we entirely differ from the views set forth and upheld. It is folly for anyone to assert certain things to be impossible without showing the why and wherefore for the impossibility; and shutting one's eyes to questions which, in the one case decides an election in the United Kingdom and in the other case a varied discussion throughout the length and breadth of the Empire, is simply imitating the ostrich which buries its head to evade its pursuers. It is far better to meet the dangers (if such they be) calmly and boldly, "*nec temere nec timide*"

and it is in this spirit we propose to deal with the subjects we place at the head of this article.

First, as to the "Dismemberment of the Kingdom," for, under whatever cognomen we meet it, whether "Home Rule," "Local Self Government," and so forth, there is little doubt that the Nationalist party, headed by Mr. Parnell, means separation of Ireland from Great Britain and the formation of a colony, for the present, and an independent nation, in the future. That we believe to be the simple programme divested of all unnecessary verbosity or political clap-trap, and it is upon that platform for good or ill the battle will have to be fought. Further, that Ireland has suffered grievous wrongs from and been terribly misgoverned by England we hope and think the latter is honest enough to confess, and strong enough to rectify in a manner satisfactory and beneficial to both; but, unfortunately, this is what Irishmen, or rather, without any offence, we should say the present leaders of Irishmen, deny entirely; and as there are two sides to every question it is wise to hear what each has to say. There are some who talk in the blandest manner of cutting off Ireland from the United Kingdom, as though it could be done with the stroke of a pen, and that there can be no interests to be consulted beyond those of the electors who have just sent Mr. Parnell and his 55 followers to the Imperial Parliament, and as though those who do not happen to coincide with the said electors are not to be considered at all—to say nothing of the thirty-six millions on the opposite side of the narrow boundary; and yet we might point out that the majority composing the Northern States of the Union distinctly objected to the minority seceding a few years ago. The fact is, the interests of the British Isles have, from long association, become so intermingled that we cannot conceive of separation without injury, and in granting full justice to Ireland robbery and confiscation can never be righted by being refunded through similar means. To illustrate our meaning, take the national debt, of which, in proportion to population, Ireland's share would be some £100,000,000 sterling. Is it seriously contemplated to transfer that enormous amount from the Sister Isle to Great Britain? We can scarcely imagine a greater or more iniquitous act of national injustice. But we are inclined to agree with Earl Cowper in believing that "Home Rule," is not the principal practical difficulty in arriving at some agreement with Ireland, since the Rent, or Landlord question is the real stumbling-block. If we take up some Irish papers we shall find the doctrine preached in language unmistakable that, as landlords have no right to exist, they cannot or ought not claim rent (any agreement to the contrary notwithstanding); and, further, that although a landlord has bought and paid for certain lands, the latter do not in the least belong to him, and should be taken from him without the slightest compensation. Now this is what we fear would be the result of separation, and if for that reason we maintain Great Britain is bound, as a civilized nation to oppose such wholesale confiscation. By all means redress grievances; put our Irish countrymen upon an equal footing with the Scotch, Welsh or English; do away with that most absurd of all anachronisms, the Lord Lieutenant; but let it be remembered that there are rights to protect as well as wrongs to wipe out, and in doing this "two blacks can never make one white."

We concur with Michael Davitt in ridiculing the coupling of the Viceroy with representatives at Westminster, and that it would be as sensible for Canada or Australia to send members to the Imperial Parliament, but our remedy as regards Ireland is the reverse of M. Davitt's; he would retain (so he says) the Viceroy and abolish the representatives at Westminster by establishing an Irish—that is a colonial—Parliament, while, in our humble judgment, turning Ireland into a colony would not only be detrimental to both herself and the United Kingdom but utterly impracticable as, in addition to the reasons already named, the wealth which would be withdrawn when the security for investments

necessarily become depreciated would leave her resources inadequate to support an independent Government.

We have thus briefly endeavored to view the idea of Ireland's separation from the United Kingdom in an impartial spirit, laying aside all party feeling, and with a sincere desire for fair dealing on both sides; but we are unable to believe that the disintegration of the Kingdom is not as complete a utopian chimera as what is termed Imperial Federation by some, or the Confederation of the Empire by others.

When we consider the very many diverse interests which are contained in the numerous component parts consisting of colonies and dependencies forming the British Empire, it is very evident that it is yet but a dream whether it is possible to weld those varied, and in many instances totally opposite, interests into one uniform and symmetrical whole. To our mind, it is this very variety which constitutes both its beauty and its strength; several units each with a powerful individuality bound up in one. Destroy the individuality of the parts and you warp the beauty and diminish the strength of the whole. This being so, it is equally true that different rules of self-government will be necessary for each, as laws which will be good for one will be quite detrimental to another. While, for instance, the extraordinarily cheap labor in a densely populated country like India is of immense advantage, enabling her to compete in the Great English wheat market with countries at only half the distance, yet Canada with her spare population, requiring inducements to immigrants, each representing so much wealth, is under a totally different condition. So, likewise, the system of revenue applicable to one would be positively impracticable for the other. Whether a scheme can be proposed which will unite the different parts of the Empire more closely, while yet preserving to each its full individuality, is yet to be seen. Let us glance at one or two of these which have been proposed.

Sir Charles Tupper, in his speech last summer before the London Chamber of Commerce, remarked that "sentimentalities should be strengthened by commercial ones," which may be perfectly true, but the latter can never be made entirely subservient to the former. In fact, judging from history and experience, the exact reverse is the case, for looking back at the revolution of the American colonies—now the United States—were not the ties of blood and relationship entirely swallowed up in the question of trade or tariff? So, to-day, if England had not profited by that experience and did not permit Canada to frame her own laws relating to her commerce there is little doubt loyalty to the Mother Country would be swept from the Dominion.

We cannot see how Sir Charles Tupper's theory of one tariff *inside* the Empire and another *outside* can be otherwise than incompatible with the freedom granted to the different colonies to form their own tariffs (provided of course such tariffs do not discriminate unfavorably towards Great Britain) because, taking the one matter of cottons if these were to be admitted into Canada, free, from England what becomes of the former's manufactures or revenue? Again, should Great Britain accept grain from Canada or other parts of the Empire free, while imposing a duty on that from Russia, the States, or other foreign countries, not only would she inaugurate an entire reversal of her present fiscal policy but she would invite a spirit of retaliation which, judging from statistics, would result in evil rather than good, for taking the returns for 1883 we find that out of the total imports into the United Kingdom of £426,891,580 sterling, foreign countries contributed £328,210,075, and the Colonies £98,681,505, the exports division (£305,437,070) being £215,036,150 and £90,400,920 respectively, so that it is plain by provoking retaliation England would be endangering the greater trade for the sake of the less. Notwithstanding a certain belief in the Mother Country's strength we question whether she could afford to risk so much without a more substantial return than we fail to see beyond

mere sentiment. It would be a mistake, we are convinced, even in commerce, for the British Empire to play the part of Esau with her "hand against every man's and every man's hand against" her.

Another, in our opinion, absurd proposition is that the Empire should impose a duty of five per cent. on foreign imports, and in return the colonial trade will furnish a certain proportion towards the defence of the Empire! Now, apart from what appears to us to be the impracticability of such a scheme no colonial loyalty would be sufficient to brook such a trade interference for the privilege named. We need not enter into the difficulties of distinguishing between wars of offence and defence upon which one colony might differ from another, because we have no space to devote to such a wide subject in this article, but would remark that the settlement of such difficulties would require colonial representatives in the Imperial Parliament to which not only have one objected but three of Canada's leading statesmen: Sir John A. Macdonald, Sir Chas. Tupper, and Sir Alexander Galt, have done so in the most emphatic manner.

One more example, and we have done. Regarding the question of Great Britain's discriminating in favor of the colonies in respect to grain and flour we have heard the argument used, that this, so far from being necessarily a tax upon such produce from the United States, would merely alter the mode of shipments from that country as, instead of the said shipments being made from the ports of the Union, the greater proportion would be passed through Canada (in order, of course, to escape the duty in England) and much benefit the Dominion as the carriers thereof! If that would not be tying a rope for one purpose and cutting it in two for another we entirely misunderstand the argument, which seems to us a flat contradiction of Cicero's maxim, "*Leges sunt invente quæ cum omnibus semper unâ atque eadem voce loquerentur.*" (Laws are so made that they may always speak with one and the same voice to all.)

In conclusion, we have as yet seen no scheme advanced by which benefits will accrue individually or collectively, either by the dismemberment of the Kingdom or the foundation of a so-called Imperial Federation. Many—we wish to "set down nought in malice"—believe in the honesty of Mr. Parnell, and hardly anyone we imagine would accuse Mr. W. E. Foister of sentimentalism, yet the Dismemberment would be a disunion of confiscation and injustice, hidden under the name of patriotism; the Federation a union of opposite trade laws and tariffs under the term loyalty; the one we condemn as too dishonest to succeed, the other we fear is too purely sentimental to hold together. The difficulties are undoubtedly great in each case, but both problems must yet be solved, and they should be looked squarely in the face.

NOTES AND ITEMS.

Correspondents will please note that as this Journal will in future be issued on the first of each month, all matter for insertion should reach the office of publication by the 20th of the preceding month.

Walsford Library.—It is stated that the Equitable Life has purchased this library.

Mr. John Maccahern of Charlottetown, has been appointed agent for P. E. I. of the Mutual Life of N. Y.

Mr. W. H. Godwin has been appointed agent at Kingston for the Guardian Assurance Company.

Bourne's Handy Assurance Guide.—We have received a copy of the January, 1886, issue of this valuable and interesting little guide.

NOTES AND ITEMS.

La Chambre des Assurances Generales was the first fire insurance company organized in France. It was established in the year 1753.

The Chicago lumber yards contain about 650,000,000 feet of lumber, 325,000,000 shingles, and over 60,000,000 laths.

The Northwestern Live Stock Insurance Company of Minneapolis, Minn., has been organized with a paid-up capital of \$200,000.

A pint bottle of spirits of hartshorne, easily broken, is the best description of hand grenade for extinguishing mercantile fires.

The Millers and Manufacturers Insurance Company of Toronto, has joined the C. F. U. A. on the terms proposed by that association.

Wednesday, the 15th December, was the fiftieth anniversary of the great fire in New York, which resulted in a loss of \$20,000,000.

We have to acknowledge the receipt from William M. Ramsay, Esq. of a copy of the Standard Life Assurance Company's very neat and useful pocket almanac.

The British America Assurance Company has declared a semi-annual dividend of four per cent. This makes a total dividend of seven per cent for the year 1885.

A Technical Dictionary of Fire Insurance, is the title of a work which is now ready for press, prepared by Mr. William A. Harris, of the Phoenix Insurance Company, London.

The Norwich Union Fire Office has amongst its liabilities a "clerks' superannuation fund" amounting to \$11,250. Such a fund in connection with insurance offices is to be highly commended.

Graball and Skip.—There is an insurance agent in Chicago named Graball. He ought to secure a partner named Skip, and then organize an assessment company.—*Insurance News.*

Mr. John C. Brazier, late Inspector of the Northern Assurance Company has opened an office at No. 4 Hospital street, Montreal, as Insurance Broker and Adjuster. We wish him success.

Mr. P. J. Foley, managing director of the Pearl Life Assurance Company, has been elected member of Parliament for Galway County, Ireland, as a Nationalist. Assurance and nationalism carry the day in Ireland just now.

The "Alliance British and Foreign Life and Fire Insurance Company" of London, Eng., is going to ask Parliament, at its next session, for permission to change its title to that of the Alliance Insurance Company.

The month of December has been a very fiery one, more especially in Montreal. Some fire offices which had a good record for the eleven months of the year will have it reversed by the December fires.

New York Insurance Department.—State Treasurer Robert A. Maxwell has been appointed Superintendent of Insurance for New York State, as successor to Mr. John A. McCall, jr. Mr. Wm. B. Ruggles has been appointed Deputy Superintendent.

One of our largest fire insurance companies has found that its average loss per fire in London is 2.43 times greater than that in Liverpool, 2.52 times greater than that in Glasgow, and no less than 4.88 times greater than that paid in Manchester—*London Fireman.*

We have to acknowledge the receipt of a copy of "Our Widows' and Orphans' Endowments," by Isidor Bush, Esq., dedicated to the members of the Benai Berith Independent Order, from the publishers of the *American Hebrew.*

Hon. John A. McCall, Jr., late Superintendent of New York Insurance Department has been appointed Comptroller of the Equitable Life Assurance Society of N.Y. President Henry B. Hyde of the Equitable is to be congratulated in securing such an excellent coadjutor.

Mr. Robert A. Granniss has been elected vice-president of the Mutual Life Insurance Company of New York, to fill the vacancy caused by the death of Mr. George H. Andrews. Mr. Isaac F. Lloyd, the former secretary, has been elected second vice-president in succession to Mr. Granniss.

Calendars.—We have received Calendars for 1886 from the following, for which they will please accept our thanks:—"Citizens," "Hartford," "London and Lancashire Fire office," "Norwich Union," "Phoenix," "Queen," "Royal Canadian," "Sun Life," "Standard Life," "Western," and Messrs. Motton, Phillips & Bulmer, printers and stationers.

Religious Duty and Life Assurance.—"What I mean by being ready to die is being ready to live right, and the man that has grace to live right need not be troubled but what he will have grace to die right. I hold that an insurance on a man's life is a part of the highest religious duty."—*Henry Ward Beecher in his Sermon on Panderbilt.*

The Phoenix Fire Assurance Company.—According to our contemporary, the *Policy holder*, Manchester, the premium income of this company for the year 1885 was £829,700, and the total income £871,583; the losses paid were £546,744 and the total expenditures £844,679. The ratio of losses to premium income was 66 per cent. and of management expenses 27 per cent.

The Interest Factor is one of the most potent features in all business transactions. Money will double itself at 10 per cent in about seven years, at 9 per cent in eight years, at 8 per cent in nine years, at 7 per cent in ten and a half years, at 6 per cent in twelve years, at 5 per cent in fourteen years, at 4½ per cent in sixteen years, and at 4 per cent in eighteen years.

The Anglo American Wild-Cat wants \$100,000 from the Commissioners of the District of Columbia for "trespass." The alleged trespass consisted in entering and seizing the concern's office in January last for non-payment of taxes. When the Anglo-American gets the \$100,000 perhaps it will pay the Quebec, Michigan and Southern claims which it is owing, among others.—*Weekly Underwriter, N.Y.*

Recently a fire broke out near a large Menagerie at Moscow. It being impossible to save all the lions and elephants, the manager of the menagerie was asked to point out such of his treasures as could be removed with safety. As he passed the monkey cage a big orang-outang called out: "For God's sake, let me out, I never was a monkey until I came here. I am an honest man; save me."

Free Trade and Protection.—We have pleasure in presenting our readers with our views on this much-debated subject. We think that the matter is dealt with in a different manner to that usually employed, for we do not remem-

ber having seen any paper in Canada take it up in this way. Whether the views expressed are correct or not, they are thoroughly impartial, and the result of careful thought.

Institute of Actuaries, G. B.—Mr. Thomas Bond Sprague, president of the Institute of Actuaries delivered his fourth inaugural address at the annual meeting held on November 30th ult. His subject was "a few remarks on the business aspect of our work, and some of the circumstances upon which the prosperity of a life assurance office depends." This address is a very interesting one, and we therefore print the greater portion of it in this issue.

Verdicts against the United States Mutual Accident Association of New York were obtained in two western cities last week. At Milwaukee, Wis., Theresa A. Barry secured a judgment of \$5,780, on a policy written on the life of her husband. At Detroit, Adeline Bourgeois was awarded \$5,000 by the jury on a claim growing out of the death of her husband, caused by falling on a slippery pavement, as she alleged, but which the company averred was caused by pneumonia.

THE ATTENTION OF MERCANTILE AND PROFESSIONAL FIRMS IS SPECIALLY DIRECTED TO THE JOINT ACCIDENT SYSTEM JUST INTRODUCED BY THE ACCIDENT INSURANCE COMPANY OF NORTH AMERICA. THE COST IS MUCH LESS THAN THE ORDINARY ACCIDENT INSURANCE, AND IT HAS RECEIVED MARKED SUPPORT FROM SOME OF THE LEADING FIRMS.

That is a nice line the Mutual Fire is carrying on F. O. Matthiessen & Wiechers' sugar refinery in Jersey City—\$1,40,000! The old Aetna is content with \$20,500, the Hartford with \$10,000, the Insurance Company of North America with \$12,500, the Liverpool and London and Globe with \$25,000, the Phenix of Brooklyn with \$27,500, the Royal with \$20,000, the bold German-American with \$32,500. And yet the managers of these companies are generally supposed to know something about underwriting. If the refinery should burn to the ground to-day, what would become of the Mutual Fire?—*Chronicle, N.Y.*

LEGAL DECISIONS.

LIFE PROPOSAL.—MEANING.

In a proposal for life assurance the word "residence" is not to be construed as meaning the place where the person to be assured has resided during his life, or where he is going to reside, but the place where he is residing at the time the proposal is made. Where, therefore, a person declared, in a form of proposal for an assurance, that his residence was at a certain place, being the place where he was actually staying at the time, but his permanent residence was really elsewhere, it was held that this was not a statement contrary to the truth which would invalidate the policy.

Grogan v. London and Manchester Industrial Assurance Company Mr. Justice Manisty and Mr. Justice Smith; November 13, 1885.

BRITISH AND FOREIGN

Marine Insurance Company.

Capital & Surplus Assets, \$7,669,000.

Issues Open Policies to Importers and Exporters.

EDWARD L. BOND, General Agent for Canada,
MONTREAL.

THE

MUTUAL LIFE INSURANCE COMPANY

RICHARD A. McCURDY, THE LARGEST
President. LIFE INSURANCE COMPANY
IN THE WORLD.

CASH ASSETS, January 1st, 1885	-	-	\$103,876,178.
AMOUNT OF ASSURANCES IN FORCE,	-	-	351,789,285.
CASH REVENUE IN THE YEAR 1884,	-	-	19,095,318.

RELIABLE AGENTS WANTED.

GAULT & BROWN, General Managers for the Provinces of Ontario and Quebec.

OFFICES:

Waddell Building, Notre Dame Street, MONTREAL.

ESTABLISHED 1821

PAID-UP CAPITAL £1,000,000.

Capital Subscribed, \$10,000,000.
 Invested Funds, over \$10,000,000.
 Dominion Deposits, \$100,343.

Fire Risks accepted at Equitable Rates, and Claims paid as soon as established.

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Incorporated by Royal Charter 1822.

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The United States Life
INSURANCE COMPANY

ORGANIZED IN 1850. — [IN THE CITY OF NEW YORK] — ORGANIZED IN 1850.
 261, 262 & 263 BROADWAY, NEW YORK.

T. H. BROSNAN, President.
 C. P. FRALEIGH, SECRETARY. A. WHEELWRIGHT, ASSISTANT SECRETARY. GEO. H. BURFORD, ACTUARY.

All the profits belong to the Policy-holders exclusively.
 All Policies issued by this Company are INDISPUTABLE after three years.
 Death Claims paid WITHOUT DISCOUNT as soon as satisfactory proofs have been received.
 This Company issues all forms of Insurance, including Tontine and Limited (Non-Forfeiting) Tontine.

One Month's Grace allowed in the payment of Premiums on Tontine Policies, and Ten Day's Grace on all others, the Insurance remaining in full force during the Grace.
 Absolute security, combined with the largest liberality, assures the popularity and success of this Company.

Good Agents, desiring to represent the Company in the Provinces, are invited to address J. W. MOLTON
 101 St. Francois Xavier Street, Montreal.

LANCASHIRE Insurance Company OF ENGLAND.

CAPITAL, - - - - - £3,000,000 Stg.
SUBSCRIBED CAPITAL, - - - - - 2,729,680 Stg.
PAID-UP CAPITAL, - - - - - 272,968 Stg.

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UNION FIRE INSURANCE SOCIETY:
Of Norwich, England.

Established 1797, - - - Capital \$5,500,000. - -

Insurances effected at current rates,
Claims settled with promptitude and liberality.

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Office: Waddell Building, Notre Dame Street,
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General Insurance Agent and Vice United States Consul
Representing—**FIRE:** Western, British America, Imperial and Fire
Insurance Association. **LIFE:** Canada Life. **ACCIDENT:**
Sun and Travelers' **GUARANTEE:** Guarantee Co. of N.A.
Net Premiums after paying all losses for year 1884:—
FIRE, \$8,080.58. LIFE AND ACCIDENT, \$6,023.18.

THE MERCANTILE
— FIRE INSURANCE COMPANY. —
INCORPORATED 1875.
HEAD OFFICE WATERLOO, ONT

SUBSCRIBED CAPITAL - - - - - \$200,000.00
GOVERNMENT DEPOSIT - - - - - 20,100.00
The Business for the past nine years has been :
PREMIUMS received \$391,751.00.
LOSSES paid 217,640.29
++ LOSSES PROMPTLY ADJUSTED AND PAID. ++
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JAMES LOCKIE, Inspector.

EQUITABLE LIFE ASSURANCE SOCIETY,

120 BROADWAY, - - NEW YORK.

ASSETS	\$58,161,926
SURPLUS, at 4 per cent,	10,483,617
" at 4 1/2 per cent,	13,730,332
INCOME in 1884	15,003,480
PAID TO POLICY-HOLDERS during last 25 years,	81,072,486

The amount of new assurances issued in 1884 was nearly
EIGHTY-FIVE MILLION DOLLARS.

No other company in the world has ever written so large
an annual amount, nor has any company approached it.
It was an increase upon the assurances written by the Society
in 1883; as that was an increase upon 1882; and that an
increase upon previous years. The Society issues

INDISPUTABLE ASSURANCE,

AND MAKES PROMPT PAYMENT OF CLAIMS.

Its policies are plain and simple contracts, free from
burdensome and technical conditions, and INDISPUTABLE
after three years from date. All indisputable policies are
PAID IMMEDIATELY upon the receipt of satisfactory proofs of
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PAYMENT, the beneficiary of an EQUITABLE policy is not only
saved from annoying delays and expenses, but receives
pecuniary relief as quickly as if the amount of the assurance
had been invested in a bond of the Government of the
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The tontine and semi-tontine policies of the Society pro-
vide full assurance in case of death. They also give the
policy holder, if he lives through the tontine period, a large
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Assets \$194,396.00
Policies in Force 10,733.
Intending Insurers of all classes of insurable property have the
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FIRE INS. COMPANY

INSURANCE EFFECTED AT LOWEST CURRENT RATES

CLAIMS PROMPTLY SETTLED.

Before insuring your life examine the very attractive and advantageous plans of

THE UNION MUTUAL LIFE INSURANCE CO.

OF PORTLAND, MAINE.

(Incorporated in 1818.)

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Government Deposit at Ottawa - - - - \$203,000
 Assets - - - - - \$6,322,001.67
 Surplus over all liabilities (N. Y. Standard) - \$728,834.17
 Dividend to policy holders to Dec. 31, 1884. \$4,208,602.74
 Total payments to policy holders - - \$20,833,479.25

Policies of this old and reliable company indisputable after three annual payments. Matured policies are payable at once without rebate of interest on receipt of satisfactory proofs of death, together with a valid discharge from proper parties interested.

AGENTS WANTED in unrepresented districts. For further particulars apply to
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 162 St. James Street, Montreal

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Cash Capital, \$500,000. Gross Surplus, \$721,908.60
 Net Surplus, \$335,089.40.

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AGRICULTURAL INSURANCE CO'Y

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CAPITAL, - - - - - \$500,000.00
 ASSETS, - - - - - 1,713,101.54
 GOVERNMENT DEPOSIT, - - - 120,000.00
 LOSSES PAID, - - - - - 4,020,876.52

Non-hazardous Property only Insured.

Agents Wanted in all unrepresented Localities,
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(LIMITED.)

Head Office, Winnipeg, Manitoba.

AUTHORIZED CAPITAL, \$500,000.

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