LEGAL DIRECTORY.

HATTON & McLENNAN,
ADVOCATES,
British Empire Building.
1724 Notre Dame Street,
MONTREAL.
J. CASSIE HATTON, Q.C. FRANCIS McLENNAN, B.A., B.C.L.

BURROUGHS & BURROUGHS,
Barristers & Solicitors,
2 PLACE D'ARMES SQUARE, Telephone 1521. } MONTREAL
Jas. S. Burroughs, Com. 1878. W. Hubert Burroughs, B.C.L. 87.

HON. J. J. C. ABBOTT, Q.C. D.C.L. J. B. ABBOTT.
ABBOTTS & CAMPBELL,
Advocates, Barristers, Solicitors, &c.,
No. 11 HOSPITAL STREET.
P. O. Box 1903, MONTREAL.
HARRY ABBOTT, JR., Q.C. F. E. MEREDITH. C. S. CAMPBELL.

DOHERTY & DOHERTY,
Advocates, Barristers &c.,
SAVINGS BANK CHAMBERS,
180 St. James St., Montreal.
T. J. DOHERTY. CHAS. J. DOHERTY, Q.C.

ARCHIBALD & FOSTER,
Advocates, Solicitors, etc.,
Citizens Ins. Building, 181 St. James St.,
MONTREAL.
J. S. ARCHIBALD, Q.C., D.C.L. GEORGE G. FOSTER, B.C.L.

H. J. KAVANAGH, B.C.L.,
ADVOCATE, BARRISTER, ETC.,
3 PLACE D'ARMES HILL,
Telephone 2453. *MONTREAL.*

JAMES CRANKSHAW, B.C.L.,
Advocate, Barrister, Attorney & Commissioner,
ROOM 64,
Imperial Building, - MONTREAL.

HENRY T. SHIBLEY,
BARRISTER, SOLICITOR, &c.,
44 Clarence Street,
KINGSTON, Ont.

J. H. SIMPSON,
BARRISTER,
SOLICITOR, NOTARY PUBLIC, &c.,
BELLEVILLE.

CHARLES RAYNES,
ADVOCATE, BARRISTER, AND SOLICITOR.
COMMISSIONER FOR ONTARIO AND MANITOBA.
SAVINGS BANK CHAMBERS,
180 ST. JAMES STREET, MONTREAL.

TAYLOR McVEITY,
Barrister, Solicitor, etc.,
Supreme Court and Departmental Agent
SCOTTISH ONTARIO CHAMBERS,
OTTAWA.

J. G. FORGIE,
Barrister, Solicitor, &c.,
PEMBROKE.

JAS. CRAIG, B.A.
Barrister, Solicitor, etc.,
RENFREW.

J. E. THOMPSON,
BARRISTER, SOLICITOR,
Notary Public,
ARNPRIOR.

L. U. C. TITUS, LL.B.,
Conveyancer and Collector,
TRENTON.

Macdonald & Macintosh,
Barristers & Solicitors.
CORNWALL.

C. H. STEPHENS,
Advocate, Barrister, Commissioner, Etc.,
1727 NOTRE DAME ST.,
MONTREAL.

H. W. DELANY,
SOLICITOR,
TRENTON.

R. A. KELLOND
Solicitor of
Patents and Expert.
ALL BUSINESS relating to Patents, Trade Marks, Designs, etc., transacted.
24 KING E., - - TORONTO
Pacific Building, Washington, D. C.
AGENCIES:—All Foreign Capitals.
HEAD OFFICE: 155 ST. JAMES STREET, MONTREAL.

McCARTHY, OSLER, HOSKIN & CREELMAN
BARRISTERS, SOLICITORS, Etc.,
Temple Chambers, 23 Toronto Street, TORONTO.

D'Alton McCarthy, Q.C.	F. W. Harcourt.
B. B. Osler, Q.C.	Wallace Nesbitt.
John Hoskin, Q.C.	W. B. Raymond.
Adam R. Creelman, Q.C.	W. M. Douglas.

H. S. Osler.

CAIRNS & PAGE,
Barristers, Solicitors, Notaries Public, etc.
SMITH'S FALLS,
ONTARIO.

O. N. E. BOUCHER,
NOTARY PUBLIC,
COMMISSIONER, &c.,
ST. JOHNS, P. Q.

D. DARBY, B. C. L.,
ADVOCATE,
WATERLOO, P.Q.

P. S. G. MACKENZIE, B.C.L.,
Advocate, Barrister and Solicitor.
Main Street, RICHMOND, P.Q.

S. DESLIERRES, B.C.L.,
NOTARY PUBLIC,
GRANBY, P.Q.

BELANGER & GENEST,
Advocates, Attorneys, Etc.,
SHERBROOKE, P.Q.

F. CAMPBELL,
Advocate,
SHERBROOKE, P. Q.

ALEX. STEWART,
Insurance, Real Estate and Loan Agent,
MINNEDOSA, MAN.

No. 22 Vol. X.

Insurance and Finance Chronicle.

Office: 1724 Notre Dame Street. MONTREAL, NOVEMBER 15, 1890. Subscription: $2.00 per Annum

THE

Insurance and Finance Chronicle.

Published on the 1st and 15th of each month.

At 1724 Notre Dame St., Montreal.

R. WILSON SMITH, Editor and Proprietor.

A. H. HUBING, Associate Editor.

Annual Subscription (in Advance) - - - $2.00
Prices for Advertisements on application.

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

It gives us pleasure to announce the final organization of the Montreal Life Insurance Association, which was perfected on the 6th inst., composed of the principal active agents in this locality. The officers elected under the constitution and rules adopted are: H. G. Corthorn, of the Canada Life, president; P. Laferriere, of the Equitable Life, vice-president; E. A. Cowley, of the Mutual Life, secretary; and J. F. Junkin of the Sun Life, treasurer. Messrs. Hubbard of the Standard, Wood of the London and Lancashire, Walker of the Confederation, Browning of the British Empire, and Michaud of the New York Life, together with the president, secretary and treasurer, constitute the Executive committee. On Tuesday of this week another meeting of the Association was held, at which eighteen new members were elected, making nearly fifty members—a good indication of the general interest taken in the organization The secretary informs us that members are being enrolled daily, and no doubt before long the membership will include all the regular agents and managers, nearly all of the latter, we believe, being already enrolled. A united, vigorous organization, comprising all the agents and managers, can be made of great benefit to the business in every way, and we hail this movement as a most hopeful one.

In another column a correspondent calls attention to one of the bad practices in life assurance, to which we have more than once referred, and which cannot be reformed too soon. We refer to the abuse of the too common practice of giving "estimates" of future results. Conservative estimates, strictly given as such, of what may be realized under a specified policy may be perfectly legitimate: but when probable results are stated in such ambiguous language as to be construed by the average applicant into a positive promise, the company invariably does itself and the business generally great harm. Or, what is more common, when companies present results achieved during the past fifteen or twenty years as samples of what may also be expected during a like future period, without explaining that the present and prospective lower interest rate and lessened profit from forfeitures are factors to be considered, the estimate is clearly calculated to mislead. These things are unwise, not to say dishonest, and though such tactics may help to win the present battle for big business, they will inevitably conduce to future defeat. Censurable as these practices are, they are mild offences, however, when compared with the fraudulent practice of a certain class of agents who boldly represent estimates as guarantees. No agent can long do this without the knowledge of his company, and any company knowing and silently permitting such misrepresentation is a good one to let severely alone.

The last of the many successful misstatements of the total assets of the three largest British insurance companies, and also of the Queen, is found in the *Standard*, purporting to give, among others, the total assets of the Liverpool and London and Globe, the Royal and the Queen; queerly enough it gives in the list only the fire assets of the North British and Mercantile, though by a foot note it conveys the information that the total assets are "about $48,000,000." The total assets of neither of the four companies are given correctly. The total for the North British is over two and a quarter million dollars too little, and of the L. & L. & G. over three million too large, while the Royal and Queen are both over-stated, the first by nearly a million and the latter by seventy odd thousand. We once more repeat the correct officially stated total assets of these companies ($5 taken as the equivalent of a £): North British $50,376,064; Liverpool and London and Globe, $4[illegible],352,455; Royal, $32,611,075; Queen $7,897,472. We recommend several of our contemporaries to paste these figures in their hats.

THERE HAS BEEN a good deal of talk of late about the probability that European countries adversely affected by the new tariff of the United States may adopt retaliatory measures against the life assurance companies of the latter country. This is not just the way in which the proposition is expressed, for "retaliation" does not sound well in that connection. So far as Great Britain is concerned, we think there need be no anxiety on the subject, for statesmen, and not callow youths, direct the affairs of the British government. To make any oppressive discrimination against American insurance companies because the United States government has seen fit to re-adjust its tariff schedule would find few advocates, we think, among Englishmen, especially in view of the fact that the United States does not impose burdensome restrictions on such British companies as choose to enter that country. What Spain or France may do is not very important, but we do not anticipate any adverse action by either, however much talk may be indulged in.

SOME MONTHS SINCE we referred to the decision of a Milwaukee court in the case of Sheanon against the Pacific Mutual Life insurance company in its accident department, against which suit was brought for the loss of both feet under a policy for $3,000. Sheanon was so injured in the spine by a stray pistol shot, fired in a quarrel between two other men, as to cause total paralysis of both lower limbs, and claimed total loss under the policy, which promised indemnity for "the loss of two entire feet." The company resisted the claim on the ground that the policy clause quoted meant the loss *by dismemberment* of both feet. The court very sensibly and justly decided that the total and permanent loss of the *use* of both feet was as truly covered by the policy as though actual dismemberment had taken place. The case was appealed to the Wisconsin Supreme Court, whose decision is now before us. That tribunal, as was anticipated generally, confirms the decision of the court below, frustrating the company's quibbling attempt to hide a plain meaning behind a mere technical phrase.

THE PROTECTION OF theatres from fire is an old subject upon which a good deal has been said,—both sense and nonsense. On the whole, better building construction and more efficient protective appliances have been the result generally, though only to a limited extent in London. The Lyceum Theatre, conspicuous because of Irving's connection with it, is especially unsafe, as pointed out by the *Baltimore Underwriter*. And what is worse, the management are allowed regularly to block up the aisles with chairs and stools, making escape, difficult at best, next to impossible in case of fire. A remonstrance against these aisle seats, not long since sent to the committee on theatres of the London County Council, received the reply that "the plans were approved by the late Metropolitan Board of Works, and the seats referred to have been in existence for some years; and that although the council does not approve of gangway seats, it does not see that at the present time it would be justified in calling upon the lessee to remove them." The fact that this perilous blocking up of the passages has been "in existence for some years" seems with these fossilized guardians of the public to be a sufficient reason for its continuance. In London municipal management such a reason is always a weighty one.

WE HAVE JUST come across an amusing specimen of the way some of the orders, which are "fraternal" for revenue only—to the officers—presume on the ignorance or credulity of their members. The November *Knights of Honor Reporter*, printed in Boston at headquarters, takes occasion to refer to the rumor that foreign countries are likely to impose a heavy tax on the American life companies domiciled there, and then proceeds to say that, in that event, "they would find it more difficult than at present to continue their business at home upon the same rates which now obtain, and it is not improbable that, to protect themselves from going to the wall, some, if not all, of the American companies may find it expedient to advance their premium rates." As there are but four out of forty-seven level premium American life companies doing business at all abroad, and as their entire European premium income of about $8,000,000 is only six per cent. of the total of the above forty-seven companies, even a good round tax, of which there is no prospect, would be as a gnat to an elephant beside the more than $140,000,000 of premium income of the American companies. No, Mr. *Reporter*, the structure of level and *fixed* premium life assurance stands on its base and not on its apex like the assessment pyramid.

WE HOPE WE fully appreciate the good things contained in the columns of our English contemporaries, notwithstanding the clumsy "make up" and antiquated style of some of them; but really we are obliged to confess that we do not always see the good things referred to, for with us life is too short to be spent in cutting the pages of exchanges which will persist in sending out uncut sheets like cheap pamphlets. In this day of improved printing and newspaper handling, journals aspiring for first class positions on this side of the water find it necessary to pay some attention to the presentation of inviting pages. In this connection it may not be amiss to say that a little more attention to the geography of the American continent on the part of some of our excellent foreign contemporaries, and a development of the organ of locality, would conduce to greater accuracy of statement. In that event, the INSURANCE AND FINANCE CHRONICLE of Montreal would not, as frequently happens, get located in New York, nor the *Indicator* of Detroit credited to Chicago, nor the *Insurance World* of Pittsburgh forcibly abducted to Boston; while the modest little town of Concord, the capital of the State of New Hampshire, would not get set down as the "State of Concord," as happened recently!

A SATISFACTORY CONDITION has now been reached, according to the *Pacific Underwriter*, in British Columbia, on the rate question. That journal says: "Considerable skill was brought to bear upon the drawing up of the agreements, and now insurance business there is on a better footing than ever before. The trouble has been largely in the fact that the companies report to so many different headquarters and in the existence of both general and local agencies for the same companies. In every instance it was necessary to obtain the consent of both the general and local agent of a company before the company could be counted in the agreement, otherwise the local could have cut under the general, or *vice versa*. All the local and general agents, however, signed the agreements." So complex is the situation there that it was found necessary to draw up separate agreements for Victoria, Vancouver and New Westminster. The number of companies signing the agreements is twenty-nine. Saw-mills and canneries were excluded from the ratings, for the reason that many of the companies are represented by merchants interested in these establishments, and whose pecuniary interest is served best by making a low rate, and in such cases the reservation of the right to exclude the risk was the only safe course.

A MISLEADING INTEREST STATEMENT.

An article prepared by Mr. Walter C. Wright, actuary of the New England Mutual Life, presented before the American Statistical Association some months ago, on the decline of interest rates, and which has been copied quite extensively of late by the insurance press, with implied approval, is sufficiently misleading to deserve attention. The article purports to give the rate realized by twenty leading American life assurance companies from 1869 to 1889, inclusive, each year, and by periods of five years. The companies considered are the Ætna, Connecticut Mutual, Mutual of New York, Northwestern of Milwaukee, New York Life, Mutual Benefit, Massachusetts Mutual, New England Mutual, Travelers, Germania, Home, Penn Mutual, Provident Life and Trust, Berkshire, Manhattan, State Mutual, Manhattan, United States, Washington, and National of Vt. The result summarized by Mr. Wright in five-year periods is as follows, the average being stated :—

1869 to 1873	6.1 per cent.
1874 to 1878	5.9 "
1879 to 1883	5.0 "
1884 to 1888	4.7 "
For 1889	4.6 "

The basis of calculation giving these results, taken as an indication of the income derived from the investment of their funds by the twenty companies, is open to two serious objections. The first is, that total assets are considered instead of the "net or invested assets," and the second is, that by some notoriously absurd fiction, the actual rate realized, even on the basis named, is reduced by one-half of one per cent., deducted for "cost of investment." The intelligent student of life insurance management will ask what Mr. Wright means by "cost of investment," and what right he has to fix, arbitrarily, a charge of .5 per cent. on the interest rate of the life companies? The general expense of management includes the handling of funds as much as it does the medical examiner's charge or the stationer's bills. In a not altogether limited experience we have never found companies in the habit of writing off from their interest income an investment charge when considering the rate realized. Theoretical technicalities may do for the abstruse calculations of the actuarial mind, and may safely be whispered to his calculating machine; but the practical men who handle and the public who furnish the millions of the life companies will not be impressed by such visionary hair-splitting as the above. Considered simply as a comparison of one year's results with another, the above faulty basis may be as good as a better one, inasmuch as, we presume, the basis of calculation is the same for each year; but such a statement from such a source becomes much more than a comparison, for it also assumes to be the record of an actual experience.

When the reader sees the statement that the average rate of interest realized by the twenty principal companies of the United States for the year 1889, for example, was 4.6 per cent., whereas the actual rate, even on the basis of total assets, was 5.2, the statement is clearly a misleading one. Now, what may fairly be taken as the measure of the investment experience of these life companies for 1889? In our issue for September 15th last, it will be remembered we printed a table giving the rate of earnings on average net or ledger assets, market value, of the Canadian companies and such of the American and British companies as do business in Canada. The basis of that calculation we believe to be the correct one, viz.: taking mean ledger assets and the interest received, plus the interest due and accrued, minus the due and accrued interest of the previous year, as the factors. Of course we reckon all earnings on investments, including rents and profit on securities sold, as interest. As before stated, net or ledger assets in our calculation include market values. Following we give the results in 1889 for the twenty companies employed in Mr. Wright's calculation on three different bases, all of which show a higher interest rate than the one given by him :—

By the CHRONICLE method, mean ledger assets, etc.	5.36 p. c.
With total mean assets, less unpaid premiums	5.32 "
With total mean assets	5.22 "
By Mr. Wright's calculation	4.6 "

If we add to Mr. Wright's tabulated rate the .5 per cent. which he mysteriously sets aside labelled "cost of investment," we shall have 5.1 per cent., or more than two-tenths of one per cent. less than the correct rate, as we view it, and one-tenth less than it is possible to make if *total* assets without any reduction are employed. We think there can be no question at least of the impropriety of including in assets which are expected to earn interest the deferred and uncollected premiums, which not only earn no income, but are at best doubtful assets. In any calculation of the interest-earning capacity of the assets of the life companies, justice as well as an intelligent understanding of the subject requires that the exact truth be stated, and results actually achieved be credited.

INSURANCE BY THE STATE.

Several of our English exchanges have recently referred to the proposition made by Mr. W. A. Hunter, a member of Parliament from Aberdeen, for a compulsory insurance and annuity scheme for workingmen. Briefly, the plan provides, first, that a weekly pension of 10s. be paid the family, in case of the early death of the assured, until the youngest child attains the age of 16; second, a pension, weekly, of 10s. to the assured, in case he becomes permanently unable to work; third, when age 65 shall have been reached the assured is to receive 10s. per week during life. These benefits are to be secured by the payment at all ages from 20 to 60 of one shilling per week, one-half to be collected from the workman's employer and deducted from his wages, and the other half paid by the government.

Conceding the claim that it is one of the functions of the State to pension the dependents of its workingmen when dead, or the men themselves when living, after a period of incapacity is reached, this plan is in the main commendable. We, however, most emphatically deny the existence of any such function. Its exercise is impracticable, and if practicable would be unjust. There are thousands of small tradesmen with families, whose support as much depends on the little stock of goods kept for sale as does the support of the workingman's family on his employed muscle. If the State should insure the latter against death or incapacity, so it should the former against fire. The principle once conceded that the State is bound to provide not only for its existing incapacitated poor, but prospectively for all who may become so, and the Government becomes little more than the manager and provider of a gigantic charity hospital. Such a scheme as above proposed may be very creditable to the hearts of those who favor it, but is far from complimentary as to the soundness of their heads. The State cannot justly guarantee indemnity or partial indemnity for a certain kind of loss to one class, without extending its guaranty to all classes where loss of any kind shall produce corresponding disaster. The "paternal idea," impartially applied and carried to its logical conclusion, would mean in any country little less than national bankruptcy.

We have preferred to refer to the first principles underlying this whole question of government insurance rather than to the weak point of Mr. Hunter's plan, considered in itself from the insurance standpoint. The plan, while assuming that one half of the premium is to be paid by the workingman, saddles upon the Government a good deal more of a burden than appears, for the proposed premium is a good deal too small to purchase the stipulated benefit. That, however, is of small consequence, for if the State may legitimately pay one-half of an adequate premium, it can legitimately pay two-thirds or all of it; the principle conceded, it becomes only a question of expediency.

We have given this plan of the Aberdeen visionary more prominence than in itself it deserves, mainly because some wily politician or some impracticable philanthropist is pretty sure to revive the scheme proposed last winter at Ottawa, and spring it upon our next Dominion Parliament to do just what Mr. Hunter would like to have the British government do. The people, however, do not want and will not have government insurance. That has already been demonstrated, for not even a respectable minority of the government employees themselves patronize the British post-office insurance plan, but, on the contrary, have recently, as if to emphasize their repudiation, arranged with a strong company (the North British) to take their insurance by special contract. Even in Germany petitions and protests are becoming ominously numerous against the government insurance scheme adopted at the last session of the Reichstag. There is a limit to "paternity" even in the Fatherland.

THE ROYAL AND QUEEN.

The shareholders of the above companies have not yet taken action on the amalgamation proposition, and just when their meetings will occur for that purpose is somewhat uncertain. The New York *Commercial Bulletin* reports the following as the latest statement of Mr. E. F. Beddall, the United States manager of the Royal. The assertion of what calamities will happen to those who attempt the seduction of the present members of the Queen's household from their allegiance to the prospective bride is sufficiently entertaining to be of interest. This is what Mr. Beddall said :—

"Large bodies, as you know, move slowly. I have not yet been advised of the approval or rejection of the agreement, nor am I aware of the causes that have produced the delay. In a transaction of this magnitude and importance it is of course necessary to proceed with the utmost care, and that every step be taken under the best advice, in order that the agreement may be legally unassailable when once completed.

"So far as the United States business of the Queen is concerned, while I am not authorized to speak on its behalf, I would say that it was to be expected that the agents would be anxious to know what their future relations to the company would be; and it would not be surprising therefore if, under the present circumstances, a temporary suspension of its growth and development should occur. Its competitors for the most part, I learn, have treated the company with fairness and consideration, while there are others whose sense of honor never rises above the level of their pockets, who have not hesitated, by false statements and other contemptible means, to try and gain advantages to themselves out of the present situation.

The relations of the Royal to the Queen are now akin to those of a lover to his *fiancée*, and until these relations have either been consummated by a marriage or severed by mutual consent, we shall make her cause our own, and any attack upon her rights or insults upon her good name and fame must be answered for to us. For every agent detached from the Queen through misrepresentation or unworthy means, and for every policy so procured, the Royal pledges its word and its assets to procure from the offender two for one by way of reprisals, let the cost and consequences be what they may. The Queen's agents have nothing whatever to fear; and if the control of the business of that company shall ultimately pass over to the Royal, self-interest, if not a sense of common fairness, will compel us to respect their power and rights. This fact they fully appreciate, and will govern their action accordingly."

MORE LEGAL MONSTROSITIES.

In several issues lately we have referred to some of the pitfalls which surround those who have courage enough to invest in mortgages in the Province of Quebec. The article by Mr. Lawford, of Sherbrooke, entitled "Phases of Quebec law," might perhaps have been considered by some doubters as somewhat overdrawn, as it is certainly difficult for an outsider to believe that such a dangerous and unjust code of laws could be allowed to continue in a civilized country in the last decade of the nineteenth century; and yet, as we have said, we can vouch for the truth of the statements made, and which have moreover been corroborated by Mr. Lawford himself by actual recent illustrations. We now go further and say that the "Phases of Quebec law" do not tell half the story, and that there are many other equally great dangers and absurdities in our provincial law regarding mortgages which have not yet been even referred to. We will glance at some of these.

As we have previously pointed out, a property must be sold by the sheriff whenever seized by a second, third or fourth mortgagee, or even by a person who has no mortgage at all if he has secured a judgment. The sheriff puts up the property to auction, and it is knocked down to the highest bidder who gets the property with a perfect title free and clear of all encumbrances of any kind. All existing mortgages are wiped out. The purchase price is then distributed among the persons entitled to it. First of all come the sheriff's own heavy fees and expense, and the commission of three and one-half per cent. Then come the prothonotary's fees, and the law costs of the person who brought about the sale, then the assignee's costs (in the case of an insolvent), and all the host of taxes, church claims, medical, funeral, and other privileged expenses, and lastly, anything which may remain over is given to the poor mortgagee. It is of course evident that under such circumstances, capitalists require much larger margins than would otherwise be necessary. But this is not all. Let us suppose that Mr. A has a judgment for $200 against Mr. B. The case has been long in the courts and the costs are very heavy, perhaps $500. He puts a seizure on some property belonging to Mr. B. He knows that there is not only a first but a second and third mortgage on that property, and that there is not the remotest chance of its selling for enough to cover all these claims, to say nothing of leaving a surplus for his $200. But his lawyer tells him that by this course he will at least get paid his $500 of law costs, which will rank as a first and privileged claim on the property, and as a result the $500 is paid from the pockets of the second or third mortgagees, whose claims are diminished in value to just that extent. This is of course nothing less than theft, but it is nevertheless the law of the Province of Quebec.

But we must go further still to be able to fully appreciate the subtleties of our Civil Code. We will suppose that the property seized in this case consists of a large number of town or village lots. This is of course not unusual, and as a matter of fact just such a case happened within the last month, about forty farms and village lots being advertised for sale by the sheriff of Montreal, the description of the property occupying nine whole pages in the Quebec *Official Gazette*. This was at the suit of a judgment creditor, one of our large corporations being first mortgagee to the extent of $10,000. If the amount of the judgment were $200 and costs $500, the sheriff would put up at auction parcel number one, which we will suppose is knocked down for $1,000. The sheriff at once says: "Gentlemen, the price is sufficient to cover the seizure in my hands, so I sell no more. The sale is stopped." In the course of the next few weeks, the prothonotary of the court prepares a "judgment of distribution," which shows that whatever balance there is after paying the sheriff's fees and the law costs, etc., goes to a first mortgagee, and the claim of $200 is still unsatisfied. The sheriff then goes through the formality of advertising the whole remaining thirty-nine lots in the *Official Gazette* again the cost of the advertisement, which is very heavy, being of course a privileged claim. The second lot is sold, and brings, we will say, $400; again the sale is stopped and again the legal farce is enacted. And so the disgraceful proceeding continues until the whole of the forty lots have been sold, one after another, at a simply enormous expense, unless the mortgagees in despair buy up the judgment or in some other way settle the matter. The fault is not the sheriff's. It is the law which he is simply carrying out, and from the routine laid down he cannot depart even if he wishes to.

There are other points to which we may refer in due season, but we will here only express what we are sure our readers must feel, that it is almost incredible that such antiquated and unjust laws should be allowed to disfigure the statute books of an important Province like Quebec. The effect is clearly to drive away outside capital and thus raise the rate of interest throughout the Province, but more especially in the country sections.

A CHESTNUT IN RHYME.

A man fell out of a chestnut tree,
And a madder man you will never see;
The doctors found he couldn't be cured,
And what was worse, he wasn't insured.

They buried him darkly at dead of night,
And the mourners said it served him right.
There was no solemn requiem sung,
But only the chestnut bell was rung.

His neighbor tumbled down the stairs,
For he stepped on some soap all unawares;
But he was a man with a great big brain
And was well insured for his family's gain.

His wife can mourn in costliest lace
And a monument marks his resting place.
The moral's clear as the light of day:
Get your neck insured without delay.

Agents' Journal.

GROWTH OF THE WORLD'S LIFE ASSURANCE.

A few months ago Mr. Henry Lippincott of Philadelphia presented some very interesting statistics before a meeting of life assurance representatives, relative to the progress made by the life business throughout the world from 1860 to 1886. He divided the time into seven periods, the first being the year 1860, when Great Britain led the world with $850,000,000 assurance in force. At that time the United States had in force $177,000,000. At the end of 1865 the amount throughout the world was nearly doubled. The gain in the United States had been 254 per cent., on the continent of Europe 125 per cent., and in Great Britain 30 per cent. At the close of 1870 the aggregate in force had again doubled, and in five years more had increased enormously though not so much as during the preceding period. From 1875 to 1880, during which the financial panic so severely felt in the United States occurred, the business in that country showed a marked falling off—the actual decrease at the end of 1880 being $412,000,000, though elsewhere some gain was made. For the three years following 1880 the business in the United States again rapidly increased, and made steady but slower gains abroad. The seventh period, from 1883 to 1886, showed still greater growth in the aggregate, and the assurance in force is set down as follows: United States, $2,520,000,000; Great Britain, $2,360,000,000; continent of Europe, $2,040,000,000; Canada and Australasia, $335,000,000; grand total for the world, $7,255,000,000. We have collected the statistics from reliable sources to the close of 1889, and here present the result as follows:—

United States Co's	$3,630,860,000
Co's of Great Britain	2,758,280,000
Co's of Germany	942,000,000
Co's of France	625,000,000
Other European countries	547,150,000
Canadian Companies	127,621,376
Australasian Companies	287,000,000
Total	$8,917,911,376

The above figures for the United States and Great Britain include industrial life insurance—$320,000,000 in the former and $430,000,000 in the latter—but do not for the other countries, the statistics thereon not being accessible. If this business could be added we have no doubt the aggregate of level premium life assurance in force in the world at the close of 1889 would amount to over *nine thousand millions*. Great as the business now is, however, its magnitude a quarter of a century hence bids fair to be to that of the present as the Rocky Mountain range is to the Alleghenies.

VALUES OF BRITISH INSURANCE STOCKS.

Average price (per cent. of amount paid up) for the several periods named.

COMPANY.	Capital paid-up.	Amount subscribed per share.	Amount paid in per share.	1880.	1885.	1889.	1890.	
	£	£	£	Per cent.	Per cent.	Per cent.	Per cent.	
Atlas Assurance	144,000	50	6	285	258	371	413	Oct. 20
British and Foreign Marine	200,000	20	4	506	576	571	563	" 15
Caledonian	90,000	25	5	£79	410	640	640	" 20
City of London Fire	200,000	10	1	......	50	30	22	" 20
Commercial Union	250,000	50	5	440 p.c.	320	640	670	" 15
Edinburgh Life	75,000	100	15	267	280	300	......	......
Employers' Liability	160,000	10	2	......	87	110	190	Oct. 15
Guardian, Fire and Life	1,000,000	100	50	139	122	177	188	" 20
Imperial Fire	300,000	100	25	610	613	678	768	" 15
Lancashire	272,986	20	2	419	241	400	450	" 15
Life Association of Scotland	87,500	40	8¾	313	354	424	395	" 9
Liverpool & London & Globe	245,640	20	2	941	1270	2000	2500	" 15
London Assurance	448,275	25	12½	504	382	440	420	" 15
London & Lancashire Fire	185,200	25	2½	260	237	630	765	" 15
London & Lancashire Life	20,000	10	2	......	225	213	415	" 20
Manchester Fire*	100,000	20	2	......	......	250	425	" 20
National of Ireland	100,000	25	2½	......	......	170	175	" 20
North British & Mercantile	625,000	25	6¼	880	476	752	878	" 15
Northern Assurance	300,000	100	10	475	425	640	735	" 20
Norwich Union	132,000	100	12	1030	778	783	977	" 15
Phœnix Fire †	....	......	......	£307	£212	£275	£266	" 20
Queen, Liverpool	180,035	10	1	388 p.c.	241 p.c.	575 p.c.	820 p.c.	" 20
Royal, Liverpool	289,545	20	3	929	1017	1616	1966	" 20
Scottish Union & National (A)	237,705	20	1	366	275	375	395	" 20
Do do (B)	12,459	10	3¾	......	......	373	......	......
Standard Life	120,000	50	12	621	418	442	438	Oct 20
Star Life	5,000	25	1¼	1120	1320	2720	......	......
Sun Fire	....	......	stock	......	......	£450	£455	Oct. 20
Sun Life	360,000	10	7½	......	......	174 p.c.	213 p.c.	" 1
Union Fire and Life	180,000	100	40	......	......	587	662	" 20

*New shares, £1½ paid up, 420 per cent., Oct. 20, 1890.
† Company unlimited and practically a partnership. Shares have no face value.

We have given above the principal British companies doing business in Canada. We employ percentages in expressing prices of shares, as is customary on this side the Atlantic, and also affording easy comparison at a glance. The price given (except in last column) is the mean between the highest and lowest quotation for each year.

EXPENSE MARGINS IN LIFE ASSURANCE.

The following are extracts from the paper read before the recent meeting of the Actuarial Society of America at Hartford, by President Sheppard Homans, on "Margins for Expenses and Contingencies and Surrender Charges":—

The generally received idea of an endowment assurance contract is that of an increasing investment and a *pro tanto* decreasing insurance. Another view, equally correct, suggests some practical considerations which may be valuable. We may look upon an endowment assurance in the light of two separate and independent contracts: (1) A pure endowment of the face value, payable only in the event of survival; and (2) a pure insurance of the face value, payable only in the event of death within the specified term. An ordinary whole life policy is an endowment assurance contract payable at oldest age in the table or at death, if prior.* * * * * The margins added for expenses and contingencies should not be the same for the two elements in the premium. The margins added to the endowment or investment portion should be such only as are sufficient to provide, at least after the first year, for the proper management of trust funds. These margins would naturally be derived from interest gains or profits, and might properly be obtained by computing the endowment portion of the premium at a lower rate of interest than that adopted for the insurance portion. The margins added to the insurance portion of the premium should be sufficient not only to provide the necessary expenses of conducting the insurance business, but should also be sufficient to meet unexpected or adverse insurance contingencies, such as excessive mortality, any undue exodus of sound lives, etc. For the contingencies named the margins should be a percentage on the net term premiums, which would not greatly differ from the current normal costs or insurance values of the temporary insurance, but they should not be a percentage of the insurance values of the *dual* contract, for this last would make the margins for expenses and contingencies less on an endowment assurance than that on the temporary insurance only. The determination of the proper margins for expenses is more difficult. Excepting exchange on remittances, taxes on gross premiums, when so imposed, and commissions, when so awarded, there are no items of expense which depend directly on the amount of the premium paid. Postage, printing, stationery, actuarial, medical and clerical services, rent, etc., have no necessary relation to the amount of the premium or the amount of the insurance on individual policies, or to insurance values of either the *dual* contract or the temporary insurance alone. In fact, it is impossible to reconcile theory and practice in any general method of adjusting expenses as applied to all policies, differing as they do in amount, terms and conditions. We must fall back on general averages. * * * * * Again, the surrender charge should not be a percentage of the reserve or investment. It should not be a percentage of the insurance values of the *dual* contract, as that would make the tax on surrender diminish as the self-insurance or endowment to be paid over increases. It might rather be based on the insurance values or normal costs of the temporary insurance. In any event, the surrender charge should be included in the margin added for contingencies to the net term premium, and as such should be retained by the company during the life of the policy.

That these views are correct is evidenced by the fact that the endowment or investment part of the contract might be made by the individual with a life insurance company selling pure endowments, or with a purely financial institution having such expenses only as pertain to the proper administration of trust funds, while the insurance part of the contract might be made with a life insurance company selling pure or term insurances. Life insurance will not fulfil its true mission until the investments as well as the insurance portions of policy contracts are treated upon correct principles.

The separation of the investment portion of the premium from the insurance portion suggests the proper method of providing for extra hazardous risks, as in the case of impaired lives, dangerous occupations, residence in unwholesome climates, etc. The insurance portion only of the premium should, of necessity, be increased. The endowment element might rather be diminished, as it would be naturally when based upon higher rates of mortality. The whole force of the increased premium should be to cover the increased insurance risk. The rating of impaired lives at a higher age than the actual is an incorrect method of providing for extra mortality risks, since it is not only empirical, but it increases unnecessarily the investment element. A better way would be to adopt renewable term premiums, based upon increased mortality rates, at actual ages, with or without the endowment feature. Dividends might be applied at stated times either to reduce renewal premiums or to purchase pure endowments payable only in case of survival. In this way a practical, safe and equitable method of insuring impaired lives might be devised.

DOCTORS DISAGREE.

We print in this number of our paper, extracted from two prominent insurance journals, articles treating of the subject of fixed cash surrender values. The views of these writers are diametrically opposite. The editor of the *United States Review* occupied the position of actuary with the mismanaged American Life Co. of Philadelphia. The associate editor of the CHRONICLE, of Montreal, from whose pen the article we print doubtless came, was also for several years connected with the home office of a life company. The latter writer assumes exactly the position which *The Chicago Independent* has always held regarding this matter.

There is nothing in the idea of life insurance which contemplates the conveyance from the shoulders of the husband and father to those of the company managers the responsibility or title of family guardianship. There is not in the characters or reputations of these managers any element of superiority to the average *paterfamilias*, which entitles them to assume that they are better guardians of another man's family than the man himself can be. Such an assumption smacks of pharisaism. Home office officials should bear in mind that they are not in fact the insurers. The company is an existence far greater than the little coterie of gentlemen at the head office.

We confess some surprise that even the learned actuarial-editor of the *U. S. Review* should state "the fact that the purpose of the company is to sell insurance and not to buy it." This pretty-sounding phrase, though, has been used before, by a greater man than he is, to dodge an honest responsibility. When a life insurance company returns to a person the unearned portions of the latter's previously paid premiums, the company being released from all further insurance liabilities on account of the contract which has been annulled, the company does not buy one cent's value of insurance through the transaction. It does only what it should do.

When the editor of the *U. S. Review* asserts that the aversion of the offices to the endorsement of cash values upon a policy "arises from the fact, that in case of a stringent money market the company might be embarrassed by the difficulties incident to the realizing from its investments of the amount required to pay for surrendered values," he either reflects on the intelligence of the managers or creates a doubt of his own common sense or veracity. If there are any such timid officials, it is strange that they have not before now become so frightened by the probability of all the insured lives terminating in some one month as to induce a sudden handing in of their resignations.

The editor of the New York *Review*, from whom our Montreal contemporary quotes, thinks the matter of cash surrender values can be safely left to the discretion of the companies. The abuse in so many instances in the past of the trust which retiring policyholders had placed in the company officials, has already made a sufficiently disgraceful record for life insurance. There was a time when this same policy was pursued by some companies in their settlement of death claims.

Glorious will be the day when the "proof of loss" of the last artfully scheming old-school actuary will have been handed in. No matter how little the insurance companies may pay to his family, it will be excessive if gauged by his present productive value to insurance.—*Chicago Independent.*

ASSURANCE OF IMPAIRED LIVES.

The following is a portion of the exhaustive paper entitled "Observations on Impaired Lives," presented before the October meeting at Hartford of the Actuarial Society of America, by Mr. J. M. Craig, actuary of the Metropolitan Life of New York:—

The methods proposed for the adjustment of premiums on impaired lives have been so numerous, and the subject has been handled with such skill by eminent actuaries, that the only apparent justification for bringing it to the notice of this society is the growing demand in this country for some plan by which deteriorated risks may be insured. It was, doubtless, this demand that prompted our president to suggest this as a proper theme for investigation and discussion. It seems strange that, although we surpass every other country in the magnitude of life insurance, and are striving with commendable energy to present attractive forms of contracts to the insuring public, for the purpose of extending yet more widely the beneficent results which the institution of life insurance secures, we have ignored the wants of that comparatively large class of men, who, having failed to pass a satisfactory medical examination, are compelled to remain among the uninsured. And it may be accepted as a general rule that a risk rejected in one company will not be received in any other. If it be true that the consciousness of having provided for one's family in the event of death through the agency of life insurance relieves a man from the burden of anxious care, then the converse must also be true, at least in its application to those whose desire to secure that protection is frustrated by inability to pass a satisfactory medical examination. The restriction of the system to sound lives is unnecessary; for if a scale of increased rates deduced from observations on impaired lives were in practice, there is no question but that the results ultimately would be on as sound a basis as for good lives only. The primary object of this paper is to glance over the field so far as the data are available, and take a cursory view of what has already been done, and present for comparison some of the most prominent features of the various plans advanced.

The first attempt to insure impaired lives is credited to the Equitable in the year 1762, the extra premium being 12 per cent. of the premium proper for persons who had suffered from gout, 11 per cent. for hernia, and 12½ per cent. for persons who had not been sick from small-pox. In later years, persons who had cow-pox were insured at ordinary rates, but if death occurred by small-pox the insurance was void.

The special feature of the Clerical, Medical and General Life Office, founded in 1824, was to insure lives "deviating from the common standard of health."

In 1841 the Medical Invalid and General Life Assurance Society was founded by or under the auspices of Mr. F. G. P. Nieson. An early prospectus said: "This office possesses tables formed on a scientific basis for the assurance of diseased lives. . . . Premiums have been determined for the assurance of persons of every age, among those afflicted with consumption, asthma, bronchitis, pneumonia, disease of the heart, apoplexy, insanity, disease of the liver, dropsy, scrofula, gout, rheumatism, etc."

A later prospectus, issued after Dr. Farr assumed the "Department of Medical Statistics," goes on to prove that there is much less risk in assuring diseased lives than in the insurance of ordinary lives, on the basis that the variation in mortality among those who suffer from any particular form of disease between the ages of 15 and 60 is much less than among the general population, or even among insured lives.

The premium required on each life was only determined after a thorough examination, and therefore no tables of premiums were published.

In 1845 the Practicable Invalid and General Life Assurance Co. was organized with the following scheme:—

"FIRST PLAN.—The office to grant the proposer a policy for a certain sum, and to give him the liberty of paying off such sums by yearly or other payments, as he may think proper, not being less than he would have to pay annually as a healthy premium on his actual age. He must also pay in addition a small ascertained sum (in the event of credit being given) in lieu of interest. If he dies before the debt is liquidated, the amount remaining due on the policy will, of course, have to be deducted from it.

"SECOND PLAN.—The society to insure parties at rates fairly and equitably apportioned to the idea entertained of the probable duration of their lives, and if the party assured lives beyond such period (which will in all cases be admitted on the policy), then the extra premium shall altogether cease, and the premium payable as to healthy assurance at the age of the assured when he first entered alone be continued."

The first plan was really to charge a man a single premium of say £750 for an assurance of £1,000, and charge the whole premium, less such payments as the insured should make, as a lien against the policy.

In the first prospectus of the Gresham Life Assurance Society we find the following: "It will be observed that this society does not undertake to insure the lives of confirmed invalids or diseased persons, but only such of the declined lives as may be deemed eligible after a careful medical examination, aided by the testimony of persons acquainted with the habits and constitution of the proposed assurer." The extra premium was to be cancelled if the insured was subsequently found to be a good risk. "As but one fixed extra rate will be charged for declined lives, the society will consequently accept such only of them as the board of directors, aided by their medical officer, shall consider to come within a class, the risk of whose lives would be covered by such fixed rate." This company seems to have obtained the bulk of this class of its business from the agents of other companies.

The third annual report of the Gresham, in 1851, contained the following passages:—

"During the past year, however, the directors have resolved to limit the assurance of lives to persons who are strictly temperate in their habits, inasmuch as they find a very high and uncertain mortality appertains to those who are in the slightest degree addicted to intemperance."

"Although the ratio of mortality is unquestionably higher amongst the declined than the healthy lives, the directors have much pleasure in stating that this branch of their business shows a highly satisfactory result. Many who were assured in the first years of the society at an advanced rate have, during this year, on re-examination, been found to have attained so improved a standard of health as to enable the directors to reduce, and in some cases to remit, the entire extra premium."

Financial and Statistical.

THE "FAIR TRADE" FAD.

As it occasionally happens that small and passing pimples make their appearance for a short time upon an otherwise healthy skin, so we now and then find a few misguided persons, who even in England rush spasmodically into print to advocate what they are pleased to call "fair trade," which is intended to be a sort of panacea against the evils claimed to result from a single-handed "play-it-alone" game at free trade, while not in the least desiring to favor the principle of protection. If, exclaim these "fair" traders, a foreign nation enacts a tariff which is injurious to various branches of our country's commerce, then we are bound in self-defence to retaliate, and also in justice to other nations who have no such injurious tariffs we should discriminate in favor of the latter, thus showing that we are not only free traders ourselves but wish to encourage free trade in others. The specious but utterly fallacious argument for retaliating tariffs not only never teach the lesson they aim at, but the burden of the duties does not fall upon the nation against which they are raised, but upon the consumers of the country which collects those duties, as, if we are to judge by the recent elections across the border, the good sense of the people of the United States begins fully to realize.

A writer in a late number of the *Fortnightly Review* has been taking up the cudgels against the McKinley Bill of our neighbors, to which we have no objection: but when he endeavors to prove that Great Britain, in justice to herself and her colonies, should retaliate by placing a duty on breadstuffs from the United States, which need not raise the price of those articles to the consumer, because the money collected for customs could be applied as a rebate to a similar amount of breadstuffs imported from the colonies, he shows the most astounding ignorance of the simplest rules of commerce that we have had the fortune to meet for many a long day. Setting aside the relative proportions of England's imports of wheat or flour from the United States, as compared with those from her own colonies, we will suppose that the market price of a bushel of wheat laid down in Liverpool or London is one dollar. A duty of ten cents a bushel upon wheat from the United States would certainly enhance the selling price to $1.10. But, says our wise "fair" trader, the ten cents is remitted upon a bushel of, say, Canadian wheat, so that the latter could be sold for 90 cents, thus leaving the cost to the consumer for the two bushels $2.00 as before? "Oh most lame and impotent conclusion." No one—not even our romancer, we presume—imagines that the English Government would take upon itself to dictate that the market price should be $1.10 for United States wheat and 90 cents for Canadian, owing to the duty charged on the first and deducted off the second, and if this is not done, what is to prevent the Canadian importer from exacting the best price he can secure for his wheat, which would be $1.10 if both bushels were required, if otherwise he might accept $1.05; but in that event so would the United States importer, for it would become, as now, a matter of competition, or, in other words, market price of the article, irrespective of customs duties. And thus the "fair" trader's beautiful dream vanishes into thin air, and the ugly solid fact remains, that the consumer would necessarily pay the duty, his wheat costing him that much more than it would have done without the duty, and "fair trade" becomes neither more nor less than protection under another name. In fact, it would be a step backwards towards the old corn laws so long repealed, and we fail to see how such a course would carry out its purpose of punishing the United States since England must have the latter's wheat, duty or no duty. In short, it would be meeting McKinley with a twin brother, causing two to suffer instead of one. The same argument would apply to cotton or any other mercantile commodity, and there is not the slightest ground, in our opinion, to fear that Great Britain will reverse that fiscal policy, by which in fifty years or so she has grown to be the greatest of commercial nations and has gained markets for her manufactures in every quarter of the globe. The pimple of "fair trade" will quickly disappear from the healthy body, leaving the skin smooth and unimpaired.

The director of the mint estimates the stock of metallic money in the United States on July 1 last to have been: Gold, $695,563,829; silver, $463,211,919; total, $1,158,774,948. The number of silver dollars in circulation at above date was 56,278,749, against 54,457,299 on the same date the previous year; while the number of silver dollars and silver certificates in circulation, owned by the people, was $353,834,987, against $311,612,864 at the beginning of the fiscal year. The product of gold from the mines of the United States for the calendar year 1889 was $32,800,000, of silver, $46,750,000 commercial value, and $64,646,464 coining value.

The following statement of revenue derived from transactions at the port of Montreal during October, 1889 and 1890, respectively, together with the totals for the two years from navigation opening to November 1, will be read with interest :—

Customs Receipts:—	Oct., 1889.	Oct., 1890.
Inward	$24,000	$22,000
Outward	14,000	12,000
Total	$38,000	$34,000
From local traffic	3,863	5,277
Total for October,	$41,863	$39,277
Am't. previously collected	176,483	182,221
Totals to November 1st	$218,346	$221,498

Showing an increase of $3,152 for 1890.

Correspondence.

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

LETTER FROM TORONTO.

Editor INSURANCE AND FINANCE CHRONICLE:—

The magnificent building of the Canada Life on King street West is fast nearing completion. Already the elevators are running, and tenants are in many of the upper flats. The two first floor front offices are being handsomely decorated; that in the east block will be occupied by the Bank of Hamilton, and an excellent location it will make for that institution. It seems appropriate for this bank to be in the Canada Life block, as President Ramsay is one of the principal directors. The western block on the first flat will be mainly occupied by Messrs. Cox & Son, Ontario managers of the Canada Life. This will afford that agency ample room, which at present they appear to require. The head of the firm, Mr. Geo. A. Cox, is also president of two or three loan and land companies. It is expected they will be located on the same flat. In laying out the offices, their arrangements have apparently been carefully and skilfully anticipated.

It is said that the Excelsior Life has commenced operations in Ontario. So far, I understand, they have not met with much success, which is not strange. Some of the directors are not widely known in the Province, and the name of the manager is not especially well known to the public. He is apparently a respectable, well-meaning young man, whose knowledge of the life business is rather limited, having occupied a position as clerk for a few years in two or three life companies here. Comment on the plans is unnecessary. Submit a copy of the rates to an actuary, and, I venture to say, he will report that no new company can compete for business with them and expect to accumulate much surplus.

The way certain assessment concerns are run was well demonstrated by an examination of the affairs of the Lion Provident Life and Live Stock insurance association of this city. Mainly owing to the exposures made by the *World*, that the concern had dozens of unpaid claims on its books, the Ontario government appointed a commission to investigate its affairs. The only man that appears in the matter is Managing Director Jones. Like the individual described in Gilbert's ballads, he appears to have held every position on the ship from captain down. Now, there never has been a Jones that was not noted for modesty, and certainly this individual with that name cannot be accused with having been born with less than his share of that commodity! For instance, in his examination, he admitted being paid by commission,—that he received 80 per cent. of the gross receipts, and that the balance was devoted to pay losses,—if that amount was insufficient, he simply divided it pro rata among the claimants! It is said that a large number of claims have been made against the company, which have been disputed for various reasons. It is surprising to think such a concern should have been allowed to run along for years without being investigated. The moral to be drawn from this is, for the Insurance Department of Ontario to keep a sharp eye on all the assessment concerns. Let a thorough investigation be made into the management, disposition of funds, etc. The superintendent should be given power to make public in the daily press the result of his investigations, whether good or otherwise, and I venture to say the undesirable element would promptly make tracks for other fields. There is a vigilant eye being kept on one or two of these fellows, who will be rather surprised at the revelations that may soon be made.

With the near approach of the meeting of the Local Legislature, is it not about time the companies bestirred themselves with a view to obtaining legislation, setting at rest once and for all the powers of municipalities to tax the premiums of insurance companies?

I understand that at last session a meeting of the managers was held, having this object in view; but nothing apparently resulted therefrom. One agent remarked lately that all conventions are frauds. I cannot fully agree with him, yet at many meetings held by insurance men there is a great deal of talk and very little practical result therefrom. If the managers meet, let them consider a bill to prevent rebates both in fire and life. I hardly think it would be opposed, and feel confident the real sufferers, viz., the rank and file of canvassers, would heartily welcome such a law.

The article in your last number on the mortality rate was very appropriate. Some of the companies have, I think, experienced a heavy mortality this year, attributed to *la Grippe*. This may be true of the old companies, but it can hardly be so with the newer ones. Assessment concerns claim that by an influx of new lives, the mortality element can be controlled. One meets this argument in his canvass, notwithstanding that it has been demonstrated over and over again, that while the addition of new, young, carefully selected lives is of the highest importance, it will not prevent the old members growing older and the benefit of their selection wearing off. The latter is the element that has caused the increased mortality the past two years in the assessment and natural premium associations. It is likely to be a source of greater anxiety to them in the years to come.

Insurance advertising is apparently coming out of the old rut. It has been considered as evidence of high respectability for a company to have a standing "ad" in a daily paper, simply giving name of company, assets, etc., and the chief officer. As an agent, I have always considered this form of advertising a waste of money, and have never known it to influence a single risk. One of our active and most progressive companies here is advertising almost daily in the reading columns of the *World*. It claims to have some advantageous plans of insurance to offer the public, and takes the wisest plan to let the said public know it. These advertisements occupy a few lines, but they are tersely and well put, so that one is almost compelled to read them. It is surprising that the companies do not take more advantage of the advertising columns of the insurance journal to reach agents. In conversation lately with Superintendent ——, he said he wanted a representative at Hamilton, and could guarantee to the right man a fire and accident agency as well. I referred him to the columns of the CHRONICLE, and advised him to try that plan, not forgetting to let the agents know just what he had to offer. He preferred to try the daily press, with the result that, so far, he is without a representative at Hamilton.

P. R. P.

A TIMELY PROTEST.

CAPE BRETON, Oct. 21, 1890.

Editor INSURANCE AND FINANCE CHRONICLE:—

THE CHRONICLE of the 15th came to hand a short time ago. I spent a very pleasant hour reading the good things contained therein. I agree with your Halifax correspondent that all insurance agents are under an obligation to you for the stand you have taken on the rebate question, and also on other like evils that go to demoralize the business of life insurance. I trust that you will not let up on the rebate question until the evil has been conquered.

There is another practice, which in my estimation does more to demoralize the business than even the rebate evil, that I would like to see you handle. I refer to the "estimated results" of future profit. I have before me an estimate slip filled in (I presume from the company's "book of estimates") and signed by the agent of one of our young aspirants for public favors. It is a 20-year tontine endowment, age 25, premium $42.25, for $1,000. I read on said slip: "When the contract matures the insured can take the entire cash $1,815." There is no "estimate" or "probable" about the matter. Simply, "can take." I read on the back of the same slip "that the results given on this slip, which include the (government) reserve and policy holders' percentage of profits arising from various sources, are based upon the experience of leading insurance companies" (?). Can you give me the name of any insurance company that ever paid $1,815 for a 20-year endowment issued at age 25?—equal to a return of all premiums paid with 7 per cent. compound interest, together with life insurance? Would it not be better for such a young company, struggling as it is for an existence, and that has its first dollar of profits yet to make, to either leave "estimates" alone or to draw it a little more mildly until the profits came in sight? It certainly *requires a great stretch of imagination* to even expect—to put it mildly—to be able to realize such results.

Of course, when such over-estimates are used in a place where the people are fairly well acquainted with life insurance, the injury done is not so great; when, however, they are used in a place where persons know little or nothing about life insurance, the injury is inconceivable. I met a person the other day who had taken a policy on the strength of such figures. "I pay $42 a year," said he, "for 20 years, and at the end of that time I draw $1,800." "Are those figures not estimates?" I quietly asked him, "Oh! no; it is a sure thing," said he. He has not read his policy yet. You can imagine what confidence this person and those similarly duped will have in life insurance when their eyes are opened.

Yours truly,

J. H. MONTGOMERY.

Notes and Items.

The life assurance men of Connecticut have organized a "Connecticut Life Underwriters' Association."

The Caledonian insurance company has now been formally admitted to both New York and Massachusetts.

The New York Life will occupy commodious quarters in the new Board of Trade building in Toronto when completed.

It is stated that the Ætna Life of Hartford will go into the business of accident insurance on January first next, in addition to its life business.

The Nebraska Association of life agents is making preparations to urge the passage by the Legislature the coming winter of a stringent anti-rebate law.

A recent circular of the North American Life to its agents states that, so far, the present has been the most successful year of the company, financially.

Mr. John Napier, a manufacturer of Manchester, and a director in the Manchester Fire and Star Life insurance companies, died recently at the advanced age of 90 years.

The Commercial Bulletin of Boston says that the National of Ireland will hereafter transact a re-insurance business in Massachusetts through George O. Carpenter & Son.

Mr. Charles Williams, agent of the Queen insurance company at Philadelphia, goes to the Commercial Union as successor to Mr. Tatnall Paulding, the former Philadelphia agent.

The London Times is of the opinion that an act of Parliament will be necessary to the successful and legal amalgamation of the Royal and Queen. This will be a mere matter of form, however.

It is said that up to October 26 the North British and Mercantile had issued 1,274 policies, assuring $2,378,000 under its special terms to civil service incumbents. The premiums were about $20,000.

Our acknowledgments are due to the *Standard* of Boston, for a neatly bound copy of the proceedings of the first meeting of the National Association of Life Underwriters, held in that city in June last.

The Mutual Life of New York has appointed Mr. Emil W. Maehler, formerly sub-manager under Mr. George Bauer, as manager for Belgium, the latter gentleman being assigned to other duties.

A water insurance company is now in successful operation at Frankfort, Germany. It affords indemnity to housholders for damage from the overflow of water in the domestic service or from burst pipes after freezing.

We record with pleasure the election to the congress of the United States of Hon. John M. Pattison, the well-known vice-president of the Union Central Life of Cincinnati. More such members would be a credit to the national legislative body.

Mr. Frederick Carpenter, who has been connected latterly with the secretary's office, and for 25 years in its service, has been elected secretary of the London Assurance Corporation, in place of Mr. John P. Laurence, whose death we recently chronicled.

Another Mutual company, the Mutual Fire insurance company of Chicago, has, after six years' experience, gone to the wall. The assets, including $150,000 in premium notes, are $187,654, and the liabilities, including $30,000 unadjusted losses, about $88,000.

Mr. Harry Kitson has been appointed by Manager Boult inspector for the National and Atlas fire offices. Mr. Kitson has been inspector for the Wellington Mutual, and the officers of that company speak highly of him. The appointment is evidently a good one.

And now Milwaukee contributes a defunct mutual fire insurance company, the Manufacturers, to the list of recent failures. After nearly five years, it goes into the hands of a receiver with $30,000 of questionable assets with which to meet $56,000 of unquestionable liabilities.

The various underground companies which have captured quite a number of special risks in Canada have been pretty badly scorched. They have probably paid out two dollars for every one received on the business. The insured are likely to get badly left one of these times.

Mr. Richard Teece, the secretary, has been elected manager and actuary of the Australian Mutual Provident, in place of Mr. Morris Black, recently deceased. Mr. R. B. Cameron, for 20 years in its service, has been chosen secretary of the same company, and Mr. David Carment, chief clerk, has been made assistant actuary.

We notice that the *Trade Review* of November 7 gives it as a rumor, that the business of the Manchester Fire is to be taken over by the Lancashire. We are sorry to see such unfounded rumors recklessly printed, for they serve no good purpose and always do harm. There is no reliable ground whatever to suppose that the two companies named propose to amalgamate, and if they should, just which would do the swallowing is uncertain.

They don't manage accident insurance in France so well as in this country. Twelve French companies in 1889 received in premiums 13,343,007 francs, and paid out, total disbursements, 13,792,486 francs. The claims were 57.6 per cent. of the premiums. The expense margin is a very wide one.

It is somewhat amusing to note the scramble which has been going on among some of the companies here to capture the agents of the re-insured Glasgow and London. They are good men, no doubt, but we are afraid they will scarcely justify an outlay equal to forty and more per cent. of the premiums.

We have received through the courtesy of Robert Ward, Esq., J.P., the president, the annual report of the British Columbia Board of Trade for the year ending July 11, 1890. Mr. Ward, who visited Montreal this week, is the head of the prominent shipping, mercantile and insurance agency of Robert Ward & Co., at Victoria.

From present indications the year 1890 will show some increase in the volume of business transacted by the fire insurance companies in Canada, while a very moderate loss ratio seems assured, provided no unexpectedly heavy losses occur during the next six weeks. It looks also as if the life companies would beat last year's record.

We notice that the insurance column of the New Orleans *Daily States*, and which is conducted by Col. Simeon Tobey, has entered upon its third year. We congratulate Col. Tobey on the genuine success achieved by him, and can but wish that the treatment of insurance topics by the daily press generally might fall into as judicious and able hands.

The cashier of the New York office of the Lancashire, Eugene Piquet, disappeared recently, and there is a shortage of about $15,000 in his accounts. The auditors supposed to scrutinize the accounts were the New York branch of an English firm, and appointed by the home office of the company. Professional auditors are frequently more ornamental than useful.

Among the recent callers at the CHRONICLE office are Messrs. A. F. Bailey, from the home office of the Union Fire of London; Wm. T. Woods, secretary of the Lloyd's Plate Glass of New York; Robert Ward, Esq., of Victoria; J.C. Norsworthy, of Ingersoll, inspector of the North British; G. C. Morris, of Petrolia; Geo. J. Pyke, of Toronto, and E. H. Sammons, of London, Ont.

For the information of several contemporaries, notably the *United States Review*, we may state that the Methodist insurance scheme proposed by one of the annual conferences of Canada to the Methodist General Conference of the Dominion, in session in this city over a month ago, was defeated. A committee reported favorably, but the conference "sat down" on the report.

Fire insurance companies hereabouts which quietly capture a good risk from a competitor, are perhaps not so scarce as to make a drawing card in a museum of curiosities, but they are at least more modest than the General of London, which, according to the *Citizen*, says, in a circular to agents: "New ground should be broken up; new connections formed; new risks procured; proposals for increased amounts obtained; and transfers from other companies sought after." That last injunction challenges our admiration for what is vulgarly called "cheek."

The "Lancet" of London has gathered opinions from a large number of medical practitioners as to the forms of life assurance considered best adapted to their wants. Of the total received, 43 per cent. favor endowments; 28 per cent. whole life, with profits; 8 per cent. whole life, without profits; 14 per cent. limited payment life; and 7 per cent. temporary or short term assurance.

Accident companies in France, or at least some of them, not only insure the individual against accident to his person but against liability to his purse. In other words, at least one company, the Urbaine, will issue an accident policy of $2,000 for a $5 premium, including, in certain cases, the further assumption of legal liability to the extent of $1,000, in case the assured shall accidentally injure another person.

Both our excellent contemporaries of New York, the *Chronicle*, and the *Weekly Underwriter*, have been honored by threatened libel suits; the former by direction of Fire Marshal Lewis of Brooklyn, and the latter by one Jacob Cohen of New York, who has operated extensively for the insurance companies in the disposal of "salvage." It is alleged that the *Chronicle* connected the fire marshal with the crooked ways of adjusters and patrol men in its recent *exposé*, and that the *Underwriter* said something about Cohen which was a "reflection" on him. Both papers will survive, however, to do more good service in the cause of honesty and decency.

Our readers, doubtless, have noticed the recent puff in the daily newspapers here (paid for by the line, of course) of the mutual companies, claiming to belong to the Associated Factory Mutuals of New England, and who were caught in the Pillow-Hersey Manufacturing Co.'s big fire. The interested chronicler of the wonderful merits of these mutuals omitted to mention the interesting fact, that not one of them has the shadow of a legal right to do business in Canada. They are interloping undergrounders, having no legal status whatever, and absolutely beyond the jurisdiction of our courts. Responsibility is a somewhat important feature in fire insurance, as property owners are apt to find out to their cost some day.

Those numerous exceptions.—"Argus" in the *Insurance World*, referring to the numerous contested cases of accident companies where they do not consider themselves liable, says: "The latest in this line is the defence set up by the Fidelity and Casualty that sunstroke is not an accident. Well, in the name of conscience, what is it then? If it is not an accident to the individual, it must arise from premeditated design on his part, and I think it would take smart lawyers to prove that an individual could control the sun. Perhaps they will hold that he has no business to expose himself to such danger, but then they might as well tell men to stay in the house lest they be run over in the streets or struck by falling bricks."

We predicted that when Stewart Browne transferred his field of operations from Canada to Boston as agent of the New York Life's industrial branch a few months since, he would be heard from; and he has. His operations have called out formal protests, and now a published letter from Mr. Hegeman, the vice-president of the Metropolitan Life of New York, to the vice-president of the New York Life, which is a most scathing document, charging Browne with having already seduced seventy of the Metropolitan's agents to enter his service, and that they are systematically "twisting" the business into the New York Life. Mr. Hegeman asserts that the officers of the latter company assert their inability to control Browne's operations.

The arrangements are about completed for the transaction of business in the Dominion by the Union Assurance Company of London, the deposit with the government at Ottawa having been made, and Manager Morrissey now permanently located. The Union is one of the old companies, having been established in 1714, though the life branch was not added until 1813. The company has an annual income of about $1,500,000, and total assets amounting to $11,264,614. It has a fire fund amounting to over $4,000,000, and a life fund of $6,693,685. The company well merits the confidence which we have no doubt it will receive from the Canadian public.

Referring to our recent strictures on the failure of the receiver of the American Life of Philadelphia to make any report so far on its affairs, though he was placed in charge last May, the *Investigator* of Chicago says: "There is a great deal of truth in the above statements, and it is unfortunate that such is the case. Surely there is no reason save that of custom and a desire to prolong the salary of the receiver, why the American Life's affairs should not have been settled in a few months. True, something might have been sacrificed by this course, but the creditors would have obtained as much as they will under the present system, and would, no doubt, have been better satisfied. In matters of this kind, a Dickens with a circumlocution office story might be effective."

Referring to our recent table, showing the classification of the assets of Canadian and American Life companies, the *Insurance World* of Pittsburg says:—"From these tables it appears that Canadian companies have a different idea as to the value of certain securities than our managers hold. Real estate owned by the company does not seem a desirable investment, for only 5.9 per cent. of their assets is thus used, as against 10.8 per cent. in the American companies. The greatest difference, however, occurs in railway, telegraph, bank, loan and trust companies' stocks, in which only 6.5 per cent. of the Canadian companies' assets are invested, as against 25.7 per cent. of the American companies. The difference is made up by a gain in Canadian percentage on municipal, town and county securities and government securities. Taken as a whole, it may be said that the Canadian companies' securities are of excellent character, and most judiciously distributed."

AGENTS' DIRECTORY.

THOMAS HIAM,
INSURANCE BROKER,
Imperial Building, MONTREAL.
Special attention given to placing surplus lines for Country Agents. Correspondence invited.
Associated with Imperial Fire Ins. Co.

TELEPHONE NO 2152.
Andrew Robertson & Sons.
General Insurance Agents,
OFFICE: STANDARD BUILDING,
MONTREAL.
Special Agents ROYAL CANADIAN INS. COMPANY.

NAPOLEON PICARD,
Insurance Broker,
1731 Notre Dame Street,
Telephone 748. MONTREAL.
Special facilities for placing large lines on City or Country Risks. Correspondence invited.
Special Agent Commercial Union Assurance Co.

THEODORE LYMAN,
INSURANCE BROKER,
City Agent
Ætna, London & Lancashire Fire Co., The Travelers Accident of Hartford.
184 St. James Street,
MONTREAL.

F. M. COLE,
Special Agent Life Department,
Commercial Union Assurance Co.,
1731 Notre Dame Street,
MONTREAL.

E. A. COWLEY,
General Agent,
Mutual Life Insurance Co. of NewYork.
ASSETS, over $126,000,000
Largest and Best Life Insurance Co. in the World.
Imperial Building, MONTREAL.

JAMES BOURNE,
Underwriter and Insurance Broker,
City Agent for the
NATIONAL ASSURANCE CO. OF IRELAND.
Commissioner for Provinces of Ontario and Quebec,
79 St. Francois Xavier Street,
MONTREAL.

JOSEPH FORTIER,
MERCANTILE STATIONER,
Ruler, Printer, Stamper,
Account Book Manufacturer,
Blank Form Policy Books,
Office Requisites, &c.
258 St. James St., MONTREAL.

C. DESMARTEAU,
ACCOUNTANT,
1598 Notre Dame St.,
MONTREAL.

HENRY F. J. JACKSON,
AGENT
Ontario Mutual Life Assurance Co.
London and Lancashire.
National, of Ireland.
London Assurance Corporation.
Canada Permanent Loan & Savings
Citizens' Accident Ins. Co.
GENERAL REAL ESTATE AGENCY.
BROCKVILLE, Ont.

G. H. WEATHERHEAD,
Agent for
Royal, Queen, Lancashire, Western, British America, Citizens' The Accident Insurance Co'y of North America
Manager
BROCKVILLE LOAN & SAVINGS CO.
BROCKVILLE, Ont.

J. L. MARGACH,
General Agent.
NORTHUMBERLAND & DURHAM CO'S
Sun Life Assurance Co'y.,
PORT HOPE, Ont.

W. A. LAMB,
District Agent,
Confederation Life Association,
86 Sparks Street, OTTAWA.

RIDOUT & LYSTER.
— GENERAL AGENTS —
Sun Life Assurance Co. of Canada.
SHERBROOKE, P.Q.

R. MORGAN & CO.,
General Insurance Agents,
DEALERS IN
PIANOS, and all kinds of SHEET and BOUND MUSIC.
136 MAIN ST.,
CARLETON PLACE.

W. J. FRASER, *Agent.*
Western Assurance Company,
Of Toronto,
Mutual Life Insurance Company,
Of New York.
QUEBEC.

THOS. C. DAVIS,
General Fire, Life, Accident Insurance,
Real Estate & Money Loaning Agent,
Money loaned on easy terms of re-payment.
MORTGAGES PURCHASED.
Correspondence Solicited.
NAPANEE.

JACOB S. CROTHERS,
GENERAL AGENT,
Mutual Life Insurance Company
OF NEW YORK.
BELLEVILLE, Ont.

J. C. NORSWORTHY,
INGERSOLL.
Western Inspector for the
North British &
Mercantile Ins., Co.

L. DENIS HUDON,
MANAGER
EASTERN DISTRICT, QUEBEC.
Union Mutual Life Insurance Co'y.,
OF PORTLAND, ME.,
Office: 20 [illegible] Street, Place d'Armes,
QUEBEC.

PHILIPPE MASSON,
General Insurance Agent,
REPRESENTING
New York Life Insurance Co.,
187 Prince Edward St.,
QUEBEC.

J. B. MORISSETTE,
GENERAL AGENT
Glasgow & London Insurance Co.,
Equitable Life Assurance Society,
Office: 82 PETER Street,
QUEBEC.

A. C. ROUTHIER,
INSPECTOR OF THE
British Empire Mutual Life Assurance Co.
SPECIAL OFFICE:
No. 1 Eden Street, LEVIS, P.Q.
Unrepresented Districts may apply to me for Agencies.

NAPOLEON TESSIER,
MANAGER
For the Quebec District of the
United States Life Insurance Co'y.
98 St. Peter Street, QUEBEC.

L. A. DASTOUS,
General Agent for Province of Quebec,
British Empire Life Assurance Co.,
SHERBROOKE, P.Q.
AGENTS WANTED in unrepresented districts. Liberal terms to the right men.

ROBERT DONAGHY,
General Insurance Agent,
Representing the Leading
British, Canadian and American
FIRE, LIFE & ACCIDENT COMPANIES,
Eagle Block, ST. JOHNS, P.Q.

CHITTY & CO.,
DISTRICT AGENTS FOR
North American Life Assurance Co'y.,
Real Estate and General Agents,
48 Elgin Street, OTTAWA.

A. E. BRADBURY,
DISTRICT MANAGER,
Manufacturers' Life Insurance Co'y.
19 Elgin St., OTTAWA.

A. HOLLOWAY,
General Agent, Winnipeg.
Glasgow & London Fire Insurance Co
Quebec Fire Assurance Co
London & Lancashire Life Ass. Co.
British & Foreign Marine Ins. Co.
London Guarantee & Accident Ins. Co.
Eastern Assurance Co. of Canada.
National Assurance Co. of Ireland.

JAMES SKEOCH,
Port of Spain, Trinidad, W. I.
DRY GOODS AND COMMISSION MERCHANT.
General Agent for
The Sun Life Assurance Co. of Canada.
Western Fire Insurance Co. of Canada.

E. A. SELWYN,
General Insurance Agent.
REPRESENTING
Northern Assurance Company,
City of London Fire Insurance Co.,
Mercantile of Waterloo,
Quebec Fire Assurance Co.,
Lloyd's Plate Glass Co., New York.
82½ Sparks Street, OTTAWA.

W. GRANT, (late C.P.R'y.)
GENERAL AGENT.
SUN LIFE ASSURANCE COMPANY.
Life and ACCIDENT Policies Issued
Rates, etc., cheerfully given.
25 Sparks St., Ottawa

GEO. C. REIFFENSTEIN,
AGENT
Hand-in-Hand Insurance Company,
Fire and Plate Glass.
Mutual and Stock Principles
44 Elgin Street, OTTAWA.

PENNOCK & RUTTAN,
Managers Eastern Ontario
Mutual Life Insurance Co., of New York,
ASSETS, - $121,000,000,
OFFICE:
3 Masonic Chambers OTTAWA.
J. T. PENNOCK. T. D. RUTTAN.

J. F. Junkin,
Chief Agent,
Sun Life Assurance Co.,
Montreal.