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R. WILSON SMITH, Editor and Proprietor.

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

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**A case of premium notes.** THE common practice of taking notes for premiums is not an entirely satisfactory one from any point of view. It is the outcome in a great measure of the excessive competition for volume, irrespective of quality, and too often leads to a forced, ephemeral business, which is not good either for the companies or for the assured. As a prolific source of friction and litigation, it is particularly objectionable as being calculated to bring assurance generally into discredit amongst a certain section of the public, whose sympathies are always to be found opposed to corporations, especially assurance companies, when in court. For these reasons, we think it would be better on the whole if companies were to agree to confine themselves to a cash business; but of course, in the present abnormal state of rivalry, the idea is out of the question. How careful agents should be in dealing with premium notes is shown in a case brought against the Equitable of U.S. in the Supreme Court of Michigan on appeal. The following are the facts: one Samuel Krause effected a policy on his own life in the Society, giving a note at sixty days to the agent for the full annual premium. This was turned over to the general agent, who held it and paid the amount to the Society. The note was not met at maturity, and the assured requested that the premium be made payable quarterly, delivering up the policy for the purpose. Four months after, the brother of the assured, acting on his behalf, was advised of all the facts of the case, and notified by the general agent that the assurance was forfeited through default in the payment of the quarterly instalments. The note, however, was sent on for collection a few days later, and paid in full. The second annual premium was tendered to defendant when it became due, and the assured died three months thereafter. The Society contended that the note was in default, and was collected on the

individual account of the general agent and not that of the Society, but the Court held that the Society became liable by accepting the premium, no matter by whom paid, that the policy was delivered up for amendment and not for cancellation, and that the note was not surrendered or the unearned premium refunded. The judgment of the Circuit Court in favor of the defendant was therefore reversed, and a new trial ordered.

New York Life's  
Jubilee Year.

THE celebration of the "jubilee" years of life assurance companies promises to become a recognized institution.

Last year the Mutual Life of New York marked the attainment of its fiftieth birthday, so to speak, by the issue of two "forms of its semi-centennial policies," and now another of the "three giants" proposes to signalize the arrival of a similar stage in its history, but in a manner which is as unique as it is creditable. Mr. McCall has addressed a letter to the several Insurance Superintendents, to the following effect: "On the 30th June, 1894, it will be three years since the 'special examination' of this Company by the New York State Insurance Department. Being strong in the belief that great public trusts such as life insurance companies should be periodically investigated at least every three years, as is now required of domestic companies by the law of your State, and knowing that the New York State Insurance Department is and will be very busy with other insurance companies [this year, I invite your Department, conjointly with those of Kansas, Ohio, Illinois, Missouri, Texas and Kentucky, to make a 'special examination' of this Company as on June 30th inst., in such manner and with such expert assistance as you may deem necessary, with the full assurance on my part that I desire the fullest publicity of everything connected with the Company, and for such purposes all books and all transactions are open for your inspection and examination. I desire at this time to mention that the coming year, 1895, will be the 'Jubilee Year' of the Company, it having commenced business in 1845, so that it will undoubtedly be satisfactory to our policy-holders, to the public, and to the Insurance Departments to enter upon our 'Jubilee year' with a certificate of 'special examination' by seven of our great States." Mr. McCall evidently has a very high and proper sense of the

great responsibility of the trust placed by policy-holders in the hands of the management of the life companies, and believes, as we do, that it devolves upon their management to "give an account of their stewardship," and submit their affairs to the fullest public scrutiny. An important step, which we hope to see followed by all companies at an early date, was taken in this direction when the New York Life published its last annual report, and we hope to see Mr. McCall continue to lead in the good work of much-needed reform along the lines advocated in our columns, and not to halt until it is quite completed. In doing this he will set an example which other companies will be sure to adopt, if not voluntarily, then by force of a growing public opinion. It is certain that properly managed companies have nothing to fear, but on the contrary much to gain in public confidence and patronage, by giving thorough publicity to their transactions. What is needed is some strong man at the head of one of "the giants" to inaugurate this policy, and Mr. McCall's experience, reputation, position and evident aims mark him out as the man for the occasion.

**A question of occupancy.**

THE old question as to the meaning of the words "vacant or unoccupied," appearing in a fire policy, again cropped up in the case of *Esther Hill vs. Ohio Insurance Company*, brought before the Supreme Court of Michigan on appeal in March last. The company's policy insuring this lady's house, etc., provided that it would become void if the building "be or become vacant or unoccupied and so remain for ten days." The plaintiff, a widow who lived alone, went away twice to take charge of a house and some children thirty miles distant. During her second absence, which lasted about two months, the premises were destroyed by fire. On each occasion the length of her visits was indefinite. She had no intention of abandoning her home, but took away with her only such wearing apparel as was necessary, leaving the rest, all her household goods and furniture, and a quantity of provisions, and left in the barn upon the premises a horse which she owned. A neighbor and his wife who were engaged for the purpose visited the house each day, and looked after the horse and the things in the house generally. The verdict of the Circuit Court was reversed, on the ground that the plaintiff's absence was not intended to be permanent, and the premises were daily visited on her behalf. The decision is only in accordance with common sense, and any other would have been a hard one under the circumstances. If the intention of the clause quoted is to annul the indemnity in such cases, it should be expressed in unmistakable terms, so that the insured may understand the risk incurred when taking his family for an innocent holiday.

**The Equitable's Challenge.**

PROFESSIONS of reform in the matter of expenses promise to become perennial among life companies. Last year we were treated to a special display of them, but so far

fulfilment seems to be further off than ever. The Equitable now comes forward, and in its annual report invites its rivals to a friendly contest in this respect. We are quite in accord with the Equitable when it expresses the opinion that "the question of economy is one which will attract even more attention in the future than it has in the past; and those who seek life assurance will select that company which shows the greatest improvement in this direction, and will refuse to patronize companies whose affairs are conducted extravagantly." In spite of the offers of extraordinary commissions reported to be made by the Society's managers, we will assume that its management believes and means what it says. How is it proposed to carry out the above views? Anyone with the slightest knowledge of the facts knows that the increasingly excessive expenses of the life companies are due to the insane rivalry of each of the "giants" to lead its competitors in the race for new business. We naturally look, therefore, for an announcement of the Society's policy in this respect, and what do we find? Instead of an assurance that the unseemly scramble for first place would be abandoned, we have these words: "It will endeavor so to conduct its affairs that other companies seeking to rival its new business will find that they cannot do so without exceeding its expense rate, or if they strive to equal its economy they will fall below it in new business." There is no evidence here that the mad race is to be given up; on the contrary, the indications are that the Society has no intention of forsake its well known ambition in this direction. The challenge thrown out is a peculiar one of a double-barrelled character. It really means that if the Equitable loses on the score of new business, its expense rate will be lower than those of its successful competitors, or if it loses in the matter of economy it will be able to show a larger volume of new assurances. This looks a little too much like "heads I win, tails you lose."

**LIFE ASSURANCE REFORMS.**

**STATEMENT OF ACCOUNTS.**

In our last issue, in dealing with the above subject, we pointed out how the "new cash premium income" of many of the companies is swollen by questionable methods of book-keeping. A somewhat similar operation is gone through for the purpose of increasing the "renewal cash premium income." We believe this is not done to the same extent as in the case of "new premiums," principally, we presume, for the reason that, as the expenses on renewal receipts do not average over five or six per cent., the maximum inflation of the account which would be practicable would not effect any appreciable reduction in the expense ratio. The following are the items which in our opinion should not be included in this account:—(1) annual dividends declared on "annual dividend" policies and applied to reduce renewal premiums; (2) the difference between "without profit" and "with profit" premiums on policies issued on the former plan; (3) the difference between "reduced premiums" on "anticipated dividend" plans and full tabular premiums on policies issued on the former plan; and (4) the total surplus earned

each year by "deferred dividend" assurances. The practice of treating these as renewal premiums is just as misleading and indefensible as the piece of accountancy legerdemain previously explained.

The item, "cash received for annuities," we find is also inflated by including therein (1) the assumed purchase amount of annuities taken by assured in lieu of paid up or cash values on matured policies; and (2) the difference between the amount of cash paid on instalment policies becoming claims and the gross amounts for which the company is liable by subsequent annual or other instalments, it being assumed that the beneficiaries took the present values of the future instalments, and with such amount purchased an annuity. In both the above cases the company assumes that new transactions have been entered into, which is not the case, the payment of the instalment being part of the original contract for which the company has already received the full premium. The effect of the operation of course is to nominally reduce the annuity expenses below the actual ratio, and thereby to hide the real cost of the business.

The account, "cash received for interest," is also swollen in the case of some companies by the inclusion of the following items:—(1) interest on mortgage loans where such has not been paid by the mortgager, but instead has been simply debited the original loan and credited to interest account; (2) interest on bonds and dividends on stock which are in arrear through default in payment, the amount being credited to "interest account," and included in the assets under the heading of "accrued interest;" (3) interest on notes taken for premiums or loans on policies, where no interest has been paid in cash by the maker or borrower; and (4) profit on the sale of securities, etc., which is not an interest receipt at all.

In regard to "rents received," we find that in many cases abnormal amounts have been fictitiously credited to this account, and debited "rents paid" for such portions of buildings owned by companies as are occupied by themselves. For example, a certain company charges itself and credits "rentals received" with \$50,000 per annum for premises that less than \$30,000 would purchase outright. Gross instead of net rentals are included, and as the former average about double the latter, the ratio of rents received to values is increased in a like proportion.

The "balances of assets brought forward" from one year to another do not escape the ingenious hand of the expert accountant. A favorable mode of treatment is adopted, by which a certain sum is deducted from the assets of the previous year, and a reduced amount carried forward to the new year. The amount so "knocked off" is made up of either expenses or loss on real estate or other securities, both of which should have gone through the expenditure account of the year. In this way, if a company desires to reduce its expenses, all it has to do is to eliminate from that account such sum as may be agreed upon, and make a deduction from the assets accordingly. As regards the second operation, as companies are only too glad to include in their

income account "profits on securities sold," it would only be consistent for them to include in their expenditure account the "losses on sale of securities," and it is misleading to the public and the policy-holders to do otherwise.

#### THE EARLY CLOSING MOVEMENT.

We wish it to be distinctly understood that we are heartily in sympathy with those who desire to shorten the hours of labor for many of the toilers of our Canadian Babylon, and that anything we may say in this article is not in opposition to such shortening of the working day, but merely as objecting to the method proposed to be adopted for the attainment of that end. Personally we should rejoice to see all our citizens both young and old, of either sex, finish their daily employments not later than six in the evening, just as we would wish everyone to have at least a fortnight's annual holiday, and their wages such that they could seek the most healthy resorts to recuperate their energies with no anxiety as to meeting their weekly bills. But the means to be used to bring about this happy state of affairs is a decidedly more complicated matter, and one which, for many reasons, we do not believe lies within the province of legislation.

To begin with, there is, as in all large towns, a very large proportion of our population who, from the nature of their occupations, are obliged to do their marketing in the evenings, and to whom it would be a positive hardship if the stores were closed at the hour named. Not only this, but many of those stores in that case would lose their custom, and be forced to shut down, thus throwing a considerable number out of employment. Then it will be allowed that there is a certain amount of work to be performed in offices and stores, which at present is a question of arrangement between the employer and the employees, and many of the latter, feeling sure that a little extra willing industry will meet with its reward sooner or later, are ready to devote an hour or two more time in the hope of future advantage. If, however, the law steps in to regulate the length of day, the employer on one hand would find that his business must be curtailed, or that more hands would be necessary, entailing a reduction of wages *per capitum*, while on the other hand the industrious employee would be deprived of the spur to extra exertion and be lowered to the common level. Again, there would be a more serious result from this kind of paternal legislation, namely, the destruction of that independence of individual action, which, we are sure, is as dear to those who labor as to those who employ. Is there one among our citizens so devoid of manhood or womanhood, that he or she would desire the law to dictate to them the exact number of hours they shall work, and would they not much rather take the matter into their own hands? The first appears to us to be servitude, the latter freedom. Nay, to carry the proposed legislation a step further, what is to prevent the law enacting that it is necessary for the welfare of the citizen and his digestion that he should have the hour between twelve at noon and one o'clock to enjoy a square meal or fixing the rate of wages to

be paid. As Macaulay aptly puts it in one of his essays: "There is surely no contradiction in saying that a certain section of the community may be quite competent to protect the persons and property of the rest, yet quite unfit to direct our opinions or to superintend our private habits." And, again, the same writer, in criticizing "a paternal or, in other words, a meddling government," remarks that "there is no reason to believe that a government will have either the paternal warmth of affection or the paternal superiority of intellect." If we recollect rightly, we have quoted part of the above before, but the words are well worth repeating.

There is another reason why we deprecate the early closing movement being brought about by, and made dependent upon, legislation, which is, that it is an interference with trade, and that the latter essentially belongs to the people themselves, any intermeddling with which will only result in disorganization. It is the people who are the traders and who make the trade—both employers and employees, and therefore to them alone belongs the right to regulate the same. It would be a grave mistake if they gave up that right and allowed themselves to be treated as either children or machines.

They are competent and manly enough, we take it, to manage their own affairs, making such arrangements as may be practicable without attempting the impossible. We have no faith in the creed which regards "an Act of Parliament" as a "cure all" for any and every social ill. Legislation, as a remedy for all the ailments of the body politic, is too often like the quack's panacea—more to be feared than the disease itself—and in that light we regard the proposal under notice. Briefly, it is open to two unanswerable objections, viz., first, it would restrict business and reduce the earning capacity of the employees themselves, and, second, it would be an unwarrantable interference with individual liberty, the exercise of which, so long as it does not infringe upon that of others, or become a danger to the State, is the dearest right of civilized man and the lifeblood of a civilized nation.

The "Old" Equitable of England is rather unique among the life institutions of the world. The oldest of all, it still adheres in some respects to methods of half a century ago. "The Equitable has no re-assurances, has never paid commission for the introduction of business, or employed agents; and, being a purely mutual office, has no shareholders,"—such is the foot-note appended to its revenue account for last year. Needless to say, its new business is small and its expenses are very low; the former was represented by 228 policies assuring \$2,221,250, with net premiums of \$56,500, and the latter were only 7.1 per cent. of the premiums and 3.7 per cent. of the total revenue. So called "progressive" companies, which go to the other extreme, and assessment concerns, which, like a certain myth, are supposed to live on "new blood," will please note the following "death roll" of this antiquated "old liner" after a century's existence:—Average age at death, 73¼; sum assured paid to claimants, \$546,500; bonus additions thereto (excluding \$70,110 commuted to cash), \$606,400, the total representing more than double the total premiums paid, and 223.8 per cent. of the sum assured. In 11 cases the reversionary bonuses exceeded double the amount of policy, and in 40 cases they exceeded the original sum assured.

FIRE LOSSES IN CANADA FOR MAY, 1894.

DATE	LOCATION.	RISK.	TOTAL LOSS.	INSURANCE LOSS.
May 1	Montreal. ....	Electric Light Sta.	\$75,000	\$ 3,000
1	London. ....	Farm property. ....	1,500	None.
1	Greenville. ....	Store & Dwelling. ....	2,500	1,400
2	Brampton. ....	Gas house. ....	3,560	2,000
4	Halifax, N.S. ....	Hotel. ....	5,000	1,400
4	Hamilton. ....	Farm property. ....	2,500	None.
4	Montreal. ....	Dwelling. ....	1,000	1,000
4	Wingham. ....	do. ....	1,800	1,200
4	Collingwood. ....	Steamer "Truant."	2,500	2,100
4	Pargo. ....	Station. ....	1,000	1,000
6	Nanaimo, B.C. ....	Electric Light Station and carriage works. ....	50,000	33,000
6	Montmagny, Que.	Saw Mills. ....	20,000	None.
6	Port Perry. ....	Hotel. ....	2,000	1,600
6	Calumet. ....	Steamer "Dauntless" ....	25,000	15,000
7	Montreal. ....	Stables. ....	1,000	1,000
7	Stayner. ....	Hotel. ....	8,000	7,500
7	Ottawa. ....	Hat fur store. ....	7,000	3,000
8	Cote St. Antoine.	Dwelling. ....	4,000	3,700
6	Toronto. ....	Brick Works. ....	1,500	None.
8	Bowmanville. ....	Stores. ....	2,500	1,500
8	Menford. ....	Dwelling. ....	1,000	1,000
9	Montreal. ....	Dwelling Stores. ....	12,000	8,000
9	Montreal. ....	do do. ....	3,000	2,000
9	Kingsey Falls. ....	Paper Mills. ....	75,000	70,000
10	Sillery, Que. ....	Stores. ....	4,000	2,500
10	Middleton Tsp. ....	Hotel. ....	2,000	1,700
10	Pierson, Man. ....	Elevator. ....	12,000	10,000
10	Cobourg. ....	Hotel. ....	6,000	5,000
10	Brownsville. ....	Farm property. ....	2,000	1,200
10	Toronto. ....	Saw planing mill	20,000	11,000
11	Sutton, Que. ....	do do. ....	3,500	2,000
12	Louisville. ....	Store. ....	1,500	1,200
14	Toronto. ....	Dwelling. ....	25,000	23,000
14	Aylmer. ....	Farm property. ....	3,000	1,700
14	Winnipeg. ....	Stores. ....	20,000	10,000
17	Shawbridge. ....	do. ....	15,000	8,000
15	Leamington. ....	Dwelling. ....	1,500	1,000
15	Montreal. ....	Provision Store. ....	10,000	6,000
16	Oakville. ....	Tent & Tarpaulin works. ....	3,500	2,500
16	Hamilton. ....	Store. ....	2,000	1,700
16	Nr. Peterboro. ....	Flour mill. ....	2,500	1,700
16	Teeswater. ....	Saw Mill. ....	5,000	1,500
18	Richmond, Que. ....	Stores. ....	1,500	1,200
18	Ameliasburg. ....	do. ....	7,500	5,000
18	Berlin. ....	Farm property. ....	3,000	1,000
19	Athens, Ont. ....	Stores. ....	5,000	1,000
20	St. John, N.B. ....	do. ....	50,000	35,000
21	Montreal. ....	Stables. ....	1,200	1,200
23	Montreal. ....	Stores. ....	24,000	15,000
24	Amherst, N.S. ....	Dwellings. ....	4,000	3,500
26	Fergus. ....	Engine house. ....	2,000	1,700
26	Blenheim. ....	Farm property. ....	3,500	3,500
26	Plessisville. ....	Hotel. ....	7,500	6,000
26	Montebello. ....	Store. ....	5,000	3,400
26	Rockland. ....	Dwelling. ....	1,000	1,000
29	Quebec. ....	do. ....	1,500	1,500
30	Durham. ....	do. ....	1,200	1,000
			\$ 578,200.	\$373,100

SUMMARY FOR FOUR MONTHS.

	1893.		1894.	
	Total Loss.	Insurance Loss.	Total Loss.	Insurance Loss.
For January. ....	\$402,000	\$301,900	\$391,300	\$269,600
" February. ....	722,800	449,100	598,800	276,350
" March. ....	671,030	533,830	352,000	193,000
" April. ....	661,990	501,700	746,400	470,000
" May. ....	310,500	197,400	578,200	373,100
Totals. ....	\$2,778,230	\$1,983,930	\$2,666,700	\$1,582,050

**ABOUT BIG AND LITTLE COMPANIES.**

It is not uncommon to hear nowadays the not altogether original remark, when the fire insurance situation is under consideration, that there are altogether too many companies. That is true, no doubt, and it is also true that there are a good many more people than there ought to be, apparently, in some parts of the world, just as there are too many stores and factories and railways and churches, and a long list of other superfluous things in this world. Of the right kind there are, however, none too many men and women, nor of mercantile and manufacturing enterprises, of churches and schools, and railways and insurance companies. Whatever is properly designed to meet the wants of society in any of its multifarious phases deserves to thrive, if judiciously conducted with strict reference to its original design. The only true passport to success for any enterprise legitimately launched is capable and honest management. In this age of fertile invention and rapid achievement we have come to measure things by a standard of bigness rather than of fitness, and the man or the enterprise that can get up the biggest "boom" and cover the most space in a particular arena is apt to marshal the crowd around his tent. Commercial enterprises are handled on a large scale, and large as they are, seek more and more to augment their bigness by forming "trusts" big enough to compel tribute if not admiration.

Very naturally, and very properly, fire insurance indemnity has to be offered on a large scale in the centres of commerce, and large insurance corporations, backed by many millions of money, are a necessity of the period, and there are none too many of them either. Neither are there too many small companies, provided they are of the right kind. The trouble is that there are numerous small companies of the wrong kind,—weaklings which have both a paucity of assets in the treasury and of brains in the management. Experience has long ago demonstrated what the inevitable outcome will be for a half-million-dollar company which undertakes to cover half a continent and imitate the methods of a ten-million-dollar one. The disaster which has overtaken so many companies of this class does not demonstrate, however, that none but giants can or ought to live. Experience shows the contrary to be true. Successful fire underwriting does not necessarily depend upon large capital and mammoth assets, but rather upon their employment. The success of any company, great or small, depends upon the assumption of risks in proportion to resources and upon the character of the risks and size of the rate, associated with economy and business tact in the management.

Soundness is not synonymous with size in fire insurance, any more than it is in other business enterprises. That company is most successful which manages to continuously show the largest margin between income and outgo. A company in the possession of half a million dollars of sound assets which saves an annual average of fifty thousand dollars as the result of its underwriting is a better company and has a bet-

ter right to live than one which with five millions saves only two hundred thousand. The business of the country, it is to be remembered, is not all done in the large cities. The flourishing town, the thriving village and the quiet hamlet, all have need of insurance protection, and present a field for the small, well managed company, quite as safe and manageable as the field dotted over with "target risks" and occupied by the big companies. But facts are what count rather than theorizing, and in order to exhibit facts from the record, for eight years, we have compiled the following table, embracing three groups of companies in the United States, "sized up," and showing the trading results of the underwriting:—

TEN LARGEST COMPANIES.

NAME OF COMPANY.	When Organized.	Cash Capital.	Assets in 1893.	Premiums Rec'd., 1886 to 1893.	Losses and Expenses to Premiums, 1886 to 1893.
		\$	\$	\$	
Aetna, Conn....	1819	4,000,000	10,807,666	25,015,515	83.10
Continental, N.Y.	1852	1,000,000	6,433,171	20,221,204	98.82
German-Amer., N.Y.....	1872	1,000,000	5,997,403	20,176,407	98.13
Hartford, Conn.	1810	1,250,000	7,378,092	24,182,484	90.31
Home, N.Y....	1853	3,000,000	9,008,834	35,099,097	99.89
Ins. Co. N.A., Phila.....	1792	3,000,000	9,432,250	34,885,357	98.54
Liv. Lond. and Globe.....	1836	.....	*8,598,271	36,150,657	93.20
Phenix, Brooklyn.....	1853	1,000,000	5,903,963	33,203,949	101.80
Phenix, Hartford.....	1854	2,000,000	5,494,044	21,501,651	95.45
Royal, Eng....	1845	.....	*7,409,631	28,139,935	94.43

\*Assets in United States.

TEN SMALL COMPANIES.

	Organized.	Capital.	Assets 1893.	Premiums 1886-1893.	Loss and Expense Ratio 1886-1893.
		\$	\$	\$	
Albany, N.Y....	1811	250,000	428,065	725,452	97.32
Concordia, Wis.	1870	200,000	695,050	2,966,785	99.60
Farmers, Iowa.	1850	100,000	516,643	1,659,662	95.00
Forest City, Ill.	1874	100,000	300,069	903,311	78.00
German, Pittsburg.....	1862	200,000	514,916	1,855,487	99.80
Granite State, N.H.....	1885	200,000	577,178	2,734,766	95.72
Lumbermen's, Phila.....	1873	250,000	947,278	877,190	92.00
Reading, Pa....	1867	250,000	717,720	1,931,567	98.73
Rockford, Ill....	1866	200,000	1,001,741	3,094,984	92.32
Teutonia, New Orleans.....	1871	250,000	495,710	1,645,367	94.51

TEN MEDIUM SIZED COMPANIES.

	Organized.	Capital.	Assets 1893.	Premiums 1886-1893.	Loss and Expense Ratio 1886-1893.
		\$	\$	\$	
Agricultural, N.Y.....	1853	500,000	2,312,676	6,708,080	99.00
American, N.J.	1846	600,000	2,342,939	3,671,322	90.92
American Central, Mo.....	1853	600,000	1,572,303	4,961,275	99.24
German, Freeport, Ill.....	1865	200,000	2,918,479	10,624,972	97.53
Glens Falls, N.Y.	1849	200,000	2,249,553	4,482,458	94.25
Milwaukee Mechanics.....	1852	200,000	2,000,009	4,902,999	93.62
New Hampshire Fire.....	1869	800,000	2,162,564	6,086,510	92.15
Northwestern Nat., Wis....	1869	600,000	1,633,979	4,518,562	92.50
Prov.-Washington, R. I.....	1799	400,000	1,217,302	8,212,355	99.52
St. Paul F. and M., Minn.....	1865	500,000	2,101,154	9,112,041	97.24

In the class of small companies it will be noted that those selected have, with a single exception—the Granite State been in the field from twenty to eighty years, and have consequently been well tested. It would be

easy to select twice as many more, some a little smaller and some a little larger than the above, from American companies, showing quite as favorable a record as the one presented; while of the "medium-sized" companies, there are a good many not here given which compare favorably with the average of the three classes noted. A comparison of the individual companies in the three classes shows that the result of the eight years underwriting has been wonderfully uniform. The big companies have been managed with ability, and underwriting brains of the best quality have shaped their methods, but quite as great ability has evidently been displayed by the small and by the medium-sized companies, for they have achieved equally favorable results. The managers of these companies have known where and when to limit their operations and how to appreciate the lesson of the old couplet:—

"Larger vessels venture more,  
But little boats should keep near shore."

The fact is, great and small companies are relative terms in fire as they are in life insurance, the real greatness of any company consisting in its ability to furnish sound indemnity for a continuous period and to make money for its stock-holders. For that class of companies, either present or prospective, there is ample room. In the "survival of the fittest," so glibly talked about, experience has shown that the comparatively small companies must have had a pretty good degree of fitness.

#### ACTUARIAL COLUMN.

The present position and future scope of the actuarial profession in its relation to life assurance business was recently made the subject of an article in the *Insurance Observer* of London, from which we quote as follows:

"As life insurance becomes more popular, there is a perceptible tendency to relegate the actuary to a position of relatively less importance, though still actually equal to any he has yet occupied. There was probably never a time when leading life officials were so well paid or held a higher social position than at present; this is a natural consequence of the great growth of the business and of the rank held by the life insurance companies among the financial institutions of the time. But while formerly the actuary usually held the supreme position in each company—a fact attested by the making of each manager a member of the institute of actuaries by virtue of his position in each company—slowly, but surely, the duties of the actuary are becoming more and more confined to the theoretical side of the business. As a designer and examiner, his work is of more importance than ever, but the actual management of the business is passing with some rapidity into the hands of men chosen for their business and not their mathematical qualifications. This is not to be regretted. The scholar is not as a rule the best business man, and the growth of the investment view has attracted to life insurance a volume of business that needs to be dealt with as much on the lines of Lombard street as of Staple Inn. The very intensity of competition and the constant endeavor to progress in the matter of volume of business and amount of bonus renders it the more necessary that the actuary should keep a more careful eye than ever on the first principles of soundness and safety. This he can best do if uninterrupted by the daily ambitions and anxieties

inseparable from a manager's position. Therefore we are glad to note the trend of the time; all the more so, as the circumscribing of the actuary's duties is the safest method of maintaining the dignity of the actuarial profession."

We beg to differ from the views expressed by our contemporary. The tendency of the times may be as stated so far as America is concerned—a fact which, in our opinion, is to be regretted,—but we doubt whether it is so in the case of the mother country. A glance at the names of the leading life assurance officials will show that the management of British offices still remains in the hands of actuary-managers practically as much as ever. It is true that the profession now contains a larger number of members holding minor offices than in former years, but it should not be forgotten that the rank has been considerably added to of late by the admission of many young men without the necessary business experience to qualify them for higher official positions. Moreover, there has been no corresponding increase in the number of companies, and hence new members have had to accept such actuarial and other positions as have offered from time to time. The position our contemporary takes up as to the proper sphere of the actuary in the life assurance world appears to us to be an unsound and inconsistent one. The value of the actuary does not lie merely in his theoretical knowledge, but also in his practical application of it in the every-day business of a company. The pure theorist—what the *Observer* calls a "scholar"—is liable to be a source of danger rather than safety as a practical adviser to any financial institution, and we decline to recognize such a man as a competent actuary. The actuaries who have been universally regarded as authorities in their profession have, with singularly few exceptions, been those who have had the advantage of a good business experience in some life company. Instead of dissociating the actuary from the practical management of an office, we think it would be distinctly in the interests of the business if he were more closely and intimately identified with it than he usually is, on this continent at least. The business would then probably be conducted upon more sound and conservative lines than it now is. Our contemporary is mistaken in supposing that the real danger alluded to will be best kept in check by relegating the actuary to the performance of purely technical duties. We venture to assert that if the present unjustifiable policy, inaugurated by the managers of American companies, of striving after abnormal growth, were submitted to any body of competent actuaries, it would not meet with their approval.

The interests of policy holders would be better served by a more faithful recognition and observance of the scientific principles upon which the business is based, and the granting of a larger voice to actuaries in the policy and general management of companies is one of the means best calculated to bring about such a desirable condition among life companies. This would not necessarily entail any loss of professional or at least real "dignity;" on the contrary, it would tend to elevate that of life assurance business generally



**THE LIVERPOOL & LONDON & GLOBE INS. CO.**

When times are prosperous and fire losses are light, it is not a very difficult task for the underwriter of average ability to report satisfactory progress and reasonable profits upon his company's business. In years of general depression and abnormal fire hazard, however, such as have been experienced of late, it is no mean achievement for a company to be able to maintain its position and show no retrogressive movement in results. Few indeed have succeeded in doing this during the past few years, and among these stands out prominently the Liverpool & London & Globe. There are some financial institutions which, from their past history, may be confidently expected to pursue their onward course of progress in spite of the most adverse circumstances, and the above company is one of these. From a year unprecedented for fire losses since the disastrous conflagration of Chicago, the Liverpool & London & Globe emerges with an exhibit showing an increased business and a larger trading profit than it has done for some time. Such a gratifying result could have been attained only by conservative but progressive methods and increasing care and watchfulness, and cannot fail to add to the enviable reputation of the management and increase the wide popularity of the company and the confidence reposed in it by the public. The steady progress and uninterrupted prosperity of the company emphasizes a lesson which is too apt to be forgotten in unfavorable times like the present, and that is that fire insurance, properly conducted, is a scientific business. In the fire department the net premium income amounted to no less than \$8,141,120, an increase of \$215,415 over the preceding year; and the losses, inclusive of provision for claims up to the close of the year, were \$5,352,925, the ratio being almost the same as in 1892. The company's affairs are always managed with economy, and it is gratifying to note that the expenses and commission for the year, which amounted to \$2,433,470, show a reduction of nearly one per cent. in the ratio upon premiums. The net result of the fire operations was that the sum of \$224,770 was carried to profit and loss account, and \$130,000 transferred to the re-insurance fund, which now amounts to \$3,700,000 in addition to the general reserve of \$6,500,000, making in all \$10,200,000.

In the life and annuity department the results were extremely satisfactory. The new business was represented by 751 policies for \$2,124,335, the new premiums on which amounted to \$68,430, in addition to which 253 annuity bonds were issued for \$12,447, the purchase money for which reached the large sum of \$712,070. The total premium receipts amounted to \$1,848,070, and the total income from all sources \$2,749,315. Of this, \$1,179,940 was paid in death and maturity claims, \$683,995 was disbursed to policy-holders in other ways, and after paying all expenses and carrying forward \$443,735 to profit and loss account and \$9,365 to Globe annuity account, the substantial addition of \$304,865 was made to the life and annuity funds, which now amount to \$17,128,790 and \$5,154,075 respectively, or \$22,282,865 in all. The prudence and foresight which

have marked the management of the company's fire business are also evident in the direction of its life department. In view of the tendency to a decline in the rate of interest on first-class investments, the company's policy reserves were raised in 1888 from a 4 to a 3½ per cent. basis, and on this occasion, the close of another quinquennium, these were again strengthened by the adoption of a 3 per cent. valuation for all policies except annuities, which were calculated at 3¼ per cent. Such a change would be a severe test to the resources of most companies, but the Liverpool & London & Globe has been able to take this step and at the same time to maintain its bonuses to policy-holders at the same high rate as in 1888, viz., 35s. per cent. per annum on the sum assured, in addition to paying intermediate bonuses on claims which fell in during the quinquennium. After payment of such satisfactory profits, there still remains a surplus of \$878,250, of which \$443,735 is still left in these funds, and the balance, \$434,515, carried to profit and loss account. The additions from all departments increased this account by the large sum of \$1,198,595, bringing it up to \$3,728,110 at the close of the year. The net result of the company's total transactions was the declaration of a dividend of 18s and a bonus of 12s per share—in all, 30s per share free of income tax, of which an interim payment of one-third was made on account on 22nd November last. In view of such a showing in such a trying year, it is no wonder that the company's £2 shares are quoted in the stock market at 46½. The total funds, as may be seen from the annual statement printed elsewhere in this issue, amounted on 31st December to the magnificent sum of \$42,032,025. With such enormous resources, and a record unbroken and unsurpassed in its prosperity, the company stands forth as a splendid specimen of successful underwriting in both of its branches. Since it entered the Dominion, just forty three years ago, the company has deservedly won a very large share of the patronage of Canadians. In the year under notice its Canadian branch had \$49,021,658 at risk on its books, received \$323,872 in cash premiums, and paid \$281,337 in losses. The company is a large investor in Canadian securities, its total local assets aggregating about \$1,500,000, a fact which entitles it to reciprocal confidence and liberal support at the hands of Canadians. Its large and increasing business here is under the charge of Mr. G. F. C. Smith, to whose able management much of the company's progress and popularity is due.

**Trust vs. Proprietorship.**—Some wholesome truths were opportunely spoken by Mr. Robert C. Ogden at the annual banquet of the Philadelphia Association of Life Underwriters, amongst others the following: "The life assurance company is the paid trustee of the assurer, and it simply holds the property of the policy-holders under a scientific contract for their benefit. You cannot take out what does not go in. The time has passed in which assurance business can be built up upon the ignorance of the assurers. Throughout the whole range of life assurance management, from the humblest solicitor to the greatest presiding officer, the moral responsibility and the sacredness of the trust should be constantly emphasized. It should be remembered that the thought of proprietorship should never absorb that of trust."

### ONTARIO MUTUAL LIFE ASSURANCE COMPANY

The twenty-fourth annual report of the above Company, which will be found elsewhere in this issue, shows that the prudently progressive policy which has characterized its history in the past is being continued with increased results. In spite of the temptation to fall in with the too common tendency on the part of companies nowadays to indulge in showy parade at the policy-holders' expense, the management of the Ontario Mutual have consistently adhered to the sound and sensible course of building up the Company's resources by normal as distinguished from forced growth. By so doing, the Company has been able to present a record which, if unchecked by any startling ephemeral display, is marked by solid, enduring and continuous progress. The year 1893, although a period of depression generally, proved a successful one for the Company, as will be seen from the following comparative statement:

	<i>Financial Movement</i>		Increase (+) OR Decrease (-)	
	1892.	1893.		
	\$	\$		\$
Premiums (net)....	503,389	512,518	+	9,129
Interest, etc.....	111,562	113,691	+	2,129
Total income.....	614,951	626,209	+	11,258
Payments to policyholders..	216,337	212,828	-	3,509
Expenses.....	106,968	117,761	+	10,793
Total outgo.....	323,305	330,589	+	7,284
Excess of income over outgo .	291,646	295,620	+	3,974
Total assets.....	2,235,384	2,570,821	+	335,437
Policy reserves & other liabilities	2,068,454	2,355,268	+	286,814
Surplus over all liabilities ...	166,930	215,553	+	48,623

#### *Movement of Policies.*

No. of new policies taken....	1,991	1,941	-	50
*Sum assured thereunder.....	2,651,000	2,780,230	+	129,230
No. of policies in force....	12,445	13,496	+	1,051
*Sum assured thereunder....	\$16,058,117	\$17,683,029	+	\$1,624,912
Total assurances terminated..	1,412,139	1,300,451	-	111,688
*Excluding re-assurances and assurances not taken.				

It will be noted that expansion is shown in nearly every desirable direction. Premium receipts amounted to \$512,518, interest to \$113,691, and the total income to \$626,209, an increase of \$11,258 over that of the preceding twelve months. On the other hand, the disbursements to policy-holders, \$212,828, were slightly less than in 1892, due to a smaller amount of endowments having accrued for payment. The expenses, which totalled \$117,763, were higher than in the previous year, partly owing to the increased new business secured, but they still represent only about 23 per cent. of the premium receipts. This ratio is comparatively a conservative one in these days of keen competition, and will doubtless be reduced as the renewal income expands and the times improve so as to admit of business being procured at less cost. The total out go, therefore, was \$330,589, or only \$7,284 more than in 1892, leaving a balance of \$295,620 as a substantial addition to the funds out of the revenue for the year. The claims by death in 1892 were reported to be very light, and it is satisfactory to learn that those for the past twelve months were almost of the same amount, notwithstanding the increased sums at

risk. The net result of the Company's operations is that it commences the present year with 13,496 policies on its books, assuring \$17,683,029, to provide against which it holds, \$2,570,821 of assets, of which \$2,355,268 is reserved for policy and other liabilities, leaving the handsome surplus of \$215,553, an increase of \$48,623 over the corresponding item for the previous year. The rate of interest realized, as might have been expected was not so high as in 1892; but in this connection we gather from the President's remarks that the Company is wisely exercising a careful selection in its investments in view of the depressed state of the property market. A striking feature of the report is the success attained in the retention of the business, as shown by the fact that the terminations from all causes were actually less than in the previous year, although the business on the books was much larger. Taken all together, the report exhibits very satisfactory progress, and shows that the Company's affairs are carefully and economically conducted. The present gratifying position of the Company reflects much credit upon its veteran manager, Mr. Wm. Hendry, under whose prudent guidance, ably assisted by Mr. W. H. Riddell, the secretary, it has been attained.

## The Banks.

### THE BANK OF MONTREAL.

The marked tones of caution and confidence which characterized the report of the Bank of Montreal in 1893 were shown by the year's business that succeeded—the year just closed—to have been remarkably appropriate to the situation as it stood and as it developed. The full force of the financial storm struck the States shortly after the meeting of 1893, the need of the time was caution, by which policy disaster was averted from Canadian banks. That confidence was fully justified has been shown by our emerging from that critical period comparatively without damage. There is a disposition on the part of some to complain of the severity of the policy of this bank. But, it must be remembered that it stands like the fort at the entrance of a harbor, holding the key of the defence. Being so placed, the Bank of Montreal must "hold the fort" at all risks—a duty it discharged with much credit during the menacing crisis of last year. The business of the year yielded net profits of close upon 11 per cent., which provided the usual dividend of 10 per cent. and a sum to add to Rest, which now stands a \$6,804,715, or 56.70 per cent of paid up capital. No further details are needed to show how excellent was the management which produced such a result out of most trying and adverse conditions. The address of Sir Donald Smith was, as usual, a lucid sketch of the past financial year. Two of his facts were that the United States bank clearings for first four months this year were 7 millions, or 31 per cent. less than same period 1893, and that the Melbourne bank clearing in 1893 were 55 per cent. lower than the figures for 1890. He looked upon our falling imports as evidence of prudent buying, which it is, but its root cause is the

slackness of sales in retail stores owing to low receipts for farm products and a general want of activity in our industries. Sir Donald has a happy way of putting things in the most favorable light, while at the same time he is advising prudence and preparedness for contingencies. The General Manager, Mr. Clouston, made a terse, weighty address, in which he presented the same picture as the President had painted, but in more sombre colors. He frankly admitted that the increase of the deposits of the bank was not caused by an inflow of public money in the ordinary sense, as some writers assumed, but were "special deposits," thus directly endorsing what we recently said must be the case from the logic of facts. He again raised a warning to Governments to stop borrowing, in which they, in Mr. Clouston's judgment, have been too free.

The first time the Bank of England suspended cash payments was owing to a Government loan, and the lesson is good for all time to our rulers and to bankers. The necessity for restraining municipal borrowing has been shown in this city,—indeed, we are disposed to think Mr. Clouston intended his warning on that score to be locally applied; the cap fits Montreal as well as if made to order. His hints to some of the weaker banks not to conduct their financing with the idea that when trouble comes they will be supported by stronger ones is worthy their serious reflection; it means more than is on the surface. Upon the results of last year's operations the Bank of Montreal—indeed, the whole country—is to be congratulated.

#### THE CANADIAN BANK OF COMMERCE

We anticipate the annual meeting of this bank by a few words upon its general statement. The net profits made were \$528,095, the same within a small fraction as in 1892, when business was not disturbed as it was last year by panic in the States and uncertainty as to the Tariff, and when the agricultural income of the country sustained a larger volume of trade. The net result then of the year just closed must be regarded with eminent satisfaction, it can hardly have been looked to be so profitable. The usual 7 per cent. dividend was provided for, after paying which \$100,000 was added to the Rest account, which now stands at \$1,200,000, a reserve which, under the very able management of Mr. Walker, the general manager, aided by his efficient and prudent staff of local managers, will continue to expand year by year. Since 1892 the deposits of this bank have increased, and the loans and discounts have gone up one and a half millions. Along with other banks, the circulation at end of April was lower than usual, from less currency being needed when prices are low and trading operations inactive, still, the volume of it was only quarter of a million less than in the more busy year 1891-92. Since then the bank has withdrawn \$1,167,334 from use in the U. S. market. In General Manager Walker's valuable address before the Bankers' Congress at Chicago, he said: "If in any country banking has been left to develop itself in accordance with the requirement of trade, that country has been fortunate." This has been and is the case

with the Bank of Commerce: it has had no adventitious aids or connections other than those of trade, its success then in such a year as 1893, when the financial world was quaking with fear, when trade was under a cloud, is all the more creditable to those who brought this institution through so violent a storm without a spar being started or a sail rent.

#### THE MERCHANTS BANK OF CANADA.

The last statement of this bank, accompanied by the increase of dividend for past half year, makes it hard to realize what were the conditions of banking in the period which produced such satisfactory results. It reminds us of the habit of Irish "low-backed car" drivers, who, however the horse may be fatigued by a long drive over a bad road, always make the last half mile at a gallop, to show that the strain has not taken so much out of the animal as some might fancy would be the case. The somewhat jubilant tone of several bank reports is no doubt caused by a reaction from the state of fear which depressed bankers so long last year. The Merchants made net profits of \$630,903 last year, out of which it paid one dividend of 7 per cent. and one of 8, the balance of \$100,000 being added to Rest, which now amounts to 50 per cent. of the paid-up capital, a ratio which points to a maintenance of the raised rate of dividend, if it is not regarded as a point which justifies increase beyond that figure. We note that its circulation fell below that of 1893 at same date, by the same amount as the Bank of Commerce; but as a result of the cautious policy made necessary by the disturbances in the States, and of the decline in general activity, the loans of the bank were reduced. Having had to contend with such adverse conditions, we regard the statement of the Merchants Bank as highly satisfactory, and as further evidence of the skill and prudence which has brought the institution, from a state bordering upon collapse, to a very high degree of prominence and strength.

#### THE BANK OF TORONTO

The statements of this Bank ran on a high level—its prestige is high, so too are its Rest, its profits and its shares. Priding itself on its conservative policy, such a year as that just closed would tell more unfavorably on the Bank of Toronto than some others; but it made enough net profits to pay a dividend of 10 per cent., and increase the credit balance of profit and loss by \$47,185. This bank keeps up an exceptionally high proportion of "assets immediately available," especially in Specie and Dominion notes, its holdings of which are the highest, in proportion to capital, of any in Canada. The discounts, \$10,960,918, are over five times the capital, about 70 per cent. of these being provided for by deposits at notice, the average of the balance of those banks having headquarters at Toronto being 54 per cent. The Rest is \$1,800,000, equal to 90 per cent. of the Capital; had the year been less disturbed they would have made both of equal amounts, as was hoped. But we may say to Mr. Gooderham, the president, and Mr. Coulson, general manager, "better luck next time," as we know they are anxious to raise the Rest to the same figure as the Capital.

**THE QUEBEC BANK STATEMENT.**

The Quebec Bank made \$22,072 more than was needed to pay its usual dividend of 7 per cent., which though a somewhat less rate of profit than some other banks, must be regarded as satisfactory when all the conditions affecting banking last year are considered. The bank enjoys the use of a very large amount of deposits payable after notice, \$6,119,515, which constitute two-thirds of its discounts, a proportion which, with the careful policy now characterizing the Quebec Bank under Mr. Stevenson, will doubtless give far better results when business is restored to greater activity, and the need for such strict caution places less restrictions on business. The bank is evidently working a less profitable field than those in other districts, as its circulation is so low compared to the gross volume of business sustained by its loans, a feature which, of course, is not favorable to profit making. The Rest is \$550,000, and contingent fund \$83,739, a total which in better times will grow, as if more than the dividend can be made in a very bad year, there will be a surplus when the present cloud over business is lifted.

**THE EASTERN TOWNSHIP'S BANK MEETING.**

This bank finds it an advantage to have a rich farming district so closely associated with manufacturing industries. The dairying interests of the Eastern Townships have been so largely, and very successfully, developed as to give a prosperity and steadiness to agriculturalists which has told favorably on local banking, during a time when general business was depressed and manufacturing interests disturbed by financial troubles across the line, as well as by an unsettled Tariff. Hence the net profits of this bank show an increase last year, leaving enough to pay a 7 per cent. dividend and add \$30,000 to Rest. This reserve is now within a small sum of 50 per cent. of the paid up Capital, which the report intimates to be "the goal aimed at by bankers," a hint, we assume, that profits in future, when the small margin is filled up, will be devoted to increasing dividends. The decline in circulation is smaller in ratio than in most other banks, and deposits at notice increased \$88,932, which is gratifying under such circumstances as those of 1893-94. The report contains good advice to dairymen to study quality, and to manufacturers also—a point, we may add, which those at Sherbrooke carefully attend to.

**THE BANQUE D'HOCHELAGA STATEMENT.**

This is one of our banks with less than one million dollars capital. It did well last year, having made 13.11 per cent. net profits on a paid-up Capital of \$710,100, surely a large figure for so anxious a year's work. From this it paid a 6 per cent. dividend, and a bonus of 1 per cent., wisely adding \$40,000 to Reserve Fund, an appropriation of 42.31 of the profits to Rest. We especially commend this prudent course, as, with a dividend of 6 per cent., the temptation to divide more must be pressing. The Board, however, will find its reward in this policy, and wise stockholders will endorse it. The circulation is high, about 84 per cent. of the limit,

the average of all the banks being under 50 per cent. This is one source of the high percentage of profits, another is the large deposits payable after notice, as these together more than provide the total sum used for trade discounts, leaving the amount of the capital and reserve fund for call loans. The bank seems to need more active, commercial business to absorb its funds; but as it is doing so well, probably a continuance in such well doing is the wiser course.

**VALUES OF BRITISH INSURANCE SHARES.**  
*Average price (per cent. of amount paid up) for the several periods named.*

COMPANY.	Capital paid-up.	Am't sub-scribed per share	Amount paid in per share	1893.		1894. June 1st. Highest.
				Highest.	Lowest.	
Alliance.....	550,000	20	2	474.40	414.77	434.66
Atlas Assurance...	144,000	50	6	464		358.33†
British and Foreign Marine.....	200,000	20	4	543.75	481.25	559
Caledonian.....	90,000	25	5	640	540	575
Commercial Union.	250,000	50	5	626.80	502.50	610
Edinburgh Life...	75,000	100	15	323.½	313.	327.50
Employers' Liability.....	100,000	10	2	187.50	131.25	162.50
Guardian Fire and Life.....	1,000,000	100	50	198.75	172.50	185
Imperial Fire.....	300,000	20	½	515		560†
Lancashire.....	272,986	20	2	348.50	200	262.50
Liverpool & London & Globe....	245,640	20	2	2256.25	1996.50	2325
London Assurance.	448,275	25	12½	396		408†
London & Lancashire Fire.....	185,200	25	2½	710	520	640
London & Lancashire Life.....	20,000	10	2	218.75	218.75	237.50
Manchester Fire*..	100,000	20	2	483.75	318.75	387.50
National of Ireland	100,000	25	2½			
North British and Mercantile.....	625,000	25	6½	654	522	576
Northern Assr....	300,000	100	10	660	580	660
Norwich Union...	132,000	100	12	816.66	791.66	808.33
Palatine.....	250,000	10	2	206.25	162.50	187.50
Phoenix Fire.....				246		250
Royal, Liverpool..	289,545	20	3	1733.33	1408.33	1600
Scottish Union & National (A)....	237,705	20	1	407	375	406.25
Standard Life.....	120,000	50	12	491.66	460.41	500
State Fire.....	37,500	10	¾	250	166.66	216.66
Sun Fire.....	250,000	10	½	2062.50	1600	1800
Sun Life.....	360,000	10	7½	193		180*
Union Fire and Life	180,000	100	40	569		475†

\*New shares, £2 paid up, 450 per cent., March 30, 1891.  
†Company unlimited and practically a partnership. Shares have no face value.  
‡Mean value here given.

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 of the Atlantic, and also affording easy comparison at a glance.

The gross debt of Canada according to last *Official Gazette*, was \$304,294,786, of which \$205,393,076 is payable in England; \$7,409,134 in Canada, and \$2,433,333 is a temporary loan, the balance of \$89,059,243 is made of Savings Bank funds, \$41,595,342; \$19,548,102 is Dominion notes; \$16,407,359 Province accounts; and the rest banking, trust and other balances. The sinking funds invested amount to \$31,846,244 and \$32,438,614, making a total of \$64,284,858 of Assets, which leaves a *net* debt of \$240,009,927. This is \$3,029,648 in excess of the net debt at same date, 1893. This increase was caused by an expenditure of \$4,060,618 on Capital account, chiefly for railways and canals. The receipts on Consolidated Fund account up to 1st May were \$4,773,000 in excess of expenditures on that account, so a surplus of some magnitude is assured for current year.

## Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents

### TORONTO LETTER.

*On the Expiry List—The theory of a new means of Propulsion—Politics paramount.*

DEAR EDITOR,—The "civic insurance scheme," as proposed by Mr. Alderman Lamb, his pet bantling or lambkin, so to speak, seems to be dying a very natural death, of inanition. It is best for it so to die, young, and in its innocency, than to live and grow up to be a wicked Ba Ba.

It has occurred to me to doubt if the worthy Alderman was ever really in earnest about that proposal of his, compelling all citizens of Toronto to take the civic insurance, willy nilly, the same as they have to take the city water, out of *cast iron* service pipe. Any move to lower insurance rates is always popular—indeed, I know of no cry likely to be more popular, with those who look upon the insurance companies as greedy corporations fattening out of the spoils wrung from a suffering public, than this one, "Lower rates of Fire Insurance." It is likely some good will ensue from the agitation of the last few weeks. The citizens have had brought before them the rates paid by other cities on this continent, and the fire appliances of such cities have been compared with their own equipment, and the result strange to say, shows that we have lower rates here with an inferior equipment. The need of one or more steam fire engines to enable the Brigade to reach some of our high buildings has been set forth and emphasized by the Toronto Board of Trade joining with the Toronto Board in a deputation to the City Council calling for extra fire protection.

If not lost sight of, such a movement cannot but result in our securing the steam fire engine, which the Chief of the Fire Brigade considers specially called for in view of the very low pressure at present prevailing at the water mains.

I remember that once upon a time, in bygone years, a friend of mine had a great idea on paper for the propulsion of canal boats without the aid of horse, mule or steam power. By figures he demonstrated that he could secure power enough to propel a heavily laden boat three miles an hour in smooth water.

As near as I can recollect, his theory was this:—

He inserted in the stern of a craft an immense hollow metal cylinder, fitted with a piston rod and valve at lower end. This cylinder was projected, slantwise below the water line, and as far down as the keel, being fitted perfectly air or water tight.

Now, he argued, given a vessel so rigged and drawing fifteen feet of water, or better, 18 or 20 feet, there would be an enormous pressure exerted by the outside water to enter this cylinder (analogous, he said, to steam in a boiler), and which he computed scientifically at so much horse power, and this force, applied through the piston rod to the mast or hull of the vessel, being always constant and even, would propel it. By opening the valve and allowing the water to rise to its level in the cylinder, the propulsion could be made to cease at pleasure. I remember he illustrated his views for my then juvenile mind, by producing a roughly made tin pipe, which, inserted for two feet in the water, clearly showed by the forcible entry of the water therein when pressed back, that the power was there sure enough. Of course, sir, while admitting the speciousness of my friend's theory, you will readily detect the fallacy involved. So, with Alderman Lamb's Civic Insurance Scheme. It sounds well, it looks well, and is demonstrable up to a certain limit; beyond that, it is a fallacy!

Politics just now are the one great thing up here in Ontario, and will be supreme all through this month of "leafy June." It is one side or the other with all of us. Even Mr. Secretary McLean, they do say, is taking a hand in! It is just possible, too, that June may be a light month for fires, as those who are discreet as well as unprincipled can realize more money out of politics than out of accidental fires at this juncture.

Another motto for The Toronto Board, just suggested (by an Alderman!):—*Let us pray!*

Yours,

TORONTO, 13th June, 1894.

ARIEL.

## Notes and Items.

The average loss ratio of all fire companies operating in Nova Scotia last year was 72 per cent.

The recent Boston fire, it is estimated, will cost the companies about \$3,000,000.

The first policy for \$100,000 issued upon a woman's life was recently granted to Mrs. Longley of Providence.

A Bill has been introduced into the Storting by the Norwegian Government providing for the State Insurance of workmen in sickness.

The Western Department of the North British & Mercantile will be opened in Chicago, whither Manager Bowers has just gone.

Cotton Risks in Liverpool (Eng.) resulted in net losses amounting to \$1,000,000, an amount greatly in excess of the premiums received.

The New York City business of the Guardian was transferred to the Fire Association of Philadelphia on 6th inst. The business is stated to be of a high character and well selected.

A New Journal *Insurance Opinion*, has been started in New York by Mr. R. A. Allen, formerly business manager of the *Weekly Underwriter*. As its name indicates, it will reflect the views of its contemporaries.

The Sherbrooke Municipal Council, on the 6th inst., passed an important By-law relating to fire limits and prevention of fires and public safety, containing many excellent provisions to that end.

It is expected that efforts will be put forth to secure legislation which will prevent foreign companies from operating in Italy, or at least throw difficulties in their way too great to allow them to carry on satisfactorily.

The Ontario Burglary Insurance Co., Limited has been organized under a charter obtained from the Ontario Legislature. It has a capital of \$500,000, and will carry on the business of insuring merchandise, household goods, money, etc., against loss by burglary.

Assurance and Insurance.—A writer in a London (Eng.) paper asks:—"Is it not desirable to use assurance when provision is made against a certainty, namely, death; whereas insurance should be restricted to cases in which the result is uncertain, namely, fire, shipwreck, etc.?"

Fire Insurance Dividends have been recommended or declared by companies as follows.—*Guardian Fire & Life*, 5s per share, making with interim dividend paid in January, 7s 6d., or 7½ per cent. for the year. *London & Lancashire Fire*, 10s per share, or 20 per cent. upon paid up capital. *Commercial Union*, 17s 6d per share, making with interim dividend, 25 per cent. for the year. *Liverpool & London & Globe*, 18s per share, and a bonus of 9s per share for fire, and a bonus of 3s for life, making in all 30s per share, the same as in 1892. *Scottish Union & National*, 16 per cent. with bonus of 1½ per cent., both tax free.

Our contemporary, *The Index* of London and New York, warns people against a concern calling itself the Cité de Paris Fire Insurance Co. of Paris, which is reported to be making strenuous efforts to do business in the Old Country and America. It is being run by certain brokers in Manchester and London.

At the annual meeting of the Hamilton Board of Fire Underwriters, held recently, there was a large attendance of members. The following officers were elected for the ensuing year: Robert Dunlop, president; J. M. Burns, vice-president; George A. Young, secretary-treasurer; John Bell and George McKeand, auditors.

**Bourne's Annual Reversionary Bonuses** is the title of a handy, useful four-page leaflet showing the amount of bonuses granted by Life offices operating in Great Britain for each annual premium paid during the last valuation period. Price: 16s per 100, published at Trafalgar Buildings, Northumberland avenue, W.C., London.

A bill recently passed by the Maryland Legislature provides that insurance companies shall send a full and detailed statement of their business to policy-holders, and also publish an abstract of the same for three consecutive weeks in April of each year in at least one newspaper published in each county. Good! There is much virtue in publicity.

In the case, *P. J. Willis Bro. vs. Manhattan Life Insurance Co. of New York*, it was decided by the Court that a tick or check mark placed opposite to certain questions contained in the assured's application for the policy meant practically nothing, and that it devolved upon the company to protect itself by seeing that the queries were answered in the ordinary way to their satisfaction.—*Caveat Life Company!*

"**Life Interests and Reversions**" was the title of an excellent practical paper recently read by Mr. F. E. Colenso, M.A., F.I.A., at a meeting of the "Life Assurance Officers' Society of England." Investments in this class of security are regarded as amongst the best contained in the balance sheet of British offices, and might be cultivated with advantage by our own companies, as far as the rather limited field will allow. Mr. Colenso's address contains many practical hints for dealing with such cases.

We have received, through the courtesy of the manager, Mr. H. Sutherland, specimen copies of the ordinary and limited payment life policies of the Temperance and General Life Assurance Co. of Toronto. Amongst other liberal features we note that these policies provide that after the payment of three annual premiums a paid up assurance is granted "without surrender or endorsement" in case of default. Mr. Sutherland reports an increased business and an exceedingly light mortality for his company this year.

The Fire loss in the United States and Canada for the month of May is estimated by the *Commercial Bulletin* of N.Y. at \$10,777,800, and the total loss this year to that date at \$53,330,900. The following is a comparative statement for the last three years:—

	1892.	1893.	1894.
January	\$12,564,900	\$17,958,400	\$10,568,400
February	11,914,000	9,919,900	11,297,600
March	10,648,000	16,602,350	9,147,100
April	11,559,800	11,669,900	11,540,000
May	9,485,000	10,471,000	10,777,800
Total	\$56,171,700	\$69,637,650	\$53,330,900

When the people realize that their main protection against fire lies in their methods of building, in fire walls of substantial thickness,.....in their constant and unwearied care for their own property, then will they be entitled to low rates for insurance, and competition for business under healthy surroundings will make rates satisfactory to the insured. The solution of the difficulties surrounding the insurance situation lies more largely with the people than with the companies.—Superintendent Durfee, Illinois Insurance Department.

"Not taken" policies are on the increase in American Life offices. In 1892, out of 348,580 policies issued for \$947,804,283 by life companies reporting to the New York Insurance Department, 53,063 for \$164,901,246 were "not taken," being 15.2 per cent. of the total number issued, and 17.4 per cent. of the amount. In 1893, the corresponding figures were 78,820 for \$216,145,940, or 19.8 per cent. of the total number, and 20.5 per cent. of the amount. "Issues" of this kind may be aptly described as the "still-borns" of life assurance, the "conception" of which involves much "labor" and "pains" for nothing, with a big doctor's bill at the burial.

This is good!—We translate the following from a recent issue of the *Gazette de Berthier*: "Having noticed an article published in a journal called the *INSURANCE & FINANCE CHRONICLE*, dated Montreal December 1st (1893), being No. 23 of Vol. XIII, page 511, an article entitled "Life Insurance Frauds," I declare that this article is false and lying in all its contents as far as it concerns me." We did not in any article mention either the writer's name, or even that of the town or village. Nothing in our article could possibly indicate who was meant. Indeed, we did not know the names of the parties interested.

The following "Fraud upon an Insurance Co.," which we find in the *Deutsche Tabak-Zeitung*, is certainly just a little too good to be true. A cunning fellow, who wanted to smoke the best cigars at the cheapest possible cost, bought 1,000 cigars of the highest quality and corresponding price, and immediately insured the whole stock. When he had smoked the last of them he demanded 750 marks from the insurance company, on the ground that the whole of his insured stock, ten boxes of cigars, had been consumed by fire! The Solomonic court decided in favor of the plaintiff. The company then brought an action of conspiracy against the smoker, accusing him of having intentionally put fire to his own cigars, and deliberately destroyed his property. Hereupon the same wise court condemned the insured smoker to three months imprisonment.—*The Insurance World*.

At a meeting of life agents held at Kingston on 5th inst., Mr. R. H. Jarvis, Inspector for the Great West, being in the chair, it was decided to form a local Underwriters' Association, and an election of officers was at once proceeded with, resulting as follows.—President, J. P. Gildersleeve, of the Standard Life Assurance Company; 1st Vice-President, F. White, of the Sun; 2nd Vice-President, T. Mills, of the London & Lancashire; Secretary-Treasurer, J. M. Sherlock, of the Temperance & General; Executive Committee: J. T. White, of the Canada Life; D. F. Armstrong, of the Provident Savings Life Assurance Society; J. P. Oram, of the Confederation Life; J. Gardiner, of the Federal; J. Hendry, of the Great West; Committee on by-laws: J. P. Gildersleeve, J. M. Sherlock, C. H. Martin, R. E. Carter, J. S. R. McCann, W. J. Fair and S. Roughton. The Association is to be named the Kingston Life Insurance Underwriters' Association, and meetings will be held at 4 p.m. on the first Saturday of each month.

The bill amending the Insurance Act, as reported by the Committee of the House on Banking and Commerce, contains several important amendments. These will be fully dealt with in our next issue; meanwhile, we have time only to briefly mention the most salient: (1) The definition of "policy" is amplified. (2) Foreign companies are to be allowed to withdraw such amount of their deposits as are in excess of the reserves according to Dominion standard. (3) Annual statements of the general business of foreign companies are to be made up as at their usual balancing day, and those for Canada business as at 31st December to be verified by the chief agent or other agents where they report direct to head office. (4) The usual "preliminary abstract" is to be sent to the Superintendent on or before 1st February. (5) Authority is given to enable the Superintendent to value the policies of foreign companies if it appears that the standard reserves are not made. (6) The amended provisions referring to co-operative or assessment societies are to be applied to Canadian as well as foreign concerns. (7) The clauses restricting the classes of business which companies may undertake and defining the conditions upon which foreign companies chartered to transact more than are now proposed to be allowed, are not to apply to those already licensed or for which applications were pending on 1st April last. (8) Policies are not to be invalidated by mis-statement of age if made without intention to deceive, but policy-holders are not to be entitled to recover more than the proportion of the sum assured which the net premium paid would have purchased at the net rate for the true age. (9) Companies are to promptly furnish such information concerning their business as the superintendent may require of them for the purpose of carrying out the provisions of the Act. (10) The proposed clause limiting the voting power of any one shareholder has been eliminated. Whilst we think that tampering with the Insurance law in a piece-meal fashion is to be deprecated, we believe that the present occasion should be taken advantage of to bring it up to date and make it thorough. We shall have much to say on this subject in our next number.

#### FINANCIAL ITEMS.

The recent municipal loan of the city of Paris for \$40,000,000 was subscribed for by native investors more than fifty times over.

The English exports to U.S. exceed those of the chief competitors with England combined. As a buyer of goods from, and seller of goods to, foreign countries, Great Britain stands without a rival.

Days of grace will be abolished by law on 1st January next in the State of New York. The Act by which this is to be effected was introduced under the auspices of the American Bankers' Association.

Adding the words "with interest" to a promissory note after its execution by the payer does not invalidate the note, but prevents any holder recovering the interest; being added after the note was signed simply leaves the words without legal force.

The U.S. national debt reached its maximum on 31st August, 1865, at which date it stood as \$2,844,649,626, less the cash held in the Treasury, \$88,218,000. On 31st December, 1893, the gross debt was \$1,632,546,853, less cash in Treasury, \$737,614,701. The debt bearing interest in August, 1865, was \$2,381,530,000; at close of last year interest was payable on \$649,662,800. In spite, however, of this enormous reduction in debt and interest charges, the revenue of the States will show a deficit this year of close upon 70 millions.

The Canadian revenue for eleven months ended 31st May was \$32,911,544, and expenditure \$28,840,246, leaving a surplus of 4 millions. How the new Tariff will affect the revenue has not been worked out, but we doubt its effecting reductions equal to absorbing as large a surplus.

The Dominion note issues of \$19,575,981 consist of notes of and under \$1, to amount of \$6,831,831, the rest being notes for \$500 and \$1 000, of which this city holds \$6,312,950, Toronto \$3,789,200, and the rest in other Provinces. The Government holds \$7,702,786 of specie.

Knowledge obtained by a Bank president, through his private relations, as to the invalidity of a note discounted by the bank, prevents the bank recovering on such note, until the cause of such defect is removed. The distinction between merely private knowledge, and official, is not recognized by the Courts.

Gold in Italy is at a premium of from 15 to 20 per cent.; monetary troubles have caused so heavy a drainage of the precious metals that even Italian silver coins have gone largely to France, leaving inconvertible, and therefore heavily discounted, paper money as almost the only currency. Gold and credit are timid; they keep together for mutual protection!

By a recent decision of Supreme Court of Carolina, if a note is discounted by a bank, and proceeds placed to the owner's credit, and the bank fails before the balance is checked out, that balance cannot be claimed to be paid in full by the customer who discounted the note, but he must rank with other creditors for the amount, and be paid *pro rata* with them.

Net exports of gold from the States since 10th January to date have been about 35 millions, the greater demand for money in Europe than in America is causing this outflow, exports of goods not being equal to meeting the call, and the depression of trade in the United States and the gravity of the disturbance from strikes creating much distrust amongst European investors.

Railway construction, in spite of adverse conditions, goes on apace in the U. S.; there are 22,534 miles projected, and in progress. There are now 6 miles of railway for every 100 square miles of surface in America, so that good judges predict there will be many thousands of miles of railway yet built to open new regions for immigration and to increase facilities of traffic.

Remittance or exchange for interest payable by the States, according to a leading European banker, reaches \$110,000,000 yearly. Then some \$50,000,000 is taken from America by her citizens who live abroad, or for travelling expenses, and for freights the States have to pay foreign shipowners some \$50,000,000 yearly; so not less than \$200,000,000 has to be remitted in some form from the United States every year for what may be classed as interest accounts or to buy exchange.

The New York banks have an aggregate capital of \$67,292,000, divided as follows: 24 have \$100 to \$200,000; 25, \$200 to \$500,000; 7, \$500 to \$750,000; 11 have \$1,000,000; 7 have \$2,000,000; 2, \$3,000,000; and 2, \$5,000,000. The aggregate is large, but there is not one with a capital as large as those of our three leading banks. The banks in Chicago have an aggregate capital of \$36,770,000, the proportions being about those of New York banks, but only one has a capital over 2 millions.

**The Credit Lyonnais**, with a paid-up capital of \$20,000,000, has liabilities of \$192,000,000. Its reserve fund amounts to 8 millions. The shares recently suffered a heavy decline owing to a call being announced of \$50 a share. The dividend last year was 12 per cent. The call of more capital was made to anticipate the action of a new law, which is intended to regulate the amount of deposits a bank may receive by that of their paid-up capital, a law which would paralyze Canadian, as it would also British, banks.

Silver produced in the States in 1893 is officially stated to have been 60 million ounces; Colorado heading the list with 25,838,600 ounces, of the coinage value of \$33,407,483. The total value for coining of the output of 1893 was \$77,575,757, its present market value is, however, less than half that sum. There are 15 States where silver is produced, extending from Alaska to North Carolina, and from Michigan to Texas. This year the production will be less, though shipments recently have been heavy, an idea being abroad that the Indian mints will be re opened.

A false representation made by the cashier of a bank in reply to enquiry as to customer's standing, subjects the bank to any damages resulting from such false statement. This was so decided in a suit recently brought by the Nevada Bank of San Francisco against the Portland National Bank. The cashier of the latter, in order to unload a heavily indebted customer on the former, stated that he was prosperous and trustworthy. Loss having occurred from the bank taking over the account of the person so commended, suit was brought, and damages assessed against the bank whose cashier gave the false report.

The proportion done by England of the foreign trade of nations is very high, and is not being reduced by any competitors. The following table we have compiled from some data given by the Secretary of the English Board of Trade, showing percentage of the total imports into various countries from chief exporting countries:—

	From Gr. Britain.	France and Germany.	U.S.
To Egypt.....	37	12	..
" S. America ..	43	33	7
" China ... ..	21	..	4
" Japan.....	34	13	9
" British India.	70	..	..
" Colonies of Empire.	43 av.	..	..

#### PERSONAL MENTION.

**PRESIDENT HYDL**, of the Equitable of U.S., has returned from his trip to Europe.

**MR. MAX COHEN**, editor of *Vicars*, will please accept our sympathy in the loss he has sustained in the death of his father.

**MR. H. C. L. SANDERS** has resigned his position as general manager and actuary of the Sun Life Assurance Company of England.

**MESSES. HEATON**, of the Guardian, Lacy of the Imperial, Lilly of the London, and Hinshaw of the Atlas & National, started for Winnipeg last Friday, 8th inst.

**MR. MICHAEL SHANNON**, it is stated, has not yet assumed his new duties as 1st vice-president of the American Union Life. His services will be required by the New York Insurance Department for some months.

**MR. JOHN F. ELLIS**, managing director of the Manufacturers Life and Accident companies, was in Montreal last week. We are pleased to note the conservative course being pursued by Mr. Ellis in the conduct of the affairs of the Manufacturers.

**MR. J. B. PATON**, manager of the Manufacturers Life Insurance Company for the Lower Provinces, favored the CHRONICLE office with a visit on the 8th inst., when passing through Montreal. Mr. Paton reports good business for his company in the field under his charge.

**MR. W. P. REYNOLDS**, London secretary of the London & Lancashire Fire, retires after fifteen years of service, and will be succeeded by Mr. Joseph Powell of Liverpool, who for the past two years has held the position of Liverpool secretary to the Scottish Union & National.

**MR. GEORGE SIMPSON**, assistant manager of the Royal, we are glad to say is now making rapid progress towards recovery from his recent serious illness. Mr. Simpson may shortly visit the Old Country, but if circumstances do not permit of his so doing Manager Tatley will take a trip across.

**MR. J. E. CLEMENT** has been appointed Chief Clerk of the Insurance Company of North America by General Agent Robert Hampson. Mr. Clement spent some years with the Phoenix of London, and subsequently with the Phoenix of Hartford. He has been connected with the general agency of Mr. C. R. G. Johnson lately.

**MESSES. BAMFORD & CARSON** have formed a partnership as general insurance agents and brokers, with headquarters at 51 St. Francois-Xavier street. Mr. Bamford has for some years represented the Lancashire and Sun fire insurance companies, and transacts a large business. Mr. Carson has received a thorough training in the fire business extending over a period of twelve years, five of which were spent in the Royal, three in the Northern, and latterly he was Manager of the Insurance Company of North America under General Agent Hampson. We wish the new firm abundant success.

#### ONTARIO MUTUAL LIFE ASSURANCE CO.

The twenty-fourth annual meeting of the Ontario Mutual Life Assurance Company was held in the Town Hall, Waterloo, on Thursday, May 24, when, notwithstanding the unpleasant weather, quite a large number of representative policy-holders and agents throughout the Dominion attended.

The president, Mr. I. E. Bowman, M.P. for North Waterloo, occupied the chair, supported by the manager, Mr. Wm. Hendry.

On motion of Mr. Alfred Hoskin, Q.C., Toronto, Mr. W. H. Riddell, the secretary of the Company, acted as secretary of the meeting. The minutes of the last annual meeting were formally taken as read and adopted.

The President then read the report of the directors, which was as follows:—

#### DIRECTOR'S REPORT.

Your directors, in submitting the following as their twenty-fourth annual report, desire to congratulate the policyholders upon the very satisfactory progress which the Company made during the year 1893, notwithstanding the general depression which has prevailed in almost every branch of business.

During the past year, 2,092 new policies were issued for assurance, amounting \$3,004,700, thus being the largest amount of new assurance issued in any one year since the organization of the Company. The manager also received 69 applications for \$107,500, from persons whose health was not up to our standard, which were therefore declined.

The net premium income for the year is \$512,517.50, and we received for interest on our investments the sum \$113,690.87, which makes our total income \$626,208.37.

The total assets of the Company as at the close of the year are \$2,593,424.67, and the surplus on hand, after providing for the full reserve required to be held under the regulations of the Dominion insurance department, is \$226,120.21, but of which a liberal sum will be divided among the policyholders during the year 1894.

The total number of policies in force at the close of the year is 13,496, covering assurance amounting to \$17,751,107 on 12,190 lives.

The amount paid for claims on deaths which occurred during the year is \$101,992 on \$2 lives, which is only \$5,992 in excess of the very low death rate of the previous year, and we paid on account of matured endowments the sum of \$23,890.



The executive committee has again carefully examined the securities held by the Company, and found them correct as reported by your auditors.

Owing to the increasing difficulty in getting first-class investment on real estate, we have found it necessary to invest more largely in municipal debentures at a lower rate of interest than that which is current on mortgages.

You will be called on to elect four directors in the place of Robert Melvin, C. M. Taylor, Robert Baird and Stuart Henderson, all of whom are eligible for re-election.

The detailed statements prepared and certified to by your auditors are herewith submitted for your consideration.

THE PRESIDENT'S ADDRESS.

In commenting upon the report, Mr. Bowman said that it would doubtless commend itself to the meeting for its brevity, inasmuch as it contained all the material facts, and in such form as business men could readily understand, without first treading their way through a labyrinth of words, which might be mystifying and unsatisfactory. The President referred to the depression which had prevailed in the business world throughout the past year, and the difficulty on that account of inducing people to insure their lives, notwithstanding which new assurance had been taken during the year to the extent of over \$3,000,000, an increase of \$328,700 over the amount of new assurance written during the previous year. During the past two or three years the Company had, owing to the increasing difficulty in most sections of the country of finding suitable investment in real estate, because of the large decline in the value of mortgage security, been obliged to invest its funds to a greater extent in municipal debentures. The mortgages on real estate have not, however, become in any way impaired by the decline in real estate values, the very easy terms of repayment enabling borrowers to gradually reduce the amount of their indebtedness. To show the careful manner of investment, the President pointed out that during the past year applications from borrowers were received for no less a sum than \$1,127,200. The amount accepted was \$313,650, or just about one-quarter of the amount offered, these only being held to be up to the Company's standard of value. The remainder, \$813,550, was declined. Of the \$313,650 accepted by the Board, investments to the amount of \$146,600 only were actually placed. As for the balance, the borrowers could not accept the terms offered by the Company. The increase in the amount of new assurances written for 1893, continued the President, was due largely to the opening up of new districts and the appointment of agents to cover the field thus extended. The death rate and cost of obtaining business being low, the surplus had accordingly been considerably increased. In conclusion, the President congratulated the agents upon the fact that the business they had secured up to the present this year was about the same as for the same period last year, although the difficulty of obtaining it was probably somewhat increased. The President then moved the adoption of the report. Mr. Bowman resumed his seat amid hearty applause on the part of the numerous policyholders present.

Mr. Robert Melvin of Guelph, the second vice-president, seconded the adoption of the report. In doing so he remarked that the report showed the affairs of the Company to be in a very satisfactory condition. It was true the Company had been unable during the year to secure as high a rate of interest on new investments taken as it had done in some former years, but it had thus secured a much better class of investments than would have been the case if it had obtained a higher rate of interest on an inferior quality of security. The Company had confined its operations to investments on mortgages on improved farm property, to choice town and city loans, and to loans on its own policies, avoiding all doubtful securities, such as railway and other stocks, the wisdom of which course was amply justified when the recent depreciation in railway stock and similar securities on the other side of the line was taken into account. Municipal debenture security was undoubtedly good and safe, and the same might be said of all securities held by this Company. He held it was the duty of every insurance company to so select its securities, that there could be no possible doubt of their absolute and entire ability to meet their obligations as guaranteed under their policies when the same became a claim, whether by maturity, as in the case of endowments, or at death, as in the case of life policies. He regarded the report as eminently satisfactory. Proper care had been exercised in the selection of investments, and it was to the credit of the Company that no losses of any importance whatever had accrued under mortgage to any other securities held by it. The management of the Company had been conducted on the usual lines of economy as well as enterprise. The directors did not believe in locking up its funds in the erection of costly buildings, such as have been found a poor investment by such companies as have seen fit to indulge in that class of luxury. It had frequently been found that the returns from this class of expenditure were doubtful

and unsatisfactory. He closed by congratulating the policyholders on the satisfactory nature of the report presented.

The report was then unanimously adopted.

Rev. G. F. Salton, Ph. B., of Stratford, then moved the following resolution, which was seconded by Mr. Daniel Buckborough:—"That the hearty thanks of this meeting are due and are hereby tendered to the president, vice presidents and directors for the care with which they have conserved the interests of the Company during the year."

Mr. Salton referred in eloquent terms to the gratifying progress made by the Company since it first pioneered its way into existence in 1870. He was glad to see that the president, first vice-president, second vice-president and manager were just as they were when the Company started out, with the humble assets of \$6,000, and insurance of some \$500,000, as compared with the present assets of over \$2,500,000 and assurance of over \$17,500,000. The Company had been founded on correct principles, and its success was certain from the first. Its growth, though slow, was solid and sure, as might be seen from the following figures, indicating the assets and assurances at different periods from its foundation to the close of the last financial year:—

	Assets.	Assurances.
1875.....	\$ 53,681	\$ 1,177,085
1880.....	227,424	3,064,884
1885.....	753,661	8,259,361
1890.....	1,711,686	13,667,721
1893.....	2,553,424	17,751,107

Continuing, Mr. Salton pointed out, that since its organization the Company had paid to its policyholders in death and endowment claims nearly \$1,000,000 in exact figures \$982,253; and in dividends and surrender values no less than \$,68,858; in addition to which it held at the present time for the security of its present policyholders the handsome sum of \$2,593,424. Mr. Salton concluded with a graceful compliment to the president on the careful and courteous attention which he had devoted to the affairs of the Company, the effect of which was evident in the successful record of the Company, and in the admirable report now before the meeting. Mr. Salton's remarks were heartily applauded by those present.

Mr. J. A. Halstead, banker of Mount Forest, moved the following resolution:—"That as a company's success much depends on a prudent selection of risks, and inasmuch as the mortality experience of this Company has always been of the most favorable character, the thanks of the policy holders be offered to Dr. J. H. Webb, the medical referee, and to the Company's examiners throughout the Dominion, for their care in and attention to this important matter."

In speaking to the resolution, Mr. Halstead said that as a policyholder he was pleased to notice the satisfactory progress made by the Company. As an essentially Canadian and a purely mutual company, it had been a notable success. This he attributed largely to the prudent men selected from time to time as directors. In the course of his remarks, Mr. Halstead mentioned that a member of his family had taken out an endowment policy in the Company, and at its maturity the actual results achieved showed that, apart from the protection afforded during the life of the policy, the money paid on account of premiums constituted also a profitable and absolutely sure investment.

Mr. Alex. Millar, Q.C., of Berlin, seconded the resolution, which was put to the meeting and carried with hearty applause.

Dr. Webb, on behalf of himself and the medical examiners for the Company throughout the Dominion, made a brief and appropriate reply in response to the resolution.

Mr. B. M. Britton, Q.C., of Kingston, seconded by Mr. F. C. Bruce, wholesale seed merchant of Hamilton, moved the following resolution:—

"That the thanks of the directors and of this meeting are hereby tendered to the manager, secretary, officers and agents of the Company, for their unremitting attention to the Company's interests during the past year, and for the very satisfactory state of its business which the efficient and faithful discharge of their respective duties has enabled the directors to submit on this occasion."

Mr. Britton, in moving the resolution, referred to the great amount of work involved in the care of the constantly increasing volume of business of the Company. He thought there was cause for great congratulation on the part of the policyholders that the officers of the Company had done their work so well. He paid a high tribute to the efficiency of the general staff especially eulogizing the manager, secretary, actuary and superintendent for the faithfulness with which they had discharged their duties. Mr. Britton said he thought the agents also deserved a word of thanks. They were men of substantial business integrity and sincerity, and had exceptional claims to consideration for their fair and perfectly candid statement of facts in presenting the claims of the Company to public patronage. These two points, a good staff and good agents, were, after all,

what the success of an insurance company really depended upon. He congratulated the Company on being in possession of these essential features of success.

The resolution was carried with many expressions of approval. Suitable responses were made by the manager, Mr. William Hendry, on behalf of himself and the office staff; by Mr. E. M. Sipprell, manager of the Company's agencies in the Maritime Provinces; and by Mr. W. S. Hodgins, the Company's superintendent.

Mr. Sipprell's remarks were of special interest, referring, as they did, to the estimation in which the Company is held among business men down by the sea. He spoke of the success which had crowned the operations of the Company in these Provinces, and of the low death rate prevailing there. It afforded him much pleasure and satisfaction, he said, to meet the agents and policy-holders of the Company on the occasion of their annual meeting, and to listen to a report containing so many evidences of the continued success and prosperity of the institution.

On motion, Messrs. Geo. Wegenast, actuary of the Company, and Geo. Diebel, merchant, of Waterloo, were appointed scrutineers for the election of four directors, in place of those retiring. The balloting resulted in the re-election of Messrs. C. M. Taylor, Robert Melvin and Robert Baird, and the election of Mr. W. J. Kidd, barrister, of Ottawa.

Messrs. Henry F. J. Jackson of Brockville, and J. M. Scully of Waterloo, were re-appointed auditors of the Company for the year 1894.

This brought to a close the twenty-fourth annual meeting of the Company. The directors met subsequently, and re-elected Mr. J. E. Bowman, M.P., president; Mr. C. M. Taylor, first vice-president; and Mr. Robert Melvin, second vice-president of the Company for the ensuing year.

**OBITUARY.**

We are sorry to have to chronicle the death of Mr. Joseph Jeffery, president of the London Life Insurance Company, and also of the Ontario Loan and Debenture Co., which took place on the 28th ultimo, after an illness of some months' duration. The deceased gentleman was one of the organizers of the above companies, and was a prominent figure in business circles in London. A resolution was passed by the directors of the London Life, expressing their high appreciation of his valued services and tendering their sympathy with his relatives.

In cyclone suits, brought by the Charleston Bridge Co. and the Mount Pleasant & Sullivan's Island Ferry Co., in the Federal Court at Charleston, to recover from insurance companies the amount of their policies on property against loss caused by windstorm, the juries rendered verdicts for the plaintiffs. The contention of the defendants was that the property was injured or destroyed by floods or high water, liability for which they were exempt from under the policies. The plaintiffs contended that the cyclone was the cause of the floods. An appeal will probably be made to the Supreme Court of the United States against the decision.

**LOVELL'S  
Montreal Directory  
FOR 1894-95.**

The Directory will be issued on or about the 28th inst.

Any Copies remaining on hand after publication will be sold at **\$4.00** each.

**JOHN LOVELL & SON,  
PUBLISHERS.**

June 15, 1894.

	INCOME.	ASSETS	LIFE ASSURANCES IN FORCE.
1872	\$ 48,210.93	\$546,461.95	\$1,064,350.00
1876	102,822.14	715,944.64	2,214,693.00
1880	141,402.81	911,132.98	3,881,479.14
1884	278,379.65	1,274,397.24	6,844,404.00
1888	525,275.58	1,536,816.21	11,931,316.21
1893	1,240,493.12	4,001,776.90	27,799,756.51

R. MACAULAY, *President.*  
 Hon. A. W. OGILVIE, *Vice-President*  
 T. B. MACAULAY, *Secretary.*  
 IRA B. THAYER, *Sup't. of Agents.*  
 GEO. WILKINS, M.D., *Medical Referee.*

**UNION BANK OF CANADA.**

Established 1865. HEAD OFFICE, Quebec.  
 Paid-up Capital, \$1,200,000.  
 DIRECTORS.  
 Andrew Thomson, President. R. J. Price, Vice-President,  
 Hon. Thos. McGreevy, B. Giroux, D. G. Thomson, E. J. Hale,  
 E. E. Webb, Cashier.  
 FOREIGN AGENTS.  
 London—The Alliance Bank Limited. Liverpool—Bank of Liverpool, Limited.  
 New York—National Park Bank. Boston—Lincoln National Bank.  
 Minneapolis—First National Bank.  
 BRANCHES.  
 Alexandria. Iroquois. Morrickaville. Montreal,  
 Ottawa. Quebec. Smiths Falls. Toronto.  
 Winnipeg. W. Winchester. Lethbridge, Alberta.

**MUNICIPAL DEBENTURES**

**GOVERNMENT AND RAILWAY BONDS.**

**INVESTMENT SECURITIES.**

**BOUGHT AND SOLD**

Insurance Companies requiring Securities suitable for deposit with Dominion Government or other purposes can have their wants supplied by applying to

**R. WILSON SMITH,**

British Empire Building, MONTREAL.

Debentures and other desirable Securities purchased.

**THE**

**CANADIAN BANK OF COMMERCE**

HEAD OFFICE, TORONTO.

Paid-up Capital - - \$6,000,000 Rest - \$1,200,000

**DIRECTORS.**

GEO. A. COX, Esq., President. JOHN I. DAVIDSON, Esq., Vice-Pres.  
 W. B. Hamilton, Esq. (George Taylor, Esq.,  
 Jas. Crathern, Esq. Matthew Leggett, Esq.  
 John Hoskin, Q.C., LL.D. Robt. Kilgour, LL.D.  
 B. E. WALKER, General Manager. J. H. PLUMMER, Ass't Gen. Manager.  
 A. H. IRELAND, Inspector. G. DE C. O'GRADY, Ass't. Inspector

New York—Alex. Laird and Wm. Gray, Agents.

TORONTO—Head Office: 19-25 King Street West. City Branches: 712 Queen Street East, 450 Yonge Street, 791 Yonge Street, 286 College Street, 541 Queen Street West, 393 Parliament Street, 163 King St. East, Toronto Junction.

**BRANCHES.**

Alas Craig	Chatham	Jarvis	St. Catharines	Thorold
AT	Collingwood	London	Sarnia	Walkerton
Barrie	Dundas	Montreal	S. Ste. Marie	Walkerville
Bellefleur	Dunville	Orangeville	Seaford	Waterloo
Berlin	Galt	Ottawa	Simcoe	Windsor
Blenheim	Goderich	Paris	Stratford	Woodstock
Bramford	Guelp	Parkhill	Sirathroy	Winnipeg
Cayuga	Hamilton	Peterboro'		

Montreal Branch—Main Office, 157 St. James St.,  
 A. M. Crombie, Manager, J. L. Harcourt, Asst.  
 Manager. City Branches: 19 Chabouillez Square,  
 and 276 St. Lawrence Street.

**BANKERS AND CORRESPONDENTS.**

GREAT BRITAIN—The Bank of Scotland.  
 INDIA, CHINA AND JAPAN—The Chartered Bank of India, Australia and China.  
 PARIS, FRANCE—Lazard Freres & Co.  
 AUSTRALIA AND NEW ZEALAND—Union Bank of Australia.  
 BRUSSELS, BELGIUM—J. Mathieu & Fils.  
 NEW YORK—The American Exchange National Bank of New York.  
 SAN FRANCISCO—The Bank of British Columbia.  
 CHICAGO—The American Exchange National Bank of Chicago.  
 BRITISH COLUMBIA—The Bank of British Columbia.  
 HAMILTON, BERMUDA—The Bank of Bermuda.  
 KINGSTON, JAMAICA—Bank of Nova Scotia.  
 DELHI—First National Bank.  
 HAMBURG—Deutsche Bank.

Commercial Credits issued for use in all parts of the world. Exceptional facilities for this class of business in Europe, the East and West Indies, China, Japan, South America, Australia, and New Zealand.

Travellers Circular Letters of Credit issued for use in all parts of the World.

**THE**

**CANADA LIFE**

**Assurance Company**

Head Office, Hamilton, Ont.

Established 1847

CAPITAL and FUNDS over \$14,300,000

ANNUAL INCOME nearly \$2,500,000

Sum Assured over \$62,700,000

President, A. G. Ramsay. Secretary, R. Hills.

Superintendent, W. T. Ramsay.

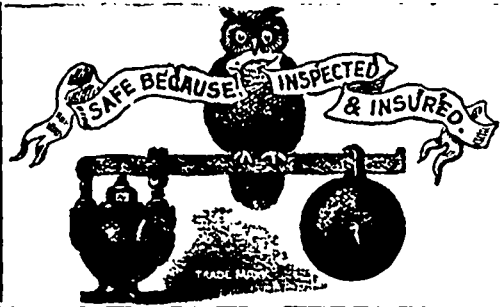
**THE**

**Steam Boiler & Plate Glass Ins. Co.**

OF CANADA.

Head Office, - LONDON, Ont.

Subscribed Capital, \$200,000



Full Government Deposit

**DIRECTORS.**

E. JONES PARKE, Q.C., President. F. A. FITZGERALD, Esq., Vice-Pres.  
 Hon. DAVID MILLS, Q.C., M.P. (President Imperial Oil Co.)  
 (Ex Minister of the Interior.) JOHN MORRISON, Esq.  
 T. H. PURDON, Esq., London. (Ex Governor British America Ass'ce Co.)  
 J. H. KILLEY, Hamilton, Ont. JOHN FAIRGRIEVE,  
 Consulting Engineer. Chief Inspector.

**JAMES LAUT, MANAGER.**

Our Steam Boiler Policy covers all loss or damage to the Boilers; also to property of every kind on the premises, or elsewhere, for which the assured would be liable in case of an explosion, and includes regular inspection by an expert engineer during the time that the policy is in force.

Our Plate Glass Policy covers all loss through breakage by accident of Plate Glass Windows, Mirrors and Show Cases.

# Scottish Union National

Insurance Company of Edinburgh, Scotland.  
ESTABLISHED 1824.

Capital, - - - - - \$30,000,000  
Total Assets, - - - - - 40,506,907  
Deposited with Dominion Government, - - - 125,000  
Invested Assets in Canada, - - - - - 1,415,466

**M. BENNETT**, Manager North American Department.  
**J. H. BREWSTER**, Asst. Manager.  
HARTFORD, Conn.

**WALTER KAVANAGH**, - Resident Agent,  
17 St. Francois Xavier Street, MONTREAL.

## NORTHERN

Assurance Company of London.  
ESTABLISHED 1836.

Capital and Funds, \$35,730,000. Revenue, \$5,495,000  
Dominion Deposit, \$200,000.

CANADIAN BRANCH OFFICE:  
1724 Notre Dame Street, - Montreal.

**ROBERT W. TYRE**, Manager. **G. E. MOBERLEY**, Inspector.

# SUN INSURANCE OFFICE,

FOUNDED A.D. 1710.

HEAD OFFICE:

Threadneedle Street. - - London, Eng.

Transacts Fire business only, and is the oldest purely fire office in the world. Surplus over capital and all liabilities exceeds \$7,000,000

CANADIAN BRANCH:

15 Wellington Street East, - Toronto, Ont.

**H. M. BLACKBURN**, Manager.

**W. ROWLAND**, Inspector.

This Company commenced business in Canada by depositing \$300,000 with the Dominion Government for security of Canadian Policy-holders.

# CALEDONIAN INSURANCE CO. OF EDINBURGH

ESTABLISHED 1805.

THE OLDEST SCOTTISH FIRE OFFICE

CANADIAN BRANCH.

45 St. FRANCOIS XAVIER ST., MONTREAL.

**LANSING LEWIS**,  
Manager.

# THE GREAT = WEST

Life Assurance Co.

Head Office - - - Winnipeg

The attention of the insuring public and live progressive agents is called to the following reasons for selecting this Company:  
First. It is the only Canadian Company giving its policy-holders the security of a four per cent. reserve; all others without exception reserving on a lower standard.  
Second. The policy contract is as liberal as any issued. No restrictions as to residence, travel or occupation, and incontestable after one year.  
Third. The premium rates are low and the cost to the policy-holder is certain to be less than in any other Company because a better rate of interest can be earned in the West than at the home of any other Company.  
Fourth. Every desirable plan of insurance is issued from the low priced "PAY AS YOU GO" plan to the shortest single premium endowment.  
Agents wanted in unrepresented districts. Application may be made at the HEAD OFFICE, WINNIPEG, or to

**Alexander Cromar**, 12 KING STREET, EAST, TORONTO.  
Manager for Ontario.

## PROVIDENT SAVINGS LIFE ASSURANCE SOCIETY OF NEW YORK.

**SHEPPARD HOMANS**, President.

Nineteenth Annual Statement

FOR THE YEAR ENDING DECEMBER 31st, 1893.

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

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

ACTIVE AGENTS WANTED.

**R. H. MATSON**, General Manager for Canada.

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

1850

THE

1894

# United States Life Insurance Co.,

IN THE CITY OF NEW YORK.

OFFICERS:

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

FINANCE COMMITTEE:

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

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

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