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## THE Insurance and Finance Chronicle.

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IN OUR LAST issue we pointed out the prevalence of the rebate practice among life insurance agents in Canada, and showed that it was harmful to both companies and agents—especially the latter. We desire to emphasize the points then made, and to repeat our most firm conviction that the evil can be cured. This desirable result may be reached by effort along two lines of action, both involving combination of forces. First to be desired is the organization of the managers and agents into an association, which shall pledge its members upon honor to give no rebates, and to compete for business only by honorable methods. This organization should then be supplemented by the passage of an anti-rebate law in order to compel the few guerrillas, who are to be found everywhere fighting in defiance of honest rules and wholesome regulations, to observe them under statutory penalties. Voluntary pledges under the guarantee of mutual association would reduce the evil to the minimum, the authority of law could be made to do the rest.

WE INVITE ATTENTION to the graphic description on another page of the workings of the existing laws in force in the Province of Quebec governing—or rather misgoverning—the matter of mortgages on real estate. These laws belong to the civilization of the middle ages, and their existence in a country boasting of forming a part of the great British Empire, whose laws are supposed to conserve vested rights and to protect the humblest individual, is a reproach to our good name and a broad sarcasm on our enterprise. By

affording opportunity for the exercise of cut-throat practices to a class of cunning knaves, who rob with impunity under the forms of law, the existing statutes become little better than a system of legalized piracy. We should be glad if we could say that "Phases of Quebec Law," above referred to, is a fancy sketch, but we assure our readers that the picture is not overdrawn. A few halfhearted attempts have been made of late years to improve matters, but nothing substantial has yet been accomplished in the way of reform.

MR. CHARLES DICKENS, the son of the famous novelist, is editor of *Household Words*, and referring recently to a point raised on children's insurance by a correspondent from Oldham says: "My correspondent's point is that while, on the one hand, the Bishop of Peterborough and the gentlemen who are at one with him in this matter complain of the frightful mortality among young children, and which they believe to be the result of the insurance system, they, at the same time, represent the insurance companies as being extremely eager to get hold of this class of business, and, indeed, as being willing to pay even excessive commissions to agents who can influence it. Now, says my Oldham friend, the interest of insurance companies lies in the continued life and not the death of the insured. Why, then, should they be so anxious for a losing business such as this must be if the Bishop of Peterborough is right? The question is certainly a poser, and I confess I do not see the answer to it." The query is really unanswerable. Insurance companies are not philanthropists, but are governed by business principles and not mere sentiment. Experience has demonstrated to them that the death rate of insured children is below, and not above, the general average, and is profitable.

AN INTERESTING CASE, involving the interpretation of the phrase "for the benefit of his widow, if any," in a life insurance policy, is before the New Orleans courts. In 1878 one Benjamin Phelon, a married man, insured his life in the New England Mutual Life, the policy in case of death being payable to his administrator "for the benefit of his widow, if any." After a time his wife died leaving several children, and Phelon

subsequently married again. The second wife was a widow who, at the time the above policy was issued, was also married and her husband living. The insured died in June last, leaving as widow his second wife. The children of the first wife and the widow set up rival claims under the policy, the former on the ground that the words above quoted contemplated the then wife as the only possible widow, and the latter on the ground that she is *de facto* the widow of the assured, and as such clearly entitled to the money. To complicate matters, it appears that Phelon paid no premiums to keep the policy in force after his second marriage, the policy being kept in force to a period two months beyond the time of his death under the Massachusetts non-forfeiture law applying to this company. The company is ready to pay the proceeds of the policy into court, declaring itself unable to decide between the claimants. The decision will be awaited with interest.

THE WINDING UP of the Saugeen Mutual Fire insurance company of Mt. Forest, Ontario, which has been going on for several months, has developed a decision in the courts which will be very much of a wet blanket on members of these mutuals generally, as well as on the members of this company in particular. In order to evade the payment of assessments made, and also the payment of "preferred" notes, members set up in defence the mode of carrying on the business by the company, the division into classes, etc., but without avail. The Master in Chancery at Guelph has decided that not only must all these notes be paid, but that all assessments in arrears must also be paid. In other words, the members constitute the company and are individually liable for a portion of its losses, and must pay up. Perhaps some time people will learn that going into a mutual company involves serious liability, while, practically, membership entitles the individual to no voice in the actual management.

THE FACTS WHICH are patent to all intelligent observers fully justify the conclusion, that unless a decided improvement speedily takes place in the management of the water supply in Toronto, not only will the health of the people there be in constant peril, but the insurance companies will be justified in advancing rates to meet the obvious hazard. With pumping works entirely inadequate, when in order, to keep up a full supply of water, with numerous holes in the supply pipes neutralizing by leakage the efforts of the pumping power, with the pumps half filled with sand and the main engine breaking down suspiciously often, we don't wonder that the wide-awake portion of the citizens of our sister city are getting emphatic on the necessity of having something done by the city council. Possibly, through recent repairs and a spasm of vigilance, the immediate peril may have passed; but the authorities of Toronto must look the fact squarely in the face, that a water supply sufficient for such an emergency as is likely to occur in a city of nearly two hundred thousand people means a good deal more than can be predicated of the present appliances.

THE AFFAIRS OF the Star Fire of New York, which went into voluntary liquidation after 22 years of experience, reinsured its business and retired in 1886, is giving occasion for sundry sensational reports of late with regard to the whereabouts of its assets, reported at the close of 1889 at \$237,244. Mr. N. C. Miller, the president, was entrusted by the directors with the winding up of its affairs, and the above assets were in his charge. Mr. Miller is now and has for some time been engaged in business in Chicago, and maintains a studied silence regarding the whereabouts of the assets which were found missing recently from the safety deposit box where formerly kept in New York. His answer to all inquiries is that what he has to say will be said in court. Mr. Miller is presumably responsible, and doubtless the stockholders will get what they are entitled to. The former, it is said, has some claims which he intends to compel the latter to acknowledge. This apparently explains the would-be sensation.

THE BRILLIANT CAPACITY of the daily newspaper for blundering when it essays to deal with insurance matters, and the facility with which it steals whatever is reliable from the insurance journals, has become notorious. An instance of this latter cribbing propensity appeared recently in the columns of the *Chicago Tribune*, which printed, as original news from New York, a rehash of the information given by the *Chronicle* of that city in two different issues concerning the Ettinger matter—a secret system of reporting in advance to various companies by that individual where Jew fires were likely to occur. Not long since the *Toronto Globe* found a "mare's nest," in the fact that the life assurance companies of the Dominion lost by lapse and surrender nearly a million and three-quarters more assurance last year than they did the year before, deducing therefrom the startling conclusion that the business was in a bad way. It was oblivious of the collateral fact that the same companies also increased the amount of assurance in force by more than eleven millions! Then, again, recently the *Minneapolis Times* drew some ridiculous conclusions from the assertion that two-thirds of the fire loss of the country is due to incendiarism, ignorant of the fact that one-fifth the proportion named is a high estimate. Expert knowledge on the far-reaching subject of insurance is not provided for on the staff of the daily newspaper; while it is just that kind of knowledge that dominates the columns of the insurance press. The one is authority in its chosen field; the other jumbles facts and jumps at conclusions as a necessity of its limitations.

IN CONNECTION WITH the great fire at Salonica the *Standard* of London charges that the British companies, who are said to be losers to the extent of three-quarters of a million dollars, employed impecunious young Jews as agents, without inquiring of the consul there as to their fitness, and that these agents "would insure anything, even small huts made of sun-dried bricks covered with planks." It is to be hoped, as is probable, that this is largely newspaper exaggeration.

**THE "HM" AND "AMERICAN" MORTALITY TABLES.**

As far back as February, 1883, the INSURANCE AND FINANCE CHRONICLE, while discussing the question of "suspended mortality" which was at that time agitating the Canadian insurance world, drew particular attention to the fact that the reserves called for by the Institute of Actuaries Hm table, which is the legal government standard of the Dominion, are much heavier than those required by the American table, although the rate of interest assumed be the same in each case. Most persons suppose that the results obtained by all four and one half per cent. tables are for practical purposes alike, but this is by no means the case. Interest is certainly one of the principal factors in the problem, but the rate of mortality itself is also a very important element. We explained this matter at considerable length in our issue of July 1st last, but at the risk of being wearisome will repeat one or two illustrations of the difference between the values brought out by the two tables. We will take a suppositional company whose business is five years old and whose policies were issued at say age 35.

Plan.	Sum assured.	Reserves Hm. Table.	Reserves Am. Table.	Excess of Hm. Reserve.
Life .....	\$16,000,000	\$916,000	\$851,200	\$64,800
Life paid-up.....	2,000,000	685,780	661,900	23,880
Endowment 15 yrs. 2,000,000		503,180	502,180	1,000
Endowment 20 yrs. 5,000,000		825,350	819,050	6,300
Endowment 25 yrs. 5,000,000		586,800	576,650	10,150
Total .....	\$30,000,000	\$3,517,110	\$3,410,980	\$106,130

It will be noticed that in the case of such a company the liabilities, if calculated by the Canadian standard, would be more than three per cent. in excess of the amount demanded by the American table with the same rate of interest.

A convincing proof of the truth of our statements is to be found in the fact, that the Confederation Life on two occasions had its policies valued by both standards, the results being as follows:—

Date.	Hm. Table.	American Table.	Excess.	Per ct of Excess.
Dec. 31st, 1882...	\$741,417	\$713,846	\$27,571	3.86
Dec. 31st, 1889..	2,370,502	2,304,806	65,696	2.85

It will be noted that there is less difference proportionately at the latter date than at the former. This is no doubt due to the fact, that during the seven intervening years the proportion of endowment assurances to the whole has much increased, until at present the reserves on these just about equal the total for the life and limited payment policies. The ratio would of course be higher in a company which had a larger proportion of ordinary life policies.

We are pleased to notice that these views are shared by the Dominion Insurance department. Our readers will remember that the Canada Life Assurance Company, in its last annual report, adopted the valuation of its policies as made by the Michigan Insurance Department on the American 4½ per cent. basis, and divided its profits accordingly. The management however reserved \$250,000 as a special preparation for a possible future change of valuation to a four per cent. standard. In the Dominion blue book, lately to hand,

however, the following addition is made to the company's statement of their liabilities:—"Amount added by the Department to bring reserve up to the Institute of Actuaries Hm. 4½ per cent. standard, \$247,126.20." This amount is precisely three per cent. on the amount of the reserves by the American table. If this estimate of the necessary addition be correct, it of course annuls the supposed special reserve, and leaves the company practically just as if it had valued its contracts by the ordinary Canadian standard. Fortunately, however, in the case of the Canada Life it is a matter of comparative indifference which basis is adopted, for by either it is shown to be strong and highly prosperous. The point we have referred to is of but minor importance so far as this particular company is concerned, but it is nevertheless one of much interest to our readers, as showing that all our Canadian companies, including the Canada Life, have already set aside larger reserves than are required by the four and one-half per cent. standard as it is understood in the United States.

**FIXED SURRENDER VALUES.**

Our New York contemporary, *The Review*, in its issue for September 18, deals editorially with the question of "Life Insurance Surrender Values," for the apparent purpose of demonstrating that companies ought not to pay uniform cash values even on policies uniform in kind and issued at uniform ages. Our contemporary asserts that "there are good reasons why no arbitrary rule can be followed in fixing upon cash surrender values, if the question of equity to both insurer and insured is to be considered." We are told that the subject must be treated by going back to first conditions under which the policy was issued. Here is what follows:—

Briefly stated, a risk is accepted on the certificate of the examiner that the physical condition of the applicant is up to a certain standard. In short, that he is a healthy risk. At the beginning, therefore, all members are upon the same level. Did they remain so, a fair cash surrender value for each year would not be difficult to formulate. Unfortunately, a variation in the quality of the risk begins at once. At the end of one, three, or any stated number of years there is a wide difference in the physical standing of lives that were admitted in the same year. So long as the contract is carried out to maturity in accordance with its original provisions, this variation in the quality of the lives makes no difference, since it equalizes itself through the general law of average.

Now this sounds very plausible, just as a good many smoothly written sayings do where dissimilar ideas are hitched together as though inseparable from each other. The varying deterioration of lives, and, hence, of "the quality of the risk," is well understood, but, unfortunately for our contemporary, has nothing whatever to do with the equitable cash value of policies at a given period of the same kind and issued at identical ages. The reserve on these uniform policies is also uniform and absolute, and is the same in each case at the end of any given year. That reserve has been contributed by the policyholder as an essential condition of the contract whereby the company is enabled, through the operation of "the law of average," to pay every policy claim as it matures by death or expiry. Two

men of the same age and with the same kind of policy, among the ten thousand more or less who are policyholders, and who elect, as allowed in the contract, to surrender their policies, must receive the same cash value, "if the question of equity to both insurer and insured is to be considered." And this is so not only because both have contributed the same amount to the reserve, but because, under "the law of average," the company is just as able to pay a definite portion of that reserve to the man of physical impairment as to the one of little or no impairment. It is by no means certain that the apparently impaired life, if continued on the company's books, will become a claim before that of the apparently healthy life, and the deterioration, if actually existing, is as fully covered under the average belonging to a large number of lives, in the settlement at surrender, as it is at death.

Our contemporary further says:—

The subject of cash values is one which can safely be left to the discretion of the companies themselves. It would be decidedly impolitic for a company to promise so large a share of the reserve for cash at the option of the insurer, as the offer would become a standing temptation for him to accept, and so utterly defeat the original intent of the policy, the protection of the family.

This is simply equivalent to saying that the insured is incapable of knowing what is best for him, and that he is the ward of the company instead of being one of the parties to a contract, and properly held to strict responsibility as such by the company. If the assertion, that "the subject of cash values is one which can safely be left to the discretion of the companies," means that they may make flesh of one policyholder and fowl of another—pay one man a hundred dollars, and another of the same age and with the same kind and amount of policy only fifty, though an "equitable surrender value," is in general terms promised, then our contemporary's notions of equity must be very peculiar. The fact is, that, as between promising and paying no cash surrender value whatever in any case, and the settlement for surrendered policies on a basis which treats all of like conditions in like manner, there is no tenable middle ground.

The *Review* having committed itself to the old arguments about cash surrenders, and which have been repudiated by a large portion of the progressive companies, naturally gets off the following: "Nor would it be advisable or beneficial to the policyholders collectively, since in case of financial depression or panics the policies would be thrown back on the company's hands in such quantities as to demoralize for a time the assets, some of which might have to be converted into cash at a loss in order to meet the demands made upon the company."

If the *Review* will just multiply the twelve and a quarter million dollars paid last year by all the companies (as found in the New York report) for surrenders by two, or even three, and then note the fact that the current premium receipts for last year were over one hundred and thirty-three millions, and that at the close of the year the *cash in hand* amounted to over thirty-two millions, its panicky rhetoric will have a rather absurd look,

A very simple fact, however, disposes of all this loose talk about a definitely promised cash value "becoming a standing temptation" to which the policyholder is likely to yield, as well as about the dire results of a panicky season. Everybody knows that for a good many years the Massachusetts companies have paid definite and uniform cash surrender values under the law, such values being printed upon the policy, and that some other companies have voluntarily done the same, notably the Mutual Benefit Life. Now, so far from this practice proving an irresistible temptation to their policyholders to go out in swarms, the percentage of cash paid for surrenders to total payments to policyholders, of the Massachusetts companies and the Mutual Benefit combined, was over *two per cent.* less last year than the like percentage of all the other companies reporting to the New York department, the former being 13.4 and the latter 15.7 per cent. It will certainly not be claimed that the latter companies pay for surrenders a larger percentage of the reserve than do the former. It has not been our purpose to here discuss the general question of cash values and no cash values at surrender, but we do most emphatically insist, both in the name of equity and of good policy, on definiteness and uniformity where cash surrender values are allowed at all.

#### EXTRAVAGANT PROMISES.

Under the above heading, the *Monetary Times* of Toronto, in its issue of September 5th, has an appropriate article on the subject of new loan and investment companies that are springing up like mushrooms in the province of Ontario.

We have received a number of letters from different parts of Ontario on the same subject, and for the benefit of those of our readers who have not seen the article referred to, we quote as follows therefrom: "Naturally enough we enquired of the authorities of the Trust Corporation of Ontario, the company mentioned (as custodian of the loan fund), whose reply was that they had agreed to act as custodian for the funds of both these companies, if certain requirements were complied with. These requirements, however, have not been complied with, and the Trust Corporation, any more than the banks whose names are mentioned, will not guarantee the success of these concerns. \* \* \* \* \* The Building societies and loan companies in Canada are usually conducted by persons of standing in the communities where they reside. And the older ones among such concerns have responsible subscribers or accumulated funds, which enable them to enter into financial transactions with some assurance to members or shareholders that capital confided to them will be accounted for. But what guarantee do these projected concerns offer? One of the gentlemen, whose name is paraded as an incorporator of the Dominion Association, declares this use of his name to be unauthorized. Such facts as this, added to the questionable use made of the names of banks and trust companies, are calculated to make people shy of over-puffed concerns."

In England, some years ago, it was somewhat com-

mon for the professional promoter, without any authority whatever, to clap the names of prominent persons on his circulars as incorporators and directors. More often than not the name of a member of the nobility would be paraded in prominent type as the proposed chairman of the concern. Over there they follow these things up closer than here, however, with the result that certain professional promoters found themselves in the hands of the law. Very properly they made the acquaintance of a prison, and the prompt and effective measures taken in order to stamp out these pests have had a good effect. If anything of the kind should be attempted here, we trust some of the dupes will not allow the professional promoter to go unpunished, but on obtaining absolute evidence as to the facts, place the matter in a lawyer's hands and have the fellows criminally prosecuted. If our correspondents will send us full particulars of any really objectionable concerns and the names connected therewith, we will investigate, and if facts are stated, we shall not hesitate to aid in publicly ventilating them.

In our judgment, all these investment companies issuing bonds should come under Government supervision, similar to that of loan and banking institutions. Moreover, they should be compelled to make a suitable deposit in first class securities as a guarantee of their stability. Evidently these concerns are becoming competitors with the life companies, as we understand that in Kingston an agent was recently offering bonds, endeavoring to prove them better for the party than an endowment policy in a well-established life company; but fortunately for the party the agent was unsuccessful in convincing him. The life companies should take this subject up, and seek to obtain legislation thereon at the next meeting of the Dominion Parliament.

#### ANOTHER "ENDOWMENT" ABSURDITY.

A correspondent sends us a circular issued by the Dominion Provident, Benevolent and Endowment Association, hailing from Stratford, Ontario, and asks our opinion of it. It is an assessment endowment association, based on essentially the same idea adopted by a large class of concerns, and first promulgated by the "Iron Hall" of Massachusetts. Our opinion of these assessment endowment associations has been pretty freely and, we hope, forcibly expressed in these columns of late, and is, in a nutshell, that they are based on a clumsy fallacy, delusive as to their members and demoralizing to the community.

This particular association, with the long name, differs from the ordinary assessment endowment affair by distributing its alleged endowments over a forty year period, paying a certain amount every four years, and by having a "funeral benefit" attachment. For instance, on a \$5,000 certificate the membership or entrance fee is \$5.00, and the monthly assessment, including dues, \$3.50. The funeral benefit becomes operative after six months, and is \$25.00. At the end of four years the member is promised \$485.60. He will

of course have paid in during the forty-eight months \$168.00 or \$3.50 per month. Now, allowing that the association may realize six per cent. compound interest, these monthly payments would at the end of four years amount to less than \$190.00. And yet the poor dupes are promised \$485.60. Where is the money to come from? When this pertinent question occurs to the would-be insurer he is mystified by a reference to marvellous "gains from lapses," "mortality savings," "influx of new members," etc. Let us see.

Suppose 1,000 members are secured during the first year. Of these, ten may die—not at the end of the year after they have each paid \$42 in assessments, but during the year. Allowing that six months assessments, on the average, have been paid by each, the aggregate would be \$210. Half of these, dying after the first six months are entitled to \$25 each "funeral benefit," or \$125, leaving just \$85 gained from "mortality saving." The record shows that the lapses have for a number of years averaged less than 7 to each 100 policyholders, in the regular life assurance companies of the United States and Canada combined. On this basis 70 lapses will have occurred in the assessment endowment concern during the year. Allowing that these all paid six months' assessment before quitting, and we have \$1,470 gained from lapses. Add \$85 gain from those dying during the year, and we have a total of \$1,555 for the year. Multiplying this by four we have a total gain from lapses and deaths in the four years of \$6,220. The amount paid in by the 680 members who have lived and continued their membership will be \$114,240. We have here allowed 70 lapses and 10 deaths for each of the four years, or 320 terminations in all, rather than the percentage of seven, and one per cent., respectively, on the reduced number of members after the first year. Now we have 680 members left who are entitled to \$485.60 each, or an aggregate of \$330,208. To pay this we have \$114,240 from assessments and \$6,220 gained from deaths and lapses, or in all \$120,460. Where now, we ask, is the lacking \$209,748 to come from? Compound interest at 6 per cent. on the entire amount received from members would add to the resources less than \$20,000 or, say, make an aggregate of \$140,000 accumulated with which to pay \$330,000! If we double the gain from lapses there will still be an enormous deficiency. As will be seen, we have taken no account of expenses which would amount to a good sized item above the entrance fee charged.

The simple truth is, that if one of these assessment endowment associations pays even its first batch of endowments, it must do so by taking money paid in by the *incoming* members, and which belongs as exclusively to them as do the payments of the first year's members to those members. So long as enough dupes can be found to keep up the inflow of members to a considerable extent, endowments to early members may be paid at the expense of the later ones. The moment the association comes to a standstill, as it inevitably must, the later members must be left in the lurch to contemplate an empty treasury.

In the entire history of insurance, with all its quackery, there has never been a scheme more utterly chimerical than that offered by these assessment endowment concerns of the "Iron Hall" pattern and their kindred workers, the various "bond investment" companies, tarred with the assessment stick. The marvel is, not only that people blessed with a fair degree of common sense on most subjects are caught so easily by such absurdities, but that men who pass among their fellows for reputable citizens are found lending their names as promoters of these devices. That they do not realize the utter worthlessness of the promises made is no excuse, for ten minutes of honest investigation would reveal it to any capable business man. The day of these assessment endowment humbugs will be short, but it will evidently be long enough to empty a good many scantily filled pockets, and to tarnish the good name of a good many reputable men in Canada and elsewhere, unless they speedily stand from under.

**FIRE INSURANCE—A SIX MONTHS' RECORD.**

The State of Georgia requires all insurance companies doing business therein to make a half yearly report of their general business and condition on June 30th of each year. That report has been made, and we herewith present to our readers the result as to premiums received and losses paid from Jan. 1st to June 30th, 1890, by the principal companies —

COMPANIES.	Net Premiums received.	Losses Paid.	Loss ratio.
Aetna, Hartford.....	\$1,464,256	\$799,125	53.2
American, Philadelphia.....	1,018,702	502,617	49.3
British America, Toronto.....	283,336	178,964	63.0
Commercial Union, London.....	1,259,879	697,751	55.4
Continental, New York.....	1,058,886	559,538	52.5
Connecticut, Hartford.....	572,338	294,161	51.1
Fire Association, Phila.....	798,107	435,103	54.6
German-American, N. York.....	1,030,460	681,518	66.1
Guardian, London.....	446,334	243,387	54.5
Hartford Fire, Hartford.....	1,459,824	794,240	54.5
Hamburg-Bremen, Germany..	488,565	260,148	53.2
Hanover, New York.....	548,893	352,984	64.3
Home, New York.....	2,012,571	1,252,493	62.2
Imperial, London.....	527,632	274,757	52.0
Ins. Co. North America, Phila.	1,962,728	1,480,356	75.4
Lancashire, England.....	788,141	476,745	60.5
Lion Fire, London.....	210,892	113,378	53.8
Liverpool & London & Globe.	2,162,057	1,243,669	57.5
London Assurance.....	573,772	388,061	67.6
Mutual Fire, New York.....	322,793	305,223	94.5
National, Hartford.....	546,960	284,991	52.1
Niagara, New York.....	801,069	584,866	73.0
Norwich Union, England.....	616,001	302,895	49.2
Northern, London.....	524,909	300,460	55.1
North British & Mercantile...	1,004,776	592,962	59.0
Orient, Hartford.....	489,792	286,168	58.4
Phenix, New York.....	1,541,572	925,122	60.0
Phenix, London.....	771,430	441,731	57.2
Phenix, Hartford.....	1,268,150	740,323	58.4
Queen, Liverpool.....	736,949	470,959	63.9
Royal, Liverpool.....	1,575,128	848,195	53.5
Scottish Union National.....	273,861	147,242	53.8
Sun Fire, London.....	681,620	240,331	59.0
Western, Toronto.....	543,535	381,775	70.2
	\$30,366,821	\$18,045,292	59.4

The premiums of the entire 51 companies in the Georgia report amounted to \$33,131,466 and the losses paid to \$19,662,795, indicating a loss ratio of 59.25 per

cent. The companies reporting last year for the first six months of 1889 collected \$32,080,108 in premiums, and paid for losses \$20,731,020, the latter being 64.62 per cent. of the former. These mid-year statements we regard as of little value to anybody, but we give the figures for what they are worth.

**NORTHWESTERN FIRE UNDERWRITERS.**

Below we print some extracts from the papers read at the recent annual meeting at Chicago of the Fire Underwriters' Association of the Northwest.

*President Sheldon of the Phenix of Brooklyn, on capturing the business of the mill mutuals.*

If anything is to be done to hold this business to foster it for the stock companies, I believe that it has to be done by the field men of our companies. There is where the first work must be done, if we are going to maintain ourselves and keep even with what we have got now. You may know that in New England this work of retaining for the stock companies a remnant of this class of business has been done entirely by the field men of New England. The New England Exchange years ago appointed a factory improvement committee, and the work that that committee has done has made it possible for the organization of an association of stock companies to grapple with this work. For your encouragement, let me say that were it not for the work of the field men in this direction, it would not have been possible for us to have begun the work, which we have followed up so that we have made secure the business that we had left, and have also taken from the mutual companies risks that they have been carrying year after year, with no thought of a possibility of their ever being lost to them. I do not intend to dwell to-day upon the work of this Factory Insurance Association. \* \* \* \* \* These companies in that association did not look for any immediate profit from their work, and recognized that they had begun altogether too late a work which should have been prosecuted many years ago. They thought that by making that fight right there and now in New England, that possibly the South and West would get the benefit of it, that thereby the fact would be indelibly impressed on the representatives of stock companies in these other fields, that they must be thoroughly aroused to the importance of instant action to retain this business. They meant that from this time aggressive action should be initiated to compete with the mutuals for the business they had, so that they would not have time to reach out in the new districts, in the new fields, and gather there what was almost ready and ripe to fall into their hands. We have now been engaged in this work nearly six months, and I am very glad to report to you to-day that the outlook is exceedingly encouraging, and there is not a member of that association to-day but what has seen already accomplished in this short time more than they looked for after twelve months of hard work.

*Dr. J. S. Bloomington, Editor "Investigator," on "The Politics of Fire Insurance."*

I am inclined to the opinion that this eternal fault-finding is one of the idiosyncrasies of the underwriter, and has become second nature by force of habit. In 1883 it was figured up that, for the 23 years preceding the profit on one hundred and sixteen thousand million (\$116,000,000,000) dollars written had been .0487 cents on \$100, over fire cost and expenses of management. That is to say, in 23 years the stock companies of the country had succeeded in making a profit on their business of fifty-six million five hundred and fifty



thousand (\$56,550,000) dollars, or an average of about two million four hundred thousand (\$2,400,000) dollars a year. The capital invested during this time averaged about forty million (\$40,000,000) dollars. It is true, six per cent.—the rate earned—was less than the market rate for money, and then too I have not taken the hazardous nature of the business into consideration. But that was not all that was earned. The interest from investment swelled the total very handsomely. \* \* \* \* \*

The business of fire insurance has not yet gone to destruction, but, on the contrary, it is a long way short of that. The 150 companies reporting to the New York insurance department on January 1st last had two hundred and thirteen million five hundred and eighty-nine thousand eight hundred and twenty-four (\$213,389,824) dollars in solid cash assets, and a net surplus over all liabilities of fifty-five million five hundred and ninety-four thousand four hundred and eighty-four (\$55,594,484) dollars, not counting their cash capital of sixty-four million five hundred and thirty-two thousand six hundred and twenty (\$64,532,620) dollars. These are the companies, gentlemen, with which you are connected. With that amount of money laid up for a rainy day, there is slight prospect of your going to the poor house very shortly. No, there is both hope and sunshine here. The majority of these companies are time-tried and fire-tested. They are financially strong and well managed—the peers of any class of corporations in this country or any other. Many of them are conflagration-proof, and if old Father Time deals gently with others, they too will become so. Your business is an important one to society, and under our modern civilization has become a necessity. In the language of Thomas Jefferson, "Eternal vigilance is the price of liberty." With the underwriters, eternal vigilance is the price of success.

In a business of such vast proportions there must, in the nature of the case, be abuses, but not past correction. Correct them; you know what they are and have the power in your own hands. Use it. The insurance army is 30,000 strong. Organize, and no power on earth can cheat you out of your birthright.

*Inspector R. W. Bourne on "Automatic Sprinklers."*

Comparative results of 1,099 fires show a loss under sprinklers of \$466 per fire; where there were no sprinklers \$7,412. The ratio of losses to fire is as 1 to 18 in the two classes of risks, equipped and unequipped. The writer has a record of over 100 fires in the district covered by the Western Union, with but one single total loss where there was an undoubted supply of water for the sprinklers.

We have, probably, in the territory covered by the members of the association I am addressing no less than 450 equipments of automatic sprinklers. Of these I have actual results in fires, as I said, of about 100. In these 100 eight have been total losses. If we had insured the equipment at one-eighth only of their value as to premium. I would say dispense with the sprinklers; but when the record of 100 fires shows one-eighth losses, only 12½, I ask if the record of any one company here represented shows a better percentage of loss. I can safely say that, notwithstanding the total losses recently experienced, sprinklers are ahead in the West, not as must as they will be in the future, as we are awaking to the fact that I stated in the beginning of my paper—automatic sprinklers have come to stay. But let us use them intelligently; employ the best means to make them as perfect as possible; watch them, study them; be not blinded by the simple word "automatic," but consider that a reduction in the rate, if made, is for value received only, and insist upon its value being great. In this way only will the automatic sprinkler protection prove its worth.

### PENNSYLVANIA ANTI-REBATE LAW.

We print the following text of the anti-rebate law in force in Pennsylvania, and which is very similar in its provisions to the laws enacted during the past year or two in several other States. Ohio and, we believe, Michigan couple imprisonment with fine as a penalty for transgression. We give the following, as suggesting the substance of such a law as ought to be enacted for the Dominion of Canada:—

No life insurance company doing business in Pennsylvania shall make or permit any distinction or discrimination in favor of individuals, between insureds of the same class and equal expectation of life, in the amount of payment of premiums or rates charged for policies of life or endowment insurance, or in the dividends or other benefits payable thereon, or in any other of the contracts it makes; nor shall any such company or agent thereof make any contract of insurance or agreement as to such contract, other than is plainly expressed in the policy issued thereon; nor shall any such company or agent pay or allow, or offer to pay or allow, as inducement to insurance, any rebate of premiums payable on the policy, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever not specified in the policy contract of insurance. Any life company, its agent or agents, violating this act, shall be guilty of a misdemeanor, and upon conviction thereof the offender or offenders shall be sentenced to pay a fine of five hundred dollars on each and every violation where the amount of insurance is twenty-five thousand dollars or less, and for every additional twenty-five thousand dollars or less there shall be an additional penalty of five hundred dollars.

## Financial and Statistical.

### SAVINGS BANKS.

The law of Canada recognizes a radical difference between the ordinary banks and those which confine themselves solely to accumulating and investing the savings of the public. The regulations appointed for the control of these two kinds of institutions are in many respects opposed to each other. For instance, savings banks are prohibited from issuing notes, or lending on bills receivable, or in any way transacting an ordinary banking business; but, on the other hand, they have some special privileges accorded them, chiefly among which is the power to lend on the security of the shares of other banks, which is of course denied to the others.

For practical purposes, however, the savings bank business of the Dominion may be said to be conducted by two institutions alone, the City and District Savings Bank of Montreal, and Caisse d'Economie of Quebec. The constitutions of these two corporations are to a large extent identical. Both owe their origin to the influence of the authorities of the Roman Catholic church, although neither of them limit their business by religious lines, the stock of the former being even in fact now owned chiefly by Protestants. Both institutions however contribute yearly a considerable sum to local charities. We have before us the last annual report of the "Caisse d'Economie,"

and the following extracts will show not only the strong position attained by that bank, but the extent to which the savings idea can be developed.

ASSETS.	
Provincial and Municipal bonds.....	\$1,421,852 72
Loans on Dominion or Provincial bonds.....	17,858 55
Loans on Bank stocks.....	463,315 11
Loans on other bonds or stocks.....	502,345 00
Cash on hand or deposited in banks.....	735,331 87
Special investments for the poor funds.....	83,000 00
Other Assets.....	151,105 00
	<u>\$3,374,808 25</u>

LIABILITIES.	
Capital stock subscribed.....	\$1,000,000 00
Not called up.....	750,000 00
Reserve Fund.....	\$250,000 00
Profit and Loss.....	\$90,000 00
	<u>13,100 97</u>
Deposits.....	103,100 97
Special poor fund.....	2,910,545 82
Other Liabilities.....	83,000 00
	<u>28,161 46</u>
	<u>\$3,374,808 25</u>

During the year deposits were received to the amount of \$3,923,487.85, and payments made of \$3,874,163.84, leaving a net increase of \$49,324.01. There were 1876 new accounts opened and only 612 closed. The large sum of \$100,127.32 was credited to the accounts of depositors as interest. The shareholders received \$24,875 in dividends besides a bonus of \$5,000. Another \$5,000 was distributed to local charities. And in addition to all this, the wise and conservative course of writing down the assets has been followed, part of the profits being applied to wiping out the premium on debentures lately purchased. A further \$5,000 has been set aside as a nucleus to a pension fund for the officers. This is a well-deserved recognition of their services, and we need only state that the total expenses

of all kinds for the year were only \$21,669.75 to show that it is not probable that the salaries paid are at all extravagant.

When we remember that the operations of this bank are confined to the city of Quebec and the adjoining town of Levis, we cannot but admit that it has been a great success, and that its able secretary-treasurer, Mr. L. C. Marcoux, and other officers deserve our heartiest congratulations.

**CANADIAN POST-OFFICE SAVINGS BANKS.**

The following table shows the numbers of depositors in each province, amount on deposit and proportion of deposits per head of the population on June 30, 1889. As compared with the previous year, there was an increase in the amount on deposit of \$2,322,390, much of which was, however, due to the transfer of Government savings banks to the Post-office banks :-

PROVINCES.	No. of Depositors.	Amount on Deposit.	Average to each Depositor.	Average head Population.
Ontario.....	88,992	\$17,176,870	\$193 02	\$7.82
Quebec.....	16,662	3,982,357	239 01	2.65
Nova Scotia.....	3,618	957,391	264 62	1.95
New Brunswick....	2,594	646,193	249 11	1.85
Manitoba.....	8	472	59 00	....
British Columbia..	1,177	241,309	205 02	1.54
The Territories....	72	6,830	94 86	0.06
Total.....	113,123	\$23,011,422	\$203 41	\$4.53

The total number of Post-office savings banks in the Dominion is 463, of which Ontario has 330; Quebec 77; Nova Scotia 27; New Brunswick 18; British Columbia 6; the Territories 3, and Manitoba 2. In the whole United Kingdom, the amount on deposit in Post-office savings banks in 1888 was \$284,974,450 and the average \$7.54 per head of population.

STATISTICAL ABSTRACT OF THE CHARTERED BANKS IN CANADA.

Comparison of Principal Items.

Assets.	31st Aug., 1890.	31st July, 1890.	31st Aug., 1889.	Increase and Decrease for month.	Increase and Decrease for year.
Specie and Dominion Notes.....	\$15,760,612	\$15,986,028	\$17,014,065	Dec. \$225,416	Dec. \$1,253,453
Notes, cheques and balances due from Can. banks ..	8,766,027	8,959,473	8,344,269	Dec. 193,446	Dec. 421,758
Due from American Banks and Branches.....	12,868,708	12,069,930	17,530,482	Inc. 798,778	Inc. 4,661,774
Due from British Banks and Branches.....	2,450,409	2,412,184	1,530,472	Inc. 38,225	Inc. 919,937
Government Securities.....	8,500,628	8,496,685	8,105,417	Inc. 3,943	Inc. 395,211
Loans and Collaterals.....	16,622,191	15,043,996	14,846,011	Inc. 1,578,195	Inc. 1,776,180
Loans to Corporations.....	28,204,690	29,216,683	24,228,477	Dec. 1,011,993	Inc. 3,976,213
Current Discounts to the Public.....	151,234,334	150,820,722	147,352,010	Inc. 413,612	Inc. 3,882,324
Overdue debts, including those secured by mortgage.	2,554,732	2,586,278	2,626,904	Dec. 31,646	Dec. 72,172
Total Assets.....	256,084,445	254,648,943	253,011,902	Inc. 1,435,502	Inc. 3,072,543
<i>Liabilities.</i>					
Notes in circulation.....	32,718,363	31,167,628	31,090,284	Inc. 1,550,735	Inc. 1,628,079
Government Deposits, Dominion and Provincial....	6,378,022	6,642,414	13,332,272	Dec. 264,392	Dec. 6,954,250
Deposits from the public.....	130,952,014	131,265,753	121,714,633	Dec. 313,737	Dec. 9,237,381
Loans and Deposits from and amounts due to other Banks in Canada.....	2,588,395	2,857,665	2,881,226	Dec. 269,270	Dec. 292,831
Balances due to American Banks and branches.....	100,544	109,321	101,307	Dec. 8,777	Dec. 763
Balances due to British Banks and branches.....	1,601,776	1,696,783	2,619,054	Dec. 95,007	Dec. 1,017,278
Total Liabilities.....	174,480,184	173,935,855	171,860,166	Inc. 544,329	Dec. 2,620,018
<i>Capital.</i>					
Capital paid up.....	59,881,243	59,634,914	60,256,461	Inc. 246,329	Dec. 37
Reserve Fund.....	21,499,034	21,134,034	20,016,332	Inc. 365,000	Inc. 1,482,702
Directors' Liabilities.....	7,232,469	7,233,402	8,400,041	Dec. 933	Dec. 1,167,372



**THE AUGUST BANK STATEMENT.**

As we predicted when considering the July statement, that before us for August shows an improved financial condition and exhibits a healthy tone. With the now assured good crop average and the general revival of business in commercial circles, the prospects in the Dominion are bright, even though our neighbors have erected a tariff wall to fence out our products. The world is wide, and if Canada has commodities to sell she need not want for a market. A good deal has been said of late about the falling off in deposits by the people in the Government post office savings banks, which amounts, we believe, to about \$3,000,000. A glance at the increase of deposits in our chartered banks will show that we have no cause for anxiety about the people's savings. Bank deposits on call cannot of course be reckoned among the real savings, being in the main temporary and born of special emergencies. Money, however, deposited to be withdrawn on notice only may, as a rule, be regarded as representing surplus earnings by the depositors. Doubtless the reduction in rate of interest of 1/2 of one per cent. by Government institutions the past year accounts largely for the increase in deposits to be withdrawn on notice. In our regular abstract of the condition of the banks, we combine deposits by the public on demand and on notice of withdrawal in one amount, therefore for the information of our readers we here separated the two classes of deposits, giving the figures for each of ten years, as shown on the 31st of August of each year. Following is the result:—

Year.	Demand Deposits.	Deposits withdrawable after Notice.
1881	\$43,084,387	\$40,334,430
1882	49,543,890	50,190,771
1883	44,702,645	54,643,783
1884	41,063,173	51,442,461
1885	46,533,408	51,960,657
1886	50,577,788	51,163,830
1887	49,802,105	57,679,999
1888	52,119,544	66,184,326
1889	52,608,841	69,105,791
1890	53,874,953	77,077,061

From the above it will be seen that while, during the ten years, the demand deposits increased \$10,790,566—an average of \$1,079,056 per year—the deposits withdrawable on notice increased \$36,742,631—an average of \$3,674,263 per year. During the last year we find the total deposit increase to have been \$9,237,381, of which only \$1,266,111 belong to call and \$7,971,269 to withdrawal deposits on notice. The large increase of the latter may we think account for the decrease in Government savings banks deposits. The depositor have only changed their bankers, for by the transfer they get higher interest.

We believe we share the general opinion of financiers, that the September bank statement and that for the current month will indicate an increasingly satisfactory condition in monetary affairs generally.

A "bond investment" concern of Philadelphia, called the Sexennial League, has been victimized by a lawyer to the extent of \$10,000 by means of bogus deeds.

**PHASES OF QUEBEC LAW.**

BY A VICTIM.

[The following graphic sketch has before appeared in form for private distribution, but we gladly give it the wider publicity which it deserves in the columns of the CHRONICLE.]

"Why, surely, that's Fitzherbert!" exclaimed Edward Markham, as he hailed one of the passengers disembarking from an Atlantic steamer at the Liverpool wharf one bright spring morning. "What brings you back? I thought you left us with the intention of remaining in Canada for the rest of your days, or at any rate until you had made your fortune, but somehow you don't exactly look as if you had succeeded in doing that."

"Well, it's a long story and a dismal one, Ned, and I have a good many things to attend to just now. Come and look me up at the Adelphi this evening and we can have a good talk."

"I will with pleasure," replied the other; "good-bye for the present."

On joining his friend again in the evening, Markham observed a care-worn and dejected air about him, which confirmed his impression that Fitzherbert had not met with the success to which he had looked forward when he left England in the hope of improving his position.

"Well, old fellow," exclaimed Markham, after a little chat about old times and old friends, "now tell me your history since you left us, some eleven or twelve years ago, I think. I shall be greatly interested in hearing all about it, as I have had serious thoughts of following your example."

"*Infandum regina jubes renovare dolorem,*" returned Fitzherbert. "Excuse my quoting Latin. I know it's snobbish, but Æneas' lament so exactly expresses my feelings that I couldn't help it. However, my stock of Latin is small, and I won't repeat the offence. Well, I will tell you all my adventures, or rather misadventures, if you care to hear them. I went to settle, as I think you know, in the Province of Quebec. The country is picturesque, and there is a great deal of excellent land there, and if one does not mind a somewhat long and severe winter it is a pleasant enough place to live in, but the trouble with me is that I have been robbed and ruined by the law.

"I carried with me my small capital of two thousand pounds or ten thousand dollars, as I will call it, my investments having, of course, been all made in that currency; and now I will give you a categorical account of what those investments were and what has become of them. I had a great idea that real estate securities were the most desirable, and I did not wish to have too many eggs in one basket, so I disposed of my money in this way.

"My first investment was in a mortgage on farm property, valued at \$3,000, and on this I advanced \$1,500. The title to the property was approved by a lawyer and my mortgage deed duly registered. The owner of the property subsequently gave a second mortgage to another person to secure a debt due to him on open account. The second mortgagee shortly afterwards sued for the recovery of his debt and obtained judgment. The property mortgaged to me was seized by the sheriff and advertised to be sold in two months, no reference whatever being made to my mortgage. I knew nothing of these proceedings and received no notice of any kind, although the Register showed me to be first incumbrancer. The property was put up to auction by the sheriff and knocked down to the plaintiff in the suit for \$150. The parties present at the sale knowing that there were mortgages covering nearly if not quite the full value, and supposing that the object of the sale was to get a title, there was no bidding against him. The \$150 was applied (according to law) first, in payment of the sheriff's costs, and secondly in payment of the attorney's costs. The two together absorbed the whole of the purchase money; the judgment creditor got the property and I lost every cent of my investment. In answer to my indignant protest at this legalized robbery, I was told that it was my own fault for not having appeared at the sale to protect my interests; that I should have

studied the *Quebec Official Gazette*, in which the intended sale was advertised. 'Why,' it was said, 'every one ought to know that you cannot with any safety hold real estate or real estate securities in the Province of Quebec, without examining the notices in the *Official Gazette*.' The paper is published weekly, and notice of a sheriff's sale must be published for two months previously. 'Well, but—' I replied, 'why does not the sheriff sell what the defendant really owns, which is the property, *subject to the mortgages*, or what is called in English law the "equity of redemption," instead of selling the property itself which practically belongs to another person?'

"Oh," replied my informant, with a shrug, 'that may suit your fastidious notions, but we like these sharp proceedings, and a sheriff's deed is considered the best possible foundation for a title. In this province our sympathies are all with the debtor and against the creditor.'

"I presume, then," said I, 'that is the reason why your French law refuses to allow a mortgagee to make use of a power of sale, although inserted with the express consent of the borrower, and that consequently before a security can be realized it is necessary to apply to the courts and obtain a judgment for the debt with all the heavy expenses consequent upon a suit. You are aware that where English law prevails a power of sale is inserted in every well drawn mortgage, whereby if the borrower fails to pay according to the stipulations of the deed, the mortgagee, after a certain delay, is empowered to sell the property and to pay himself what is due under the mortgage, and is then to hand the balance, if any, to the debtor. If the power is improperly used the mortgagee is liable in damages to the mortgagor. Under that system, as no legal proceedings are necessary, a man knows when he is lending money that nothing can come between him and his security, and as it enhances the value of the security it has a natural tendency to reduce the rate of interest, and therefore benefits the borrower as well as the lender.'

"I must admit," returned he, 'that that appears to be common sense, but our law is chiefly made by lawyers, and what would become of them if we were to dispense with suits?'

"My second investment was similar to the first, namely, a mortgage of \$2,000 upon property of ample value. Profiting by my previous experience, I now carefully studied the notices of sheriff's sales in the *Official Gazette*, and about a year after I had made the investment, I was startled to find that the property which I held as security was advertised to be sold at the suit of a creditor. I attended the sale, and finding that the sheriff's fees and the attorney's costs connected with the suit amounted to \$150, and that my debt with accumulated interest came to \$2,100, I bid the property up to \$2,250, which I supposed would make my claim perfectly secure. A person present, however, who had been persistently bidding against me, and whom I took to be a *bona fide* purchaser, overbid me, and the property was knocked down to him for \$2,300. I was perfectly satisfied, as I wanted my money and not the real estate. Under the advice of my attorney I filed a claim for the purchase money *afin de conserver*, as it is called, and thought myself safe. I then left home for a month to visit a sick friend, and not having given instructions that that interesting publication, the *Official Gazette*, should be sent after me, was thunderstruck on my return home to find nearly the whole of my second investment hopelessly gone. It was in this way: The creditor who had obtained the judgment got some one to attend the sale for him with instructions to *overbid* me. The sale by the sheriff was made subject to the usual conditions one of which was that the purchase money must be paid within three days, in default of which the property would be again put up for sale, and the first purchaser would be personally liable for any diminution in the price obtained at the second sale. The purchase money was not paid (as had been previously concerted) and the property was again advertised to be sold at the *folle enchère* of the first purchaser. This time only two weekly insertions in the *Gazette* were necessary, and on the

day of sale the only persons present were the creditor himself and two or three friends, and after some pretense of bidding against each other the property was knocked down to the creditor for \$400. After taking out the additional costs of the second sale, the balance of the \$400 was paid to me, which was all I ever got, as the first purchaser who was probably a man of straw was nowhere to be found.

"My third investment was a mortgage for \$1,000 on a large tract of forest land or 'wild' land, as it is termed, supposed to be worth about \$2,000. About 3 years after making the investment, as my interest was very much in arrear, I instructed my attorney to take the necessary proceedings for recovering my debt when I found to my dismay that my security was gone, the entire property having been sold by the municipal authorities to pay the taxes which had fallen into arrear. It seems that all real estate, whether productive or not, is liable to municipal taxation for the purpose of raising a revenue wherewith to construct and maintain roads, bridges, &c., and to build and sustain schools. The law provides that if these taxes are not paid, the Secretary-Treasurer of the municipality in which the lands are situated may advertise in the *Official Gazette* that they will be sold on a certain day in the month of March. The advertisement must appear two months before the day appointed for the sale. The man who gave me the mortgage failed to pay his taxes, and the lands were advertised soon after I had made the loan. As my examination of the *Official Gazette* had hitherto been confined to a scrutiny of the notices of sheriff's sales, I did not see the advertisement, and although I was the registered mortgagee I received no notice of the intended sale. These sales are conducted in a peculiar manner. The auctioneer asks if any one present will pay the arrears of taxes and costs on the lands being adjudicated to him. Some one present offers to do so. The auctioneer then asks if any one will pay them on a portion only of the lands being adjudicated. If he finds a second bidder he continues the process until he finds the person who will pay the taxes for the minimum amount of land, which is then adjudicated to him. Sometimes there is a spirited bidding, but usually there is none, the taxes being paid by some one who is either the real owner or an incumbrancer, the taxes having been charged to a mere occupant who has very little real interest in the property. It is generally assumed that parties bidding are protecting their interests, and there is seldom any inquiry to ascertain whether this is really the case or whether the bidder is a speculator. In my case the bidder *was* a speculator, but as no one bid against him, the entire property on which I had a mortgage for \$1,000 was knocked down to him for \$35, the amount of taxes and costs. The law, however, provides that the original owner shall have the privilege of redeeming the property within two years on repaying to the purchaser at the auction his purchase money with a high rate of interest, but if not redeemed within two years the purchaser's title becomes absolute. The two years elapsed without my knowing anything of the proceedings, and the following day the man sold the property which had cost him \$35 for \$1,400. It appeared that the lands were not worth nearly as much as I had supposed, and the owner, despairing of being able to pay off the mortgage, had abandoned the property and left the country.

"My fourth investment was another mortgage on a farm valued at \$10,000, on which I advanced \$4,000. The property was situated at a considerable distance from where I lived, but as I got an excellent report of it and the title was perfect, I felt perfectly secure. My mortgage deed was of course duly registered. The interest was remitted to me punctually every half year for 10 years, when the payments suddenly ceased. On inquiring into the matter I found that I had again been victimized and had lost the whole of my investment, notwithstanding that I had diligently studied the *Official Gazette*. It appeared that almost immediately after I had taken the mortgage the owner of the property sold it to another party, received the purchase money and put him in possession. The law

declares that ten years' possession with a show of title, however worthless, confers an absolute title. The man to whom I lent my money paid the interest to me to avoid inquiry and discovery, and after the ten years disappeared and was supposed to have left the country. I was unable to prove fraud against the purchaser and lost my money."

"But," exclaimed Markham, "surely if a man buys a property on which you have a registered mortgage, which is ignored by the vendor, it is in itself evidence of fraud."

"Unfortunately," returned Fitzherbert, "the law does not regard it in that light. The law establishes a register, and declares that unless you record your deed, a subsequent purchaser or incumbrancer who *does* register will take precedence of you. Notwithstanding this the law does not require an intending purchaser to consult the register, and does not consider it any evidence of bad faith that he buys and pays for a property which the register shows the vendor has no right to sell. It is notorious that a large proportion of purchasers and mortgagees, especially in country places, never examine titles at all, especially if they are dealing with persons of apparent respectability.

"My fifth investment," continued Fitzherbert, "was a small one of \$500, secured (?) by a mortgage on a farm property valued at \$800. Soon after the mortgage was executed, the mortgagor, who was a poor man, was taken ill and failed to pay his interest, which accumulated for upwards of two years, when he died, leaving scarcely any personal estate. A creditor sued his representatives for recovery of a debt contracted by him, and for reasons best known to themselves they chose to resist the claim. Judgment was given against them, from which they appealed, but the original judgment was confirmed. The real estate held by me as security was seized and advertised to be sold by the sheriff. I saw the advertisement, as I now carried the *Official Gazette* about with me wherever I went. I attended the sale and bid the property up to \$300 (its full value) at which price it was knocked down to me. I then filed my claim as first incumbrancer on the property, expecting to get back the purchase money. The prothonotary subsequently made his 'report of distribution,' and my \$800 was 'distributed' as follows, all the claims detailed being 'privileged' by law and held to be entitled to precedence over my mortgage:—

1st—Sheriff's Fees .....	\$78.00
2nd—Costs of suit, including Costs of Appeal .....	280.00
3rd—Doctor's Fees for attending the Mortgagor in his last illness (he was six months in dying).....	210.00
Nurse's Fees.....	40.00
Undertaker's Charges .....	25.00
Mourning for the Widow.....	30.00
Arrears of Municipal Taxes.....	36.00
Arrears of Dues owing to the Church (the Mortgagor having been a Roman Catholic).....	40.25
Arrears of Assessments due to Mutual Insurance Company.....	20.00
The Tenant's Expenses of Tilling and Sowing the Spring Crop on the Farm.....	40.00
Balance awarded to the Mortgagor.....	.75
	<hr/>
	\$800.00

\* \* \* \* \*

"I now come," said Fitzherbert, "to the last of my troubles. I was, as you may imagine, thoroughly disheartened by my repeated losses, and was thinking of applying for a situation as my means had all melted away, and I had recently married, when a relation died, leaving me a legacy of \$5,000, which was promptly remitted to me. Shortly afterwards, and before we had been married three months, I grieve to say, my wife died.

"Having now no ties and no investments in the country, I determined to return to England and take my \$5,000 with me. I engaged my passage in the 'Parisian,' which sailed last month. I had packed my trunks and was on the point of starting, when a bailiff stepped up to me, and having ascertained

my name, served a notice upon me by which I found that a man, of whose existence I had never heard, claimed one-half of my \$5,000 and of any other property which I might have acquired during my married life. I was informed by him that unless I gave security for payment of what should appear to be due to this man I should not be allowed to sail, and that he was armed with a writ of 'capias' to arrest me. I telegraphed to a lawyer in the city to come to me immediately, and on hearing my story he said I could not possibly leave without having the claim disposed of, and that any judge would maintain the 'capias.' The end of it was that the 'Parisian' sailed without me, and my lawyer proceeded to investigate the claim.

"It appeared that the claimant was a very distant relative of my wife's. He lived in one of the Western States and had never been in Canada in his life. My wife had always told me she had no relations. By the merest accident this man seeing the notice of my wife's death in the newspaper, and attracted by the name (her maiden name having been given) and knowing something of the eccentricities of French law, had instructed an attorney to ascertain whether there was anything to be got out of me.

"To make a long story short, the law maintained the claim on the ground that as I had no marriage settlement, one-half of all the property I acquired during my wife's life vested in her, and at her death (as she left no will) devolved upon her relations, however remote."

"Why you fairly astonish me," exclaimed Markham. "Your narrative sounds like a romance of the most improbable character. Surely if such laws exist, the people must wish to have them reformed?"

"You are mistaken," replied his friend. "It is true no such laws could exist in an English community, but in the Province of Quebec the population is mainly French. The civil law is based upon the old French laws and customs, and I imagine the French community would regard any attempt at reform as an encroachment on their guaranteed rights and privileges."

## Correspondence.

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

### GOSSIP FROM LONDON, ONT.

Editor INSURANCE AND FINANCE CHRONICLE:—

As you have occasionally drawn attention to a great evil in the life business, viz., that of rebating, I give you particulars of a case that has likely occurred in this city. Should you again wield your pen on this subject perhaps you may induce the companies to take some means to stop it. At present it is not a case of the "survival of the fittest," but of the fellow who can give away the biggest commission.

#### HOW THE THING WORKS.

Now for the details; but, as I may be accused also of being an offender, although I am truly innocent of such a crime as rebating, I think it well for the present to withhold names. About a year ago, representatives of the "three giants" were competing for a large risk here. Excitement ran high, and we were all interested as to who would make the capture. Every day groups of agents could be seen discussing the matter and the rebate offered. At last, one big dark fellow announced he had reached his limit, viz., 55 per cent., and would count himself out. A little later on the agony was over, as a representative from Toronto had coralled the risk at a good shade of rebate over the rate named. Now comes the great evil of this business. Another year passes by and we reach the middle of 1890. The renewal becomes due, and the insured declines to pay it, thinking it cheaper to commence afresh, as he could thereby get much cheaper insurance, and, as the old horseman said:—"He jedged his men kerectly." We were all after him like a lot of bees, but again the giants got there with the big rebate racket. The holder of the risk determined not

to lose his fish, and ultimately landed him for a policy of a reduced amount, but it is alleged that this time it was a knock off of 50 per cent. Mr. R. says next year he will commence anew again, and expects to get his insurance at 10 cents on the dollar! Query: What does the agent get and where does the company come in? Perhaps some of your actuarial correspondents can work this thing out for us. Mr. Owens of the New York Life and I have had many a tussle in the old days when he represented the Aetna, so let me record that he was not the guilty party this time.

#### A RIGHTEOUS LEGAL DECISION.

There was a suit the other day over a note given for a premium, and I am pleased to record that the company scored a victory. It appears that an agent of a company secured some nice risks about five miles from here. Agents of another company canvassing in that locality discovering this promptly "dug them out," placing them with exactly the same form of insurance at a premium ten per cent. higher. The evidence developed the fact that the policies were returned to company number one and a demand made for the return of the notes. The demand was made on the usual ground of misrepresentation. The company, I understand, investigated the matter, and ascertaining it was a case of "digging out" declined to comply with the request. After the maturity of the note and its non-payment the company placed it in suit. The insured demanded and obtained a jury. The trial took place at St. John's, a village about five miles from here, before Judge Mackenzie. Mr. R. M. Meredith represented the Company, while the interests of the defendant were ably looked after by Mr. Cowan. It was conclusively proved that there was no misrepresentation, and undoubtedly but for the interference of the agent of company number two the policyholder would have paid his note at maturity. The Judge took the case out of the hands of the jury and gave a verdict in full for the company with costs. The company for promptly suing on this note and compelling payment, in face of the combination against it, deserves commendation. I only wish my company would do likewise in every case; it would undoubtedly have a deterring effect on the scallawag element, who appear to devote more time to other companies' business than to their own. A lawyer told me yesterday that this is not the end of it. There is documentary evidence procured, and it may be that criminal proceedings will follow. I find it has hurt the life business in that locality to such an extent that any agent visiting there will be met with a hot reception by a lot of disgusted men.

#### FIRE INSURANCE COMPETITION.

The fire business here is being brought down to a level with the life, *i. e.*, with a certain class of agents. As an illustration, an agent here who has a first class company had a good line for the past 3 years on a certain wholesale establishment in the city. In the usual way the other day he dropped around to deliver the renewal receipt, and was surprised to learn from the bookkeeper that the firm had decided not to continue the policy. Annoyed at losing his business, and being of rather an inquisitive turn of mind, he ascertained that another agent had made the aforesaid bookkeeper an "agent," and by allowing him a commission was capturing all the business of the establishment. It is said that an appeal was made to the firm, but the result of this disgraceful proceeding has not yet been announced. This system of taking the commission away from men, not only needing it but earning their living by it, should be discontinued by all fire agents calling themselves men. Rumor has it that the respectable representatives of leading agents will shortly meet to discipline their erring brother. It is not unlikely that a surprise is in store for him from headquarters. If he loses his agency no one is to blame but himself.

I look for a revival of business this fall, as everything is very encouraging. Crops are uniformly good, the merchants are hopeful, and a healthy tone pervades business generally. If

agreeable to yourself and readers, you may hear from me again, *i. e.*, when I have anything to say.

PALE FACE.

LONDON, Sept. 25, 1890.

#### A MONTREALER'S VISIT TO TORONTO.

MR. EDITOR:—

I spent a very pleasant week in Toronto. I took in their Fair, which was a huge success. Montreal, the commercial capital, must look to its laurels, or the Queen city, with its young and energetic population, will soon be treading on our heels. Everything looks bright; all prosperous up West. Business men speak hopefully about business, and in the farming districts the tillers of the soil have been blessed with good crops.

Toronto itself does not appear to be affected by the collapse of the land boom there, which, fortunately for that city, just stopped in the nick of time. I heard of sales of central property at good prices, indicating that land in desirable locality is still in demand by moneyed men.

The insurance agents told me business had been quiet during the summer months, attributing the dullness to so much money being locked up in outside land speculations, and men wanting insurance feeling nervous about increasing their annual liabilities just now. This is wearing off, and they look for a good business this fall. In your travels you meet with some queer things, but here is one that heads the list: A reverent doctor has lately taken the city agency at Toronto for a certain life company. He has issued a circular giving his reasons for entering the life business and also for representing this particular company. He tells us: "If a man, 30 years of age, will invest \$27.50 a year for 20 years, he will secure a paid up policy securing to his heirs \$2,150 at his death. Or, a man of the same age can secure a policy for \$1,516, payable to himself, if living, in 20 years, on the endowment principle, by an annual payment of \$43.20." There you have it, absolutely guaranteed by this entrant into the profession. None of your old-fashioned nonsense about him. What is the use of these other conservative institutions? They only guarantee \$1,000 and make the balance an *estimate*, subject to future profits. I won't mention his name, but the directors of the company should make the reverent agent take in his sign quick, and put him to hustling on the road for a few months, and then he might understand more about the subject he deals with in such a *refuse* manner. He also makes another statement, *viz.*, that he represents his company because it has a large *authorized* capital. Well, the authorized part of the capital is about as much security and benefit to the policy holders "as barnacles are to a ship."

Here is another bright specimen of printed matter to be distributed by the manager of a life company: "Our ordinary policies which cannot lapse or expire till death ensues." ... certainly beats friend Harper, for the latter lets you understand that if you fail to continue your payments the certificate ceases to be in force. In the other case, evidently, one payment does the business, and then you have a free trip. This would be a most abrupt the biggest concern afloat. Probably Mr. Manager means that after paying a certain number of years the above will be good. If so, why does he not so express himself? At present, it certainly bears the mark of misrepresentation, although I don't really think the manager referred to would knowingly misrepresent. Perhaps he, like the other company, will promptly correct such printed statements.

I heard, while in Toronto, that the Union Mutual of Maine is in want of a good man to represent it in Ontario. Some of the agents up West fight shy of that company; they say the president is too fond of making agency changes. The company is in good condition, has excellent and varied plans of insurance, and it does seem to me that with the right man, a good contract, and liberal treatment from headquarters, its fortunes might be resuscitated in Ontario.

I found very few agency changes in Toronto. Mr. Quinn, I remember, was some years with the New York Life, and last year with the Mutual Life. He is now a special executive agent with

the Equitable, and appears satisfied with his last connection. Personally I never found repeated changes to answer, but I hope Mr. Quinn will meet with the success he richly deserves, for he is certainly a hard and persistent worker.

I found Mr. Cohen was back again with the New York Life, and from the confident smile he wears, I judge he is meeting with some of his old time success. I met with many others, but about them and their doings you must wait till another time.

PRO TEM.

### THE CANADA LIFE'S RESERVE.

Editor INSURANCE AND FINANCE CHRONICLE:—

I write you for an explanation of the following matter. In the last published report of the Canada Life the President says: "That a valuation of the company's policy obligations should be made upon the basis of the American Experience Table of mortality, with interest at 4½ per cent. per annum, and as the results of that table would not be materially different from those of the other, and being based upon the actual experience of the duration of life upon this continent, its results have been adapted upon the present occasion." Also: "Upon the present occasion to lay aside out of the present profits a special reserve of \$250,000, as a preparation for such a change of our basis of interest to 4 per cent., should that at a future time become expedient." I have lately received a copy of the Dominion Insurance Report, and find therein that the policy reserve of the Canada Life, as calculated by the actuary of the Insurance Department, is nearly \$250,000 in excess of the figures given as the reserve liability in the company's own report. From this it is seen the company has no special fund left to provide for a 4 per cent. basis of calculation. Wherein does the great difference in the two methods of computation arise?

PETERBORO', Sept. 22nd, 1890.

AGENT.

[This matter is discussed fully elsewhere in this issue.—Ed. Ins. & F. C.]

### OUR LONDON LETTER.

Editor INSURANCE AND FINANCE CHRONICLE:—

We are all supposed to be doing nothing, or else engaged in that hardest of all work called taking a holiday. Nevertheless, the appearance of London is much the same as usual, and the chance of turning your accident policy into claim when you cross the streets is not apparently lessened. There seems a small hope that the hideous "sky-signs" may be doomed, and the chance of having your head split by the fall of zinc letters ten or twelve feet in length no longer add to the anxieties of life. This, however, is but a faint hope.

A GREAT CONCESSION.

The Bank of England have announced that for the future holders of consols—of amounts not exceeding £1,000—need not take the trouble to call for their trifling dividends nor to write for them. If not applied for, the said traffic will be automatically reinvested in the name of the owner of the consols, and bear interest at the same lavish rate. There is a certain grim humor in this concession by the authorities: they make the interest on our stock so small that it is scarcely worth having, and then graciously permit us to postpone taking it until it grows large enough to be worthy of attention. This plan suggests a capital idea for Christmas presents. The rich but careful uncle can invest £100 in consols for the benefit of little Tommy. This would amount to £200 when the aforesaid little Tommy reached the age of say 25 years. But very likely he would not reach it—many people do not—and then the careful uncle might find the new plan had saved him an unnecessary outlay.

SOME SUGGESTIVE STATISTICS.

All aids to thrift are to be welcomed—at all events it is the proper thing to say so, but Mr. Giffen's book on the "Growth of Capital" may make some people wonder whether we may not

be rather overdoing it. He estimates our capital to be at present a little over 10,000 millions. These are large figures and do not convey any very definite meaning to most minds, but the fact that we possess about 13½ times as much as we owe is more distinctly satisfactory. If Mr. Giffen is right, we are in the position of a man who can put down every penny he owes, then put a shilling on every one of the pennies, and for every one of them have a half-penny over to spend. This is not the form in which such statistics are usually expressed, but I venture to think that if my methods were more commonly adopted, the science of statistics and such like would become much more popular. Mr. Giffen states that on an average we possess £270 each. Many will find it difficult, however, to realize this.

SEVERAL NEW WRINKLES.

Explosions in mines have wasted so many useful lives that any plan for preventing or lessening them is welcome. At the meeting of the British Association, it was stated that an explosive could be used for blasting purposes which "went off" at a lower temperature than that necessary to ignite the coal gas which collects in mines, and yet would have sufficient explosive force to do the required work. I hope it is so, but am rather inclined to fear that there may be an error in the calculation, as the resistance to the expansion of the explosive would in itself cause a rise in temperature. I am, however, pleased to see that the nonsense talked about smokeless and noiseless gunpowder has been checked. The discharge of a gun may be smokeless, or nearly so, but if it be noiseless the enemy would have little to fear from the shot. There is a sad want of knowledge of such matters in the minds of people otherwise capable. I saw the other day in one of the insurance papers an account of an invention for "producing perfectly pure air from the combustion of coal." The account was of course perfectly incomprehensible, but the writer seemed to be quite unaware that coal was in any way connected with carbon. He certainly described the method of combustion as "phenomenal," and I agree with him that a combustion of coal that did not produce either C. O<sub>2</sub> or C. O is fully deserving of that title.

INCREASED WATER RATES.

The revaluation of London property for assessment purposes has raised the usual outcry. Everybody whose rates have been raised naturally feels aggrieved, and the principal object of resentment is the water company. Water companies are allowed to charge for the supply of water by a rate levied on the assessed rental of each house. When the assessment is increased the water rate is increased in like proportion. The tenant can't see why he should pay more water rate and yet get no more water. Some day our county council will take over the water companies, and London will supply itself with that necessity.

THE LATEST ACCIDENT POLICY.

The last form of accident policy seems to be the "Medlawar." This is a railway ticket in an ingenious case containing advertisements, and the holder is assured against accidents during the journey for either £500, £300 or £100, according to the class he travels by. Nothing extra is paid by the passenger, and the ticket is given to the railway company for nothing. The premium for the assurance and all charges and profits come out of the amounts paid for the advertisements. The assurances are made by the Railway Passengers Assurance Company, and if the scheme is universally worked by the railways the ordinary railway accident policy will not be required. Why pay premiums if you can be assured for nothing?

THE NOBILITY AS DIRECTORS.

In connection with the Directors' Liability Bill, a list was published the other day by the *Economist*, showing the extent to which peers of the realm occupied themselves as directors of joint stock companies. One noble marquis was director of no less than 14 companies, of which 12 paid dividends—on the whole, the peers have got seats on boards of good companies.

Perhaps the magic of their names has assisted the success of the undertakings with which they have allied themselves.

#### SOLDIERING AT A DISCOUNT.

One difficulty I have to chronicle and that is that we cannot get enough soldiers. With us this means that business is brisk, and the charms of what Dr. Johnson described as "being shot at for a shilling a day" do not successfully compete with those of ordinary occupations. We shall soon have to materially raise the pay of our soldiers both directly and indirectly, or we shall have to go without them. Perhaps some enterprising company will assure them against accidents, gratis, and fill up the ranks with free policy holders.

TANESIS.

Sept. 15, 1890.

#### THE COMMISSION QUESTION.

*Ed.:—* INSURANCE AND FINANCE CHRONICLE:—

Permit me, through the columns of your valuable paper, to call attention to some of the growing evils attending the fire insurance business in Canada at present, with a view to their discussion and, if possible, their remedy. One of the most important points is the rate of commission paid to agents. Several new companies (I mean new here) have lately come into the field and not content to have a slow growth, and having no particular inducement to offer why the insured should change, offer a higher commission to tempt agents to work for them, forgetting that this must only be temporary, for when the older companies find their business leaving them, they will also increase commissions, and so it will depend on whoever can bid the highest.

Now, it is well known that fire insurance in Canada does not warrant such expenditure. The CHRONICLE, some three years ago, gave a record of eighteen years fire insurance in Canada; and, if I remember rightly, of all the English companies that had been here any length of time, only two had a balance on the right side. In addition to these losses see the stock companies that have failed in Canada: the National, Stadacona, Dominion, Canada Fire and Marine, Sovereign, Standard, Alliance, and Union, and which lost a large amount of capital. The yearly statements of all the companies here at present show that they are doing very little more than holding their own, instead of providing for a conflagration like St. John's or Chicago, which may occur in any of our Canadian cities at any time. In the face of this is it wise to pay high commissions, and is there any remedy? It is well known that fifteen or twenty years ago, agents made more money at the then maximum of ten per cent. than they do now at much higher rates, because there were fewer agents. In most of the Ontario towns there are from five to ten times as many agents as are necessary to do the work. I know of a Western town of about 3,000 inhabitants where there are twenty-three agents! Now, suppose these men average \$50 each in commissions per annum, the \$1,150 would be a good salary for a good man; if they get \$100 each, there would be enough for two men. So that, to me, there appears to be only one solution of the difficulty available: let the companies agree to select one, two or more agents, according to the size of the town, and place all their agencies in his or their hands. Then it would be his (or their) ambition to study the business thoroughly (one who only makes it a side issue to supplement his other earnings cannot do so), to satisfy his companies and the public, as upon them would depend his position. There is a town of 14,000 inhabitants in the Province of Quebec where there are only two agents. No. 1 has two or three companies, and does other business; No. 2 has sixteen, and devotes his whole time and study to the business. He said to me some time ago: "I will keep away opposition by making it so satisfactory to my companies that they will not wish to change, and as to the insured that they will depend on me, and have no desire to place their business elsewhere." Is not this "a con-

summation devoutly to be wished" in every place? Can it not be done? If not, why not?

Yours respectfully,  
OLD STAGER.

MONTREAL, Sept. 28, 1890.

## Notes and Items.

The Caledonian has been admitted to transact business in Missouri and Colorado.

There are but two assessment life associations operating in Louisiana. Happy Louisiana!

The Globe Accident insurance company has recently been launched in England and registered with a capital of £100,000.

Mr. George Broughall, the energetic manager of the Equitable Life for Manitoba, has had British Columbia added to his territory.

When, brother Standard, did Insurance Superintendent Ellerbe of Missouri become "Insurance Commissioner Ellerbe of Minnesota"?

Insurance Reports from New Jersey, Nebraska and Texas have been received through the courtesy of the insurance officials of those States.

Mr. Robertson Macaulay, president and managing director of the Sun Life of this city, has returned home after a summer's sojourn in Europe.

The New Orleans Insurance Co. wipes out its impairment, and has some surplus left by a reduction of its capital from \$500,000 to \$250,000.

The annual meeting of the Insurance Journalists Association will be held in New York at Morello's 2-6 West 29th Street on Thursday, October 9th.

It is stated on apparently good authority, that Messrs. Perrin & Delesderniers are to be the agents of the Caledonian for New York city and vicinity.

Mr. Newton Case, who has been vice-president of the Orient insurance company of Hartford since 1876, and a director from its organization, died on the 14th inst.

Mr. E. L. Whittaker, of St. John, N.B., resident secretary of the Imperial for the Maritime Provinces, was in Montreal last week and called on the CHRONICLE.

Mr. J. B. Levison has been elected secretary of the Anglo-Nevada insurance company, in place of Mr. Z. P. Clark, recently deceased. Mr. Levison was formerly marine secretary.

Under the Anti-rebate law of Massachusetts, Major A. P. Childs, general agent of the New York Life, was recently fined \$100 and costs at Springfield for violation of the law.

It is reported that a Baltimore electrician has invented a device for increasing the tractive force of locomotives. An electric current is passed through the driving wheels to the rails, producing a momentary fusion of the metals at the point of contact which prevents slipping.



Manager Jeffrey Beavan of the London and Lancashire, United States department, sailed from New York for England on the 24th ult., by the steamer "Trave" for a brief trip.

Mr. Robert W. Tyre, Dominion manager of the Northern, is on his way to the Pacific Coast in the interest of his company, and will take Manitoba and the Northwest in his way.

Mr. Wm. Ewing, inspector of the North British and Mercantile, has retired after a service of a quarter of a century. We purpose more extended reference to the event in our next issue.

Our English Exchanges announce the death of Mr. Alfred T. Bowser, aged 73 years, managing director of the Whittington Life Assurance Co., and for many years its secretary.

Intelligence reaches us of the recent death of Mr. Eustace FitzBucke of Brandon, Manitoba. Mr. FitzBucke was an old and prominent citizen, and was engaged in the insurance business.

The New York State Underwriters' Association propose to adopt a schedule rating system for farm property, and have authorized a special committee to prepare a schedule and report to that body.

The premiums received in Boston for the first six months of this year were \$1,288,422 and the losses \$528,900. As compared with the same period last year, the increase in premiums has been \$50,000.

Mr. P. H. McCallum, son of Mr. P. McCallum, the well-known insurance agent of St. Catharines, has been appointed inspector for Western Ontario of the Hartford Fire as successor to Mr. Wm. Henderson.

Mr. Edgar Rice, who for the past six years has been the London secretary of the Kent Fire and Life, and was previously with the Royal, has been appointed London secretary of the Queen insurance company.

After several months of red-tape investigation of the Equitable Life's tontine plan and the affairs of the company in general, the Russian authorities have admitted that company to do business on all its plans.

On Monday last a severe fire occurred in the Fowler Bros. Packing House, Chicago, causing a loss of about \$750,000. The Packing company is owned by an English syndicate with \$3,000,000 capital. The insurance was about \$1,500,000.

Mr. John Forsythe, of London, Ont., has been appointed inspector of the Fire Underwriters Association, to take the place of Mr. H. S. Pell, whose appointment as inspector of the London Assurance we chronicled in our last issue.

Mr. Henry H. Huse, insurance commissioner of the State of New Hampshire, died on the 7th ult., aged 51. He was a lawyer by profession, and had held the commissionership since the death of the former incumbent, Mr. Oliver Pillsbury.

Hon. John M. Pattison, vice-president and manager of the Union Central Life of Cincinnati, Ohio, has been nominated for congress by the Democratic convention of his district. He will doubtless be elected, and in due time conspicuously heard from in the national councils.

"Black and White" is the queer name of a new monthly journal in the interests of "insurance policy investors" of all kinds, to be published in Chicago. J. H. Kellogg, some time since editorily connected with the *Argus*, is to be the editor.

Went out to stay.—*Mistress*—Get dinner to-day on the gasoline stove, Bridget. *Bridget*—Plaze, mum, I did thry, but th' stove wint out. *Mistress*—Then try it again. *Bridget*—Yis, mum, but it's not cum back yit. It wint out t'rough th' roof!—*N. Y. Weekly*.

We desire to add to the item appearing in our last issue, noting the appointment of Mr. W. Marchbank as inspector for this Province of the Aetna Fire, that he also represents the Hartford Fire and London and Lancashire Fire in the same capacity.

Rendering judgment in a recent case at Toronto, Chief Justice Armour said: "When the company has good reason to believe that a fraud has been committed, as the circumstances seem to indicate in this case, I think it should fight it to the last."

Our New York exchanges we see are prophesying that the recent visit of Secretary Engelbach of the National of Ireland to the United States will soon be followed by the advent of the company itself. And we prophesy that they are mistaken this time.

Mr. J. A. McEwen, for the past six years the very efficient deputy superintendent of insurance for the State of Ohio, has retired from that position to resume the practice of law at Columbus, insurance law and insurance matters generally being a specialty.

Some one has said that nature has wisely arranged so that a man can neither pat his own back nor kick himself. The wise protection of the latter arrangement will be appreciated after a while by the fellows who are now going in for assessment life insurance because it is "cheap."

The Manchester Fire has arranged to enter the United States, and has appointed Mr. W. W. Dudley of Chicago, Western superintendent of the North British and Mercantile, as its United States manager, with headquarters at Chicago. There will be a board of trustees there, and also a deposit for the protection of policy-holders made.

Our Chicago contemporaries chronicle the recent death in that city of Mr. Harvey B. Merrell at the age of 63 years. Mr. Merrell was for several years the general agent for the Northwestern States of the Mutual Life of New York, and was regarded as one of the most successful organizers and workers in the entire field. He retired six years ago.

American water works.—From the *Engineering News* of New York we learn that, according to the "Manual of American Water Works," there are in the United States 28,268 miles of water mains. This is an average of 643 miles for each of the 44 States. New York has 3,549, Massachusetts 3,337, and Pennsylvania 3,135, these being the three highest on the list.

The protracted fight between Mr. Bernard Boaler and the directors of the Briton Medical and General Life bids fair to give the courts plenty of occupation. Mr. Boaler having recently made to the authorities some very specific and ugly-looking charges against the directors, alleging falsification of balance sheets and general dishonesty, the directors have in turn brought suit against Mr. Boaler for criminal libel.

"Now that a certain Pine street agency," says the *Spectator*, "has been relieved of the cares, etc., of two of its largest companies, it may possibly find time in which to read the insurance press—something it expressed itself as being unable to do in the past." Men too smart to need the insurance press invariably reach a period when they have plenty of spare time. They are then apt to need it badly.

It is stated from Hartford that Mr. George M. Bartholomew, the president of the Charter Oak Life, and who about four years ago suddenly became a resident of Canada, wants to return to Hartford, and offers to pay his creditors, from whom he parted so hastily, fifty cents on the dollar, on condition that all legal proceedings be dropped. Governor Bulkley and other prominent men are said to favor the granting of this request.

The Union Assurance Society of London has decided to establish an agency in Canada, and has appointed Mr. J. T. Morrissey, of St. John, N.B., its representative for the Dominion. Mr. Morrissey was for some years in the office of Mr. M. B. Daly, M.P., general agent at Halifax for the Imperial, and was subsequently appointed by Manager E. D. Lacy as inspector of the Imperial for the Lower Provinces. The head office of the Union will be at Montreal.

**He needed rest.**—*Doctor*—So you're all run down. Feel generally debilitated; can't sleep; have no appetite; fever flashes; headaches and dizziness. I see. It's not a case for medicine. *Patient* (anxiously)—What is it a case for, then? *Doctor*—For rest. *Patient*—But I've just been on my vacation. *Doctor*—You needn't tell me that. Two weeks' active employment will rest you and make you all right. Nothing like getting back to work after a laborious vacation!

**Acknowledgment.**—From Col. Brown Chamberlin, law printer to the Queen for the Dominion of Canada, we have received in substantial form the various Acts of the Dominion Parliament, being volumes I and II, 53 Victoria. There are also given "Imperial orders in Council" from Her Majesty the Queen, and "Orders in Council" from the Governor General of Canada. Typographically and in arrangement of contents this volume is a credit to the printer.

The dry goods store of Jacobs & Son at Lewiston, Me., burned in December, 1886, insured for \$22,000 in a dozen or more companies who refused to pay. Suit was brought, but afterward taken out of court, and the case referred to Hon. E. M. Hale of Boston. He reports that "the referee finds that they (Jacobs & Co.) had \$6,000 worth of goods in the store, and that they fraudulently claimed to have \$32,000 worth, thereby forfeiting all claims to insurance under the policies; secondly, the referee finds they set the fire themselves."

Speaking of lapses, the insurance commissioner of Massachusetts says in his report:—"Massachusetts thirty years ago by statute declared the principle vicious, and made it unlawful in all regular plans of life insurance. The commonwealth said the accretions from lapses should not be confiscated to those more fortunate ones who were able to keep up their payments, and that in all Massachusetts level premium life companies, should a policyholder lapse in payments, practically the amount he had contributed beyond actual insurance and expense cost should inure to the benefit of the contributor, and not be diverted to the pockets of others."

The commission question.—"There is much complaint among the companies," says the *N. Y. Commercial Bulletin*, "who are paying fifteen per cent. only to agents, that the high commission companies are getting in their fine work throughout New York State, and causing considerable loss of business to the fifteen per cent. companies by their inconsiderate depredations. Many agency managers favor a commission compact for the East, but the 'Alliance' does not seem to be able to get up any compact of that character."

They all endorse it.—From many commendations of fire insurance officials, managers and agents who have ordered from us the *Fire Underwriters' Text-Book*, we quote the following from Mr. Gerald E. Hart, general Canadian manager of the Phoenix of Hartford:—"I beg to acknowledge the receipt of the *Fire Underwriters' Text-Book*, by Griswold. It is an invaluable adjunct to an insurance library, and I am therefore delighted to have it in our office, having already found practical and beneficial use for it on three occasions within the past fortnight."

The Annual meeting of the Canadian Fire Underwriters' Association, commencing on Oct. 1 at London, is in sessions as we go to press. Of course Toronto is well represented, while from Montreal there are present: E. P. Heaton of the Citizens; W. B. Evans, Commercial Union; John Kennedy, Fire Association, J. T. Vincent, Glasgow and London; G. A. Roberts, Guardian; E. D. Lacy, Imperial; G. F. C. Smith, Liverpool & London & Globe; E. A. Lilly, London Assurance; T. Davidson, North British; R. McD. Paterson, Phoenix of London; H. J. Mudge, Queen; Geo. McHenry, Royal Canadian; Wm. Tatley, Royal, and W. Kavanagh, Scottish Union.

A good deal of surprise is expressed at the reinsurance transaction recently entered into between the Caledonian and the Anglo-Nevada of California, by which the former takes over all the business of the latter in the United States east of the Rocky Mountains, excepting Colorado, Wyoming, Montana and New Mexico. By reference to the various insurance reports, we find that the risks in the reinsured territory amounted at the close of 1889 to about \$33,000,000, calling for premiums amounting to about \$450,000. The Anglo-Nevada commenced business in December, 1885, and has a paid-up capital of \$2,000,000. The total fire risks in force at the close of 1889 were \$63,919,393 and the net fire premium receipts for the year \$932,661. The total net losses were \$505,955.

A very enterprising individual at Quebec, one F. Alf. St. Laurent, who advertises himself as "sole manufacturer of fire-proof paint," and also auctioneer, appraiser and general agent, publishes a circular which he calls "court reports," being a list of actions of various kinds in the Superior and Circuit courts, printed mainly in French. Two or three sample copies coming to the *CHRONICLE*, with various other new and transient publications such as all journals constantly receive, we took the trouble to notify Mr. F. Alf. St. Laurent, auctioneer, appraiser, general agent, etc., that we did not desire to receive his "court report:" whereupon that enterprising gentleman of many occupations sent another number for September 19 (which we hold subject to his order), and with it a bill for \$1.50! Perhaps a good many others have made the forced acquaintance of Mr. F. Alf. St. Laurent, auctioneer, appraiser, general agent, and sole manufacturer of fire-proof paint through his eight-page circular called a "court report."

We are told by the *Post Magazine* of a "one man" life assurance company in London called the "Preserver Life," originated and conducted until his death by one Thomas Flight of Bond Court, Walbrook, who was a money lender and also conducted a "one man" fire insurance office. His executrix, Matilda Flight, notifies the secretary of the Board of Trade that all the risks have run off excepting one—a policy payable as an endowment at age 21, which period arrived in 1886. No tidings of the young man for some time previous or since having been had, the executrix asks to be relieved from further accounting to the Board of Trade.

A middle-aged woman called at an insurance office on Griswold street a day or two ago to announce that she wanted to insure her house. "For how much?" asked the agent. "Oh, about \$500." "Very well. I'll come up and investigate." "I don't know much about insurance," she said. "It's very plain, ma'am." "If I'm insured for \$500 and the house burns up I get the money, do I?" "Certainly." "And they don't ask who set it afire?" "Oh, but they do. We shall want to know all about it." "Then you needn't come up," she said, as she rose to go. "I heard there was some catch about it somewhere, and now I see where it is"—*Detroit Free Press.*

**DR. P. TERTIUS KEMPSON.**

The sad intelligence of the death of Dr. Kempson, editor and proprietor of the *Insurance Times* of New York, comes to us as we prepare our last form for the press. He breathe? his last at his home in Metuchen, N. J., on Thursday night last, the 25th ult., a final stroke of paralysis closing the scenes of earth, which for two years past had been slowly fading away. Born at Birmingham, England, in 1814, Dr. Kempson was at the time of his death in his 77th year. In 1843 he graduated from the Royal College of Surgeons in London, and was for a time attached to one of the English hospitals. Afterward, coming to Canada, he engaged in the practice of his profession, and was for a time medical examiner for the Canada Life. Gradually Dr. Kempson drifted into insurance journalism, first in Toronto, and soon afterward in New York, where previous to 1886 he represented the *Age, Insurance Times*, and other papers in the business departments. After the death of Stephen English, Dr. Kempson became proprietor of the *Insurance Times* (in April, 1886), and has so continued until his death. The deceased was very widely known in insurance circles and as universally respected. By his death the ranks of insurance journalism lose a conspicuous member, and society a courteous, christian gentleman.

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JANUARY 1, 1890.

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LIABILITIES,	-	-	84,329,234.92
SURPLUS, 4% -	-	-	22,821,074.20
" 4½% -	-	-	29,063,684.00
NEW ASSURANCE,	-	-	175,264,100.00
OUTSTANDING ASSURANCE,	-	-	631,016,666.00
INCOME,	-	-	30,393,288.28

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**THE FIRE INSURANCE BUSINESS**

heretofore carried on by the undersigned as COMMISSION AGENTS, at their old offices, 45 ST. FRANCOIS XAVIER ST MONTREAL, for the NORTHERN and CALEDONIAN Insurance Companies, will continue in favor of

**The CALEDONIAN INSURANCE COMPANY**

OF EDINBURGH,

The Oldest Scotch Office, founded 1805, and one of the strongest Companies represented in Canada, and our other Insurance connections as BROKERS and AGENTS. Continuance of all business connections is solicited, and the undersigned beg to acknowledge the support given to them in this department of business during the last TWENTY-FIVE YEARS.

**TAYLOR BROS., 45 St. Francois Xavier St., Montreal**

**ASSURANCE NORTH AMERICAN LIFE COMPANY,**

Hon. Alex. MACKENZIE, M.P., Ex-Prime Minister of Canada, President. Hon. G. W. ALLAN, JOHN L. BLAIRIE, Vice-Presidents.

WM. McCABE, F.I.A., Managing Director.

HEAD OFFICE, . . . . TORONTO.

—) MONTREAL LOCAL DIRECTORS: (—)

Hon. D. A. MACDONALD,  
Hon. J. R. THIBAudeau,

Hon. H. MEREDITH, M.P.P.,  
JOHN McHUGHALL, Esq.,

A. DESJARDINS, Esq., M.P.,  
W. R. HINGSTON, Esq., M.D.,

E. P. LACHAPPELLE, Esq., M.D., Prov. Laval University.

CHAS. AULT, M.D., Manager Province of Quebec. 62 ST. JAMES ST., MONTREAL.

**THE WATERLOO**

MUTUAL FIRE INSURANCE COMPANY,

— ESTABLISHED IN 1863. —

Head Office, . . . . WATERLOO, ONT.

TOTAL ASSETS . . . . \$264,549.19  
POLICIES IN FORCE . . . . 13,949

Intending Insurers of all classes of insurable property have the option of insuring at STOCK RATES or on the Mutual System.

CHARLES HENDRY,  
President.

C. M. TAYLOR,  
Secretary.

JOHN KILLER,  
Inspector.

GEORGE RANDALL,  
Vice-President

**THE MERCANTILE**

FIRE INSURANCE COMPANY,

— INCORPORATED 1875 —

Head Office, . . . . WATERLOO, ONT.

SUBSCRIBED CAPITAL . . . . \$200,000.00  
GOVERNMENT DEPOSIT . . . . 20,129.00

The Business for the past thirteen years has been:

PREMIUMS received . . . . \$862,629.58  
LOSSES paid . . . . 479,325.56

LOSSES PROMPTLY ADJUSTED AND PAID.

I. E. BOWMAN, President. P. H. SIMS, Secretary.

**LONDON AND LANCASHIRE**

FIRE

INSURANCE COMPANY

OF LIVERPOOL, ENGLAND.

Capital, . . . . £1,852,000 Stg.

Fire Premiums 1888, (net) . . . . £584,077 Stg.

**WOOD & EVANS, General Agents.**  
Province of Quebec, MONTREAL.

**PROVIDENT SAVINGS Life Assurance Society, OF NEW YORK.**

SHEPPARD HOMANS, Pres. W. E. STEVENS, Sec.

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

R. H. MATSON, General Manager for Canada.  
F. SPARLING, Assistant Manager.

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

R. J. LOCAN, General Agent for Quebec.  
Office, - Imperial Buildings, Montreal.

Over \$19,000,000 of new business issued in 1889  
AGENTS WANTED IN UNREPRESENTED DISTRICTS.

# The New York Life Insurance Company,

346 & 348 BROADWAY, NEW YORK.

## SUMMARY OF FORTY-FIFTH ANNUAL REPORT.

**January 1, 1890.**

### REVENUE ACCOUNT.

Premiums, .....	\$ 24,585,921 10
Interest, Rents, etc., .....	4,577,345 14
<u>Total Income, ...</u>	<u>\$ 29,163,266 24</u>

### DISBURSEMENT ACCOUNT.

Death Claims and Endowments, .....	\$ 6,252,095 50
Dividends, Annuities and Purchased Insurances, .....	5,869,026 16
<u>Total to Policy Holders, ...</u>	<u>\$ 12,121,121 66</u>
New Policies Issued, .....	39,499
New Insurance Written, .....	\$151,119,088 00

### CONDITION JANUARY 1, 1899.

<u>Assets, ...</u>	<u>\$105,053,600 96</u>
*Divisible Surplus, Company's New Standard, .....	\$ 7,517,823 28
†Tontine " .....	7,705,053 11
<u>Liabilities, New York State Standard, ...</u>	<u>\$ 88,761,058 57</u>
<u>Surplus, by State Standard (4 per cent.), ...</u>	<u>\$ 15,600,000 00</u>
Policies in Force, .....	150,381 00
Insurance in Force, .....	\$495,601,970 00

### PROGRESS IN 1889.

Increase in Interest, .....	\$ 303,653 06
Increase in Benefits to Policy Holders, .....	1,148,051 61
Increase in Surplus for Dividends, .....	1,716,849 01
Increase in Premiums, .....	3,458,330 35
Increase in Total Income, .....	3,761,983 41
Increase in Assets, .....	11,573,414 41
Increase in Insurance Written, .....	26,099,357 00
Increase in Insurance in Force, .....	75,715,465 00

\* Exclusive of the Amount specially reserved as a Contingent Liability to Tontine Dividend Fund.  
 † Over and above a 4 per cent. reserve on existing Policies of that class.

**WILLIAM H. BEERS, - - President.**

**HENRY TUCK, Vice-Pres.**

**ARCHIBALD H. WELCH, 2d Vice-Pres.**

**RUFUS W. WEEKS, Actuary.**

**THEODORE M. BANTA, Cashier.**

**A. HUNTINGTON, M. D., Medical Director.**

### Statement of Canadian Business, Year ending 1st January, 1890.

Premiums Paid, .....	\$ 610,656 24; Increase over last year	... \$ 110,468 00
New Insurance Issued, .....	4,456,100 00; " " "	... 620,000 00
New Insurance Paid for, .....	3,685,100 00; " " "	... 971,927 00
Total Insurance in force, .....	14,320,863 00; " " "	... 2,367,099 00

**HEAD OFFICE,**  
Company's Building, Montreal.

**DAVID BURKE,**  
General Manager for Canada.

**BRANCH OFFICE,**  
103 Bay Street, Toronto.

Active and Reliable Agents Wanted for Unrepresented Districts in Canada.

**A PROSPEROUS INSTITUTION.**

**The Sun Life Assurance Company**

— OF CANADA —

**Incorporated 1865. Capital, \$500,000.00**

**HEAD OFFICE, MONTREAL.**

**FEATURES OF THE REPORT FOR THE YEAR 1889.**

Life Assurances in force, 1st January, 1890, - - -	\$13,337,983.08
Increase over the previous year, - - -	1,406,666.87
New Applications received in 1889, - - -	4,102,710.55
Increase over 1888, - - -	706,226.99
Cash Income for year ending 31st December, 1889, -	563,140.52
Increase over 1888, - - -	37,866.94
Assets at 31st December, 1889, - - -	2,233,322.72
Increase over 1888, - - -	259,006.51
Reserve for Security of Policy-holders, - - -	1,541,489.97
Increase over 1888, - - -	221,137.49
Surplus over all Liabilities, except Capital, - -	656,536.64
“ “ “ and Capital Stock, - - -	156,526.64
Increase over 1888, - - -	46,499.37
Death Claims fallen in during 1889, - - -	100,140.86
Decrease for 1889, - - -	5,045.55

*The rapid progress made by the SUN LIFE may be seen from the following statement:*

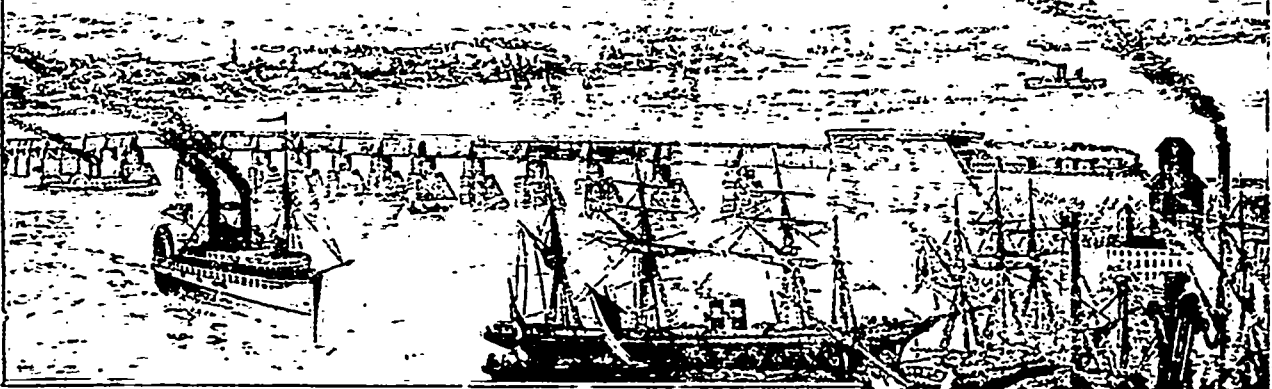
	INCOME.	ASSETS.	LIFE ASSURANCES IN FORCE.
1872 ....	\$48,210.23	\$546,461.95	\$1,054,350.00
1876 ....	102,822.14	715,944.64	2,214,093.00
1880 ....	141,402.81	911,132.93	3,881,479.14
1884 ....	278,379.65	1,274,397.24	6,844,404.04
1889 ....	563,140.52	2,233,322.72	13,337,983.08

The new business of the SUN LIFE was the largest ever secured in the Company's history and was equalled by but one other Canadian life company. The surplus accumulated during the THREE years of the current quinquennium far exceeds the amount earned during any previous FIVE years, and the profits to policy-holders thus cannot fail to be highly satisfactory. The prosperity of the SUN LIFE is no doubt largely due to its issuing unconditional policies and paying its claims promptly. Canadians should also remember that by patronizing a home Institution, which invests all its funds in the Dominion, they are benefiting themselves by reducing the rate of interest here, and are helping to build up our own cities rather than those of foreign states.

**T. B. MACAULAY, SECRETARY**

**ROBERTSON MACAULAY, PRESIDENT.**  
**HON. A. W. OGILVIE, VICE-PRESIDENT.**

# MONTREAL INSURANCE COMPANIES.



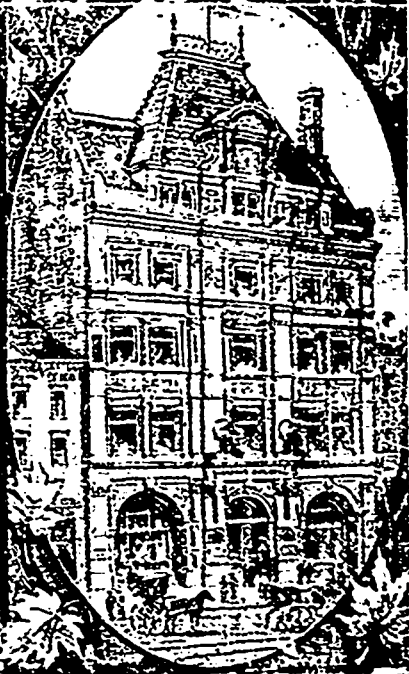
## ROYAL CANADIAN INSURANCE COMPANY

**FIRE AND MARINE**

HEAD OFFICE  
STANDARD BUILDING  
157 ST. JAMES STREET  
MONTREAL

ANDREW ROBERTSON, ESQ.      HON. J. R. THIBAUDEAU,  
PRESIDENT.                      VICE PRESIDENT.

G. H. McHENRY,  
MANAGER.



## THE GUARANTEE COY. OF NORTH AMERICA.

**BONDS OF SURETYSHIP**

Capital Authorized, - \$1,000,000.00  
Paid-up in Cash, - 304,600.00  
Resources, over - 1,000,000.00  
Over \$634,000 have been paid in Claims to Employees.

SIR A. GALT, C.C.M.G.,  
PRESIDENT.  
EDWARD PAWLINGS,  
MANAGING DIRECTOR.  
HEAD OFFICE MONTREAL.



## THE ACCIDENT INSURANCE COMPANY

**OF NORTH AMERICA**

THIS IS THE ONLY FIRM IN THE WORLD  
INSURING AGAINST ACCIDENTS  
BUSINESS OF INSURANCE COMPANY  
HEAD OFFICE MONTREAL