AGENTS DIRECTORY

MUNTZ & BEATTY,
GENERAL AGENTS,
CALEDONIAN Ins. Co'y.
QUEEN Ins. Co'y.
TORONTO, 15 Toronto Street

Telephone 1251. P.O. Box 648.
Rd. FREYGANG,
Insurance and Real Estate Broker.
116 ST. JAMES ST.,
Opp. Post Office. **MONTREAL**

KAY & BANKS,
—GENERAL AGENTS—
Royal Insurance Co.,
TORONTO.

H. D. P. ARMSTRONG,
GENERAL AGENT
Guardian Assurance Co.,
TORONTO.

EDWIN P. PEARSON,
—AGENT—
Northern Assurance Company,
AND
Connecticut Insurance Comp'ny,
OFFICES,
17 Adelaide St. East, TORONTO.

GEORGE McMURRICH,
Fire and Marine Insurance Agent,
—) GENERAL AGENT (—
Alliance Assurance Company,
OFFICES:
No. 34 YONGE STREET,
TORONTO.

MEDLAND & JONES,
GENERAL INSURANCE AGENTS,
REPRESENTING
Scottish Union and National Ins. Co.
Guarantee Company of North America,
Accident Ins. Co'y. of North America.
OFFICE, { Mail Building,
Cor. King and Bay Streets
TORONTO.

GEORGE J. PYKE,
GENERAL AGENT FOR ONTARIO
OF THE
Quebec Fire Assurance Company,
TORONTO.

JNO. H. EWART,
Chief Agent, Ontario Branch,
National Assurance Co. of Ireland,
TORONTO.

A. T. WOOD,
General Agent,
WELLINGTON MUTUAL FIRE INS. CO.
24 Scott Street, TORONTO, Ont.
Surplus lines placed in responsible American Companies.
Please Correspond.

ROBERT STRANG
GENERAL AGENT,
Liverpool & London & Globe Ins. Co
London & Lancashire Fire Ins. Co.
Alliance Assurance Co.
British North American Fire Ins. Co.
Office, 465 Main St., WINNIPEG.

WALTER I. JOSEPH
MANAGER,
Western District, Province of Quebec, for
Union Mutual Life Insurance Co.,
Office: 162 St. James Street,
Telephone 2365. **MONTREAL.**

NAPOLEON PICARD,
Insurance Agent,
Montreal.

F. M. COLE,
INSURANCE BROKER,
1731 Notre Dame Street,
MONTREAL.
OFFICE TELEPHONE 748.
RESIDENCE " - 4460.
Special Agent Commercial Union Assurance Co.

PERCY R. GAULT,
Special Agent,
Royal Insurance Co.,
MONTREAL.

F. C. TAYLOR,
General Insurance Agency,
LINDSAY, Ont.
Canada Life; Liverpool & London & Globe; Royal; Imperial; Guardian; Accident Co. of North America; Hand-in-Hand Plate Glass. G.N.W.Tel. and Canadian Express Co.

J. W. H. HOLTBY,
General Insurance Agent,
REPRESENTING
Queen; Ætna; Western; British America; London Assurance; Waterloo; Federal Life and London Guarantee and Accident Co.
BRAMPTON, Ont.

McCARTHY, OSLER, HOSKIN & CREELMAN,
Barristers, Solicitors, Etc.
Freehold Buildings, - - Victoria Street,
TORONTO.
D'Alton McCarthy, Q.C., B. B. Osler, Q.C., John Hoskin, Q.C., LL.D., Adam R. Creelman, Q.C., F. W. Harcourt, W. B. Raymond, W. M. Douglas, H. S. Osler, Leighton G. McCarthy.

W. A. LAMB,
Ottawa Agent,
Confederation Life Association,
52 Elgin Street, OTTAWA.

E. A. SELWYN,
Insurance & Loan Agent,
REPRESENTING
Northern Assurance Company,
Insurance Co. of North America,
Mercantile Fire Insurance Co. of Waterloo.
Lloyd's Plate Glass Co., New York.
Globe Saving & Loan Co.
106 Sparks Street, OTTAWA.

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

EDWARD McMAHON,
Agent at Ottawa.
Sun Fire Insurance Office,
OF LONDON, ENG.
OFFICE:
26 SPARKS STREET,
Russell House Block. **OTTAWA.**

C. D. CHITTY,
General Insurance Agent,
Room 27, Central Chambers,
OTTAWA.

G. H. ALLEN
INSPECTOR
Standard Life Assurance Co.,
KINGSTON, ONT.

KIRBY, COLGATE & ARMSTRONG,
WINNIPEG.
General Agents for Manitoba and the N. W. Terr. of the following Companies.
Caledonian Insurance Co. of Edinburg
Connecticut Fire Insurance Co.
Manchester Fire Assurance Company.
North British & Mercantile Insurance Co.
Norwich Union Fire Insurance Society.
Scottish Union & National Insurance Co.
American Surety Co.
British America (Marine) Insurance Co.
Canada Accident Assurance Co.
Standard Life Assurance Co.

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

G. H. WEATHERHEAD,
General Insurance Agent,
Representing the Leading English and Canadian Fire Insurance Co's.
Also Agent for the
Sun Life Assurance Company and
Manager
BROCKVILLE LOAN & SAVINGS CO
BROCKVILLE, Ont.

W. H. GODWIN,
General Agent
Guardian Assurance Co.,
London Assurance Corp'n,
Agricultural, of Watertown,
British America Assurance Co.
KINGSTON, ONT.
Agricultural adjustments a specialty.

D. MONROE,
General Agent for
ROYAL AND OTHER BRITISH
INSURANCE COMPANIES
CORNWALL, ONT.

F. F. MACNAB,
General Insurance Agent,
ARNPRIOR, ONT.

J. F. RUTTAN,
Real Estate and
Fire Insurance
PORT ARTHUR and FORT WILLIAM.
P.O. Address: Port Arthur, Ont.

Vol. XIV. INSURANCE AND FINANCE CHRONICLE. No. 15.

OFFICE: 1724 Notre Dame Street. MONTREAL, AUGUST 1, 1894 SUBSCRIPTION: $2.00 per ANNUM

THE

Insurance and Finance Chronicle.

Published on the 1st and 15th of each month

AT 1724 NOTRE DAME ST., MONTREAL.

R. WILSON SMITH, Editor and Proprietor

Annual Subscription (in Advance) - - - $2.00

Prices for Advertisements on application.

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

The Intercolonial Conference.

THE recent conference between the intercolonial delegates may fairly be regarded as an historic one as being the first meeting of official representatives of the colonies for purposes of combined action for common advantage. The event is full of significance for the future of the British Empire and the relations between its several parts. Hitherto the different British dependencies have practically conducted their affairs independently of each other, and without regard to their common interests as parts of that empire of which they form the Greater Britain. The conference was a practical recognition of the responsibilities and privileges of imperial unity, and as such may be considered as the first step towards the realization of that imperial federation which, in the opinion of many, the growing importance of the Colonies will render necessary to integrity in course of time. The subjects discussed and the decisions arrived at were either of imperial importance or involved questions of imperial policy. That the representations of the conference will receive full and proper consideration at the hands of the Home Government and Parliament will be readily believed, but the anomaly of the present relations of the parts to the whole is emphasized by the occasion. The Colonies, although a part of the Empire, have no effective voice in imperial affairs, and the British Government, whilst possessing imperial functions and powers, is not representative of the Empire. Such a basis of government cannot in the nature of things remain permanent, but he would be a presumptuous man who would venture to predict what future form will be developed in its stead. The solution of the difficulty will doubtless appear when necessity absolutely demands it; meantime the Intercolonial Conference may be taken as an indication that "the old order changeth, giving place to the new" in the direction of imperial federation, and a closer union of interests.

The "business or bust" theory.

IT is of course too much to expect the advocates of "assessmentism" to be warm lovers of theory in life assurance, but it has been reserved to the *Insurance and Commercial Magazine* of New York as one of its exponents to prove its case against scientific principles by citing the success of General Grant in its support. Unbiased judges would probably want to know what the career of that illustrious gentleman can have to do with the question; the only relevancy of the quotation to the subject that we can trace lies in the fact that whilst his success consisted in "taking off" as many men as possible, that of life assurance is consulted by the prolongation of life. Letting that pass, however, we quite agree with our contemporary that "the more successful the business, the less the cost," but its statement that the success of a life institution is in proportion to its new business is contrary to common sense and experience. The history of young companies teaches that there is a normal limit to the introduction of "new blood" beyond which an office cannot safely go by reason of the cost of procuring it, whilst the records of such staunch, conservative institutions as the "old" Equitable of England, which never employs a single agent, form a conclusive argument against the fallacy that a large amount of new business is necessary to success. Under present conditions, new business costs more than the first year's premium, and companies have to carry the risk for some time for nothing as well as provide the necessary reserve. If business were all of a permanent quality, these adverse facts would be compensated for in course of time by light mortality, etc.; but, unfortunately it is only too true that from 30 to 50 per cent. of the new assurances effected drop off the books during the first year alone. It is, therefore, obvious that any company might be rendered insolvent if a sufficiently large volume of new blood were introduced under these conditions, and it becomes a question as to how much on office can afford to procure with a due regard to the interests of existing policyholders who have to pay for it. We are quite prepared to admit, however, that the "business or bust" policy, to quote our contemporary's elegant phrase, is the only one to prolong the short-lived career of "assessment" concerns—affairs which finance on the system of paying old debts with the money received from new obligations have no other way of putting off the evil day which sooner or later must overtake them than by securing as many new liabilities as possible. In their case our contemporary is correct when it states "that the less new business the nearer to the receiver's execution block; while the increase of new business increases the distance of the receiver from the home office." It is the glory of "old line" or level premium companies, however, that they can close their doors at any time to new business, and carry out their contracts to the satisfaction of their last claim.

The Expense Problem.

In connection with the foregoing, the *Insurance Age* has published an interesting and thoughtful article on the subject, in striking contrast to the superficial views expressed by the advocates of the "business or bust" fallacy. Starting with a recognition of the necessity for economy, it concludes with some practical advice to managers to that end. Amongst other measures it recommends a minute investigation of their new business, to see whether it is profitable or not, having regard to its cost and also its quality in respect of permanence and selection, and points out the wisdom of companies laying themselves out to maintain policy-holders on their books. We can hardly agree, however, with some of the theories advanced by our contemporary, in reference to the expense question. For instance, the rate of 7½ per cent. of the renewal premium income allowed for the care of old business is a purely arbitrary one, a fact which destroys the value of the comparative figures quoted. Probably no two offices devote the same amount of attention to retaining their existing business, and it is evident from their greater success in this direction that some are more active than others in their efforts to maintain policies in force, and are therefore clearly entitled to a larger allowance of expense. Again, in our opinion the question for managers of large life offices to consider is not, "What can a company afford to pay for its business?" but "What is new business worth, and what amount of it is desirable in the interests of the policy-holders, considering its cost and value?" As our contemporary observes, "life assurance is a business," and it should be conducted on business principles for the advantage of the assured alone. Regarded from a purely public point of view, of course life assurance has a beneficent mission, and we should like to see its protection extended to as many people as possible; but that view of it would not justify a manager in continuously spending the policy-holder's profits in securing new assurants, even if the rate of cost were reasonable, although in a sense the company could "afford" to do so. The heavy initial expense which it is necessary to incur to obtain new business must be borne in a large measure by the existing policy-holders, and it is obvious that a proper regard for their interest would necessitate a limitation of the amount, so as not to subject them to a continuously heavy drain. This applies more particularly to an old company, for although a young institution may endanger its existence by building too much for the future, it is necessary for that existence that it should have a broad basis. A well established office, however, has no such excuse for any costly extension which reduces its profit—producing power; it already has an assured foundation.

The Bank of England Bi-centenary.

"The Old Lady of Threadneedle Street" has been celebrating her 200th birthday. Unlike we mortals, she has renewed her youth about every twenty years since her birth on 27th July, 1694, her charter having been renewed ten times since first issued. Although science declares that "out of nothing, nothing comes," the Bank of England arose out of less than nothing; it was the creature of debt, having been organized to meet the needs of the public Treasury, which had got into severe straits from the financial irregularities and national disorders following the troublous days of the Stuart dynasty. To provide the Crown with six millions of dollars, one Paterson, a bold, daring adventurer of Darien fame, undertook to raise this sum. He succeeded, the terms being interest at 8 per cent., a very high rate even in those days, and $20,000 a year for management expenses, the lenders being granted a charter and incorporated as "The Governor and Company of the Bank of England," a title it still retains. Its powers were of the "blanket" order, as it had authority to purchase "any kind of possessions," and "to purchase all sorts of goods and chattels." No dividend could be paid "save out of profits," and every vote in the management was to represent not less than $2,500, both provisions indicating the conservative policy which has given the Bank its unrivalled hold on the world's confidence. The Bank on several occasions has suspended specie payments, the first trouble of the kind being in 1696. But in regard to these events it may be said that such steps were not caused by the fault of the management, but owing to the whole financial interests of the country centering in and resting upon the Bank, so that this one institution had to bear the shock of the storms that have arisen from prolonged war expenditures, national alarms, and commercial disorder. In 1745, for instance, the troops of the Pretender being at Derby, all England fancied a revolution was at hand. To check the demand for gold the Bank began paying all claims in shillings and sixpences! In 1797 the Bank was ordered by the Government to stop specie payments, and a meeting of merchants was held to assure the Bank of public confidence being unshaken. Our space will not admit of more than a glance at the history of the Bank, which is full of interest. Nothing succeeds like success. The Bank of England system has been denounced in tons of pamphlets and acres of articles, but there it stands, the only one whose notes are current throughout the world. Adam Smith said, "She acts not only as an ordinary bank, but as a great engine of State." That is still true; The Bank of England is the symbol and the synonym for financial stability.

SOME FACTS ABOUT "NEW PREMIUMS" AND EXPENSES.

We have heretofore taken occasion to point out in these columns the peculiarities of the book keeping practised for some time past by the life assurance companies of the United States, by means of which the annual statements of these companies, as published in the reports of most of the State insurance departments, show the premiums on new business to be much larger than they really are, one of the results being to misrepresent the actual cost of that business. Current dividends on existing policies applied as premiums for reversionary additions, and surrender values applied as premiums for paid-up assurance, are habitually treated as "new premiums," together with other similar items, all of which come about as near to being premiums on new policies as the payment of a death claim comes to being an asset! As we have heretofore noted, one insurance commissioner—Commissioner Merrill of Massachusetts—has at last taken cognizance of this practice, heretofore allowed, but clearly in violation of the regulations governing the scheduled report required in common by the various insurance departments. In accordance with his previous notice to the companies, the Massachusetts commissioner has in his report for 1893 allowed as "cash received for new premiums" just what that entry covers, neither more nor less, and the customary "padding" has encountered a serious stumbling-block. When we state that the actual premiums received on new policies issued, as admitted in the Massachusetts report, are $9,626,128 less than that item appears to be as given in the New York report, it will be seen how misleading has been the peculiar style of bookkeeping allowed for some time past. It can also be easily seen that any attempt to figure out the cost of new business by assuming the customary charge of seven and a half per cent. of the renewal premiums for taking care of the old business and using the new premiums, as heretofore allowed in the reports, as a factor, must result in placing that cost altogether too low. Just how much too low, it is the purpose of this article to demonstrate. In the first place, in order to illustrate the situation clearly, we append the new premiums for each of the ten largest companies for 1893, as stated respectively by the New York and Massachusetts insurance reports:—

COMPANY.	New Premiums, N. Y. Report.	New Premiums, Mass. Report.	Difference.
Ætna Life	$790,012	$578,219	$211,793
Connecticut Mutual...	534,896	322,759	212,137
Equitable Life	7,226,718	4,697,774	2,528,944
Mutual Benefit.......	1,422,733	755,481	667,252
Mutual Life....	9,209,677	5,141,926	4,067,751
New England Life	318,296	217,330	100,966
New York Life........	6,306,563	5,958,786	347,777
Northwestern Mutual..	2,007,590	1,714,518	293,072
Penn Mutual.	1,093,792	1,066,706	27,086
Provident Life & Trust	440,000	440,000	....
14 other Companies. ..	5,631,534	4,466,184	1,168,350
Totals, 24 Companies.	$34 984,811	$25,358,683	$9,626,128

Of the fourteen companies whose aggregate only is above given, three—the Manhattan, Travelers, and Provident Savings—are each credited in the reports of both States with new premiums identical in amount in both reports. The aggregate difference of the 24 companies—over nine and a half millions—is the amount claimed by the companies as new premiums, though in fact only a myth, the Massachusetts report stating the true amount. It is evident that any calculation for ascertaining the portion of new premiums expended by the companies for obtaining new business, which is based upon the amounts given in column first of the above table, must be grossly inaccurate and consequently worthless. Suppose we accept the $29,350,277 scheduled in the New York report as new premiums belonging to the ten companies, and proceed to deduct from the general expenses seven and a half per cent. of all renewals for taking care of the old business of the companies, allotting the balance of expenses for the cost of new business, we shall then have the following results:

Total general expenses..............................	$33,913,638
Deduct 7½ per cent. of the Renewals......	8,083,119
Balance chargeable to new business................	25,830,519
Amount of new premiums, N. Y. Report.........	29,350,277
Cost of new business, percentage.............. ..	88.00

Now let us see the percentage of new premiums used for expenses, and chargeable to new business on the above basis, using, however, the amount of new premiums in the calculation as stated by the Massachusetts report. We then have the following:—

Total general expenses..............................	$33,913,638
Deduct 7½ per cent. of Renewals.............. .	8,083,119
Balance chargeable to new business...............	$25,830,519
Amount of new premiums, Mass. Report....... ...	20,892,499
Cost of new business, percentage.................	123.63

Thus we find that the almost eight and a half million dollars which these ten companies report, and which by most insurance departments is allowed as new premiums, though in no sense premiums on new assurance issued, serves to reduce the actual cost of new business, as calculated on the above basis, by 35.63 per cent.! If the deduction from total expenses of seven and a half per cent. of the renewals is a sufficient one for taking care of the old business, as is generally conceded, then it follows that instead of 88 per cent. of the new premiums being used for expenses in connection with new business, more than 123 per cent. is thus used. In other words, after using every dollar of new premiums in business-getting, an amount equal to more than 23 per cent. of the new premiums was appropriated in 1893 from the funds belonging to the old policyholders to place new business on the books. We do not here give the percentages of the several companies considered, because the comparison, owing to the necessary dissimilarity of companies as to relative amounts of old and new business, might work injustice to some of them. The average results, however, deduced from the aggregates, furnish an interesting contribution to the all-absorbing expense question which we commend to the earnest attention of managers of life assurance companies great and small. It is not a good time just now for the covering up of facts by book-keeping jugglery.

SOME DIFFERENCES BETWEEN CANADIAN AND ENGLISH BANKS.

In considering the somewhat delicate question as to what amount of cash reserve a bank ought, in prudence, to hold, English examples are apt to be misleading. This is so for two reasons, the latter of which we regard as highly important, but so far we have not seen it even named in the many discussions of this subject. In the first place, an English bank has a resource when in need of more cash, which does not exist in Canada, which we will state shortly. The other condition is one in which Canada has, we submit, a great advantage over the Old Country. This arises from the general condition and character of our people, especially of the depositing class. Familiarity is said to breed contempt, but in this matter it tends to breed confidence. Our banks are far more closely in touch with the great body of the people than are those in England. Their officials are more intimately known; there are more persons in the community who have accounts at the banks, the absolute dependency of business upon the banks is far more realized here, and more gratefully realized; the traders who borrow from, and the farming class who lend to, banks in Canada have interests more closely interwoven than in England; so that a much livelier *personal* interest in the welfare of a bank is taken in this country than in the old land. Our banks, in a word, are more popular institutions, they envoke more good will and sympathy than in England. Then, the people here for many years have been favored by a prolonged series of instructions by the Press upon banking, upon the state of the banks month by month, so that they have acquired a more intelligent knowledge of the conditions of banking business, of the relation of deposits to loans, and the great utility of the note issues, than the people of any other country. All these influences have removed that suspicion and ignorance, which give panics their fuel when once started, and which indeed are so highly inflammable that a small spark is apt to start a large fire. Had, for instance, a bank in an English town collapsed like the Central Bank did in Toronto, there would have been a heavy run for deposits on the other banks. But the Central failure brought no call for deposits from other offices, nor any unusual redemption of notes. This was noticed also when a Winnipeg bank failed, more recently; the people took the incident quite philosophically. When news of the failure of the City of Glasgow Bank reached Canada on 2nd Oct., 1878, many bankers were in great fear, but, mainly owing to the Press explaining the event as wholly disconnected with Canadian interests, etc., there was not a trace of disturbed confidence. When a man owns a brick in a house, he does not care to see it damaged. The remarkable quietude which prevailed in Canada in this respect when a storm panic was raging in the States has been attributed to our excellent banking system. But it must be remembered that *no strain* was put on that system last year; it was not tested, because of that universal confidence in banks which is so striking a feature in Canada, and which is an incomparably greater source of strength to them than any mere percentage of cash reserves. But English banks have a resource in time of need which ours have not. Take an example. In 1849 a bank in Yorkshire discovered a forgery of its notes. To protect the public it advised reference to the bank of all notes held. This required provision for their possible redemption; to find the necessary gold, two officials went off by night mail to Londo. and brought back heavy boxes of gold ready for the risk next day. In 1866, a Staffordshire bank took the same course, and well it did, for in one week it redeemed its note issues. Frequently the country banks every week run so short of hard cash as would be incredible to Canadian bankers; but when the wages day comes, they have secured an ample supply of gold and silver from a branch of the Bank of England. The Bank of England indeed practically holds the cash reserves of the English country banks, as all a manager needs do whose till is empty is to take an hour or two's trip with a selection of good paper, maturing early, to the London or a branch office of that bank, and he returns with his wants supplied. Whether such absolute reliance on the Bank of England is wise, is another matter; the reliance *is* placed, and has never been misplaced. When a panic comes, every country bank runs to the Bank of England for help of this kind, and no wonder the drain they cause drives rates for money up so highly. In those two features then our banks are differentiated widely from those in England, and the question of cash reserves is not intelligently discussed without these conditions being properly estimated.

DISTRIBUTION OF SURPLUS.

There is a considerable diversity of opinion among actuaries as to the best method of apportioning the profits of a life company amongst policy-holders. Theoretically, there is no such thing as profit in life assurance. What is called such is simply the premium paid in excess of that found by experience to have been necessary to provide the assured benefits. In computing premiums, certain rates of mortality, interest and expense are assumed as a basis for the calculation. If those factors could be assessed with exactitude beforehand, and rates charged accordingly, there could not possibly be any surplus, except such as might arise from accidental causes, to which reference will be made further on. With this explanation, the layman will understand that the distribution of a life company's surplus is an entirely different transaction from the apportionment of the profits of an ordinary business company or corporation. In the case of the latter, dividends are usually allotted, and rightly so, in proportion to the vested interests of the partners or shareholders as represented by the amount of capital invested. To adopt a similar principle in the allocation of a life office's surplus would be to contravene the basis of life assurance business. A life company's surplus represents the accumulated amount of premiums overcharged, and any method of distribution would be inequitable which did not aim at returning to the assured the amount over-paid. In other words, surplus should be divided, as far as practicable, according to the sources from which it has arisen. These introductory remarks are suggested by Mr. David Carment's paper, describing the method of bonus distribution commonly adopted by Australian companies, which was read at the last session of the Actuarial Society of America. Briefly described, the system adopted by our antipodean cousins is as follows: Each participating policy is credited with the surplus accrued from excess of interest realized upon the policy reserves held at the last preceding distribution, and the balance of the office's total surplus is divided in proportion to the loading received in the premiums. We believe that at least one Canadian company employs the same method. It will be seen that the system only partially recognizes the sources from which surplus accrues; interest and loading are taken into account, but mortality is entirely ignored. But in Mr. Carment's opinion, the method nevertheless deals out substantial equity to the policyholders, and might be generally adopted with advantage. Whilst agreeing with him that it is not necessary to insist upon the observance of refinements in theory, and that it is impossible to give them full effect in practice, we can see no reason why such an important factor as that of mortality should be left out of consideration. The argument urged against the "contribution plan" in general use among American companies, that life assurance is "a question of averages," would apply just as much to the Australian method, but, as a matter of fact, it is no argument at all. The principle of average is not violated by the "contribution plan" any more than it is by a company granting reserve values to individual policy-holders. The theory of that plan is simply that surplus should be divided according to the sources from which it arises on a basis of average contribution. Whilst it does not exercise discrimination between individual contracts, it possesses the distinct advantage that it provides a measure of equitable adjustment where discrimination has not been made in the rating of different risk.

So far, we have referred only to that portion of the surplus which has accrued from the assured having paid more in premiums than was necessary to cover the risk. No insignificant amount, however, arises from what might be called accidental sources, such as surrenders, changes and lapses. This, strictly speaking, is the only profit, as distinguished from surplus, that a life office makes, and it might very properly and fairly be divided on the business principle of vested interest, that is, in proportion to policy reserves.

In drawing attention in a previous issue to the necessity of reserving some of the loading received on limited and single premium policies as a provision for future expenses when the premiums cease, we published illustrations of the working of the Australian system of distributing surplus. Two important features, however, which we believe are not to be found in that system, were introduced into our calculations. Instead of computing the surplus interest on the basis of the policy reserves at date of last division, we calculated it on the mean values during the bonus period. It is obvious that otherwise old policies and endowment assurances, whose values increase rapidly, would not be credited with their proper profit from excess of interest, and especially in the case of long-period distributions. Limited and single premium policies should be credited with interest profit on their special loading reserves as well as on their policy values, as was done in the instances quoted. Whilst the cardinal principle in the division of surplus should be that of equity, many considerations may arise in practice to render a close adherence to it inexpedient and indeed impracticable. A system which combines simplicity with satisfaction, and at the same time deals out all round justice, is to be preferred to one which, although theoretically more accurate, is more cumbrous and complicated and less calculated to prove acceptable to policyholders.

THE NET RESULT OF THE COLONIAL CONFERENCE.

At one of the tenants' dinners given each Christmas by the Duke of Devonshire, he challenged an old farmer to join him in a glass. As the guest was very slow in raising his glass, the Duke said: "Come, Mr. Hurst, I am waiting for you," to which the response was, "Excuse me, your Grace, but I was waiting for the froth to settle a bit!" Now that the exuberance of the Colonial Conference has settled a bit, we may ask, What has been the net result? This is often a very awkward question, is indeed one that is much resented by those who have been floating high on a wave of excitement which they supposed to be a great movement. Now science teaches us that waves never move forward at all, their apparent progress is an optical illusion, which Tyndal compared to the waving seen in a field of grain, where the stalks bend but do not advance. We fear this applies to the wave of excitement caused by the visit of the Delegates from other colonies. How delighted we all were to see them, how we enjoyed their eloquence, how proud Canada was to be the host of such distinguished guests, is it not all chronicled in the press? Several things said to have resulted are very doubtful indeed. It is said that the Delegates learnt how loyal Canadians are, and how hollow is the annexation cry. Surely, this is not complimentary to the intelligence or observing powers of the Delegates. Did not the Australian, New Zealand, and South African statesmen know that Canada sent men to the Soudan during the same period when others were being organized for that service in the Antipodes? Is it credible that such men were ignorant of the speeches of Lord Dufferin, Lord Stanley, and others of our Governors General, which speak so highly of Canadian loyalty? We do not accept the theory that the Conference taught the Delegates that Canada is loyal. Then another result is said to be that many Canadians "have learnt that New Zealand is not Australia!" Whoever said this cannot have known of our public school system, where such a blunder would hardly be possible, as geography is regularly taught, and splendid maps are daily in view and in use. Then, what is more germane to the objects of the Conference, it is stoutly affirmed, that each of the Colonies has discovered to the others what each one has to sell and what they might purchase from us. When we reflect that firms in Canada have agents in each of the Colonies; that some merchants from those places regularly visit Canada, and others maintain correspondence with our merchants; that the trade returns of the Colonies are studied here, and frequently discussed in our journals; and that our papers circulate in the Colonies, we are not much impressed by the assertion that the Conference revealed to Canadians and to the visitors what goods they severally might interchange. Our merchants are not so slow, nor are those of the Colonies either, as to be ignorant of their being markets open for their goods which they have not explored. We speak for ourselves in saying that we know firms in Canada who are as thoroughly well informed about Colonial trade as any colonist in any of them. As to the adjustment of tariffs on a preferential basis, the time is not yet ripe for such a revolution in the fiscal policies of England, of Canada, of Australasia, and other dependencies. The old land will not abandon Free Trade to please her offspring, when by so doing she would tax herself and alienate her best customers. The non-imperial market takes five times as much of the exports of England as the colonial markets. The ratio is too great to admit of any discrimination being made in favor of the smaller markets. Canada will not admit manufactures from *any* place on such terms as would destroy her own; that is bedrock fact, which no sentimentalism can shake. An Imperial zollverein is a lovely dream—at any rate for some years, as it involves sacrifices without adequate recompenses. The Conference closed without formulating a fiscal scheme which would embody the Imperial unity idea which is so fascinating, and so difficult to crystallize into an Imperial Tariff, common to the old land and to all Colonies. It was compelled to leave that undone, for it is an impossible task, unless Free Trade were proclaimed throughout all the Queen's dominions—and *that* is impossible. So we come round to this, that the net results of the Conference were the development of kindly feelings, of mutual respect, amongst the Delegates, and the exaltation of Canada in their estimation as a land of promise in the future and of unbounded hospitality in the present.

SOME NOTES ON LIFE ASSURANCE IN CANADA IN 1893.

FOR EVERY $100 OF ASSURANCE in force in Canadian companies in 1893, they held $13.84 of reserves. The figures were: $176,742,002 of assurances and $24,459,530 of reserves.

THE FOREIGN BUSINESS of Canadian companies shows increases for 1893 as compared with 1892 as follows: new assurances by 13.18 per cent., assurances in force by 34.79 per cent., and premium receipts by 15.63 per cent.

FOR EVERY $100 OF POLICY LIABILITIES, the Canadian life companies in 1893 held $113.76, after providing for all other liabilities. As further security for meeting their assurance obligations, there was $842,339 of capital paid-up, and a substantial balance of uncalled capital.

THE AVERAGE AMOUNT OF POLICY IN FORCE on 31st December, 1893, was $1,691 in Canadian companies, $2,000 in British companies' Dominion Branches, $1,866 in American, and $1,772 in all, as compared with $1,717, $2,046, $1,865 and $1,796, respectively, for preceding year, showing a decline in all except American offices.

THE TOTAL AMOUNT OF DEATH AND MATURITY CLAIMS PAID in 1893 by Canadian life companies and the Dominion Branches of foreign life offices was $3,893,897 or at the rate of $13.18 per $1,000 of mean assurance in force. The ratio for Canadian companies was $9.63, for British $18.76, and for American $17.64.

THE TOTAL PAYMENTS TO POLICYHOLDERS made in 1893 by Canadian life companies and the Dominion Branches of life foreign companies amounted to $5,132,353.83, representing 51.73 per cent. of the total premiums received during the year. Canadian companies contributed to that amount $2,265,702.51 or 41.37 per cent. of premiums. British $725,127.71 or 69.63 per cent., and American $2,141,523.41 or 62.93 per cent.

THE AVERAGE AMOUNT OF POLICY, excluding industrial business, effected by Canadian companies in 1893 was $1,642, by British companies' Dominion Branches $1,840, by American $1,893, by all $1,719. The corresponding figures for 1892 were $1,757, $2,085, $1,911 and $1,827 respectively, showing that the average has fallen off considerably, due to some extent probably to the stringency of the times, and possibly increased cultivation of business amongst the masses.

THE TOTAL INCOME of Canadian life companies in 1893 was $6,753,745.63; after paying $2,265,702.70 to policy-holders and $1,490,137.91 for expenses and dividends, there remained a balance of $2,997,905.01. Of that amount $2,220,467.89 was added to the reserves for policy and other liabilities, leaving a surplus of $777,437.12 out of the year's revenue. As the increase in the total surplus for 1893 was $992,853.04, the balance of $215,415.92 arose from surrenders, lapses and other miscellaneous sources.

THE PREMIUMS RECEIVED by Canadian companies in 1893 were at the rate of $32.37 per $1,000 of mean assurance in force, $30.96 by British companies' Dominion Branches, $36.73 by American, and $33.58 by all. making allowance for the difference in their rates, still it is evident that a larger proportion of the business of American companies is of the endowment and limited premium class as compared with their contemporaries, whilst the figures for British offices indicate that they have a larger ratio of ordinary life policies on their books than other companies. Similar figures for the previous year were: for Canadian companies $32.35 or almost the same as in 1893; for British $32.19 or $1.23 higher; for American $37.40, or 67 cents higher, and for all $33.90, or 32 cents higher.

FINANCIAL CONDITION OF CANADIAN JOINT-STOCK FIRE COMPANIES, 1893.

Compiled from the Dominion Insurance Report.

ASSETS.

COMPANIES.	Real Estate.	Loans on Real Estate.	Stocks, Bonds and Debentures.	Agents' Balances and Bills Receivable.	Cash on hand and in Bank.	Interest due and accrued.	Other Assets.	Total Assets.
	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.
British America	150,468.92	60,000.00	886,435.00	213,524.47	39,403.52	6,654.68	42,554.57	1,399,046.16
Eastern	None.	39,500.00	240,000.00	19,244.47	24,645.46	3,859.48	6,500.00	333,749.41
Mercantile	None.	58,960.00	65,687.46	17,442.04	6,201.54	3,227.61	1,354.20	152,872.85
Quebec	32,760.00	None.	156,264.26	21,942.76	22,563.34	2,667.67	7,848.26	242,056.27
Western	65,000.00	67,634.88	1,451,967.76	409,364.80	342,067.39	8,939.36	100,305.48	2,445,279.67
Totals	248,228.92	226,094.88	2,800,354.48	681,518.54	434,881.25	25,353.80	153,562.49	4,573,004.36

LIABILITIES.

COMPANIES.	Unsettled Losses.	Reserve of Unearned Premiums.	Sundry.	Total Liability not including Capital Stock.	Excess of Assets over Liabilities, excluding Capital Stock.	Capital Stock paid up or in course of Collection.	Surplus of Assets over Liabilities and Capital Stock.
	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.
British America	142,028.55	687,587.93	9,810.23	839,426.71	559,619.45	750,000.00	None.
Eastern	31,249.30	136,265.90	None.	167,515.20	166,234.21	250,000.00	None.
Mercantile	7,949.95	85,693.96	2,000.00	95,643.91	57,228.94	40,000.00	c 17,228.94
Quebec	14,720.00	93,820.82	928.00	109,468.82	132,587.45	99,920.00	c 32,667.45
Western	269,267.84	1,123,508.13	41,218.48	1,433,794.45	1,011,485.22	1,000,000.00	c 11,485.22
Totals	465,215.64	2,126,676.74	53,956.71	2,645,849.09	1,927,155.27	2,139,920.00	....

FINANCIAL CONDITION OF CANADIAN LIFE COMPANIES, 1893.

Compiled from the Dominion Insurance Report.

ASSETS.

COMPANIES.	Real Estate.	Loans on Real Estate.	Loans on Collaterals.	Cash Loans & Premium Obligations on Policies in Force.	Stocks, B'ds. and Debentures.	Cash on hand and in banks.	Agents' Balances and Bills Receivable.	Interest and Rents due and accrued.	Outstanding and deferred premiums.	Other Assets.	Total Assets.
	$	$	$	$	$	$	$	$	$	$	$
Canada Life	1,043,981	3,906,366	2,545,480	1,473,723	4,672,512	687	None.	289,[illegible]97	372,203	9,392	14,313,643
Confederation	997,156	2,166,298	124,750	405,253	459,198	87,933	3,508	103,733	157,849	14,446	4,520,133
Dominion Life	None.	5[illegible],150	None	265	71,347	909	1,229	2,458	9,623	500	139,483
Dom. Safety Fund	None.	None.	4,750	None.	65,336	5,796	1,831	1,001	None.	400	79,116
Federal	20,000	62,050	1,250	82,339	78,449	37,284	13,137	4,840	78,272	1,474	379,098
Great West	None.	47,700	None	None.	58,520	4,484	5,033	691	18,214	2,530	137,174
London Life	None.	192,055	18,897	21,081	147,195	3,513	None.	10,125	9,795	None.	402,662
Manufacturers' Life	None.	393,664	None.	8,708	114,736	58,908	11,351	9,465	65,504	11,400	673,738
North American	105,833	936,787	320,666	57,181	90,054	36,987	122	26,804	84,717	31,540	1,690,096
Ontario Mutual	7,500	1,410,448	None.	367,935	572,499	14,022	1,082	89,005	108,327	None.	2,570,820
Sun	256,023	2,517,638	61,700	227,785	589,630	21,232	6,266	97,627	222,296	1,576	4,001,776
Temp. and General	None.	45,382	None.	8,505	184,816	12,570	4,105	3,974	38,112	955	298,422
Totals	2,430,495	11,731,541	3,077,498	2,652,779	7,104,297	284,328	47,669	639,025	1,164,916	74,215	29,206,766

LIABILITIES.

COMPANIES.	Unsettled Claims.	Net Re-Insurance Reserve.	Sundry.	Total liabilities including Reserve but not Capital Stock.	Surplus of Assets over Liabilities excluding Capital.	Capital Stock paid up.	Surplus of Assets over Liabilities and Capital Stock.
	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.	$ c.
Canada Life	132,112.00	11,805,596.69	66,060.74	12,003,769.43	2,309,874.03	125,000.00	2,184,874.03
Confederation	33,061.85	4,001,198.00	91,403.87	4,125,663.72	394,469.32	100,000.00	294,469.32
Dominion Life	None.	69,817.81	600.00	70,417.81	69,065.51	64,400.00	4,665.51
Dominion Safety Fund	4,000.00	*10,855.62	662.26	15,517.88	63,598.66	29,172.00	34,426 66
Federal	23,133.34	270,626.70	1,000.00	294,760.04	84,338.26	80,197.00	4,141.26
Great West	None.	54,720.00	None.	54,720.00	82,454.46	100,000.00	....
London Life	5,164.16	337,552.04	4,841.90	347,558.10	55,104.75	33,750.00	21,354.75
Manufacturers' Life	10,000.00	493,090.12	6 610.94	509,701.06	164,037.53	127,320.00	36,717.53
North American	7,750.00	1,319,510.00	6,374.07	1,333,634 07	357,062.26	60,000.00	297,062.26
Ontario Mutual	21,983.67	2,330,981.83	2,302.47	2,355,267.97	215,552.88	None.	215,552.88
Sun	50,132.92	2,533,264.57	67,283.76	3,650,681.25	351,095.65	62,500.00	288,595 65
Temperance and General	3,000.00	232,317.04	2,042.92	237,359.96	61,062.37	60,000.00	1,062.37
Totals	290,337.94	24,459,530.42	249,182.93	24,999,051.29	4,207,715.68	842,339.00	3,365,376.68

* Including $,6554.41 of Safety Fund.

THE JUNE BANK STATEMENT.

The month of June ushers in the first stage of the movement of crops, upon which so large an amount of the prosperity of the country depends, and to which the banks owe a large degree of their activity. The marketing of small fruits and vegetables creates an extensive business, and stimulates the canning trade, as well as that of the sugar refineries. It is a period, too, when goods for export commence their passage to foreign markets, where they help to liquidate the indebtedness of the banks to agents abroad. This year the bank returns give us a surprise. We did not expect any considerable increase in circulation, so were not prepared to see the volume of note issues rise from $28,467,718 in May, to $30,254,159 in June. That this increase is unusually large is shown by the following schedule giving the amounts by which the note issues expanded during the June months of the years specified:

1873......	$628,543	1891......	$462,672
1885......	468,599	1893......	556,071
1889......	1,197,972	1894......	1,786,461

This shows a sharp recovery from the remarkable shrinkage in the spring, but still leaves circulation lower than it stood in June, 1893, by $3,229,254, and over a million lower than the average for some previous years. This is clearly not an opportune time to push out a large additional supply of Dominion notes which must to some extent displace those of the banks. June is not a growing month for deposits payable after notice, to which alone, as we said before, the term "Deposits" is strictly applicable. Taking the same years as given above, the charges in these funds were as follows:

1873 inc.	$528,543	1891 dec.	$1,429,594
1885 "	66,912	1893 inc.	115,735
1889 dec.	13,400	1894 dec.	980,879

The increase in demand deposits by $2,079,706 was confined to three banks, viz., Montreal, Merchants, People's; and the figures of the deposits payable after notice point to a large transference having been made from one class of deposits to the other, that is, from *deposit* accounts to *current* accounts, for obvious reasons of convenience. Deposits in June have frequently shown similar variations to those which occurred this year.

The returns show a restriction of current loans of $163,582. Here again the ordinary charges in June are of little moment, as a rule. In the returns before us, the discounts of the Ontario banks fell off by $893,681, but this was met by an increase in those of Quebec by $947,794, of which $704,198 appears in the figures of the Bank of Montreal, the changes elsewhere being trifling. We note that the banks decreased their holdings of specie and Dominion notes in June, by $68,476. This part of their cash reserves indeed has remained about stationary for a length of time, the bank managers evidently regarding the attacks made upon them, on account of their alleged insufficient stocks of cash, with utter indifference—possibly with a less amiable feeling, as they may be fairly presumed to know their own business better than an irresponsible critic. Since 1879 they have added 50 per cent. to those reserves, and since 1885, 25 per cent. We take the opportunity of seriously deprecating discussions of banking questions for merely sensational purposes; as our contemporary the *Herald* said, "they are unworthy of any respectable journal." The enquiry proceeding in the Eastern Township, in regard to the circumstances under which one of our banks was grossly deceived into making a large advance to secure a new account, is a very striking illustration of the necessity of a bank using the greatest circumspection in taking a customer who has

STATISTICAL ABSTRACT OF THE CHARTERED BANKS IN CANADA.

Assets.	30th June, 1894.	31st May, 1894.	30th June, 1893.	Increase and Decrease for month.		Increase and Decrease for year.	
Specie and Dominion Notes	$21,445,211	$21,552,687	18,547,669	Dec.	107,476	Inc.	2,897,542
Notes of and Cheques on other Banks	6,462,944	6,164,182	7,333,408	Inc.	298,762	Dec.	870,464
Due from American Banks and Agencies	15,650,822	15,024,744	17,331,728	Inc.	626,078	Dec.	1,680,906
Due from British Banks and Branches	3,086,167	2,736,380	1,587,320	Inc.	349,787	Inc.	1,498,847
Canadian Municipal Securities and Brit., Prov. or For'gn. or Colonial, other than Dominion	10,859,394	11,206,174	8,985,524	Dec.	346,780	Inc.	1,873,870
Railway Securities	8,240,707	7,569,173	5,801,724	Inc.	671,534	Inc.	2,438,983
Loans on Stocks and Bonds on Call	14,600,915	14,637,324	14,880,373	Dec.	36,409	Dec.	279,458
Current Loans to the Public	206,958,912	207,122,494	208,793,415	Dec.	163,582	Dec.	1,834,503
Overdue Debts	2,811,395	2,791,922	2,326,010	Inc.	19,473	Inc.	485,385
Total Assets	307,542,429	305,256,446	304,363,580	Inc.	2,285,983	Inc.	3,178,849
Liabilities.							
Bank notes in Circulation	30,254,159	28,467,718	33,483,413	Inc.	1,786,441	Dec.	3,229,254
Due to Dominion Government	4,798,075	3,164,031	4,320,333	Inc.	1,634,044	Inc.	477,742
Due to Provincial Governments	3,821,766	3,246,693	2,866,508	Inc.	575,073	Inc.	955,258
Deposits made by the public	174,930,936	173,832,109	170,817,433	Inc.	1,098,827	Inc.	4,113,503
Do payable on demand or after notice between Bks	2,352,405	2,247,866	2,503,558	Inc.	104,539	Dec.	151,153
Due to American Banks and Agencies	121,213	193,246	210,628	Dec.	72,033	Dec.	89,415
Due to British Banks and Branches	5,521,705	6,487,109	4,751,476	Dec.	965,404	Inc.	770,229
Total Liabilities	221,292,707	218,663,313	219,666,996	Inc.	2,629,394	Inc.	1,625,711
Capital.							
Capital paid up	62,112,883	62,112,169	61,954,314	Inc.	714	Inc.	158,569
Reserve Fund	27,157,706	27,127,002	26,007,668	Inc.	308,704	Inc.	1,150,038
Directors' Liabilities	8,051,337	8,239,804	7,538,290	Dec.	188,467	Inc.	513,047

Deposits with Dominion Government for security of note circulation, being 5 p.c. on average maximum circulation for year ending 30th June, 1893, $1,831,979—an increase of $18,395 over last month caused by some banks adding sufficient to cover the requirements to 30th June, 1894.

fallen out with his banker. In such cases an interchange of confidences between bank managers would be a valuable protection to them, and, in the long run, be of public service, as banking interests, and the public interests are very closely identified.

We cannot close without expressing our deep sorrow over the sudden death of Mr. J. Murray Smith, local manager of the Bank of Toronto, whom to know privately was a privilege, and to know in business a help and protection. He did honor to his calling, and the bankers of Canada will honor the memory of one who was a *good* man, as well as a shrewd, and diligent member of our community.

Notes and Items.

The University of Vienna, it is stated, purposes inaugurating a course of lectures and study on the subject of insurance in all its forms.

Hostile Legislation for protective purposes promises to restrict the extension movement of American companies on the continent of Europe.

The New York Life has withdrawn from Russia, Spain and Mexico, and may also retire from Italy if the Bill compelling foreign companies to make a deposit in Italian stock should pass.

The Equitable Life of U.S. is reported to have ceased doing business in Russia, owing, it is said, to the Government requiring certain statements respecting their tontine policies which they are not prepared to furnish.

The London Amicable, the youngest of the regular life companies of Great Britain, is reported to be arranging for the transfer of its business to the Scottish Metropolitan Life, because of the difficulty it finds in doing business profitably.

The New York Life has decided to cease transacting new business in Brazil, on account of the heavy death rate in that country, to provide sufficiently against which it would be necessary to charge premiums which would be practically prohibitive.

A writer in the *Scientific American* argues for the use of cork as a building material, and says that, as a partition, it would not propogate fire. Cork cement answers the purpose, as it carbonizes very slowly and gives out smoke but no flame.—*Weekly Underwriter.*

Endowment assurances are increasing at a phenomenal rate in Great Britain. According to the Board of Trade returns the policies of that class in force increased from $130,000,000 in 1887 to $328,750,000 in 1893. Pity the form of statment adopted by our insurance department does not require the different classes of assurance to be specified.

The principal amounts of Insurance affected by the Arcade street fire; Montreal, are North America $10,000, Royal $6,000 Lancashire $1,000, Scottish Union & National $1,000. There are several other insurances on furniture, etc., but, up to the time of going to press, we have been unable to gather any definite information as to amount, etc., but in all probability it will be small.

The Classification of Fire Risks is the subject of a work by Mr. Robert F. Mallet, of the Norwich Union Fire office. The book, which will shortly be ready for issue, will contain 400 pages, and deal with 2,300 trades and processes of manufacture. Mr. Mallet has had twenty-one years' experience in the fire business, and was the writer of a paper on a similar topic recently read before the Norwich Insurance Institute.

Below is a list of the Insurances affected by the fire at Messrs. Labbe's premises in Montreal a short time since. It is not yet possible to give the exact losses, but it is believed they will range, as far as insurances are concerned, from 60 to 80 per cent. all round Ætna $2,000, Caledonian $300, Guardian $3,000, Imperial $5,000, Lancashire $5,000, Liverpool & London & Globe $5,000, London & Lancashire $2,000, North British & Mercantile $14,500, Northern $2,500, Norwich Union $2,500, North America $2000, National of Ireland $2000, Royal $4,500, Sun $2,750, Scottish Union & National $14,500, Union $11,000, Western $4,000, Total $82,550.

Following is a list of insurances carried by the different companies in the recent fire at Picton, N.S., the total insurance involved being $47,000 on A. C. Baillie's stock of dry goods. London & Lancashire $2000, Western $2,000, Royal $2,000. Phenix of Brooklyn $2,000, Queen, $1,000; total $11,000 On R. Tanner & Son's stock of wholesale and retail boots and shoes $31,000, on the building $5,000, made up as follows:—Liverpool and London and Globe $5,000, Queen $5,000, Commercial Union $5,000, Quebec $3,000, Phœnix, $3,000, Imperial $3,000, Union $3,000. Halifax $2,000, Ætna $2,000 North, America $2,000, National of Ireland $2,000, United $1,000; total $36,000.

Superintendent Snider, of Kansas Insurance department, joins in the chorus of condemnation expressed by commissioners generally when referring to the extravagent methods prevalent among life companies. He recommends legislation (1) to restrict commission on new business to not more than double the annual "loading" contained in premiums, (2) to provide for a sound valuation of assets, (3) to compel companies to include in their liabilities the accrued surplus on "deferred dividend" polices, (4) to put down misrepresentation by cancelling the license of of any agent proved guilty of same, and (5) to provide for all statements to insurance departments to be sworn to by the president and secretary of each company. Not so erratic as many of his critics, after all.

We have pleasure in calling attention to the advertisement in this issue of the Dominion Burglary Guarantee Company, of which Mr. John A. Grose is the Manager, referring to the Watkin's Fire Alarm, of which they have acquired the patent rights for Canada. It has proved popular and satisfactory in the United States where it has been in use for twenty years. It may be briefly described as follows: a number of small thermostats are connected by electricity with a central office, and the wiring is so arranged that, in the event of a fire or rise in temperature to a dangerous degree, the electric current causes an alarm to be given at the central station. The chief peculiarity of this alarm, however, is that the flat and room of the building in danger is indicated,—a great advantage, as it saves the delay which often occurs in locating the exact point of outbreak. The whole system is automatically tested every half hour, and any irregularity would be promptly detected. The C. F. U. A. have already made concessions to users of the alarm, and, as its value becomes known property, owners will doubtless take advantage of the protection it affords.

Griswold's Fire Underwriters' Text Book: — We have now only a very limited number of copies of this book, and when our stock becomes exhausted it will not be possible to obtain one, except at largely enhanced price. Those of our readers who desire to secure a copy should therefore send in their orders early. The work is the standard Text Book on the principles and practices of fire insurance, and should be in the hands of everyone engaged in the business. The price is now $15.

In a thoughtful article, published in *The Independent*, Dr. J. P. Alleyne Adams draws attention to the special dangers which nowadays attach to the post meridian of life. He states that, although the average duration of human existence is increasing, the mental and other high pressure of modern times causes a higher rate of mortality after forty years of age, when its effect begins to tell, than formerly. He summarizes the causes of this as follows:—(1) The desperate competition, anxiety and overwork of most people, (2) insufficient exercise, improper diet, and abuse of stimulants, and (3) the degenerative tendencies of city life. In his opinion the improvement which has taken place in the measures adopted against disease has been mainly in regard to the young, whilst the special dangers of middle life and after engendered by the battle of modern life have not received equal attention. He strongly recommends suitable diet, sufficient exercise, the avoidance of excitement and the cultivation of tranquility of mind, and the adoption of some healthy and recreative hobby.

FINANCIAL ITEMS.

United States Bankers, especially in the larger centres, are anticipating one of the worst years for making profits they ever had. Along with large accumulations of funds, there is such a poor demand for these that the chances of making profits are very slight.

The cost of army maintenance for the five chief powers of Europe from 1884 to 1893, when on a peace footing, is declared by an eminent English statistician to have been $2,400,000,000. The number of men under arms has been about 2 millions, whose whole time has been spent in parades and barrack life. Pity they could not have been tilling the soil in our North West!

The Credit Lyonnais, the great Paris bank, has been bidding for Chicago bonds to place amongst the small investors of France. This is a new departure, as French capital has fought shy of such investments. The principal and interest being payable in gold were great attractions. Other bonds of the same city were refused to be considered at all, as they did not specify that principal and interest were payable in gold.

The hoarded metallic wealth of India is not, as commonly supposed, all in silver, though of that metal the amount is incalculable. Quite a sensation has been caused by large shipments of gold from India, at the rate of $2,500,000 monthly, which has been drawn out by the depreciation in value of silver, the metal having a more steady value in the world's market being found necessary for exchange settlements. The prodigious hoardings of silver in India, owing to the customs of the natives, and the mystery that hangs over the actual extent of these accumulations, are factors in the bi-metallic problem which helps to render it insoluble.

American railway stock lists never before showed such a long record of receivership figures. The discount on many of these is enormous, and furnish another illustration of the highly risky nature of rail way investments, which some will not believe until they get their money hopelessly sunk in them.

The failures in second quarter this year show a gratifying falling off from the figures up to March, the number being 2734, with liabilities $37,500,000 compared with 4297, and $64,000,000. In the first three months of 1893 the total of failure liabilities was $121,500,000. But compared with years 1885 to 1893 the comparison is not satisfactory, as in that series of years no first quarter of any year had liability failures of 80 per cent. of those this year.

What is called the Anti-Option Bill has been passed by Congress by a large majority. The object of this Act is to render it almost impossible to sell any article of produce which is not at the time of sale the property of the vendor. The idea is, that selling for future delivery lowers the value of wheat, and so oppresses the farmer. The notion is not worth argument, in the long run, and usually the short run too, the price of wheat is fixed by the ratio between the supply on hand, or promising to be, and the current or anticipated rate of consumption. That is a fixed law of economics, as unchangeable by man as the law of gravitation. The Hatch Bill will check speculation, but it will not stop wheat falling in price when the market is over-supplied.

Referring to our usual Bank abstract we find that balances due from British and foreign banks and agencies increased nearly a million, Railway securities increased during the month $671,534, and during the year $2,438,983. Canadian, municipal and other securities, though having decreased during the month, increased during the year $1,873,870. Loans on stocks, etc., decreased $36,409 for month and $279,458 for the year, as did also current loans for month $163,582, and for the year $1,834,503. Overdue debts increased slightly for the month, with an increase of $485,385 for the year. We notice an increase in deposits with the government for security of note circulation, which we presume is owing to some of the banks having charged in their June return the interest accumulated upon their deposit for 1893.

The New York Trust Companies, by annual reports just to hand, show surprising results for such a year as 1893-94. Their number is 36, and their total resources $34,466,000, their deposits being $241,897,000, an increase in the former of six millions, and in the latter of $1,800,000 The profits of the year were highly satisfactory. We doubt, however, the large profits made last year being a good sign, just as we consider it an unfavorable omen for a community for pawn shops to be flourishing. We make no reflection on these companies, their business is as legitimate as banking, of which indeed it is a supplementary branch, with this difference a bank is most active when times are good, but a Trust company is more likely to be active when depression prevails, as the high rates for money and the shyness of banks in making loans brings out a large amount of securities to secure advances to private capitalists for the purpose of reaping high rates from those who are feeling the pressure of hard times. The Savings Banks of New York lost 12 millions of deposits last year, a very heavy decrease, considering that the normal condition is to add to them largely each year.

DEATH OF GENERAL MANAGER VALENTINE.

Just as we go to press, we regret exceedingly to learn of the death of Mr. James Valentine, general manager of the Northern Assurance Co. Mr. R. W. Tyre, manager of the Canadian department, has just received a cablegram conveying the sad intelligence. We shall refer to this more fully in our next issue.

PERSONAL MENTION.

MR. CHARLES POVAH, sub-manager of the Lancashire Insurance Co., is expected to arrive in New York early this month.

MR. P. HEASLIP, of Gananoque, Ont., who is off on a visit to England on private business, paid our sanctum a pleasant call.

MR. JOHN F. ELLIS, managing director of the Manufacturers' Life Company, was a caller at the CHRONICLE office yesterday.

MR. R. H. MATSON, manager of the Provident Savings Life Assurance Company, paid us a visit on 30th ultimo, on his return from the Lower Provinces.

PRESIDENT HYDE, of the Equitable of U.S., and President McCurdy, of the Mutual Life of New York, have gone to Europe, the latter for three months.

MR. H. D. P. ARMSTRONG, general agent of the Guardian at Toronto, left for England by the SS. "Vancouver," on 20th ultimo, for a well-earned holiday, after twenty years' absence, for fourteen of which he has represented the Guardian.

MR. JOHN W. MOLSON, resident manager at Montreal for the Manchester and Hartford fire offices, is we are pleased to learn, progressing favorably, and will shortly leave for a visit to the seaside. We hope the change will be beneficial.

MR. G. H. ALLEN, of Kingston, inspector for the Standard Life Assurance Company, was in Montreal last month, and gave the CHRONICLE Office a short call. He reports a steady increase of new business in his territory. Mr. Allen is now an alderman of the limestone city.

WE REGRET having to chronicle the death of Major G. Forbes, which took place on 30th ultimo. The deceased gentleman for many years represented the Ontario Mutual Life in this city, and was much liked and respected by all who knew him for his sterling personal qualities.

MR. T. H. TURTON, for many years representative of the Toronto Globe, has been appointed agent for the city of Montreal of the Provident Savings Life Assurance Society. General Manager Matson has secured a good man. Mr. R. J. Logan is the well-known general agent here.

MR. F. W. GREEN, manager for the Confederation Life for the Lower Provinces, favored the CHRONICLE office with a call last month on his return home from Toronto, whither he had gone in consequence of the sad death of a brother by drowning, who had been in the service of his company for some years.

MR. J. H. BROCK, managing director of the Great West Life, was in Montreal on 26th ultimo, on his way back from the Lower Provinces, where he has spent some time in planting agencies of the company. Mr. Charles Campbell, of St. John, at present represents the company for the Maritime Provinces, with Mr. R. Rowe, as superintendent of agencies. Mr. Leonard Morris of Summerside, P.E.I., has been selected as general agent for that province, and Mr. Arthur Mitchell for Nova Scotia. The company has now influential boards of directors in Nova Scotia, Prince Edward Island, Ontario and British Columbia.

MR. WM. TATLEY, manager of the Royal, has, we regret to learn, been seriously ill since he landed in London (Eng.), and his son, Dr. Tatley, has followed him, having left by the "Vancouver," on 21st ultimo. From latest accounts we are pleased to learn that he is somewhat better; we wish him a speedy recovery.

AMONGST THE CALLERS at the CHRONICLE office last month were: Mr. Charles St. Morris, of Toronto, formerly resident manager for the Equitable for the Province of British Columbia; Mr. W. H. Schmaltz of Berlin, Ont., representing the Economical Mutual Fire of that city, Mr. W. H. Harper, of Chatham, general insurance agent, Mr. E. W. Hendershot, of St. John, N.B., Mr. J. Saulter of Toronto, Mr. W. Marchbank, formerly of the Ætna Fire at Montreal, and Mr. J. Tower Boyd, superintendent of agencies for the Confederation Life.

INSTITUTE OF ACTUARIES.—The usual annual colonial examinations were held at Montreal, Toronto, Sydney, Melbourne and Wellington with the following results:—Part I. Twenty-nine candidates sent in their names, of whom 21 presented themselves, and 14 passed as follows: Class 1, none; Class 2, Messrs. William Sanderson, Toronto, and A. B. Wood, Montreal; Class 3, Messrs. F. Brough, Toronto; A.M. Eedy, Sydney; J. Farrell, Sydney; F. I. Harris, Sydney; J. Hindmarsh, Melbourne; A. Jobson, Melbourne; S. G. Martin, Wellington; C. A. Norris, Melbourne; C. T. Owen, Melbourne; A. J. O'Reiley, Montreal; J. Sheager, Melbourne; S. B. Wylie, Toronto. Part II. Thirteen candidates sent in their names, of whom eleven presented themselves, and seven passed as follows:—Class 1, Mr. R. Henderson, Montreal. Class 2, Mr. C. A. Elliott, Sydney. Class 3, Messrs. C. E. Adams, Wellington; T. J. Fraser, Melbourne; E. E. Hardcastle, Wellington; A. C. Hollingworth, Sydney; F. H. Johnston, Montreal. Part III—Section A. Three gentlemen sent in their names, of whom two presented themselves and passed as follows: Class 2, Mr. A. K. Blackadar, Montreal. Class 3, Mr. Percy Muter, Wellington. Section B. Of the two gentlemen who sent in their names, one presented himself and passed, viz., Class 2, Mr. A. K. Blackadar, Montreal.

ACTIVE, experienced journalist and underwriter, accustomed to handling men and thoroughly acquainted with all details of newspaper office, is open for engagement on Financial or Commercial journal, as assistant editor and manager of advertising department. Address "Reliable," P. O. Box 2022, Montreal.

NEW BANK DRAFT FORM

The "Benedict" Patent Draft

FOR COMMERCIAL PURPOSES.

New arrangement. Place for acceptance. Memo. for non acceptance. Send for specimen.

Price, - $4.50 per M. 50 cents per hundred.

Forms printed both in English and French.

MORTON, PHILLIPS & CO.

Stationers, Blank Book Makers and Printers.

1755 & 1757 Notre Dame St., MONTREAL.

THE

GREAT = WEST

Life Assurance Co.

Capital Subscribed,	$400,000	Reserve Fund, -	$54,720
Capital Paid-Up, -	100,000	Deposit Dom. Govt.	56,000

Business in Force, over - $4,000,000.

Head Office - - Winnipeg

The attention of the insuring public and live progressive agents is called to the following reasons for selecting this Company:

First. It is the only Canadian Company giving its policy-holders the security of a four per cent. reserve; all others without exception reserving on a lower standard.

Second. *The policy contract is as liberal as any issued.* **No restrictions** as to residence, travel or occupation, and incontestable after one year.

Third. The premium rates are low and the cost to the policy-holder is certain to be less than in any other Company because a better rate of interest can be earned in the West than at the home of any other Company.

Fourth. Every desirable plan of insurance is issued from the low priced "PAY AS YOU GO" plan to the shortest single premium endowment.

Agents wanted in unrepresented districts.

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

A. B. Mitchell, - General Agent for Nova Scotia, 23 UPPER WATER ST., HALIFAX.

Charles Campbell, Manager for New Brunswick, 103 PRINCE WILLIAM ST., ST. JOHN.

Leonard Morris, General Agent Prince Edward Island SUMMERSIDE.

THE

WESTERN LOAN & TRUST CO.

LIMITED.

94 St. Francois Xavier Street, Montreal, P.Q.

ASSETS OVER $850.000.

President, ... HON. A. W. OGILVIE

Vice-President, .. J. S. BOUSQUET, Cashier La Banque du Peuple

Manager, ... W. BARCLAY STEPHENS

The Company acts as agents for financial and commercial negotiations.

The Company acts as agents for the collection of rents, interest and dividends.

The Company acts as agents for the investment of money in every class of securities, either in the name of the investor, or in the name of the Company at the risk of the investor, *or guaranteed by the Company*, both as to principal and interest.

For particulars apply to the *Manager*.

UNION BANK OF CANADA.

Established 1865. HEAD OFFICE, Quebec.

Paid-up Capital, $1,200,000.

DIRECTORS.

Andrew Thomson, President. E. J. Price, Vice-President.
Hon. Thos. McGreevy, E. Giroux, D. C. Thomson, E. J. Hale.
E. E. Webb, Cashier.

FOREIGN AGENTS.

London—The Alliance Bank Limited. *Liverpool*—Bank of Liverpool, Limited. *New York*.—National Park Bank. *Boston*—Lincoln National Bank. *Minneapolis*—First National Bank.

BRANCHES.

Alexandria. Iroquois. Merrickville. Montreal. Ottawa. Quebec. Smiths Falls. Toronto. Winnipeg. W Winchester. Lethbridge, Alberta

---

MUNICIPAL DEBENTURES.

GOVERNMENT AND RAILWAY BONDS.

INVESTMENT SECURITIES.

BOUGHT AND SOLD

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

R. WILSON SMITH,

British Empire Building, MONTREAL.

Debentures and other desirable Securities purchased.

THE

CANADIAN BANK OF COMMERCE

HEAD OFFICE, TORONTO.

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

DIRECTORS.

GEO. A. COX, Esq., President. JOHN I. DAVIDSON, Esq., Vice-Pres.
W. B. Hamilton, Esq. Matthew Leggatt, Esq.
Jas. Crathern, Esq. Robt. Kilgour, Esq.
John Hoskin, Q.C., LL.D.

B. E. WALKER, General Manager. J. H. PLUMMER, Ass't Gen. Manager.
A. H. IRELAND, Inspector. G. DE C. O'GRADY, Ass't. Inspector

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

TORONTO—Head Office: 19-25 King Street West. City Branches: 712 Queen Street East, 450 Yonge Street, 791 Yonge Street, 266 College Street, 544 Queen Street West, 399 Parliament Street, 163 King St. East.

BRANCHES.

Ailsa Craig	Chatham	Jarvis	St. Catharines	Toronto Jct.
Ayr	Collingwood	London	Sarnia	Walkerton
Barrie	Dundas	Montreal	S. Ste. Marie	Walkerville
Belleville	Dunnville	Orangeville	Seaforth	Waterford
Berlin	Galt	Ottawa	Simcoe	Waterloo
Blenheim	Goderich	Paris	Stratford	Windsor
Brantford	Guelph	Parkhill	Strathroy	Woodstock
Cayuga	Hamilton	Peterboro'	Thorold	Winnipeg

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

BANKERS AND CORRESPONDENTS.

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

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

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

THE GURNEY-MASSEY COMPANY,
(LIMITED.)

385 & 387 St. Paul St., MONTREAL.

Founders and Wholesale Manufacturers

OF

Hot Water Heaters and Radiators,

Steel Cooking Ranges, Cast Iron Ranges, Registers, Iron Pipe, Fittings, Sinks, Plumbers' Supplies, Hot Air Furnaces for Coal and Wood, Scales and Weighing Machines.

Agents for Canada Screw Co., and Ontario Lead & Barb Wire Co. We invite special attention to our Locks, Knobs, &c., the finest of this line of goods manufactured in Canada.

BAR-LOCK TYPEWRITER

Visible Writing

Permanent Alignment

THE MODERN WRITING MACHINE

Has special features possessed by no other typewriter.
Unlimited Speed, Powerful Manifolder, Light Running, Durable

Call or send for descriptive catalogue.

CHARLES F. DAWSON, Mercantile Stationer,
232 St. James Street, Montreal

A BOOK OF RARE VALUE.

FIRE INSURANCE COMPANIES and SCHEMES
ESTABLISHED AND PROJECTED IN
GREAT BRITAIN AND IRELAND

During the 17th and 18th centuries; with some particulars respecting **Charles Povey**, the proprietor of the **Sun Fire Office**, his writings and schemes.

By FRANCIS BOYER RELTON,

Late Secretary of the Sun Fire Office. This book, just issued by the London publishers, is of *great historic value*, containing information *never before published*, and should be in the hands of every underwriter and in every library. It is a large octavo volume, and *the edition limited to 250 copies*. The price is $6.50. For sale in Canada exclusively by the

INSURANCE & FINANCE CHRONICLE, MONTREAL.

THE

LIFE AGENT'S MANUAL

BY J. D. HOUSTON
CONTAINING

Premium Rates and Synopsis of Policy Conditions

OF ALL COMPANIES ACTIVELY DOING BUSINESS IN CANADA.

HM 4½% RESERVE TABLES,
INTEREST AND DISCOUNT TABLES
AND AN

EXPOSÉ OF ASSESSMENT INSURANCE.

→NEW EDITION, 140 PAGES.←

PUBLISHED BY

THE Insurance & Finance Chronicle
MONTREAL.

Now ready for delivery. Orders Solicited. Post Free on receipt of P.O. Order for $1.50.

THE

CANADA LIFE

Assurance Company

Head Office, · Hamilton, Ont.

Established 1847

CAPITAL and FUNDS over **$14,300,000**

ANNUAL INCOME nearly **$2,500,000**

Sum Assured over $62,700,000

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

Superintendent, W. T. Ramsay.

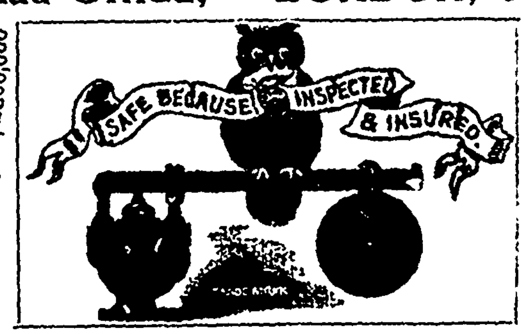
THE

Steam Boiler & Plate Glass Ins. Co.

OF CANADA.

Head Office, - LONDON, Ont.

Subscribed Capital, $200,000



Full Government Deposit

DIRECTORS.

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

JAMES LAUT, MANAGER.

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

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

The British America

INCORPORATED 1833.

ASSURANCE COMPANY.

HAED OFFICE, - - TORONTO.

OLD RELIABLE PROGRESSIVE

FIRE AND MARINE INSURANCE.

Cash Capital, - - -	**$750,000.00**
Total Assets, - - -	**1,392,248.00**

Losses paid since organization, $13,242,397.27

DIRECTORS:

GEO. A. COX, *President.*

J. J. KENNY, *Vice-President.*

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

P. H. SIMS, *Secretary.*

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

THE

WESTERN

Assurance Company.

FIRE AND MARINE.

INCORPORATED IN 1851.

Head Office, - - - TORONTO.

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

LOSSES PAID SINCE ORGANIZATION, $18,000,000

DIRECTORS:

A. M. SMITH, *President.*

GEORGE A. COX, *Vice-President.*

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

J. J. KENNY, *Managing Director.*

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

New York Life Insurance Co'y

JOHN A. McCALL, - President.

JANUARY 1, 1894.

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

CANADIAN BUSINESS.

New Insurance issued—1893,		**$6,080,860.00**
Insurance in force,		**20,720,765.00**
Total Income in Canada,		**919,167.07**
Assets in Canada as per Statement to Canadian Government, January 1, 1894,	**$3,344,660.27**	
Additional Deposit with Canadian Trustees, May 11, 1894,	**350,000.00**	
Total Assets in Canada,		**$3,694,660.27**
Liabilities in Canada under policies issued since March 31, 1878,	**$2,512,303,42**	
Under policies issued previous to March 31, 1878	**540,381,29**	
Total Liabilities in Canada		**$3,052,684.71**
Surplus Assets in Canada over and above H. M. 4½ per cent. Reserves on all Policies and other Liabilities,		**$641,576.56**

DAVID BURKE, GENERAL MANAGER.

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