

## Are Insurance Costs Going to be Reduced?

Insurance Men Said to Have Held an Important Conference With This in View

The Report of the Commission of Conservation on "Fire Waste in Canada", which contends that the cost of conducting fire insurance business in Canada is too high, due largely to high commissions paid to agents, appears to be bringing remedial action. A press report says that an important conference, extending over a week, was held last month in New York City by officials of the Canadian Fire Underwriters' Association and the executive heads of several large United States insurance companies, to discuss this very problem. It is reported that recently representatives of the companies and their agents met for the purpose of arriving at some means of reducing commissions but no definite decision was reached.

It is understood that at least two provincial governments are considering the advisability of enacting legislation to deal with the matter if the companies do not act with promptitude.

Salient extracts from "Fire Waste in Canada", dealing with this important phase of the fire insurance business, are as follows:

"Of greater importance than profits in affecting the actual cost of fire insurance to the people of Canada is the expense of carrying on the business. That approximately 30 per cent of all premiums should be expended implies extravagant administration. If a reasonable proportion of this amount were used in attempting to prevent fires, the expenditure might be justified, as is the case with boiler insurance where the cost of inspection to prevent losses exceeds the amount paid for losses. It is doubtful, however, if more than one per cent of the fire insurance premiums is directly applied to fire prevention work, while approximately, 21 per cent is distributed in agents' commissions. This is obviously a large expenditure upon middlemen.

"The root evil of the insurance business and one of the greatest factors in the excessive fire waste in Canada is undoubtedly the method of compensating agents. At the present time, commissions of approximately 25 per cent of the premiums are paid upon preferred, 20 per cent upon mercantile, and 15 per cent upon manufacturing and sprinklered business, although these rates are greatly exceeded by some companies in certain places. In the larger cities, such as Montreal and Toronto, commissions are determined by competition and as much as 40 and 50 per cent is frequently paid for good business. Agents control the business and they are justified in driving the purchase price as high as possible. On the other hand, the companies want the business at the least expense consistent with maintenance of quality. Again, whether agents are compensated by salary, commission or profit sharing is of no consequence to the public unless fire insurance differs

essentially from other forms of business. This, however, is the crux of the whole situation. Rates of premiums in fire insurance are high or low in accordance with the physical susceptibility of a risk to fire loss. Poor risks demand high premiums. The agent receives a greater compensation for insuring risks at a high premium than at a low premium."

## New York to Stop Stream Pollution

Reclaiming Industrial Wastes Will Help to Solve Problem

Dr. Henry D. Ward, a scientist of international reputation, has been appointed by the New York State Conservation Commission to find a solution in that state for the problem of stream pollution and its corollary, the utilization of industrial wastes.

On making an initial investigation, Dr. Ward found that many large plants have their own chemists and are now utilizing much material hitherto wasted. Tannery wastes are being reclaimed for use in glue and fertilizer. Sulphite waste liquor from pulp mills, formerly discharged in large quantities, to the great detriment of life in the streams, is now handled at some places to yield alcohol, acetone and binder material. The binder material is used as a substitute for oil in road making and in the manufacture of coal briquettes out of coal dust, thus transforming an article worth \$1.00 a ton to one worth \$8.00.

## DISTILLATION OF WOOD

The destructive distillation of hardwoods is the only important distillation industry in Canada where wood is used as raw material. There are now 11 plants in Ontario and Quebec, and the industry is well organized. It is gratifying to note that manufacture is carried beyond the stage of the crude products, where so many of Canada's industrial activities cease, and that the specially refined and derived products are produced in Canada for local and export trade. In the limited list of chemicals which are regularly exported from Canada there are only three of much importance, namely, calcium carbide, acetate of lime and methyl alcohol, the last two of which are entirely produced by hardwood distillation. It is important to remember that practically all the wood alcohol and acetic acid which are so essential to modern civilization are produced by the destructive distillation of hardwoods. The plants in Canada consume, in the aggregate, over 500 cords of wood per day. Maple, beech and birch are the principal species used, although oak, hickory and other hardwoods are suitable if obtainable.—Dr. J. S. Bates.

## NEWFOUNDLAND RAILWAY TO DEVELOP RESOURCES

The Reid Newfoundland Railway Co. has established a natural resources department under J. McNeil Forbes, to explore, inventory and develop the important mineral, timber,

## In This Supreme Hour

When the flower of Canada's manhood is fighting gallantly and victoriously for freedom and humanity

When every energy of patriotic citizenship should be directed towards winning the war

When those stupendous issues largely depend upon the unhindered production of Canada's factories, fields and workshops, and the individual thrift and carefulness of her people—

## Canada is Heedlessly Burning \$30,000,000 a Year

On economic grounds such waste is folly. Canada is faced by a national debt of almost \$1,250,000,000. Can the people of Canada afford a national bonfire costing \$30,000,000 a year? On patriotic grounds, such waste is a dereliction of duty. The ravages of fire cost more than money. Fire takes its toll in food, in munitions and in clothing and equipment, all of which spells loss of life "over there". Germany's strongest ally is the fire scourge of the United States and Canada.

This fact should be brought home to every individual on

## Fire Prevention Day, Oct. 9, 1918

In Ontario, a Proclamation has been issued by the Lieutenant Governor calling for the public observance of this day. In many of the larger cities and towns throughout the other provinces, steps will be taken by the local authorities to clean up and remove the numerous hazards which occasion fire. There never was such an opportunity for impressing the people with the necessity of curtailing Canada's fire waste. The pulpit, the platform and the press are urged to play their part in this campaign.

While public opinion is aroused, municipalities requiring better fire protection facilities or needing more effective building and fire prevention ordinances should make the necessary provisions. On all technical questions, municipalities and property owners may obtain free advice from the Commission of Conservation.

Patriotic duty and civic pride demand that every citizen

## Observe Fire Prevention Day

agricultural and water-power resources on the lands owned by the company. It is hoped to create a flourishing farming district on the western side of the island. A large staff of technical men will be employed on the work during the next four years.

## HOW BRITAIN PROPOSES INCREASING POWER OUTPUT

The coal used in Great Britain could be made to do three times its present work if converted into electricity at large central power plants, according to the report of the British Coal Conservation Sub-committee to

the Ministry of Reconstruction. They are now about six hundred power stations, generating an average of 50 h.p. each, scattered throughout Great Britain, and it is recommended that these be replaced by sixteen "super-power" stations from which the mission lines would radiate to all parts of the country. The generators these would produce from 20,000 to 50,000 horse power each.

The Commission of Conservation report on Rural Planning and Development is being used as a text in rural economics in the University of Kan-