

Montreal afford remarkable strength and preparedness for the Dominion's forward movement from now on; with gradually returning business activity an increased demand for current loans is to be looked for. There is not likely to be difficulty in meeting all legitimate demands for a considerable time to come; of this one bank's total assets of some \$208,000,000, over \$125,000,000 may be considered as of the liquid class—practically double the amount of such funds just a year ago.

SOME DANGERS IN MUTUAL FIRE UNDERWRITING.

From all over the continent there comes word of mutual fire insurance companies being in more or less difficulty. This is no new phase of underwriting experience following upon months of general business recession. The hazard of hard times, as certainly as the fire risk itself, should be reckoned with in the conducting of a mutual organization. But it is seldom even recognized—until the danger has become an actuality, and policyholders come to understand by bitter experience that they have been carrying an undreamed of risk, and that no matter what the policy or agent says, they are liable for their company's liabilities, and that their property is practically mortgaged to that end. At which point they begin to see some attraction in insurance with a fixed and definite cost and which has other people's money behind the indemnity.

Co-operative policyholders in Ontario and Western Canada have not been without their unpleasant surprises of late, and many in Quebec are just now having unwelcome experiences. Not that there are no conservatively managed mutuals in the province; or that when honestly and intelligently conducted they may not succeed. In agricultural districts, detached risks may be carried for years at trifling cost; but, too often, managers are ambitious to extend their business into fields where only large premiums, and large reserves, could adequately meet underwriting requirements. And in these fields it very often occurs that assessments cannot be realized when needed. Members enter into obligations which they never anticipate having to meet, and which when the demand comes they are often not in a position to meet.

In connection with purely agricultural risks the conflagration hazard is, of course, absent; and the hazard of hard times is probably not so serious a matter as in towns and cities. In the latter especially, notes or undertakings of members, which are in ordinary times considered good, are in times of business recession in danger of being found to be little more than the "shadow of a dream." Time and again, THE CHRONICLE has emphasized the fact that the only way for mutuals to

provide against the unknown quantity of extraordinary losses on their general business is a substantial reserve fund unaffected by the solvency or otherwise of individual members or stockholders

THE SENATE AND THE INSURANCE BILL.

As forecast a week ago, it is now definitely announced that the Senate will leave until next session its final dealing with the Insurance Bill as passed on by the Commons. Some there are, no doubt, inclined to declaim against the Upper Chamber's "facility in delaying." But deliberateness and deliberation are oftentimes closely akin—and it is erring on the safe side to make haste slowly in such matters. So far as life insurance is concerned, neither public nor companies will suffer hardship through the postponement. And, much as the bill has been bettered since its first draft, there is still room for improvement in phrasing and arrangement—and in some more important features as well.

"Write out carefully what you have to say, revise it critically—and then pigeon-hole it for a year." Such the advice once given by a successful writer to a youth newly attacked by *cacoethes scribendi*. At times, the rule is no bad one for legislators to follow; evidently the Senate considers the Insurance Bill a case in point.

As to fire insurance, the companies are naturally disappointed that "underground" competition is to go unchecked for another year. But the remedy is no easy one to apply; and it is the more likely to be efficacious if further study is given to the probable effects of the proposed 15 per cent. tax on premiums collected by unlicensed companies. Evasion must be guarded against—and the bill may need to be more specific in this respect, especially in face of possible confusion between provincial and federal regulations.

ANOTHER INTER-PROVINCIAL INSURANCE DIFFICULTY.

There is danger of confusion becoming worse confounded in the West, with regard to provincially licensed insurance companies transacting an inter-provincial business. Just lately the Life Underwriters Association of Saskatchewan, through its president, Mr. J. H. H. Young, has complained to the Dominion Superintendent of Insurance regarding the inter-provincial activity of a Manitoba company—with a name similar, by the way, to that of a great British and a large American company. In reply to Mr. Young's protest, the Superintendent wrote stating that the government had never deemed it to be its duty to prosecute in the case of violations of the provisions of the Insurance