

the face of Dr. Wright's report, the city council has done well to pause. If there be any reply to Dr. Wright, its production will now be in order. The cedar blocks used in Toronto have often been objectionable, and did not always meet the requirements of the specifications. Dead cedar, partially decayed, has too often been admitted. If we are to continue the cedar block paving, even on a diminished scale, none but the best material should be admitted, and there should always be a board foundation. There can be no doubt that the cedar block pavement was accepted in Toronto with too great precipitation and too little serious investigation or enquiry; and now, at some cost and inconvenience, we have to re-consider our action in the matter.

LLOYD'S UNDERWRITERS.

Even in the good "old country," where everything, from dwelling-houses down to trinkets, is made, as a rule, so much more substantial and more durable than with us, we witness change, and this not always in a welcome direction. Some changes, indeed, are the fruit of recent discovery and invention, these are to be welcomed; some arising from modern democratic tendency or innovation, which the radicals greet and the conservatives deplore. But there are other changes occasioned by a feverish materialism or, in the business world, a reckless competition, which must on all hands be deprecated.

One learns with a surprise which is followed by regret, that the Lloyd's Association of underwriters, which for nearly two centuries has been, as Mr. Podsnap in *Our Mutual Friend* explained to the French visitor, "an institootiong de Angleterre," will probably cease to exist, and this on account of "the competition of the outside marine insurance companies and more modern practices," as a contemporary says.

It will be interesting to our readers, doubtless, to learn somewhat at length, how the association under this name whose fame is world-wide, came into existence, and of what it consists. Perhaps no phrase expressive of soundness and confidence is more current in commercial circles than 'A1 at Lloyd's.' But there are many who apply it to firms or companies who are unaware of its derivation or at least unfamiliar with what Lloyd's is. Mr. Lloyd was a coffee-house keeper near London Bridge, something like two hundred years ago. It was thus a convenient place for sea-faring men, with whom as well as with shippers and insurers, it became a common rendezvous. Lloyd and his coffee-house passed away, but his name is known to the ends of the earth, and is even yet used by distant correspondents who write to "Mr. Lloyd, London," as if the man were still alive. And more, as if to perpetuate his occupation, in the handsome saloon where now-a-days insurance of shipping is carried on, the seats are arranged coffee-house fashion, with mahogany screens between them. What is now known as "Lloyd's" consists of an association of individual underwriters, whose rooms are on the eastern end of the Royal Exchange in London, and whose place of resort takes its name from the coffee-house in Abchurch Lane, Lombard street, where they used to

meet. There are two classes of subscribers to Lloyd's: members who do an insurance business, and subscribers who merely have the right to visit the rooms in search of information. There are about 600 members who have to pay an entrance fee of £100 stg., and twelve guineas annual dues. There are 550 subscribers, who pay £25 on entrance and five guineas annually; these are allowed proxies, who pay no entrance fee, but pay five guineas yearly. Insurance companies are also members, some of them paying as much as £100 annual dues. Furthermore, a sum of £5000 is deposited in the hands of the Lloyd's Committee by each member on entrance, as security for all contracts he makes.

The plan of doing business is somewhat as follows: An owner having a ship to insure goes to his broker with whom he arranges the reasonable rate of premium. Particulars of the risk, such as name, tonnage and class of the vessel, what port she will sail from, how long her voyage will take, what port she is destined for, are drawn up on a slip of paper, together with the sum to be assured and the premium offered. Armed with this slip of paper, the broker goes to the saloon and submits it to one after another of the underwriters seated at the tables. One man will perhaps put down his name on the slip for £100; another for £150; a third for £500 and so on. The broker or his clerk goes about from table to table until he has secured acceptances to the amount he requires. After this a policy of insurance is drawn up and presented for final signature to each of the capitalists whose names have been obtained. Sometimes, it is true, cargoes and hulls amounting in value to £50,000 up to £200,000 have been guaranteed by a single signature, but this is rare. Men of great wealth and great nerve have been known to carry the insurances of several vessels on their unaided shoulders at one time; but the usual practice is to distribute the risks in the way first described.

At one end of the gorgeously decorated saloon stands a huge volume, in which are posted the casualties occurring at sea. One may imagine with what interest its pages are scanned by those who have "all their ventures in one bottom trusted," like Antonio. Less eager, if not less nervous, are the glances into the corresponding volume at the other end of the room, where safe arrivals are recorded. The entries in both these books are published every day in a little sheet known as *Lloyd's List*. The information here given is procured from Lloyd's agents, over a thousand in number, in all the principal maritime cities of the world, whose despatches announce arrivals, departures and wrecks. Adjoining the saloon is a reading room, which also serves as an auction mart, and a resort for transacting business between ship-owners and carriers, or between merchants and captains.

Quite apart from the establishment thus sketched, for the insuring of vessels and giving information about their sailings or their fate, is that organization properly known as "Lloyd's Register of Shipping." This dates only from 1834, and was originated "for the purpose of obtaining a faithful and accurate classification of the mercan-

tile shipping of the United Kingdom, and of the foreign vessels trading thereto." It is from this source, whose head-quarters are in White Lion Court, Cornhill, that a ship receives the character which is designated by the cabalistic letters and numbers that have become so familiar. To say that a ship is A1 at Lloyd's, means that she has been inspected by a surveyor of this Association and has been accorded by the sub-committee the highest class in their Register. The 'A' signifies that the ship herself is thoroughly sound and sea-worthy; and the figure '1' denotes that she is first-rate in all her equipments—her anchors, boats, rigging, pumps, in short her out-fit. After a few years, more or less according to her build and materials, she is removed from the A1 list and classed as 'A red' for about half the period she stood in the top rank. Thence she goes into 'Æ,' next into 'E,' finally into 'Class 1,' after which Lloyd's Register knows her no more. She is henceforth an unclassified ship, and must make her way as best she can without a character or submit to be broken up. It is thus seen that the two institutions, which in the public mind are commonly regarded as one, are the necessary complements of such other. One gathers and distributes an accurate knowledge of shipping—the other engages in mercantile speculations, takes risks, based on that knowledge.

The committee of Lloyd's is the managing body chosen from among the ship-owners, under-writers and subscribers to conduct, in conjunction with a secretary, clerks and the agents at seaports, the general business affairs of the members. The affairs of *Lloyd's Register* are conducted by 24 members of the society, publishing that register-book. An enormous amount of marine insurance has been done since 1710 by this venerable association, covering shipping and freight to all parts of the globe. And we cannot be far wrong in stating that it is a matter of regret that what the *Pall Mall Gazette* recently said of its members should be true:

"Quite a number of them have withdrawn from business as underwriters altogether; some perforce, because their means were at an end, others because they saw no hope of doing a more profitable business in the future, preferred to keep what was left of their fortunes. The competition of the outside marine insurance companies is blamed for this state of things. These have knocked rates down, it is said, till it no longer pays to take risks."

There is a feature of the marine insurance business, which we commend to the careful consideration of Canadian underwriters. We refer to the steady increase in the proportion of steam-propelled vessels engaged in the carrying trade. Paddle and screw vessels swarm in every harbor, in every river, broad or narrow; they are driven night and day, foggy or clear, at a speed which would have made our fathers stand aghast. And besides this, the increased proportion of them is a factor in the calculation of risk, which has perhaps not received from underwriters the attention it deserves. Space does not permit us to enlarge on the hazardous navigation of a narrow strait or channel crowded in thick