

FINANCE AND INSURANCE

THE past year was unprofitable for fire insurance companies doing business in Canada. Practically all of them showed an absolute loss for the year's work, and in many cases the loss was double the total amount received on premiums. One of the most conservative companies in accepting risks, paid out in fire losses \$227.42 for every hundred dollars received. The number whose losses ran from 110 per cent. to 140 per cent. of their receipts from premiums, comprises practically all the companies doing a big business here. The figures are given, too, without including the running expenses of the companies, which would average thirty per cent. of the premiums. In this reckoning, account has to be taken of the extraordinary fire losses in Toronto last year. But we have the statement of a general agent of one of the big companies in Montreal, that the losses in Montreal average up with those for the rest of Canada.

If these conditions continue it will be a bad outlook for men who carry heavy insurance. The withdrawal of the foreign companies from Canada would be a rather drastic means of supporting home industry. It would simply mean that these companies could not do a profitable business here at anything like the rates they now charge. If they cannot, it is certain that local companies can not either. The result would be an inevitable raising of rates.

Much depends on the report which the present year will show. If 1905 presents as disastrous a record as 1904, a stiffening of rates will be inevitable. Insurance companies cannot and will not dissipate their profits from other countries in paying deficits here.

There are only two logical outcomes of such a state of affairs. There is either an increase in rates or improving of risks. There can be no doubt as to which horn of the dilemma should be seized. Definite steps must be taken to lessen the risks. In up-to-date factories automatic sprinklers are now being installed. The more general these become the quicker will the rates come down. The cost of these will soon be made up by the difference in the premiums that will follow their general adoption.

The Manufacturers' Association is doing a good work in establishing a department of insurance, with an expert at its head. What is required more than anything else at the present time is a systematic investigation of the conditions obtaining in the insurance world. Undoubtedly risks can be improved if a united effort is made. The Manufacturers' Association is in a peculiarly strong position to carry on a general campaign in this direction.

Messrs Cowdry Bros., MacLeod, Alta., have sold their private banking business to the Canadian Bank of Commerce, who are to open a branch at MacLeod immediately. The bank will also open at Lethbridge, Alta., on 27th instant.

A bill to incorporate the Sovereign Fire Insurance Company was passed by the Dominion Parliament recently. The incorporators are: William Dineen, Robert E. Menzie, John T. Hornibrook, Edmund E. Sheppard and Josiah B. King, Toronto. The capital stock is placed at \$2,000,000. Before the company commence business, \$650,000 must be paid up in cash, and each succeeding year for three years, \$15,000 in cash. The head office will be in Toronto.

The contractors for the new Government mint at Ottawa have commenced operations. Excavations will be begun as soon as the weather permits. The building will be a handsome and substantial structure and will be in keeping with the rest of the public buildings in the capital. Langdon & Sullivan are the contractors.

INDEPENDENT telephone companies continue to extend their sphere of influence. The growth of these is being watched with the closest attention by the business men of the country. The close monopoly which the Bell company has had on the telephone business has been felt to be unendurable. It is not so much the positive excessive rates that this company charges though this is grievance enough in most cases, but the objection is to any concern having the whole decision of price and quality in its control. The Bell Telephone Co. has pursued with increasing vigor and persistence every independent company which has raised its head in Canada or the United States. It has practically assumed the position that no such company has a right to exist. Every possible obstacle has been thrown in the way of the smaller company by refusing them connections and holding the railway companies up to iron-clad agreements not to admit any such telephone in any of their offices. In spite of this, the independent companies are expanding and thriving. Every new system that is installed strengthens the general movement. It should ensure better terms and better service, at least, from the old company.

<p>CAPITAL PAID UP, - - \$1,000,000. RESERVE FUND, - - 1,000,000</p>	
<p>THE METROPOLITAN BANK.</p>	
<p>DIRECTORS R. H. WARDEN, D.D., President. R. J. MOORE, Esq., Vice-President D. E. THOMSON, Esq., K.C. His Honor W. MORTIMER OLARK, K.C. THOS BRADSHAW, Esq. JOHN FIRSTBROOK, Esq.</p>	
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