

A friend of mine says that he is of opinion that all gentlemen members of committees, or rating officers, and generally all who have any duties to discharge in connection with the naming or adjusting of insurance rates, should have good digestions, and should never consent to act in such capacities upon empty stomachs. He says he has had experience in this direction, and observation has taught him that the way a man, sitting with his fellows in judgment upon insurance rates or, indeed, upon anything where money or monied interests are concerned, looks at the subject matter before him, depends greatly upon his humour and personal comfort at the instant. My friend is sometimes interested in getting a reconsideration of his clients' rates, where some special features have to be considered and weighed, and he does not always realize his hopes in such matters. Further, he says he has found that the same features, or similar features in differing cases do not always elicit a like treatment, estimate or issue. So you see he imputes such variation largely to the action or non-action of the gastric juices. Well, I suppose, as thinking of servant men we must admit there is something in the contention, and that one's state of health has somewhat, or much to do in swaying one's views; to-day this way, to-morrow that way. What is your own experience?

Once more the Merrie Christmas season comes near to us, once more the end of another year approaches. I much fear fire insurance records for the departing year when made up will not be satisfactory as a whole, whatever small margin of profit may appear to the credit of one or two companies. It is too soon, perhaps, to look for much resulting increase of premiums from the work now in progress under the direction of the Association. Likely it will require another full year to show the expected improvements. Meanwhile companies must content them with the knowledge that a good work is being pushed on in the way of specific rating from which much may be hoped for.

The changes in company representation in Canada by absorption and acquired control are noteworthy. The "Lancashire" to the "Royal," the "Quebec" to the "London and Lancashire," reminds me that the coming year will likely see further amalgamations according to rumour. All this tends to the placing of business in fewer hands. It is to be wished that matters of the kind if now on the tapis should be finally disposed of early, because these rumours floating about tend to the unsettling of agents' minds, as they wonder where they may find themselves after some unexpected change. This demoralizes all steady work and weakens impulse. It is not likely, from all I hear, that the non-tariff offices are expecting to show any surprising profits after settling on 31st instant. To have held their own and not to have gone behind will be a cheerful enough position for most of them to reach. It would be about time after New Year's for some sanguine promoter to get together the figures again showing the large profits in fire underwriting in Canada and organize one more company. Let us all hope that the closing days of 1901 will pass unilluminated by any serious fires, and that fate has in store for the plucky, though long-suffering fire companies, a time of golden favours and great profits in 1902.

Wishing you, sir, and the CHRONICLE, and all the CHRONICLE readers, whether subscribers or otherwise, a right Merry Christmas.

Toronto, 17th Dec., 1901.

ARIEL.

LONDON LETTER.

5th December, 1901.

FINANCE.

During November this year twenty-six different ventures asked for public subscription. Four public loans aggregated over \$9,000,000; nine commercial and industrial companies, \$22,675,000; six mining companies about \$4,400,000, and seven

capitalization was, therefore, over \$51,000,000 against less than \$44,000,000 asked in October. In November last year, however, when we had got the idea that the war was practically over, and that a fresh boom in trade was in sight, the total new issues jumped in value to over \$106,000,000.

Like all our Governmental publications, the report of the Inspector-General in Bankruptcy always comes out absurdly late. For example, the report for 1900 has only just seen the light. In that year 1,687 British companies were wound up voluntarily and 118 compulsorily. A further 904 were removed from the register as abortive or defunct without liquidation. To make up for all these a total of 4,510 new companies were registered. The net gain in the number of companies for 1900 was 1,892 against 1,794 in 1899. Since 1892 and including last year the total nominal capital called into being and swept away by bankruptcy is \$2,377,390,000 in about equal portions of vendors' and subscribers' shares.

How much actual cash subscribed by the public has been lost is hard to say. We know, however, that in the eight years ended last December the sum of \$170,000,000 in hard cash has gone through companies wound up before the court. The depths of human folly!

It is positively refreshing to come across a British trust or industrial combine which is fairly successful. The Wall Paper Manufacturers, Ltd., was formed in 1899 to amalgamate thirty firms—ninety-eight per cent. of the whole trade. Over \$21,000,000 was paid in purchase prices. The profits of the firms before the amalgamation aggregated to a little under a million dollars. For the first of the two years during which the control has existed the profits were \$1,025,000, and for the second year (just ended) they were \$1,125,000. This is exactly the contrary of the general view, which says that prospectus estimated profits shall never be exceeded. After all, two years is a very short period to test such a company over.

INSURANCE.

Rumour is rife about the pending transfer of the University Life Assurance Society to another office. I should imagine the shareholders would not object. The business has been very profitable in the past, but it seems to be shrinking up, and the expenses ratio of fifteen per cent. seems too high for an office whose new business last year was only \$317,000.

From rumour to actual fact. I am able now to record the absorption of the City Accident and General of Aberdeen by the Northern Accident of Scotland. The absorbed office is only three years old and has a paid-up capital of \$16,275, paying a five per cent. dividend.

The Northern Accident, on the contrary, was established in 1882, and has a paid-up capital of \$100,000, upon which a dividend of eight per cent. is paid. This absorption is another interesting example of the diligent way in which insurance combination is forging ahead in this country.

A trading and mercantile deputation from the City waited upon the Corporation of the City of London this week and asked it to take action to relieve City rate-payers generally from the "excessive charges now demanded by fire insurance companies."

One firm said that whereas it paid 3-20 of one per cent. in 1874 it was paying to-day from 1-1-4 to 1-1-2 per cent. on an insurance of \$350,000. This was despite the fact that they had put in concrete floors and fireproof staircases. The suggestion was that a municipal rate of 1-20 of one per cent. would be ample premium. Other talk was on the same lines, and generally it seems as if municipal fire insurance was in for another six weeks' run.