

The foregoing table shows that the United Kingdom and the United States sustained the principal losses occasioned by the decreased purchases of New Zealand. The United States is proportionately the greatest loser, for while the value of imports from the United Kingdom decreased a little more than 15 per cent., those from the United States fell off nearly 48 per cent. This proportional difference Consul-general Prickett attributes almost entirely to the action of the preferential tariff.

BUSINESS CREDITS AND FIRE INSURANCE.

It would appear that commercial banks in the United States are not so generally inquisitive regarding the amount of fire insurance carried by their customers as are our Canadian banks. Of course, where loans are made against specific properties, such as goods in warehouse or in transit, precautions are taken. But in making large discounts to customers whose general business standing is the basis of the accommodation, the matter of insurance on stock-in-trade, buildings, plant and other assets is frequently not given the careful attention that it receives from Canadian bankers generally.

A New York banking authority writing upon this question recently, urges that every bank when making large discounts to customers, and particularly when buying paper issued by other mercantile concerns, should require a definite statement as to the percentage of the value of buildings and merchandise covered by fire insurance, and a complete list of the companies dealt with—or at least a statement that the risk is covered by companies authorized to carry on business in the state where its policy covers. "The information tabulated as to the assets and operations of registered companies is easily obtainable and might with advantage be more generally consulted by bankers."

This same critic reminds the banks that "underground" insurance and the practice of firms "carrying their own risks" have dangers from the credit-granting viewpoint. "Of course, there is no reason why any man should not do as he will with his own, and where he chooses to surrender the protection offered by responsible fire companies in order to 'underwrite' his own risk, it is his privilege, if he is the sole party in interest as owner as well as underwriter. But where bank depositors' money is at stake the fire risk should be protected by real underwritings—rather than by 'interinsurers' or 'our own company,' which latter remains good only so long as the borrower has not a serious fire."

Associations of "credit men" throughout the United States are more and more giving attention to fire insurance matters—the wonder is that recognition of the question's importance to them did

not come sooner. From time to time the National Association of Credit Men now sends circulars that should do much to educate manufacturing and mercantile interests to a better understanding of fire prevention needs and insurance principles. And, a week or so ago, the Utah Association of Credit Men appointed a committee to ascertain from the Dun and Bradstreet companies and similar agencies how much fire insurance is carried by merchants within their jurisdiction—recognizing that applicants for credit whose stocks are not adequately protected are not fit subjects for credit.

CO-OPERATION IN SURETY RATING.

The disagreement between Washington authorities and surety underwriters as to premiums on departmental bondings has lately brought to the fore the whole question of adequacy and fairness in the fixing of rates. It is of interest to note, therefore, that a step is to be attempted towards more systematic rating. While the Surety Association of America has not taken any official action in the matter, its members are said to be giving their hearty approval and support to the proposed Towner Rating Bureau. The bureau is to be under the management of Mr. R. H. Towner, who is resigning from the management of the American Surety Company for this purpose. Surety companies which become subscribers to the bureau's rates will furnish it with all the statistical information available. As time goes on, close approximation to accurate rates is looked for. Meanwhile Mr. Towner will adjust the experience of a vast amount of personal surety experience which will facilitate arriving at fair working-rates.

The rates issued by the Towner bureau are to be advisory only and in no sense obligatory. But as they will be founded upon the most complete experience tables obtainable, companies subscribing will not deviate materially except where unusual conditions appertain to a particular risk, when they will be guided by their own judgment.

It is expected that the Towner Bureau's rates will gradually supersede present manual rates so that in time the manual now used by the members of the Surety Association of America may be dropped entirely. This change in the system of surety rating is commented upon by the New York Journal of Commerce as a marked advance towards a more scientific basis of arriving at the proper premium to be charged and as likely to go a long way towards removing the objections to the present rate manual, which it is claimed was made up too hastily, and in some instances was based on what could be obtained rather than what should be charged.