

happens, a return to a revenue tariff seems to be out of the question. The change can be made only by the agency of one of the great political parties, and there is no sign that either of them will attempt to make it.

### FIRE UNDERWRITING IN CANADA.

We have been interested in a series of letters and articles on Canadian Fire Underwriting which have appeared in February, March and April issues of that sound underwriting journal, the Finance Chronicle, of London, England. The general attitude of the journal mentioned has been that fire underwriting in Canada has been for years unprofitable to English companies—therefore let the rates be increased. Not a few in the profession in Canada are at one with the editor in this recommendation. Besides, they say, did not the British companies determine a year or two ago that the rates of premium charged were too low for the conflagration hazard in the Maritime Provinces, and that they must be raised. Whether they were right or no let the subsequent conflagrations of Windsor and Bridgewater and Digby tell. So far the British critic and his Canadian friends.

But there comes into the controversy, if we may call it so, a personage signing himself "A Canadian Agent," who proceeds to argue in a way which the others think somewhat odd, not to say unorthodox. He says, says he, Hold on; before you condemn all Canadian insurers, all Canadian risks, to unusual rates of premium because of the unprofitable nature of Canadian fire insurance in the aggregate for thirty years; please consider apart the experience of ten companies which have been underwriting continuously in Canada during all that period. Please consider the not unfavorable record of some modest companies operating only in Ontario, which have paid dividends for twenty-five years. Please consider, too, the existence of a number of non-tariff companies which have come into existence in the last four or five years and command the custom of many who object to the rates imposed by the Canadian Fire Underwriters' Association.

The consideration is urged upon the attention of our associated underwriters that not a few non-hazardous risks of the better class are taken from them and given to non-tariff companies because of the lower rates offered. Of course this may be done upon the principle of the householder whose wife was very ill, and who was asked by his clergyman if he had secured good medical advice.

"Oh! yes, sir, the very best, Dr. Brown of Jonesville."

"Why, he is an allopathist—I thought you were homeopaths."

"Well, so we are, sir, as a rule, in an ordinary way; but don't ye see, when anythink real dangerous crops up we doesn't quite like to trust to the easy-goin' system, sir."

The Finance Chronicle, of London, goes into figures respecting the Canadian fire insurance business of 1898, as shown on page 1496 this issue, and finds that while the average fire loss in that year of all companies was 72.6 per cent. of the premiums, the loss of the British companies was 78 per cent. This excessive loss may have arisen in part from the circumstance that a larger proportion of business in the Maritime Provinces (where in 1898 there have been some very serious fires) and in New Westminster was assumed by British than by Canadian or American Companies. But it is worthy of remark that, comparing the last six years' business the British were lowest on an average in loss ratio in the years 1893 to 1897 inclusive—the proportions being: Canadian, 69.87 per

cent.; American, 68.48 per cent., and British 67.83 per cent.—the condition of things is suddenly reversed so that in 1898, while the Canadian loss ratio was 55.74 per cent. and the American 68.80 per cent., the British companies' loss ratio goes up to the unusual figure of 78.05 per cent. Indeed the calculation of the English journal as to these six years' work is, that allowing 80 per cent. for expenses, 1.30 per cent. for unearned premium, and taking the loss at 68.66 per cent., as the average works out, there is but a trifling fraction—four-tenths of one per cent.—left for profit.

It is not, perhaps, easy to account for this by any one particular fault in the system, but one feature strikes us as worthy of attention. In the keen competition of recent years in the fire insurance field it has come about that salutary rules as to forbidden lines have been relaxed, and companies have got into the way of "letting things slide" with respect to certain risks for fear of offending Mr. X., the banker, Mr. Y., the loan society manager, or Mr. Z., the property owner, if rigid application of either regulations or rates were insisted upon. Then, again, we believe we are right in saying that inexperienced agents, who do not know an extra hazard from a normal risk, have been allowed too much latitude in determining the attitude of companies towards exposures that the managers of companies should have either refused entirely or charged higher rates for.

Another factor in the problem is the constant accession to the ranks of Canadian insurance agents of persons unskilled in the business—who have been merchants, manufacturers, professional men, mechanics, and school teachers, and whose former occupation, either from misfortune or personal fault, knows them no more. Such persons are too easily admitted to the responsible post of judges of insurance risks without having any adequate knowledge of physical hazards, or sufficient shrewdness to be judges of moral hazards. And yet, we are told, such persons have been preferred to men long skilled in fire underwriting, because, forsooth, the new comer would work for less money, or get risks by privately shading the rates, or was supposed to be able to "control" or influence the risks of certain large insurants who were his relatives or his friends. It is not difficult to see that if any general manager of a company allows himself to be influenced, not to say dominated, by such unsafe auxiliaries he runs great risk of seeing the premium ratio of his company decline and its loss ratio advance.

### BRITISH COLUMBIA MINERALS.

The first feeling that we experience in looking at the tables of mineral output of British Columbia for 1898 is one of disappointment that there is not shown in that year a marked increase over the previous year. True, there is an increase, but it is only of half a million in value, namely from \$10,455,000 in 1897 to \$10,906,000 in 1898. The explanation of this, however, lies in the great dropping off in the output of silver-lead ores, the reason for which was the unusually low price of silver in the close of 1897 and the beginning of 1898, and the uncertainty as to its future price. This paralyzed many existing ventures and prevented new ones. There is a reduction of \$1,209,000 in the value of silver and lead produced in 1898, as compared with 1897 in that Province.

Gold, however, shows an increased production both from lode and placer mining; copper is greatly increased while coal exceeds all previous records, and coke shows a doubled output. Thus: