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May 16th.

Yours,
INSURANCE.

REPORT OF THE "COMBINES" COMMITTEE AT OTTAWA.

We have only room to-day for some extracts from this report. The first we give is that upon

FIRE INSURANCE :

"The evidence disclosed the existence of a powerful association for the purpose of raising and maintaining rates of insurance. This combination was formed in 1883 and includes nearly all the stock companies, English, American, and Canadian, doing business in Canada. Sums varying from six hundred to a thousand dollars are paid annually by each of the thirty-two companies in the association. The individual companies are pledged to maintain rates, and if any cutting is discovered the offending company is compelled to cancel the policy. No schedule of rates is fixed for farm or isolated risks; owing to the competition of the mutual companies it was found impossible to control this line of business. Agents were required to sign an agreement not to do business for companies outside the association, but for some reason this plan was repeated by the general association, but was again adopted by the Toronto Board, with which it is still in force. No re-assurance will be accepted from any new tariff company nor placed with such company unless it is found impossible to place it within the association.

The effects upon the insuring public have been decidedly injurious. It extends its operations to every portion of the Dominion, and higher rates have been the rule in nearly every instance. Owing to the arbitrary character of the tariff and the rules adopted, little account can be taken of the moral hazard, *i.e.*, the circumstances, necessities or reputation of applicants. In consequence of these conditions a large number of first-class risks in Canada, and involving large amounts, are placed with companies in the United States not having offices in Canada and not amenable to Canadian laws. Another tangible effect of a combine for the regulation of rates is that rates being equal in all companies the tendency is for insurers to place their risks either abroad or with foreign companies doing business in Canada, possessed of large capital and of longer standing than the native companies. This is rapidly tending towards the non-using of the purely Canadian insurance companies, and opens up no very bright prospect for the shareholders whose money is invested in Canadian joint stock insurance companies."

TESTIMONY BEFORE THE "COMBINES" COMMITTEE.

The following is a portion of the testimony given by Mr. Hugh Scott, underwriter of Toronto, before the committee on trade combinations:

"I have always had a strong feeling that the business of insurance should be put on an equitable basis, and any association established, should be purely and simply for that purpose, because it is not in the interest of either the insurer or the insured that it be taken at a loss. All insurance is mutual, no matter by what name you call it. It is the insured after all who pays the losses and expenses. Capital should not be expended in insurance. Capital is only, so to speak, a bank to fall back upon in case of a sudden contingency; and the company that trespasses on capital to meet losses, must be recouped out of the public or go to the wall."

"The Toronto Board is just as much a part of the main association, as my arm is of my body, the Association has the power, as they did in the case of the London or Hamilton Board, to dissolve any local board, and direct them to work in class A, under the general board. In the Toronto Board they adopted this rule in January, 1887, which had been rescinded by the Association on April 1st, 1886. You ask what my position is, owing to discriminations,—for instance, take the matter of churches and educational institutions—what is insured for 45 and 50cts.

in Montreal, the Toronto Board exact one per cent. for."

Q. Give us a parallel case of 45 cents charged in Montreal and one per cent. in Toronto. A. The Jesuit Church in Montreal, I am told, has been taken at 45 cents, and none of our churches will they permit to be written at less than one per cent.

Q. Let me understand you; I understand you to say, that where two risks are under similar conditions as to exposure in Montreal and Toronto, they discriminate against Toronto and charge a higher rate? A. Yes.

Q. Are the rates higher outside the city than inside, perhaps that would account for the difference you speak of? A. No; the college at Pickering is charged only three-quarters per cent., while Wycliffe College, Toronto, has to pay one per cent.

"There is one thing I would like to draw attention to, and that is the fire waste of Canada; and I think this committee can devise some way by which it can, in a measure be arrested. Take the fire waste of Canada from 1875 to 1884. It amounted to \$91,946,336. That is a direct impoverishment of the country. Take 1884 alone; the fire waste amounted to \$6,900,815.

Q. What proportion of that was paid by insurance companies? A. Of the first amount named, \$41,862,842, and of that of 1884, \$3,820,324. It holds about the same proportion. I do not see why we should not have a system of fire marshals appointed throughout Canada, to see that there is a certain amount of care taken with regard to buildings, machinery, &c., &c., to reduce the chances of fire. The statutory conditions endorsed upon insurance policies in Ontario were framed by a committee of judges, one of the members of this committee was Judge Richards, and I have no doubt that his experience in the business, he having at one time been secretary, I believe, of the Johnstown Mutual, as well as his legal knowledge, was brought to bear in framing these conditions. One of these conditions provides that the companies shall not be liable for the losses following:—

"Where the insurance is upon buildings or their contents for the loss caused by the want of good and substantial brick or stone chimneys; or by ashes or embers being deposited, with the knowledge and consent of the assured, in wooden vessels; or by stoves or stove-pipes being, to the knowledge of the assured in an unsafe condition or improperly secured."

Even that gives power to warn a policyholder how he may be voiding his policy under the law, but I think we might devise some machinery to carry out the system of inspection at a nominal cost compared to the millions of dollars that would thereby be saved annually.

TRIP ON MANITOBA AND NORTH-WESTERN RAILWAY.

To a farmer, the marketing of his produce is one of the most important of considerations, and the proximity of a village is an important factor in the development and prosperity of a new country. It is therefore not surprising that a number of villages spring up along a line such as the Manitoba and North-Western Railway. Some of them have grown rapidly and are progressive; others again, after reaching a certain stage, for some reason or other cease to progress, or else backward. Such a village as is last described is Gladstone, the county town of Westbourne County, which in its "booming" days was considered one of the best towns on the road. It is the centre of a very fine agricultural area, particularly adapted for mixed farming. Vast herds of fine cattle are bred on the numerous ranches in the neighborhood, and numbers of them are annually shipped from this point. There are now only three general stores and two hardware shops in Gladstone. Borbee & Ritchie have a flouring mill, which they intend enlarging to the capacity of seventy-five barrels a day, employing the roller process.

Arden is quite a new place. A gentleman who is also postmaster has the pioneer store there.

Neepewa, situated on the White Mud River, the county town of the Beautiful Plains, is a very pretty place, and also surrounded by a fine wheat-growing country. I conversed with several farmers of the district, all of whom

confirmed this statement. For instance, T. Embros had 7 acres of wheat, which produced 340 bushels; Wm. Gilson averaged 47 bushels off some 60 acres; John Andrews, 38 bushels; Foster Graham, 42½ bushels, and Geo. Hamilton, 24 bushels to the acre, some of this being new land.

Eighteen miles south-east of Gladstone is Westbourne, the headquarters of the largest cattle ranch in the province, and owned by the Hon. W. E. Sanford. The ranch consists of some 60,000 acres, mostly wet and swampy lands, which Mr. Sanford is now draining and otherwise improving. There are now over 700 head of cattle on the ranch, besides about 50 mares for breeding purposes.

Altogether over 300,000 bushels of wheat were shipped from Neepewa, and there are some 40,000 bushels awaiting shipment. George Brownell shipped from Westbourne 106,300 bushels of wheat in addition to 14,900 bushels of oats. A new brick court house has been built, and a good many other buildings, besides a Salvation Army barracks, the first in the province, are now in the course of completion.

Minnedosa was, a few years since, a very lively town. It is now one of the best towns on the road, and its situation on the Little Saskatchewan River, surrounded by a fertile belt of country, must contribute to its further growth. There are several good buildings, the Government land office, built of brick, being the most prominent of these. George Germyn has a flouring and saw mill there, and among the early settlers is E. O. Denison, son of the worthy police magistrate of Toronto.

Rapid City is situated in one of the oldest settled districts of the province, with a rich dark clay loam soil, and for mixed farming is destined to be an important centre. For instance, the produce of John Finlay, a farmer a few miles from the town, last season was from 200 acres of cultivated soil 7,500 bushels of wheat alone, besides 3,500 bushels of oats and barley. This wheat was sold at an average of 52 cents per bushel. A finestream of water flows through the town, and as it is fed from springs rising on the Riding Mountain it runs and supplies water power to several mills all the year. Two have now been erected; the largest of these are the flouring mills of Geo. McCulloch & Co., with a running capacity of 150 barrels. There is also a woollen mill adjoining and many stores. The Saskatchewan and Western Railway is to be completed as far as Brandon this summer, Rapid City is therefore now destined to undergo further development.

Shoal Lake, quite a new town, 36 miles from Minnedosa, takes its name from a pretty little lake six miles long and less than a mile wide with a sandy beach, and has a park made by the M. & N. W. Ry. Co. of some ten acres in extent, with groves of trees, and used as a summer resort and for pic-nic parties. There is a roller mill with a capacity of over 100 barrels daily, also a very good cheese factory, in fact one of the best I have visited in the province. From the milk of 200 cows the proprietor made some 49,000 pounds of cheese last season, this produced in a short season of less than four months. The average price obtained was 10½ cents per lb.

Strathclair is quite a new place, the stores have only been recently erected. Sutherland, McInnes, Irwin, are among the pioneers. I noticed a new blacksmith and waggon shop as well.

Nature has done much for this country, and certainly she has done much for Birtle. It is surrounded by a pretty vale, with slopes and wooded knolls on every side, and is certainly picturesque, particularly now the fresh verdure of summer is just appearing. The pretty Fan Tail River flows through the town, and trees are growing along its banks, and there are also very fine springs of almost crystal water. This town is also in a rich agricultural country suitable for mixed farming. The growth of crops is fully equal to the other places mentioned. A stock farm near here is owned by Stratford parties, and upon it are some 100 head of thoroughbred stock. The Scottish Ontario and Manitoba Land Co. has several sections of land on which are kept and raised fine herds of thoroughbred Short Horns. The famous Binscarth Farm is situated on Silver Creek, about four miles north of that village and eighteen miles from this town. As high as seventy bushels of oats per acre were raised off this farm the last season.

Dr. Barnardo's Home for immigrant chil-