

from a little over 84 cents in 1909 to nearly 88½ cents in 1910. In freight traffic similarly, there was a falling-off in bulk, but a rise in the average rate per ton per mile. Working expenses were at the rate of 73.09 p.c. of the gross receipts against 73.65 p.c. in the corresponding half-year.

SAVINGS AND ADVANCE IN WORKING EXPENSES.

In these working expenses, there has been the substantial saving of £58,000 in maintenance of way, structures and equipment, but the rise in other items, amounting in the aggregate to about £85,000 more than off-sets these savings. Of this rise conducting transportation is responsible for over £58,000, due mainly to an advance of £27,000 in the wages of road trainmen, of £10,000 in the wages of station employees, and of £13,500 in the wages of yard conductors and brakemen. In maintenance of way, rails and ties are jointly responsible for savings of £45,000 and there is an increase of £20,000 in the credit for the maintenance of joint works. In equipment maintenances there have been small savings in repairs to locomotives and cars, and there is an increase of £8,000 in the credit of maintaining joint equipment at terminals. The engine and car renewal suspense account, which six months ago stood at £75,578 has now disappeared altogether from the balance sheet, though no mention of the fact is made in the directors' report.

So far as construction of the Grand Trunk Pacific is concerned the report adds little to previous knowledge. Steel is now reported to be at Prairie Creek, 186 miles west of Edmonton, and within 60 miles of the summit through the Yellowhead Pass. On the western end, steel has been laid easterly from Prince Rupert for 100 miles. The work is being actively pursued from both ends, though on the latter section there is a considerable amount of rock cutting and tunnel work. It appears, too, that there is still a shortage of labour.

The following are the latest mail quotations of Grand Trunk securities in London in comparison with the lowest of the year:—

	Quotation.	Lowest, 1911.
Guaranteed	95 - 96	91
1st Preference	112 - 113	105
2nd Preference	102 - 103	95
3rd Preference	61 - 62½	51½
Ordinary	28 - 28½	23½

The Company is asking for power to issue bearer certificates for ordinary stock.

FIRE INSURANCE IN CANADA IN 1910.

The preliminary figures of the business of 1910 now issued by the Superintendent of Insurance show that 1910 was less favorable to fire companies operating in Canada than 1909. So far back as Christmas, THE CHRONICLE, as the result of enquiries then made, anticipated that the loss ratio of the companies would work out at between 55 and 60 per cent. The ratio of net losses incurred

to net cash received for premiums, on the preliminary figures, now appears at 58.22 p.c. comparing with 50.47 p.c. in 1909. The following are the details:—

	Net Cash Received.	Net Losses Incurred During the Year.	Per- centage.
Canadian Offices . . .	\$ 4,344,617	\$2,595,870	59.75
British Offices . . .	10,243,235	5,856,314	58.15
American Offices . . .	4,118,489	2,456,347	59.21
	<u>\$18,736,341</u>	<u>\$10,908,531</u>	<u>58.22</u>

Last year, therefore, in point of loss ratio, was similar to 1908, when the corrected figures worked out at 58.88 p.c. But while the ratio of loss is similar in these two years, the losses have been somewhat differently distributed. In 1908 the Canadian fire companies were particularly badly hit with the conflagrations at Three Rivers and Fernie and had a loss ratio of 72.1 p.c. The American companies, on the other hand, in that year, had only a loss of 55.7 p.c. In 1910, the case is different. The Canadian companies got off more lightly; while American companies were let in a little more heavily. Each of the three classes of companies operating in the Dominion had about the same ratio of losses in 1910, with the British companies at 58.15 p.c., a little ahead of the others.

It is obvious that to the fire companies as a whole 1910 was a year of only moderate profits. A loss of over 58 p.c., expenses at the average rate of, say, 33½ p.c., with provision for unexpired risks and for the always present conflagration hazard does not leave much margin of profit. Fire insurance is, of course, a matter of average and there are some years in which the companies as a whole do better than last year, just as there are some years in which they do worse. But the following record of 42 years' business shows that on the whole the balance falls on the unprofitable side:—

42 YEARS' RECORD OF FIRE UNDERWRITING IN CANADA. 1869-1910.

Premiums Received	\$299,448,353
Losses paid	\$190,499,300
Expenses, 33 1-3 p.c.	99,816,118
Increase in reserve liabilities	10,000,000
	<u>300,315,418</u>
Deficit	<u>\$867,065</u>

We commend these figures to the writers of those astonishing prospectuses, which every now and again, herald, in newspaper broadsides, the advent of a new fire company. We commend them still more to the public whose cash is sought through the agency of these prospectuses. A little study of statistics in matters of this kind is a wonderful antidote to the influences of the word-painting of the prospectus artist, and, also, to the influence of the people who complain of the iniquities of underwriters in keeping rates too high. It is, of course, the fact that individual companies have made profits out of their fire business in Canada during the last 42 years, but it is improbable that in any case these profits are of more than moderate dimensions.

Possibly, people are getting closer to a realisation of the fact, which insurance men have been preaching in and out of season for years past, that the question of fire rates is one which people have in their own hands—that they themselves must take the

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