

The fire insurance business is governed by the laws of average and experience, and therefore to be transacted on a sound basis, we may almost say it is necessary to form a combination or association, call it by whichever name you will, and even the non-tariff offices, except the very weak and short lived ones, benefit by, and in a large measure act upon the experience of Tariff organizations. Because a young company or one lately entering a new country loses the first year or two upon a certain class of risks, it does not follow that the rates charged are inadequate, but when the combined experience of both old and young offices show that for a considerable period certain risks or the whole business has been unremunerative, it surely proves that a change or reform is necessary. To stigmatize an Association, which is of necessity formed by companies to bring about that essential reform, as a conspiracy is illogical in the extreme.

Turning to the evidence given before the Committee at Ottawa, we are disposed to believe that the endeavors to bring the Canadian Fire Underwriters Association under the category of conspiracy, mainly at all events, emanated from Mr. Hugh Scott, who while acting as agent for Tariff companies, and assisting to form rules and rates for the Association, built up non-tariff offices altogether at variance with these rules and rates; and it is not to be wondered at that, in thus trying the impossible feat of serving two masters, he should when expelled from the Tariff Association, —well, not exactly love it. His assertions regarding the rates in Toronto being higher than in other towns in Canada are incorrect and untrue, as well as his statement that the Association "boycotted" his non-tariff companies. It is quite a relief to turn from this one-sided evidence to the straightforward evidence given by Messrs. William Tatley, Jas. Boomer, McLean, and others connected with the Association, whose remarks regarding the unprofitable nature of the fire insurance business, prior to the formation of the Association, are fully sustained by the Superintendent of Insurance Annual Reports, and the ruin or withdrawal of some eight companies. See the result of 18 years business compiled by us from the government returns, and published in the *INSURANCE CHRONICLE*, Vol. VII, 1887 (pp. 354-7). Such an unsatisfactory state of a most important and essential branch of commerce not only effects those directly engaged therein, but is injurious to the prosperity of the whole country, for the same reason that an unprofitable period in manufacturing industries or a bad harvest causes the entire nation to suffer more or less. The Association is so constituted as to permit sufficient competition among its members to check too high rates, and the public, so far from having any cause for complaint against the Association, should be thankful that fire insurance has been placed on a sounder and more equitable basis than previously, which is exemplified by the principle of schedule ratings and the classification of cities and towns according to the construction and protection afforded by fire appliances.

We cannot refrain from one word in conclusion regarding the attempt, however abortive, to place risks in companies not licensed to do business in Canada; for as these companies pay no taxes, and are not subject to our laws, we maintain such action on the part of insureds to be as much a species of smuggling as the endeavor to obtain merchandise or products without paying the legal duty on them.

Insureds should take warning from Quebec, when the rates were increased in that city in consequence of insufficiency of water supply, etc., the merchants rushed to the States for cheaper insurance rates, and they got them. All went on lovely until the losses came round, which as a general rule companies transacting an illegal underground business never pay or compromise, and then the merchants began to discover that they were paying premiums and carrying their own risks as well. Reputable companies do not transact underground business.

THE NATIONAL DEBT OF GREAT BRITAIN.

We extract the following from the *Statesman's Year Book* :—

National debt at the revolution in 1688.....	£661,263
Increase during William III's reign.....	12,100,062
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Debt at the accession of Queen Anne in 1702..	12,767,225
Increase during the war of the Spanish succession	23,408,235
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At the accession of George I, 1714.....	36,175,460
Increase during his reign	16,675,337
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At the accession of George II, 1727	52,850,797
Decrease during 12 years' peace, ending 1739...	6,236,914
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At the commencement of the Spanish war 1739..	46,613,883
Increase during the war.....	29,198,249
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At end of Spanish war, 1748.....	75,812,132
Decrease during eight years' peace.....	1,237,107
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At the commencement of the seven years' war, 1756.....	74,575,025
Increase during the war	58,141,024
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At the peace of Paris, 1763	132,716,049
Decrease during 12 years' peace.....	5,873,238
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At commencement of American war, 1775.....	126,842,811
Increase during the war.....	116,220,334
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At end of American war, 1784.....	243,063,145
Decrease during the peace.....	3,399,724
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At the commencement of the French war, 1792..	239,663,431
Increase during the war.....	297,989,587
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At the peace of Amiens, 1802.....	537,653,008
Increase during the war with Napoleon.....	323,385,041
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At the peace of Paris, 1815.....	861,039,049
Decrease during 40 years.....	91,956,500
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At the commencement of the Crimean war, 1854..	769,082,549
Increase during the war.....	39,026,173
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Debt in 1857.....	808,108,722
Decrease since the Crimean war.....	65,826,311
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Debt in 1886.....	£742,282,411

Two or three facts will at once strike any person who examines these figures; first, with what amazing rapidity the debt leaps up during a war, and how slowly it is reduced during peace; second, that nearly all the debt now existing is the legacy of the French and Napoleonic wars at the beginning of this century; and third, that only during the last half century have genuine efforts been made to tackle with and reduce the load, and to pay for the cost of wars as much as possible within a few years from the date of such wars.

The debt of France differs greatly in history from that of Great Britain. At the beginning of this century it was only about one-tenth of that of the latter, but instead of being gradually reduced since, it has steadily increased, and is now 21,449,066,123 francs, or say \$4,100,000,000, a sum considerably above that of Great Britain. With one or two unimportant exceptions, Great Britain is, however, the only country in Europe whose debt is not increasing more or less rapidly.