

greatly needed. Agents in other places are looking, with great interest, on the London experiment, and will be encouraged to good works, or driven into further demoralization as they may be warned or cheered by the companies' treatment of the London agents. One proprietor, we are told, after endeavoring to "bulldoze" the local agents went off to Detroit to place the bulk of his business, and returned boasting that companies that had agencies in London had accepted his risk on terms more favorable than were required by the London agents. If these companies suffer their Detroit agents to discount their London agents in London rates, then, if the London agents abandon their organization and inaugurate a war of rates resulting in an increase of risk with a decrease of premium, no one will have either sympathy or respect for the companies who may be to blame for the affair.

*Facilis descensus averni* is true of rates and companies. But for some years we have not seen any material increase of rates maintained or any prolonged prosperity of the companies—so that we would advise both companies and agents to "hold fast that which is good," feeling assured that it is much easier to get that which is worse than that which is better.

#### MONTREAL FIRE BRIGADE.

The feeling of dissatisfaction with the working of the Montreal Fire Brigade, so generally prevalent among insurance men, and to which we alluded at length in our issue of June 23rd, under the heading of "Montreal Fires," has found vent at a meeting of fire underwriters held in that city on Thursday of last week. The meeting was of a most influential character, the following companies being represented:—North British & Mercantile; Royal Canadian, Guardian, Standard, Liverpool and London and Globe, Western, Phoenix, Fire Insurance Association, Ætna (Hartford), Commercial Union, Imperial, Scottish Imperial, London and Lancashire, Norwich Union, London Assurance Corporation, and City of London. The weak points of the brigade, as indicated in our former article, were fully discussed, and the general management sharply criticised. The feeling of the meeting was that some one more capable than the present chief should be engaged, and a committee of seven was appointed to prepare a memorial to the city council, in which this and other needed improvements should be strongly urged. The want of sufficient appliances at the disposal of the Salvage Corps was brought up and the whole question of fire protection fully gone into. It is stated that the Fire Committee of the Council has agreed to call a special meeting to consider the matter, and it is earnestly to be hoped that the views expressed at the meeting of underwriters will receive the attention they deserve.

—At the last monthly meeting of the Montreal Harbor Commissioners, the statistics submitted were of a character to somewhat reassure those who feared the effect upon the revenue of the reductions in harbor dues made last year. The revenue this

season, up to 1st July had only fallen off  $7\frac{1}{2}$  per cent. While the reduction in tonnage compared with last year was  $16\frac{1}{2}$  per cent (30,092 tons). There had been an increase of inward cargo of 8 per cent., \$30,000 having been received this year against \$28,000 last year, but outward wharfage had fallen off 28 per cent., and tonnage dues 25 per cent. Total income, 1881 was \$60,581, against for 1882 \$55,912, decrease therefore \$4,669. The depth of water in the ship channel on 1st instant, was 26 feet 8 inches, which is the greatest for at least four years. The hull of the wrecked steamship *Ottawa* is being, it seems, cut up into sections by means of explosives, and then lifted aboard a barge.

#### THE COMPACT SYSTEM IN FIRE INSURANCE.

Many attempts have been made on this continent to maintain such a system of rating and such basis rates as should bring reasonable prosperity to the companies. Time after time did the old National Board of Fire Underwriters assert itself as a conservative and controlling influence and as many times were its rates and rules made nugatory, by the want of faith amongst its members, and by the shading and 'shady' acts of those who watched its proceedings for the purpose of taking advantage. Quite as often were the dishonorable and dishonest amongst the companies ruined and defeated by their own policy. These last could only be likened to opium-eaters, because once entering on a system which demands continual increase of the doses of poison to maintain life, they ensured their own destruction by means of that poison.

The administration of the National Board brought about a rebellion against the centralization of authority which was supposed to act sometimes without due knowledge or consideration of local circumstances. State Boards took up too much of the time of the special agents who could not act with advantage for want of sufficient authority; whilst local boards in their turn have failed because of the odium attaching to those agents who aimed to properly increase rates or to maintain existing ones. So that, now, there is being tried what is termed the "compact system," by which the local agents bind themselves to adhere to such rates as may be established by a surveyor whose stamp is necessary to every application or daily report before it can be accepted by the head office of the company. This functionary, whilst being paid by the companies binds himself not to act as an insurance agent locally for some years after he shall have ceased to hold the office of local surveyor.

A proposition was made by some of the members of the Toronto Board to establish a similar system, and the London Board is seeking the services of a surveyor. But if this system is adopted at all in Canada, it should be so done as to be as effectual as possible in comparison with its cost. The surveying should be by districts, because in Hamilton, Guelph, Belleville, Peterborough and other places, the rates are so utterly inadequate to the risk of loss as to excite astonishment in the minds of the agents and alarm in the councils of the companies. The proprietors, meantime, smile and successfully ask for further decrease.

If the companies can be united, and suitable surveyors obtained, there is work for ten good men in as many districts, say one each in the County of York, in Hamilton and the Niagara Peninsula; on the line of the Canada Southern

Railway; on the line of the Western Ry.; in the district between the main lines of the Western and the Grand Trunk west of Toronto; on the Grand Trunk west of Kingston and the district northward; in the Ottawa Valley, and on the Grand Trunk east of Kingston to the Province line; in Montreal and its suburbs; in Quebec and east of the Province line; in the Eastern Townships, and in Nova Scotia.

These men, if properly selected and supported, could save the fire-insurance companies a million dollars a year without decreasing the income of the companies, by careful surveys, reasonable requirements, and thorough adjustments. Each working for good results in his own field, would be kept up to the mark and would so improve the business of his district as to ensure his own continuance.

#### MANUFACTURERS' NOTES.

The search after new fibres and substances that can be manufactured into textiles or tissues is unabated on both sides of the Atlantic. Wood pulp has fortunately come in time to make it possible to supply the immense and ever-growing demand for paper without materially advancing rates. Such countries as Norway and Finland, latterly, have made a specialty of exporting wood pulp, and the United States has now numerous mills for grinding wood. New mills for the working up of alfa, or esparto grass, which grows in enormous quantities in Algeria, are being erected in various European countries. Rags, meanwhile, are dear, in fact, and reserved for the aristocratic paper which is used for *billets doux* (clean linen rags are only used for bank notes) and ledgers. The textile manufacture, on the other hand, has been anxiously awaiting new materials. Surrah silk has been introduced of late years, but it does not dye well, at least in some colors. Ramie has for a long time occupied attention, but it has been found difficult to get rid of the resinous substances it contains, while no satisfactory decorticator has been found for its fibres. Other fibres of a similar kind have been discovered within the past few years in Central America; but although several companies were formed in the United States to make them an article of commerce, their ventures have not, as yet, met with any pronounced success as far as we have seen.

"M Quad," writing from the Southern States to the *Detroit Free Press*, makes a slight mistake when he says—there is no city outside of Chicago in the North which builds cottages, dwellings, churches, etc., for shipment. The Canadian city of Ottawa makes these and ships them to Manitoba, and some have been shipped, we believe, from Toronto. Mr. Lewis further says: Charlestown has caught on to this Yankee trick and is pushing it for all it is worth. She now ships all sorts of buildings in parts all over the South, and the demand is increasing. I saw one house which was to be shipped to a point 165 miles away, and a tidy little church which was being loaded on the cars to go to a hamlet still further away.

The advantage of low grades for heavy traffic is shown in the fact that an engine that will move a given load on a level track will move but one-half the load on a grade of 21 feet to the mile; one-third the load on a grade of 42 feet to the mile; one-fourth the load on a grade of 63 feet to the mile; one-fifth on a grade of 84 feet to the mile; one-sixth on a grade of 105 feet to the mile.

A large force of workmen is employed upon the extensive additions being made to the Montreal Cotton Company's mill at Valleyfield, Que., which when completed will double the present capacity.