UNLICENSED INSURANCE IS UNJUST.

Should be One Law for All—Question is Mentioned at an Annual Meeting—Some Interesting Circulars.

"One insurance law should govern and all companies which honestly comply with the law should not thereby be put at a disadvantage in their home country where they have the most right to expect consideration and assistance." So spoke Mr. W. R. Brock, vice-president, at the annual meeting of the shareholders of the Western Assurance Company. "At a time when reciprocity with the United States occupies so prominent a place in public attention," he continued, "it may not be out of place to say a few words for Canadian fire insurance companies.

"When the Dominion Insurance Act, which became law in May last, was before Parliament, the very gentlemen who are now so earnestly opposing any lowering of the protection afforded Canadian industries vigorously advocated free trade in fire insurance. They refused to see that companies in which Canadians had invested their money, and which had complied with all the Dominion and provincial requirements, had any claim to protection from the unfair competition of unlicensed companies who pay no taxes, make no deposits, submit to no inspection and who do not invest a dollar in Canada.

They Pay No Tax.

"The manufacturers boldly demanded the right to place their insurance wherever they chose, regardless of whether or not indemnity which they sought was obtainable in Canada at fair prices. They brought so much influence to bear upon the Government that, in spite of strong opposition by the licensed companies, section 139 of the Act declares that any owner of property in Canada may insure it in foreign unlicensed companies without paying any tax or being under any obligation other than to make an annual return to the Ottawa Department of the insurance so placed.

"Naturally, the condition of affairs affects the rates the unlicensed companies are able to quote. When we turn to the insurance laws in the United States, we find that they are by no means so liberal to Canadian and other foreign companies. In New York State, for instance, a policy placed with an unlicensed company is absolutely void unless the assured and his broker have both filed affidavits that after diligent effort they are unable to obtain the necessary amount of insurance from authorized companies, and a tax of 3 per cent. is levied on premiums paid to unadmitted companies. And if a Canadian fire company seeks a license in New York, it must first deposit at least $500,000, and must comply with other conditions much more onerous than those imposed in Canada.

Surcharge on Foreign Companies.

"In Canada licensed American fire companies pay exactly the same taxes on premiums as domestic companies. In the United States, on the contrary, Canadian fire companies pay an additional tax on a large part of their income. In a number of the more important States this surcharge on foreign companies amounts to two per cent. of the premiums collected and, as fire premiums are computed to leave only a narrow margin of profit, it will be readily appreciated that this constitutes a serious handicap.

"Sound fire insurance is recognized on all hands as indispensable to the maintenance of confidence and credit in modern business, and as patriotic Canadians we would be the last to seek to hamper the natural expansion of trade in Canada and the development of our magnificent resources by creating any artificial monopoly in insurance. But there should be one law for all."

Some Circular Letters.

In this connection it is interesting to note how fire insurance business in Canada is being conducted from the United States. Here is a letter which Frank W. Anthony, fire insurance broker, 44 Court Street, Brooklyn, N.Y., is apparently sending into Canada. The Monetary Times received it from an Ontario branch bank manager:

"Dear Sir,—The undersigned takes pleasure in informing you that as an insurance broker he has superior facilities whereby he can be of great service to you in placing lines of insurance where your customers object to paying the exorbitant rate charged by the tariff companies or the ridiculously high increase under the new rating schedule. If you experience any difficulty of this nature I ask you to forward the applications to me and I will place same for you in licensed companies, forwarding policies to you subject to the assured's as well as your own approval allowing you 25 per cent. commission.

"The following paragraphs will explain the kind of insurance I am soliciting. Surplus Fire Insurance. This office makes a specialty of placing insurance on woodworking establishments and lumber, cotton gins, flour mills, factories of all kinds, moving picture shows and country stores. Marine Insurance. I can place insurance on hulls of any sailing vessel or steamboat navigating waters of any part of the globe. Automobile Insurance. Can place insurance on any automobile against fire, theft and collision located in any part of the United States. All orders will receive immediate attention, policies going forward promptly. Trusting to hear from you by return mail with several orders, I wish to remain, yours very respectfully, Frank W. Anthony."

Here is another letter received from the same source:

"Dear Sir,—Relative to placing surplus insurance. This letter is addressed to you for the purpose of learning if you control any hazardous lines of insurance that you experience trouble in placing, either by reason of the magnitude of the risk or the assured unwilling to pay the full tariff rate. If such be the case, I can be of great service to you, as I have special brokerage connections with ten licensed companies and can accept a line of thirty thousand dollars on any class of risks where the moral hazard is of the best and other companies are interested. In sending me your orders I ask you to give me full particulars and I will forward you policies with latest official statements by return mail, less 25 per cent. commission, subject to the approval of the assured as well as yourself. If you have the business, I can send the policies. No company I do business with sustained any losses in the past large conflagrations. Trusting to receive several orders from you by return mail, I wish to remain, yours respectfully,

"Frank W. Anthony."

Literature of the Integrity Mutual Fire Insurance, of Philadelphia, Pa., is also finding its way into Canada. A circular which has come to the office of The Monetary Times gives copies of testimonials sent to the company by the following gentlemen: Messrs. Samuel Rosenthall, Arnold Lustig, D. Snade, Ben. Epstein, David Schwartz, the Girard Cleaners and Dyers, Benjamin Herevitz, Ester Itkin, David T. Jacobs, Ignatz Weiss, Samuel Saldesky, Vincenzo Celberato, Bernard Krauss, Joseph Sagel, Standing Stone Manufacturing Company, Joseph P. Riley, Charles Johnson, Morris Donnier.

MONEY MARKET NOTES.

Commercial Credit is Ample—Complaints Heard as to Supply of Call Money.

The supply of money for commercial purposes in Montreal, Toronto and Winnipeg appears to be ample, and little complaint is heard from borrowers. The position in call loans is somewhat different and brokers are inclined to think it curious that while money is growing easier in London, Berlin, Brussels and New York it appears to be harder in Montreal. An explanation of this situation has been suggested in the fact that there are large blocks of securities undigested. While the big issues of the past year were absorbed by financial houses, they were by no means digested by the individual investor. It is thought in some quarters that the banks' policy respecting call loans will continue as at present until a change occurs in that direction.

Said to Have Loaned Million.

The following dispatch sent from Montreal to New York seems to sum up the feeling of the brokers of the Canadian city:

"Extensive loans are being made in this market by the brokerage house of Rodolphe Forget, an amount of $1,000,000 having been offered to brokers and others during the last few days at the rate of 5½ per cent. This is French money, supplied by Paris banks and financial houses, and is welcomed as likely to relieve the stringency, which has lately been very marked locally. For some months the banks have kept the stock market and local financial interests very short of funds, and in doing so have incurred sharp criticisms, since the shortage is in part due to the locking up of the banks' funds in various merger flotations and securities which have not yet been absorbed by the public, and in connection with the recent change in control of the Montreal Street Railway. The latter operation, it is generally thought, involves some $8,000,000 or $10,000,000. In view of the heavy demands upon the banks for commercial loans, which rose during January by 5½ millions, to $682,500,000, it is claimed that the banks should reduce their merger commitments as quickly as possible."

Not Very Likely.

It is said that stock market operators and others are looking for relief from Mr. Rodolphe Forget's new bank. But that twenty-seven banks should be unable to relieve the situation and that one new bank would, seems most unlikely.

It is clear from the latest Bank of England return that that institution is able to make its 3½ per cent. rate effective, and it will make no further reduction unless the money market gives signs of getting out of hand. It is probable that the bank would borrow money in the open market rather than allow a money rate calculated to tempt raids by other money markets looking for an easy supply of gold.

Money continues in excessive supply in Paris. The rate of discount of the Bank of Bengal was raised on February 23 from 7 to 8 per cent.

Montreal Mortgage Loans.

The real estate mortgage loans recorded during January in the Registration division of Montreal West amount to $253,845. Of this amount $8,000 was placed at 7 per cent., $200 at 8 per cent., $37,800 at 6 per cent., $78,000 at 5½ per cent., $77,000 at 6 per cent., and $52,845 at a nominal rate.

The lenders were: Estate & Trust Funds $31,500, Insurance Companies $113,000, Local Institutions $9,845, Individuals $99,500.