

## FIRE UNDERWRITERS AND MONTREAL'S WATER SUPPLY.

The Canadian Fire Underwriters' Association have issued the following statement:—

### RE LOW LEVEL PUMPING STATION MONTREAL WATER WORKS AND FUTURE CONDITION OF WATER SUPPLY.

No. 6 single stage turbine pump of 12,000,000 gallons capacity, recently installed at the above pumping station by the Canada Foundry Company of Toronto, has not yet been accepted by the City. The performance of the pump and also of the engine actuating same, has been satisfactory as far as their respective functions are concerned; however, a condition has developed (after some weeks of continuous operation) under which the pump cannot be expected to work without serious risk of breaking down at any time, and which is as follows:—

Situated between the engine and pump a fly wheel, weighing approximately  $3\frac{1}{2}$  tons, is pressed on and keyed to the engine shaft, the latter shaft being connected to the pump shaft by flexible coupling; the fly wheel referred to does not run "true" when engine and pump are working up to full capacity, although practically so when running slowly, or at half speed. Various theories as to the cause have been advanced by the contractors; the remedies suggested in any case, however, would put the pump out of service for probably six weeks.

Mr. Janin, city engineer, states that he has issued instructions prohibiting any alterations to be made until such time as other arrangements could be completed to supply the City with water pending such alterations.

Water pumped during past twenty-four hours 41,000,000 gallons (the statement is dated January 20). Lower Level Reservoir contains 20.8 feet; High Level Reservoir full.

With regard to the increased pumping capacity which the underwriters were assured, when interviewing the civic authorities in October last, was being provided and which the Waterworks Engineer subsequently stated would be available in seven months (*i.e.*, early in June), it is learned that tenders for the new pumps were not obtained until 12th December last, and that the contract is not yet awarded.

As the tenders for the recently installed pump (which is not yet working satisfactorily) were received on the 1st December, 1911, nearly fourteen months ago and with similar experience with previous pumps, it would seem doubtful whether the increase in the water supply promised, will be available before the end of this year.

Pump No. 3 (rated capacity 8,000,000) is old and obsolete and will be discarded as soon as circumstances permit. No. 1 and 2 (each 10,000,000 gallons) are urgently in need of repairs, which will necessitate each of them being shut down from 6 to 8 weeks. The situation is, therefore, not reassuring, and, should any accident happen to any of the pumps while the foregoing repairs are being made, a heavy shortage must result.

There have been no new developments since the issue of the circular; the expert investigation asked for by the Underwriters, the Montreal Board of Trade and the Montreal Branch of the Canadian Manufacturers' Association is still being awaited.

## UNITED STATES PROBLEMS OF BRITISH FIRE COMPANIES.

### Mr. Frank Lock's Review—Average Rate Going Down—Era of Great Competition Coming.

Mr. Frank Lock, manager in the United States for the Atlas Assurance Company, of London, has written an interesting review for the *London Times* of the fire insurance situation in the United States. He points out that the fire premium income derived from the United States is larger by far than that of any other nation, the reason for which is apparent when it is considered that such income is drawn from a prosperous population of about 100,000,000 people paying premiums at an average rate approximately three times higher than the average rate paid in Great Britain. The figures being public property, it is no secret that the United States constitutes the chief individual income producer to those British insurance companies having branches there.

In the year 1911 the eighteen British companies transacting business in the United States with their subsidiary companies (whose results are merged with those of the parent companies) received in fire premiums about \$60,500,000.

A statement published by the *Policyholder* of Manchester indicates that the total amount of fire insurance premiums for the year 1911 received by all British companies in their worldwide transactions is \$145,788,920. It would thus appear that over 41 per cent. of all the premiums of the combined British companies is derived from the United States.

### DRAWBACKS TO THE BUSINESS.

Mr. Lock goes on to point out that the business is one of uncommon complexity for certain well-defined reasons, among them being the fact that it is subject to state jurisdiction, so that there is a perplexing mass of State laws and restrictions highly contradictory in substance and conflicting as between States the transaction of the business itself being rendered almost impossible in some States by restrictions and prohibitions which are the outcome of an unsympathetic or hostile frame of mind on the part of the public. The agency system of the country has to be reckoned with, which system is the outgrowth of the enormous distances and consequent arm's length at which the business has to be transacted. It is obvious, says Mr. Lock, that where the policies of the companies are issued by untrained men this fact must add considerably to the inherent difficulties of transacting the business.

The third main element to be reckoned with is the difficulty connected with the efficient control of rate making machinery and the binding into cohesion of such an unwieldy number of companies.

### THE GENERAL SITUATION.

The general situation, Mr. Lock concludes, may be summarized briefly in the following considerations:

The anticipated era of favorable years to follow the San Francisco conflagration have been in a large measure enjoyed.

The decline in premium rate with the increase in the loss and expense rates are eliminating the margin of profit.

An era of great competition is upon us, which is likely eventually to result in the strengthening of the larger companies and the extinguishment of the weaker.

Hence it may be inferred that intelligently man-