

Western Assurance Co.—Continued.

is incumbent upon every soundly managed company to reserve an amount to provide for running off—or reinsuring—the liabilities under its current policies. General experience has proved that in fire insurance business one-third of the annual premium income is an ample provision for this purpose. It will therefore be a satisfaction to you to know that, after deducting that portion of our marine business upon which no liability remains at the end of the year—which I may say represents more than one-fifth of our total income—the amount of our estimate to provide for this contingent liability upon risks outstanding on the 31st December is considerably in excess of the standard I have named.

In relation to our Ocean business—or more particularly to that portion of it pertaining to risks via the River St. Lawrence—I may perhaps be permitted to say a few words which may not be considered as coming within the usual scope of a president's remarks on a motion for the adoption of an annual report. But as you have doubtless, through the columns of the press and through other channels, heard a good deal that has been said upon one side of the question, and as nothing, so far as I am aware, has been publicly said upon the other side, I feel justified in making a departure from what has been the custom at our shareholders' meetings, and dealing briefly with a matter which, while it does not directly bear upon the balance sheet before you, is nevertheless so closely identified with questions with which we are called upon to deal that it may not be deemed "out of order" on an occasion of this kind. In connection with our somewhat limited transactions in Ocean risks via the St. Lawrence route we have had to bear our share of the rather harsh criticisms that during the past year have fallen to the lot of the few companies which—having continued through a series of unprofitable years to transact this business—at length determined, at the opening of navigation in 1899, to secure such rates as the exceptional perils of this route—proved by its unfortunate record of losses—seemed to demand, or else to follow the example of the numerous companies that have withdrawn altogether from that field of marine underwriting. We have been charged with discriminating against a Canadian route and with doing an injustice to the port of Montreal. The Board of Trade of that city has asked the Government to appoint a commission to inquire into the matter. The Montreal Marine Underwriters' Association, on the other hand, feeling that any unjust discriminations from which the trade of that port might be suffering would be found to exist in other quarters than in the Marine Insurance offices, have asked that the inquiry be made to include railroad charges, steamship freights and other matters pertaining to the cost of transportation. I am sure that I express the feelings of the Marine Underwriters when I say that they would welcome an investigation conducted on these broader lines, and that they are prepared to submit evidence from the records of past years—that would more than warrant the advances that have been made in cargo rates from Montreal. No action upon this suggestion—which was made several months ago—has as yet been taken; but I observe that a movement has recently been inaugurated by gentlemen largely interested in keeping down the rates charged upon shipments by the route in question, having for its object the formation of a new company to transact this business at reduced rates. While the feelings which might inspire an investment in such an enterprise would doubtless be commendable from a patriotic point of view, I question whether, if the subject is duly inquired into, it will ever be seriously considered as a business proposition. But whatever may be the outcome of this or other movements to secure the desired end, those who have been unfortunate enough to share in the experience of this business in former years must remain firm in the conviction that in its present condition the St. Lawrence route presents much greater risks than a route from a direct ocean port, and that companies assuming these risks must charge a much higher rate of premium, particularly in certain seasons of the year, than is charged from ports on the Atlantic. This is not simply a matter of opinion. It is demonstrated by statistics embracing the total shipments by this route during a period of years—which show that from 1889 to the close of the season of 1899 the losses incurred were very largely in excess of the premiums collected, and that at least seventy-five per cent. of the claims arose from accidents in the River and Gulf. Within the period named twenty-eight ocean steamers have been totally lost and eighty-four strandings are recorded—at least fifty of these latter having occurred

between Montreal and Quebec. With these unpoletable facts before us, which it can serve no good purpose to attempt to conceal, our efforts as Canadians desirous of fostering trade by a Canadian route and advancing the interests of our chief Canadian port should be in the direction of securing the most liberal assistance from the Government to reduce by every possible means the perils of St. Lawrence navigation, rather than in attempting to obtain insurance below its legitimate cost. This latter remedy could at best afford but temporary relief, while the reduction of risk by the erection of additional light-houses, the improvement of the channels and by every other means which experts in navigation could suggest, would, by diminishing the losses, result—as the natural consequence of competition for what under such improved conditions would become a desirable class of business—in materially diminishing the discrepancy now existing between Montreal rates and those charged from the principal ports on the Atlantic. I feel in making this statement of the views we entertain that I am doing but simple justice to the officers and agents of this Company—which, in the face of adverse experience, has maintained its Marine Agency in Montreal for upwards of a quarter of a century, and which we feel it should only continue while rates are obtainable that offer some prospect of a profitable out-turn.

In conclusion I would say that the directors desire to express their appreciation of the services of the officers and the branch managers and agents of the Company throughout its extended field of operations, realizing as we do that to many of them such a year as we have just passed through has been a particularly trying one. They also wish to place on record their obligation to the Earl of Aberdeen, Sir John Kennaway and Mr. James Stevenson, the members of the Advisory Board of our London branch, for the valued advice and assistance they have rendered in advancing that branch to its present satisfactory position.

The vice-president seconded the adoption of the report, which was carried unanimously. The election of directors for the ensuing year was then proceeded with, resulting in the unanimous re-election of the following gentlemen, viz.: Hon. Geo. A. Cox, Hon. S. C. Wood, Messrs. Robert Beatty, G. R. R. Cockburn, Geo. McMurrich, H. N. Baird, W. R. Brock, J. K. Osborne and J. J. Kenny.

At a meeting of the Board of Directors, held subsequently, Hon. Geo. A. Cox was re-elected president, and Mr. J. J. Kenny, vice-president, for the ensuing year.

PROMINENT TOPICS.

Trouble is brewing in the North-West over the Doukhobors who settled there some time ago. They are in revolt against the laws of Canada; against its social institutions; against its moral code. They protest against individual ownership of land as being sinful, holding that all property should be vested in the community. This is a relic of the old-time system of the "Mir" in Russia where they come from, under which proprietary rights in land were general to each village or settlement. Those curious to know about this should consult Wallace's "Russia," and "System of Land Tenure," published by the Cobden Club. These settlers also regard our marriage laws as tyrannical, they wish the sexes to live together like the lower animals without any legal restraint, or registration of those who are married. They object also to births and deaths being registered, a system they regard as sinful and oppressive to their consciences. In brief, they desire to live outside the laws of Canada and civilization. It seems to have been a serious mistake to bring several thousands of such people to this country before knowing whether they were willing to submit to the social and legal conditions of this Dominion, whither they, it is alleged, were flying from the persecution of the Czar.