

THE SAN FRANCISCO SETTLEMENTS.

The London "Times" lifts its powerful voice against the systematic injustice with which the insurance companies are being treated in San Francisco. Our esteemed contemporary says: "It is probably not realized here to what extent public sentiment has over-ruled law and even equity in regard to the San Francisco settlements. Insurance cases turn on questions of fact, and every potential jurymen in San Francisco has been a direct sufferer by the disaster, and the insurance companies, under the terms of their licenses in the State, have contracted themselves out of the right of appeal to the Federal Courts." The "Times" strictures are based upon an article in the San Francisco "Examiner" and upon a letter from a gentleman named Rosenheim, which are published in the "Times." As our London contemporary observes: "Almost the first question of legal liability has perforce been largely ignored. But for the overwhelming pressure of sentiment—due to the extent of the disaster—a settlement of about 60 to 70 p.c. of the face value of the policies would probably have been ample to pay for the actual losses coming within the contracts. But most insurance companies have even felt compelled to give up the protection of the 'fall' clause—which provides that if a building falls or becomes untenable, the insurance upon it immediately ceases—although it is certainly known that large numbers of buildings were seriously damaged by earthquake before the fire reached them." The "Times" remarks: "It has been a case of payment in full or of payment after the most liberal compromises, since success in litigation has all along been practically hopeless. When, therefore, Californians complain that some British insurance offices show despicable manners in opposing some little resistance to the public pressure upon them, it should be remembered that all these offices are still paying much more than under any unbiased legal system they could fairly be required to pay. To a good deal of this pressure an ugly name might not unfairly be given."

The "Examiner" goes so far as to undertake to classify the insurance companies, in accordance with the manner in which according to its estimation, they have settled or are settling their claims. With regard to this classification the "Times" says: "The suggestion of the San Francisco newspaper that the British companies placed in Class A, have paid dollar for dollar on all claims without enquiry, is no compliment at all to the companies whom it is thus intended to honour, and we do not believe that they have really done anything of the sort."

The colossal misfortune which overtook San Francisco has attracted world-wide sympathy to the people of that city, but one of its after-con-

sequences seems to have been the blunting in a remarkable degree of the moral sense of some of its citizens. The insurance companies have simply been subjected to a systematic "hold up," and have evidently been bled for millions of dollars on account of losses, for which they were neither legally nor morally responsible. Generosity in making settlements is no doubt good policy, but the directors have no right to carry generosity to the extent of doing flagrant injustice to their shareholders, and for the San Francisco press to abuse the companies, which are doing far more for their policy-holders than they are called upon either in law or equity to do is adding insult to injury.

SPECULATION IN MINES.

The recent exercise, by the Guggenheims of New York, of an option held by them on 400,000 shares of "Nipissing" stock at \$25 per share created considerable comment in the big metropolis, because of the great rise in the quotations for the company's shares, and also because the payment of the money, some \$10,000,000, occasioned some little stir in the loan market. The New York financial papers announced that certain banks had been obliged to call some of their loans in order to provide the funds needed for this big mining deal. It has also been noticed by the financial press that Canada has lately been feeding out to the American mining markets a varied assortment of stuff which has been made saleable because of the phenomenal success of the Nipissing and of several others of the Cobalt mines. It is only necessary to glance at the daily papers in Canada to see that the feeding out process is going on busily at home as well as abroad. The Cobalt region has proved itself to be wonderfully rich, many of the mines there are paying handsomely indeed. The holders of the shares in them are already reaping large returns on their investment, and from all accounts it is likely that still better results will be had in the future. Many clerks, small traders, working men, as well as merchants and others whose ordinary business operations are of a bigger kind, have already bought shares in sundry Cobalt propositions; many more have been thinking of doing so, and will be influenced to take the action by the wide advertisement given to the wonderful prosperity of a choice few of the mines. Of course, it is quite possible that some of the shares now being hawked promiscuously around may turn out eventually to be good investments. But the point for intending purchasers to remember is that nearly all of them are pure gambles. To buy them is a good deal like buying a ticket in a lottery. Any one who does so would be well advised to treat his outlay, not as an investment, but as a sort of