

securities. The Republics of South America have to pay high rates because of their instability—they are fond of revolutions, and pay dearly for their whistle. The reduction in the prevailing average rate of interest in the United States, as given in the above table, has been partly caused by the removal of certain elements in the political life of that country which were disturbing. The Civil War solidified the Union, and made every form of public security in the States more acceptable to capitalists, hence negotiable in wider markets at easier rates. Since 1850 the finances of the States in all respects have settled down upon firmer foundations. Had such a panic as that of 1893 occurred in 1850 or 1860, the effects would have been incomparably more disastrous and prolonged. Confidence then in national stability must be regarded as an important factor in estimating the causes of a low or high rate of interest prevailing in a nation's borders. We have the most eminent contemporary authority for the statement that, in the seventeenth century, bankers in England lent money, discounted notes at four per cent.,—more being charged for those of lower quality. Since then, in two hundred years, the population of England has increased by five times, while the rate of interest for notes has only decreased a very small percentage. In Canada since 1883 the population has increased about twelve per cent., while the rate of interest on mortgages has decreased twenty to thirty per cent. In the Western States, where the chief increases of population have taken place, the rate obtainable on good mortgages to-day is not five per cent., as given in above return, but seven, and even eight is not an unusual figure. The truth is that the increase of population is only one factor out of many in the rate of interest problem. The civilized world is becoming more and more closely knit in its monetary relations. The days are fast disappearing for such wide differences as once existed between the rates of interest in different countries. Capital is becoming increasingly cosmopolitan—it has no such local affections or prejudices as once confined it within the home field where it was born and bred. If a sound investment offers, or a tempting rate of interest, it will travel anywhere in the wide world to secure a better price than the home market offers. Hence England has creditors in every clime, and her capitalists have agents ever on the watch to place money,—often with marvellous imprudence when grasping for high rates. The price of money in the States has been seriously affected by the inflow of European funds. Thus, one heavy factor in this question is the growth of capital in foreign countries in excess of favorable opportunities for local investment. In view, then, of there being other influences at work to affect rates of interest, we cannot regard an increase of population as a sure basis for predictions of a corresponding proportionate decrease in the rate of interest that will rule in coming years. If the supply of capital outruns the increasing demand, money will sink in value; but if the demand for money develops more rapidly than the supply, it will fetch higher prices. This law will be supreme whether population increases or decreases.

### THE ANNUAL MEETING OF CANADIAN FIRE UNDERWRITERS.

The tenth Annual Meeting of the Canadian Fire Underwriters' Association was held in this city, at their quarters in the Board of Trade Building, on the 24th of October and following days, closing on Saturday the 28th, at which all the companies were represented, with the able President, Mr. A. T. Paterson of the Phoenix of London, in the chair.

That the Association has not only lasted a decade, but continues to grow in strength as time advances, speaks volumes for the consideration and talent which must have been brought to bear upon rules and regulations which not merely affect directly the welfare of the companies themselves, but also indirectly the whole of the insuring public, the latter containing the entire mercantile and manufacturing community of the two Provinces, Quebec and Ontario over which territory the Association extends. The influence of the Association has, however, made itself felt beyond the above boundaries. For a delegation from the Manitoba Board of Fire Underwriters was present at the recent meeting, with a view of working harmoniously in the common interests of the business, while we understand that from the Maritime Provinces, and even from far-off British Columbia, there is a growing feeling that in matters relating to legislation and taxation they look for assistance from the Canadian Association. Thus the latter is well earning its name and is surely making itself felt from the Atlantic to the Pacific.

The Fire Insurance business in Canada has increased very largely since the birth of the C. F. U. A., the premiums, as shown by the Government Reports, being over fifty per cent more in 1892 than they were in 1882, yet the net results show no such corresponding growth—in fact, for the last year or two, the loss ratio has been on the upward grade, and in spite of the El Dorado, which a vast proportion of the outside public believes appertains to business of fire insurance, the companies, during their conclave, have been discussing what means shall be adopted in order to place things on a better footing.

A general advance in rates, both on ordinary and schedule rated risks, and the almost universal application of the co-insurance clause were brought forward as the panacea for the leak in the companies' coffers, and were hotly contended for by many; but, as we think, a wiser and more cautious policy at last prevailed, for though the advance was carried upon a wide area of what are termed non hazardous or three-year risks, the rest was postponed for more deliberate consideration at a future meeting to be held next January.

"Haste slowly is a good maxim, and though it is only natural that when no money is being made, managers may jump to the conclusion that it is the rates which are too low, it must not be forgotten that there are other causes apart from rates which lead to losses. Take, for example, the tariff for ordinary mercantile risks, the same is justly called a minimum tariff; and if the companies in the keen competition for business