

YEAR REMARKABLE FOR AGITATION.

BUT NO PROMINENT FIRE UNDERWRITING FEATURES—RESULTS PROBABLY LESS FAVORABLE.

The year 1913 passes into history as remarkable at its inception for an outburst of newspaper and magazine agitation against the business of fire insurance and subsequently during the course of the year for unusual attention to the business from State and legislative authorities, writes Mr. Frank Lock, the well known United States manager of the Atlas of London. The course of its underwriting history has been even, there being no prominently abnormal features in any section of the country nor in any month. In general, the last half of the year has been less profitable than the first, which is not the usual experience, and it is in striking contrast to the year 1912, which opened with two of the worst months companies have ever experienced but ran out the balance of the year well.

PREMIUM INCOME AND RATES.

There is nothing to indicate that the premium income for the year 1913 will differ materially in volume from the year 1912. The average rates of premium for each of the six years from 1907 to 1912, inclusive, indicate a persistent decline, not pronounced in any one year, but now reaching the lowest point which has been paid by the public since the year 1901.

LOSSES.

The underlying causes which produce the national loss continue steadfast each year, apart from sweeping conflagrations. What has so far been achieved by the campaign of education upon fire prevention indicates some little ground gained, as the aggregate amount of loss remains about even, while the volume of destructible values may be assumed to increase each year. It is not much more than a holding of the situation in hand; there has yet to be evidenced any material work of conquest in reducing fire waste, and to this extent the situation is not encouraging.

It is likely that the ratio of loss to the premium for the year 1913 will prove for the companies as a whole about 54 per cent. enough to leave a small margin of profit. The commencement of the year was so favorable that there is a considerable measure of disappointment that the last seven months have proved in the aggregate so much higher than for the corresponding seven months of the previous year, showing a property loss in the aggregate of \$115,000,000, as against \$89,000,000 for the corresponding months of 1912.

EXPENSES.

The expense ratio still creeps up year by year, as shown by the following ratios for each of the four years 1909 to 1912, inclusive, namely, 37.83, 38.39, 38.99, 39.14, being an increase of 1.31 in the four years. There is nothing to indicate that the high-water mark has yet been reached, as the demands for increase in brokerages, commissions, taxes and extra expenditures to comply with State requirements promise but little relief on the expense side of the business.

UNDERWRITING RESULTS.

There is no reason to think that 1913 will differ materially from the two previous years, although the

probability is that the results will be less favorable. If the companies in the aggregate save a margin of 6 per cent. of the premiums, they will be fortunate; this, of course, means that while a few numerically of the best managed companies will do better than this figure, more will do about the average, while the largest number of companies must be content with less, with many absolute losers. At the same time, all companies have to face a heavy shrinkage in security values, which will bear heavily on the question of surplus.

MONTREAL'S WATER SUPPLY.

Searching Investigation Formally Proposed—But Nothing Yet Done.

At a meeting of representatives of the following public bodies of Montreal held on Wednesday, the Board of Trade, Chambre de Commerce, Trades and Labor Council, Canadian Manufacturers' Association, Builders' Exchange and others, the following resolution to be submitted to the Board of Control was passed:—

"Resolved, that the Board of Control be asked that a commission of inquiry should be appointed, composed of a judge of the Superior Court and two engineers who are absolutely independent and have had no connection with the city authorities, the duties of this commission to be the determination of an alternative water supply for the city, to investigate the cause of the break in the conduit and to apportion the blame, to investigate the entire management of the Water Department, and to investigate the whole scheme of water supply whether completed or uncompleted."

CITY HALL UNCOMMUNICATIVE.

At the City Hall very little information is available in regard to this question. On Wednesday the Board of Control met Mr. Lesage and other engineers who have been employed by the city before and after the break in the conduit and heard what they had to say. Mayor Lavallee is credited with taking the attitude that the engineers employed by the city alone would decide what was to be done in future in regard to the water supply. However, Mr. John R. Freeman, the consulting engineer to the New York Board of Water Supply, who has been brought to Montreal through the interest of a committee of prominent citizens is to be given all assistance possible.

Superintendent Lesage, of the water department, believes that the cause of the break was that the big drag-line excavator came too near the conduit and took the support away from the sides. This opinion will probably be embodied in the report of the engineers, which is now being prepared for the Board of Control.

Work has been begun on the strengthening of the aqueduct bank which supports the concrete conduit. At present the chief factor in holding the pipe in position is the frost in the ground, and when this disappears there will be immediate danger of more sagging of the pipe and consequent serious leakage.

Yesterday the Bank of England reduced its official rate of discount from 5 per cent. to 4½ per cent. owing to the strengthening of its reserve and the improvement in continental finance.