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Pay Local Losses Out of Local Funds.

Respecting the cry, "Keep insurance money at home," on which we made some remarks recently, the "Insurance Press" says:—"The only way to keep money paid for insurance at home, is to resolve to keep all fire losses at home and pay them out of the pockets of local citizens," just as THE CHRONICLE pointed out would have to be done. Under the "at home" plan the citizens of Chicago in 1871 would have had to pay about \$168,000,000 to cover fire losses, those of Boston, \$75,000,000, in 1872; St. John, \$25,000,000 in 1892; Ottawa and Hull, \$15,000,000 in 1899, and recently the merchants of Baltimore would have had to raise \$75,000,000, or more, to pay local loss claims. The business of fire insurance to be conducted successfully with a certainty of permanence, must be spread over a wide area differing in conditions, and with risks of an independent character, so that local disasters may be compensated for by more favourable results elsewhere. Concentrating fire business in a narrow area is like a person putting all his eggs in one basket.

The Increase Ratio Fallacy.

Stating the ratio of this to that has a certain air of scientific accuracy, yet such ratios are often very deceptive, misleading and worthless. Thus, Mr. A. may boast that he has enlarged his possessions by 100 per cent. in the past year, when the change has merely been the addition of a second \$5 note to the one he owned a year ago. Mr. B. who has added \$500 to the \$1,000 he owned last year, so that, in comparison with Mr. A. he can only boast of being richer by 50 per cent., though his addition has been \$500 against the others' \$5. New companies, new countries, are prone to using the comparative ratio system to disparage older ones. In the fiscal controversy this fallacy is very commonly used. Thus the increased per cent. of certain branches of trade in Germany and the United States are compared with

the increased per cent. in the same trade in Great Britain, the conclusion being to show how much more rapidly German and American trade have developed than that of the old land. It is not considered that, the volume of trade which represents an increase of quite a high percentage, and in the trade of a country recently entering upon it may be an insignificant percentage of the total trade of Great Britain. Such comparisons are like contrasting the imperceptible growth of a tree of great girth against the easily perceptible growth of a young sapling. So with companies, comparative ratios are not to be relied upon solely because of their "face value." To form an intelligent judgment, other things have to be considered besides bare ratio percentages.

Fire Protection at St. John, N.B.

Much dissatisfaction is felt by the insurance agents of St. John, N.B., in regard to the fire protection in that city. The defects complained of were recently manifested when a fire broke out on the 8th inst., in a stable. Of itself the fire turned out to be a trifling affair, but so was the fire which developed into the great conflagration at Chicago. From the "St. John Star" of same date as the fire, we learn that the water supply was deficient, and the fire brigade was very slow in getting to work. Some fifteen minutes are said to have elapsed after the fire was known, before an engine was put to work, and yet before that time there were three engines on the scene, the first engine to arrive was kept idle from ten to twelve minutes, when it might have been in operation. In that time the fire spread to all parts of the building, and threatened the adjacent property. "The delay is attributed to Engineer Leonard being absent, attending to his duties as superintendent of the fire alarm system." The "St. John Star" states that the superintendent of the fire department has several times submitted suggestions to the City Council for improving the water service. For the credit of the city, as well as its fire protection, we trust the authorities will take prompt steps to provide an adequate water supply and more efficient fire protection service.