

SAN FRANCISCO.

THE VIEWS OF MR. T. L. MORRISEY, AS TO THE INSURANCE SITUATION, ETC., IN SAN FRANCISCO.

Readers associated with insurance business will be interested in getting the views of Mr. T. L. Morrisey, manager for Canada of the Union Assurance Society, who returned to Montreal a few days ago from San Francisco, where he had spent some weeks in the interests of his company, in connection with the recent disasters in that city. He favoured a representative of THE CHRONICLE with an interview in which, with his characteristic vigour, Mr. Morrisey expressed the following views as to the insurance situation in San Francisco:

What about San Francisco?

So much language has already been employed in describing what took place there, that there is very little left for me to use. I might say, however, that so far as conflagrations go, it is one of the biggest things that ever happened.

Then it would appear the reports that have already been received tend rather to underestimate the disaster?

It would appear so, I think the property loss will probably reach \$500,000,000!

What proportion of this would you estimate was covered by fire insurance?

I should say about 50 p.c.

What is your opinion on the question of liability?

In my opinion the fire insurance companies are not liable—nothing of the kind was ever contemplated by the contract—and indeed, what took place there comes within the provisions of the policy.

What do you mean by that?

Simply that the policy form in general use there contained this condition:—

"If this building, or any part thereof, fall, except as the result of fire, the insurance on such building and its contents shall immediately cease."

As result of the earthquake every building in San Francisco fell either in whole or in part, and so the insurance on all such buildings and their contents ceased if the condition means anything.

Do you think the companies would be justified in taking advantage of that condition?

I object to the phrase "Taking advantage." In carrying out their contract, no action the companies might take, could be construed into taking advantage. The only thing that gives the assured any claim whatever on his insurer is the policy contract, and neither party should be asked or expected to go outside of what is contained in that contract. If the insurance ceased by reason of what happened, it ceased just as effectually as though the time specified in the policy had elapsed, and no one would expect a company to pay a loss that occurred a day after the time specified in the policy.

How do you think the rest of the world would view such action on the part of the companies?

If the rest of the world is governed by reason and not carried away by sentiment, it cannot but agree that this is the only sane view to take of the matter. If "the rest of the world" raise a howl when the companies find it necessary to raise rates to meet inordinately heavy losses for which they may be liable, what might it not be expected to do if it found rates doubled to meet losses for which

the companies were not legally liable. No, it is a duty the companies owe not only to their shareholders but to their policy-holders, the world over, that they keep strictly within the conditions of their contract. If they give away their funds in San Francisco, what position would their policy-holders be in other cities when a conflagration might occur where there was no question as to liability. The willingness of the public to chip in and help the companies to pay San Francisco claims may be judged from the action of Sacramento, one of Frisco's nearest neighbours, which I see is objecting strenuously to a modest increase of 25 p.c. in the rates.

What is the feeling amongst those interested, the people of San Francisco?

The newspapers seem to think the proper thing is to "roast" the companies. One is accustomed to that sort of thing before the event, but it is hard to see what is hoped to be accomplished by keeping up the battle after. It may be good tactics to call the companies thieves and robbers when the game is to beat rates down, but when it comes to trying to persuade them to pay losses for which they are not legally liable, according to my primitive notions, the velvet hand would be preferable to the mailed fist.

The destruction of property must have been very complete?

It certainly was. If you can imagine the whole of Montreal excepting a fringe of Point St Charles, and say Westmount left standing, it would give a fair idea of the appearance of the city.

What impressed you most?

As I walked amongst the ruins, the dominant thought was: If only the Montreal City Council, the Montreal Board of Trade, and the Canadian Manufacturers' Association could be got together to pass a joint resolution that there be no more conflagrations, how much more effective such a resolution would be in attaining their desired end than the numerous resolutions they have passed bearing on the same subject.

QUERIES' COLUMN.

In order to furnish our readers with information we propose to devote this column to replies to correspondents. Letters should be addressed to "THE CHRONICLE, Enquiry Department, Montreal."

Answers will only be given to such communications as bear the writer's name, not for publication, but as evidence of good faith, and only to questions referring to matters of general interest in regard to which the Editor of Queries' Column will exercise his own discretion.

1563.—A. A. W., Quebec.—The authorized capital of the Quebec Railway, Light & Power Company is \$2,500,000. Common and \$500,000. Preferred of which there is subscribed and paid up all of the common and \$250,000 of the preferred. There is also a bond issue of \$2,500,000. 5 p.c. bonds due in 1923. Interest, 1st June, and 1st December. The preferred stock carries a cumulative dividend not to exceed 7 p.c. per annum.

1564.—J. O. T., Montreal.—The head office of the Granby Consolidated Mining, Smelting & Power Company is at Grand Falls, B.C. There is a branch office at 52 Broadway, New York. The president is Jacob Langeloth, New York, and the Vice-President and General Manager, Jay P. Graves, Spokane, Wash.