

Prominent Topics.

Heavy Fire Losses. With the advent of the deferred spell of warm weather, has arrived another sequence of exceedingly heavy fire losses. Both in Eastern and Western Canada—at Canning in Nova Scotia, at Chicoutimi and Ste. Scholastique in Quebec, at Chelmsford in Ontario, at St. Boniface in Manitoba, at Edam in Saskatchewan, and at Laggan in Alberta—the week has developed badly from the fire underwriter's point of view. One curious feature of the week is the large loss upon Roman Catholic property. At Chicoutimi, the cathedral, a seminary, and much other property was burned, while at St. Boniface, heavy damage has been done to a convent with its school and a seminary. Inadequately equipped and insufficiently trained fire brigades appear to have a good deal to do with the heavy losses in the small towns and rural districts.

Fire Companies Uneasy. The fire insurance business has been so seriously affected by losses during the first part of the year, writes the New York Commercial, it would not surprise underwriters to see one or more companies seek re-insurance and retire. It is estimated that the property damage this year reached at least \$20,000,000 more than during the corresponding period of 1911.

Legislation in several states has cut down the volume of premium income and thus increased the ratio of premiums to losses. It is predicted that if a financial panic should follow the present political campaign, the showing of a number of normally strong companies will be serious. The one hopeful sign on the horizon is the determined effort the companies are making to cut down expenses. Agents of companies which have heretofore paid high commissions will suffer, it is said, especially in the large cities of the middle West, where competition has been keen.

London and a "Money Trust." That in London, the central money market of the world, a "money trust," i.e., possession by financial magnates of a controlling interest in large banks and trust companies, such as is alleged to exist in the United States, is impossible, is the opinion expressed in the New York Journal of Commerce, by "F. W. H.", initials which thinly disguise the identity of the editor of the London Economist. While within the last twenty years, the number of English banks have been reduced by one-half and there remain now barely fifty, joint stock and private, which hold any considerable position, this does not, says "F. W. H." in any real sense resemble

an insidious movement in the direction of a money trust. The amalgamations have been due to perfectly plain economic causes, and there is no instance on record of an important fusion being carried through by any but the most straightforward and honorable means. Moreover, an examination of the precautions adopted by the banks to frustrate any attempt to secure control suggests that the American method of buying up a bank so as to make a chain or ring would be doomed to failure in England. In the first place the articles of association of most of the large joint stock banks provide that no transfer of their shares can take place without the permission of the directors. Additionally there is a limitation of shareholders' voting power, so that a comparatively small holding has the maximum voting power, and, as the right to vote is not usually accorded to a holder until his name has been on the register for a period of three months, an additional obstacle is placed in the way of a speculator who attempts to acquire a controlling interest by purchasing "on a margin." The combined effect of these safeguards, writes "F. W. H.", is to render it quite impossible, so far as one can see, for an individual or a syndicate to acquire control of an English bank without the connivance of the directors, and not at all easy even with their connivance. The system of multiple directorships, as it exists in America, is unknown in the English banking system. A director of an English joint stock bank is never a director of another English joint stock bank, though bank directors may be, and not uncommonly are, directors also of insurance companies and even of colonial banks. The English bank directors are drawn very largely from the ranks of members of the great financial and accepting houses, and of defunct private banking firms, together with a fair—perhaps an excessive—sprinkling of peers and politicians. As a class, therefore, they have no direct interest in trading concerns, and consequently no inducement to allow the banks to be used for the purposes of financial manipulation or to assist great industrial trusts and railways. In fact, as regards at any rate the representatives of the accepting houses, which concern themselves principally with financing the transport of merchandise, the bias will be strongly against anything in the nature of a banking trust, because cheap credit is essential to their business, and cheap credit depends on competition among those who supply it.

This is how a local correspondent of one of the Montreal dailies concluded his report of a fire this week:—"The damage was principally from water, as the pressure was extra good. Fully insured. The circus drew an immense crowd to the town and gave excellent satisfaction."