

paper conspicuously informs its readers that such report ranks not so much as news, as advertisements, no great harm is done. The trouble is, however, that there has arisen such a number of weekly and weekly sheets, which whilst not having sufficient of circulation to provide enough voucher copies to go round, yet have the temerity to solicit orders for the insertion of reports.

The custom dates back to the old days of Cornish mining. The secretaries of the mining companies approached the few city papers then existing, begged them to send down reporters, and as an inducement offered to purchase a number of the copies containing the report. Now, a chairman or secretary of a company meeting held in the city has to be prepared for badgering by seventy or eighty canvassers, all desirous of coming the old soldiers over the poor officials. It is even suggested at this late hour, that the money spent in inserting such report is *utriusque*, and a test case in the law courts might result in the directors being compelled to refund the money.

In view of the fact that Canadian loans keep in higher favour amongst home investors than do any other colonial loans, it is interesting to note the poor experience of the recently issued Victorian Conversion loan. The underwriters must have been "left" very heavily, and will probably now follow the example of the people who were in the habit of underwriting the municipal loans of the United Kingdom. These gentlemen, wearied by the ceaseless borrowing of extravagant municipalities on one side, and the standoffishness of the investor on the other have declared off participation in such issues for twelve months.

British investors are watching the development at Panama with special interest. Colombia is heavily in debt to its British bondholders, both for principal and interest, and so our council of foreign bondholders has formally asked the Government to decline to recognize the new Republic of Panama, unless the infant administration agrees to take over a fair proportion of the Colombian debt.

The fiscal discussion, which is now raging, and which one cannot escape, pays very little attention to our great home trade, although this is bound to be seriously affected, for good or evil, by Mr. Chamberlain's proposals. Especially does the great home railway position claim attention at the hands of the combatant, and signally fail in obtaining it. How important this question is may be gathered from recently issued Board of Trade returns. In 1870 the 15,537 miles of railways in the United Kingdom were used by 336,545,000 passengers, this being eleven journeys in the year per head of population. The passenger receipts were \$96,500,000. Freight carried amounted to 163,600,000 tons, and brought in \$120,500,000. Last year the 22,152 miles then open carried 1,188,219,000 passengers, the approximate number of journeys per head of population working out at 29. The passenger receipts were \$237,000,000, the freight service handled 436,613,000 tons, these receipts being \$270,000,000. I do not think there is much cause for pessimism here.

INSURANCE.

A good example of careful trading in a hazardous department of fire insurance business is the Fire Reinsurance Co., of London. It is now only nine years old, but, having gone very steadily and conservatively in the days of its extreme youth, it already has done well with a difficult division.

Such organizations are, by no means, easy to run successfully. Business can be got in greater profusion almost than is wanted, but it has to be so carefully sifted

that a lynx-eyed vigilance is the necessary price of safety. Many companies have come to grief through not properly recognizing this need.

In the case of the Fire Reinsurance, however, the directors were content in a premium of only \$25,000 per annum in the early years, and have now earned the reward of abstinence by now boarding reserves and capital, which are fully equal to the strain of carrying the present income up nearly two hundred thousand dollars. Shareholders get a dividend of 7 per cent., and so they have no fault to find with slow and steady methods.

This office like the State Fire of Liverpool and practically all the great British offices aspires to, and generally in the end succeeds in being able to, pay its shareholders a proportion of profits out of the interest earned on the invested funds. It looks, however, as though the investors with so many ordinary capital investments doing poorly in these generally bad times, will probably ere long begin to clamour for bigger yields from such financial institutions as insurance companies. It is, in fact, from those investments which are earning more than sufficient to pay their annual dividends that he will reckon to obtain the wherewithal to make up the deficiencies in his income caused by the backslidings of investments which reconstruct rather than make profit.

A SUGGESTION FOR INSURANCE MANAGERS.

The Editor:—

SIR,—Did it ever occur to you, Mr. Editor, that it would be a wise act on the part of the different Head Offices in Great Britain and the United States, if a substantial sum in the shape of bonuses, were offered to the local managers and agents who could show the highest percentage of profits to premiums earned, say, for the past ten years, and after this period, if it could be found workable, let it be an annual consideration. I have had some little experience in fire insurance, and I have no hesitation in saying if this measure were adopted it would be the means of closer inspection of buildings and save for the Head Offices hundreds of thousands of dollars, that now annually terminate in smoke; and the cost to the different companies would be a mere "bagatelle." My *modus operandi* would run as follows: Of all the companies doing business in the United States, Canada and the Colonies, whose business premiums exceed \$100,000, and whose manager can show the largest profit for the Parent Office, deducting all losses and expenses.

Bonus, say, of	\$40,000
The same conditions to apply to the office whose premiums are, say, at least fifty thousand dollars, bonus, say, of	\$20,000
The same condition to apply to the offices whose premiums are, say, from twenty-five to ten thousand dollars, bonus, say, per cent.	\$10,000
	<hr/> \$70,000

The foregoing amount, although being large, would be only a drop in the bucket, to the amount saved and divided up among all the companies operating in these places, would be as I said before, a mere "bagatelle."

Trusting that some able pen than mine will thoroughly ventilate this matter.

Faithfully yours,

N. SYDNEY, NOV. 22, 1903.

AN AGENT.