

The Chronicle

Insurance & Finance.

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The Chronicle Largely Quoted.

The comments by this journal on the increased sessional indemnity for members of Parliament have been quoted by a large number of newspapers. While it is not affirmed that a journal only quotes what it approves, or endorses, it may be taken as a rule that, generally, this is the case. We believe if a poll were taken of the Canadian press a very large majority would be found in opposition to the increased sessional indemnity which this journal has criticised, as so many have used our words to express their views on this question.

Saving in Cost of Fire Insurance.

The complaints being so generally made that fire insurance rates are too high has brought out a suggestion that merchants would do well to study their stocks in order to see whether they are not carrying more than needful and so increasing the cost of their business in insurance and other ways. The "Maritime Merchant" tells of a merchant who adopted this course with "The result that he has less stock to insure. That is a big saving. He has less money lying idle, less interest to pay, and more cash discounts to his credit." This is said to apply to hundreds of stores in the Maritime Provinces, and if so to thousands throughout the Dominion.

A Case in Point.

In a recent issue we pointed out how certain it would be for the corporation to be mulcted in damages if it built and controlled conduits for electric wires. A recent case was heard in the English Court of Appeal which gives a case in point. The firm of Midwood & Co., Manchester, sued the Corporation to recover \$3,385 damages caused by the fusing of one of the electric cables or mains belonging to defendants who were the undertakers for the supply of electricity for lighting purposes to Manchester. The defendants alleged that they

were empowered and compelled to supply electrical energy for lighting purposes within the city of Manchester, and that the system they adopted was the best system and was approved by the regulations of the Board of Trade; and, further that the fusing of the mains was not due to their negligence. The court, in dismissing the appeal, held that there was a nuisance caused by the defendants, so the claim for damages was sustained. Had the conduit in question being built and the wires installed by a private company, such a claim would never have arisen for the evidence showed that the damage done was directly caused by the electrical work having been more negligently done than would have been tolerated by the officials of a private company.

Insurance Stamp Tax.

In South Africa every fire policy is required to be stamped sixpence for each £100 insured and every fraction thereof, renewals requiring similar stamps. Mr. W. Hay, J.P., when addressing the Insurance Institute of South Africa on 5th June, said:

"The tax does not appear to be very heavy, but it increases over a considerable area of the Colony, the cost of dwelling-house insurance by about 17 per cent., furniture insurance about 15 per cent., wholesale store insurance 5 per cent., and retail shops 4 per cent. The incidence of the tax is by this seen to be unfair, as it presses most heavily on private residences and furniture, and obtains very little from the profitable business of the country."

The same tax of 6 pence per £100 is imposed on marine policies, and of 1s. 6d. on a time policy under 6 months per £100 or fraction thereof and 2s. 6d. on a time policy exceeding 6 months. Life policies are also taxed, the rulers of South Africa being evidently of the opinion that it is advisable to make fire insurance a source of revenue to the State as well as protection to the policy-holder, and that it is wise for a State to put a restraint upon the virtue of thrift. We fear that wisdom is not over influential at the Cape in the legislative circle.