

PHOENIX ASSURANCE COMPANY, LIMITED

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paid us. The past 12 months have been an anxious period, and I am very glad that we have got through it so well. Let us hope that we shall obtain similar success in the ensuing year; but whatever success we have achieved is largely due to the admirable services of the staff, and I will call upon Sir Gerald Ryan to say a few words. (Hear, hear.) We all know what a great power he is in the City, and it may interest you to know that, in addition to his work here in the office, he has throughout the year been employed by the Government in conducting a variety of difficult matters. (Hear, hear.)

SIR G. H. RYAN.—Gentlemen, I am greatly obliged to the chairman for giving me this opportunity of acknowledging, as I do most gratefully, that part of the resolution which concerns the executive staff. For many years, I have had

this privilege, and to-day I have to thank you once again not only for myself, but for my colleagues in the management, who, in a year full of difficulties, have done extremely well for the company, and also for the rank and file of our home staff, male and female, who have successfully contributed to the general result. But the radius of the vote of thanks, if I may say so, goes far further, and reaches the distant parts of the world where our important fire and marine operations are carried on by an able and devoted body of men. I feel sure that the knowledge that they are remembered and that their services are appreciated will be to them a great encouragement. I will only add that in the growing prosperity of our company and in your approval of our work we find an ample reward. (Cheers.)

The proceedings then terminated.

CONTROL OF SPRINKLER SYSTEM WATER SUPPLY.

The committee on field supervision of the National Fire Prevention Association presented an important report at the Association's recent annual meeting on the subject of the positive control of the water supply of sprinkler systems. Concerning conditions, the report said: While it must be acknowledged that the various practices herein outlined have merit and apparently are giving fairly satisfactory results in individual instances, yet for application to all sprinklered properties none of them fulfils the necessary function of a general uniform system of supervision and positive control.

We have mentioned the merits of Central Station Supervisory Service, the various notification and tag systems, sealing of valves by inspection departments, restrictions as to shutting off water, notification to inspection departments, and weekly inspection by the owner, none of which seems to meet the required uniform treatment.

We must therefore aim to adopt other measures of supervision, some plan that will establish reliable daily inspection and check of these devices. In attempting this some radical changes will be necessary. The responsibility must be divided between the principal interests affected, which are the owners of properties and fire insurance companies. The direct interest and influence of the latter make it necessary that we mention them.

PENALISING IMPROPER SUPERVISION.

If the insurance companies acknowledge that special gate valve supervision is essential, that the present lax methods increase their liability for losses, then why should they not make it a requirement that unless satisfactory supervision is obtained a higher premium must be charged, or a special credit given if provided, as the case may be?

The property owner when confronted with such a proposition undoubtedly will assume any reasonable responsibility and comply with such a condition. If these two interested parties can reach a common ground, there is no good reason why a wholly satisfactory outcome of the situation cannot be obtained.

During the preparation of this report there occurred the extensive fires in sprinklered properties of the Saxon Motor Car Company, the Union Switch and Signal Company, the Westinghouse Company, and other plants, and the lessons therefrom emphasize the necessity of bringing about a system of treatment of the cold weather hazard, another matter of grave importance having bearing upon valve control.

The committee recommended that insurance companies establish a warranty in their policies regarding keeping gate valves open. A daily inspection of valves, both night and morning, was recommended, together with a device to register the open valves by a key arrangement at each valve to be operated by the watchman. Further methods of control are also specified in the report.

WAR TAXES ON FIRE COMPANIES IN U. S.

Like the life companies, the fire companies operating in the United States, will have a heavy additional burden of taxation placed upon them, if the proposals for war taxation now before Congress, go through. These proposals ask for 50 cents per thousand dollars of capital or surplus over \$99,000, a net income tax of 4 per cent. instead of two as formerly, a 16 per cent. tax on any profits over 8 per cent., and an addition of 50 per cent. to the big postage bills, which amount to one-half of one per cent., of most companies incomes. Besides, there is a retroactive income tax proposed of 33 1/3 per cent. on the amount due on 1916 income. What these taxes would mean is shown by figures compiled by the Continental, American Eagle and Fidelity-Phenix. The total taxes paid by these three companies in 1916 were \$629,277. Under the new tax proposal, they would be increased to \$1,207,040 approximately.

Mr. R. M. Bissell, president of the National Board of Fire Underwriters, who made representations on this subject at Washington a few days ago, stated that his own company, the Hartford Fire, paid taxes equal to 4.6 per cent. of its entire gross income in 1916, and that the fire companies reporting to the New York department paid in taxes during the last five years, the enormous sum of \$49,100,000. During the same period the net profits of the same companies were \$50,200,000.

Mr. H. M. Davison, of Charlottetown, P.E.I. was a visitor in Montreal this week. Mr. Davison represents the Law Union & Rock and other leading companies in the Island Province, where also, he has other important business interests.

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The *per capita* amount of life insurance, including fraternal and assessment insurance, in force in the United States at the beginning of 1916 was \$220. Probably about 50 per cent. of the insurable population is not insured.