accentuated year by year, for not only has the amount of trust funds in this country available for investment been growing with rapid strides, but also the demand for gilt-edged securities has been greatly enlarged by the addition of capital formerly sunk in industrial and commercial companies which have been turned into limited liability companies. The result has been that the rate of interest on loans on heritable security has now fallen so low that this outlet is practically closed to insurance companies. About 35 years ago probably three-quarters of their assets were invested in this way as against less than a quarter at the present time. The classes of investments which are now mainly made use of consist of what may be called "Stock Exchange securities"—namely, Home Railway Debentures and Preference stocks, Home and Foreign Government securities, Obligations of American and other foreign railways, and Debenture stocks of trust and commercial companies, all of the best class. In adding these new classes of investments the offices have been able to obtain a rate of interest much better than that which loans on heritable security now yield, and they have done so with the minimum of loss, for the amount of capital written off during the last three years for loss or depreciation amounts only to eighteenpence per cent. of the total assets. The most important factor in the problem before insurance offices at present is the course of the rate of interest on gilt-edged investments—whether it is to rise or to fall? During the last 15 years the rate on a selected number of these investments fell from an average of £3 9s. per cent. in 1886 to £2 10s. 7d. per cent. in 1896, and has risen to £3 1s. 8d. per cent., at which it stands at the present day. We are probably passing through a period during which the rate is not likely for some time to vary to any great extent, but the likelihood is that eventually its tendency will be downward. A European war or a great revival of commercial prosperity might keep up the rate temporarily, but in the present condition of affairs the probability is that when the South African war is concluded and the present unsettled feeling is removed we shall see a reduction in the rate of interest on first-class securities.

At the close of the meeting a very hearty vote of thanks was accorded Mr. Gunn for his able and interesting address.

MR. P. M. WICKHAM, manager for Canada of the Alliance Fire Insurance Co., had his official sanctum as Mayor of St. Lamberts injured by a fire a few days ago.

BITUMINOUS COAL was shipped to this port during the last season of navigation to extent of 909,152 tons, as compared with 681,423 tons in 1900. The shippers were, Nova Scotia S. and C. Co., 2,985 tons; Dominion Coal Co., 795,630; Intercolonial, 33,555; Scotch, English and American, by sea, 176,928 tons.

HOW THE INSURED CAN REDUCE RATES.

A QUESTION WITH A LOCAL ANSWER.

The responsibility for what are regarded as high rates of fire insurance is placed by property owners wholly upon the underwriting companies. Some weeks ago in referring to this question we compared the complaining policyholders to the fabled waggoner of Esop. The story runs that when his vehicle was stuck fast in a rut he appealed to Jupiter for help, whereupon Jupiter Tonans, the god of thunder, told him to put his own shoulder to the wheel, which resulted in the waggon's release. "Self-help is the best help," though "the proverb is somewhat musty," expresses a sound principle, the recognition of which as a rule of conduct by property owners would do more to reduce fire insurance rates than all their letters written to the daily papers, or all their complaints to insurance agents. Our remarks having been widely quoted by our contemporaries on this continent and Great Britain, it is evident that the question of the policyholder's responsibility for high rates is a live one. As it is well to "strike while the iron is hot," it will be timely to point out instances of rates being reduced when better fire protection was afforded, and raised when negligence in this respect, after warning, compelled underwriters to so protect themselves. We take the following illustration of the power of property owners to reduce rates from the "National Provisioner." Some two years ago the underwriters in Philadelphia, after suffering heavy losses and meeting with discouragement in their efforts to secure a better water supply, felt compelled to levy an additional rate upon mercantile and manufacturing property in certain sections. This was done by means of special slips attached to policies, which specified the reason for the advance. Subsequently when the city government acceded to the popular demand, this increase was rescinded. A similar case occurred at Birmingham, Alabama. In that city, in consequence of the underwriters having been successful in securing desirable building laws and appointment of a civic building inspector, the insurance companies gave the city a first-class rating by which the cost of insurance was materially reduced. At Pittsburg the insurance companies are prepared to grant more favourable rates as soon as the water supply is improved, as is proposed. A system of rewards for merit needs supplementing by punishments for wrong doing to bring out its full efficiency. If property owners expect, as they do, that improved fire protection will reduce rates they logically commit themselves to an approval of rates being raised when fire protection becomes more and more defective. Thus, at Toledo the civic rulers are proposing to reduce the strength of the fire brigade. This danger being threatened, the insurance companies have responded by stating that 25 per cent. will be added to the rates if twenty firemen are laid off as proposed. The aggregate cost of fire insurance to the city would