

While it is very desirable, as the circular says, that any steps should be taken which can be taken to lessen the fire-waste, and to arrive at equitable rates and conditions of insurance, we doubt if such a proposal as this is likely to effect what its signatories appear to desire. Assuredly it is not likely to be palatable to the tariff companies among fire underwriting bodies, whatever may be thought of it by the mutuals or other non-tariff companies. It seems to say to these organizations: "We have just formed an insurance bureau which has a staff of managers, inspectors and clerks, and we need additional revenue to maintain these. Now, instead of paying commission to your regular agents for any business our members may send you, if you will pay that commission to us, we in return will inspect our members' premises, correlate your policies and attend to the collection of your premiums and the adjustment of losses."

Supposing such an unlikely thing as a general acquiescence in this proposal by all the tariff companies, could the insurance bureau of the manufacturers handle such an enormous burden of work and responsibility? It would take years to provide the machinery to do what is so jauntily proposed in this circular to set at once at work. And must the insurance companies lessen or do away with their own machinery of the same sort to accommodate the manufacturers' bureau?

But putting the supposition aside as out of the question it strikes us as a very bold proposal indeed to make, that companies which have for ten years, twenty years, fifty years, been educating agents and employing expert electricians and inspectors to do their business in a manner adapted to the altered conditions of modern industrial life and later building methods, shall consent to put aside all this laboriously prepared machinery or subordinate it to a newly-formed experimental fire insurance bureau.

It will be found, we venture to think, that the C. F.U.A. companies either as a body or the majority of them, individually, will take the ground, and quite properly, that they prefer to do their own business in their own way rather than entrust its vital management to persons whom they either do not know or in whose competency to conduct it they have not confidence. As to a conference such as is proposed, let as many conferences be held as will tend to harmony and the betterment of fire-protecting measures. But much of what is proposed by the manufacturers' insurance committee is of the nature of covering the same ground twice over—overlapping effort which is only likely to result in confusion.

FIRE INSURANCE AND CREDIT.

Editor Monetary Times:

Sir,—We noticed yesterday in R. G. Dun's Bulletin a quotation from an article of yours under date October 13th referring to a merchant in the Province of Quebec who was insufficiently insured, and in consequence of a fire which took place was obliged to seek indulgence from his creditors, and asked them to accept fifty cents on the dollar on the amount of their claims.

From our own, we may almost say bitter, experience we look upon your remarks as particularly well timed, and only hope the notice will come before the attention of many merchants who are altogether too careless about this important matter. We are continually at our customers all through the country, reminding them of their insurance, and pointing out the fact that from an honorable stand-

point alone it is their duty to carry at all times at least sufficient insurance to cover the amount of their liabilities. We have on several occasions been practically told that it was none of our business to interfere, but there have also been numerous instances where our advice has been "seed falling upon good ground."

We hope you will keep up the good work, and do all you can to keep the wholesale houses from suffering losses of this kind.

Very truly yours,

JOHN MACDONALD & CO.

Toronto, November 11, 1905.

The letter of Messrs. John Macdonald & Co., in our columns to-day expresses, we feel confident, the feelings of many other wholesale merchants and manufacturers on the subject of fire insurance carried by retail dealers who are buying on credit. In the article referred to we mentioned two instances of traders or firms, one in Ontario and one in Quebec, burned out with inadequate insurance, who at once asked their creditors for a compromise settlement. This is as much as to say to their creditors: "I have been foolish, negligent, niggardly—and now I want you to suffer for it. Cut your account in two." Too many wholesale dealers fall into this spider-web and are done out of a third, a half, two-thirds of what is due them. A united effort should be made to stand up against such propositions of genteel robbery. No trader who buys on credit and will not insure has any right to ask for sympathy if he is burned out. As we have already said: No merchant deals fairly with those from whom he buys, if, having little or no means of his own, he seeks to make a livelihood by their crediting him, while he makes no adequate effort to provide indemnity in case of fire for them and himself.

BIASSED INSURANCE CRITICS.

That the contention is well-based that the present investigation in New York into life insurance methods, necessary as it undoubtedly is, may easily lead the public into a reactionary and absolutely false view of the whole business, is evidenced already in many a newspaper article and parliamentary speech. Usually the "Political Science Quarterly" abounds in well-informed statements and discussions. But even that journal seems now to have fallen under the spell of the sensationalist in insurance matters. Prof. Willett, of Columbia University, had an article in a recent issue of that quarterly which is so full of misconceptions of the whole subject that protest is needed, for, if its thesis were acted upon, it would be likely to lead to the establishment of life insurance companies charging premiums so insufficient that they must come to grief, with sad results to both share and policy holders.

He starts off with the contention that the present cost of life insurance is from 20 to 25 per cent. too great and then tries to prove his assertion by hook or by crook.

He says, for instance, that the reserve of a life insurance company upon each policy increases each year up to a point near the middle of the probable term. After that the company credits itself each year with so much of the reserve on the policy as is necessary to make up the difference between the natural premium and the premium the company is receiving. This seems rather involved, but it is a specimen of