FIRE INSURANCE RATES.

Fire insurance rates on this continent are high because, comparatively speaking, the people of Canada and the United States are indifferent builders, do not bear the responsibilities which rest upon them in connection with the care of their property and are careless in the use of fire in every way, particularly with matches. In the Dominion we are burning property at the rate of almost $25,000,000 per annum and human lives to the number of 200 every year. Mr. C. F. Carter, in a recent article, cites certain facts respecting the experience of the United States in this direction. The idea has gone abroad that fire insurance is in the control of a trust, and this is possibly one of the reasons why hard-up legislators are so ready to impose taxes on the companies which make fire insurance their business. Mr. Carter shows the result in the statement that, of $1,255,486,000 collected as fire premiums in the United States in the five years ending with 1909, not less than $33,476,000 went to the various municipal and state authorities in taxes.

This was equal to 2.67 per cent. of the gross amount of premiums collected. It amounted to 6.45 per cent. of the premiums remaining after the fire losses of $736,911,000 were paid. Where these taxes were paid on buildings, etc., occupied by the companies and their agencies, there was no fault to find. Where, however, as is usually the case in the United States as in Canada, the amounts included special levies on insurance companies because they were insurance companies, they were nothing but a special charge on a necessary service, and in one way or another involved an increase of the premium taken from the insurer. Mr. Carter's conclusions from figures available in the case of the State of New York is that in 1909 the sum exacted from fire insurance companies was $1,965,000, and, after deducting the cost of State regulation, he thinks $1,739,000 of the amount might have been left to reduce premiums, and the reduction would have been notable.

Another cause of the high cost of insurance is the high rate of expenses of the companies, which runs from 36 to over 40 per cent. of the premium receipts, a high rate, it will be thought, but one that, perhaps because of the high cost of living among other things, it does not seem practical to reduce. These, however, are minor matters. The overshadowing cause is the waste from fire losses which the companies have to pay. In 1907, a normal year, Mr. Carter says, recorded fire losses in the United States were $215,084,000, while protection against fire cost $241,401,000. The sum of these two items, he says, was equal to half the value of the new buildings erected in the year.

Just half of the great outlay on new construction, therefore, meant an actual addition to the value of buildings in the country. That such loss is unnecessary is indicated by a comparison of the experience of the United States with that of other countries. In the five years ending with 1907 it is stated the fire losses in the United States averaged $3.02 a head of the population a year. In six European countries, including Germany and France, in the same period the losses averaged only 33 cents a head a year. Moreover, in the United States conditions are growing worse. The rate of increase in fire losses is greater than the rate of increase in population.

So it is easy to accept the statement, based on the records of the New York Insurance Department, that, with taxes, high rates of expense and high rates of loss, from 1891 to 1908 only 3.06 per cent. of the premiums taken in the State remained with the companies in the shape of yearly profits. It is a mild trust that is content with such remuneration for such risk, and the need of regulating it is not outstandingly necessary. The remedy for the state of affairs is to be looked for in connection with the education of the people rather than in the regulation of the underwriters by law.

HIGH PRICES AND VALUE OF GOLD.

With good prospects of a new productive gold camp at Porcupine, Northern Ontario, the question of gold value is again made prominent. There is no check to the general rise of prices in the cost of living. The American consul at Buenos Ayres records 298 strikes during 1910, attributed to "the high cost of the first necessities of life." In ten years the price of bread has advanced 70 per cent. and other commodities in proportion. The American consul at Bahia (Brazil) furnishes a table of local prices that would cause consternation in New York. The London Economist notes a general advance of prices in Great Britain since 1902 of about 25 per cent. The United States consul at Dunfermline (Scotland) says that the cost of living in his locality exceeds that of similar districts in Canada or the United States. From Dresden one is informed that many women have abandoned housekeeping for more lucrative occupations, in order to assist their husbands to meet the enhanced cost of supporting their families. Similar accounts come from Paris and other parts of France.

The wave of high prices is beginning to be felt at the edge of civilization. In Batavia (Java) rents, wages, provisions and clothing appear to have risen to the level of the great commercial centres. Here is the most recent price list of household expenses (sums in American gold):—

House rents, per month	$70-$150.00	Meats: Roasts, steaks, pound	.22-.32
Chinese cook, per month	14-20.00	Milk, quart	.40
Chaffeur, with keep, per mo...	50.00	Flour, pound	.06
Bread, pound	08	Sugar, pound	.12
Butter, pound	45	Vegetables, pound	.02-.08
Cheese, pound	4[illegible]	Fowls pound	.10

Enhanced prices, says the Wall Street Journal, have induced the Chinese government to demonetize its copper "cash" and sell it for old metal; while the same cause has impelled the British government to substitute nickel and silver coins for the cowry-shell money hitherto employed in its protectorate of Northern Nigeria.

No cause, general or universal enough in its influence to affect these and the numerous other localities from which similar official reports have been published, has been suggested, except the vast supplies of gold which have of late years been poured out of South Africa, Russia, Alaska, and the mining States west of the Mississippi valley. Should the advance of prices continue, it will scarcely fail to awaken some distrust in the future purchasing power of the metal in which now all our obligations are couched.

SMALL CHANGE.

T. W. Lawson, Boston, was in Vancouver last week. What is going to happen?

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The banking position in Canada is strong. While the chartered banks express their ability to handle the crop movement during the coming fall, they have some fear as to circulation. Several are very near their circulation limit, and one exceeded that limit a short time ago. The bankers desire greater circulation facilities during the crop movement period. Conservative bankers consider that capitalization, on which the note circulation rests, has been increased to the limit of prudence already; the next alternative, therefore, may be attempted, and the Government will, in all probability, shortly be asked to lengthen the period in which the banks are allowed to increase their note circulation by fifteen per cent. to include the months of September and March as well as October, November, December, January and February.