

amount represented by the land mortgages and cash proceeds of land sales, \$50,000,000; then there are other lands to the value, on a conservative basis, of \$5,500,000, of which the company became the owners in whole or in part in connection with the acquisition of branch railway lines. Besides these, there are, of course, your unsold lands in the agricultural belt approximating 7,300,000 acres.

It has always been the practice to separate in the annual accounts the revenue from land and townsite sales from the other income of the company, and it is now proposed to adopt the same policy with reference to interest on investments, dividends, rentals and like sources of income other than the receipts from the railway and steamship lines, incorporating the income from these items in one fund which, of course, will vary in amount from year to year, and from which the directors will make such a periodical distribution, as in their opinion may be warranted by circumstances, in addition to the regular dividend that may from time to time be declared on the ordinary shares of the company.

It is estimated that the interest and dividend returns from these sources will be about \$4,500,000 during the current year, so that even now it will only be necessary to supplement this amount by a comparatively small contribution from the land funds to represent 3 per cent. on the outstanding common shares, and, therefore, it was decided to make a distribution on that basis, commencing with the quarter ended Dec. 31 last.

Your directors have every reason to hope and believe that the regular dividend of 7 per cent. per annum from the net revenue of the railway and steamship lines can be maintained, so that with a payment of 3 per cent. from other income you will be receiving a return of 10 per cent. per annum on your common stock without encroaching to any appreciable extent on the vast assets, now at your disposal, that will increase in amount as population increases and as your lands are sold, and that will remain available for the fortification of your property in any exigency that may arise.

From Across the Line.

(Exclusive New York Correspondence of The Chronicle).

The New York Factory Horror: Fire Underwriters' Agitation for Proper Building Construction—New York's Workmen's Compensation Law Declared Unconstitutional—German-American Fire Obtains Control of Rochester German—The Albany Fire: Underwriters Not Interested—Personal and Company Notes.

Naturally a chief topic of conversation, not only among fire insurance men, but the public generally, is the fire horror of March 25, in which, in a crowded factory in this city, no less than 143 persons lost their lives. The insurance damage was not great, for the fire was confined to the building in which it started, but insurance men realize the tremendous hazard involved through the lack of good construction in this city, as well as other cities throughout the country. It will be remembered that a model building Code was prepared by fire insurance men, mostly of New York, some two or three years ago, and that it was only through political influence that it was allowed to escape passage. Strangely enough, in a few other cities of the country, the Code has been taken as a model, and is being used where new buildings are constructed and so far as possible in reconstructing old ones. It is thought that the present disaster will result in a speedy passage of laws, which will result in better building methods here, and will, consequently, greatly reduce the fire hazard. So far as proper building construction is concerned, fire underwriters have always been the great "agitators" and it is through them that feeling has been aroused on the subject, and such progress made as has been made. Even with the

new Code put in operation, it is hardly likely that the present generation would see any great improvement. Fire underwriters, however, conscientiously reason that they must plan and build for the future, and they hope that other generations may see the fruit of their labors.

New York Workmen's Compensation Law Declared Unconstitutional.

One of the great surprises among the casualty insurance men, especially those writing employers' liability, was the decision by the Court of Appeals of this State, that the new Workmen's Compensation Law passed in this State and known as the Wainwright Bill, is unconstitutional. This will have considerable effect on the attitude of the companies writing employers' liability toward their patrons, since it greatly reduces the liability of the employers of labor. The bill practically provided that the burden of proof should be all upon the employers to show that the employee was not injured, and it took away all recourse on account of contributory negligence. The bill, as stated, is now shown to be unconstitutional, and the underwriters in their dealings with their patrons will govern themselves accordingly. Just what practical effect it may have upon the volume of employers' liability insurance written, cannot yet be known; but at any rate, employers' liability insurance has become so fixed a part of the constitution of things, and is growing so rapidly, that it will still, of course, always be a large factor in the economic problems of the country.

German-American Fire Secures Control of Rochester German.

An important event since my last letter is the obtaining of the control of the Rochester German Insurance Company, by the great German-American Fire Insurance Company, of this city. It is not now thought that the risks of the Rochester German will be reinsured in the German-American, but that the owners of the German-American will conduct the Rochester Company as a separate corporation.

The Capitol Fire at Albany: Underwriters Not Interested.

Fire Underwriters are congratulating themselves that in the case of the recent great fire at Albany, in which the Capitol Building was virtually destroyed, the State was carrying its own insurance, and the insurance companies will therefore lose nothing. This is the third or fourth example in recent years, of the destruction by fire of State Capitols, in which the State carried its own insurance. One was that of Wisconsin some years ago, another of Missouri within a few months, and now the Albany fire has capped the climax by proving a greater loss to the State than all put together. In such individual instances, the underwriters may stand aside and regard the event with complacency, but the folly is plainly shown of any State assuming the insurance on its own public buildings.

Notes.

Fire Commissioner Waldo, of this city, has recently created considerable disturbance among the owners of property, by demanding that all be equipped with automatic sprinklers, a power which he apparently has under the law. If this is carried into full effect, it will prove a great boom for the sprinkler companies, and will cost the property owners several hundred million dollars.