

costs something to transact business of all kinds, including insurance. In addition to the working expenses, the companies are bled right and left by States and municipalities through arbitrary tax laws, enacted by men who are misled by just such absurd statements as the above. We notice that the single State of New York collected last year in taxes on premiums and capital over \$120,000 from the fire insurance companies. How much more was paid to municipalities under one pretext and another, we do not know, but the amount was considerable. And so, everywhere, in Canada, in England, and in the United States, license fees, taxes on premiums, income tax, taxes for the benefit of fire departments, fire patrol expenses, and the like, are saddled on the insurance business, in addition to ordinary necessary working expenses. It is the aggregate of all these items which goes to make up the more than 33 per cent. of premiums, as shown above, and which swallowed up not only the \$23,391,148 which the Walkerton gentlemen say went into the pockets of the stockholders and directors, but some other millions besides.

"Not a dollar of their own money went into the business," say our Walkerton friends. Whose money, pray, was it that "went into the business," when the Chicago fire was adjusted and numerous companies poured their entire cash capital and assets into the ash-heap and quit the field, while numerous other company stockholders put their hands into their pockets and made good their depleted capital, and went on again, hoping to retrieve their losses? Whose money "went into the business" in Canada in 1877, the year of the great St. John fire, when with premiums amounting to \$3,764,005 the insurance companies paid \$8,490,919 for losses, in addition to expenses? The fact is, every year a large amount of insurance capital is sunk in the business, as the annual failure of companies clearly attests. It is a most telling fact in this connection that during the 21 years under survey, no less than *eight* Canadian insurance companies have been wiped out of existence, and the bulk of their capital "went into the business"; besides which the fact is a significant one that some existing companies have more than once been compelled to write off their capital to the tune of a hundred thousand dollars or more at a time. The names of the companies which have ceased to transact business are: The Canada Agricultural, Canada Fire Marine, Dominion, National, Ottawa Agricultural, Provincial, Sovereign and Stadacona. The stronger and better managed companies, by skillful handling of their invested funds and care in the taking of risks, manage one year with another to make a little money, else they would quit the business; while many others succumb to the inevitable, leaving their money to help bridge the chasm, as to the business at large, between receipts and expenditures.

In conclusion, we say to the good people of Walkerton and of all other towns, that if they will study insurance history for the past few years, as written by the compilers of the Government reports, we feel perfectly confident that they will not allow themselves to be led

by either visionary theorists or interested "reformers" into any scheme of self-insurance. It is a hazardous undertaking and may prove to be an exceedingly costly one, notwithstanding the suggestion of economy made by the "Insurance Committee of the Board of Trade" when it says: "Since the fire of 1877 the people of Walkerton have paid the insurance companies *three times* the amount of all the losses by fire that the town has sustained since the first house was built by its founder." Admitting this statement to be true, what does it prove? Does the fact stated assure the people of immunity from future loss? Very likely some St. John croaker the day before the big fire there might truthfully have made a similar statement. Do prudent business men, whose insured stocks of goods or buildings may have escaped loss by fire for ten years, more or less, therefore repudiate insurance protection and become their own insurers? Certainly not, for they know full well from the experiences of their neighbors that, though they have enjoyed immunity for ten years, the first day of the eleventh year may come in fiery ruin. What is wise for an individual in this regard is wise for the collection of individuals constituting a town or village. Any insurance scheme devised and operated by a town in its corporate capacity necessarily means that the property of the place shall be taxed in some form to pay for such fire loss as may occur. Suppose a sweeping conflagration destroys half or two-thirds the town, including the property of the heaviest tax-payers? Do the theorists of Walkerton propose to tax the people heavily enough to at once create a fire fund of a half million or a million dollars, on the score of cheapness? But in the absence of such a fund, suppose a half million dollar fire occurs? Either the loss must be paid by future burdensome tax on the very men who are the victims of the loss or not paid at all. It is also manifestly worth while for the people to inquire what would be the probable chance of floating debentures issued by a town which is left absolutely destitute of the protection of insurance capital. Investors are somewhat particular on this point. Of course it costs an individual something to carry insurance, but in the long run it costs him a good deal more not to carry it. Some men have tried insuring themselves and have been speedily convinced of their mistake; some towns have tried the same experiment and with the same result. Our advice to Walkerton and all other towns, in all kindness, is—Don't.

ONTARIO LIFE UNDERWRITERS' ASSOCIATION.

As we stated in our last issue, the Life Underwriters' Association of Ontario is fully organized and officered. That it means business is shown by the promptness with which it announces this fact and invites the active co-operation of all life assurance agents and managers throughout the Province. A circular from the secretary of the association is before us, stating briefly the object for which it has been formed and expressing confidence in their realization. The circular says, "the first and most important step which the association proposes for the mutual benefit of all agents will be to