

effect last March. On some heavy goods prices are reduced 5 per cent.; but the extra 5 per cent. discount allowed on orders placed up till June will hereafter have no effect after April 1st. The reasons for this course of the big United States company are stated by its president as follows:—

"It is to prevent the independent companies cutting into our business. When prices were put so far above the basis of raw material prices the large margin of profit enabled independent companies to offer lower prices. They thus gained our business, waxed fat, and had to be bought out." Now, the rubber company claims to have such excellent equipment and organization that the lower cost of producing the manufactured article gives them a slight advantage over their competitors. This they hope to maintain, and by keeping prices down they hope to increase the volume of their business. In this way their net profits will be, they anticipate, quite up to last year, notwithstanding the high price of the raw material, while at the same time they will strengthen their hold on the markets.

The Canadian manufacturers of rubber met together in Montreal the other day to discuss the situation, and of course the chief topic for discussion was this action of the American company. It is understood that the Montreal gathering arrived at a common ground for action, but that action with regard to the new price schedule was postponed for another meeting next month. One thing seems sure, that there will at least be no reduction in prices. We see by the papers that among those present at the conference were the gentlemen whose names follow: S. H. C. Miner, president of the Granby Rubber Company; D. Lorne McGibbon, general manager of the Canadian Rubber Company; H. D. Warren, president of the Gutta Percha Company, of Toronto; James Robinson, president of the Maple Leaf Rubber Company, of Toronto; Mr. Breithaupt, president of the Berlin Rubber Company, and Mr. Reiter, manager of the Merchants' Rubber Company, of Berlin. We are told that the control of the Boston Rubber Co., of St. Jerome, P.Q., has been taken over by Mr. J. J. Westgate, of the Hudson Bay Knitting Company, for a syndicate of Chicago and other capitalists, whose capital is said to be well on to a million. Probably the present plant will be greatly enlarged, so as to admit, in addition to rubber boots and shoes, of the manufacture of mechanical goods also, made of that material.

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#### FIRE INSURANCE IN 1904.

That the year just closed was a disastrous one for fire underwriters on this continent is plain. The tabulated losses for the twelve months are put down at \$248,000,000 in round figures. This, of course, includes the conflagrations in Baltimore in February, and Toronto in April, amounting to say \$70,000,000. But even with this great sum deducted, the fire-waste would still amount to \$178,000,000, which is enormously above the \$149,000,000 of 1902, or the \$156,000,000 of 1903; much more indeed than in any of half a dozen past years. These figures refer to the United States and Canada; what Canada's proportion of the loss is we cannot do more than guess at. But the swallowing up of such sums, year after year—increasing sums, for the fire loss of 1896 was only \$115,000,000, and in the next year to that, \$126,000,000—do not take place without having a weakening effect upon

the prosperity of a people. How long will the people of the United States and Canada be satisfied to see their wealth dissipated at the rate of twelve to twenty millions of dollars per month by carelessness or unpreparedness for fire.

The fire underwriters as a body have without doubt lost money in the year. How many millions cannot yet be stated, but the estimates range from \$5,000,000 to \$12,000,000. And one thing brought about by the burnings of recent years has been the increasing of the rates of insurance. This is the right and indeed the duty of the companies, for there is neither reason nor right in their carrying on business at a loss. The merchants and manufacturers of the country naturally find the advanced rates onerous, and they are bringing pressure to bear upon municipal authorities to improve water supply and other means of combatting fire. Much is being done in this direction—we wish it could be added that the people generally are becoming more careful as to fire. With the growing congestion of the business centres of cities and towns, the taller buildings, the increased liability to fire caused by commercial pressure and industrial haste, there is greater need now-a-days than ever of increased vigilance in fire avoidance and in fire fighting. The water-pressure which was sufficient twenty or even ten years ago is no longer adequate. Fire appliances that were then good enough are to-day out of date.

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#### REVISION OF THE INSURANCE ACT.

The Superintendent of Insurance for Canada has indicated in his last report the probability that the revision of the Insurance Act will be made at an early date. This may be taken to mean that the revision will take place at the present session of Parliament. It is timely to say that there are two or three features in connection with the Act which should not be overlooked when it is being revised. One of these is an alteration in the provisions of the present statute relative to the investment of life assurance funds. An agitation has been going on for two or three years by the life assurance companies for a modification of the present investment powers. It is understood that the Department of Finance is favorable to the main proposals of the life assurance companies in this direction. While the provisions should not be too broad, yet they should be sufficiently elastic to permit of a healthy selection of securities.

Another point that appears most desirable is that distinction should be drawn between the regular system of life assurance, and the assessment system of life assurance. In many States of the American Union there are two Acts dealing with life assurance—one dealing with the recognized system, and the other with the assessment and fraternal systems. In the interest of sound life assurance, legislation regarding assessment assurance ought not to be included in the general Insurance Act, because it is calculated to mislead the public by giving it the appearance of being based on the sound and scientific lines on which regular life assurance stands. A suggestion is made that the Minister of Finance and the Superintendent of Insurance will take the life insurance companies into their confidence when the revision is proposed to be made. If this were done, instead of there being any antagonism when the legislation is going through its various stages, there might be hearty co-operation.