

THE CHRONICLE has always contended that the city should participate in the profits derived from privileges granted to industrial enterprises, and that the city should have a voice in the affairs of such companies as operated under city franchises.

After a motion had been before the City Council on 9th October last, in regard to the extension of the contract with the Light, Heat & Power Company, we submitted an alternative scheme which may be briefly stated as follows:

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SCHEME RELATING TO THE LIGHTING QUESTION.

—A franchise extending over a moderate number of years to be granted to the Montreal Light, Heat & Power Company, which should be required under its contract to pay the city a percentage of its annual profits, after providing for, fixed charges, a sinking fund and earning a dividend of 5 p.c. The city's share of profits might either be passed into the general civic revenue, or, by a special arrangement with the company, the profits due to the city might be utilized for the purpose of reducing the prices of light, heat and power.

A representative of the city to be given a seat on the Board of Directors and a certain amount of the company's stock might be secured in order to give the city the rights of a shareholder.

It would be necessary to employ an independent, expert auditor to ascertain the amount of each year's profits made by the company supplying the citizens with gas and electricity.

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents.

NEW YORK INSURANCE LETTER.

New York, April 4, 1906.

So far as recording all actual happenings in life insurance are concerned, none but a daily paper, and we may almost say an hourly edition at that, is able to keep up with the life insurance history as it is being made at the present time. Internal dissensions have rent the companies more or less, while hostile legislation stalks boldly forth and attacks them all. At this present writing only one of the hostile life insurance bills has gone through—that providing for new boards of trustees for the mutual life insurance companies of this State—but others will be put upon their passage immediately and many of them will probably become laws, though perhaps with unimportant amendment. Fortunately, the bill which strikes most directly at the heart of the business and which if passed without amendment would destroy all agency organization in this State, will very probably be so changed that it will be possible for the companies to continue to do business here. As is well known, there has heretofore been set no limit upon the compensation which companies might by contract pay their agents. The tendency, however, has been to a lower rate of commission and there was every probability that whatever evils are caused by excessive commissions would sooner or later right themselves. According to present prospects the agents' bill will be so amended that the maximum commission allowed will be about forty-five per cent. with renewals for nine or ten years. The Dominion is now passing through somewhat the same stage of life insurance investigation as New York has recently suffered, and can therefore sympathize with its sister this side of the St. Lawrence. If the present writer were to endeavour to place upon paper all the pertinent comment which could be made upon the life insurance situation as it exists to-day your columns would have room for nothing else.

One can but applaud the thorough and systematic work

of the Committee of Twenty which through its agents and expert engineers has been investigating the various cities of the country with a view to determining their condition as regards fire defenses and their chances as to the conflagration hazard. The reports upon these individual cases have been thorough and comprehensive, and where criticism has been needed it has been made sharp, sweeping, and to the point. We are glad to note that in many cases the suggestions contained in these reports have been heeded and that the improvements indicated have been or are being made as rapidly as possible.

As was anticipated, this year so far is not proving so favorable for the fire companies as 1905 for the same period. This, however, is not an unmixed evil. There is nothing like a little adversity to bring both individuals and corporations together and to impel them to combine in harmonious action for whatever may be their best interests under the circumstances. Another year like 1905, with its uniform low loss ratio and large profits, would probably have resulted in the disruption of most of the fire underwriting boards of the country, and quite likely of the New York Fire Exchange itself.

NOTES.

Much interest is expressed in this city in the resignation, after so many years of service, of Mr. John M. Dove as general manager at the home office of the Liverpool and London and Globe Insurance Company.

Mr. Henry W. Eaton, resident manager of the Liverpool and London and Globe, has just returned to the city from an absence of some weeks in the interests of his company.

Manager Frank Lock, of the Atlas, has just returned from a tour of some duration among the company's agencies. Mr. Lock first visited the northern part of the country and afterwards the sunny South which was his point of departure for New York. His election as president of the recently formed Adjustment Bureau is regarded with much approval among fire insurance men everywhere.

Manager James H. Brewster, of the U.S. department of the Scottish Union and National Insurance Company, has sailed for Europe taking the southern route to Italy.

Among the prominent absentees just now are Samuel R. Weed, of the firm of Weed and Kennedy, who has gone to Mexico and California for a two months' trip, and George L. Shepley, of the firm of Starkweather and Shepley, who sailed for Europe on the 27th ult. Manager Carl Scheiner, of the Munich Re-insurance Company, has also sailed for Europe.

Among recent visitors in New York was Vice-President J. J. Kenny, of the British America and the Western of Toronto.

The report circulated here that the London and Lancashire was about to absorb the London Guarantee and Accident Company, proves to be without foundation. Even in case the transaction had gone through it is scarcely likely that the United States business of the London Guarantee would have been interfered with under its present able management.

QUERIST.

LONDON LETTER.

FINANCE.

March 24, 1906.

When some years ago the tremendous slump in the quotations of British railway stocks, following upon heavy expenses and declining receipts, caused special attention to be directed to the weak point in our railway administration and financing, it was seen very forcibly that there had been an habitual over-expenditure of capital account. It has been one pronounced aim of the "New Idea" working in our railway board-rooms to reduce this inordinate capital expenditure. Statistics, just published, enable one to perceive the improvement which has already been effected.

The aggregate capital outlay of the twenty-one leading railroads of Great Britain has declined slowly but steadily for some years now. The present outlay on the principal roads, however, still amount to over fifty-five million dollars per annum. This, whilst still being excessive, is only about half the figure of the total annual capital commitment of six years ago. The total capital expenditure of the twenty-one lines for the inclusive years 1883 to 1905 amounts to the colossal figure of \$1,530,681,795.

Mr. Jefferson Levy is in London again preaching the