

### Charges for Cheque Collection.

The question as to the justice and necessity for charging for services rendered ought to be completely out of the pale of discussion. Yet, the *New York Journal of Commerce* recently devoted a column of its space to serious consideration of a claim, advanced by persons to whom Dickens' creation, Joey Ladle, referred as "them as knows 'most everything," that Philadelphia bankers were profiting at the expense of their Boston brethren by consenting to do something for nothing. The *Journal* in question says:

"Some little interest was caused in local banking circles yesterday by a press dispatch from Boston stating, "according to estimates made by persons whose information and credibility should alike be above suspicion," that there is now close upon \$30,000,000 of New England funds on deposit with the banks of Philadelphia as a result of the Boston Clearing House rule requiring all Boston banks to charge for collecting checks. The dispatch stated that Philadelphia banks are actively soliciting accounts all over New England, and on the deposits thus secured are paying 2 per cent., and it was claimed they realize 4 to 5 per cent. on them."

Why the Boston merchant should expect his banker to accept a cheque on Philadelphia, or any other point, at par, is beyond understanding. Of course, there may be occasions when some Boston bank requiring funds in Philadelphia would be found willing to receive cheques on the banks of that city without making any charge for collecting same. But, in transacting the ordinary business of a bank, the expenses for salaries, postages and incidentals of the collection department are large enough to warrant a charge on foreign cheques and to make collections of such items "free" is simply to transact business at a loss. We hope Boston bankers will continue to decline to collect out-of-town items for nothing. Every one is interested in maintaining the stability of banks, and when we find any such institutions offering excessive interest on current accounts, and undertaking to make collections free of charge, there is good reason to fear the outcome of such reckless bidding for business.

Banks obtaining new accounts by irregular or irrational methods are a menace to the community.

The need of higher average fire rates is beyond question. The most accurate figures obtainable from all sources show the loss by fire in the United States and Canada for the first six months exceeded \$103,000,000, while the total loss for 1899, which was considered enormous, was only \$170,000,000. What the autumn and winter months will bring forth as an addition to the melancholy figures of the

first half of the present year, no one can tell; but, whatever may now happen, there is likely to be a grim day of reckoning for weak and careless companies. That insurance underwriters on both sides of the border should be discussing the tremendous fire waste is not surprising. The only feature of the situation calculated to cause surprise is the hesitancy on the part of companies to effect a general adjustment in rates commensurate with fire hazard and losses. Speaking on the subject of fire prevention, and the necessity of an advance in the average rate, Mr. U. C. Crosby, President of the New Hampshire Fire Insurance Company, whose address was the feature of the recent annual meeting of the National Fire Protective Association, said some pointed things:

"In no civilized country does the loss ratio equal or approach that of the United States and Canada. In many other places stringent laws are enacted to discourage and prevent fires. In France, for example, the party on whose premises the fire originates is liable for all damage extending outside of his own property. In this country there is a tendency in many States, increased by the laws, to offer a distinct premium and encouragement for fires. We violate all conditions of safe construction in a large proportion of our buildings, and absence of proper protection against fires and various forms of legislation tend to encourage rather than reduce fires; all these have contributed to increase the burden of taxation caused by our enormous fire loss.

"In 1899 the property loss by fire in the United States and Canada was about \$170,000,000, and the first six months of 1900 it was over \$103,000,000. The loss in the United States since the civil war exceeds in amount the entire money cost of that conflict; yet the money value of property destroyed does not represent the entire cost. We must consider the homes destroyed, families scattered, with large industries and the savings of a life time swept away. Is it any wonder that the insuring public, restive under the losses and burdens caused by fire, and oppressed by the taxation made necessary, enter vigorous protests, and, blindly working, often injure the very interests they would protect? Here are three propositions which I believe careful consideration and experience will prove to be correct:

"(1) That the interests of the insuring public and the insurance companies are one and the same, and cannot be separated.

"(2) That the fire insurance local agent, acting in a dual capacity, representing both the insured and the insurer, is in a position neither inconsistent nor unreasonable. If he serves the real interest of one, he serves the other.

"(3) That the interests of the public demand help and assistance from underwriters to name conditions that will result in a reduction of the fire waste, and, consequently, reduction in the cost of insurance, and that the companies and agents should join hands in giving help and assistance in that direction.

"The average rate must be moderately increased. There is no doubt about that. But in reaching that