

CALIFORNIA.

California's proposed legislation is naturally an outcome of the abnormal conditions connected with the San Francisco conflagration. The Policy-holders' League early agitated for the adoption of two measures in particular.

1—A standard form of policy by which all law suits will be avoided.

2—That all assets of insurance corporations, wherever located, shall be subject to attachment by process issuing from the courts of California. This is to guard against the possibility of escaping service from California courts.

Speaking of a standard fire policy Commissioner Wolf said some time ago:

"The New York form of fire insurance is objectionable. My idea is to recommend a form, taking either the New York or the Massachusetts method as a basis, and using it for the purpose of establishing a California standard form. The New York form permits of riders. Will California allow riders? If so, should they be limited or so labeled and distinguished that a man will know what he is getting? If there is to be an earthquake clause the words 'earthquake clause' should be printed across the face of the policy in large red letters. Then there could be no misunderstanding." Subsequently the commissioner introduced a bill providing for a standard form that would include the earthquake hazard. Senator Leavitt has since introduced another bill providing for a somewhat shorter form than Mr. Wolfe's. It reads in part as follows:

"Said property is insured against all loss or damage by fire originating from any cause, except insurrection, foreign enemies, civil commotion, riots, usurped power, or by order of civil or military authority, except such order is given to prevent the spread of fire endangering said property; the amount of said loss or damage, except when otherwise herein provided, to be determined according to the actual cash value of the insured property at the time when such loss or damage occurs."

Senator Welch has introduced a bill in the California Senate discriminating against the fire insurance companies doing business on the safety fund plan. It has been referred to the Committee on Insurance and Insurance Law, and reads as follows:

"No fire insurance company having, providing for or hereafter or now creating a fund which is or shall be reserved from the claims upon such company when the amount of such claims, by reason of extensive conflagration or otherwise, shall exceed the amount of the capital stock of such company and its guaranty surplus fund, shall do business in the State of California, and the Insurance Commissioner shall not issue a certificate of authority to transact the business of fire insurance to such company, and the certificate of any company at present engaged in the fire insurance business in this State having such reserve fund shall be revoked by the Insurance Commissioner unless within sixty days after this act takes effect such company shall make such fund liable in common with the other assets of such company for any and all claims of policy-holders by reason of conflagration, however extensive."

Prominent Topics

Public Undertakings.

A commentary on the possibilities of municipal undertakings is the experience for 1906, of the City of Belleville, Ont. The auditor's report of the city-owned gas plant shows that the year's actual expenditure was \$21,041 and the actual receipts \$20,407. And what happens here in a small public undertaking occurred recently on a much larger scale in the case of a government work in the United States. It is said to have cost the Government \$359,425 more to construct the battleship "Connecticut" at the navy yard than was paid a private concern for building her sister ship, "Louisiana"—and the latter is considered the better constructed.

New Issue for Bell Company.

The Bell Telephone Company have called a special general meeting of shareholders for February 28, after the regular annual meeting, to authorize an issue of bonds or debentures to an amount of \$3,750,000.

When the shareholders last authorized an issue of bonds, the paid-up capital was \$5,000,000. The capital is now practically \$10,000,000, and therefore a further bond issue of \$3,750,000 is contemplated. The authorized capital is \$30,000,000.

Safety and Rapid Transit.

The appalling disaster that has occurred in the use of electric propulsion for New York suburban service may well draw attention to the absolute necessity of having the strength of ties, rails and spikes, commensurate with increasing speed and weight of rolling stock. The matter is of growing importance now that Canada is entering upon an era of rapid suburban and interurban electric transit.

Pennsylvania Railroad Notes.

The Pennsylvania Railroad Company has sold \$60,000,000 in three-year five per cent. notes to Kuhn, Loeb & Co. The company also announced that the proposed increase of \$100,000,000 each in bonds and stocks, which the stockholders will be asked to authorize at a meeting on March 4, will not be used this year.

Harriman Merger.

The Harriman Merger enquiry is to be resumed by the Interstate Commerce Commission in New York city on the 25th inst. The subject of investigation is more specifically stated to be "the matter of consolidations and combinations of carriers, relations between such carriers, and community of interest therein, the rates, facilities and practices."