

Prominent Topics.

The Late Hon. Alphonse Desjardins.

Few men in Montreal were more generally respected and liked than the Hon. Alphonse Desjardins, formerly mayor of this city. He was a man of political and business principles, and lived up to his convictions. He sacrificed his seat in the Senate to fight the battle of the Conservative Party in the political arena, and accepted the defeat which followed with characteristic dignity and good humour. He will be much missed by the business community of Montreal in which he played a prominent part and among the members of which he had a host of friends. Among other important business connections, Mr. Desjardins was for nearly nineteen years a director of the Canada Accident Assurance Company, and for some years one of the Canadian trustees of the Guardian Assurance Company.

Sir Melbourne Tait.

The retirement of Chief Justice Sir Melbourne Tait from the bench, after twenty-five years' service was naturally made the occasion for the presentation of a highly appreciative address, at a numerous and influentially attended meeting of the bench and bar of Montreal. Sir Melbourne stands very high in the esteem, not only of the legal fraternity, but of the whole community. A sound lawyer and a painstaking judge, there are few men in whom dignity is more happily blended with geniality and a kindly disposition. He is active in all public movements consistent with his position. He is seventy years young and looks and evidently feels much younger. Long may he live to enjoy a happy, honoured, and well-earned retirement.

Legislation Regarding Fire Insurance Companies.

The subject of insurance continues to occupy to an undue degree the attention of State legislators, said Mr. George W. Babb, of the Northern Assurance Company, before the National Board of Fire Underwriters. Bills are introduced at the behest of constituents entertaining imaginary grievances, and when once in the legislative mill too frequently progress unimpeded to final adoption and enactment. The insurance codes of many States abound with provisions unjust to the insurer, and at the same time injurious to the insured, taken as a whole; but notwithstanding, nearly every legislative session in each of the forty-eight States adds to the burden of onerous laws previously enacted. It is not possible to suppose that legislators deliberately intend to inflict injury on national economy, increase the waste of the country or enact laws calculated to reduce the surviving insurers to a small number. On the contrary, we must suppose that legislators err in these respects because they are too easily influenced by the presentations of the insured, give too little credit to the presentations made on behalf of the insurers, fail to understand and apply the fundamental bases of insurance or are governed by personal or political ambition. Every thinking legislator knows that values destroyed by fire are lost values, gone out of the world forever and absolutely unrestorable. Yet they go on, year after year, enacting laws the effect of which is to

incite to arson. They say that insurance companies should not over-insure, but insurance companies have no power to maintain the quantity or quality of property nor to prevent depreciation or misrepresentation.

Every overpayment of a fire claim causes neighborhood comment, and is very liable to cause other fires, and all the more likely under valued policy laws. Such laws increase the unredeemable waste, and for whom? For the person having criminal fires, or fires due to negligence, or for those having honest fires who want more than indemnity. Who pays for such laws? In the last analysis, those honest, careful and law-respecting people who do not have fires, and who constitute the great majority. These statements are but truisms. They are old and time worn, but are brought out by the circumstance that during the year a valued policy law applying to household and kitchen furniture has been enacted in one of the States. Such a law is clearly iniquitous, a wager policy on movable, changeable property, and contrary to a proper public policy.

State-made Rates and Reserves.

As the great growth in business requires a corresponding increase in credits, which in turn makes necessary larger banking facilities (continued Mr. Babb), so the concentration of values all over the country in individual businesses and in congested city centres makes it necessary that fire insurance companies should have large and increasing reserves and loss paying ability. Under a general system of State made rates fire insurance companies would undoubtedly find themselves unable to build up large reserves and there would be no inducement to make them large by capitalization. The welfare of the country requires that fire insurance companies should have the opportunity to create large reserves with which to meet large conflagration losses such as have several times occurred and must be expected to occur again. Inability to meet such crises would cause serious and perhaps dangerous panics. The average underwriting profit made by all the companies has been paltry, and furnishes no justification for State rating board laws on the ground of excessive profits. The smallness of the average underwriting profit shows that the dividends to stockholders have been paid from interest and dividends from investments, and also that reserves have been augmented from the same sources. It is, therefore, apparent that excessive rates have not been charged and the proceeds distributed to stockholders.

The cost of many kinds of business can be practically determined in advance, observed Mr. Babb. The future cost of fire insurance cannot be determined. There is a risk connected with it that will not be assumed without the possibility of profit. Fire insurance is the most hazardous legitimate business carried on. Thirty or more companies have fallen by the way for every one that has been successful. Unlike so-called public service corporations, fire insurance companies are not granted any franchise which carries with it any monopoly of opportunity. There are so many companies in the business, and always will be, unless prevented by the effects of legislation, that their free and eager competition will effectually protect the public. There is no occasion for so much paternal legislation as afflicts the business.