No. 7.

Insurance and Finance Chronicle.

VOL. XI.

OFFICE: 1724 Notre Dame Street. | MONTREAL, APRIL 1, 1891. | SUBSCRIPTION: $2.00 per ANNUM

THE

Insurance and Finance Chronicle.

Published on the 1st and 15th of each month.

AT 1724 NOTRE DAME ST., MONTREAL.

R. WILSON SMITH, Editor and Proprietor.

A. K. HULING, Associate Editor.

Annual Subscription (in Advance) . . . $2.00

Prices for Advertisements on application.

All Communications intended for THE CHRONICLE must be in hand not later than the 10th and 25th of the month to secure insertion.

THE FALLACY OF trusting in fire extinguishing equipment in small towns to reduce the fire hazard materially has recently been illustrated at St. Marys, Ontario. Fire broke out in the basement of the Knox Presbyterian church recently, and although the town possessed steam and hand engines, which were called out, the building burned up completely without a drop a water being thrown. The engines had been practically uncared for, and were out of order; the untrained men knew little about their manipulation; and, when brought into service, the machines refused to work. The "fire department," on the strength of which, doubtless, the insurance companies had reduced rates, or at least had been urgently importuned to do so, was really as useless for fire extinguishing purposes as a brass band. Fire engines and water supply are desirable possessions for any town; but in order to be of use must not only be kept in order for instant service, but the men who handle the apparatus must be kept familar with its use by frequent drill—which, too often, they are not.

SOME SUGGESTIONS WERE recently made by a field man to the New York *Commercial Bulletin*, which are worth thinking about, for two or three reasons, in fire insurance circles. He suggests the doing away with all local boards, and in their place to have a commission composed of three competent underwriters in each State, who shall not be in any way officially connected with any company or State organization. This commission is to be employed by the companies only for the purpose of making and printing a mandatory tariff for all risks in the State. The writer goes on to say that "this manner of proceeding would defeat such laws against compacts and boards as are at present in existence in some States," besides, as he thinks, increasing the income of the companies by at least twenty-five per cent. The saving of present expense in maintaining State and local boards, rating committees, etc., is also urged in favor of the plan. As here stated, we do not believe such a plan to be either desirable or practicable; but in this day of legislation against alleged "combines," the fundamental idea of the plan will do to think over.

UNQUESTIONABLY, LONG CREDIT in fire insurance is an evil. Everybody knows why it is an evil. Officers and managers of companies agree that it ought not to continue. Well, then, why does it continue? If the companies agree so readily that the practice is a bad one, why can't they agree as readily to reform the practice? Here is what a prominent New York underwriter, whose company does not give long credits, said about it the other day: "There is hardly a day upon which we do not receive an application from some agent of ours, who also represents some eight or ten other companies, saying that he would like to make arrangements with us for longer credit, as he can now only give us such risks as can be collected for promptly. He holds forth a glittering prospect of the business he could give, and reminds us that certain other companies allow him a long time in which to settle his monthly balances." It is the "glittering prospect" for enlarged volume of risks which catches the "certain other companies," and they control the general practice, perpetuating while they condemn it. Less volume of business and more volume of cash would make better balance sheets all around.

IT IS EVIDENT that a new era in life assurance in Great Britain has dawned, which marks the beginning of more progressive plans and methods. Gradually the managers of the various companies have reached the conclusion that old methods are not necessarily the best, simply because they are old, and that life assur-