

# The Chronicle

## Insurance & Finance.

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### Australian Misrepresentation of Canada.

Several issues of the "Austrian Review" have had remarks on the currency system of Canada that were all sadly astray. The latest issue of that ably edited journal has a sentence which calls for protest. The "Review" says:—

"We Australians are not situated as are the Canadians—worrying to get more paper money, yet ignorantly afraid to trust ourselves with more."

Now that is too bad. Canada is no such ignorant, self-distrustful coward, worrying over her own incompetence, but, on the contrary, as soon as the need for more currency was realized last year steps were promptly taken to provide it abundantly by enlarging the capital of the banks on which the currency is based. Canadians know well what they need, they know how to get their wants supplied, they are not given to "worrying" but to working, and they have a currency system which is the safest and best in the world.

### One More Unfortunate.

Considering that the fire insurance business is a bonanza, a sort of business gold field, as some affirm, it is unaccountable that so many companies retire from the enterprise. The latest to withdraw is the North American Fire, a Boston company. The "Standard" has compiled a list of the stock fire insurance companies that have been organized in Boston since 1795, and which after a more or less varied career have ceased to exist. This list shows that in the one hundred and eight years covered, fifty-five stock companies have been organized in Boston and gone to the wall. "They come like shadows, so depart" is applicable to these ephemera of fire insurance. After being heralded by loud boastings of their intention to revolutionize the business, and to bring the established companies "to their knees," as one enthusiast in this city said that a new company would do, they discover that underwriting is not a success in the hands of amateurs and theorists.

### Commas Versus Decimal Points.

The difference between a comma and a decimal point is this, the comma has an almost imperceptible tail attached to the mark used as a decimal point, but that tail affects the value of any figures it appears in very largely. Last week we, unwittingly, gave an illustration of this in remarks upon the amount of life assurance a man should take out. In quoting from "The Insurance Observer," owing to the day being very dark, we did not notice that our esteemed contemporary wrote, "The present value of \$1 per annum for thirty years at 5 per cent. interest is \$15,372," and had placed a comma after \$15 instead of a decimal point, as \$15.372, or, better still for clearness, \$15.37, that is, the present value of \$1. per annum for 30 years at 5 per cent. interest is fifteen dollars and a little more than the third of another dollar. This is an illustration of the phrase, "thereby hangs a tale," the moral of which is to insure for as much as can be afforded without injustice to the family or other interests.

### A New View of the Competition Question.

An important aspect of the question regarding new fire companies has been almost wholly overlooked. It is an economic law that, when a movement fails which was intended to establish a competitive influence, or agency, the result is to materially strengthen the position of that which was to be subjected to competition. When companies so menaced see the risk of rivalry removed they are tempted to take advantage of their immunity, and on ordinary commercial principles they cannot be blamed, they, by doing so, would follow the universal practice. When a new fire company is being promoted in order to bring rates down by competition, the possibility of its failing to compete should be considered, and the certainty that, if no effective competition is established the position of the companies whose rates are aimed at will be greatly strengthened.