

## UNSUSPECTED FIRE HAZARDS.

The fire underwriters have quite sufficient to contend with by reason of the known and unavoidable hazards presented by the various classes of risks, without having to suffer by reason of those which are avoidable, and therefore unsuspected. An enquiry into the causes of fires in water-power mills and factories of various kinds reveals the fact that for want of something equivalent to the "Governor" of a steam engine, which regulates the power to the requirement of the machinery in actual operation, it is the habit of the operators to run some part of the machinery which is not constantly required for this purpose, so that the elevators of a flouring mill, the picker of a woollen mill and such like machineries are blamed for fires which occur in them through the criminal recklessness of the owners.

It is very probable that even in steam-power mills of inferior construction a similar state of affairs may exist, so that unless the survey blanks of the insurance companies are made so complete as to be almost prohibitory of the risks, and unless very searching inspections are made, the insurance companies may count upon a continuance of mysterious fires in such mills and factories as are looked upon by them with favour, on account of the absence of furnaces for power.

In addition to these, the "elevator" continues to assert itself as the most vicious cause of the spread of fire, which, in the absence of open-air shafts, would be confined to small areas, but which, being drawn up the open elevator shaft, goes from floor to floor, so that if a fire originates in a basement it is immediately drawn up to the roof and the whole building is at once enveloped in flames. From this one cause alone most of the insurance companies have suffered very heavy losses during the past years, and will continue to do so, as long as they suffer them to exist. That they are not necessary evils may be confidently asserted, because there are many devices now in use in civilized communities whereby the hatchways on every floor are automatically closed whenever the platform passes through either, upwards or downwards. The many employees who have been murdered by open elevator hatchways ought to be sufficient reason for their prohibition by law, but, so long as the fire insurance companies allow them to exist, will they continue their career of fire and murder.

## THE EXCHANGE BANK.

The recent announcement that cheques drawn by Mr. F. Gilman on the Exchange Bank, to the extent of about \$66,000, payable some months after date, and marked good by the late President, has had a startling effect on the public. We have not yet learned the precise facts, and our enterprising evening contemporaries, who have taken the pains to interview the parties who could doubtless furnish a good deal of information, have not met with much success. Mr. Greene's reply to a query on the subject was that, "the liquidators could make "nothing public that would prejudice any "customer's account" and Mr. Trottier of the Banque du Peuple "was very reticent," and merely affirmed that "this bank is safe," that of course being his opinion, but it seems to have been based on his "having yet to learn that the Exchange Bank repudiates the cheques." Now it is generally believed that the Exchange Bank has been advised that it is not liable for the particular cheques in question, which were certainly a transaction out of the ordinary character of bank cheques. Under all the circumstances, we should hardly have taken part in the discussion, but for its bearing on the controversy between the Royal Canadian Insurance Company and Mr. F. Gilman, the drawer and negotiator of the cheques cashed by the Banque du Peuple.

It is no longer a secret that Mr. Gilman became a large operator in Royal Canadian stock at a time when, owing to heavy calls on the shareholders, to meet exceptional losses, such as those caused by the great fire at St. John, N.B., the shares were at an almost nominal value. Mr. Gilman sought to be placed on the Board of Direction, but was unsuccessful, and as his personal interest would be promoted by the winding-up of the Company, and the distribution of its valuable assets, it has been believed that that this has been his object, and it is hardly necessary to add that the public interests would be materially injured by his success. It is satisfactory to know that Mr. Gilman's chances of success are very slight indeed, but he seems determined to leave no stone unturned. The attempt to prevent the sale of the forfeited stock of the Company has been made in the hope that Mr. Gilman has succeeded in obtaining a controlling interest in the stock not forfeited. The pretension is that the purchasers of this stock will stand on a better footing than the

other shareholders, who have had to pay the calls, for the non-payment of which the stock was forfeited. In point of fact, there has been a considerable loss incurred, which has been duly met, and cannot be recovered. The assets of the company only represent a portion of the calls which have been made, and it is only in those assets that the purchasers of the forfeited stock can participate, and as it is to be sold by public auction it will command its full value. While, therefore, the old shareholders will not suffer, the insurers will be largely benefited by getting a larger amount of stock taken, which will be liable to future calls. We need not pursue the subject, as really the shareholders and the public at large have a common interest—at variance, however, with that of Mr. Gilman and his associates.

It is still a mystery whether Mr. Gilman has powerful associates or not. When it became known that he had obtained such large advances from the Exchange Bank, it was concluded that Mr. Craig had an interest with him in a speculation, which seemed at one time likely to be successful. It was more difficult to account for a loan from the Federal Bank, which was secured by Royal Canadian stock. It has been always understood that the banks never made loans on the security of Insurance Co. shares, and for the obvious reason that such shares are liable to calls on the holder in case of necessity. Had such a calamity occurred in Montreal as in St. John, N.B., the Federal Bank might have had a heavy call to meet, and we doubt whether its shareholders would, in that case, have approved of its policy of lending its money on securities which are not dealt in by the other banking institutions. As to the Banque du Peuple, it would be interesting to learn what value it gave Mr. Gilman for his \$66,000 of cheques on the Exchange Bank. It is just possible that these cheques may have been given in payment of previous loans, used in the great speculation in which Mr. Gilman has been engaged. All this will come out in due time, and public curiosity will be satisfied. The question of immediate interest is that it should be clearly understood that the individual who has undertaken to control the Royal Canadian Insurance Co. has obtained large advances through the instrumentality of at least three of our banking institutions. The latest rumor is that Mr. Gilman holds 1200 shares in the Banque du Peuple, which the Bank relies on to secure its loan.