

PRESCIENCE IN FIRE UNDER-  
WRITING.

We may suppose that a successful underwriter is one who makes profit for his company, and that this profit must be the result of his forethought, skill and good sense in applying the experiences of the past to the business of the present. But few underwriters, however, will care to be judged by this standard, because that business is full of experiences contradicting each other. Some occurrences will lead an underwriter to question the wisdom of his honest convictions, and will even leave him in doubt as to the course he shall pursue.

For instance: he knows that buildings which are not profitable to the owners are as a rule without profit to the insurance companies, yet he turns to Sussex street, Ottawa, and finds store after store in one long continuous array marked "To let," without finding the vestige of a fire during their long non-occupancy. He knows that a conflagration is followed by a general preparing against a repetition of it—and yet in New Brunswick he sees records of fire after fire extending at their pleasure because no means exist for their extinction. He knows that villages, towns and cities largely built of wood are sure to burn, and yet he turns to the woodiest part of Nova Scotia or the Ottawa without being able to heart of a fire of notable extent. He knows that men of well known standing and respectability, free from moral hazard, careful and intelligent, occupying stone and brick buildings covered with metal, are the patrons he should most earnestly seek, and so gets his calculations knocked endways by a Hamilton fire. He sees a saw-mill at Ottawa working profitably and without one cent of insurance, totally destroyed by fire, whilst others in the vicinity closed up without any sign of their re-opening, and covered up to the skies with insurance, are yet rotting on the hands of the mortgagees. He discards an old brewery in London as extra hazardous, because not required, and loses his \$10,000 on the new one which is "so complete" and so sure to be profitable. He refuses a foundry in Montreal to write on the storehouse, and is met by the advertisement, "Foundry all right, storehouse only burnt." He is caught at Quebec in such sort that he declines business there *in toto* for a few years, during which time not a single fire occurs, so he gradually increases his risks until the next conflagration brings him to repentance, followed by exactly the same experiences. Knowing that lumber piles menace the safety of their surroundings he decides to avoid them, and sees other companies make

money out of them without a cent of loss. Once more: He agrees with other companies not to write lumber at less than 1½ per cent., and sees American companies, without license to do Canadian business, writing all the lumber in the country at 1¼ right under the nose of the Superintendent of Insurance himself.

What then shall he do? Is he to believe that success depends on luck and to write on everything that comes along? If he do this, he may be Stadacona'd! Or is he to write on non-hazardous risks only and follow the Ottawa Agricultural, after the Canada Agricultural, whilst alongside him are companies doing the very same line of business with impunity and immunity? We believe in care; at the same time, one cannot but admit that success does not always accompany deserving, although failure may invariably follow bad management. But we are firmly convinced that prudence will, in the long run, assert its superiority over recklessness, and, even though it be long deferred, will yet reward those who adhere to its dictates. We do not believe that success in the management of fire insurance companies is dependent on luck, nor that it is the result of excessive caution. But we are of the opinion that it is reasonably certain to follow prolonged experience, when that has been carefully stored and judiciously applied.

**BETTER OUTLOOK FOR TIMBER.**—There is some encouragement for our timber dealers in recent advices from Great Britain. The demand for wood at the principal shipping ports is decidedly improved, and consumption is stated to be upon a larger scale than has been the case for some seasons past. At the close of November timber was generally in very moderate supply, and prices were, according to the *Timber Trades Journal*, likely to advance. Especially was this upward feeling manifest in superior quality timber and deals. We learn from the authority quoted that Liverpool prices were firmer, 40,000 cubic feet having been sold during the previous fortnight for despatch to Glasgow, which suggests the conclusion, which indeed is elsewhere stated as a fact, that the supply at other ports was small. Birch is in light stock at Liverpool, and spruce deals continue to rise in value. Prices at Glasgow also showed a decided improvement, and quantities of timber were changing hands by auction and by private sale. Wood goods were firm and higher at Hull, with an active trade doing. Speculation in timber was prevalent at Newcastle-on-Tyne, in the belief that the spring must show

much higher figures, although actual business requirements were limited. It would thus appear that the improvement in general trade is being participated in by the building trade of Great Britain, and this circumstance is of decided import to us. As is shown by a St. John newspaper, the exports from the Baltic have ceased, and also, practically, those from the St. Lawrence, so that St. John, the Miramichi, and other N. B. points will have the better opportunity of supplying any increased demand that may come Canada-ward before the spring. Besides, stocks now held in Britain for Canadian account have improved prospects before them.

## HIDES AND LEATHER.

A twelve-month ago, the price of green hides in this market was seven cents and six cents for Nos. 1 and 2 respectively, and that of the cured and inspected article eight cents per pound; while the Tanners' Association of Ontario decided that even these prices were excessive, and that the price of No. 1. inspected should not exceed \$7. per cental. The price per hundred weight in Montreal of green hides at this time in 1878 was \$7.50 and \$6.50. Wholesale lots of best Spanish sole leather then brought in Montreal 23 cents, and in Toronto 24 and 25 cents. To day, 9½c and 10½ cents are the ruling prices for inspected hides in Montreal and Toronto, with 27 to 29 cents, *strong* for No. 1. B. A. Leather.

The difference, not only in price but in the tone of the market is very marked, and it is worth while to consider whether the present high prices and firmness are merely local, or whether they are warranted by the condition of outside markets and occasioned by the general relations of supply and demand, American and Canadian tanners and leather dealers are of the opinion that the prices of leather will be maintained at near their present level for a long time to come, and there are fair reasons for this belief. In the first place, the gradual and continued depressing of prices of all commodities, metals, groceries, dry goods, and what not, which had been going on for several years, had this year reached bottom, and the reaction which the past few months has witnessed has affected leather amongst other goods. Another reason for the conclusion that prices are likely to continue high with us is that England is now getting little or no hemlock leather from the United States, the American consumption absorbing the product of the States at constantly increased prices. The best non-acid leather, which sold in May last at 22c is now selling in New York and Boston at 32c and scarce. In consequence of this, houses in Montreal have had calls from Liverpool and other points in Britain for sole leather, not on consignments, but offers at higher prices for actual purchase than those known for years. Again, foreign hides are steadily appreciating in value, and it