

the insuring public will find no cause of complaint in the action of the companies.

*Scale of Minimum Annual Rates to be charged for Mercantile Risks at the places undermentioned.*

PLACES.	1st CLASS.	2nd CLASS.	3rd CLASS.	4th CLASS.	Extra over the foregoing	For Mansard For Roofs.	For Steam Hoists.
	Buildings.	Buildings.	Buildings.	Buildings.			
	Contents.	Contents.	Contents.	Contents.			
	Wholesale.	Wholesale.	Wholesale.	Wholesale.			
	Retail.	Retail.	Retail.	Retail.			
Montreal	0.40	0.50	0.60	0.75	0.05	0.10	0.05
Toronto, Hamilton and Quebec	0.40	0.50	0.60	0.75	0.05	0.10	0.05
Belleville, Brantford, Brockville, Guelph, Kingston, London, Napanee, Peterboro', St. Catharines and Windsor	0.40	0.50	0.60	0.75	0.05	0.10	0.05
Ottawa and all other places	0.40	0.50	0.60	0.75	0.05	0.10	0.05

**CLASSIFICATION.**—1st Class—Stone or brick buildings roofed with metal, gravel, slate or shingles laid in mortar. 2nd Class—Stone or brick buildings roofed with shingles. 3rd Class—Frame rough-cast, or encased with brick. 4th Class—Wooden buildings.

It will be interesting to compare the foregoing with the rates fixed by the New York Board of Underwriters, on which no rebate is allowed to the insurer, but an allowance of five per cent. to business transacted through an insurance broker:

**First Class**—Brick, stone or iron buildings, roof of tile, slate or metal, iron shutters to all windows, parapet walls, not less than five feet in height, coped with stone, and metal or stone cornices or gutters, to be fastened in stone or brick, with metal fastenings, and being in height not over sixty feet above the basement, 45c to 50c.

**Second Class**—Brick, stone or iron buildings, varying in any one particular from the first class, and being in height not over sixty feet above the basement, 60c. to 65c.

**Third Class**—Brick, stone or iron buildings, varying in any particular from the second class, and being in height not over sixty feet above the basement, 70c. to 80c.

Buildings of either class exceeding sixty feet in height, charge five cents for every additional ten feet and fractions of ten feet.

**Skylights.**—Buildings of either class having skylight openings through one or more floors to be charged an additional 10c.

A Mansard roof constructed entirely of iron or other metal, filled in and covered with slate or metal, having walls through the roof and coped, no wood whatever being used in its construction, may be permitted without charge, except for height above basement floor. Mansard roof varying from the above in any particular (subject always to charge as above for height of building), charge additional, 50c. **Storage Stores.**—First class, 70c. to 80c.; second class, 80c. to 90c.; third class, 90c. to \$1; fourth class, \$1 to \$1.10. **Tobacco Warehouses.**—Same classification as for storage stores. **Provision Warehouses.**—First class, 60c. to 65c.; second class, 70c. to 80c.; third class, 80c. to 90c.; fourth class, 90c. to \$1. **Churches, &c.**—First class, 60c. to 65c.; second class, 80c. to 90c.; third class, \$1.10. to \$1.20. **Organs, &c.** additional to rate of building.

**Retail Stocks.**—Hazardous, 70c. to 80c.; extra hazardous, 80c. to 90c. **Lumber yards,** \$1.50 to \$1.65. **Naval stores, in frame sheds,** \$2 to \$2.20. **Stave yards,** \$1 to \$1.10. **Tar in frame sheds,** \$2 to \$2.20. **Private Stables.**—Brick and contents, 75c. to 85c. Rates on ocean steamers to and from New York, 5 per cent.

### THE ST. JOHN FAILURES.

As the facts become more fully developed it is apparent that a dangerous speculative element has pervaded the trade of St. John, N. B. for some time past, and affording explanation of the severe and calamitous crisis through which that city has passed.

Censure amidst suffering is generally received with a very bad grace; but it must be said that the community there seem to have disregarded all warnings—to have concluded that the sun of prosperity had risen upon them never to set or even pass under a cloud. This fatal delusion was born of and fostered by the large railway expenditures in the Province. The Windsor & Anapolis, the Western Extension to Bangor, the the Houlton (?) line, and finally the Intercolonial, succeeded each other, the last mentioned of them being now nearly completed so far as profit or expenditure in New Brunswick is concerned. There is, of course, always a relapse in a greater or lesser degree on the completion of public works; but the crisis in St. John is directly due to the fact that many persons of means there have converted not only all their own floating capital but all the floating capital they could borrow into fixed capital. They erected a large hotel which cost over \$400,000 when furnished, an Academy of Music and other fine build-

ings; they also built in one year for local ownership, about 27,000 tons of shipping which at say £7 stg. per ton—a low average for the proportions of spruce and Hackmatack—would cost nearly a million of dollars.

This process of fixing capital gives an appearance of prosperity, it is however, only that semblance of it which results from a man living on his principal instead of his interest. As Mill, Wilson, and others write, when there is too great a proportion of floating capital converted into the fixed form, the first touch of stringency causes a crisis, perhaps a panic. When once the capital has become fixed the only means of meeting current liabilities, is by the income derived from investments. This ordinarily comes so slowly, and is subject to so many vicissitudes, that it is practically of no use whatever in a panic, where availability is everything. Vessels "get on a wrong lay," as it is called, and are unlucky, are laid up for repairs, &c. Buildings become tenantless and every vestige of convertibility disappears. The passion for shipowning led the Oulton's and Brown to manufacture accommodation paper sufficient to buy about \$230,000 worth of vessel property. The amount of their liabilities when they failed was about, or above \$500,000. The difference between the cost of the shipping and the \$500,000 of debts is understood to have been paid to note shavers. At the last it took no less than \$10,000 to pay the interest on each renewal of the aggregate amount of the paper. The attempt to float still one more \$10,000 among the shavers, when their funds had all been lent out was "the last straw." Many failures proceeded from the connection with Oulton Bros; others from want of confidence, or to secure a good opportunity of failing.

The ruinous levies which the Oulton's submitted to in order to satisfy the note shavers are remarkable only for their surprisingly large aggregate. Few firms ever possessed of credit or transacting a business of any magnitude fail without paying heavily to usurers in the struggle which precedes the final collapse. Dishonesty on the part of the Oulton's might be inferred from the payment away of so large a proportion as 40 per cent of their assets in this way; but it most likely is due to that fatal blindness which is the peculiar malady of speculative minds. It is reasonable to suppose that had this firm been content with a moderate amount of business instead of adding hull to hull and swelling the list of an already splendid fleet of vessels the result would have been entirely different. Their success would have stimulated ship-