

ley, after reviewing the main features of the various tariffs relative to this class of risk—in this connection drawing attention to the fact that the principles of rating adopted in 1842 had been maintained ever since—and enlarging upon the more hazardous features of a present-day cotton mill, dealt with the question of fireproof and non-fireproof mills, showing that, although the cost of construction in the former case is undoubtedly larger, yet, owing to the difference in rating, the extra cost of construction is met in a very few years by the saving in premium effected. As a consequence fireproof mills have of late years everywhere superseded those of non-fireproof construction. While the cotton mill tariff has encouraged the improvement of risk, it also gives a good illustration of the discouragement of the enhancement of risk. When, in the seventies, the great cotton boom occurred, new mills of the largest dimensions, containing the largest machinery, and producing the greatest possible amount of yarn, sprung up everywhere in Lancashire. No one thought of fire risk; the insurance companies were there to pay if anything went wrong. Very soon things did go wrong, and mill after mill, full of the most expensive machinery, was burnt down. In a short time upwards of 50 mills were destroyed, and the insurance companies had to find the money. As a result, tariff legislation was brought to bear, with a view to improve such a state of matters. Proceeding, Mr. Kingsley dealt next with woollen mills, their construction, and the machinery, materials and oils in use therein, flax mills, hosiery and lace warehouses, and other textile risks, pointing out the improvements in these classes due to tariff legislation. Corn mills were next described, and attention drawn to the great improvement effected by the substitution of the roller process for the old grinding by means of stones. Other descriptions of risk which have more lately been the subject of legislation are boot and shoe factories, shirt factories, and clothing factories; and although the changes have been too recent to make the results yet manifest, it may certainly be expected that these newer tariffs will bear good fruit in due course. Mr. Kingsley then went on to the consideration of the tariffs applying to the warehouses of our great cities and the improvements which have been effected in these risks, pointing out, however—as instanced by the recent great fire in Cripplegate, London—that in spite of all insurance recommendations, modern warehouses continue to be built with every fault of construction and arrangement that the architect can devise or the builder perpetrate. Questions of allowances for extinguishing appliances were next considered—special reference being made to automatic sprinklers, which have had a very marked effect upon insurance rating—and regulations relating to modern illuminants, such as acetylene gas, incandescent gas-light, and electric installations. In the concluding portion of his address Mr. Kingsley gave a comprehensive review of the various methods of tariff rating in operation on the

continent and in America. At the close of the meeting a very hearty vote of thanks was accorded Mr. Kingsley for his most interesting address.

#### THE AMALGAMATION OF LOAN COMPANIES.

To those who are acquainted with the affairs of the mortgage loan companies established in Toronto, it is no surprise to hear of the movement for the amalgamation of a number of these institutions. It is, however, a matter for regret that this movement did not take place years ago. Had it done so, there would not have arisen that competition for business which led to the inflation of loaning on real estate, by which two of the companies were driven into liquidation, and others overlaid with properties they were compelled to assume under foreclosure. Upon one of the collapsed companies rests a large share of the responsibility for the boom in Toronto real estate, and the blame of this is shared by one of the three companies which have just decided to amalgamate. Those two companies fell under the influence of speculators, who bought large areas of suburban land, and land on the outer verge of the city limits, which they divided up into lots that were offered for sale at from ten to twenty times their cost. A small cash payment was accepted, so that clerks and others of small income were induced to purchase these lots, which were sold over and over again to secure an advance. Auction sales of them were held, and syndicates of speculators were organized who attended the auctions to bid up prices in order to attract unwary investors. On numbers of these lots, on which not more than 10 per cent. of the purchase money had been paid, and that in some cases only by a promissory note, a house was built out of money loaned by a mortgage company, which enabled hundreds of persons to acquire the nominal ownership of property valued at from \$1,500 to \$2,500, upon which they had only spent, of their own money, not more than \$50 to \$100. The effect of these operations was very damaging to those property owners who never shared in the boom, and to the more wisely managed mortgage loan companies, for the excessive over-building of houses caused many hundreds to be left vacant, so that rents came down so low as to barely cover the taxes, and thousands of lots, on which money had been advanced, became practically valueless, as they were unsaleable and yet burthened with interest and other charges. The older and larger loan companies are in no wise to blame for what befell them. Their managers did their utmost to check booming, but, as others pursued the opposite policy, the conservative companies had to stand by, and see the real estate on which they had loaned money, prior to the boom, seriously reduced in value when that movement collapsed. No power of human foresight could have anticipated such an epidemic of real estate speculation as broke out in Toronto and its suburbs, it is, therefore, not just to discredit the managers of the leading loan companies in Toronto, because of the heavy accumulations of