

business. Several gentlemen interested in the Tehuantepec scheme are to watch the progress of construction in the hope of getting hints that may serve them in good stead if ever the larger work gets beyond the paper stage of existence."

A sensible thing would be to let one experiment suffice. It would be a waste of effort to go to the expense of two at the same time in different parts of the world.

—A Wall street journal states that the Canadian Pacific is anxious to form a connection with American lines running to New York, and that its aim is to get possession of the Great Western Railway. The story is that "the Grand Trunk is reported as dilatory about making the purchase money payments on the Great Western, and that president Stephen of the Canadian Pacific is supposed to be in London with a view of taking advantage of such dilatoriness to oust the Grand Trunk." If there be any truth about the desired connection, it is not likely that it can be brought about, or that the attempt would be made, in this way. But there is no truth in the story.

THE FIRE INSURANCE INTEREST.

It is a matter of serious concern to the business community that fire insurance companies shall continue to exist. If they are to maintain their existence they must be reasonably prosperous; at least it cannot be expected that they will persist if their fate be to constantly lose money. A good authority has summarised the situation in the United States thus: "While, possibly, a small minority of the fire insurance companies doing business in the United States may seem to be holding their own, and a still smaller minority are reporting progress, it is clearly manifest that the majority, whether small companies or large, are making no money, and most of them are going behind."

There are, in the opinion of the New York *Commercial Bulletin*, "a thousand fire insurance companies of all sorts and sizes competing for the insurance business of this country. Three-fourths of all these—say 750—are of the infinitesimal mutual kind, or stock companies of a local and limited calibre, the announcement of whose failure or withdrawal would be the first intimation, outside of their own little field of operations, that they had ever had even a name to live. Of the other fourth, having a reasonable stock capital, possibly only 175 are of real practical account as regards their ability to furnish promised indemnity to property-owners, under normal conditions of fire loss ratio. Of such, there are, we will assume, 150 American companies and twenty-five branches of foreign companies. And of these, the American companies may be thus subdivided: New York State companies, 55; other State companies, 95. Of course, there are more existing stock companies in both of these classes. But we are now speaking only of those which can be counted upon as really established, on a basis which vindicates their title to confidence as likely to survive a really big fire or conflagration in any locality where they are doing business. As regards the branches of foreign companies, we may fairly assume, from the past, that their assets, here and at home, would be available for the 'survival' of the ten or fifteen of the 'fittest' of them, in case of another Chicago or Boston demand for millions of money."

It is true of both Canada and the United States that fires are on the increase. Of late, each year has shown, by its fire record, that fires are yearly, and this, too, apart from growing more numerous and destructive beyond any theory of increased property values or growth of population. The result is that fire underwriting is growing more and more profitless, in fact, for those companies that still remain in the field. Losses are greater, and expenses of procuring and managing the business more, than formerly—the net result being, says our contemporary, that such dividends as are paid to the stockholders are mostly made, not out of current gains, but out of the surplus profits of former years; and, to that extent, weakening what surplus security, above capital, the insured have counted upon as making assurance doubly sure.

In this exigency, the *Bulletin* concludes: Either the property owner must reduce, by individual effort and influence, the cost of insurance which latterly has been enhanced by the needlessly increased fire loss of the country, or else the underwriters must so reorganize their management as to make the broker or agent and the policy-holder a partial, if not an equal, partner in the profits and losses and expenses of the business.

As regards the brokers and agents who, operating as middlemen between the companies and the assured, now admittedly control most of the fire insurance of the country, a plan has recently been devised which, if sanctioned by the signatures of 120 companies, will tend to reduce the expenses of procuring the business, or at least so apportion those expenses, between the companies and their agents, as to relieve the insured from any cause of complaint on this head. But this concurrence has not, as yet, been obtained.

No matter what the companies or their managers conclude, it remains a fact that, upon the average property owner who requires insurance, it devolves as a duty to do all in his power, as an individual, to reduce the risk which the companies are expected to carry. A partnership of interest, all round, must be established, if fire insurance is to have any future in this country. All parties—companies, agents, brokers, and property owners—must necessarily and inevitably come together, instead of acting antagonistically. In his last report, Insurance Superintendent McCall, the clearest-headed of State insurance officials, admits that he sees "no outlook for fire insurance," and he gives a list of 284 companies that have withdrawn from this State or retired from business since the New York Insurance Department was organized.

Obviously, something must be done that fire insurance may live; and, to live, it must be a business worth doing as a source of profit to those whose invested capital stands as a basis of commercial credit and as a shield against impending disaster even to those who ask no credit, but who need protection against ruin by fire. But, to be at once safe for the insured and insurer alike, the business must pay its way. Notoriously, it does not pay, as now conducted, and in the lurid light of an increasing fire waste. A voluntary partnership of interests, as between the companies and their customers (including brokers and agents), would appear to be the only practical solution of the problem that now troubles all parties."

—The Molsons Bank declares a dividend for the current half-year at the annual rate of eight per cent.

INSURANCE NOTES.

As we stated some weeks ago was likely to be the case, the Mutual Life Insurance Company of New York has resumed business in Canada. Messrs. Gault & Brown, of Montreal, are its general managers for the Dominion. Messrs. Earl & Merritt the general agents for Western Ontario with temporary offices at 86 King street, east. We observe that Mr. Cromar, late energetic agent for the New York Life, has been appointed city agent for this old and staunch company whose standing, to those who do not already know it, may be indicated by stating that its assets amount to over \$105,000,000 and its total assurances to \$351,789,000. It has the proud claim of being the largest thing of the kind in the world.

Every provider for the daily wants of a family sees the need of securing something to supply the place of his labor in case life should cease before his survivors may be able to provide for themselves. This necessity is the parent of life insurance. It is the main motive of that accumulation of property which takes place in civilized society and to an almost immeasurable extent by virtue of division of labor, machinery and the natural increase of population.

The directors of the Lancashire Insurance Co. declared a dividend for the half-year ending June 30, at the rate of ten per cent. per annum.

As an exemplification of the extent of underground insurance on fire risks in New York, it appears that at the recent fire at Green & Blackwell's only ten of the forty-nine companies interested were authorized to transact business in that state.

—The spring wheat harvest in Ontario is a poor one, all predictions to the contrary notwithstanding. From many different points in the province come accounts of the ravages of rust, and in not a few localities the crop is termed a total failure. Fall wheat, however, shows a good yield generally, while barley maintains the promise we have already noted. With respect to the oat crop of Prince Edward Island, the Charlottetown *Patriot* says, "Although the crop this year will be exceptionally good, there is a great deal of rust in the oats in some localities."

A dividend at the rate of three per cent. is announced by the City of London fire office.

The co-operative insurance scheme yields the same fruit wherever the seed is sown. Here is a fresh illustration from the London *Times*. At Southwark Police Court, a respectable looking working man entered the court at the close of business and said he represented some hundreds of the working class living in Bermondsey who had insured in the Mutual Benefit Society of Liverpool for many years and always paid their subscriptions. Now they are told the Society was insolvent and were advised to go to another society, with half the benefits, but this society might also be insolvent. The applicant said he understood that the persons who managed the society at Liverpool had received a half-penny out of every penny paid by the members, who had been robbed by them of thousands of pounds. He wished to know from his Worship what they had better do, as he felt inclined to go to the Home Office and lay the grievance before the Home Secretary.

A representative of the MONETARY TIMES met, in the county of Waterloo the other day, a stirring agent for one of the Old Country life companies. This philanthropic agent had