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EDITORIAL.

National Pedigree Records.

The proposal to nationalize the pedigree records of pure-bred stock in Canada has been favorably received from the first by stock-breeders generally, the only doubt or difference of opinion being upon the question of the manner and method of its being carried out. The desirability of but one official record for each breed in the country has been almost universally acknowledged. The necessity for some reasonable and defensible means of checking the importation from foreign countries, free of duty, of breeding stock of doubtful lineage, though duly registered in records of, in some instances, a low standard, has become imperative. The continuance of concessions given by the railway authorities in the form of reduced freight rates for pure-bred stock is a matter of such vital importance to breeders and farmers generally that the reasonable compromise proposed by the carrying companies should be promptly accepted, and the necessary steps taken to meet their wish by the issuance of a uniform certificate of registration, bearing the seal of a central organization, national in its character and import.

If there has existed to any considerable extent a feeling that the breeders of one Province had an advantage over others in having a large majority and the headquarters of many societies within its borders, the proposal to centralize them at the capital is a reasonable one, since the great bulk of the business in connection with registration is conducted by correspondence, and postage to Ottawa is as cheap as to any other point, and, to some privileged people, cheaper.

The only questions of a disquieting nature in connection with the proposition have been those relating to the control of the records, and the confidence to be placed in the competency and reliability of the parties in whose keeping the records might be placed. As to the first of these, satisfactory assurances have been given by the Minister of Agriculture that the control will still be in the hands of the societies representing the breeds whose records are granted incorporation under the Dominion Live-stock Record Act, and, in regard to the second, that reliable officers having experience and the requisite knowledge of registration work will be placed in charge of the records.

The cost to breeders of the registration of their stock, which, in some of the societies, has been a rather heavy tax, should under the new system be greatly reduced, which is another argument in its favor, though not one of the strongest. In the case of those classes of stock for which no society and no Canadian records exist there may be a difference of opinion among breeders as to the necessity of their joining hands with the national organization, since, in the case of the sheep-breeders especially, they are generally well satisfied with their connection with the American record associations. It is to be hoped, however, that in the near future all may see advantage in a uniform system of registration and records under the control of our own people and bearing the signet of our own Department of Agriculture, and in this respect unique in the realm of live-stock registration on this continent, if not in the wide world.

The usefulness of the breed societies and their mission in looking after the interests of the breeders and of the breeds they represent, it is to be hoped, will not be lessened under the new dispensation, otherwise some of them might stand to lose as much as they would gain. The societies will be as much needed as ever, and it is important that for the purpose of advertising and exploiting the breeds they favor and in which they are interested, a live membership be maintained and a source of revenue provided, to be used in the interests of the breed in such a manner as the membership may deem advisable. Unless the membership fee or a part of it be retained by the society, it will be difficult to secure a fund from which to provide for special prizes, which have done much to keep some of the breeds prominently before the public. This point needs to be carefully safeguarded in the final arrangements.

Co-operative Fire Insurance.

We have just received the annual financial statements of two township farmers' mutual fire insurance companies, and the figures which are presented give cause for satisfaction to those insured in these companies, and may well furnish food for thought for all interested in the subject of fire insurance. Before giving any figures, it ought to be said that these two are among the most prosperous of the local fire insurance companies of Ontario. They each have a comfortable cash surplus of over \$17,000—in one case it is over \$20,000—with which to meet sudden calls. On this surplus, which is deposited in banks or invested in bank debentures, there is drawn yearly a snug little amount of interest, more than sufficient in both cases to pay all expenses for officers' salaries and directors' fees. Losses by fire have had to be paid, but with both companies the receipts for the year have enabled them to meet all charges, and add over \$1,000 to the balance on hand.

Mutual fire insurance companies are essentially democratic institutions. They are insurance "of the people, by the people, and for the people." With most, the head office is but the farm home of the secretary, instead of a building in the city costing tens or hundreds of thousands of dollars. Directors are chosen at the annual meeting from themselves, each usually, as in the case of school trustee, holding office for three years, and one-third of the board retiring each year. At annual meetings also, where every person insured in the company has the privilege of voting, new by-laws may be passed or old ones amended, and all matters relating to the working of the company freely discussed. New sources of danger are continually cropping up, the latest probably being the increasing use of gasoline engines on the farm, and new regulations are needed to meet them. Very few fires are reported as caused by carelessness, and in one respect we notice that about eighty per cent. of the losses, including animals, were due to lightning.

The assurance which a strictly mutual fire insurance company can give to policyholders that all claims will be met depends not only on the cash surplus on hand, or the yearly premiums received, though these, in nearly all cases, are sufficient, but on the premium notes or undertakings of those insured. Each person insuring in a company of this kind for a term of three years secures to the company a sum equal to a stated

per cent. of the amount insured, and the whole of this percentage, or any part thereof, may be called for at any time during the currency of the policy, if the directors think it necessary. This furnishes ample security, and, in the case of an overwhelming loss, such as might occur during a severe electric storm, distributes the loss over all. The percentage of amount insured thus secured by premium note varies in the different companies, being in some as low as three per cent. Some companies have the honorable record of never having had to assess on premium notes, nor to borrow from the banks.

Companies such as we have been referring to are particularly suitable to farming communities. The joint-stock insurance companies do not try and cannot hope to compete with them in the matter of rates. The local mutuals, for one thing, have but light expense for salaries and agent's fees. In many instances the secretary and treasurer are the only salaried officers, and the directors' fees and expenses are merely nominal. Insurance is usually also limited to farm buildings, or other isolated risks which are non-hazardous. Again, as every insurer is known to one or other of the directors, the nature of the risk is well known, both as regards to the moral character of the insurer, as well as the condition of the buildings. The Provincial Inspector of Insurance makes the statement that in the early days Ontario farmers were paying in some cases as high as \$12.50 per \$1,000 per annum; whereas, now they are getting insurance on the mutual system in many companies for \$2.00 per \$1,000 per annum, and in some even as low as \$1.50.

As already noted, each company frames for itself by-laws suited to its particular circumstances, yet, over and above these, are statutory conditions imposed by the Act of Legislature, which must not be contravened, and which apply equally to all. An Inspector of Insurance, a Government official, or his assistant, examines, yearly, all books, to see that everything is straight, points out defects, and gives useful hints.

The judicious way in which many of these companies are managed is evidenced by the increasing number of farmers who insure in them. In some townships there is little room for further increase, practically all the farmers being policyholders in the local company. No doubt, if all were known, it would be seen that some companies have had enough to do to keep their heads above water, but the Inspector of Insurance is emphatic in his declaration that the financial status of such companies generally throughout the Province has very much improved. Another proof is thus afforded us of the possibilities of co-operation, for these institutions are but co-operative associations.

It may surprise many to know that there are in Ontario 73 strictly mutual fire insurance companies, nearly all of them farmers' companies, and many of them operating in but a single township. At the beginning of 1904, these had in force 110,215 policies, insuring property to the value of \$160,385,333. Twelve companies have money borrowed, but only small amounts, and fifty-one companies have no liabilities whatever. The reserves of cash on hand were increased in 1903 by \$34,795.00, bringing the total surplus up to \$205,857.00.

If anyone interested desires any particular information on how to organize or carry on mutual fire insurance companies, we are sure they will receive every courtesy by addressing J. Howard Hunter, Inspector of Insurance, Parliament Buildings, Toronto.