and expenses. In the New Hampshire report one company is shown to have spent 55 per cent. of its premiums in expenses.

Now, to go through the labour and risk and anxiety of conducting business which resulted, as it were, in giving 100 cents in change for a dollar bill is decidedly a most disagreeable experience, hence these withdrawals of so many fire companies from so many States. It may be remarked here that such an expense ratio as 43 per cent. of the gross premiums is altogether excessive. The necessity of retrenchment is pointed out by Commissioners. Certainly, 43 per cent. is fully 10 per cent. too much. A waste of 10 per cent. of all premiums received under ordinary conditions would make the difference between a fair amount of profit on underwriting, and, when the losses are added, a dead loss of all the premiums and a certain percentage of the income from investments. The expense ratio of the fire companies operating in Canada averages below 30 per cent.; it seems, therefore, evidence of extravagance or lack of supervision for the expense ratio in some American States to range over 40 per cent.

The reports of receivers of 5 insolvent fire companies in Massachusetts show that 4 of them were mutuals of very small dimensions. In winding up the "Commonwealth Mutual Fire" the receiver was compelled to bring several hundred suits to obtain payment of assessments, in all of which he won on the legal question. In this report a very interesting question is discussed, viz., "whether an agent's or broker's license protects not merely the person to whom it is issued but also his employees." Various legal authorities decided against this extension of a license. The Attorney-General writes: "The license may not delegate his authority to an unlicensed person, even though he be his clerk. In other words, under the pretence of being a clerk he cannot lawfully be a solicitor or broker of insurance, excepting so far as such work is under the immediate direction of his employer, and is, incidentally, a part of his work as clerk." All of which seems very arbitrary, but our friends in the United States do draw the bands of freedom very tightly, and we Canadians think put such harsh restraints upon the liberty of the subject as would be intolerable in this free country.

The New Hampshire Commissioner complains that companies having a domestic charter can do business from New York to New Orleans without filing papers or procuring a license. This looseness, he points out, has bred what are practically "wild cats," having no office, no assets, no capital, but are writing risks wherever they can find them. The Commissioner of this State considers the valued policy law to have worked satisfactorily. On the other hand, the Ohio Commissioner, speaking of the Valued Policy Law, says: "Statistics have been gathered apparently disclosing a material enhancement of loss rates under the operation of this law." In 1900 Governor Shaw, of Iowa, caused an exhaustive investigation to be made of the operations of the Valued Policy Law and its effect on premium rates. He thereupon vetoed such bill. In his message he says:

The State that secures the minimum rate will be that State which provides a uniform policy, to be used by all companies, and that limits the amount of recovery to three-fourths of the actual loss. In order to reduce the loss to the minimum there must be some inducement for the owner of the property to throw water rather than oil on incipient fires.

The above is a sane deliverance.

A GREAT PROBLEM RAISED BY THE STRIKE.

HAVE MEN A RIGHT TO COMBINE IN ORDER TO PARALYZE AN INDUSTRY?

The strike of the anthracite coal miners has raised one of the most difficult of economic social problems. Have men a right to enter into a combination which is intended to paralyze a particuiar industry for some ulterior purpose, such as raising their wages, imposing their society's rules on employers, restricting the output of the trade or shortening the hours of labour?

The history of trades societies goes back to very early times. There are allusions in Scripture to such institutions, as in Nehemiah iii. 8.

A *collegium*, or society of traders, was known to Roman Law. In the earliest records of England, over a thousand years old and later, we have references to such bodies which were organized for purposes strictly analogous to those of a modern Trades' Union. The organization of industry is, therefore, no special feature of modern times.

The system of regulating the share divisible amongst those by whose labour an article has been produced out of the sum it has realized, that is, the wages to be paid for such labour is a highly controversial topic. In the great mass of merchantable goods it is impossible to ascertain the precise cost of any one man's contribution of labour, as the interlacings of a variety of interests are too involved, too intricate to be discriminated. The artisan rarely works in complete independence of others or independently of some mechanical aid given by the employer. Even in coal mining, in which enterprise the labourer's share in cost of production seems so direct as to be easily valued, when looked at carefully, presents this difficulty. Before the miner can begin work he must have certain appliances that are provided by the capital of the mine owner. There must be arrangements available for marketing the