

the natives consume little butter, but the needs of the foreign population of that country, which must be supplied by importations, are considerable. The butter principally used by foreign residents of China is of French make, and the quality excellent. All shipments for that market require to be made in hermetically sealed tins or jars.

FIRE UNDERWRITING IN CANADA.

Among other things shown in the preliminary statement with regard to fire insurance in Canada during 1897, issued last Friday at Ottawa, is a comparison of the extent of the business thirty years ago and now, and the proportion of it done by different groups of companies, British, Canadian and American. In the year 1869 the aggregate held at risk in Canada by all companies was \$188,859,809 and by the close of 1897 it had increased to \$863,597,599. The proportions done by different groups of companies in the two years were as under, as shown by the Blue Book, from which also we take the table appearing on page 1458 of this issue :

RISKS WRITTEN.

Year 1869, British companies	\$115,222,003	equal to	61.17	per cent.
" Canadian "	59,340,916	"	31.50	"
" American "	13,796,890	"	7.33	"
Total	\$188,359,809	"	100.00	"

The gain made by the British and United States companies and the corresponding decline in the share done by our home companies is shown by the next table :

Year 1897, British companies	\$611,840,429	equal to	70.84	per cent.
" Canadian "	149,307,279	"	17.30	"
" American "	102,449,891	"	11.86	"
Total	\$863,597,599	"	100.00	"

Thus the bulk of the business has been all along done by the British companies, though in 1876 Canadian companies did as much as \$231,000,000 of the total. American companies, too, did a larger share some years ago than now, their risks reaching \$124,000,000 in 1893. But the British companies have a larger proportion of the risks now than they had in 1869, while in the interval quite a number of Canadian companies have arisen, tried the field, and disappeared, finding the business a losing one. How it comes that British companies can do business at a profit and increase their business when American and Canadian ones lessen theirs or retire does not immediately appear. We incline to think, however, that it is, in part, because the British ones do business at a less expense ratio; it may be, too, that they are more careful in the risks they underwrite.

As a matter of fact, however, the profits of fire underwriting in Canada have been, and still are, precarious. The ratio of loss during the five years last past has been almost exactly 68 per cent. of the premiums—ranging from 74.37 per cent. in 1893 to 71.91 per cent. in 1895, and 66.12 per cent. in 1897. And if, as is the common estimate, we add 30 per cent. as the cost of management expenses and commissions, we have about 98 per cent. outgo (97.95 to be exact), which is not encouraging to a capitalist. The reports of the Insurance Superintendent show that since 1869 companies doing fire insurance business in Canada took \$133,257,922 in premiums and paid out \$91,640,289 in losses. If we assume 30 per cent. for expenses, the experience of the last twenty-nine years has not been profitable. The Blue Book tells us that fourteen out of thirty-six stock companies licensed to do fire and marine business in Canada last year reported total cash expenditure exceeding 100 per cent. of the total cash receipts.

Following are the aggregate fire premiums and losses of Canadian fire underwriting companies reporting to Ottawa during the five years past. We have made up and append the ratio of loss in each twelve-month, which calculation shows that 1896 was the only encouraging year in that period :—

Year.	Premiums.	Losses.	Percentage of Loss.
1893.....	\$6,793,595	\$5,052,690	74.37
1894.....	6,711,369	4,589,363	68.38
1895.....	6,943,382	4,993,750	71.91
1896.....	7,075,850	4,173,501	58.98
1897.....	7,214,612	4,670,549	66.12

Clearly the ratio of loss here shown is fatal to profit, if it cost 30 per cent. to manage the business. But the question is, ought it to cost that much. In view of the figures given above, Canada requires to learn to be more careful in fire prevention if she would hope to have rates of premium maintained as low as they are now, to say nothing of getting them reduced.

FRIENDLY SOCIETIES AND LIFE ASSURANCE.

Before the Banking and Commerce Committee of Parliament last week a discussion took place which is of interest to the thousands of members of fraternal organizations throughout Canada. It arose on the bill to incorporate the subsidiary High Court of the Ancient Order of Foresters. There was also a kindred measure to incorporate the Supreme Grand Lodge of the Sons of England Benefit Society.

The bill was objected to in the public interest by the Dominion Superintendent of Insurance, Mr. Fitzgerald, who stated broadly that nearly all these fraternal organizations charged rates which were too low for properly conducting the life insurance business. While admitting that the A.O.F. rates since 1894 were better than most other friendly societies, still the rates were 20 per cent. less than would enable the society fairly to meet its liabilities. Furthermore, he stated that the Independent Order of Foresters, which is Oronhyatekha's company, intends at next Supreme Court meeting to raise its rates enormously on new business, and possibly on old memberships as well.

This attitude of the Superintendent of Insurance is significant, especially when taken in connection with the statement made a year or two ago by the Inspector of Insurance of Ontario on the same subject. That gentleman in a valuable leaflet, quoted by us on January 8th, 1897, and since, arraigned one friendly society in particular and others in general for professing to give life assurance and pay endowments while charging premiums not one-fourth, in some cases not one-tenth, what is necessary to be charged for such purpose. After showing how one society promised to give \$500 endowment where the total sum paid in for a quarter century only amounted with interest to \$50.71, Mr. Hunter added: "No usurer in the land would impose upon his victims such a monstrous bargain as the members of this society are now imposing upon themselves for the benefit of the few first maturing endowments." He closed by pointing out that the suffering caused by the failure of a life assurance society is very great, and it falls upon the most helpless classes of the community. "There are now in such societies [Friendly Societies], a large number of persons who, from age or ailments, have become uninsurable elsewhere."

The evidence of two such officials, both barristers, both students of economic science, both in positions enabling them to see the dangers of assessment insurance, ought to go a long way to convince the public that the

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