

of such claims exceedingly difficult, and show, by public disapproval and social ostracism of the guilty parties, that such acts merit and will receive severe condemnation?

Underwriters are charged with the too prompt payment of loss claims, and it is urged that this is the cause of many fires. I am confident this charge will not apply to the adjustment and settlement of claims that appear to be fraudulent, or those growing out of suspicious fires.

Just how much justice there may be in the application of the charge to the settlement of other claims I am not prepared to say, but I am sure that if the enormous amount paid annually for loss, the variety and magnitude of the interests connected with the same, and the importance of enabling the assured to protect their legitimate interests and prevent further loss, are given proper weight in considering this charge, it will be admitted that the companies handle this great financial question with remarkable ability, judgment, prudence and discretion.

The importance of securing legislation by the States providing for a thorough official investigation of the causes of fires should be kept in mind, with a view of pushing a successful campaign before the different legislatures at their next sessions. And our efforts to secure local building laws providing for improved construction under a proper and efficient supervision should be continued on a well defined plan.

Renewed efforts should be made to secure the passage of a National Bankrupt Law by Congress, for it is believed that such a law would be beneficial and effective in reducing the fire waste.

The hazards growing out of the use of electricity for light, power, and many other purposes should receive special attention by a fully empowered committee, looking to the formation of uniform rules and restrictions in line with the present knowledge of the hazard. Possibly the time is not yet with us for fully measuring the elements of danger connected with the introduction of electricity, but it is well understood that with all the safeguards already introduced the dangers are great, and there is strong belief that the fire waste has been greatly increased by the use of this powerful property.

The relative amount of insurance to the value of property covered is a point that the adverse loss experience of the past sixteen months has forced us seriously to consider, and I am convinced that a more general use of the co-insurance clause is demanded, and if secured will be a powerful factor in reducing the fire waste. The importance of this is receiving the thoughtful consideration of the active minds in our business far more than ever before, and the action of the New York local board in adopting an 80 per cent. co-insurance clause to apply to all rated risks in the Metropolitan District is of the greatest importance, and foreshadows an era of prosperity in New York city underwriting. I believe that if the companies generally would take up this question of co-insurance for immediate co-operative action, and would join in instructions to their representatives in the different underwriting organizations, looking to the formation of rules providing for the more general use of the clause, a bright and promising day in our business will have been reached.

At the annual meeting of the National Board of Fire Underwriters in New York on the 12th ult., of which Mr. D. W. C. Skilton of the Phoenix of Hartford was president, all the former officers were re-elected. The executive committee was authorized to issue a call for a general conference of fire underwriters at an early day to consider the fire insurance situation.

A HIGHLY INJUDICIOUS TAX PROPOSITION.

We have been astonished to learn by some brief notices in the press, that apparently the Government of the Province of Quebec entertains the idea of adopting the suicidal policy of taxing bonds and mortgages. The rate which is spoken of varies from one-tenth to one-quarter of one per cent. on the principal, according to different authorities. A tax on real estate is also hinted at. With regard to this latter, probably but little fault can be found, seeing that direct taxation of some kind is a necessity. But to impose a tax on that most sensitive and moveable of all commodities—capital, is to us the very height of folly, and if adopted can hardly fail in time to bring ruin to the business of the province. The city of Montreal would be the chief sufferer, for it is here that the money interests of the Dominion are best represented. The very position of the city as the financial centre of the country would be endangered and probably lost. It is surely hardly necessary to remind our legislators that Toronto is waiting and willing to receive all the commercial and financial corporations and capitalists who may by their short-sighted legislation be driven from Montreal. Let us, for instance, take the insurance interests. At present Montreal is the headquarters for Canada of the majority of the great British and American companies doing business in our midst, but at the appointment of every new chief agent, the question already arises whether a removal of the chief office to Toronto would not be wise in view of the great growth of that city. Some companies have already made the change, and there can be little doubt but that if a tax were imposed on the investments made in the Dominion by companies whose Canadian headquarters are in Montreal, a steady and rapid change would take place, and in a very few years Toronto would become the centre for all the insurance interests of Canada. It already is the centre for our home companies, eight of them being located there as against only three here. And if the outside companies follow this example, Montreal's preeminence in this important branch of finance will be at an end. And that they will do so there is no doubt. Is it to be supposed, for example, that the managers of the large British life companies will consent to pay a tax amounting to many thousands of dollars per annum when by simply moving to Toronto they can avoid it? One of the largest of these institutions, which has invested about \$6,000,000 in Canada, chiefly in Ontario municipal bonds, is already discussing the necessity of making the move, should the law carry, as they would otherwise have to pay a tax of certainly not less than six thousand dollars per annum, and perhaps as much as fifteen thousand—and steadily increasing with the growth of their investments. The blow which would be given to our commerce by the removal of even this one institution would be immense, and what it would be if a number of others took the same stand can hardly be imagined, it would be the death knell to Montreal's financial supremacy.

But perhaps some will think that we are wrong in supposing that the tax would apply to any corporations