

# The Chronicle

## Insurance & Finance.

R. WILSON-SMITH,  
Proprietor.

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

VOL. XXIII. No. 38

MONTREAL, FRIDAY, SEPTEMBER 18 1903

SINGLE COPY - 10c.  
ANNUAL SUBSCRIPTION - \$2.00

**Raising Effect of Bank Rate.** The immediate effect of raising the Bank of England rate, as was indicated would be the case in our last issue, was a considerable decrease in loans and deposits. The effect was to counter-balance a marked falling off in the actual reserve and raise the proportion of reserve to liabilities to 51.26 per cent. as against 49.49 and 48.25 in two previous weeks. Between the 26th August and 2nd September, the bank lost \$3,000,000 in gold and its reserve of notes and coin fell from £25,190,552 to £24,442,214, a decline of \$3,741,000. The deposits in the same week ran down from £43,286,965 to £41,872,061, a reduction of \$7,075,000. Manifestly there were conditions being created that called for an increase in the bank rate from 3 to 4 per cent.

**Water as a Fuel Saver.** An apparatus is being placed in a number of furnaces in this city by which a constant sprinkling of water is kept up on the surface of the fire. We are assured that by this system there is a greater heat produced and a saving of fuel effected. When looking at this peculiar appliance the question naturally arose, how can water feed a flame when it is the most destructive to fire of any liquid? Another question suggested was, Does water thrown on a fire always help in quenching it? Many say no! The "Scientific American" on being asked for an explanation said: "The question resolves itself into this: Can water discharged upon a fire be separated into gases so as to feed the flame? The probabilities are decidedly against this. Water is every day separated into its constituent gases in all our cities in the making of water gas, as it is called, so that the problem of accomplishing this is well understood. From the beginning of dissociation a temperature of 2,200 degrees F. is required. The dissociation is complete at 4,500 degrees F. It is very safe to say that these temperatures are not

possible in the open air. The blast furnace will give a temperature of 3,300 degrees F. In a confined space, as in a water gas plant, anthracite coal under a blast of air will pass the temperature required for dissociation; but with nothing to prevent the escape of the steam there is no reason to suppose that it can be made hot enough to dissociate, and so there is no reason to believe that any open-air conflagration was ever fed by playing water upon it." This is not favourable to the apparatus referred to, but it is a very difficult matter to apply a test that would prove definitely whether it does or does not do what is claimed.

An Ottawa daily newspaper says: **Fire Insurance Companies' Health at Ottawa.** "The greed of the insurance combine will give them indigestion, for we will all quit business to promote new insurance companies."

Ottawa is a healthy place, but to insurance companies we should not recommend it as a health resort, for to such constitutions as theirs' Ottawa is much too hot. So hot indeed is Ottawa for insurance companies as to bring on periodic attacks of "sweating sickness," which is very debilitating, and in some cases fatal, especially to the young companies who have not acquired a considerable reverse of constitutional strength. As to the "greed" of the companies giving them "indigestion," the symptoms have been wrongly interpreted by our contemporary. What the companies have suffered from at Ottawa has been an incapacity to retain anything in the stomach, so they have become thin for lack of proper nutriment. Such assertions as have been made regarding Ottawa from an insurance standpoint have been tough enough to give an ostrich a fit of indigestion. There is nothing to prevent our contemporary quitting his business "to promote new insurance companies." When he has had some experience in this form of enterprise he