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advertisements and the placards telling of a trip here, an excursion there, and a cheap rate to everywhere, and judging from the crowds of people, including hard-worked business men, to be found nowadays at the seaside, mountain and lake shore resorts, and the crowds, too, at the railway stations and boat wharves heading thereto, the people who believe in Russell Sage must be in a hopeless minority.

He claimed, we believe, that to take a vacation in a busy time (and, with such a man *all* seasons would be busy) was to lose one's grip on things, and have to begin again. But is not that precisely the logic of the whole situation? To loose one's grip on things, more strictly speaking, to loosen their grip on us—is not that, when all is said, the main object of a holiday? With long clutching of any object a man's fingers grow tired, eventually weak; he lets go, and when he takes hold once more, he finds it is with an increased vigor. He loosed his grip, merely to gain a new one, and a tighter. The tension was relaxed; is renewed; and is firmer than before. And if this be the case with the body, with a single limb, how much more so is it the case with the mind, with that delicate organ and director of all other organs, upon the health and due equipoise of which everything else depends?

The whole organism of the city man, both body and mind, the former harried with unnatural conditions of atmosphere and environment, the latter with business cares, cries aloud for renovation, for a change from accustomed sights to new ones, for a casting off of the very "grip" which Russell Sage values so highly. It is Nature against the financier, and there are but few instances in which Nature does not come out on top in the end.

Therefore, we say to our readers, the business men of Canada, hearken to the call of the woods or the green fields of the country, or the enticing murmurs of the seashore. Loosen the grip of office cares; leave them for a week or a month, and come back at the end of that time twice as fit to meet and conquer them.

FIRE INSURANCE COMPANIES AND THEIR PROFITS.

The fact that, in spite of the heavy losses in Toronto and Baltimore in 1904, British fire insurance companies were able, besides keeping their reserves unimpaired, and, indeed, augmenting them by £1,000,000, to make a net profit of £1,032,648, has caused some people to argue that these facts prove there should be a considerable decrease in rates charged on this continent. A better understanding of the business, however, would show such people the unfairness of such a contention. Insurance has to, or should have to, pay for itself, and it would be manifestly unjust for countries where building construction and fire protection are excellent, and where the people have been educated to guard against fire, to have to share in very large measure the burdens wrought by contrary conditions. Another thing which should be borne in mind is the fact that many of the old-established British companies are to-day carrying risks which they have had on their books for many years, and on which the loss ratio has been extremely low. We refer more particularly to business which is practically controlled by a number of these companies, such as mansions and similar properties belonging to old English estates.

The business done by them in this country and that done by Canadian companies not having these advantageous connections cannot fairly be placed on the same level. Nor should it be expected that countries like Canada and the United States, where the average fire waste is simply enormous, even leaving out of consideration the disastrous conflagrations which periodically destroy great values, should be allowed to reap the benefit of such advantages on even terms.

It must not be imagined, however, that the British companies did not feel the result of such disastrous fires as those which took place last year. As compared with the highly favorable year, 1903, there was a very considerable diminution of profits. Their net losses at Baltimore were £1,786,192, and at Toronto £991,645, besides which they experienced very heavy losses in South Africa. The net profits for 1903 were £3,389,435, compared with, as stated above, £1,032,648 for last year.

Analyzed, the business of the British fire offices for the year 1904 shows that they received a net premium income of £22,668,110, as compared with £21,799,523 in 1903. The total claims, paid and outstanding—including the Baltimore and Toronto losses—were £13,472,800 (59.44 per cent. of the premiums), against £10,758,413 (49.35 per cent.), and the expenses and commissions amounted to £7,815,227 (34.48 per cent.), as compared with, £7,548,784 (34.63 per cent.). There was thus a gross surplus of premiums over claims and expenses of £1,380,083, or 6.08 per cent. of the premiums, as against a surplus for 1903 of £3,492,326, or 16.02 per cent. The year 1903 was altogether exceptional, and the results for 1904, though inevitably below the average of ordinary years, are not so far below as might have been anticipated. Part of the surplus of last year was, of course, due to the increase in the premiums, and if we make the usual allowance of 40 per cent. of the increase in premiums as a measure of the additional reserve necessary for unexpired risks, we arrive at a net profit for 1904 of £1,032,648, as compared with a corresponding net profit for 1903 of £3,389,435.

It may be remarked that the companies which do a purely home business show up particularly well, which shows the truth of what we contended for above, namely, that fire losses in the United Kingdom have been for some time past comparatively light.

Another feature which the general public do not take into sufficient consideration is the fact that the actual premium earnings of most fire insurance companies are by no means their only source of income. Indeed, with many of them their financial management in the past has been on such a good and conservative basis that interest on reserves and on paid-up capital has very largely provided the means for the paying of dividends, independently of earnings. Another thing to be remembered is that several of the companies have life and other departments, which contribute their quota to the fund from which dividends are paid. For example, last year the British fire companies paid dividends amounting to £2,048,266, of which £1,459,936 was contributed by the increment from interest, life and marine departments, etc., contributed £236,000, and the actual amount added to the dividend fund from premiums in the fire branch was only £352,330.

The Accident and Guarantee Company of Canada has been elected a member of the International Association of Accident Underwriters.