

CUTTING PRICES.

The ill effects of such a course as cutting prices are attracting attention in the United States. According to the *Bulletin*, "Probably the most prevalent vice in the mercantile world is that of cutting below recognized and established values in order to get ahead of competitors, which is the worst habit that business men can adopt, as it involves a principle which, if persisted in, must result in bankruptcy." The first cut is, frequently, the first logical step to the calling of a meeting of creditors. When a tradesman begins to undersell, he has no idea of overstepping the bounds of moderation; but the great trouble is that moderation in the cutting of prices is the most difficult thing to define. "Commencing by just a shade below regular quotations, the cutting propensity grows and grows, until the slightest shade above cost is reached, and in not a few cases bargains have been closed on the hardpan basis of cost itself, whilst in some instances the pruning process cuts even below it. Now, what is the inevitable result of all this? Why, simply, a resort to the dishonest practice of supplying an inferior article in place of the one sold, in order to make a profit."

If, says the *American Storekeeper*, two or more merchants in the same town, or at competing points, cannot agree like men to stop cutting and to sell staples at a living profit, it will pay any one of them to stop the senseless practice short off, and to step out, alone, if need be, in the path of keeping store for money. No live storekeeper need be forced into "marking down" by the unbusinesslike example of his competitors. There are other ways of keeping trade. Customers whose patronage is worth having are bright enough to appreciate, when told, that they cannot get something for nothing, and that the merchant who pretends to deal with them on that basis has sinister designs upon their pocketbooks. It is better to stop cutting and unprofitable selling by consent and agreement, and an earnest effort to establish such an understanding is advisable, but it is well to stop it anyway.

APPORTIONMENT OF FIRE LOSSES.

Some time ago Mr. Henry Lye, of Cobourg, a well-known insurance expert, read a paper before the Institute of Accountants in this city on the apportionment of fire losses on non-concurrent policies, and illustrated his method by apportioning the loss to each of six companies under the following supposed circumstances: Company A. has \$5,000 on 5 houses, Nos. 1, 2, 3, 4, and 5. Company B. has \$5,000, being \$1,000 on each of Nos. 1, 2, 3, 4, and 5. Co'y C. has \$5,000 on houses Nos. 1, and 2. " D. has \$5,000 on houses Nos. 1, 2, and 3. " E. has \$5,000 on houses Nos. 1, 2, 3 and 4. " F. has \$5,000 on houses Nos. 3, 4 and 5. The loss by fire on each of the five houses is supposed to be \$5,250. Mr. Lye's apportionment of the loss results in the assured's contributing to the loss \$573.51.

The paper was criticized at the time by some insurance adjusters present at the meeting, and since that time several insurance experts have made adverse criticisms on Mr. Lye's paper and have published their own views on the much disputed question of how losses under non-concurrent policies should be apportioned. At the last meeting of the Institute held on the evening of the 6th inst., one of the members, Mr. Wm. Powis, read a paper purporting to be a "reply to that portion of Mr. Lye's paper which refers to the adjustment of average." Mr. Powis lays down certain rules "for

the guidance of the novice," but to those "who had given sufficient thought to the subject, these might more properly be termed amios."

During the discussion that took place on Mr. Powis' paper, in which ex-Alderman Moore, Mr. McLean, secretary of the Fire Underwriters, Mr. Wylie and others took a part, it became apparent that some of the axioms of Mr. Powis were not "self-evident truths," for several of them were called in question by those who criticized his paper, a document which reflected a good deal of credit on Mr. Powis in his endeavor to throw some new light on this, as yet, unsolved problem. To show how far this desideratum still was from being an accomplished fact, Mr. McLean read the following statement in which an apportionment was made, in the case given by Mr. Lye, by Mr. Rowland, of the city of London, Mr. Neill, of the *Guardian*, Mr. Powis and the *Finance and Insurance Chronicle*; no two of which agreed as to the proper distribution of the loss. Mr. McLean said that the science of apportioning losses could not certainly be called an exact one, which, with the same premises, arrived at different conclusions; as would be seen from the following results arrived at by insurance experts:—

Adjuster.	Bdg. No. 1.	No. 2.	No. 3.	No. 4.	No. 5.
Mr. Lye says Co. A. pays....\$	803.67	803.67	803.67	1,054.80	1,530.19
Mr. Rowland says Co. A. pays	681.00	681.00	959.09	1,085.00	1,594.00
Mr. Neill says Co. A. pays....	707.93	707.93	797.38	1,000.00	1,000.00
Mr. Powis says Co. A. pays..	707.87	707.87	797.47	1,043.41	1,743.38
<i>Chronicle</i> says Co. A. pays..	570.40	570.40	749.15	1,105.50	1,594.00
Mr. Lye says Co. C. pays....	1,494.04	1,494.04	....	....	....
Mr. Rowland says Co. C. pays	1,780.00	1,780.00	....	....	....
Mr. Neill says Co. C. pays....	1,767.84	1,767.84	....	....	....
Mr. Powis says Co. C. pays..	1,769.66	1,769.66	....	....	....

In a similar manner, Mr. McLean showed that the authorities differed as to the liability of each of the companies B, D, E, and F. Now, the total loss on the five buildings was \$26,250.00. The Co's. were liable, according to

Mr. Lye, for only	\$25,676 29
Mr. Rowland for	26,250 00
Mr. Neill " "	25,613 33
Mr. Powis " "	25,728 98
<i>Chronicle</i> " "	26,250 00

It will be seen that Mr. Rowland and the *Chronicle* pay the assured his full loss.

Mr. Lye makes the assured lose....	\$573 71
Mr. Neill " " " " " "	636 67
Mr. Powis " " " " " "	521 12

It is evident from the above that there exists, even among experts, a great difference of opinion as to the proper mode of apportioning losses among companies on non-concurrent policies. If the Institute of Accountants be the means of ascertaining a true plan of settling such losses, they will deserve much credit. At present, the adjuster who is fortunate enough to be the first to settle the

claim chooses the mode of apportionment most favorable to the company he represents. An American adjuster of great experience, in speaking of the different rules applied to the apportionment of such losses said:—"I have been for all the rules, and don't know where I stand—get converted to a new way at every fire."

DRY GOODS ITEMS.

A co-operative association of lady dress-makers has just been organized in Manchester, England.

The annual meeting of the National Association of Clothiers, which has eighty-four members in New York, employing 1200 cutters, was held in New York last week. The labor question and the credit system were the two subjects discussed.

The cotton and spinning mills are generally busy North and South, and in many places wages have been voluntarily advanced. At Columbus, Ga., 2000 employes were advanced 10 per cent. At Athens, Ga., all the mills are oversold. Idle mills at Woonsocket, Rhode Island start up this week.

Continual disagreements are arising among the Cohoes and other hosiery manufacturers and their workmen over wages, shop rules, dinner hours, or something of that sort. The Knights of Labor are endeavoring to start two large co-operative hosiery mills.

The fashion of wearing stuffed birds as an ornament to head-gear has received its death-blow. It has been traced to a Parisian *demi-mondaine*. This will have more weight in killing it than all the arguments as to its cruelty brought to bear upon it. Charles Dudley Warner writes to *Forest and Stream* concerning the millinery bird business: "A dead bird does not help the appearance of an ugly woman, and a pretty woman needs no such adornment. If you can get the women to recognize these two things, a good deal will be done for the protection of our song birds."

Says the *New York Evening Post*, a very close calculation of the items of cost in a yard of cotton cloth is given by an expert, in the Consular report issued by the last Republican Administration for September, 1882, page 44. From this it appears that the cost of labor in the entire process of transforming cotton into cloth is less than 7 cents per pound, while other items amount to more than 7 cents, and the cotton itself costs about 10 cents. Thus we find that the entire labor in a pound of cotton-prints, worth in the market 24 cents, is only 7 cents, or less than thirty per cent. of the whole cost. This includes every item of labor, in every stage of the process, except, of course, the growing of cotton.

According to the *Journal of Fabrics*, which confirms what we have already said on this subject some weeks ago, we have entered upon a season of white fabrics. Muslins, lawns, cambrics, in all their varieties, have been provided; and silks, satins and crapes are in great variety. Still there has been a need unsupplied. The changeable climate and cool atmosphere of mountain and seaside resorts, make thin toilets neither comfortable nor safe, and the beautiful silk fabrics are, "too much dress," as women say, for many occasions. Cladette made its appearance last season and was eagerly welcomed wherever shown. Feather cloth is a delicate armure, a little lighter in weight than cladette; snowflake has a glittering crape like surface; convent cloth is a fine momie, and gypsy cloth, the lightest of all, a canvass weave with a shimmer of silk in