

transgressions against modern usage are common in the fire underwriting associations of the United States. However, the New York paper in question says:—

"So many fire insurance rating and commission organizations throughout the country appear to be in an unhealthy condition that it seems opportune to analyze the causes leading up to their present state. For several years sound institutions have been withdrawing from rate unions, etc., and have operated independently, thus securing an advantage over their union competitors. Some of the non-union companies have cut rates, with the result that board agents clamored for relief; but the tribulations of the underwriter who is loyal to associations are not so much due to the cut-rate company as to the combination of well managed non-union companies and to his dishonest fellow members in the payment of high commissions to agents.

"The cut-rate companies rarely confine their underwriting to the preferred classes or to special hazards of the higher grade. They often take over their counters' risks of uncertain character all over the field without inspection. In due time enough of these risks burn to more than exhaust the profit on the good business, and a retirement, if not a failure, is the customary result. Company managers know this, and so also do the agents, however much they complain while harrassed by the competition. The loyal union company's great trials are the remaining two factors. The strong and well managed non-union companies have a decided advantage. They offer a policy which will sell, and have the right to pay the agent a commission that will secure the business and the intelligence to select the kind that is worth having. Such companies make gains in surplus in years when many union companies show losses.

"The disloyal union companies offer a serious problem, and one that must be met ere long. They are bound to a fifteen per cent. commission rate, and yet have innumerable contracts at higher figures; some by more or less specious evasions of the spirit of their obligation, and others through flat and unblushing violation of their pledge. If brought to book, they will claim that they merely met competition, or dodge responsibility in some other way. Managing underwriters are inclined to inveigh strongly against such of their fellows as are addicted to trickery in commission matters; and yet is it not in a measure their own fault? Do they not treat the culprits quite as well as their honest fellows, and do they not maintain cordial business and social relations with them no matter how much criticism they may indulge in when the subject thereof is not within hearing distance? If the underwriter can cheat his fellows without a manly protest on their part, and particularly from those who treat him as a personal friend, do they not encourage him in the belief that his offence to them is a trifling one, and are they not greatly to blame for the current distrust which is sapping the strength of underwriting associations?"

#### MONTREAL AND CIVIC ADMINISTRATION.

There is nothing new under the sun. Twenty-five years ago His Worship the Mayor of Montreal, Mayor Bernard, was congratulating the City Council in his inaugural speech, upon its new charter, and discussing the finances of the city. He "was able to announce an increase in the revenue of \$100,000 from

the natural growth of the city, and the increased assessed value of its property, but he regretted to add that the annual appropriations for the year would be deprived of one half of this surplus through the Road Committee having exceeded its legal expenditure by \$50,000." With truly prophetic instinct he said: "I would embrace this opportunity to urge upon all committees of the Council the absolute necessity of confining their operations to within the limits of their respective appropriations. Nothing but the extraordinary growth of the city could save its finances from embarrassment, in view of such irregularities, and any sudden check to its growth would inevitably lead to great difficulties were such a system to be encouraged and persisted in." He added: "It is to be hoped that for the future, instead of incurring liabilities beyond their appropriations and afterwards coming before the Council to pay so much outstanding debt, committees will see the propriety of coming before it for the sanction of the expenditure before incurring it, and have it regularly provided for by appropriation."

At that time the taxable value of the real estate was \$54,000,000, and the exemptions amounted to over \$9,000,000, and the funded debt was \$7,378,000. Then, as now, thoughtful critics of civic affairs saw danger in the disposition of the committees to overrun their appropriations, and, then as now, the committees went at their reckless work with light hearts depending on the "extraordinary growth of the city," and a whole chapter of probable and improbable, possible and impossible accidents to save them from the consequences of their folly.

How has the situation improved?

It is true that the taxable valuation roll has increased from \$54,000,000 to \$140,000,000, but at the same time the exemptions have increased to \$36,000,000, and the debt to \$27,000,000, and it takes about 40 per cent. of the civic income to pay the interest on the debt alone.

We have undeniably made great "progress" in municipal matters, but progress in the direction in which we are travelling is not desirable. The civic income from more than three-fourths of the taxable real property of the city goes to pay the interest on the debt, leaving about \$30,000,000 worth of real estate, together with the personal and business tax-payers to bear the whole burden of taxation for ordinary expenditure in a city like Montreal. If the interest on our debt is equal to about 40 per cent. of our revenue, it is obvious that the city cannot much longer find relief by further increasing that burden.

There are several remedies proposed:

One is to increase the taxation.

One is to abolish or reduce the exemptions.

One is to insist upon a systematic, business-like and legal administration of the city's affairs.

The indications are that the citizens will resist any serious increase in taxation, and that the ecclesiastical authorities and other interested parties will resist any

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