

## HOW LONG WILL IT LAST?

**E**STIMATES of the war's duration vary from a few weeks to three years. The minimum guess is that of the thoughtless. The maximum is that of military men. Financiers and economists generally are not indulging in estimates. Their guesses probably would be always "Less than twelve months." In the House of Lords the other day, Earl Kitchener said: "The terms on which I am serving are the same as those under which some of the finest portions of our manhood, now so willingly stepping forward to join the colors, are engaging, that is to say, my term of office is for the duration of the war, or for three years if the war should last longer than that. It has been asked why this period has been limited. It is because if this disastrous war be prolonged—and no one can foretell for a certainty its duration—that after three years of war others will take our places and see this matter through."

One expects such stern stuff from Kitchener. His statement will have at least three marked effects. It will impress upon British people that this war is not an affair of days. It will impress upon the British Empire the immediate necessity for men and money. It will be an unmistakable hint to Germany that we are in this fight to stay. But after all, Kitchener's suggestion of a three years' war is that of a military man. He makes no calculations for publication regarding finance and food.

Sir Arthur Conan Doyle thinks that a year will be the limit. "There will be vast efforts," he says, "and occasional disappointments will await us. But it will be not long. It seems to me absolutely impossible that it should be long. The temper of the times will not brook slow measures, nor will the enormous financial strain upon Germany be tolerated indefinitely. How dangerous is prophecy, and these very words may come back to mock me. But I cannot make myself see how it can be over in less than six months, or how it could extend for more than twelve."

*The Monetary Times*, while hesitating to prophesy, is inclined to take the view that twelve months at the outside will see the end of the war. Little financial and economic news is allowed to come out of Germany. The few official bulletins of that nature obviously are incorrect and have an inspired touch. Those who left Germany just after the outbreak of war describe some extraordinary financial and commercial measures there which are making an astounding drain upon that country's financial reserves and her credit system, "creating a situation which may be tolerable in victory but will be appalling in defeat."

At the same time, Great Britain's commercial trade, navigation, food and financial problems are being solved in the same cool and effective manner as are its military and naval problems. Germany is being cut off from the world, while Great Britain is making practical use of its Empire links. The *Wall Street Journal* thinks that what is likely to stop this war, and in the not far distant future, is not bayonets but bankruptcy; hunger and not horse artillery. This, we think, is the correct view. Every week of the war sees nations and their supplies more exhausted.

Do not stop money circulating,—because money circulates.

Be like the British bull dog—hang on to the business you have and take an extra bite at the enemy's.

## COMPANIES PAID FOURTEEN MILLIONS

### That was Result of Fire's Toll in One Year in Canada

During the year 1913 the business of fire insurance in Canada was carried on by 84 companies; of these 29 were Canadian, 24 British, 29 United States and 2 French.

During the year two Canadian companies, the Beaver and the Imperial Underwriters (the business of the former being confined to organization), one British company, the Marine, which during the year received a license for fire insurance in addition to its previous powers, but did not actually transact fire business, and two United States companies, the Equitable Fire and Marine and the Glens Falls, were added to those transacting business in Canada.

The Ottawa Assurance Company having reinsured its business in 1912 did not transact business in 1913 and has been wound up. Three Canadian companies, the Central Canada Manufacturers, the Nova Scotia, and the Sovereign discontinued business during the year, and having reinsured or cancelled their policies, are being wound up. The insurance department withdrew the license of the Ontario Fire and this company is now in liquidation. Since the beginning of 1914 the license of the Rimouski Fire has been cancelled and the company is being liquidated.

The Nationale Fire Insurance Company of Paris, France, the Globe and Rutgers and the National-Ben Franklin have received licenses for fire business.

#### Premium Total Was Larger.

Cash received for premiums during the year in Canada amounted to \$25,745,947, being greater than that received in 1912 by \$2,551,429, and the amount paid for losses was \$14,003,759, which is greater than that paid in 1912 by \$1,884,178. The ratio of losses paid to premiums received is shown in the following table:—

Companies.	Paid for losses.	Received for premiums.	Rate of losses paid per cent. of premiums received.	The same for 1912.
	\$	\$		
Canadian .....	3,020,551	5,099,298	59.23	53.95
British .....	6,939,451	13,138,597	52.82	52.26
United States and other .....	4,043,757	7,508,052	53.86	50.82
Totals .....	14,003,759	25,745,947	54.39	52.25

Taking the totals for the same forty-five years, 1869-1913, according to the nationalities of the companies, the following are the results—

Companies.	Premiums received.	Losses paid.	Rate of losses paid per cent. of premiums received.
	\$	\$	
Canadian .....	81,654,059	51,601,983	63.21
British .....	225,693,037	140,758,700	62.37
United States and other .....	61,633,801	35,257,966	57.21
Totals .....	368,981,717	227,618,649	61.69

#### Shows Incurred Loss Rate.

The loss rate for 1913 (54.39) is 7.30 below the average for the forty-five years over which the insurance department's records extend.

Obtaining an approximation to the losses incurred during the year, by excluding the estimates for losses outstanding at the beginning of the year, and including the amounts estimated for those of the year still unsettled, the ratio of the losses incurred to premiums received comes out 56.71 per cent., which is 5.59 per cent. greater than the 51.12 of the previous year, and is 3.17 per cent. less than the average for the last fifteen years (59.88). The following are the rates of incurred losses from 1899:—

Companies.	1913.	1912.	1911.	1910.
Canadian .....	61.31	52.59	53.08	60.41
British .....	54.78	50.95	53.80	57.01
United States and other .....	56.96	50.21	48.95	59.72
Totals .....	56.71	51.12	52.54	58.40