THE COMMERCIAL

The recognized authority on all matters pertaining to trade and progress in Western Canada, including that part of Ontario west of Lake Superior, the Province of Manitoba and British Columbia and the Territories.

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D. W. BUCHANAN,
Publisher.

The Commercial certainly enjoys a very much larger circulation among the business community of the vast region lying between Lake Superior and the Pacific coast than any other paper in Canada, daily or weekly. The Commercial also reaches the leading wholesale, commission, manufacturing and financial houses of Eastern Canada.

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COLLECTING BAD DEBTS.

There are many plans for collecting bad debts, but it not infrequently happens that debt-collecting schemes have been declared illegal by the courts. Those who think of resorting to extreme measures for collecting accounts, should make careful inquiry as to the legality of the proposed action, before embarking therein. Every now and again we learn of instances where the debtor has turned upon the creditor and had him punished by law, for some illegal act in an attempt to enforce payment of an account. From the standpoint of the creditor, it seems hard that the law should be invoked to shield parties who are evidently wilful "dead beats." At the same time there are instances wherein the law does seem to throw its mantle of protection around such persons, though the intention is not to shield the "crook" so much as to protect the honest, but unfortunate man. It is, of course, difficult often for the law to distinguish between the unfortunate debtor and the wilful "dead beat."

The plan of advertising delinquent debtors has been more than once declared illegal, with disastrous results to the advertisers.

One plan of protection from bad pay customers, which is giving good results, is through the formation of associations among business men. When a customer turns out bad pay, his or her name is given to the secretary of the association, who notifies all the members. In this way the business men are soon informed of those who habitually refuse to pay their accounts. This plan sems quite legitimate and should work well. There is no reason whatever for allowing a professional "dead beat" to make the rounds of the trade of a town or city, and beat each merchant in turn. There are parties in Winnipeg who have successfully "worked" half a dozen or more grocers, one after another, for large amounts. Recently a local association has been operating to check such fraudulent custom, with good results. When a customer proves bad, it is an easy matter to report the name to the members of the association, and thus place other merchants upon their guard against such an one. It is quite right that merchants should seek to protect themselves in this way. This is a form of combination which seems quite legitimate. If merchants generally could agree to work together on this basis, they would be saved opening many bad acounts, and this would be far better than devising schemes to collect such accounts.

Associations, however, must be very careful as to the means they take of collecting or enforcing payment of accounts due to members. Two or three instances have recently been reported in the United States where the courts have declared against acts done in connection with associations of this nature. In one case a party who had been reported to the secretary of the association as a delinquent, brought action for libel and secured a verdict in his favor. It appeared, however, that in this case, the party was reported from malevolent motives. The custom of using printed matter on envelopes, such as "bad debts collecting agency," etc., and sending such matter to delinquents, has also been declared libellous by the courts.

While business men may work together to advantage in protecting themselves against making bad accounts, they cannot safely go much farther than this in enforcing payment of accounts. At the same time, when the better class at least of slow or bad pay customers learn that to neglect to pay an account will mean that their names will be handed around amongst the merchants in this undesirable way, they will be very likely to make a strenuous effort to meet their obligations. Merchants who report bad accounts, should be very careful that the account is correct, and that they are not influenced by any other motive in so reporting their delinquent customers.

AGRICULTURE IN THE FAR NORTH.

The United States government has been making some exceedingly interesting observations and experiments as to the agricultural possibilities of Alaska which indicate that that region is not so inhospitable as some of us have been supposing. It may not be generally known that the government of that country has been maintaining for some time past a system of experimental stations in the interior and along the valley of the Yukon river. These have done much to demonstrate the fact that grains, grasses and vegetables—especially vegetables—may be easily grown even in close proximity to the Arctic circle, and some really surprising results have been obtained during the past summer. The past season was not at all a favorable one for gardening or agriculture as the spring was late, yet, notwithstanding this drawback, potatoes, cabbage, cauliflower, beets and other vegetables were produced and in regular use by the middle of August at the government stations and church missions. At one of the stations rye was successfully grown from seed sown last fall and was ready for harvest in July, while spring-seeded barley ripened about the middle of August. Oats and wheat were expected to mature later. In addition to this cultivated vegetation the government officials observed large areas of hay land in the lower Yukon valley upon which wild hay had grown in some places to a height of over six feet. It may be assumed that if these things are true of the United States territories in that far northern region similar conditions will be found to prevail in the Canadian Yukon, and it may in the not distant future be found that the supplies of these commodities for the sustenance of man and beast in that country can be successfully raised there instead of having to be transported long distances at great expense, as is the case at present.

INSURANCE

INSURANCE AS A COMMERCIAL FACTOR.

What does the business man know about insurance

The answer to that question was well defined by Mr. Harlow N. Higinbotham, of the firm of Marshall Field & Co., Chicago, in an address at the annual meeting of the Fire Underwriters' Association of the Northwest in Chicago, describing the effect of a study of fire insurance from the standpoint of a business man. There was a man who, at the time of the address referred to, had had an experience of forty years in commerce, during all of which time, as he said, insurance against fire had been as ordinary as a system of currency, as regards the property of his firm and the property of customers; yet he was obliged to acknowledge that in all of that time he had given hardly a moment's thought to the vastness of insurance in the business world.

Mr. Higinbotham's address is reported in "Insurance Engineering," which contains a number of very valuable contributions relating to fire insurance.

"In considering insurance from a business man's standpoint," he said, "I have brought home to myself its potency as a commercial factor, and I am amazed at its fundamental nature. As a matter of fact, it would be impossible to carry on business without insurance against loss by fire. It would so disturb values of all property that it would materially interfere with the loaning of money; credits, which are such a vast aid now, would be almost impossible. It would practically reduce trade to a cash basis and limit the volume of business almost to stagnation.

"From a realization of the prime necessity of insurance, consideration of the subject naturally leads me to think of the vastness of it as a branch of trade, as a great division of our commercial system, and then naturally follows an inquiry as to whether so great a factor in our business life is controlled and directed wisely and with proper regard for the moral and financial welfare of the people. Thus, in a moment, I find myself confronted by a great business problem, involving a matter of the greatest importance to myself and every other business man, and yet a question to which I have hardly given a moment's thought during the forty years I have employed its privileges and enjoyed its protection.

"I am aware, of course, that the insurance interests of this country are thoroughly organized with various boards and committees and commissions; that there is state supervision in the different commonwealths, and that the idea of national control has been considerably agitated; but I have yet to learn that the great mass of people who employ insurance, extensive property interests, that are covered by insurance have devoted any attention to the theory or the practice of insurance, or have considered it a public question. I do not find, either, that economic writers have taken up the subject in discussing problems in which insurance is so intimately and essentially involved. It is possible to regulate a thing too much. It is possible to agitate a subject too much. It is well, perhaps, to let well enough alone; but in my own behalf I feel culpable in my ignorance of the questions now under discussion, and I feel grateful that I have been compelled to bring myself to a realization of my deficiency in this regard.

"From the date when assurance of property against loss by accident was first undertaken in London in 1700, I think, insurance has been considered by many as a speculation based upon certain calculations of chance on a moral and physical hazard. This was painfully and injuriously incorrect. By an adjustment of premium-percentage to an estimated percentage of liability of accident or design as applied to a certain area or number of cases, individuals were then, as now, protected from total loss of property by fire from a fund created by assessment. It was then, as it is now, in reality a mutual protective association. That is to say, the collective premiums paid individual losses and the expenses of carrying on and administering the business of the company. I say that notwithstanding the company is a private concern, conducted for the profit of its stockholders the relations between the insured and the insurer are essentially cooperative and mutual. The capital of the company is for the purpose of supplying temporary deficiencies for in theory the premiums will always more than pay losses and expenses. Any plan of insurance should be prudent, safe and simple."

Mr. Higinbotham referred to the consideration of insurance, either over insurance, or under insurance, in giving credit to customers, saying that a business that will not enable a man to insure is not worth having and should be promptly discontinued, and, in conclusion, gave some wholesome advice to companies and agents, regretting that there seems to be a moral antagonism and a suspicion of integrity on either side of an insurance contract.—Insurance Chronicle.

INSURANCE NOTES.

Jas. Craig, superintendent of agencies for the Excelsior Life Insurance Co., of Toronto, returned to Winnipeg from southern Manitoba this week.

The Great West Life Assurance Company has moved its Toronto offices into larger quarters in the Canada Permanent buildings on Toronto street.

The master in chambers has adjourned for argument before a high court judge the motion by the Royal Victoria Insurance Co., to strike out the alleged embarrassing paragraphs of the statement of claims in Rev. Father Brophys suit for $5,987 on the policy on the life of the late Alex. Cromar, of Parkdale, Ont.

W. D. Campbell, manager of the Elder-Dempster steamship line at Montreal, has gone to Ottawa to lay before the government a statement in regard to the excessive insurance rates in the St. Lawrence, which he says must be adjusted quickly or the trade via that route will be ruined.

An addition has been recently added to the building of the Mutual Life Insurance Company in the city of New York, the foundations of which rest on bed rock, 100 feet below the surface of the ground. The building is eighteen stories high and covers a ground space of 16,000 feet. In the foundations 2,000 tons of steel, 20,000 barrels of cement and 10,000 yards of stone have been used.

That Canadians as a people believe in life insurance is demonstrated by the fact that the per capita insurance of the population of the Dominion has increased in 25 years from $21.36 to $79.83. The total amount of life insurance in force in Canada at date of last statistics was $431,069,846, of which 62 per cent is carried in Canadian companies, as against 25 per cent. twenty-five years ago. Of the balance of business now in force 28.8 per cent. is carried by United States companies and 9.2 per cent. by British companies.

Alberta Oats for South Africa.

Last week we referred to the daily paper reports that the Dominion government had arranged to ship hay and oats from Alberta to South Africa. We stated that the report was likely an error, so far as hay was concerned, and this view of the matter has turned out right. Prof. Robertson, who is looking after the exports, says that the hay is bought in the eastern provinces. He has gone to Alberta, where he expects to purchase about half a million bushels of oats. He reports that the government has secured a special low freight rate to South Africa, which will enable him to pay a fair price for the oats in the west.

Cotton Stock Still Declining.

Montreal, Oct. 28.—Dominion cotton stock declined to 48 to-day. It closed last week at 52. A month ago the stock was quoted at 88.

The Toronto Furnace and Crematory company have completed the erection of a crematory plant for the city of Winnipeg.