

Correspondence.

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TORONTO LETTER.

The "Shop Front Hazard" as a Feature in Fixing Fire Insurance Rates.—Something About It.—The Difficulty in Getting People to Realize It.—The "Bad Beginning" in January.—More of the Stamp.—Toronto Population Increasing.—The James Bay Railway May Help Montreal.—That Settles It.

Dear Editor:—Not a few of the Toronto Fire Insurance Agents are much troubled in their business with what is known as the "Shop Front Hazard" as defined and applied under the Toronto Board Rules now existing. They consider the hazard as largely sentimental, and the "danger" as largely exaggerated by the Underwriters. The Agents find a great difficulty in convincing their clients in such cases of the necessity and reasonableness of an extra charge for unused counters and shelving, and a shop window, where goods are neither sold nor stored. The working of this thing is about as follows: a row of rough-cast or brick-veneered dwellings have at one end (usually a corner) one of the number fitted up for lease, as a small shop, with the necessary shop window or windows usual in such places. Now, a tenant for the shop never comes, but the rear rooms and upper part are taken and used as a dwelling only, and ordinarily would rate at the usual three years' figure of one per cent. for the term, but the rate makers say, no, it has a shop front and must rate as a shop, say, 1.20 per annum. Nor does the hazard stop here, but its baleful influence is felt in the next door dwelling, and in a lessening but very appreciable ratio in the next five or six dwellings of the row, thus debarring all of them from benefit of the three year classification. Evidently owners and occupants of these affected risks are going to be dissatisfied with such Board rates, and the Agent or canvasser who undertakes to explain the nature of the "shop front hazard" to these parties has a difficult task in hand. Now, the old way, and I think the fairer way, was to charge for a risk as it existed at time of taking, throwing, very properly the responsibility of any change "material to the risk" upon the insured, who would be expected to advise the company and pay any necessary extra premium. It has been asked, if under such circumstances, and the failure of the insured to notify the company of the changed occupancy, a fire loss occurring would not be paid by most of the Insurance Companies? I can only say perhaps it might be so. Companies are very liberal I know, but a prudent property-holder would not take the chance. The non-tariff offices by a considerate interpretation of the aforesaid hazard derive much benefit from the enforcement of the Toronto Board Rule as it now stands. It may be that this matter will be brought up for consideration at the approaching Annual Meeting of the Toronto Board.

It is very disappointing to have the year begin with such a lot of fire losses. More than ever the concrete wisdom of the time-tried fire insurance axiom "scatter your risks" is borne in upon us. One may add, if you cannot scatter enough reinsure freely, so

shall your sleep be sweeter now, and in a day of adversity your burden lighter.

The vaster stamp still figures as a butt for newspaper jokes I see. We now have the "Mullock-Mercator Projection Stamp." Like the chameleon, the color, we are told, is changeable at will (or blue or green) with some advantage in favor of the chameleon who can make change quicker than the Postmaster-General. It is a great stamp.

Toronto business men and our citizens generally are well pleased to learn of an increase of some 10,000 in our population since last year. The many new industries started in our midst have done much to help along this increase. Toronto is rapidly convalescing from the weak spell succeeding the boom excitement.

Someday our new Municipal Building will be opened in a formal way; this will mean completion. It represents a lot of money to this constituency.

I do not believe we shall ever build that James Bay Railway, because we fear we shall be only building up some more of your plethoric old city, for you would tap the railway and divert the trade your way to the seaboard. It is a dream of ours, not impossible perhaps of realization in the near future, that Toronto will some day be the head of navigation. We are moving.

Yours,

Ariel.

Toronto, 16th January, 1899.

LONDON LETTER.

5th January, 1899.

FINANCE.

Business is waking up in the city, now, and promises to swell into a big volume by degrees. A couple of little "new issues" have been launched in the columns of the daily papers, and a couple of big things are going to follow, to wit: the Borax Consolidation, and the English Thread Company. Both of these latter are on the lines of the now frequent process of trustification that has landed upon our shores, and has a future of welfare before it.

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While upon the question of new issues, it is of a rather mournful interest to note the fate of some of the big advertising agents, whose work is confined to the giving out of prospectuses. These firms make themselves responsible for the payment for these advertisements, and should they themselves get paid (as of course they usually are) by the company advertised, they stand to make about 15 per cent. on all the money that passes through their offices. As it is not uncommon for from five to ten thousand dollars, and at times twenty, forty and even fifty thousand, to be spent in a week on one company alone, the agents can do very well. But when as it sometimes happens the agent has given the matter out and then finds the company "broke," he comes a cropper himself. One of the biggest in the city, Segrue, Ltd., is down in this way, and another of the three monarchs of its kind is reported hard hit.

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On 'Change, the French difficulties have ceased to operate at all depreciatingly, but Johannesburg and the Transvaal Boers loom very threateningly over