

LESSONS OF THE HULL AND OTTAWA CONFLAGRATION.

Mr. J. J. Kenny, Managing Director of the Western Assurance Company, in a circular letter to his agents regarding the Ottawa-Hull conflagration, in advising them as to the probable net loss to that company (which, after deducting re-insurances, he estimates at \$122,000), says:—

It may be well—particularly in view of the prevailing competition of companies that are offering insurance at lower rates than the "Tariff Offices"—to call attention to some of the lessons which this recent disaster teaches. Among these are:

1st.—*The Liability of all Cities and Towns to similar Sweeping Fires.*—St. John, N.B., in 1877, suffered even a more serious loss than Hull and Ottawa, to which the insurance companies contributed nearly six and a half million dollars; while New Westminster, B.C., in 1898, and Windsor, N.S., in 1897, and many smaller conflagrations, have made heavy drafts upon the companies' funds. The fire protection in Hull and Ottawa was better than that of nine-tenths of the towns in Canada.

2nd.—*The Necessity of Large Assets to enable Companies to meet such Losses.*—During the past twenty-five years ten joint stock fire insurance companies which have been organized in Canada, and which wrote business below the recognized tariff rates, have, owing to unfavorable experience, discontinued business, having practically lost their entire capital.

3rd.—*The Necessity of Maintaining, if not Advancing, Present Rates.*—The Reports of the Superintendent of Insurance for the Dominion show that during the last thirty-one years (the period embraced in these returns) there had been but a very small margin of profit on Canadian business up to the close of the year 1899. This profit has been more than absorbed by the Ottawa and Hull losses. In addition to the Canadian companies that have been forced to retire from business, a number of British and American companies have withdrawn from Canada, owing to their unfavorable experience in this field. These results are ample warrant for refusing to meet the competition of companies which offer to accept business below tariff rates, these rates being shown to have failed to yield sufficient premiums to the companies as a whole to pay the losses and expenses upon Canadian business.

4th.—*The Importance to Property Owners of Carrying Insurance Proportionate to Value.*—The proprietors of some of the largest manufacturing establishments destroyed at Ottawa, relying upon what they regarded as ample fire protection on their own premises, in addition to that afforded by the city, and upon their supposed isolation from external exposure, had recently largely reduced their insurances. As a result they sustained very heavy direct losses, besides the serious indirect loss through suspension of business.

A due consideration of such facts as these will, I feel sure, prove advantageous to the companies, their agents and the insuring public, and I rely upon your making them as widely known as possible.

BRITISH RAILWAY RETURNS AND PROSPECTS.

One important factor in the financial situation in the old land is the condition of railway business. The capital engaged in the national railways of England is so enormous; their consumption of materials is so great, their receipts and distributions of money so vast, that their interests constitute one of the most important elements in the monetary condition of the people.

For purposes of comparison we have arranged the statistics of the eleven leading railways in England, whose returns for the past half-year are available. The whole of the lines, it will be noticed, increased their receipts last half-year except the London & Brighton, which is mainly a passenger railway, and its receipts fall off heavily during a season so unfavorable as that which prevailed in the period covered by the last returns.

The receipts on the eleven most important lines in the past half-year are reported as below, to which return we append the amount of increase and decrease as compared with previous half-year.

RAILWAY	Passenger Receipts	Freight Receipts	Total	Gross Increase or decrease.
	\$	\$	\$	\$
London & N. W.	7,312,000	11,600,000	18,912,000	I 112,850
Great Western....	6,382,000	8,864,000	15,246,000	I 335,800
Midland.....	4,331,000	11,622,000	15,953,000	I 177,690
South Eastern....	4,145,000	1,605,000	5,750,000	I 20,350
London & S. W.	3,883,000	1,987,500	5,871,400	I 97,500
Great Eastern....	8,576,600	3,290,900	11,866,000	I 133,750
North Eastern....	3,824,700	9,065,500	12,890,200	I 324,400
Great Northern....	2,887,100	5,147,600	8,034,700	I 27,750
Lancashire & York	2,847,600	4,705,000	7,552,600	I 47,650
London & Brighton.....	2,834,000	1,138,700	3,972,700	D 53,600
Great Central.....			4,685,000	I 345,500
Totals.....	47,023,900	59,025,300	110,733,600	I 1,569,640

On examining the returns before us we find that four of the companies experienced a decline in passenger receipts, but not one in those from freight, but in all but one case, already named, viz., the London & Brighton, the freight increase was sufficient to offset the falling off in passenger receipts. Passenger traffic has been interfered with to an extraordinary extent in England by inclement, stormy weather, "Our Lady of the Snow," having paid her compliments to the old country very freely in the past season.

The extent of the capital invested in the eleven principal railways of England, with their working length, and total revenue in 1898, appear in statement below, with the total capital of all the lines in the United Kingdom, their aggregate length and receipts in 1898.

Railways,	Length, Miles	Capital, \$	Gross Receipts \$
London & N. Western....	1,908	595,500,000	65,750,000
Great Western.....	2,599	416,750,000	49,800,000
Midland.....	1,431	837,700,000	52,750,000
South Eastern.....	421	127,800,000	13,645,000
London & Sth. Western....	894	200,890,000	22,740,000
Great Eastern.....	1,110	246,780,000	25,685,000
North Eastern.....	1,630	352,900,000	41,850,000
Great Northern.....	819	217,400,000	24,870,000
Lancashire & Yorkshire....	556	306,380,000	26,000,000
London & Brighton.....	438	124,650,000	15,475,000
Great Central.....	479	200,100,000	13,865,000
Other Lines, English.....	2,822	942,125,000	56,320,000
Total English Railways..	15,107	4,558,975,000	408,750,000
Total Scottish Railways...	3,476	798,900,000	54,300,000
Total Irish Railways.....	3,176	196,700,000	17,680,000
Total United Kingdom Ry.	21,759	5,554,575,000	480,730,000