ver, a process painful while it lasts, but productive of much future benefit. "Traders have had many difficulties to contend with. The era of rapidly expanding trade which the opening of railway communication with the east brought about, brought also a large number of newcomers who hoped to secure a share of the business. Naturally the thing was overdone in many lines, while the new conditions also necessitated many changes in the conduct of business. . . . But as the fall in prices has materially reduced the cost of living, the conditions for the future are very favorable for increased business and better profits."

Great results were expected from the mining development of the Kootenay district of our westernmost province. And progress has, indeed, been made in 1894 in silver production, for the ores are of a high grade. But the low price of silver has necessarily had a most depressing effect on this industry. That mining can be prosecuted profitably when silver is not worth 60 cents per ounce, is questionable. When the silver question in the States and elsewhere reaches a settlement the trade of the Kootenay district, already not inconsiderable, must increase. The trade of a mining district is a peculiar one. But where mining has settled down to a legitimate industry—as it is now doing in Kootenay—the trade of such a district will be valuable.

BRITISH DISCOUNT RATES.

There are loud complaints of the unremunerative character of banking transactions in Britain during 1894. Business must be slack indeed or competition abnormally keen to draw from a writer in the *North British Economist* such a solemn complaint as what follows:

"For more than ten months the Bank of England rate has stood at 2 per cent. Notwithstanding the approaching close of the year, very little improvement occurs in the value of money; and it is generally recognized that any rise that may take place now will be of a very temporary character. With very quiet trade and extraordinary low values of wool, cotton, grain and other staple commodities, commercial requirements are so reduced that it is difficult to see how any marked recovery can take place in bill rates. Never in the recollection of any of the banking men of the present day have the rates for discounts been so unremunerative as they have been for the last year. Something, undoubtedly, must be done—some arrangement come to whereby the rates for discounts may be placed more on a footing of equality with the interests charged on overdrafts and cash accounts. The dissimilarity between the rates for these classes of business is too great; and the sooner the matter is firmly taken in hand by the managers of the banks, the better it will be for the institutions they represent and the country at large. Traders cannot afford to give 5½ per cent., nor can the banks afford to take anything much under 3½ per cent."

FIRE UNDERWRITING IN TORONTO.

At a largely attended meeting of fire underwriters, held on Monday last, it was decided to increase the rates on several classes of risks in Toronto, as stated elsewhere. Something of the kind was to be expected after the fires of last week, but still more in view of the inexcusable refusal of the city council to provide needed appliances with which to fight fire. We do not find fault with this advance of rates, since something had to be done to force the aldermen to action. But the step might well have been taken before. If the underwriters felt that the rates were insufficient in the defective state of fire appliances, they should have put them up before the fire. Then, perhaps, the citizens might have put pressure enough on the council to get steam fire engines purchased. It was mistaken generosity to their Toronto customers which led the underwriters to remain supine when they knew the risk to which companies were exposed. True, the council of 1894 has, since these great fires, assembled, and in silence voted as one man to purchase steam fire engines which a year ago or less, in spite of the urgings of fire officials and representative bodies, a majority stolidly refused to buy. No wonder we hear men say, when they recall these implorings, "I could bear my loss better, cleaned out as I am, if I could know that the aldermen who refused to buy proper fire appliances for Toronto were cleaned out in this fire, too."

Some of the British companies, we are told, will cease doing business in Canada because of these two Toronto fires coming on top of an unprofitable season. And we hear that their home managers have hard things to say of Canada and Canadian underwriting. Angry men are sometimes unjust, and we must not take too seriously words spoken in excitement. But it may do the underwriters good to hear some criticism from Canadian sources as well. A correspondent writes to this journal as under:

"The true theory of fire insurance is that of valuing the risk to be assumed and the expenses connected therewith, with sufficient loading for contingencies, and insisting on the sum of these as the rate to be charged, or the risk declined. To charge more than this sum would be extortion. To charge less would be folly. Not to know what to charge would be inexcusable. Any of these would be sufficient to destroy confidence in the fire insurance companies.

"The Canadian Board of Fire Underwriters have had their own way for many years. They have made rates, they have imposed conditions and restrictions, they have excommunicated those who presumed to differ from them, they have inflicted penalties on offenders within the pale. And yet *after* a fire we find them panic stricken because of its occurrence, whereas *any* fire should be an event fully provided for by their forethought and experience. To deny this position must convict the Board of incompetence; yet incompetent underwriting is unreliable underwriting, and unreliable underwriting is mere gambling, and gambling is immoral, whether in fire insurance or in *rouge et noir*.

"If it be replied that the managers of the insurance companies *have* made full provision for such fires as have recently occurred in Toronto, and so cannot be accused of incompetence, then it is evident that they should not meet together *after* these fires have occurred and use the fact of their occurrence as an excuse for raising rates. It is beneath the dignity of the managers of the fire insurance companies to confess want of forethought—as it is to lay themselves open to a charge of extortion or of playing grab.

"It is forethought which causes the payment of insurance premiums—those who pay them do so relying on the forethought of the companies to whom they pay them; were these not the case, they would rely on the mutual companies whom they are taught to despise and avoid on the ground that the hat would be passed after a fire to make up for the insufficient provision before the fire. And yet, if the newspaper reports concerning the meeting of the Canadian Board of Fire Underwriters held on Monday last be correct, this is just exactly the position assumed by them in Toronto to-day, as it was in Halifax a short time ago, and appears to be wherever and whenever opportunity occurs."

We are taught to regard fire insurance, properly done, as something approaching an exact science. Its origin and basis certainly were scientific. Surely of all persons a fire underwriter should keep on the even tenor of his way undismayed by anything which may happen. It is his profession to make provision for just such "happenings." He of all mortals has no excuse as to the exigencies of business. What is business to him if it is not right business? Politics—municipal log-rolling—personal friendship—secret society ties—a desire to get risks away from a rival—an insane craving for volume of premiums—(all factors in fire insurance canvassing of to-day)—none of these things should move the honest, competent fire insurance man. He should not underwrite a single risk unless he does it on right principles.