

# The Chronicle

## Insurance & Finance.

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**Increase of Crime in The States.** The report of the superintendent of a western penitentiary makes the startling statement that twenty per cent. of the youths in the States get into jail for one cause or other. An

official of Sing-Sing prison recently said: "Years ago the prisoners were chiefly 'toughs,' hard characters, but in recent years there had been a large number of criminals from a higher class, educated youths and men of respectable connections."

A contemporary comments upon the increasing number of children who commit suicide. Popular, secular education was, at one time, declared to be an infallible preventative of crime. This optimistic judgment is open to revision.

**The Illogical Plea Against Higher Rates.**

Raising insurance rates in Toronto, owing to the tremendous losses by the recent conflagration, has been compared to a merchant raising his prices because

of a heavy, bad debt. The comparison is imperfect. The fire companies have learnt by the conflagration, or rather have had it "forced" upon their attention, that they have been selling insurance at prices too low in proportion to the cost, in plain words, they have not charged enough in the past to cover the risk of conflagration. The policyholders have, for years, been reaping the benefit of lower rates than ought to have been imposed, in order to provide for the disaster which happened in Toronto last week. The companies have now determined to improve such rates as will cover the conflagration risk, and, in some measure, recoup them for what they lost by neglecting to take this course in past years, a neglect which has saved a very large sum to those who suffered by the Toronto conflagration. The first duty of a trader is not to sell at less than cost, but to so conduct his affairs as to enable him to meet all his engagements and strengthen his resources. So with an insurance company, it is not under the

slightest obligation to sell cheap, low-priced insurance, but its imperative duty is to conduct business by such methods as will render it capable of meeting all its engagements promptly and honourably. To do this, adequate rates must be charged.

**The Manufacturers' Association and Foreign Companies.**

The Canadian Manufacturers' Association held a special meeting at Toronto, on 25th inst., when much indignation was expressed at the fire underwriters having advanced the rates. They are reported to have resolved not to submit to the terms of the Underwriter's Association, but to transfer their insurance to foreign companies, of whatever origin, German, Spanish, French, or American. To secure reliable insurance in foreign companies on terms agreeable to the Manufacturers' Association will be a more difficult task than the members imagine. They will discover, indeed, that some of the strongest insurance companies who have raised their rates are by no means over anxious to continue taking business under such conditions as exist in Toronto. The Manufacturers' Association is a very powerful body, both in and outside Toronto. Its great influence would be well directed in efforts to raise the fire protection of Toronto, and in other cities and towns where the members have property, to a higher standard of efficiency. More adequate water supply; better mechanical equipments; stronger fire brigades; better protected buildings, are needed in many places, and were these provided the fire underwriters would feel justified in lowering their rates; in the absence, however, of better fire protection, the companies must protect their own interests and those of their policyholders.

It has been stated that owing to recent heavy losses in Canada and the United States, the large German fire offices are seriously considering whether they will accept any more risks on this side the Atlantic.