

petent. These theories seem to be reflected in the Canadian failure statistics.

Competition was an important Canadian factor last year, judged alone from the number of industrial amalgamations consummated. Broadly speaking, the mergers might be divided into two classes, successful companies desiring to obtain greater market power, and moderately successful concerns, who saw in combination perhaps the sole hope of weathering the business seas.

Fraud and neglect accounted for a slight proportion of the failures which, in view of the large amount of increased business transacted and the number of new companies incorporated, were comparatively small. There are sufficient strong men in the Canadian commercial and financial world, with enough assisting influences, to keep Canadian finance and business clean. The credit of Canada is being well maintained in business spheres.

FIRE INSURANCE IN BRITISH COLUMBIA.

Of chief interest to Canadian fire insurance spheres is the evidence being given before an Insurance Commission appointed by the British Columbia Government. The outstanding phase of the investigation is some curious evidence. For instance, one witness thought that the Government should frame whatever regulations it chose so long as it did not prevent the public from placing insurance wherever it liked. This is a further version of the assertion that the government can do what it pleases so long as someone is allowed to slip through the intricacies of the law. A witness stated that all his insurance was placed with Lloyds, but admitted that he had lost business by not patronizing local agencies. A commercial man, having given outside companies his insurance, said he had had some difficulties with some of them as a result of the recent Vancouver fire. Indeed, the accounts carried by four companies have not yet been paid. Lloyds' insurance agency received recognition regarding their fire policies, it being forgotten that Lloyds' guarantee refers particularly to its marine and not to its fire policies.

A curious objection was made to the provincial government's proposal contained in its draft insurance bill, that inquiries be instituted into the cause of all fires. A witness thought this investigation was an unwise innovation unless there was presumption of fraud. The cost of government, he added, would be greatly increased. The witness's attention unfortunately was not drawn to the fact that last year fire waste in Canada accounted for the burning of \$28,000,000 worth of capital and the sacrifice of more than 200 lives. If the cause of a fire is ascertained, it is a help to future prevention. The investigation of every fire in every province is one of the needs of to-day. In the following pages will be found a full report of the evidence, which will be read with interest. We trust that the provincial government will not give way to the popular but somewhat empty demand that its proposed bill shall be shelved. Some modifications may be necessary, but past events have proved that British Columbia insurees badly need some form of government provision.

EDITORIAL NOTES.

"Roosevelt Sails to See Great Dam" is a Chicago headline—the Long Sault, of course.

With long hours of brilliant sunshine, champagne atmosphere and Europe's June weather in March, we may reasonably ask that continent to take a few climatic lessons from Canada.

The St. John River Steamship Company has refused to enter into any arrangement with other navigation companies operating in New Brunswick, believing that

the proposed freight increases are unjustifiable. This is a new stand for a steamship corporation.

The cities of Winnipeg and Toronto invited tenders for civic works involving large sums. For divers reasons both cities refused to accept the lowest tenders received. This created annoyance, just as when bond houses bid for debenture issues, and the municipality rejects all tenders. Unless special circumstances exist, it is a ruinous policy to obtain tenders without intending to accept them. It is almost a breach of faith, and if it becomes general will attract the attention of financial circles. The effect of restricting competition in this way must be ultimately to leave supplies in the hands of a limited number of producers, who, by agreement, may make their own prices. At the same time the door is open to corrupt practices, as was once the case in Montreal.

Professor Cerebotani, a German, was said by a French newspaper to have invented a pocket wireless telegraph instrument. He denied the story, although the editor did not publish the letter. The only vindication seemed to be actually to invent the apparatus described. That he did. Such a worthy example opens innumerable possibilities. The Grand Trunk could pay dividends on its ordinary stock in order to vindicate rumors that it would do or had done so. The Canadian Pacific Railway might purchase the Allan steamship line, while Mr. Forget could gird on his armor and obtain control of the Nova Scotia Steel Company. The best denial of proposed industrial mergers would be their consummation. Cerebotani's axiom is that to disprove a rumor do what the rumor says.

A curious change has occurred in the provisions' market. Since 1905, butter shipments have declined rapidly. In the past four years a decrease occurred in exports of 534,000 packages, or 1,369 per cent. The reason given is that prices in the home market have been too high for the British and continental markets. Canadian eggs spurn the foreign yoke entirely. Wholesale provision merchants predict that if the present farming conditions continue, Canada will become as great an importer of eggs as it has hitherto been an export medium. Last season a well-known Montreal provision house imported eggs from Russia for the first time in this market's history. To bring eggs into an agricultural country from a distance of several thousands of miles is the twentieth century rendition of the coals-to-Newcastle story.

The heavy demands for capital for speculative purposes, government requirements, Canadian and foreign loans in the London market, constituted a fairly good signal that last week the Bank of England's discount rate would be advanced. Many anticipated the change from 3 to 4 per cent. The British budget has been made the scapegoat of the situation, and to some extent it is responsible for the rise. Unusual borrowings have been made owing to the condition of the Treasury. While in some ways politics have disturbed the money market, Great Britain's credit does not seem to have suffered considerably, nor has Britain decreased its loaning strength. On February 7th, 14th and 23rd, the British Government invited tenders for £3,000,000, £3,500,000 and £4,000,000 treasury bills. Applications were received respectively for £5,870,000, £6,749,000, and £4,565,000. The Bank of England had met heavy demands for gold and apparently its reserve could only be protected by a higher discount rate. In October the Bank entered the open market as a bidder, with the idea of reducing the supply of loanable funds. It raised its rate from 3 to 4 and then to 5 per cent. Within two weeks foreign had been checked and gold attracted for its reserves.