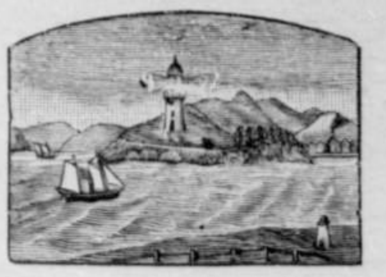
Tillamook  Headlight.

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CHEAP INSURANCE

SOME FACTS REGARDING MUTUAL INSURANCE.

[The recent failure of the State Insurance Co. has revived interest in mutual insurance, and as soon as possible we shall publish an outline of the methods used in organizing and conducting an organization of this kind. Those interested will do well to carefully peruse the following, which is taken from the Yamhill County Reporter:]

"Fire insurance is a system whereby the loss arising from destruction by fire may be distributed evenly throughout the community instead of falling entirely upon the person who owned the property destroyed. It enables the rich to keep rich, and the poor man to count with certainty on his gains and savings. It endorses for you. It endorses for you. It advances you money to commence anew when all has been swallowed up by fire.

There are but two systems of insurance—the stock company and the mutual system With either system there is necessarily some expense of distributing loss, otherwise the amount paid for insurance should always be the same as the loss.

The two important problems are, first to avoid dishonest losses, and second, to have the loss distributed as cheaply as possible. The stock company has two objects in view. First, to make money for the stock holders, and second, to furnish indemnity. The mutual has but one object in view, namely, to furnish indemnity at the least possible cost

Upon investigation of business done stock companies we find they are charging higher rates here than in almost any other part of the world. In an address at Lancashire, England, H. O. Essex, of the Lancashire insurance company, estimates the average rate charged in different countries as follows:

France.	8 cents per $100	insurance
Germany, 15	"	"
England, 20	"	"
Austria, 36	"	"
Australia, 38	"	"
Russia, 61	"	"
United States, 100	"	"

Many other reliable estimates may be found agreeing with the above. In Oregon the average rate is about 200 cents per $100 Why is this vast difference? Insurance men have claimed the difference is because we have more fires in this country. It is no doubt a fact that the better building methods of some foreign countries has something to do with rates, but to claim this vast difference entirely due to building methods would be absurd Yet as losses here amount to about 40 per cent of premiums received, we know we do have more fires here than in foreign countries and a reasoning man naturally asks why? High rates induce companies to accept risks that should not be insured, and commissions on large premiums tempt the agent to over insure property, the agent, being sure of his commission whether it burns or not, has "all to gain and nothing to lose." High rates or profits in any business always lead to high expenses, as the trade is sought after harder. There is no competition here in insurance rates; but much competition for the business. Thus we find many companies paying more for expenses than for losses.

In Oregon and California alone we find fire insurance companies consume in a single year for expenses and profits $4,630,406. This enormous sum if in silver coin would make a train load of silver dollars consisting of 14½ cars of 20,000 pounds each.

The insurance companies estimate that fully one-half of their fires are incendiary. By a proper system of insurance incendiarism would almost be wiped out of existence, expenses reduced 75 per cent, and the rates of stock companies reduced to one-third the present and still yield a profit. This result would save the Pacific coast seven and one-half million dollars a year.

Another serious objection to stock company insurance is the large amount of money they accumulate by inducing the people to pay insurance three or five years in advance, and then retiring from business with an immense amount of the peoples money. No less than 20 stock companies have retired from business on the Pacific coast within the last two years.

In the face of these facts concerning our present method of insurance is it not time we sought a better method? Wherever thoroughly tried mutual insurance has overcome all these unfavorable features. Michigan has 60 mutual associations, carrying $214,000,000 insurance. Wisconsin has 180 mutuals. Iowa 137 and Illinois 104. The average losses of these 481 associations is about 13 cents per $100 annually. These losses you will see compare favorably with the rates made by stock companies in foreign countries. In some foreign countries mutual insurance has almost done away with stock companies, and it is largely due to the competition of mutuals that foreign countries have such favorable rates.

The advantages of mutual insurance are many. It is safer. The financial strength of any institution is based upon its available capital as compared with its risks.

The entire assets of stock companies do not average more than two per cent of the amount they have at risk while the mutuals always have an assessable capital far more than the whole amount at risk. Losses are more satisfactorily settled, it being to the interest of every officer that an honest loss be paid in full, and by their careful methods, requiring the assured to carry one-third of the risk, insures carefulness on the part of the assured, and puts incendiarism almost out of the question.

There are three mutual fire associations in Oregon: The Lower Columbia Fire Relief Association, Hop Growers' Fire Relief Association of Butteville and the Oregon Fire Relief Association of McMinnville. The first named has been in successful operation twelve years, but their insurance is confined to members of the Grange. The second has been doing business about seven years. Their territory is confined to a small district and their business to hop houses and their contents. They have about 400 members and more than 90 per cent of the hop houses in their territory, and their insurance has only cost them about one-fifth as much as the rates of stock companies.

The Oregon Fire Relief Association was organized September 11th, 1894 It is a purely mutual association, organized for the purpose of mutual protection and to keep our money at home. Owing to their careful management, they have never yet had a loss, and their members have already saved a handsome sum. One admirable feature of this association is the economy of its management. None of the officers receives a salary, their secretary and local directors receiving a percentage of the membership receipts according to the work performed. The by-laws require all expenses to be paid out of their receipts from new members. This method insures the continual growth of the association, and insures to members that they will have nothing to pay for expenses, but only their proportion of the losses. Until their annual meeting last September their work was confined to Yamhill county, but now their field is extended to include all the counties of the Willamette valley except Multnomah. The association is growing rapidly, and has already more risks in Yamhill county than any other insurance company. This association should have the support of every citizen interested in keeping Oregon money in Oregon.

If our creameries would make some butter into fancy rolls or tablets of about one-fourth of a pound each, ship them carefully and distribute at the residences of the well-to-do people of Portland, Astoria and Salem, with a label accompanying each roll telling where the butter is made and where it can be procured, quite a demand could be created for it. About 500 pounds of good butter distributed this way would sell a great deal more at fancy prices.

County Surveyor A. M. Austin came in Monday from the beach and reported hake fish coming ashore by the thousands. He says they are from a foot to two feet long, and are good eating. Some of the beach settlers have salted down large quantities of them. The hake come ashore pursuing another small fish, smelt or sardines, a school of which is running on the coast. The hake are alive and in good condition if picked up as soon as they get ashore.

Brady and Kovalef have been found guilty and California seems to be purging herself of some of her worst criminals.

Lamb has an immense stock of holiday goods. Novelties of all descriptions and everything suitable for presents.

TRADE CHANNELS

PORTLAND IS LOSING THE COAST TRADE.

Portland merchants have taken considerable interest in the coast trade of Oregon and have made several efforts to provide shipping facilities. These efforts have all been directed towards Umpqua, Siuslaw and Coos bay, however, and all the attempts have resulted disastrously. The ventures have not been a success financially, and some of the boats that were put in the service were lost.

Several boats have been wrecked at Umpqua, and some at Siuslaw, besides schooners have been barbound in Siuslaw for about six months at a time. The trade of those points is not worth the efforts, and it naturally goes to San Francisco.

If the Portland people want to do something that will bring good results they should interest themselves in providing better shipping facilities to Tillamook. Portland could work up quite a trade here, and would stand a fair show to hold it. However, San Francisco is getting a good share of our trade and is likely to get more of it or all of it.

The steamer Truckee is running direct from San Francisco to this place now, and likely two boats will be on the route next summer. These boats run for the lumber trade regardless of anything else, and can afford low rates of freight on merchandise coming from Frisco.

If the Truckee people or anybody else can find or create a market for Tillamook butter and cheese in San Francisco, our trade would all be directed to that place suddenly. It seems however that the coast counties of california turn out some fine dairy products, and enough to supply the demand down that way.

If it were possible to convince the people of San Francisco that Tillamook butter is a superior article, all that is made here would find a ready sale there and would scarcely have any effect on the butter market there. A small per cent of the first class trade there would consume all the butter made in Tillamook.

It should be remembered that there are more people in the city of San Francisco than there are in the whole state of Oregon, and none of them produce butter. Cities near San Francisco have an aggregate population as great as this state, and the state of California has more than a million people. Their trade is worth looking out for. California's coast counties can't always supply the interior with dairy products, and the interior is not suitable for dairying.

If we send ships down there with lumber, it will cost little to send our butter. Tillamook dairy products should be advertised in California. If California knew that such fine butter is made here, California would use it notwithstanding the fact that Point Reyes butter is as good as Tillamook butter, and notwithstanding the fact that California gluts the Portland market with cheap butter every season.

Portland will have no coast trade unless matters take a different turn. Perhaps Portland doesn't want the coast trade.

Dave Hadley left Monday for Port Blakely, Wash., from which place he expects to sail shortly for Southern Africa. He will go first to Capetown, and then to Delgoa bay, on the eastern coast of Africa, and thence to the mines in the in the interior on the Zambeisi river. The Port Blakeley Lumber Co has wharves at Delgoa bay, and ships lumber there regularly for the mines. Dave promises to send an account of his experiences and his impressions regarding the country to the Headlight for publication.

Cohn & Co. have sold their entire stock of clothing, every stitch of it, to Joe Bixby, and Joe is selling it out, in the building in the rear of Cohn's store, formerly occupied by H. Crenshaw's harness shop. Myron Trowbridge is acting as salesman, and they are selling clothes awful cheap. Cohn & Co are buying an entirely new stock of clothing.

A sportsman who is only a novice yet went hunting the other day, and carried his gun to the sand spit, bragging about the ducks and geese he would drop, but it hadn't occurred to him to load his gun until he got on the hunting grounds. Then he found that his gun was a 12-bore and the cartridges were made to fit a 10-bore.