

We have most of us been lately interested in the voyage of the White Star steamer "Celtic" from New York to Queenstown under canvas, and some of us were probably not a little amused by the Captain's quiet remark in his report, that there were some passengers on board making their first ocean trip who knew more about navigating the vessel than he did himself—in their own opinion; yet there are among the public numerous wiseacres like unto the above foolish passengers, asserting by their actions, if not in so many words, that they know more of Fire Insurance than the oldest and most experienced underwriter.

We have reiterated over and over again in these columns that the business of Fire Insurance Companies is to charge adequate rates for the risks involved; and that, apart from taxation, a city provided with fire protection will pay less for Insurance than one not so provided (other things being equal); but if the Companies be taxed for said protection, is it to be supposed they will lower the rates and pay the tax out of their own pockets, thus making the cost of their business greater in the protected than in the unprotected city? Certainly not, the rates should be adjusted accordingly, and the only result would be that those who insured would pay the share of expenses properly belonging to those who were not insured (as the latter participate equally in the benefits of the Fire Brigade)—a practical piece of injustice hard to beat,—so with municipal taxation which, we regret to observe, is now being taken up by more than one town in Ontario. The whole weight of such taxation will be thrown upon Insurers instead of spread over the whole community, for the "Canadian Fire Underwriters' Association" recently fixed the rates without calculating upon the said taxation, and have now wisely decided, in self-defense, as suggested by us in our last issue, to raise the rates in those cities where the Companies have a special tax imposed upon them by the municipalities.

Surely insurance managers in this are only acting as any other body of commercial men would do under similar circumstances, for supposing, for the sake of illustration, any municipality were silly enough to specially tax say the bakers or butchers of the town, would not the latter simply raise the price of bread or meat so as to meet the tax, and we do not believe reasonable men would be astonished at or blame such a result.

But, alas, so great is the fog enveloping Fire Insurance that "what is sauce for the goose is" by no means allowed by the public to be "sauce for the gander," and really at times it would seem as though some of the petty rulers of our cities thought that fire insurance should have as many obstacles thrown in its way as possible, being apparently unaware that it is an indispensable branch of commerce. However, the greater portion of the community are well-aware of the necessity for fire insurance (although they think they should have it at their own price) and the lesson of the past few years in Canada has been such that the Companies have determined that the demoralization existing for so long shall cease, and corporations or municipalities may make up their minds that for the future any taxes imposed will be paid out of the insurers' pockets, and that rates shall be adequate or the business declined.

DAMAGE BY FIRE.

The customary fire policy covers the insured against "loss or damage by fire," to the property at risk, thus the question what is, or rather, is not *fire*? under this stipulation, will sometimes arise, and did in fact, arise at an early day in the practice of fire underwriting, in the case of *Austin v. Drewe*, 4 Camp. N.P. 360; 6 Taunt. 4671, also found in 1 Bennet's Cases 102; where it was held that the damage to the stock of a sugar refinery caused by the heat of the usual fire, in consequence of the mismanagement of the dampers in the chimney, by those in charge of the place, was not a damage by fire within the terms of the policy, for when the peril insured is fire the instrument of destruction must be by the accidental ignition of the property itself, or of some substance near by, thus causing heat and smoke by which the damage is done; the damage must be the effect of actual ignition where there is no intentional fire, no wrongful or mischievous kindling of a wilful fire; but any ordinary apparatus for containing, or applied to, the fire for manufacturing purposes, if destroyed by such fire, gives no claim for indemnity against the insurers.

On the other hand, meat in the process of curing by the slow action of smoke, if destroyed by flames from the fire place, has been held to be a loss by fire.

So, also, fire produced by the friction of a wheel upon its own axle, which consumes the wheel, is a loss of the wheel by fire.

Or if lime is brought into contact with water, and take fire, it is not a loss of the lime by fire; but if the fire communicated to a neighboring building or adjoining bodies, it will be a loss by fire to such adjoining property.

Or if a person uses fire as a chemical agent, or as an instrument of art or fabrication, and the article subjected to the action of fire is damaged thereby, it is not a loss within a policy against fire.

Lightning "although, like a match, it may kindle a fire, yet it cannot be understood to be of itself fire," Hence, in the absence of anything to the contrary in the policy, the insurer is not liable for damage by lightning.

Fire underwriters agree to indemnify against loss or damage arising from *external accidents* and not from the loss and deterioration arising only from the principle of decay or corruption, known technically as *proper vice*, inherent in the subject covered. This is a principle as old as underwriting itself.

Le Guidon de la Mer., A. D. 1555 one of the oldest Marine authorities known, says: losses proceeding from the proper vice of the subject and its intrinsic nature are not at the charge of the insurers," and this is the law of fire insurance to this day. So that the spontaneous burning of wool, wool or cotton waste, etc., are not, as to themselves, at the cost of the insurers.

In this connection we call to mind an interesting case that occurred in the City of Chicago a few years since, where a large body of wool on storage in a warehouse was destroyed by spontaneous heating at the base and in the centre, without apparent combustion or ignition, so also with some boxes of Italian sewing silk in one of the United States bonded