under some other statute. It was under this Act that the Financial Association of Ontario, the London Loan Company and the Ontario Investment Association were formed.

It challenges attention to find that in the Consolidated Statutes of Ontario none of the acts relating to Building or Loan Societies are to be found. This would seem to imply a doubt whether the provincial authorities have any jurisdiction in such matters. There has, iudeed, always been some doubt as to where the legislative authority for the organization and control of Loan Companies and Building Societies lies, whether with the Dominion Parliament or the Provincial Legislature.

THE WASTE OF PROPERTY BY FIRE.

SECOND ARTICLE.

In a former article on this subject we endeavored to show that by every fire which occurs, somebody's capital is wiped out, wasted, and the community loses just so much wealth as is represented by the property destroyed. Suppose the property burned is insured ; that insurance money is somebody's capital and it vanishes in smoke or flame or melts away under water, and just so much of the common stock of accumulated capital is wiped out of existence. Herein lies a lesson in economy. Somebody loses money by every fire. If the owner of the property burned be not insured, the loss is his or that of his creditors. The more our fire-loss is restricted, the better off the nation.

The like argument is well advanced in the last number of the New York *Spectator*. The duty of each *community* to adopt the best measures to secure a reduction of its fire losses is therein insisted upon. "Every combustible structure is a peril to life and property, and it is the duty of every community to protect itself from such perils. It is folly to say," proceeds our contemporary, "that the insurance companies should do this, because the insurance companies have no interest in the risks that is not common to all good citizens. It is their business to insure property and pay fire losses—their contract is one of *indemnity*, and is not for protection. They charge for the risk as they find it, and do not stop to inquire how hazardous risks may affect the general community. This is no part of their business."

It will thus be seen that every village, city, or district, nay, every individual in a village, city, or district, has a duty in looking after the protection of property from burning, in a like degree to that which is acknowledged in the cleansing of houses, streets or lanes, the regulation of the sale of food, the prevention of adulteration. The object is the same, namely, the well-being and prosperity of the citizen. But though it may be no part of the contract of joint stock underwriters to educate communities as to healthful methods of protection from fire, there is a sense in which mutual insurance associations may be said to be the exemplars and saviours of municipalities from the ravages of fire. The more they can reduce the rates of fire-oss, the better for themselves and the community in which they operate. Take for example the Mutual Fire Insurance Co., of New York, whose motto is "Selection, Inspection, Protection," we quote from their report what seems to us a significant paragraph: "The records of the Fire Department of this city, for many years, show that at least 64 per cent. of all the fires have been extinguished in their incipiency by the use of pails of water." This company aims to "inspect every risk before writing a policy ; and afterwards, at least four times per year we examine every risk we insure," and the report proceeds, "Our low ratio of the company is doubtless largely due to this fact of frequent inspection."

Now for the experience of this company, the career of which has been watched with much interest in the United States. It was organized in July, 1882, with a capital of $200,000, and was begun with the object of proving that large lines of insurance could be safely and profitably written, expense of management reduced to a point below the usual average, and under the belief that frequent inspection of all risks was essential. The risks in force, were $8,236,000 in 1883, rising to $30,416,000 in 1885 and $47,202,000, July 1st, 1887. The net premiums were $97,000 the first year, rising to $229,000, $389,000, $563,000, and $579,000 in successive years. Its per centage of loss was, in five years, beginning with July, 1883, say, 30 19; 21.07; 21.81; 41.13; 40.53 per cent. making the average 30.94 per cent. The first year's expenses were naturally the highest, being 23.46 per cent. of premiums received ; next year 12½, then 14½, 14 and 15 respectively ; average less than sixteen per cent. Adding loses and expenses together, their average aggregate in five years was a trifle less than 47 per cent. (46.94).

Taking the experience of sixty-five insurance companies operating in New York, their expenses averaged, according to this report, 41.18 per cent. of the premiums where those of the Mutual Fire were 15.9. Where, in five years, their losses had been 60 per cent., those of the Mutual were 40¼. Whether in another period of five years this mutual experiment will result as well, remains to be seen. But meanwhile the figures are of extreme interest as tending to show what may be accomplished by prudent selection of risks and careful inspection of them.

To come back to our starting point, the interest of the taxpayer or householder, singly or collectively, is in this subject of fire-waste. Mr. C. B. Whiting, of Hartford, expressed himself thus, the other day, before a gathering of Connecticut firemen:

"The person who sees the property of his neighbor endangered by his own carelessness, or from any other cause, and who says it is none of his concern, is not a good reasoner. Every dollar's worth of property burned makes the country so much poorer. It is true when an insured building is burned, money is brought in, oftentimes the property is rebuilt, and the village, town or city where it was located feels no apparent loss ; yet, as I said before, the country is just the value of that property poorer, and in a certain degree this community feels it. Suppose the property was not insured, then the indifferent neighbor is directly interested, for just so much taxable property disappears from the list, and as the municipal and state expenses are the same, he has to bear his ratio of the increased tax. And it thus appears that every man, no matter where he resides, or how careful he may be, or how safe his property is constructed, is more or less directly interested in every loss by fire, and should be active in every effort looking towards its prevention. Not only does the great fire loss increase his taxes, but it increases his rates of insurance. Insurance companies are simply collectors and distributors, retaining only a reasonable percentage for transacting the business, and as the loss ratio increases the percentage of collections must necessarily go with it."

FREE AND EASY BUYING ON CREDIT.

Why should a retail grocer in an Ontario town have eighty-two creditors? Does he need to buy on credit from eighty two different persons in order to get what he wants? What absolute nonsense to pretend that he does. We have just seen—and it is a curiosity—the list of creditors of Mr. Geo. Wilkinson, formerly of Guelph. Mr. Wilkinson made an assignment of his estate and effects on June 1, 1885, to Mr. J. Smith, and left Guelph the same day. The stock was sold partly on time, for $2,900 and a dividend of 22 per cent. paid. The Real Estate, being vacant lots, did not realise the mortgage on it; the book accounts could not be collected in Court. Second dividend is now payable, making the whole dividend $3,008, on liabilities of $12,255, nearly twenty-five cents in the dollar. Now, we find, among this list of almost seven dozen creditors, fifty-three in Guelph. He owed his neighbors, not only for groceries, but for coal and flour, for cakes and ale and feed, he owed his banker, his church and his newspaper. Indeed it might be said that he owed "his butcher, his baker, and his candlestick-maker." The aggregate of his liabilities in Guelph is not far from $8,000. Vastly too much, is it not, for a man whose whole estate only pans out $3,000! But he has obligations in other towns, too, $2,700 in Hamilton, for instance, among eight firms, $1,000 in Toronto among a dozen firms; and, shameful to say, that among twenty other creditors the average is less than $5 each. How he must have been run after by commercial travellers, three houses in London, one each in Brantford, Berlin and St. Thomas appear with the other seventy-six upon his list of creditors. We cannot say whether Mr. Wilkinson was a good-natured man, easily led on by commercial travellers to buy away from home. But this any one can see, that he was easy-going, perhaps reckless, at home. Not only did he trust foolishly, as his trustee shows, but he obtained credit all over town, in amounts ranking from seventy-five cents up to as many dollars, where he ought to have paid cash. It is a dangerous policy, a bad policy, and one which has too many imitators among retail dealers in our midst, that of running little bills for every conceivable thing that a man wants or *fancies* that he wants. Let the trader, like every other prudent man, learn to say "NO" to his artificial needs which clamor for indulgence. Let him resolve to owe no man anything, but to pay as he goes. By so doing he will cultivate the simple, manly virtues of frugality and thrift and will avoid the pitfalls of debt and disgrace.