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Goose, and particularly the Educational Committee, for what they have done and are doing in this direction. I think I am conservative in saying that there are at least 100 men in the City of Montreal engaged in the insurance profession, evincing a keener interest in their particular business and the causes and means of prevention of fires since these weekly lectures started, than has hitherto been the case, and if these classes do no more than awaken the insurance men of Montreal, so that they will take a greater interest in their business and in their turn, so far as possible, circulate their knowledge of the causes of fire and the means of prevention of our fire waste; then, indeed, the officers of the Blue Goose may congratulate themselves that their efforts have not been in vain and that they have really accomplished something.

In some of the lectures which we have had here we have had brought to our notice astounding figures as to the magnitude of Canada's annual fire waste.

If permissible I would like to quote here some figures on an outstanding feature of our fire losses to show the economic significance of fire waste. Let us look at its effect upon our "Natural resources, by the destruction of building material."

Canada has always been important as a lumbering country. It has been stated by a competent authority that the standing timber portions of Canada are fast approaching exhaustion, and that the great enemy of Canadian forests has been fire. This is true in regard to other than forest fires. No fewer than 20,700 buildings of frame construction were destroyed by fire in Canada during the last four years, with a total loss of \$14,000,000. Approximately \$8,000,000 of lumber value was burned in buildings of other than frame construction. Lumber yard fires contributed another \$6,500,000, and the destruction of wood products in process of manufacture, \$3,725,000.

It must be understood that these figures are necessarily incomplete as they represent only ascertainable values. They are sufficient to demonstrate, however, the effects of fire waste on our natural resources by the depletion of our lumber supply apart altogether from forest conflagrations. The destruction by fire of a city dwelling is more important to us than the destruction by fire of the lumber in public domains. Both the building and the lumber are assets of the nation and if destroyed, it is so much of our assets wiped out. Taxation cannot restore them, whether levied by the authorities under the law or by premiums on insurance policies. Reforestation costs money, which must be levied through taxation in some form. Replacing buildings destroyed by fire costs money, a large proportion of which, by means of insurance, is assessed against property which has not yet been burned. In both cases, the cost is borne by the people of Canada as a whole and is, therefore, a matter of public concern.

Another serious feature of fire waste is "Its effect upon Commercial Credit, by the impairment of securities." Business in this country or any other country cannot be conducted upon a cash basis. If cash were demanded for all our obliga-

tions the nation would be bankrupt. We cannot confine our buying and selling to the limits of our gold reserve, and so modern commercial methods are dependent upon a highly developed credit system, upon the integrity of which lies the stability of the whole commercial fabric. Every form of currency given or received in barter or exchange represents actual value either of fixed property or merchandise. If this property is destroyed the fabric of credit is impaired to the extent of the loss. It is under these conditions that fire insurance is essential and practically compulsory. Any and all basic securities must be guaranteed fully from the risk of elemental destruction.

Merchants and manufacturers would experience great difficulty in obtaining credit unless their stock of goods, or merchandise, are covered by insurance. Can you imagine loans being obtained on real estate unless all buildings are insured? Insurance and sound credit are inseparable, both in principle and practice. The foundation of the commercial standing of the country is therefore seriously affected when our created resources are needlessly wasted, year after year.

Let us consider the effect of fire waste upon "Industrial progress by its handicap upon production." The extent of our fire loss represented by the increased cost of the maintenance of fire departments, which constitute fixed charges, must necessarily largely increase the cost of production of manufactured articles in Canada. Therefore competition with foreign countries in many lines is hampered.

Lastly, there is the effect of fire waste upon "The people, who finally pay the cost of fire." Every individual in Canada contributes, directly or indirectly, his or her share of the fire loss. The fact is generally ignored that the price of every article we buy is charged with a proportion of the fire cost. We have been complaining a great deal in recent years, not only during the war, but prior to it, about the high cost of living, and a great many reasons have been given for it, but there can be no question that the burning every year of millions of dollars' worth of created value increases the cost of living and is, therefore, of vital interest to the community.

GERMANY DID IT FIRST.

The question is repeatedly asked: What has Germany done with American property in the German Empire? It may be answered in a few words. She has done just as we have done, keeping constantly a little ahead of us, and protesting that she has resorted to liquidation and sale only as a matter of reprisal. With this excuse, she liquidated or sold American property before the general power of sale was conferred on the Alien Property Custodian by act of Congress. She has sold the property of American and neutral citizens resident in Germany, down to household goods and wearing apparel, which has never been done here; she has organized corporations, under official control, to purchase at ridiculous prices, and control all the plants in certain industries having French, British and American interests, all before similar action was taken in the United States and allied countries. —A. Mitchell Palmer.