

cil, by Mr. A. W. Hadrill, secretary of the Canadian Fire Underwriters' Association:—

"Gentlemen.—I beg to acknowledge receipt of a communication from the City Clerk advising that the Council having already urged the Board of Commissioners to have an investigation held into the administration of the waterworks department, as requested by this Association, it is unable to do more, as the investigation will entail an expenditure of money which must necessarily be authorized by the board of commissioners.

"My committee has instructed me to express the most profound regret that the commissioners, in view of past experience culminating in the recurring disasters of the last twelve months, should persist in refusing to recognize the necessity of the proposed investigation.

"A summary of the present situation shows that the new No. 6 pump is not yet in a condition to be accepted by the city, as owing to certain defects in its construction it was dangerous to run it at full speed, and further (possibly from this cause) a break occurred disabling one of the cylinders, reducing its capacity by one-third; some of the other pumps are old and unreliable. At the present date the capacity of the sound and efficient pumps is not sufficient to meet the daily normal consumption, while the total pumping capacity of all the pumps, even if it were safe to run them at full rating, would be barely sufficient should any of the larger pumps be disabled to have to be shut down for repairs.

PUMPS DELAYED UNDULY.

"The contract for the additional pumps, which the underwriters, when accorded an interview with the mayor and commissioners in October last, were told were being provided and which the city's chief engineer stated would be in service by June next, has only been completed during the present month, a period of nearly five months; the pumps, therefore, cannot be available in time for the heavy draughts of the summer, and probably will not be in service until towards the close of the year.

"My committee would observe that the current rates of insurance only provide for the normal hazard, and not for such abnormal conditions as have existed for several months, greatly enhancing the possibilities of a fire extending to a conflagration, as was exemplified in one instance when a breakdown, owing to the inefficient methods of the department, resulted in a fire destroying property to the value of half a million dollars and which, but for the absence of wind and the immediate location of the canal, affording supply for the engines and also isolating the fire on one side, might have extended into the millions.

"Even in the above quoted case it does not appear that any formal investigation has been held by the civic authorities to determine where the responsibility rested for the inefficient work which led to such disastrous results. Such inertness and apathy would be inconceivable in any private organization, and doubtless if the resultant loss had fallen upon the city's exchequer instead of upon the insurance companies and proprietors, the commissioners would have been forced to assume a very different attitude.

INCREASING RATES, DECREASING LIABILITIES.

"The abnormally heavy risk above mentioned which the insurance companies are now carrying calls for

the most serious consideration of the underwriters as to whether it is not their duty to take the only measures now left them to protect the interests of their companies by requiring rates commensurate to existing conditions and also decreasing their liabilities. Certainly any further mishap will render such action inevitable, and the responsibility for whatever economic loss by increased premiums or destruction of property, and also inconvenience from shortage of insurance which would thereby be entailed upon the community, will lie with the civic authorities owing to their supineness in not securing an efficient administration of the waterworks department."

LIFE INSURANCE AND HOUSE OWNERSHIP.

Not the least beneficent results of modern life insurance practise are achieved by its "side-lines." The social work which has been so energetically undertaken by many life insurance organisations on this continent has without doubt, achieved results which while not always notably obvious, must in the aggregate be of distinct importance. A new illustration of the beneficent enterprise of a large insurance organisation comes to hand in the shape of a pamphlet containing an address by Dr. Lee K. Frankel, sixth vice-president of the Metropolitan Life of New York, and himself a well-known social worker, describing an experiment recently made by his company by way of helping policyholders to become the owners of their own houses. Dr. Frankel truly remarks that the ownership of his home is an ideal to which nearly every man aspires, irrespective of his station in life, and that the small wage-earner has this ideal even more strongly developed than the individual better circumstanced. For evidence of the prevalence of this ideal in Canada, one has merely to go to the outskirts of any of the big cities, where the rows of rude shacks will give all that is necessary. It is the passion for ownership, carefully cultivated by an astute and obliging real estate dealer, that is a primary cause of these rows of shacks. It would seem that those who are responsible for the Garden City proposals which are now being mooted in various directions would be well advised to bear this passion for ownership in mind; to proceed on lines which ignore it altogether may possibly be to court disaster.

A DIFFICULT PROBLEM.

While on its face a perfectly simple problem, the question of whether it is not possible for insurance companies to assist in the solution of the housing problem by the lending of funds for building small houses is beset with difficulties. Dr. Frankel points out that under the laws of many of the United States, insurance companies are limited as to the character of the investments they may make. If the insurance companies were to lend funds on mortgages to individual borrowers, the probability is that the cost of conducting such a business would cut sharply into