they may reasonably be called upon to maintain. To maintain strong reserves—even to err in this respect upon the side of safety—takes no money out of the companies' pockets. It simply makes the insurance which they sell safer. The companies might under certain conditions, therefore, have no serious objection to State rate-making, if the rates so made were made for no other purpose than to calculate safe reserves upon—if, in other words, the rates so made were not made as compulsory rates to be charged by the companies.

Direction of Agitation for State Rate-Making.

Does the question of State rate-making, viewed from this angle, clear itself a little? Does this suggestion point to a way out of existing difficulties and uncertainties? I am far from thinking that immediate steps must necessarily be taken along this line. I only say that, if the agitation in favor of State rate-making continues, this is perhaps the channel into which it should be directed—the channel into which, if it is directed, will result in the maximum of good and the minimum of harm coming to the business of fire insurance in private hands. The procedure would be, I suppose, that the rates would be made, in the first instance, by rate-making bodies or bureaus, as at present, and submitted to the Insurance Department together with the classified experience of the companies. These rates and schedules would be approved by the department upon the basis of a study of collected experience, by qualified experts in the employ of the State. The rates so approved would be the minimum basis for reserves, but in no other sense would be mandatory or binding upon the companies.

Does this sound revolutionary or dangerous? It is not so intended. At all events, it is the only suggestion I am able to make now as to what the future attitude of government might conceivably be, under certain circumstances, toward the problem of fire insurance rate-making. I shall be interested to see what criticisms it calls forth. That it would, if adopted, inevitably lead to a larger measure of supervision and control by government over fire insurance companies than now exists, is undoubtedly true. I should be the first to regret this, because I am so incorrigibly an individualist, in matters of this kind, that I continue to believe, with Thomas Jefferson, that the least governmental machinery we can get along with, the better off we will all of us be. I approach the whole question of Insurance Supervision from that standpoint. I agree that we should have just as little Insurance Supervision as possible. Where I differ from some of the men who are now active in the business of fire insurance is merly over the question what, under existing conditions, the least possible measure of State activity in insurance matters is. I am afraid that what sufficed, in this respect during the days when conditions of life were simple, and before the great commercial and social developments and changes of the present time occurred, no longer meets the needs of the situation.

A Recapitulation.

To recapitulate. I entirely understand, and to a considerable extent sympathize with, the reluctant attitude of the older fire insurance men toward anything which savors of governmental aggression in their chosen field. They are engaged in a very peculiar and essentially hazardous business—one in order to succeed—and I do not in the least blame the men who have grown gray in this business for viewing with alarm the increased activities of the government in respect to their affairs. It is the last business in the world that the people ought to be eager in their organized capacity, to engage in. It differs altogether from life insurance in this respect—although I do not want to be understood as favoring State insurance in the life field either, for I certainly do not favor it. But the time has come, I think, when broad-minded fire insurance men must recognize the inevitable drift of things. They must view their problem in the light of actual conditions, not in the light of conditions as they would like them to exist. They must recognize the universality of the demand for good cheap insurance, and the utter dependence of the people upon it. They must appreciate the truth of the proposition that, after competition has died out in any branch of business, and monopoly reigns in its stead, the only direction in which men can look for protection against the possible abuses attendant upon monopolistic conditions, is the State. Monopoly having to a greater or less degree taken the place of the old competition in the fire insurance field, the leaders in the fire insurance business should realize that henceforth they must adopt a different attitude toward governmental activities in connection with fire insurance. I am very sure that the strong men who have performed such wonders in this useful field of work will readajust themselves very quickly to the new conditions. In so doing, they will be establishing additional grounds, besides the many which now exist, for the praise which no right-thinking man will withhold from them for all the splendid results they have achieved. And they will be taking the final step necessary to place their great business—without which the affairs of the world could not be carried on at all—upon a sounder foundation than it has ever yet occupied.

FIRE PERIL IN OFFICE BUILDINGS.

Due Mainly to Combustible Contents—Skyscraper may be the Scene of Greatest Holocaust.

Engineering efforts should be directed to preventing fires from gaining headway, says *Safety Engineering*, in the course of a valuable article summarising interesting facts in regard to the fire peril in office buildings. Fire dangers in the best constructed office buildings are due to combustible contents mainly, observes the authority in question. But there are weak spots in construction, not infrequently. Lives are imperiled whenever elevators and stairs are not properly protected or are of insufficient capacity. No matter what the construction of an office building may be, there should be no lack of means for the quick detection and the prompt extinguishment of fire outbreaks. Automatic sprinklers, fire alarms, fire extinguishers and watchmen who are checked by watchman's clocks should be in all office buildings. Every engineering effort should be directed to preventing a fire from gaining headway.

Since great office buildings house more persons than theatres, public institutions or even the largest ships, a loss of life, larger than has occurred in any single fire in modern times, may take place some time in a business building. A skyscraper may be the scene of the greatest holocaust of the age.

The list of fires in office buildings is a long one. Typical fires of this kind have numbered 225 in four years.