

transportation from the place of manufacture to the factor's store are an addition to the cost, but the commissions to be paid to such factor are not a part of the cost covered by insurance upon the goods, the commissions come out of the profits, and are never realized or paid until the goods are sold, and they are not covered by the insurance upon burned goods sold to the insured.

In the event that the insured subject should be a patented article, the measure of damage will not be increased thereby, as the actual cost of *manufacture* is not increased thereby, though the sale price may be so increased but *realized only upon the sold articles*.

To merchants, jobbers and dealers generally, wholesale: The measure of damage will be the actual *cash* value of the goods, in open market, in first hands; the insurers, under the operation of the reinstatement clause, and being cash purchasers, are entitled to the best the market affords, at the price quoted on the day of the fire.

To commission merchants and factors: who, having the possession of the property, may insure it in their own names, unless the stipulations of the policy prevent, the measure of damage will be the cost to the owner, who is the real person insured, plus expenses incurred in getting the goods into possession of the factor. This class of insurance is usually done under what is called "the usual commission clause."

For "*goods sold but not delivered:*" for goods covered by this clause, remaining in the hands of the *vendor*, the measure of damage will be the cost to the *vendor* of replacing the goods on the day of the fire, *for cash*, without any allowance for the profit made upon the original sale. Any such allowance would enable the *vendor* to make *two* sales instead of one, with the accompanying profit upon both. This would be prevented by the insurers stepping in and replacing the goods themselves.

To the consumers: the measure of damage would be the price of reinstatement by the insurers, or the cost to the insured in the retail market, on the day of fire.

The difference between the three classes of insureds, producers, jobbers, and consumers, may be well illustrated by an example laid before the Fire Underwriters' Association of the North-west, at one of its sessions, where the question of measure of damage was under discussion, in effect as follows:

"A railroad depot was consumed: among its contents was a lot of sewing machines, of which say 20 belonged to the manufacturers, and were produced at a cost of \$20 each another lot of 5 belonged to a jobber for which he had paid the wholesale market price, say \$45; and another single machine was the property of a lady, for which she paid, say \$65, retail price. All being burned under insurance, what will be the measure of damage? Will the insurers pay the manufacturers, the jobbers and the lady \$65 each for the machines? If not, why not?"

In this case come in the questions of market price, patented articles, and open market. The discussion of which we postpone to our next issue.

(To be Continued.)

TORONTO'S FIRE PROTECTION.

A committee was recently appointed by the Toronto Board of Fire Underwriters to examine into the Fire appliances of that city, and certainly the report handed in was most unsatisfactory. There is only one steamer, and that is practically useless, having neither horses nor heater. The water supply appears to be about equal to the average daily demand, so that in case of a more than ordinary supply being required for a conflagration, there is danger of the water giving out and the town being left to the mercy of the flames. The Committee's report upon the hydrants, Salvage Corps and alarm system is also the reverse of flattery; in fact, the Fire Brigade is the only item in the whole of the protection appliances which calls forth the praise of the Committee.

Now this report might have been set down as emanating from a band of croakers, or issued solely in the interests of the Insurance Companies, but, unfortunately for such argument, the said report was completely endorsed and borne out by the fire which occurred a few days subsequently, destroying two elevators and their contents. At that fire the supply of water and condition of the hose was simply lamentable, while the want of a steamer was severely felt. It is and has always been a matter of profound astonishment to us that a city with 100,000 inhabitants should be so blind as to trust entirely to a system of water-works like those possessed by Toronto, for upon more than one occasion have we seen those water-works tested, and in each instance a most miserable failure has been the result.

Some years ago the Toronto Board of Fire Underwriters made a reduction in the rates of about 10 per cent., in consideration of the efficient Fire Protection, supposed to be possessed by the city, but we believe the members of that Board have at last been roused from a long slumber to find Toronto's safety from fire but an empty dream.

There is but one way of meeting this serious difficulty, and that is for the Insurance offices to insist upon raising the rates until an adequate water supply shall have been procured, and a couple of good steamers put into thorough working order, so that they shall be ready at any moment of the day or night. Until this is done, Toronto certainly cannot be classed higher than Brantford, Sarnia, or St. Thomas, the shameful exhibition at the late fire simply placing it on a level with ordinary country towns which possess water works.

We have no doubt a good deal of this will offend many of Toronto's leading citizens—unpleasant truths generally do give offense—nevertheless, in the interests of all concerned it is best that the truth should be spoken, and we have no hesitation in stating that the present protection given to the inhabitants of Toronto against fire to be disgraceful, and the sooner the municipality is made to feel that this is the case the sooner will the remedy be applied, and we therefore trust that the Insurance Companies will be firm in raising the rates until an improved state of things exists, for it is high time that every town was taught that it must pay premiums commensurate with the risk written. If this is not done then we may exclaim of the Toronto Board of Fire Underwriters, that, like Othello, their "occupation is gone."