We do not see that it signifies to the insurance companies what degree of goodness is possessed by our firemen, so long as numerous fires and conflagrations occur, proving, beyond dispute, that there is no money in the business at existing rates.

The companies, native or foreign, have not established themselves for the purpose of admiring or criticizing the handling of fires by the respective brigades. No, strange to say, it is neither fame nor neighbourly feeling which animates them, but simply the same reason, that draws to our shores other commercial enterprizes, which is an endeavour to make money. This is the plain, unromantic fact, and, if after long trial it is found that the balance is on the wrong side of the ledger from rates averaging say 1 1-2 per cent., we cannot comprehend why the term, "Panic-stricken" should be applied, because an advance in rates is decided upon. Such, we opine, would be the course adopted by those following other mercantile pursuits under similar circumstances. Why should the article of fire insurance be exempt from the laws applicable to other business? It is not the proficiency of our gallant fire brigades, but merely dollars and cents that the companies are looking to, and the sooner this is brought home to the public the better. We have heard the most reckless assertions indulged in by persons who are totally ignorant of the subject about the insurance companies making huge profits in Canada. Such assertions are utterly disproved by the Government returns extending back thirty years.

We have always maintained that insurance can only be governed by the rules of average, and so long as conflagration from climatic causes, faulty construction of buildings, and so forth, are not only possible, but probable, in this country, so surely must rates be fixed to meet such contingencies or the business of fire insurance will be on an unsound basis. It is ridiculous to argue that the losses of one year should have no bearing upon the next, as upon that principle, fire insurance would become a pure gamble, no reserves would be accumulated, ruin might come at any time, and the last stage would be worse than the first.

Happily for the grumblers themselves, the bulk of fire insurance in Canada has been in the hands of competent underwriters, who, while not infallible, know something of the business, and who are fully aware that without ample reserves there would be no security for what may be termed extraordinary losses, and that, had no such reserves been held, untold desolation would have followed in the wake of such fires as have visited St. John, Ottawa, Montreal, Toronto, and other towns—in short, it would have been the public and not the companies, to become "panic-stricken."

THE CANADIAN FIRE INSURANCE CO., has been compelled to call up more capital, owing to losses at Baltimore.

AFTERMATH OF THE TORONTO CONFLAGRATION.

A visitor to Toronto, who keeps away from the area devastated by fire, will find little to inform him regarding the calamitous loss inflicted by the recent conflagration. The business community is all activity, merchants are "working like beavers" to get their orders filled, and to keep their connections with traders at distant points from being disturbed. The word of the day is not, what we have lost, but, what we are going to gain. There is no crying over spilled milk.

The larger firms who owned their warehouses have already arranged to rebuild; for which a number of contracts have been signed. Manufacturing plant is being prepared to take the place of that destroyed. Stocks of goods, on a wholesale scale have been ordered from home and foreign manufacturers. That the greater number of the wholesale merchants, and quite a number of manufacturers in Toronto have been burnt out, their buildings and goods being utterly destroyed, involving a loss of from thirteen to fourteen millions of dollars, without involving any one of them in ruin, is a marvellous exhibit of the financial soundness of the trade of Toronto.

Turning to the fire insurance companies, the situation has a very different aspect. The older and stronger companies, who have gone through previous conflagrations practically unscathed, who have wisdom enough to regard conflagration as a contingency to be provided for, are paying claims, or adjusting them, preparatory to payment, as a matter of business routine. Other companies have been seriously weakened by their losses in Toronto. Their reserves being inadequate, several fire companies are calling up capital to enable them to pay claims.

What course will be taken by a number of American "wild-cats" that were carrying risks in Toronto, has yet to be made known. Their experience in Baltimore, Rochester and Toronto, has given several continental companies more than a satiety. It is anticipated that several will withdraw from this continent.

In reply to an enquiry as to what the underwriters consider to be required for raising the fire protection service in Toronto to a state of adequate efficiency, Mr. McCuaig, the secretary, said:—

"A complete inspection of the waterworks system and the fire department will be made by a board inspector within the next few weeks. Until this report is received I would not make any statement in regard to necessary changes and additions to place the fire equipment of the city in a condition to obtain the lowest possible rates.

"I may further state," said Mr. McCuaig, "that the work of specific rating will be proceeded with at once, and the key rate, which is the basis rate for