

managed companies exist in spite of, rather than by the aid of, any legislation. If there must be special legislation in fire insurance matters, then its aim should be the punishment of dishonesty, fraud, carelessness and arson; the companies may surely be relied on to prevent the continuance of incompetence in their management; but the publication of false statements, in advertisements or otherwise, should be a misdemeanor, as should the application of the funds of an insurance company to improper purposes; if we go any further than this it should be in the direction of the personal liability of the person in whose possession the property may be in which a fire commences.

By virtue of the legislation of the Province of Ontario there exist a large number of Mutual Fire Insurance Companies, few of which afford any reliable guaranty of indemnity; for true insurance must be founded on the possession of a fund out of which to pay ordinary losses, the accumulation of a fund out of which to pay extraordinary losses, an equalization of payments so that a year of general calamity may not be a year of failure of indemnity, and an equalization of contribution in order that districts which suffer from an extraordinarily large loss ratio may not have their disaster increased by being subject to extraordinary assessments for the payment of their local losses.

The condition of the Ontario Mutuals is very generally such that "every man is his own insurer;" the field of operations is generally too limited; one company with a fearfully long name operates in the corners of three townships, one in one city; several do not go beyond their own county; while so little are the principles of fire insurance known amongst them, if one goes out of its own locality it as surely goes to its destruction; so there is ample room and verge enough for legislation in the direction of making everybody safe from disaster by means of everybody's contribution to everybody's loss; and as we may be certain that our numerous legislatures, municipal, provincial and federal, will continue to make speeches and laws, we may fairly ask them to either let fire insurance alone or legislate with the one view, viz., the lessening of loss by fire.

We steadfastly believe that the Fire Insurance Companies should be unmolested by interference, so long as their business is honestly conducted, and their statements are true, and that if any Government goes so far as that of Ontario has done, it should go still further and

carry its legislation to its only logical conclusion, the carrying on of the business on its own account; in this respect, it being established that all insurance is mutual, as the assured must pay all the losses and all the expenses or the companies cannot continue to exist, and that Fire Insurance is a legitimate provision against a calamity which is possible to all persons, and that a fire loss is a loss to the country at large, then there are reasons why fire insurance should be obligatory on every one, that the country at large should bear the losses, and that the Government should not only control, but actually conduct, the business; when they do this they will discover special liability to fire in some descriptions of property, in some districts, and to some persons; they, being faithful and conscientious, will soon be considering the problem *Universal Insurance* $X = \text{Universal increase of fires}$; so that in their desire to eliminate the X they will add to and modify the "conditions of assurance" with which they commenced; they will have found one set of conditions applicable to agricultural risks and residences, another to mercantile risks, and another to manufactories; they will have experience of the anxieties and perplexities of the competent managers of our incorporated companies; and it is most probable that their "conditions" will become either so strict as to be burdensome, or so lax as to produce a general increase of carelessness and fraud.

They had best commence, if commence they will, with the agricultural risks, because these seldom burn, and there is so little fraud in connection with the claims for such losses; their bases of contribution will be the assessment rolls, which can be so arranged as to contain, in appropriate columns, the sizes and values of the buildings, the number and value of each description of live stock, the area and value of each description of crop, the values of furniture, implements and moveables, so that a rate can be levied upon them for assurance purposes. By these means a valuable series of statistics could be obtained, while, at the same time, if any person obtained a decrease of his taxable valuation, he would suffer a decrease of his indemnity guaranty; if any one made a false valuation for the purpose of realizing profit from an intended fire, his plot would be detected by the Court of Revision in time to baulk his purpose; and equitable assessments and valuations would be procured for township, county, provincial, and insurance purposes.

In case of fire, the amount of the loss and damage and the circumstances of the fire could be ascertained by a Board, consisting of the Reeve, the Assessor, and the Collector of Taxes; their attested statement, with that of the claimant, would be examined by the Government, who, on approval of the papers, should be liable to pay not more than three-fourths of the loss or damage, in order that the owner might always have an interest in the preservation of property. In doubtful cases, or where there are an unusual number of fires, these three persons, the Warden of the County and a government official should constitute a Court for enquiry and report, being always free from any suit for damages arising from their investigations. By such means it might be that equity and economy could be obtained and perfect guaranty afforded without undue increase of fires.

UNDERVALUATION.

An idea of the extent to which undervaluation in importation is carried on in the United States may be inferred from the recent report of the Chief of the Division of Special Agents of the Treasury Department to the Secretary for the fiscal year ended June 30, 1880. With twenty-eight employees, at an expense of \$95,000, in round numbers, he has, by co-operating with the Collectors and Appraisers of Customs, saved to the Treasury upwards of \$2,000,000. Following is the table of items:

Seizures, fines, and suits.....	\$85,848 79
Duties and increased duties on advanced values.....	704,257 45
Increased duties on sugar.....	1,239,872 01
Miscellaneous.....	1,084 67

Total paid in..... \$2,031,062 92

The report says, "So universal is the practice with respect to silks, velvets, laces, and similar goods subject to high ad valorem duties, that European manufacturers and shippers of such merchandise do not, as a rule, attempt to market their goods in the United States without endeavoring to evade a portion of the duties by means of undervalued invoices. American merchants, with all the capital and facilities required for the largest business, who would prefer to buy their silk goods in the foreign markets and import them regularly, still find themselves compelled to buy of the commission merchants in the United States who receive goods on consignment..... Purchases are sometimes made in the foreign market, but only at what is styled a "dollar price" to be paid in United States currency upon delivery of the goods in the United States, duty paid, through the American agent of the vendor, and no foreign market values, other than fictitious values stated in the invoices, which are prepared solely for the eyes of the customs officials, appear in the transactions. By this method manufacturers and shippers aim to prevent the customs officers from obtaining true information as to actual foreign values, and are enabled to decide for themselves what amount of duties they will pay, subject