"sons especially a Union to effect, by underhand dealings "what honest efforts, openly employed, cannot obtain."

Or, as defined by an Act of Congress:

"A combination as a trust or otherwise to raise prices, "or to obstruct the ordinary course of trade."

Well, if that is what the Tariff Associations of Canada have been, all I have to say is they have signally failed of their purpose. The Blue Book gives the lie to that direct. It will show that over the whole period covered by the statistics the companies as a whole, have barely held their own. I think with this proof before us we may deny that our Tariff Associations are anything of the kind.

But if they are not, what are they? Let us see. A Tariff Association is, as the name implies, for the making of rates, but as the whole business turns upon the rates we charge, it may be inferred the making of rates covers a pretty wide field. Now, what are the advantages, if any, in the making of rates by this method, over that to which I have already alluded? In the first place the companies forming the association have the benefit of a combined experience. They can tell what the results have been in the past, which may be taken as a guide to the future, though at best it is only a guide. We cannot tell what the future may have in store for us, but in the absence of anything better what has happened is something to go upon. But from the standpoint of the public the great benefit of such associations is their active agency in the lessening of the fire hazard. Perhaps their efforts are not always attended with that success the importance of the aim would justify, but, nevertheless, they make for that end, and it seems to me it does not require extraordinary powers of perception to see that that is in the public interest.

The nature of the work done by the Association in this way is the classification of towns according to the protection afforded, and the inspection, at intervals, of appliances and water works; the regular and frequent inspection of manufacturing risks and the application of schedule rating thereto, whereby reductions in rate are held out as inducements to improvement of risk. Indeed, this principle is already being extended to the rating or mercantile risks as well, so that contrary to popular belief the influence of Tariff Associations is really exerted in the direction of reduced rates. The Associations also, through their experts and inspectors, are constantly passing upon questions of construction, lighting and heating, manufacturing processes, and, indeed, everything and anything that enters into or constitutes fire hazard. Of course, it may be urged the companies are doing all this in their own interest. They are, but that does not detract in the slightest from the benefit the public derive from such efforts to reduce the fire waste; and obviously the more economically this service is performed the more it is in the public interest as it is the public in the long run who foot the bill. The proposition is very simple; it is cheaper to have this work done by the companies as a body, than for each company to do it on its own account.

Another advantage of having rates made in this way, it ensures uniformity. This may seem a small matter, but it must be a distinct and decided advantage to business men to know that whether fixed too high or too low, the cost of insurance is *fixed*.

In fact, I go a step further and I say that second only in importance to the companies themselves, it is of importance to the public that the rates be adequate. If the rates be inadequate it stands to reason the security becomes impaired, and absolute security should be the first consideration. My experience has been almost altogether on the side of granting insurance, and, perhaps I am not altogether unbiased, but it seems to me that to one seeking insurance— that is a positive assurance, that the loss would be made good to him if it happened—a lower offer would excite suspicion and mistrust, which is subversive of the whole idea of insurance.

But what is an adequate rate? I can see this question opens wide the door for argument. Well, let us consult the statistics again. The government returns show that in ordinary times the average rate obtained in this country was about right. As might be expected some years were better than others, but on the whole the average rate obtained paid the losses and expenses, and left a little—very little—over as a return for capital invested and risked. That is in ordinary times, but there have been extraordinary times. In the year 1877 (the year of the conflagration at St. John, N.B.), the companies paid out in losses alone, over $2.25 for every $1.00 in premium taken in, and it took them until 1887 before they were able to show an even account again over the whole period covered by the statistics. Then they sailed along on a fairly even keel until the year 1900, when the Hull-Ottawa conflagration occurred, to be followed the next year by the Board of Trade fire in Montreal, both of which occurrences naturally had a very disturbing influence on the general loss ratio. In short, past experience would seem to indicate that to cover the ordinary run of losses our rates were pitched about high enough, but if we were to provide for these conflagrations, which seem to be unavoidable, we should have to get something more—in fact, the profits which should have accrued to the companies have been eaten up by these conflagrations. And here arises the question, what should be charged to cover this hazard? It is difficult to say. The law governing such occurrences is hard to discover. It all turns upon so small a circumstance. If that good woman in Hull, who, in preparing that hurry-up lunch on the fateful 26th April, sent the sparks flying on the dry roof that windy day, had been otherwise engaged at that time, the companies would have been saved nearly $4,000,000. And who can say that a similar combination of circumstances may not arise again any time and any place. The busy housewife needs must build many a quick fire, and roofs are dry and winds are high often, but fortunately for us, and still more fortunately for the people at large, the whole combination is not found to exist at the same moment, more frequently.

The fire fiend is not a respecter of persons or places either; the rich go down with the poor, and he plays his pranks when most unlooked for at times. Some hold to the theory that a conflagration is impossible where the buildings are impregnated with salt from old ocean, in spite of the experience at St. John, N.B., and as if to mock them St. John's, Nfld., goes up in smoke! Then we are told these things only happen in the East, and lo! New Westminster, shows us what can be done in the West. I remember returning from the scene of that conflagration in 1898, and discussing the event with a merchant from Nova Scotia. He complained: "And you people collect from us to pay these losses!" I replied: "Precisely, that's what we are "for; to collect from the places that do not burn to pay in "the places that burn. If your town burned the money we "should pay would be collected elsewhere." "But," said he, "we don't have such things happen." I reminded him of Windsor, N.S., the preceding year, and he said, "oh, but that was exceptional." I ventured to hope that so was New Westminster!

When the Hull-Ottawa fire occurred our city friends asked us what could we expect insuring lumber piles! They got their answer in less than a year when two or three blocks burning out of the heart of Montreal gave us a loss not so very far behind, and which at one time gave promise of even greater things. This one fire cost the companies about as much as the three that followed each other in such rapid succession in Toronto in 1895.

My own view, taking past experience as a guide, is, that while the old idea used to be that a 60 per cent. loss ratio