

ADJUSTMENT OF FIRE LOSSES.

Continued from last issue.

"Stores are now so plentiful and their attractions so new and so many as to prevent the patronage of an establishment filled with musty tea, dusty sugar, fly-blown fruits, dry goods of antediluvian form or pattern, flint muskets, etc., etc., and if goods are not of value for legitimate sale, the fact of a fire should not be allowed to add to their actual cash value.

"The engraved plates and negatives of a publisher, the electro-plates and stereotypes of a printer, the negatives of a photographer, the patterns of a foundry, the order-books of a tailor, and such like temporary or uncertain values are nearly always the property of the person from whom the original orders were received. Yet after a fire it is usual for the person in whose possession they were found, to make a claim for their original cost of production. The possession as in trust might confer an insurable interest, if insured as in trust, but there would then follow the liability to account to the real owner, a fact which it is sometimes necessary to make use of in order to defeat an exorbitant claim for comparatively valueless goods, and I take it the adjuster is justified in buying up the claims of the real owners, if it be necessary to an adjustment in fact.

"Machines, machinery and appliances are as varied as men and manners, so that no general rules can be laid down for their treatment. I believe, however, that there are very few manufactories which are wholly satisfactory to their owners and managers, or which can long remain so because of the continuous improvements in machines and methods preventing any such thing as a standard machine of any class.

"Therefore, in arriving at the actual cash value of any machine it is necessary to make an allowance for its comparative recession from 'up-to-date' as well as for wear and tear.

"I have an authoritative table of wear and tear of machines and machinery, but unless the special circumstances of use are known and duly considered, I think all these tables are of little real value.

"The most beautiful machinery ever erected in Canada was for the manufacture of beet sugar. In Ontario we have had glucose factories. There are several abandoned pressed brick factories. The Furniture Trust was followed by the burning of superfluous furniture factories. There are factories of other descriptions not necessary to the trade of the country. It was proposed to form a Tannery Combine, whereby production would be curtailed and present places of production become idle.

"In such cases the value of the machinery and machines is that of scrap iron less the cost of marketing it. These are hard facts for the adjuster to face, and when he faces them he has a very hard row to hoe in making a true adjustment, failing which he promotes realization by fire as the most profitable method of capitalizing surplus machinery, surplus buildings and surplus stocks.

"The subject is too serious a one to be the subject of satire, because whatever affords opportunity for dishonest gain lessens the moral tone of the community, creating a loss which no money can make good, preventing the success of honest men and methods.

"Anybody may start a fire, but the fire when started may become uncontrollable by all the efforts and all the appliances of all the people. So it is with the demoralization of a people; anybody may institute the means, but neither laws nor precepts may avail for its abatement.

"Some of my hearers may object that accountants are persons whose duties lie in the compilation of figures and of balance sheets. If so, I must reply that the expert accountant is one whose brains and habits of thought and mind give value to his figures and his balance sheets; so that it is necessary to study the principles of things, and also the facts and circumstances which affect motives and produce results. Therefore it is that in this address I have used few figures and have not set forth any hard and fast rules for use in the adjustment of fire losses.

"Since my last address on this subject I have seen no reason to change my views as to the proper method of apportionment of non-current policies, so will not dwell on this part of an adjuster's duties longer than to mention the complete vindication of my views and advices in the McCausland suit before the High Court of Judicature in Ontario, which vindi-

cated the freedom of contract between assured and assurer free from complication because of the variation in the several contracts.

"To conclude. The adjuster shall be a just man, regardless of persons. Yet you will remember that Aristides was sent into exile because some fellow was tired of hearing him styled 'The Just.'

"The adjuster should not be litigious. You will remember the litigants who disputed about a fat oyster, of which each got a shell.

"The adjuster, when he makes a proposition, should be sure it is a fair one. In an English case the insurance company defended on the ground of excessive claim. The successful reply was that the adjuster (in England styled the assessor) always offered to pay about one-half the claim, so it was necessary to ask double to get even.

"Finally, it is the duty of an adjuster to adjust."—*Henry Lye, before the Ontario Institute of Accountants.*

TAXES IN ENGLAND.

In England birth is taxed, marriage is taxed, death is taxed. Commodities are taxed, manufacturers are taxed, trades are taxed, houses are taxed, incomes are taxed. We are taxed for our butler, if we are prosperous enough to keep one. We are taxed for our footman, groom or gardener. The carriage we keep is taxed, the omnibus we take is taxed, the cab we hire is taxed, the railway train we travel by is taxed. The house dog is taxed, and so also is the heraldic device on our note paper. Everything we drink is taxed—beer, spirits, wine, tea, coffee—and even for water we drink there is the water rate. Light is taxed through the medium of the gas rate. The land we walk upon is taxed, the tobacco we smoke is taxed, the gold or silver jewellery we wear, the eau de Cologne perfuming our handkerchief, the figs we eat on Palm Sunday, the Christmas plum-pudding, these are all taxed. Even our antibilious pills are not free.

All these, and they are but a few of the taxes that exist, are mostly imperial taxes for the purpose of government; some of them, however, are assigned to the county councils. There are also local rates, which are but local taxes for the poor. County council, police, voting lists, street lighting, paving, watering, etc., sewer, school board and vestry. Householders, lodgers, married and single men, women and children, are all taxed in some form or other, for taxation is devised to reach everyone. The late Lord Sherbrooke (Robert Lowe), when Chancellor of the Exchequer, calculated that one-ninth of our income is taken from us for imperial taxation; but the proportion is more now, and is growing. Local taxation is not much less.—*Temple Bar.*

THE WORLD'S SHIPBUILDING IN 1894.

The statistics of shipbuilding in Great Britain, published by Lloyd's Register, show that during the year 1894 the output of the shipyards of the United Kingdom amounted to 645 vessels of 1,079,479 tons, distributed among the following classes:

	Tons.
549 steamers	964,926
65 sailing vessels	81,582
31 war ships	32,971
The total production of the world in 1894 was about 1,324,000 tons (1,168,000 steam, 156,000 sail). The tonnage totally lost, broken up, etc., in the course of twelve months amounts to about 692,000 tons (278,000 steam, 414 sail). There has been a net increase in the world's mercantile tonnage of upward of 632,000 tons. Of this total the net increase in the tonnage of Great Britain represents about 68 per cent., or 430,000 tons.	

The statistics of colonial and foreign shipbuilding during 1894 indicate that, excluding war vessels, there have been built outside of Great Britain 148 steamers of 203,279 tons, and 170 sailing vessels of 73,751 tons.

The report of the commissioner of Navigation of the United States for the fiscal year ending June 30, 1894, states that for the ocean-carrying trade we built during the year 1893 only 28 steam vessels of 56,402 tons and 86 sailing vessels of 13,437 tons. The building of ships in the United States for ocean commerce is still an "infant industry," and yet how hard we have worked and what losses we have sustained to bring that infant to maturity.—*N.Y. World.*

TRAMP HAZARD OF FARM RISKS.

Extreme cold weather is always marked by a large increase in losses on farm property. The recent severe cold snaps have had this effect, and thus early the prospect of profit on this class during the year is discouraging. The snow-bound condition of large sections of the country makes it probable that there are numerous claims which have not as yet been presented owing to the difficulty of communication, but undoubtedly the opening of spring will find each of these snowed up claims fully engrossed on the loss books of some of the companies still writing this class of business. The thawing out of these claims and the re-establishment of communication between the city and country will also make the annual exodus of tramps possible.

These highly appreciated and prominent members of the winter population will soon leave their places in the Bowery cellars and diffuse their presence along the highways of our country. They will not burden the railroads with their baggage, as their supply of clothing is limited to the amount required by their modesty, and the remainder of their baggage, consisting of pipes and matches, must be at hand for ready use. Hotels will not be required to keep them at even theatrical rates, but farmers will unconsciously entertain these angels of the highway, and the insurance companies will as usual foot the bills. Farm-writing companies have from time to time issued circular suggestions to their patrons advising them as to danger points to be guarded as well as precautions to be taken, but none of these circulars have touched upon the tramp hazard, which is now recognized as an important and prolific source of farm losses.—*N.Y. Journal and Bulletin.*

VOLUNTARY AND INVOLUNTARY.

A peculiar fire-insurance case of the kind which occur only in France was published in the *New York Evening Post* last month, being translated from the *Chronique des Assurances*, as follows:—

While an actress was engaged at her toilet on the evening of the 13th of April last, her maid carelessly gathered up some scraps of paper from the dressing-case and thrust them into the burning grate. A few moments later it was discovered that along with the paper she had thrown to the flames a pair of superb pearl earrings worth 10,000 francs. The effects of the actress were insured in a fire-insurance company for 4,500 francs. She at once notified the company of her loss, and claimed the full amount of her insurance. The company denied all liability except from fire as an involuntary act, alleging that the maid had voluntarily thrown the earrings into the fire. "Not so," replied the actress; "the scraps of paper were thrown voluntarily, but not the earrings;" and the court sustains the actress, awarding her the full amount of her insurance and costs.

SEARCH LIGHT SIGNALLING.

Experiments have finally been made in Chicago with a search light for announcing the approach of a gale or cold wave, and they are said to have proven quite successful. The light, operated by weather bureau officials, was mounted on the tower of the Auditorium. A white flash was succeeded by a green light, and the rays are said to have extended over a circle forty miles in diameter. Similar experiments have been made in New York. According to present plans the signals will not be used as rain or snow signals. The red light alone will indicate easterly winds and hurricanes, and the white light, a frosty morning; red and white, high westerly winds; a flash light with green shade, will indicate a cold wave.

—The manufacturers of lumber in the North-West, including the Fort William and the Lake of the Woods firms, says the *News-Advertiser*, have decided to reduce the price of pine lumber ranging from 50 cents to \$1.50 per 1,000. This applies to all points in Manitoba, and there will consequently be a reduction by the retailers in harmony with the wholesalers. This cut applies particularly to the lumber used in buildings. In ordinary dwellings this reduction will amount to from \$25 to \$50; in warehouse construction the amount saved will be larger.