

ed. Thus, a movement to reduce rates by competition may result in rates being raised, or made permanent. The failure of the new company has demonstrated the impossibility of a fire company maintaining its solvency and paying claims on rates less than those charged by the old established companies.

One of the minor advantages conferred by the chief official in Canada being a man of high rank, a member of some distinguished family in the old land is the example he can set of refined manners, which here are not too much in evidence in any circle. We young folks in Canada are lamentably defective in this. Respect for parents, for the aged, for females, for superiors in position, or education, is a rare virtue on this side the Atlantic. The unbroken colt seems to be the model which many are trained to copy, or left untrained to rival. The Governor-General has evidently noticed this feature in our social life. In addressing a gathering of school-cadets at Toronto last week His Excellency said:—

"Both pupils and teachers ought to remember that it is not the actual education, but the training of the general character which tends to insure the success of the race. With all the self-reliance that marks a new country like this, it would be well to remember the generous traditions and the courteous manners of the Old Country. There was sometimes a tendency to demonstrate self-reliance by a want of respect to fellow-men and to those in authority. While he was a believer in self-reliance and in the words of the poet:

"The rank is but the guinea stamp,
The man's the gowd for a' that,"

he thought one was much more likely to succeed by learning respect to those above and courteous manners. Respect was not at all an imitation of servility, and he felt sure that the younger generation would benefit by studying the generous traditions of the Old World to which he had already alluded."

Boys who are intended for business life cannot learn the above lesson too thoroughly. Courteous manners have a distinct value in offices and warehouses and the lack of them which is evidenced by brusqueness, lack of deference to elders and superiors, is prejudicial to the youth or young man who thus shows that he is in the unbroken colt condition.

There are twelve linotype type-setting machines being sent from this city this week to the proprietors of "The Daily Herald," Sydney, Australia. Their total cost before being set in operation will amount to about \$80,000. Is it not a benefit to the whole people of Canada for such an enterprise as the manufacture of these marvellous machines to be developed and maintained? Protecting our steel and iron industries shelters such and all kindred enterprises from unfair attack by rival countries.

THE CONFLAGRATION HAZARD.

In regard to the conflagration hazard, with all it involves, the public knows of this danger, often by bitter experiences, but its insurance aspects the generality of persons ignore. This is an irrational position to take, as foolish indeed as the action of the ostrich which thrusts its head into sand to hide the oncoming of an enemy. As the classification of risks is an important feature in the fire business, it has become the practice to place "conflagration hazards" in a class apart from the ordinary risks. But there is no essential difference between conflagration hazard and other hazards. The difference on which the classification is based is mainly one of *degree* as to extent, and *infrequency* as to occurrence. Conflagration hazards to insurance may be compared to a sharp epidemic in health matters. As the normal death rate of a place is now and again swollen by an outbreak of fever; so the normal loss rate of fire insurance is raised by a conflagration. What would be thought of the health officers, or municipal rulers, or the citizens of a town or city were they to ignore the risk of an outbreak of some contagious disease? Such folly is hardly conceivable as that officials and citizens would ignore such a possibility. Yet, in the analogous case of conflagration risks, an outbreak of fire on a wide scale, there is not only a general indisposition to provide fire protection adequate to prevent such dangers, but, an opinion widely prevails that in arranging their rates the fire companies should be equally reckless by failing to make those rates adequate to cover the losses to which they are liable by the conflagration hazard, which is an ever-present contingency. Those who demand that fire insurance rates for a coming year should be based upon the previous year's experience take up a highly unreasonable position, for no year affords a criterion as to what the next will be. It is well known that, when a demand is made that fire rates be reduced because of some one year's experience, an exceptionally good year is always selected as the standard, but it has never been known for an increase of rates to be suggested because the past year's losses were exceptionally large owing to conflagrations. There is no more reason for fixing rates to match the experience of one year than of one month. It occasionally occurs that a whole month passes without any but most trifling losses, then, next month, they burst out in every direction and in a few hours a year's premiums are swept away by conflagrations. Surely it is obvious amid such uncertain conditions that consideration be given to the experiences of a much longer period than one year, so that rates may be based upon an average based on years that had disastrous as well as those that had highly favourable results. Averages have no value whatever unless they are based upon all the various condition of the matter to which the average refers. The average results