

INSURANCE AND ARCHITECTURE.

No class does so much to restrict its own sphere of occupation, and therefore to lower its own income resources, as the medical profession, the members of which are most active in promoting such measures as will keep people out of their hands. There are, however, so many ills to which flesh is heir which are beyond human foresight, or control, that the medical faculty find a very wide range for their skill and activity. In some respects the insurance companies have been pursuing a similar policy in bringing so much influence to bear upon the construction of buildings, so as to lower the risks of fire. Were architectural work improved up to the extreme limit of safety in all buildings, the rarity of fires would seriously diminish the insurance business, just as life insurance would suffer if death ever became a casualty, and not a certainty. An incombustible building, an architectural salamander, would never be insured. How far then is it wise for insurance companies to play any part as building reformers. In seeking to promote structural improvements that will reduce fire risks, are they not working against their own interests; as a mere bald theory, such a course seems to be an imprudence, but such a theory assumes the possibility of effecting radical reforms, not only along the whole line of structures of every insurable class, but of so improving the great mass of existing buildings as to seriously reduce their risk of fire. Such a wholesale revolution is not within range of possibility, its probability, therefore, and the effects that would follow, are not worth discussing. The advice to the underwriters to let builders do just as they please, and then rate each building according to its special hazard, and to let city authorities do as they like about having a building law, is, we submit, not wise, as it is not in the interests of insurance companies that recklessness in building should go on without any restraint beyond the fear of having to pay an extra insurance premium.

The fear of extra premiums for defective construction can only be felt when the builder is to be the permanent owner of the structure. A careless or unskillful architect thinks nothing about either the insurance or the building, or other contingencies, after a building is completed. Neither does a mason, bricklayer, carpenter, tinsmith, plumber or gasfitter trouble his brain over the extra premium his bad work will involve, or care one pin about the danger of fire which he is creating by scamped work. To suppose then that the fear of extra premiums being charged owing to imperfect construction will be sufficient to bring about a general improvement in building and architectural methods, so as to lower fire losses, is to suppose what will end in mere supposition, it will never materialize. One of the most cogent reasons why insurance companies should exercise their influence in promoting more skilful architectural and more prudent building methods is this: they have special and exclusive information regarding the numerous sources of danger to buildings of every class, of those peculiar to every area where they operate, and of all the structural conditions that need guarding against. An experienced underwriter knows more about the weak points of a building, knows, as it were, more chinks through which fire dangers come, than does any architect or builder. When a structure is finished, those weak spots are apt to be covered up, and require a fire to reveal them. A physician can make a diagnosis of an applicant

for a life policy so as to judge of his eligibility, but when a building is offered for a fire policy, who is to make such a diagnosis of the woodwork, brick work, plumbing, heat pipes, etc., so as to discover those defects that induce risks of fire or increase them when a fire has commenced? Is it not a more rational course for buildings to be supervised by an inspector when in course of construction, and the plans passed over by an expert, than to have careful examination made of a ruined structure to find out how the fire occurred?

Now, as to the efforts of fire insurance companies to influence municipalities in regard to fire limits, to which objection has been taken. The business of insurance necessitates laws of averages, it is a practical impossibility to assess each risk independently of all other risks. The location of a building is a serious element in considering its value for fire insurance purposes. The enforcement of "fire limit" regulations as to the character of buildings to be allowed within that area results in throwing out a large variety of special risks that render average making of a location nature feasible. If no wooden buildings are placed within a certain area, the average safety of all the others is raised, and they can be more readily rated, and more economically. An insurance company may have a number of good risks in a block where no fire limit restrictions are in force, and, in a few days, those properties may be put in danger by very risky structures being placed near to them. Self protection then demands that underwriters shall do their best to secure such municipal regulations as will help to keep down the danger of wooden and other classes of risky buildings. So far, then, from insurance companies having no call to throw their influence into architectural and building movements, they cannot allow recklessness of construction to go on unchecked without serious peril to their own interests, and neglect of those duties to their policyholders and the public, which are imposed upon them by their special knowledge, wide experience and opportunities of using them for the general welfare of property owners.

CANADIAN PACIFIC RAILWAY.

President Shaughnessy has issued the following statement:—

"After the payment of all fixed charges and dividends, the company entered upon the new fiscal year, July 1st, with thirty-six million dollars in cash, and fourteen million dollars in equipment securities, after having spent upwards of thirty million dollars on railway and steamship construction, for which four per cent. consolidated debenture stock had been authorized, but not offered on the market.

"The end has nearly been reached with all the important works of construction and improvements that were in progress, and only a comparatively small portion of the money in hand will be required for their completion.

"No new works of any magnitude are contemplated at present, and, therefore, no necessity exists for a further issue of capital stock.

"It is not unlikely, however, that the directors will, at the meeting in October, recommend to the shareholders that the authorized ordinary share capital be made to conform to the amount for which the company has legal warrant, so as to provide for the company's future capital requirements as and when they arise."