Mechanical Traction v. Insurance

A daily contemporary the other day had a long and very ably written engineering article on the future of the motor generally. It was pointed out that at present the street "peril" in towns and cities was mainly due to the mixture of wheel traffic and the fact that there were different speeds to be considered. Of course, there is something in that argument, but the writer proceeded to anticipate the fast coming time when the horse would be completely disestablished and nothing seen on streets and roads except motors of various forms. Then according to this very optimistic writer we should have a time of comparative safety. Such special pleading would be vastly amusing if it were not calculated to more or less blind those who do not think for themselves to the real facts of the case. The true reason why motor traffic has proved itself so very fatal, as in the case of motor omnibuses, is solely because of the weight of the vehicles and the greater speed at which they travel. Who can believe that the motor was not instituted for celerity? Obviously, the advance in the use of mechanically-drawn vehicles is for the sake of speed and nothing more. The horse had short limits, and, after all, within those limits a man could compete with a horse, but he is nowhere in physical conflict with an engine as those who have had the misfortune to see a man caught up by a driving belt well understand. Now we very well know, at least all observers of street traffic know, that at present a great check on the speed of the motor generally is just the fact that there are still horsed vehicles on the road, and so it does not answer to go full steam ahead at present. But once reduce the entire urban vehiculer traffic to the locomotive principle, once put only engines on the streets, and who with any sense supposes that speed generally will not increase? No one who likes motoring cares to go slow if it can be helped, and the fact of motors only being on the road is sure to induce a uniform rate of speed up to and very often over the legal point. The motor is at all times much more a peril to persons in front of it than any horsed vehicle. Study the motor from some distance, take a front view and notice how little speed appears to be on when all the time it is sweeping forward at a very great rate. When you watch a horse, or horses thus, you see by their action whether they are going fast or not, but with the motor it is very much more difficult, and the better the motor, the higher the cost, the more smoothly and silently does it sweep along the road. Undoubtedly many of the fatal accidents that now occur to pedestrians from motors are due to an inability to rightly estimate the speed of the motor as viewed from a distance. It will appear quite far off, indeed, and so it is in measurement of yards, but as to its celerity it is often only seconds away from one crossing when they imagine it is minutes off, as indeed it would be if a horsed vehicle seen at the same distance. In Canada and United States motors are already to be reckoned by millions, and ere long it will be so in the United Kingdom. There will now be an immense impulse given to motoring, and we predict that accidents will at once multiply. That of course will not make any difference to the general trend of public opinion, which is rarely in such matters prudential. The real moral, however, in this is that every pedestrian who is uninsured will incur a "risk" of a grave character. At present people insure against street accidents with some hesitation in many cases, for the sober, careful, able-bodied seem to have little cause for any fears, but when the era of motors once sets in, insurance against street accidents will be simply a necessity with every prudent person who ever ventures across a street or road.

MORAL HAZARD INCREASE

Archibald Kemp, secretary and manager of the Cleveland National Fire, makes some timely observations on changes in economic conditions, and how changing values and moral hazard affect fire insurance companies.

He said in part: "All signs of the times point to the near approach of the necessary readjustment of values in both real and personal property of all kinds. Everything indicates that the peak of high prices has been reached and there is no question in the mind of the writer that from now on there will be a decline in values and prices. The country will be fortunate if this decline is a gradual process, as present signs indicate it will be; but if labor strikes continue, with their consequent interference with transportion and distribution of raw materials and supplies, the shutting down first of manufactories and later on wholesale and jobbing houses will mean sharp declines in values, including equally marked declines in the wages of labor by reason of unemployment.

"If the fire insurance companies are not to severely suffer from these changing conditions through increased moral hazard, which always develops when times are hard or general business conditions difficult, it is necessary for all fire insurance agents to keep careful watch of the way things are going with the businesses of the people in their community and to determine whether it is safe for the fire insurance companies to continue to insure their properties."