

CANADA'S FIRE WASTE.

Nineteen Millions of Dollars and Two Hundred Lives Was the Toll Last Year—The Place of Fire Insurance—No Profits for the Companies—Alarming Number of Incendiary Fires—Need for Fire Commissioners.

The extent of the annual loss of capital and life in Canada by fire is not generally appreciated. Some of the reasons perhaps are that the public generally remember only the daily incident, forgetting the yearly toll. The people of Canada and the United States, generally speaking, are careless with fire and comparatively backward in the matter of fire prevention methods. They have an idea that fire insurance replaces loss by fire. Altogether these factors create a serious economic situation, especially when one reflects that all fire losses are absolute waste, and that fire insurance does not actually replace that waste. A few figures will show at a glance the extent of Canada's sacrifice last year to the flames.

During the twelve months of 1909, the losses in the Dominion amounted to \$18,905,538. This only represents the direct loss. In addition there must be considered the loss of time and employment in commercial, industrial and other avenues consequent upon heavy fires. The highest losses last year were sustained in the month of May, when \$3,358,276 were burned. The lowest loss was in April, with a total of \$720,650. Estimating our population at seven millions, the fire loss in Canada per capita last year was approximately \$2.70. As a remarkable comparison, the average annual loss per capita in Austria, Denmark, France, Germany, Italy and Switzerland combined is only 33 cents. The average monthly fire waste in Canada last year was \$1,750,461. A glance at the class of property destroyed shows that fire has no respect for any particular building, except perhaps that on which some fire preventive care has been expended. A large number of the causes can be ascribed to gross carelessness. Practical jokes, wastepaper heaps, smoking in bed, defective grates, stoves and furnaces, careless use of combustible materials, and especially carelessness with matches and lamps, are responsible for a large number of fires. Another phase of this question is the loss of human life in fires. No less than 213 people were burned to death in Canada during 1909, an average of more than four persons per week. Here again playing with matches and carelessness with lamps account for a significant number of the fatalities.

To Cut the Losses in Two

There surely can be no question that Canada's annual fire waste can be reduced. Many experts declare that it is possible to cut the losses in two. The heavy waste is not mysterious. The chief cause for surprise is that, under existing conditions, fires do not more frequently burn to the ground entire groups of buildings. This is especially the case in new towns which have a weakness for shingle roofs, indifferent fire protection and where every man is the law regarding the building he erects.

Among the reasons for our undesirable fire record have been given the following:—1. The moral hazard is not as good as it was in former years. 2. The variable climate in Canada. 3. Wood enters too largely into the general construction of many buildings. 4. The building by-laws are, generally speaking, defective. In analyzing the various constructions destroyed or damaged by fire, one finds that dwellings are largely affected. While residences naturally are in greater number in communities than are other classes, it is not unreasonable to suppose that a dwelling is far easier to save from the flames by the help of carefulness than are many other classes of risk. Big departmental stores stand year after year and have stood sometimes almost century after century without the experience of a bad fire. The capital at stake is large, the fire insurance companies concerned are careful and the store owners have a system of prevention and, in case of accident, of immediate cure. Canada has experienced at least six big conflagrations involving more than \$1,000,000 each during the past six years.

Waste of Capital

In several cases the fire was ascribable to a simple cause. An examination of the property burned shows that fires have most frequently occurred where the education of the occupants or owner regarding fire protection and prevention is at a low standard. Individually these risks do not mean large losses. Collectively, they represent an enormous waste of capital, a weakening of the fire insurance companies' resources and a lessening of the small profits which some fire insurance companies obtain. This suggests that the companies have an opportunity to educate the public on this matter. In an educative campaign they would receive every assistance from the insurance and daily press.

A fire has become too much of an every day news item to be read with passing attention. A general campaign against fire on the part of fire insurance companies and the press should enlighten the public as to the appalling waste incurred in this matter every year in Canada and as to the responsibility of the individual.

Part of the Insurance Company

Looking at the reports of Canada's fires last year it is seen that frequently no insurance is carried by those who have been burned out. The necessity of fire insurance in substantial companies does not seem to be recognized as widely as it should be. After admitting its imperative necessity there is another consideration—the public do not generally recognize the real import of our fire waste. The losses are not in reality borne by the insurance companies, but are a burden upon the public and the country at large. The destruction of millions of property is a complete loss to the nation. The fire insurance companies are not only responsible for their own money, but they are trustees also for the money paid in to them which is distributed to balance losses. The public are too often content to know that risks are covered by insurance.

An adjuster of fire losses was asked by an inquisitive stranger as to his business. His reply was that he was buying ashes. Mr. A. F. Dean, connected with an United States company, in a lecture at the University of Chicago, said that if he were asked what fire insurance does with the ashes it buys, he could only reply "Nothing." It neither exports nor utilizes them. It simply leaves them, he added, with the confident assurance that the golden seed it has distributed will soon cause the ash heap to put forth a luxuriant crop of homes, factories, schools, churches, and emporiums of trade, sheltering all the myriad fabrics which enter into human needs. In all this, however, no magic is performed. Fire insurance does not create something out of nothing; it does not cause a barren ash heap to blossom forth in imposing facades and burnished domes. It does not even conserve or save, for its seed which sprouts into the varied creations of human thought and toil must soon or late be garnered from the four quarters of the land. As the air is ceaselessly gathering up minute particles of water from the earth's surface, to hold in trust until condensation forces it to re-deliver its aqueous hoard, so fire insurance is ceaselessly gathering from the city, village, hamlet and farm its tribute, atom by atom, to hold in trust until conflagration shall compel it to refund its hoarded indemnity.

Does Not Reinsure

But there is this important difference in the analogy—nature reinsures; fire insurance does not. Matter and energy are constant quantities. There is no loss in the transformation of water into cloud and cloud into water, but in fire insurance something disappears which can never be replaced. It is true that when a building or a city is destroyed fire insurance makes it possible to create another building or city in its place; but the fact remains that something has disappeared, and the world is permanently impoverished by the event—as much impoverished as if fire insurance did not exist. The loss escapes the attention of society at large because the material thing that has vanished in smoke and ashes is thought to be replaced by fire insurance. Those are points which should be weighed by all interested in civic and national welfare. It may be said that if the people are educated to reduce these losses the need for fire insurance companies will have disappeared. However great is the enlightenment of Canadians in this connection, a call for the fire insurance company will always exist.

Much misapprehension has existed regarding the position of the companies in this fire waste problem. They do not desire the burning of property; they see the necessity of an awakening to a sense of responsibility in this matter. The position to a large extent seems to be insurance policies first and afterward fire protection. The reverse would be perhaps more in order—fire protection first and insurance next. The chief occasion for complaint by the public is when they think insurance rates are too high. It is forgotten that the schedule of premiums practically rests with the public. To a great extent they can regulate insurance rates. It is their own fault if low rates are raised or high rates are made higher. It is largely possible for them to change high rates to low ones.

Exaggerated Ideas of Profits

With appeals for lower rates generally comes an exaggerated idea of profits made by fire insurance companies. Superficially this may seem to be the case, but when one analyzes the Canadian government's figures of fire insurance results, say for a period of ten years, the fact is at once apparent that very small profits have been made by Canadian, British and United States insurance companies transacting business in the Dominion. In the ten years' period between 1899 and 1908 all the companies doing business in Canada collected premiums of \$123,139,000. They

(Continued on page 554).