

standard shutters or wire glass. If the automatic sprinkler is shut, fails to fully extinguish the fire, if off, or the fire department does not hold it in the building in which it originated, we have provided a barrier where the fire department can probably make a successful fight.

These conditions do not require the rebuilding of a city or any part of it; neither do they involve heavy expense to any property-owner, the prominent, underlying purpose being to prevent—not to extinguish—a conflagration.

MONTREAL INSURANCE INSTITUTE.

"A FEW RANDOM THOUGHTS" BY T. L. MORRISEY.

The Montreal Insurance Institute, held its first meeting of the Session 1906-7, on the 30th ult. Mr. S. P. Stearns, president of the Institute, took the chair; judging by the large attendance of members, the prospects of the Institute for the current Session, appear bright.

A paper entitled "A Few Random Thoughts" was read by Mr. T. L. Morrisey, manager of the Union Assurance Society. He introduced his subject by some humorous and also some instructive remarks. The title of his paper he said, admitted of a breadth of treatment. Thoughts will obtrude themselves even upon the busy man. We live much or little according as we think. Plato concludes that existence must be revealed to the soul, in thought.

"Doubtless," he said I am expected to say something of fire insurance, but I have already said so much on that subject that I feel as though I had shot my bolt. Not so with our critics, however. They never tire of telling us how little we know of our own business. In truth, it has become such an oft repeated tale that we now feel lonesome if someone or some body is not engaged in scolding us. The thought has occurred to me that instead of endeavouring to follow our critics we might to better advantage turn the tables on them, and assume the role of critic. Surely all the rights and privileges are not on one side, and if every other interest feels at liberty to take a shy at fire insurance, it is our own fault if such a state of affairs be allowed to continue.

Our critics are divided into two classes: one really and truly sorry for us, the other thinks we richly deserve all we get. To the former class belong those who after a particularly heavy loss tell us, because that loss happened, and, as result, we found it necessary to increase rates, that it is quite evident those engaged in the business of fire insurance don't understand fire insurance. Now, why? Is it not to meet just such contingencies fire insurance exists. We engaged in the business understood perfectly the probability of such a happening. Not being gifted with prescience we could not tell beforehand that on the 19th April, 1904, the

City of Toronto would have a ten or twelve million dollar fire, but we did know perfectly well that such an occurrence some time was within the bounds of possibility. It is the public who were surprised; the public could not believe it until it happened. We are constantly dinning it into the ear of the public that such a thing is liable to happen, first in one city, then another, and as you know the ear is not always a receptive one.

After the conflagration the rates go up, and our critic, in this case a gentleman eminent in his profession, banking, says: "Ah, you are either charging too much now or you were not charging enough before!" There seems to be something in that too. I have often puzzled my brain to discover why there should be such wide fluctuation in prices. Political economists would tell us it is because of the law of supply and demand, I know of no reason why the law of supply and demand should not operate in fire insurance the same as in other things. But assuming that our esteemed critic is right let us apply that test to banking.

Fire insurance companies deal in indemnity against loss by fire; banks deal in money.

Within the last few days the financial world was disturbed upon learning the Bank of England had increased its rate to 6 p.c.

Fire insurance companies charge one rate for a certain risk to-day, and a higher rate for the same risk to-morrow, *ergo* fire insurance companies don't know their business.

The Bank of England charged 3 p.c. for money last week, it charges 6 p.c. this week, *ergo*—Oh! fudge!

I don't think any one would seriously pretend the banks don't know their business. They do. The only difference is their business is a cinch to ours. One would imagine this would entitle us to greater sympathy, but we don't get it. Everybody rejoices to see the banks do well, but if the fire offices happen to make a decent showing a regular howl goes up and the figures are used to illustrate our extortionate methods. Should a fire insurance company erect a building, though it may never have made a dollar in the country, the public will say. "Ah! That's where our money goes." A bank will put up not one but six in each city, and not a whimper out of the public, unless it be from that fortunate portion who holds shares and would prefer more dividend and less building. The public, bless its heart, thinks the bank makes its money down in the cellar.

Then we hear fire insurance spoken of as a combine. As a combine it is not one, two, three, with banking. Let anything happen one of us and the rest of us look on with the utmost complacence; let a bank lose its footing and the rest are to the rescue before you could say "Jack Robinson." The newspapers are then inclined to pat the rescuers on