satisfactory quantities provided the reservoirs awaiting it are sound, clean, and necessary to the progress of the country. At least that is how I view the outlook.

THE MORAL HAZARD AND FIRE WASTE.

In all the present talk about the reduction of the fire waste, surprisingly little is heard of the moral hazard. On its engineering side, the fire waste problem has been attacked with energy, and substantial progress has been made in equipment of buildings to offer a greater resistance to fire than formerly. From the point of view of publicity, also, something is being done, and the public, gradually if very slowly, is being awakened to the extent of the fire waste, and to the necessity and advantage of many simple precautions which can be easily taken. But about the moral hazard, we hear nothing.

The fact is both surprising and regrettable, for there can be little doubt of the prominent part played by the moral hazard in pushing up the fire waste to its present excessive dimensions in both Canada and the United States. Arson, or supposed arson, is assigned with uncomfortable frequency as the cause of reported fires, and it is not seldom also in Canada that there is a succession of several local fires due to the activities of a fire-bug. There was an astonishing instance of this kind at Nelson, B.C., a short time ago, when properties, one or two being of great value, were burned night after night for a week, though up to the present time apparently, the author of these outrages has not been caught Related in some degree to this question of incendiarism, though even more obscure, is that of fires where the losses are over valued. There is a curious code of morality prevalent in some quarters, which regards the cheating of an insurance company, or a railroad, or a street car company, as really not cheating at all. And this spirit is manifested in numerous acts ranging from the mere over-estimation of losses at a genuinely accidental fire to a piling-up of stale and out of date stock with the deliberate intention of setting fire to it and securing a handsome return on the insurance money. A United States authority on moral hazard, was lately quoted as saying that fully 20 per cent. of the money paid in losses is for "losses due to incendiarism or to exaggerated settlements." The figures appear high; but if the amount out of which the companies are cheated is half that mentioned it is time enough that some decisive steps were taken to lessen the moral hazard.

As with many other matters which call for settlement, this question of the diminution of the moral hazard rests in the last resort with the public, and not entirely with the insurance interests who are immediately concerned. The money out of which insurance companies are cheated in this way comes ultimately from the pockets of the public. Fire insurance, so far from being, as some people appear to consider it, a magic process by which something that has been destroyed is replaced, is merely a tax of which the companies are the collectors. And since this tax is paid by the whole public, it would appear to be as much an essential part of the duties of public authorities to put the law in motion against swindlers of the public by means of crooked fires, as against swindlers in any other line. Up to the present the means of doing this on the American continent have been pitifully inadequate. Messrs. Leon Platky and Walter Lippman, in a contribution to Everybody's Magazine on this subject call attention to the fact that the city of New York expects its fire marshal's office to find out all about the origin of 12,000 fires every year, gather evidence of crime and present it to the Grand Jury—all this with a staff of nine! And provision by Canadian municipalities and provinces in this direction has not been on a generous scale.

The Commission of Conservation is now engaged in an investigation of the fire waste of the Dominion. It is to be hoped that this enquiry, instead of concerning itself merely with familiar facts and figures, will refer also to this question of moral hazard. Obscure and difficult as the question is, it is essential to deal with it in any concerted effort that is undertaken to reduce the fire waste of the Dominion.

THE UNION OF PARIS.

Mr. Lansing Lewis, having severed his connection with the Caledonian Insurance Company and retired from managerial work, has been offered by the above company the position of Canadian director and the appointment went into effect the first of November. The Union of Paris, so well known in France, is likely soon to be equally as well known, under the management of Mr. Maurice Ferrand, here in Canada. The Company may be congratulated on having secured as their Canadian adviser one who has always commanded the confidence and good will of the business community.

At the annual meeting at Toronto, of the Russell Motor Car Company, formerly known as the Canada Cycle & Motor Company, the net profit for the year ending July 31, after providing for depreciation, bad and doubtful debts, bank interest and other contingencies was reported at $177,529. After payment of underwriting and other expenses, the preferred dividend, and dividend at the rate of 7 p.c. on the common stock, a balance is carried forward of $264,068, compared with $179,387 brought forward. The directorate is as follows:—Messrs. J. N. Shenstone (president), T. A. Russell (first vice-president), T. B. Ryckman (second vice-president), Hon. George A. Cox, J. W. McConnell, A. E. Ames and Lloyd Harris.