

membership, or policy of insurance, in the Mutual Reserve Fund Life Association, and that I am the person who signed the application on the reverse side of this application, and was examined as below; and, should this application for membership be accepted, I do thereupon constitute and appoint Edward B. Harper of New York, State of New York, or, in the event of his death, the executive committee of said association, or a majority thereof, my sole, true, and lawful attorney and agent, for me and in my name, place, and stead, to vote as my proxy, according to the number of votes I would be entitled to cast if personally present at the next, and also at each and every general, annual or special meeting of the Mutual Reserve Fund Life Association of New York, or the subscribers or members thereof, for the election of directors, or for any other election or purpose whatever.

A more absolute and perpetual signing away of membership franchise it would be impossible to conceive than is here disguised in the ordinary application for assurance. President Harper, without the ordinary process of proxy-seeking which mutual companies have the decency to exercise annually by courteous special request, thus absolutely controls the election of directors and the action of all meetings for any "purpose whatever." In addition to this possession of autocratic power, note the iron-clad nature of the "warrant" in the above. It is safe to say that under it two-thirds of all policy claims might be contested. The members of Harper's great and only may well pray to the presiding deity of that concern, for they are absolutely at his mercy.

AN OLD SONG TO AN OLD TUNE.

At the recent national convention of fire department chiefs, held in Detroit, one of the members is quoted as saying this:—

We want each State legislature to enact a law compelling fire insurance companies to pay into a fund for the maintenance of the regularly organized fire departments at least two per cent. of their gross receipts for premiums. That kind of a law has been adopted by the States of New York, New Jersey, Michigan and Illinois, and should be made universal.

This is the same old song to the same old tune ground out so often by municipal orchestras all over the country, whenever improved fire extinguishing facilities are required or additional expense is called for to increase fire protection. For the instruction of such people as the well-meaning fire chief above quoted, we are moved to repeat what we have before said a good many times in one form or another, viz.: that fire insurance companies are not organized to promote philanthropy, religion or education. Neither is it their mission to build public libraries, or furnish water works, or equip fire departments. Strictly speaking, fire insurance has no more to do with fire extinguishing than it has with building street railways or putting up lamp posts. Its business is to equalize the burden of fire loss in a community by collecting and distributing a sufficient amount of money from property owners to make good a portion of the loss to the individual sufferer. Only this and nothing more.

If the community wisely reduces the loss to the

minimum by effective fire-preventing and extinguishing appliances, the companies collect less in premiums because they have to distribute less for losses. If the community unwisely neglects or refuses to provide such appliances, then it pays more to the insurance companies because the companies must have more money to pay for the heavier losses. The question of fire department efficiency is purely a question for the people who own the property liable to burn, and not at all for the companies whose business it is to charge for the risk of burning according to the ascertained state of hazard. It does not seem to occur to the average legislator that it would be a good deal more economical, and save time, for the property interested to pay the equivalent of the two per cent. tax referred to above direct; for if the companies have it to pay, they are simply obliged to collect it in turn from the property owners when they pay their premiums. The whole logic of the situation is as plain and simple as a cart wheel rolling down hill.

The speaker at the Detroit convention must either have been misquoted or his accuracy of statement badly needs cultivation. It is not true, we are glad to say, that the States named have laws covering any such broad ground of taxation and appropriation to fire departments as there stated. Some of the States have enacted that the *portion* of the tax on premiums collected from the companies operating in certain cities shall be, some or all of it, applied to the benefit of the fire departments in *those places*. There are variations of the general provision in different States, but no sweeping two per cent. special tax on gross premiums for the benefit of fire departments generally throughout the State exists anywhere as yet. Some of our Canadian municipalities have been ambitious to confiscate fire insurance premiums on the plan of our Detroit friend, but the movement has not been eminently satisfactory to the experimentors, and it is hoped will not be tried frequently.

FIRE INSURANCE IN NORTH AMERICA.

From a detailed statement by States, grouped in sections, found in the *Coast Review* for August, we compile the following summary:—

		Fire Prem's.	Loss Ratio.
New England States.....	1889	\$11,489,924	90.5
" ".....	1888	11,378,285	58.3
Middle Atlantic States.....	1889	32,266,401	59.9
" ".....	1888	32,712,254	65.6
So. Atlantic and Gulf States.....	1889	12,514,791	48.9
" ".....	1888	8,972,337	46.9
Mississippi Valley and Lake States.	1889	44,778,747	52.4
" ".....	1888	42,545,823	50.7
Pacific Coast and Mountain States.	1889	9,991,415	71.6
" ".....	1888	9,022,002	45.6
Total United States.....	1889	111,031,296	60.0
" ".....	1888	104,620,701	55.4
Total Canada.....	1889	5,587,690	50.3
" ".....	1888	5,391,260	55.4

There is a slight discrepancy between the figures here given for Canada and those found in the blue book, but not sufficient to affect general results.