INSURANCE TARIFFS.

The recent fires at Port Perry and at Lachine give emphasis to the article on Fire Insurance Tariffs contained in our issue of 4th inst, as the extent of each of these fires was consequent upon the nature and extent of the co-exposuring buildings. Now we have in our midst a set of gentlemen, of more than ordinary intelligence, who, by reason of their training and their *experience* are supposed to know how to estimate correctly the nature and extent of the fire hazard of and in every building and locality,—yet we find that these gentlemen charge the same rate of premium for insurance on a building and contents standing entirely isolated from all exposures, as they do in a similar one surrounded on all sides with dangers which must necessarily increase its risk of fire. The natural consequences of this method of conducting the business of fire insurance are—First, that as those who should know the results naturally arising from the crowding together of hazards which must necessarily end in the destruction of the whole by a conflagration, practically ignore the hazards which are avoidable by remedial measures; such measures are not taken, and as the owners of exposed property see this *ignore-ance* which they cannot ascribe to *ignorance*, they naturally conclude that no such dangers really exist; or, if their own common sense teaches them better, they compound with their consciences by laying the blame on the insurance people, of whom they naturally say "if any property were exposed to twice as much danger as is that which is not exposed by wooden buildings filled with inflammables, then the insurance people would not be so foolish as to carry the risk for the same rate; however, I will keep pretty well insured, so that if anything happens, I will be all right anyway.

But what say the managers of the fire insurance companies to this;—they reply, —"We charge each class of risk just that *average* rate which will cover the risk of the class."

We seriously doubt this statement because we know that, under pressure, rates on the same risk,—not merely the same class of risk, but the same individual risk,—go up and down in proportion to the rate of the pressure and the ingenuity with which the pressure is applied; we know that in one city, famous for its board of underwriters, the most shameless intrigues have been successful and that rates are no more based upon hazard than are marine rates at Chicago.

But there is another party to this question, viz: the man who has followed the dictates of his conscience and his common sense, and has built his premises so as to be free from extraordinary hazard; he naturally expects that his fire insurance will cost him in due proportion to the *dangers in fact* of his property, and that his foresight and good sense will be rewarded by his economies in outlay for insurance.—Is it surprising that he swears at the stupidity and injustice of those who rate his property the same as that which is surrounded by dangers.

What is the practical effect so far as the man of common sense and prudence is concerned?

He says. "I am subject to no dangers but my own, so I will keep my premises in order and will reduce my insurance to as small an amount as is safe." "There might be some things we could not get out and so it would not be safe to be without insurance entirely."

So it is that the insurance companies do not receive from any class such an average income as enables them to feel moderately safe; they get more hazard than they bargain for—they get more than the average hazard of each class, they are continuously nervous and unsettled; if they have a few years of good times, they begin to cut rates and to give privileges so as to make any sensible man laugh when they talk about statistics and averages; and, if they have a series of bad years, they rush up the rates without any regard to the actual hazards of the risks assumed, so that at no time do the fire underwriters inspire that respect which so important a calling should entitle them to, nor are they filled with that respect for each other which a profession based upon observation, statistics, averages, study and intelligence would naturally surround its professors.

The effect on the country at large is much more serious, because, as rates are not graded or scheduled in proportion to the actual hazards, so unnecessary hazards are allowed to exist and to accumulate until an accident or an incendiary induces a conflagration, the effect of which is ruin and misery locally and loss to the country generally. We have no hesitation in declaring that when proper principles of fire insurance are faithfully applied, there will be a general reconstruction of buildings and removal of unnecessary hazard such as will reduce the general hazard of fire, give the insurance campanies a more steady and safe income, and do more to enhance the property of the country that any legislative enactment can possibly accomplish.

THE CURRENCY QUESTION.

The Hamilton *Spectator* has a long article in its issue of the 21st inst. in reply to a recent one of ours. The *Spectator* admits that if it could be demonstrated that the effect of the substitution of Dominion Notes for those of the chartered banks, would involve a curtailment of loans, and consequent disastrous results to the Commercial community, the argument would be "unanswerable." He then proceeds to give his own ideas on the subject. We must point out a preliminary error of importance. The note circulation of the country is not forty-five millions. The Dominion notes, held as reserves by the banks instead of gold, are not in circulation and it would be a fatal error to treat them as being so. Thirty millions is about a fair estimate of the Bank notes in circulation of $5 and upwards, and our estimate of twenty millions loaned to the public on the basis of that circulation is certainly not excessive.

The *Spectator* points out that "no convulsion shook business" when the Government notes were issued. Those issues did not affect the banks and merely replaced the same amount of gold. The *Spectator* thinks that by a gradual substitution of Dominion notes, a million at a time, no "convulsion" would ensue. One thing, however, is clear, which is, that if thirty millions of Dominion notes were substituted for Bank notes, the commercial community would be curtailed in their loans, to whatever amount the banks are in the habit of loaning on the basis of circulation, while the Government would hold debentures to a much increased amount.

The *Spectator* adheres to his 3.65 bond scheme, which seems to us inconsistent with his recent articles showing the intrinsic value of gold which had been questioned by the St. Catharines Journal, a prominent advocate of *fiat* money. The 3.65 plan is by no means novel, and was proposed some years ago as a satisfactory mode of redeeming the United States greenbacks. It is perfectly clear, that such bonds would not be at par with gold, and would not enable Canada to effect exchanges of merchandize with other countries. We cannot admit that the *Spectator* is justified in imputing to the banks that they have demanded gold for speculative use in New York, although even if it were true, that they had done so, it would not affect the merits of the question. In order to supply the importing merchants with exchange on London, the banks are often compelled to purchase in the New York market, and