THE FIRE LOSS AND THE PUBLIC.

The manifesto issued by Fire Chief Tremblay, of Montreal, regarding the fire loss of this city and continent will do useful work in directing the attention of the public to facts and figures which, under present circumstances, cannot be proclaimed too often or emphasised too strongly. Chief Tremblay rightly has put forth his statement direct to the public, and has correctly pointed out what is the incidence of the fire loss—that it falls upon the public, that the public alone are responsible for the present condition of affairs, that with them alone rests the matter of improvement and the extent of that improvement. Provincial authorities and municipalities can make as much provision for fire-fighting as they like, but if the public is going along unchecked in its old ways of throwing lighted matches into waste paper, playing the fool with lamps and gasoline, allowing jerry builders to put up fire traps where they will and as fast as they may, putting a premium on the cheating of insurance companies, and the rest, there is not going to be much improvement in the fire loss figures of this continent for a long time to come.

An appreciation of the incidence of the fire insurance loss is of primary importance—an essential, in fact—if any action is to be taken in this matter on broad and effective lines. To a large and strong fire insurance company, it is not a matter of tremendous importance, whether in a particular country or district the amounts it receives by way of premiums are large, and the amounts it pays out for losses, also large, or whether the premiums it receives are smaller in amount and the losses it pays also smaller. The insurance companies are merely clearing houses administering the funds contributed by the great body of premium payers for the indemnification of those among them who lose their property by fire. But it is by no means a matter of small importance to the public whether the premiums are large and the losses large or the premiums smaller and the losses smaller. The public is paying for the losses; the larger the losses, the more the public has to pay.

Hitherto, the fire insurance legislation on this continent appears to have been guided largely by a feeling of hostility against the fire insurance companies. It has been supposed that the public needed to be protected against these "predatory corporations," who were "waxing fat" on spoils extorted from a lamb-like populace. The simple fact that over a period of years the fire insurance companies of this continent as a whole have not "waxed fat," but that, on the contrary, many of them have faded through a period of leanness into oblivion, has not been sufficient to dissipate the illusion thoroughly. To take one aspect of this matter, only recently has it occurred to some people responsible for legislation and even now, the discovery does not seem to be very general, that it is the fire insurance companies who need the protection of the law—against those members of the community who regard the cheating of an insurance company as they regard the cheating of a railroad, as almost, if not quite, an act of virtue. The companies need this protection, not so much because the eighth commandment forbids stealing from a fire insurance company as strongly as it forbids stealing from anyone else, but for the reason that, since the companies are merely the administrators of the community's fire funds, the loss entailed by this cheating falls in the last resort not upon the companies but upon the community who pay the fire premiums.

Chief Tremblay, in the course of his manifesto, quotes some astonishing figures given him by Fire Commissioner Latulippe. The latter states that at least 65 per cent. of the fires investigated by him reveal over-insurance, 40 per cent. of these, in the Commissioner's opinion, being incendiary. Whose fault is this? The fire insurance companies? Not necessarily. There are careless fire insurance agents and companies as there are careless people everywhere, but they are not numerous enough to account for the extraordinary proportions mentioned. In this connection, we wish Chief Tremblay had mentioned the name of the company concerned in the specific instance which he gives of the re-insurance of an individual who had had a suspicious fire. We should be surprised if it was a comany of repute that was concerned in this. Rather than that the insurance companies are responsible for the proportions mentioned, it would appear that the blame can be laid more justly upon present circumstances and even upon the law. Here is No. 1 of the statutory conditions of a fire policy in the Province of Quebec:—

> If any person insures his buildings or goods, and causes the same to be described otherwise than as they really are, to the prejudice of the Company, or misrepresents or omits to communicate any circumstance which is material to be made known to the company, in order to enable it to judge of the risk it undertakes, such insurance shall be of no force with respect to the property in regard to which the misrepresentation or omission is made; *but when the application is made out by the Company's agent, such application shall be deemed to be the act of the Company.*

Has it ever occurred to legislators what an opening for fraud, this innocent looking and in a sense quite natural statutory regulation provides?—for fraud, not merely on the insurance companies but by one unscrupulous individual policyholder on the whole community of policyholders. Instead of protecting itself through the companies against fraud, the public has by such a regulation laid itself open to be cheated.

Every instance of over-insurance, every incendiary fire, every little piece of speculation in fire insurance, every extravagant loss claim put in or encouraged by claim-rigging parasites is a fraud or an attempt at fraud upon the public.

The extent of the fire loss depends upon the public; it is only through an awakened public conscience that that fire loss can be reduced.