

the fire would have been reduced to £20,000. From this it may be inferred that the City is now paying a penalty of £20,000 per annum in extra insurance from the want of proper means for extinguishing fires. No doubt part of the present increased rates of insurance are levied to make up losses—and some part of it may have reference to the fire department, but it does not appear unreasonable to assume that at least £10,000 per annum would be saved in this single item of insurance, if the city were in possession of an ample supply of water. This sum would pay the interest on the cost of the works, and is therefore all that need be claimed under this head: but, the actual money value of the additional security obtained through an abundant supply of water would be far higher, because it will embrace the reduced risk upon *all* the property in the city, whether insured by the Companies or by the owners.

But arguments are unnecessary to prove the great economy of a water supply on an efficient scale. With the experience of the past year no rates would appear safe for insurance companies—and with the recurrence of such calamities insurance must become impracticable or *unnecessary*. It is argument enough for the expenditure of £150,000 for preservation from fire alone (setting aside the other advantages of abundance of water) that we have seen property to five times that amount utterly annihilated in a few hours, and that a repetition of such a catastrophe is by no means impossible.

I have the honor to be,

Sir,

Your obedient Servant,

THOS. C. KEEFER.

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