or which requires apparatus for the extinguishment of fires or to facilitate the escape of persons in the event of fire, if the jury finds that such fire, or the loss of life, or the whole or any substantial portion of the loss of property, would not have occurred if such law had been complied with.

There is a further provision making any one liable to fine or imprisonment who does not attend to an official order for improvement of conditions, with certain safeguards calling for proper service of notice, and for approval of the recommendation by the proper official of the Dominion Government.

This act, however, is a long step in advance, and it is believed it will become a powerful factor in securing the correction of conditions found in premises where little or no insurance is carried, and where, in consequence, the Insurance Companies have little or no influence.

It is sometimes suggested, and it was suggested before Judge Matson in an impersonal way, that possibly there might be State Insurance, and he refers to that when he says:

I am clearly of the opinion that Government Insurance of property is neither desirable nor practicable in Ontario at the present time. In the first place, it would have to involve a reinspection by experts of all risks in the province, for the purpose of determining the rate of premium which each risk ought equitably to bear. This would be an enormous preliminary task and would involve the establishment by the province of a huge Insurance Department conducted by managers of great experience and high ability. Such men could be obtained only from the staffs of insurance companies now doing business and only by offering them such remuneration as would warrant them in resigning from their present service. In the second place, it is generally agreed that at the present time no adequate data are available from which there can be deduced such a scientific system of rating as will perfectly adapt itself to the infinite variety of risks, to the uncertain hazard of conflagration, and to the moral hazard. The fixing a rate is still, notwithstanding all the experience of the past, somewhat of guesswork, assisted by the practical sagacity of the experienced underwriter. Lastly, such a course would not merely destroy the present insurance business, but would in many ways dislocate business in general. In my opinion the public is not ready and would not be willing to adopt such changes in their mode of doing business as would be necessary if this method of insurance were adopted. These inherent difficulties exist quite apart from the practical objections which might arise in the conduct of such a system owing to abuse in the direction of political or personal favoritism, or animosity, by Government Inspectors entrusted with the duty of reporting on risks, and adjusting losses.

Judge Matson mentions in his report that his conclusions indicated above are in accord with the conclusions of other commissions, notably in New York, Massachusetts, Pennsylvania, Wisconsin, Michigan, Illinois, New Jersey and Ohio.

So far as Canada is concerned I doubt very much if any province could introduce an obligatory system of State Insurance because of Dominion legislation which grants to the individual the right to go abroad to secure his insurance from companies that are licensed in Canada. No insurance company can do business in Canada until it has been licensed and made proper deposits, but the public are permitted to go abroad if they wish, provided they insure without solicitation from a company not licensed here. I do not think it would take much reflection to see what the effect of a Provincial law would be with a Dominion law which would permit anyone who desired to go abroad. I think the natural result would be that it would build up a very large number of brokerage offices in Seattle and Spokane to the very serious detriment of the agents in Canada. Of course, when that happened, there would not be a sympathetic agent close at hand to take up the insured's case. He would have a hard-hearted government official to deal with or a non-resident broker who cared nothing whatever for him except what he could make out of him.

There is one question, however, that is entirely overlooked when any question of Government Insurance comes up, and that is the liability of the companies. A fire insurance company is different from a mercantile corporation. A person goes into a store to buy a certain article, and after looking at it he can value the article; and after purchasing it, he can go away and be no longer concerned with the man who sold it. It does not make any difference to him if the vendor of that article fails the next day; but when a man purchases fire insurance, it is then only that he is interested in the company and it is of the most vital importance to him that a fire insurance company should remain solvent during the whole of the period the policy is issued for. A company sells its credit for three years, or one year, as the case may be, and the insured is vitally interested in knowing that that company can meet its obligations.

An insurance company that is a well managed concern, endeavors to safeguard itself, that is, to provide reserves and endeavors to so conduct its business that it can be enabled to carry out all its obligations. Large companies spread their commitments all over the world and in each place they limit the liabilities they will assume. Suppose the case of a company doing business in Vancou-