

Here a person puts forward "Inadequate Fire appliances and water supply" as an answer, showing that, but for these there would have been neither large fires nor excessive losses, consequently there must have been profit; our friends, you see, stick to unassailable positions; therefore it is we add that disaster has also arisen from over-confidence. Every underwriter remembers, when brick buildings began to appear on the principal street of _____, being asked to reduce the rates on account of its improving condition; but he speedily found that brick buildings had become so necessary to the remainder of the merchants, that the frame ones, continuously, though accidentally, burnt, just as fast as the builders were prepared to replace them.

Then, the people, having buildings they wished to preserve, prepared for discussion of the subject of fire appliances, and water supply, by requesting a further reduction of rates as an inducement for attendance at the meeting. When the new engine arrived, the people, very fairly, "gave it a chance" by letting the first fire burn on until it was ready to work, instead of putting out the fire at once as they might readily have done; so that when the engine was ready, the fire was so "ready" as to defy both engine and people to check it, until a large portion of the town was destroyed. The engine, however, soon had its revenge; it got to the next fire in time to extinguish it, and, with it, all the value of the goods in the near neighborhood, by continuing to throw its abundant water supply for hours after all sign of fire had departed.

Ah!!! Now comes along the fellow who knows all about it! There can be no possible question as to the soundness of his conclusions. He wonders why it is necessary to write any longer essay than "Hard Times." Financial crises have, indeed, increased Moral Hazards, resulting in fires, some deliberately prepared by owners, some accidental in their origin, but left to burn, because the properties endangered had lost their values: in fires set by employees, embittered by loss of work or reductions in wages, and in others set for the purpose of providing work for local builders; and in claims fraudulently asking for long departed value, the original cost being no longer an indication of value, but serving as a foundation on which to build claims for amounts such as could not possibly have been otherwise realized from the property so opportunely destroyed.

In addition to all these causes of non-profit, we have had Incomplete Surveys; Applications not sufficiently explicit in describing and defining the risks; Policies too liberally or too carelessly worded; Warranties omitted; Permits given without adequate charges; Over-insurance, producing carelessness and fraud; Under-insurance, producing too large a proportion of loss to insurance. The Ontario statute has embarrassed the companies in adjustment of many doubtful and fraudulent claims; the Causes of fires have not had sufficient attention, and Losses have been "settled" instead of being adjusted. We have forgotten, in many cases, that although many things be troublesome, disagreeable and unpopular, yet

"Because right is right.
"To follow right were wisdom."

Reformation of practice in these matters is indispensably necessary to future profit, therefore I do not need to discuss them further, this reflection, however, is a fitting introduction to the second part of my essay, wherein I am to shew how the rose "profit" may be plucked from the nettle "danger."

The probability of "conflagrations" may not be ignored; consequently we must avoid their probable localities, or else must either eliminate or overcome their causes. Material for conflagrations exists in certain parts of some of our cities, some of our towns and most of our villages, as is shown by Mr. Goad's ever-faithful surveys; many of our Underwriters and Firemen know and dread these places; yet, if we are to concede that the primary functions of insurance companies are the carrying of risks and the payment of losses, on the ground, that, but for risks and losses, insurance would be unknown; we must provide for ultimate safety by insisting on such remedies and precautions as would be taken by sensible proprietors, if they depended on care to avoid losses, rather than upon insurance companies to make them good; surely such measures may properly be insisted upon by the companies who assume the risk, it being repugnant to public policy to permit that, the continuance of which, imperils the public safety.

Where some one particular hazard threatens a neighbourhood with extinction, we generally find inflammables and explosives scattered throughout its various stories; the remedies to be required in such cases are Brick walls and divisions; all openings protected by hardwood doors and frames, both covered with bright tin; deadened floors laid so they can be flooded; roofs open below and covered either with tin or shingles laid in a good bed of mortar; staircases and elevators disconnected and boxed in.

The precautionary measures to be required in all manufactories and other large buildings are, the abolition of inflammables and explosives into separate one story brick buildings, isolated from all others; such cleanliness as is possible to the occupancy; employment of competent watchmen checked by watch-clocks; arrangement of steam-pipes so that any compartment can be filled with steam at a moment's notice; free distribution of water in barrels and pails for use in case of accidental fires; regular drill of operatives in the means necessary and available for the extinction of fires and preservation of property; and as guaranty for the maintenance of these precautions, proprietors must always be co-insurers, without permitting so small a proportion of insurance to value as will cause every small fire to fall upon the companies so as to absorb too large a proportion of their policies.

Where the hazard of any locality is such as to imperil the existence of the whole place, similar measures must be applied on such extended scale as will overcome the danger; in these places, roofs and outhouses require particular attention, because, by their means, sparks are nourished into blazes—vide the accounts of every extensive fire. Here Mr. Goad's very complete surveys are valued by the experienced underwriter, because they enable him, at a glance, to see the accumulated hazard of extensive areas. He supplements these plans by careful consideration of interiors, times, circumstances and men, and adds to the basis rate for the