

control the flames, and were compelled to start on a new line closer to the settlements.

The whole country for miles around is a mass of flames and a thick pall of smoke hangs over the Miramichi Valley, shutting out the sky and turning the sun into a dun colored disc.

From all over King's County come similar reports. In the town of Sussex, in the centre of the fire zone, the heat is so terrific that factories have shut down. The damage to the timber limits is incalculable.

ARE FIRE LOSSES A DESTRUCTION OF WEALTH.

A contemporary has taken to task all those who "lament with doleful sympathy the great depression in our national wealth caused by fire destruction." It is argued that, inasmuch as the replacement of property burnt gives employment to labour, "*this destruction becomes an element of industry*, and as the wealth of a nation depends upon its industrial product, and those products are designed for daily wear and tear, the national loss must be inconsiderable, for it gains in the employment of the people." It is also urged that, when the buildings are razed to make room for better ones, this is styled an *improvement*, but if they were burnt they would be lamented as a *loss*, so that it is quite erroneous to lament the destruction of buildings by fire if they are replaced by more substantial ones. This would be very comforting if we could realize it. Instead of lamenting a fire, we ought, according to this doctrine, to rejoice over its being so destructive, for the more property is burnt the more labour is put into activity, so that, if a whole city were swept up in flame, it would be a cause for a national thanksgiving! We doubt whether our contemporary would see matters in his own light if his own premises and contents were burned up, especially if he had no insurance. The principle that applies to details applies to aggregates of such details. If one man is bereft of his capital by a fire he surely is the poorer, and, by parity of reasoning, if a score or more men have their property burnt, and they lose the value thereof, surely they are the poorer; hence if in a nation the whole of the owners of property so destroyed are thereby made poorer, it is incontestable, it follows as a logical necessity, that the nation, which is the aggregate of individuals, must have had its wealth diminished by fire destruction. The buildings were there, the goods were there, they had a tangible value; if then a fire causes them to disappear, that value has been destroyed, annihilated. That destruction has, according to its extent, lessened the volume of capital which exists in a country, and lowered, therefore, the reservoir from which is drawn the power to employ labour. The wealth of a nation does not depend upon its in-

dustrial product primarily, for where no stored capital exists, there can be no industrial product. The wealth of a nation consists in its capacity to employ labour. Before the harvest can be looked for there must have been wealth employed in cultivating the soil, buying implements, seed, and labour preparatory to the crop being reaped. So in manufacturing, without capital labor is useless. To say then that the destruction of capital gives employment to labor is like saying that the way to get a good water supply is to drain the reservoir! That so large a proportion of losses by fire falls upon insurance companies does not make these losses any the less lamentable and injurious to industrial activities. Those losses are paid for out of the pockets of the great body of the people. If fires never occurred we should all have the more to spend on other objects, on objects that give employment to labour. The funds of insurance companies are not kept in a strong box, they are actively engaged in the industrial, commercial business of the country, in mortgages, loans and securities by which capital has been set in motion for all manner of enterprises, by which labor is given activity. The recent enormous fire losses have drawn heavily upon these funds, and have thereby made money scarcer and dearer. Had the drain been less from this cause there would have been proportionately more money in the country, the less need for borrowing abroad, and the more capital to sustain trade. We regard the doctrine that fire losses are no depreciation of the national wealth, as a very dangerous one. The incendiary blunts his conscience by this theory, he argues that, as the loss by his crime will fall on an insurance company, it is, after all, not a serious matter in a moral sense. To tell the community that, as fires stimulate industrial activity, they have a "redeeming virtue," is to make arson the handmaid of industry. Such a doctrine is as rotten in an economic sense as it is immoral and mischievous in its tendency. We, therefore, take our stand with those who "lament the great destruction of our national wealth caused by fire destruction."

LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY.

The following circular letter has been issued by the United State resident secretary and assistant secretary, to agents and patrons:

"Gentleman—We addressed you on this subject in May last, explaining the financial condition of our United States branch the wonderful resources of the company, its integrity of purpose, and unswerving determination to treat its patrons with the utmost fairness and liberality, and announcing our purpose as to the satisfaction of our large responsibilities at San Francisco.