

fairly and at the same time to be just to his company, found himself placed at a disadvantage by the action of those timid—to use no harsher term—representatives, whose sole anxiety seemed to be to please the noisy newspapers and greedy policy-holders. Those agents apparently hoped by a foolish and lavish expenditure of their company's money to purchase the momentary good will of those who sought to impose on the companies all that they falsely charged the companies with endeavouring to impose on the public.

"Most insurance men thought that the proper solution of the difficulty was a reasonable compromise of doubtful claims. Speaking of compromises, a story is told of a Chinaman who called at an insurance office and wanted his money. The adjuster said to him, 'It is pretty hard to tell just what you ought to get, yours is evidently a case for compromise; you see there were two elements which entered into this loss, one was the earthquake, for which the company is not liable, the other was the fire. Now it seems to me that it would be fair to say that half the damage was done by each and pay you fifty per cent. What do you say, I say you go to hellee, I go to a lawyer.'

"Never had companies or adjusters faced so difficult a problem, not only in regard to the magnitude of the disaster, but in reference to the questions which had never before been dealt with. There was the hostile attitude of the press and the people. The earthquake damage, which was known to be severe, but almost impossible in many cases to prove. The goods taken by the authorities. The goods stolen before the fire and for which the burglary and guarantee companies might be liable, and the goods saved, but secreted.

"From my own observation, I think that the earthquake travelled in waves, and that the damage was chiefly done on the crest of each wave. I have been in houses where one room would be badly damaged, and the adjoining room but little injured. The post-office, for instance, was badly damaged on the Mission Street side, the centre of the building was scarcely injured, but the rear was seriously damaged.

"On Van Ness Avenue, at the corner of Vallejo Street, there was a fault. The street had settled three or four feet, which had made a wide rent in the pavement. About twenty-five or thirty feet north of this was a distinct wave in the asphalt pavement, which was thrown up and cracked all the way across the street. About the same distance north of that was another wave, and then a third wave north of that again, each one smaller than the preceding one, but all of them sufficient to throw up the asphalt over a foot high, and to crack it nearly all the way across the street.

"As to what the people themselves thought of the earthquake damage, I would point out that more than one prominent San Francisco merchant, immediately after the fire, wrote to his eastern creditors that in consequence of the heavy earthquake damage he did not expect to collect more than 50 p.c. of his insurance, and asked and obtained a compromise of 60 cents on the dollar.

"I found that not a few people were rather proud of the bigness of the conflagration. They said that it was a country of big things, and if they had to have a conflagration it was natural that it should be the biggest one that ever happened.

"No one will ever know what the insurance in force in the burned district was at the time of the fire as several of the companies lost their records, and many people their policies. In my opinion it was about \$200,000,000, probably \$30,000,000 of which was carried by re-insurance companies in Europe, and the insurance loss is about 165,000,000.

"Great though this loss has been, most of the companies will survive it, but the prudent ones will be more cautious in future in regard to their conflagration liabilities in large cities, and in congested areas, and one may hope that with reasonable good fortune for a few years, conservative companies will find themselves once more in smooth water."

Mr. Charles E. Goad, who was present at the meeting, referred to the necessity of fire insurance companies limiting their liabilities in congested areas.

Mr. Lansing Lewis, in criticizing the paper referred to the power of the press, in swaying public opinion, and the dangerous uses made of this power in cases of great excitement or calamity.

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OTTAWA CLEARING HOUSE.—Total for week ending Dec. 13, 1906; Clearings, \$3,083,246.18; corresponding week last year, \$2,336,489.49.

We recognize the rating question in fire insurance to-day to be a paramount issue of equal concern to companies, agents and property owners. We recognize the right of the companies to determine the rate which shall be charged for their policies, but on behalf of the insured we urge and recommend that in the formulation of all rates the schedule system and the classified experience of the companies be used in order that the charges for different classes of property may be equitably fixed.

To the companies who have manfully paid their extraordinary losses at San Francisco the National Association extends its congratulations and support, and calls upon local agents everywhere to assist the companies as a whole in re-establishing their surplus funds on a basis which will enable them to carry the ever-present conflagration hazard, and thus render safe and secure the commercial credit upon which the business of the country is conducted.—"American Agency Bulletin."