

NECESSITY OF LARGE FIRE FUNDS.

Fire insurance is the only business-like medium by which the owners of destroyed property can hope to be reimbursed for their losses; and if the insurance companies are to prove dependable as sources of funds wherewith to rebuild burned cities, as in the case of San Francisco, they must have sufficient net income in normal years to provide for the unusual calls upon them due to conflagration losses. It is manifestly an additional safeguard for policyholders for the fire insurance companies to build up and maintain good-sized surplus funds. When the San Francisco conflagration occurred, many of the companies were not sufficiently strong, financially, to bear the strain placed upon them; nevertheless, in most instances, the stockholders of American companies recognized moral obligations far exceeding their legal ones, and were impelled by their high sense of business honor to contribute many millions of dollars to enable their companies to pay their claims in full. Similarly, the offices and stockholders of foreign companies sent many millions from abroad to meet the San Francisco losses. With a desire to help their companies to recuperate and to place them in a position to meet any future losses, the directors and stockholders have, since the great conflagration, permitted all of the underwriting earnings and a large portion of the investment earnings of the companies to be added to surplus for the protection of policyholders.

Few, if any, men engaged in other lines of business would be contented with so small a return from their business operations as that shown for the fire insurance companies; and yet in most commercial and manufacturing lines the risk of the loss of capital invested is almost insignificant when compared with the risk attaching to fire insurance capital. The latter should, therefore, be entitled to a larger return than money invested more safely. —*Spectator, N.Y.*

BRITISH COLUMBIA'S NEW MORATORIUM.

Life insurance companies, mortgage corporations and others having large investment interests in British Columbia are interested in new moratoria legislation passed by the provincial legislature at the fag-end of the session. The law provides that judges in the province may grant a moratorium extension in respect to all debts covering principal, interest and taxes, and for whatever cause the judges may see fit. Under the present partial moratorium law in the province judges may give relief to debtors only on the principal sums of debts, such as on land agreements, mortgages, etc., and only if the inability of debtors to pay can be shown to be occasioned by reason of the war. It is now proposed, however, that the judges may allow a moratorium on taxes, and also on interest as well as principal and further, it may be given no matter for what reason the debtor is unable to pay, so long, of course, as the judge may consider the reason a good and proper one. The moratorium is to apply until the end of the war. It remains to be seen whether this legislation will be invalidated through an eventual decision that the life of the legislature, as the leader of the opposition contends, expired on March 15.

THE MAY FIRE LOSS.

The losses by fire in the United States and Canada during the month of May, as compiled from the records of the New York Journal of Commerce, aggregate \$15,973,500, as compared with \$11,388,450 charged against the same month last year and \$15,507,800 in May, 1914. The losses for the first five months of the present year show a total fire waste thus far of \$113,528,920, as compared with \$81,497,050 for the same months last year and \$103,670,250 in 1914. The following table gives a comparison of the fire losses for the first five months of 1916 with those of 1915 and 1914, together with the monthly losses for the balance of those years:

	1914.	1915.	1916.
January.....	\$23,204,700	\$20,060,600	\$21,423,350
February.....	21,744,200	13,081,250	24,770,770
March.....	25,512,750	18,786,400	38,680,250
April.....	17,700,800	18,180,350	12,681,050
May.....	15,507,800	11,388,450	15,973,500
Total, 5 mos....	\$103,670,250	\$81,497,050	\$113,528,920
June.....	29,348,000	10,893,950	
July.....	17,539,800	9,006,800	
August.....	11,765,650	10,067,100	
September.....	14,383,050	14,823,500	
October.....	14,004,700	14,465,850	
November.....	21,372,750	21,204,850	
December.....	23,507,150	20,877,100	

Total for year....\$235,591,350 \$182,836,200

During the month of May this year there were 215 fires, each causing an estimated property damage of \$10,000 or over. It will be noticed, says the Journal of Commerce in commenting upon these figures, that the 1916 losses so far are seriously heavier than those for the same period of 1914, which was a conspicuously disastrous year from a fire waste standpoint and over thirty million dollars more than for the first five months of 1915. It looks as though 1916 would be an unfortunate year for the fire underwriters.

CAUSES OF SWEEPING FIRES.

Experience shows that the two principal physical agencies by which sweeping fires are spread are the unprotected wall opening and the wooden shingle. The wooden shingle spreads fire in the residence districts and the unprotected wall opening spreads fire in the mercantile districts, from which the shingle is usually excluded. As the values in the mercantile districts are greater, the unprotected wall openings to-day entail the major loss. With windows unprotected fire goes through a brick, stone or concrete building as easily as through a wooden one. The outside wall merely offers less fuel. A so-called fireproof building full of combustible contents is merely a stove, with its window openings serving as the draft holes. Proper protection of the window openings only can safeguard such buildings from outside fire attack. To prevent fires in mercantile districts reaching conflagration proportions in large individual properties the installation of the automatic sprinkler should be made mandatory. —*Franklin H. Wentworth.*

The continuance of the fire waste is an economic crime, for with proper laws rigidly enforced without fear or favor, a substantial proportion of it can promptly be eliminated. —*Supt. Phillips, N.Y. Insurance Department.*