

AN UNCOMFORTABLE GIFT AND AN UNEASY VIRTUE

CHAPTER FIVE

A Red-Hot Idea

Eight or nine generations ago the quest for security took a new and interesting turn. A great section of London went up in flames and a red-hot new idea was found among the embers.

A great conflagration well illustrates human insecurity. The destruction is vast, terrifying. Usually the masses of flame are driven by a high wind. With a roar, they hurl themselves upon whatever lies in their path. Buildings sometimes flash suddenly into flame in advance of the actual front of the conflagration because of the blasts of super-heated air. A pall of choking smoke gathers over all and through it fly sparks and brands and fragments of charred paper. The streets are filled with terrified people striving frantically to save their belongings. Fire engines are thundering, gongs are clanging, walls are crashing and havoc lays waste. The individual feels pitifully helpless amid this elemental ruin.

Then when the conflagration has been checked at certain points and has burned itself out at others, there comes the day of reckoning when men count their losses. Every building, every stock of goods, the contents of every home once represented value. Last week these were a part of the wealth of the world, now they have become useless debris, and the world is that much poorer. But these things all had been the property of individual owners; frequently they had represented the results of the savings of a lifetime and had served as the dependence for future years. They had been thought of as stored security; now, in a few hours, they have become insecurity and toil must begin anew.

This is what the London fire of 1666 meant to the unhappy citizens. Evelyn's famous "Diary" gives a vivid picture; he says: "I saw many without a rag or any utensil who from delicateness, riches and easy accommodations in stately and well-furnished houses were now reduced to extremest misery and poverty." He tells of "200,000 people of all ranks and degrees lying along by what they could save from the fire, deploring their loss."

We have conflagrations, today, in our tinder-box cities and doubtless shall have others in the future, although fire prevention engineers are striving earnestly to bring about safer conditions and highly trained fire departments are checking thousands of blazes in their earliest stages. Still we have and shall have conflagrations and if these no longer bring hopeless misery to their victims as in Evelyn's day it is due to that same red-hot idea that was founded among the embers. That idea was Fire Insurance.

CHAPTER SIX

The Birth of Fire Insurance

Fire insurance seems to us a matter of course, but it was not so in 1666—there was no such thing. However, at this time there appeared a great inventor—Nicholas Barbon; truly a great inventor—worthy to rank with some of those of our own day, a man who dared to think along original lines. He did not see a way to prevent fire destruction but felt it to be unreasonable that it should involve personal ruin as well. This, you will note, was original, almost irreverent thinking for fire was clearly "an act of God" and it was not well that man should try to escape its consequences. Thus ran the minds of many in that age.

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It is to be noted that the increase in the sugar production in the Philippines in the past decade was mainly due to the change in the process of manufacture as a result of the replacement of the antiquated muscovado mills by modern Centrals. This change, however, is already practically completed, so that no material increase in the production is expected from this source in the near future.

The increased production in 1930-1931 was also due to the slight increase in the centrifugal sugar production in the Island of Negros due to favorable weather conditions; on the other hand, the total production in the Island of Luzon has decreased from 260,713 tons in 1929-1930 to 231,880 tons in 1930-1931, because of unfavorable weather conditions during the past crop.

The centrifugal sugar production during the period under review demonstrated that, with the present existing Centrals in the Philippines, there will be no abnormally large increase in the sugar production within the next few years, and that any increase resulting from higher yields per hectare will be normal and it is hoped it will be absorbed by increased local consumption. It is to be noted in this connection that a recent compilation by the Philippine Sugar Association of the sugar consumption in the Philippines for the past six years shows that the consumption of centrifugal sugar in the Islands has more than doubled from 32,571 long tons in 1925 to 75,601 long tons in 1930.

The weather conditions in the past few weeks with intermittent rainfall have been favorable to the cane on Negros and Luzon.

Philippine Exports: Export statistics for the month of July, 1931, as reported to us showed that 35,001 metric tons of centrifugals and 3,123 metric tons of refined were exported during the month. Exports of these two grades of sugar since November, 1930, are as follows:

	Metric Tons
Centrifugals	692,438
Refined	30,982
Total	723,420

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Barbon, however, reasoned in this wise: "A" may be burnt out and lose his all while "B," "C," "D" and all his other neighbors lose nothing; yet it might easily have been "B," "C," or "D" who was ruined while "A" escaped unscathed—in other words, they all were subject to hazard. Suppose, therefore, that they were to recognize this hazard as a common menace and make joint provision to be relieved from it. Suppose that through the payment by each of a small annual sum, a fund could be provided that would indemnify the occasional sufferer and save him from ruin. Barbon must have been a plausible and enthusiastic talker, for he "sold" the idea and, in 1667, started into business—insuring at first only buildings.

The idea grew and spread with the roar of London's flames still fresh in memory. Seven years later there was organized the first joint-stock insurance organization, the Friendly Society. In 1706 Charles Povey introduced the

thought of insuring goods as well as buildings. Two corporations obtained charters in 1710 and were practically stock insurance companies such as we have today. There is still in existence an insurance organization which dates from this period. It now is known as the "Hand-in-Hand" because we no longer have the time to refer to it as the "Contributors for Insuring Houses, Chambers or Rooms from Loss by Fire

by Amicable Contributions," as did our more formal ancestors. This stately title suggests another that may still be seen on an old building in Manhattan, namely, "Institution for the Relief of Aged Indigent Females of the City of New York." This is perhaps a digression but it helps to remind our generation of the way in which life has been speeded up today as compared with former times. In this speeding

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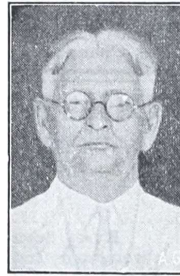
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Port Area

RAIL COMMODITY MOVEMENTS

By M. D. ROYER
Traffic Manager, Manila Railroad Company



The volume of commodities received in Manila during the month of July, 1931, via Manila Railroad are as follows:

Rice, cavanis	311,895
Sugar, piculs	64,949
Copra, piculs	192,790
Coconuts	5,500
Desiccated coconuts in cases	21,839
Tobacco, bales	21,454
Lumber and Timber, B. F.	1,355,400

The freight revenue car loading statistics for five weeks ending July 18, 1931, as compared with the same period for the year 1930 are given below:

FREIGHT REVENUE CAR LOADINGS

COMMODITIES	NUMBER OF FREIGHT CARS		FREIGHT TONNAGE		INCREASE OR DECREASE	
	1931	1930	1931	1930	Cars	Tonnage
Rice	1,157	1,012	16,048	13,839	145	2,209
Palay	123	120	1,713	1,557	03	156
Sugar	290	75	7,437	1,598	215	5,839
Sugar Cane						
Copra	1,320	728	9,532	5,044	592	4,488
Coronuts	378	245	3,906	2,920	133	986
Molasses	46	21	1,324	616	25	708
Hemp	22	02	169	10	20	159
Tobacco	133	124	1,244	1,090	09	154
Livestock	60	75	284	365	(15)	(81)
Mineral Products	394	347	4,065	3,185	47	880
Lumber and Timber	298	154	6,837	3,405	144	3,432
Other Forest Products	08	14	46	121	(6)	(75)
Manufactures	244	236	3,321	2,850	8	471
All Others Including LCL	3,603	3,164	26,202	20,083	439	6,119
TOTAL	8,076	6,317	82,128	56,683	1,759	25,445

SUMMARY

Week ending Saturday, June 20, 1931	1,582	1,430	16,399	14,121	152	2,278
Week ending Saturday, June 27, 1931	1,532	1,347	15,426	12,110	185	3,316
Week ending Saturday, July 4, 1931	1,611	1,172	16,650	10,607	439	6,043
Week ending Saturday, July 11, 1931	1,670	1,180	16,310	9,581	490	6,729
Week ending Saturday, July 18, 1931	1,681	1,188	17,343	10,264	493	7,079
TOTAL	8,076	6,317	82,128	56,683	1,759	25,445

NOTE: Figures in parenthesis indicate decrease

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up process insurance has played a part.

Today, fire insurance has spread its protection over most of the buildings and much of the personal property of this and other countries, the total being in excess of \$165,000,000,000 in the United States alone. Thus millions of people are expending hundreds of millions of dollars per year in premiums, but the reason is not far to seek: The "assureds" pay out money in order to buy, not pieces of paper, but peace of mind—a sense of financial security against the hazards of an uncertain world. Which is to say that, in millions of cases, security has become a commodity.

CHAPTER SEVEN

The "Collegia" and Their Successors

When we turn our eyes back over the pages of history we receive a confused impression of swarming humanity striving, struggling and dying—its individuals appearing briefly and then being swept away through disease, accident or conflict, yet ever being replaced by others coming on in uncounted millions—and we are impelled to say, as so often has been said, that human life is, after all, the cheapest thing in the world. Yet we cannot ignore the fact that each individual's life is to him a precious possession and that most of his waking thoughts are centered on its preservation. Life, so mighty and enduring, but lives, so fragile and easily destroyed, wherein shall we find any degree of security in this most uncertain field of thought?

The remarkable achievements of physical science, whereby the average span of human life has been raised from below twenty years in the Sixteenth Century to fifty-six years in the America of today, are outside the range of our discussion. They affect security in the mass but the individual still finds insecurity at every hand. Out of the multitudes who start each day without special apprehension, thousands will meet death before nightfall and no man can say on whom it will strike. Precautions reduce but do not remove the uncertainty.

(To be continued)