

FIRE PROTECTION HISTORY-PART 87: 1913 (NATIONAL FIRE PREVENTION CONVENTION-PHILADELPHIA)

By Richard Schulte

The opening session of the National Fire Prevention Convention held in Philadelphia in October 1913 included an address on the purpose of the Convention by Powell Evans, the Chairman of the Philadelphia Fire Prevention Commission. The following is a transcript of Mr. Evans' presentation:

“REASONS FOR CALLING THE NATIONAL FIRE PREVENTION CONVENTION AND ITS PROGRAM

(See Appendix 9, page 465 for further reasons)

The General Preamble and Resolutions given in the invitation to this Convention were intended to fully explain why it was called. This program was planned to give a complete panoramic view of American fire waste conditions, to the end that any state and city desiring to undertake its control and abatement might have a summary of all the things to be done and the governing principles and practices as to all these items—in the judgment of the parties to this Convention—which must necessarily be largely complied with to accomplish this purpose effectively. The subject is too important and ranges over too much ground in every direction for greatly detailed treatment in the time at our disposal. Governments—State and Municipal—and their citizens, singly or in groups, must work out their local solutions. If this Convention stimulates active and intelligent work in this direction—especially if it leads to measurably uniform and combined effort—it will have accomplished its main purpose. No specially new information is claimed; but the point of view as a whole, and the arrangement and totalizing of the problem, may prove to be useful. The consideration of this program by conferees representing so widely and strongly all interests of the country concerned cannot but shed new light on the subject of America fire waste, and arouse public interest in the fight against it. This program may not be the best in form and substance. It is merely offered as an honest effort resulting from long study to serve as a basis for debating all phases of an admittedly urgent and tremendous social and economic evil.

Fire waste is as old as life. It has always been considered measurably necessary. Its cost has for many years— virtually throughout the civilized world, without limit even to national boundaries— been distributed as a burden upon all the people through the medium of fire insurance. There is a marked difference in the amount of this waste—measured per capita or on an insurance basis— between different nations, as well as between groups of nations. On the average the cost of fire waste and insurance in Western Europe is about 1/10 that in North America, due mainly to better building construction, more intelligent control of occupancy, thriftier habits of the people and better governmental regulation of the entire subject abroad.

Until quite recent years the real causes and corrections of fire waste with us have been clearly known and understood only by the relatively small circle of fire insurance underwriters and their associates. About ten years ago the plan of a State officer empowered to investigate and regulate fire waste was first adopted in Massachusetts. By 1906 about half a dozen other States had followed suit. During the past five years there has been a marked awakening throughout all circles of the country concerning the size and character of fire waste in life and property, and the fact that it is in large part needless and preventable. During this time 40 States have installed Fire Marshals (or other officers with similar powers), and many municipalities having realized that the bulk of this danger and loss was in their congested areas, have begun to exercise police power more freely and intelligently through varying agencies to control and abate it. Of late, especially, civic and commercial bodies are recognizing their stake and responsibility in the matter, and are beginning with fast growing understanding to take a determined hand in bettering fire waste conditions. Insurance which distributes the cost of fire waste is so much a part of the whole question that it must now be briefly reviewed.

The insurance world as a whole has, in physical and engineering research, rendered magnificent assistance in working out the problem of fire control. As a business proposition of conducting commercial fire insurance underwriting at a profit—insurance is procurable on properly located, constructed, protected, occupied and managed property in America at low final cost—on the one hand from the Factory Insurance Associations (groups of certain Stock Insurance Companies), and from certain individual Stock Insurance Companies which specialize in the insurance and reinsurance of such selected risks, at low fixed charges; and, on the other hand, from the Associated Factory Mutual Fire Insurance Companies (Mill Mutual) on low mutual charges determined by the final net cooperative loss.

Much farm and village property is insured in numerous small rural Mutual Companies throughout the country. *The Mill Mutuals operate through a central Inspection Bureau, aided by a Laboratory for the study and determination of physical standards—both in Boston.* They, as well as the Stock Factory Insurance Associations, are specially active in spreading the doctrine of fire prevention in all its phases and hence are able to conduct continuously profitable underwriting at net final charges of from five and ten cents for \$100. Such insurance is all done without commissions to agents and brokers. Insurance in the U. S. covers about \$35,000,000,000 of property— about 80% of which is stock insurance averaging a rate of approximately 1% per annum.

The bulk of city property is Stock insured at flat rates. There rates are determined by the application of an automatic universal rate schedule, based on the ideal building for its respective occupancy on an ideal location, which is modified by the local rate conditions (fixed by the local Stock underwriting board having jurisdiction) and further modified by the condition of the property itself (ascertained through surveys by the same local board).

Many of these local boards have, especially in recent years, displayed commendable interest and energy in broadcasting fire prevention doctrines; and the active managers of these have welcomed the submission of plans for construction and reconstruction of buildings in advance for fire prevention and protection criticism—all of which is admirable work. Others, however, are so influenced by the agent and broker element in their membership as to be measurably indifferent to this aim.

The total personnel of all these interweaving boards is so great, however, and the views and purposes so varying, that no fixed general policy is yet in evidence on their part as a whole to exercise their best knowledge, experience and influence to prevent fire waste to the practical limits possible.

The National Board of Fire Underwriters (New York) is the central Stock body which speaks for the policy of the Stock Insurance interests. It operates the Underwriters Laboratories, Inc., (Chicago), for the detailed physical study and determination of Fire Appliances (Standards of Devices) in general cooperation with the Mutual Laboratory (Boston); and does much good publicity work.

The National Fire Protection Association (which numbers in its active membership all the Stock and Mutual Boards, Bureaus, Associations, etc., as well as a large and growing number of engineering and trades associations of national scope) combines the general engineering opinion of the country on the physical facts relating to fire danger, and formulates the Standard Rules and Requirements (Standards of Practice) to control fire hazard of every description promulgated by the National Board of Fire Underwriters for guidance of its associated boards. Copies of these standards are procurable by any one from these bodies.

The N.F.P.A. is the best equipped organization in existence today in experience on the subject of fire waste and its control, and the most altruistic and progressives of these formed in large part of Insurance representatives. It is growing more and more representatives of all interests of the country touching this problem. It has been an active force in the past in spreading the general doctrine of fire prevention and promises in the near future to become a much more effective influence in this propaganda.

The 25 odd State Fire Prevention Associations in as many states, composed almost entirely of Insurance personnel, are also doing excellent work in fire-preventive inspections and public education.

So far in this country almost every fire safeguard has been a matter of voluntary adoption. Too much liberty has been left to the individual about constructing, protecting, equipping, occupying and managing property—to suit his greed, ignorance, indifference, or shiftlessness—thus permitting a frightful loss in life and property, resulting in a heavy and largely useless waste in both to the whole people.

The bulk of Insurance influence to date has exerted itself in:—

- 1. A protest in general terms against fire waste.*
- 2. The preparation of physical “standards” usable to control the evil.*
- 3. A system of underwriting which as a rule penalizes bad conditions only by charging a higher rate on such bad conditions (which are discovered by constant inspection) and limiting the amount of such risks written. Most of this bulk underwriting is done through Agents and Brokers, now claimed to be too highly paid and inadequately regulated, whose influence is baneful to the extent that both on the average are merely eager to do the largest business at the highest commission, and hence are not interested in property loss as owner and insurer.*

Losses when they occur are usually settled through Adjusters, who also need more regulation—as recent arson cases in New York and Chicago have disclosed. In the main the aim of the large majority of Insurance Underwriters is to make their business profitable. This end is best attained by collecting the largest gross premiums and savings at least of these by skillful business management—the method being a continued process of leaving property largely as it is found or alleged, charging the highest obtainable rate, distributing the risk, paying good Agents and Brokers liberally for securing such contracts (averaging over 20% of the gross premiums) and taking chances on fire loss, *without any special provision for the life hazard*. Abundant evidence may be found to substantiate the fairness of this statement:—in the report of the Illinois Fire Insurance Commission to the Senate and House of Representatives, January 4, 1911; the Report of the Joint Committee of the Senate and Assembly of the State of New York February 1, 1911; the Report on Examination of the New York Fire Insurance Exchange to the State of New York, July 21, 1913; the Report of the Wisconsin Legislative Fire Insurance Investigating Committee, 1913; and the Report on Incendiarism in New York City by Joseph Johnson, Fire Commissioner; December 31, 1912. All these reports are readily procurable and should be carefully studied by all interested. It may be properly stated here, however, that there is no more inherent reason why the Insurance personnel should fight fire waste unless to its best interest than applies to all other good citizens of like experience. It is the duty of the State to all its citizens to reasonably regulate this common danger.

Such is the bare outline of the machinery, physical and commercial, which insures property against fire in America. *Almost all we know about the physical engineering control of fire danger has been originated and brought to its present perfection through the medium of Insurance engineers*. It is enough at this date if sufficiently widely known and applied to be fully 90% efficient, hence we should now center our attention on applying it adequately. It must be clear why under these loosely controlling conditions we have so much fire waste of life and property in America. How can anyone question the conclusion that society should now fully measure and reckon with this common and largely controllable danger to life and property, and sternly and effectively take the situation in hand all over the country through appropriate legal regulation, both for humanitarian and economic reasons? My book "Fire Waste" elaborates the above position in a progressive series of essays which years ago forecasted this Convention.

Substantial relief from this danger can be brought about in any state or city by any group of men, or almost by any one man, who will devote time, money, purpose, and intelligence to this end.

It is pertinent here to briefly review recent history on this subject in Pennsylvania and Philadelphia to make this point clear—although this closely touches my own activities.

In the Spring of 1911 I interested the City Club, the local Bureau of Municipal Research, Chamber of Commerce, Board of Trade and a number of general citizens agencies here in the necessity for fire waste control in this State and City; and finally had the Pa. State Fire Marshal law drafted (covering the essential provisions of such laws in other States, and the peculiar requirements—Constitutional and otherwise—necessary for this State) to the best judgment of all concerned and interested in the matter.

We secured the passage of this bill; and a substantially satisfactory amendment to a like bill for the City of Philadelphia proposed by the then administration.

When the present City administration of Philadelphia assumed office in the Fall of 1911 I interested the Mayor and the Director of Public Safety in this program; and arranged for a preliminary analysis of the City government with respect to fire control—in conjunction with Mr. Charles A. Hexamer, Secretary of the Philadelphia Fire Underwriters Association, and Dr. Jesse D. Burks, Director of the Phila. Bureau of Municipal Research, which was submitted March 16, 1912. This gave a picture of the inadequate care for the matter then existing, with all the deficiencies and confusion and tentative suggestions of the cure.

The Mayor then appointed, through the Director of Public Safety, the “Fire Prevention Commission” of nine members, with headquarters in the City Hall, which entered upon its active work November 25, 1912.

*As Chairman of that Commission I arranged for financing it privately and established a salaried personnel to conduct its work as a business. Our investigations led to definite conclusions on many points—particularly on legislation and administration. **We reached among others the profound conviction that continued inspection of property throughout the city was an essential for effective abatement of the evil, and that ample time and force existed in the paid Fire Department to supply continuous and adequate inspection service to this end.** This policy was adopted by the Administration and put into effect January 27th with six firemen, including a captain, who were sent to New York for a brief study of such methods there. This activity, so started, gradually grew until at present there are 75 active firemen inspecting properties on a definite system. A special detailed paper on this subject, comparing it with like activities in other American cities, is in process of preparation for incorporation in the records of this Convention.*

With an average of 20 active firemen over a period of seven months the following results have been achieved up to October 1st, which speak for themselves:

22,000 buildings were originally inspected and reported in accord with an exact system.

13,500 of these buildings were reinspected to assure that the recommendations made in the original inspections were complied with.

57,000 detail improvements were incorporated in these requirements; and it is noteworthy to state that they have all been complied with without friction to date.

As this work in Philadelphia, planned and initiated as above described, progressed we found much valuable data and experience procurable from a few other progressive States and cities in the country. It was evident, however, that the great bulk of the country was scarcely awake to the known means whereby nation-wide actual progress in fire waste control could be effected, and only touched the high spots in their solution of the problem—and these not in common. As the cost of Insurance is admittedly a nation-wide tax, based on the average of the total fire waste of property and associated expenses and profits (not including the cost of public fire protection), it is obvious that there must be a nation-wide reduction of fire waste if the insurance cost is to be reduced; and further that loss of life and health, and from business interruption arising from this cause, can only be lowered by reducing property loss. The United States Geological Survey (U. S. Department of the Interior), 1907, Bulletin No. 418, on “The Fire Tax and Waste of Structural Materials in the United States”; as well as the annual reports of the National Board of Fire Underwriters during the past five years; provide the best summaries of this waste;—which is now estimated at \$300,000,000 per annum, or including associated costs, \$450,000,000 per annum—the lower figure averaging a charge of \$3.00 per capita per annum upon every man, woman and child in the country, distributed throughout everything they use in life.

Admittedly a legally enforced policy of fire prevention and protection all over the country will attack the source of fire waste; and would save, according to the soundest judgment, one-half to two-thirds of this loss in life and property within the life of most of the people now living. This is the most important avenue of improvement in life and property loss from fire, and of reduction in insurance cost. The further possible reduction in insurance cost derivable from lowering their expense of doing business by the reduction of the ruling extravagant commission paid for selling insurance contracts can only be referred to here now.

Fire, the cause of all this trouble, is always local in origin. Under our Governmental system the State is the unit of local control and can in turn regulate its cities and country districts; and so we must look to a sum total—uniform as nearly as may be—of State action, imposed in turn over all of the area of each, if we are to eliminate the bulk of American fire waste. Progress in this matter in a few States and cities does not bring reasonable or adequate relief. Large and wide betterment must be achieved to produce an average proper reduction in life and property waste, and in the cost of insurance and public fire protection.

With the experience, and these views, and my relation to the present efficient and progressive municipal government of Philadelphia, I arranged this Convention—to gather at one time and place a strong representation of the three great parties to this problem, viz:

- 1. Representatives of National, State and Municipal governments.*
- 2. Representatives of Insurance buyers in the aggregate (civic, labor and business associations).*
- 3. Representatives of Insurance sellers in the aggregate (Insurance Association and Companies).*

The program and tentative resolutions were—as stated before—formulated to discuss in principle every element entering into the problem, particularly from the practical legislative and administrative viewpoints. Every effort has been made to pass this in review before as wide a range of cooperative criticism—both in interest and geographically—as was able to participate in the Convention. There was some doubt in the minds of the Insurance personnel as to the final purpose of this Convention, but this doubt was solved to their satisfaction as is indicated by the N. F. P. A. correspondence incorporated in the program.

The proposed papers and discussions cover the five main physical considerations as to fire danger, viz:

Location, Construction, Protection, Equipment and Occupancy, in proper logical order—first considered individually and second generically (from the community standpoint), in each case—this accounting for the first ten topics. The remaining five topics embrace the general problems affecting the foregoing.

*The necessity for strictly limiting the time and scope of both papers and discussions was clearly demonstrated by the **International Congress on Fire Waste held in London, 1903**, as their Chairman definitely pointed out when it adjourned.*

Emphasis is laid on the fact that these resolutions are tentative and subject to final amendment in each case to express the final actual views of the Convention. The terms and definitions employed were intended to have the usual force and meaning usually employed in Insurance matters. Some of our conferees may not agree on these points—as for example, housing experts, who would take the word “occupancy” to mean a far larger sum of considerations than the narrower Insurance definition would include.

It is hoped, however, that all propositions submitted may be allowed to follow reasonably closely the path adopted, so that our brief time (compared with the size and importance of the subject) and our best thought will be centered on a frank conference on the essence of the problem before us.

This Convention covers a large project and high aspirations for the common benefit of all of our people. It may be the beginning of a wide and concerted effort in new form to control fire waste, and it rests with us all to make this beginning as effective and instant in result as may be possible.

Has not the time come, however, for the National Government to do a great service to the country by collecting the total studies of Fire Waste, Prevention, Protection and Insurance, and formulating these suggestions and conclusions for use by the country?

While every fire is local in its origin, the sum total of all fires, or fire waste, is certainly national in effect; and the necessary method of collecting this tax through the virtually semi-public function of Insurance underwriting and the insurance policy contract constitute a truly national problem with us at this time.

I quote in conclusion on this point from the Illinois Fire Insurance Commission, viz:

“From nearly every standpoint fire insurance seems to be interstate in its nature, perhaps more nearly so than any other business. It is based upon averages and distribution, and if we take into account large conflagrations neither average nor distribution can be intelligently applied within the limits of any single state.”

Source: “Official Record of the First American National Fire Prevention Convention”, Powell Evans, Editor, pages 15-23, 1914.

[http://books.google.com/books?id=bwIOAAAAYAAJ&printsec=frontcover&dq=inauthor:
%22American+National+Fire+Prevention+Convention.+1st,+Philadelphia,+1913%22&hl
=en&sa=X&ei=-RnLUJqkFefdyAGkxoHwBw&ved=0CD4Q6AEwAA#v=onepage&q&f=fal
se](http://books.google.com/books?id=bwIOAAAAYAAJ&printsec=frontcover&dq=inauthor:%22American+National+Fire+Prevention+Convention.+1st,+Philadelphia,+1913%22&hl=en&sa=X&ei=-RnLUJqkFefdyAGkxoHwBw&ved=0CD4Q6AEwAA#v=onepage&q&f=false)

* * * * *