

and have since conducted insurance? The very fact that the red-tape circumlocution methods, peculiar to all governments, are unable to compete with private enterprise in any business, stamps such attempted competition as illegitimate. The average common sense of the people tells them that they can buy either boots and shoes or life assurance to better advantage of the men who have put capital and brains into a business which constitutes their livelihood rather than of a government whose natural and legitimate function is to protect the individual rights and promote the general welfare of its citizens. The state is neither a shoemaker nor a tailor nor a life assurance broker, and the people know it.

"REAL ESTATE OWNED" AND THE REPORTS.

Not long since we called attention in these columns to what we consider a much-needed change in the form of the annual statements required of the life assurance companies by the various insurance departments with reference to their ownership of real estate. The theory of supervision by the State, both in this country and in the United States, assumes that those citizens who are policyholders in the various companies should be made fully acquainted with the details of their management and condition through the agency of the government, empowered to guard alike the interests of individuals and of corporations. On this theory the fullest publicity is supposed to be exacted, and as a matter of fact willingly given by the companies. We shall not stop here to inquire whether this theory of supervision of life companies is or is not the correct one, but rather deal with the existing fact that such supervision is in active operation in forty or more States and in the Dominion of Canada. Its aim is both to enforce certain regulations applicable alike to all companies of like character, and to secure a full exhibit of their affairs, which in turn it spreads before the people in convenient form easily understood. In the main this aim is secured, excepting in the matter of real estate owned. Here, beyond the brief item in the report of "real estate unincumbered," no information is given whatever. A lump sum of so many thousands or so many millions of dollars is given, but the kind, value and location of the reported realty in detail are unknown outside the company's home office.

Many years ago this feature of a life company's assets was of comparatively little importance, for the real estate holdings were small. All this is now changed. A great many, if not a majority, of the United States companies and several in Canada own office buildings, some of them several at important centers. For many companies commodious home office buildings are doubtless judicious investments, and so may branch office buildings be, but whether they are or not is a question to be determined in the light of facts. Why should not these facts be required? Why should the list of stocks and bonds owned be given in detail, and even those held as collateral for temporary loans be severally specified, while real estate appears in the asset schedule simply as a vague total? Collateral loans on stocks and bonds by all the companies

reporting to the New York insurance department amount to less than half the value of the real estate owned, which is in round numbers \$80,000,000. Can anybody rationally explain why the annual statement made to the insurance department should not schedule this vast amount and give location and values? Of course there can be no reason why the companies should object to this, if required, any more than that they should object to the stock and bond schedule. They could hardly be expected, however, to prepare detailed exhibits unless provided for in the department regulations and in the blanks furnished.

As to the basis on which the valuations should be made, we do not regard it as specially important whether they be measured by current values of contiguous real estate or by the interest-earning standard, only so that the same valuation rule be applied to all companies. Possibly giving both cost and market value, as in the case of stocks and bonds, would be an appropriate method by which to fill out the schedule. What we especially contend for is, that either reports of assets in detail be not required of the companies at all, or that the very large and important item of real estate be treated in detail.

SLOW-BURNING CONSTRUCTION.

The wisdom of constructing large buildings, such as factories, warehouses and the like, upon the slow burning plan rather than upon the no-burning or theoretically fire proof plan, has lately received fresh attention and awakened new inquiry on account of the burning a few weeks since of the immense Mansur Tebbetts warehouse in the city of St. Louis. Here was a building professedly constructed after the most approved pattern of slow-burning structures, of which Mr. Edward Atkinson of the New England mill mutuals is the earnest advocate, carefully inspected in behalf of the St. Louis board of underwriters and accepted under their conservative rules, and yet it was, with its contents, pretty effectually destroyed by fire. This result was contrary to previous experiences under Mr. Atkinson's observation, and in the absence of full information he at once accounted for the result upon the presumption that the building was not properly constructed on the plan of a genuine slow-burning one, but was of a bastard type. It turned out, however, that the structure was fairly well built on the genuine plan, and, also, that, although filled with combustible contents, the fire burned a long time on the two lower floors before making headway. The failure of the fire department to act with ordinary promptness, and the scarcity of water when the firemen did get to work, seems to fully account for the result. The merit of the slow burning building consists in its ability to so resist the fire that ample time may be given for its extinguishment, always presuming the existence of an efficient fire department, before serious destruction takes place. Solid wooden posts, floors and ceilings of solid four-inch dressed plank, solid three inch plank partitions plastered solidly on either side, in a brick building with the several floors properly isolated, will, of course, burn if filled with enough blazing contents, but they will burn very