

the individual man emerged, until a society was organized based on the idea that all authority is derived from the people, life insurance could only operate imperfectly. This explains the tremendous growth of life insurance in the United States.

The basis of life insurance is the social obligation of every individual. Arriving at maturity, every man—in this country at least—assumes certain relations to society. Of necessity he begins adult life in debt. He is socially in debt, no matter what his wealth may be. If he dies prematurely, having done no particular work and having accumulated nothing himself, he dies in debt. He has been nurtured and trained under social processes which have been evolved by past generations. He has been the beneficiary of conditions to the creation of which he did not contribute. The one thing necessary for him, rich or poor, in order to pay that debt, is time; and time is the thing he is least sure of. His obvious obligation to his wife and children, if he is fortunate enough to have them, stirs him to action if he acts at all; but his ultimate liability is to general society, and the ultimate effect of his act when he insures his life is the liquidation, in part at least, of the obligation which as a citizen of the country he owes to his fellow citizens. This is the high purpose of all life insurance.

THE MORAL HAZARD.

Life insurance can be and is used to protect credit and property; but as soon as a life insurance contract departs materially from the social basis, what is known as moral hazard immediately appears. Therefore, every sound Company gives the most careful consideration to the economic and social value of the life of the applicant. A man of small importance in the community, with no considerable earning capacity, could not get insurance for any considerable sum. The beneficiary under a policy is almost entirely determined by social laws. A limited amount of insurance is written in the interest of creditors, but applications for such insurance are always scanned with the utmost care, and, except where the relation of debtor and creditor is absolutely clear and entirely legitimate, no responsible institution will issue its contract.

Primarily life insurance is a co-operative plan to meet the default involved in the premature death of productive lives. A non-productive life is not properly insurable. A life stamped with immor-

ality is not insurable. A life somewhat impaired through defective family history or by individual weakness or disease, if that life at the same time is a productive life, is insurable at a price. All of which brings us back to the same conclusion, *i.e.*, life insurance is a great social plan which merges the individual into the mass, and puts behind the frailty of man standing alone the immeasurable strength of men standing together.

LOCOMOTIVE ENGINEER'S DEATH.

Judgment of Quebec Court of Appeals against Insurance Company—Curious Circumstances Surrounding Death.

In the Quebec Court of Appeals judgment has been given in the case of the Dominion of Canada Guarantee & Accident Insurance Company, of Toronto, (defendant in the court below), appellant, and McKercher (plaintiff in the court below), respondent. This was an appeal from a judgment delivered in the Montreal Superior Court in June, 1910, by Judge Davidson.

The facts of the case, according to an official report of the case, as set out in the judgment appealed from, were as follows:—Plaintiff alleges that on the 23rd February, 1903, the defendant issued a policy in favor of the late Daniel McKercher, plaintiff's husband, in his lifetime, of Montreal, locomotive engineer, in the employ of the Canadian Pacific Railway with his headquarters at Medicine Hat, N.W.T., whereby it insured his life for \$2,000, payable to plaintiff in the event of his death; that on the 20th June, 1903, he died through bodily injuries sustained through external, violent and accidental means at a point on said railway about two miles east of Regina; that defendant duly received notice of said death and a claim therefor; that plaintiff's domicile has been and is in this city where defendant has an office and property. Plaintiff prays for a judgment for \$2,000. Defendant, by its amended plea, alleges that it is admitted that the death of McKercher occurred at or near the point stated, and that one of the conditions of the policy is as follows:

"If any injury, fatal or otherwise, be caused directly or indirectly by or through any of the following causes, then it is expressly agreed by the parties hereto that the Company's liability shall be a sum equal to one-twentieth of the principal sum, fixed indemnity, or weekly indemnity,

TOTAL REVENUE AND CUSTOMS REVENUE FOR TEN MONTHS OF THE FISCAL YEARS 1909-10 AND 1910-11, WITH RATIOS OF INCREASE.

(Compiled by The Chronicle.)

	MONTHLY REVENUE.						RATIOS OF INCREASE					
	1909-10		1910-11		Increase '10-11 over '09-10		Monthly Figures		Aggregates		Total Customs Revenue	
	Total Revenue	Customs Revenue	Total Revenue	Customs Revenue	Total Revenue	Customs Revenue	Total Revenue	Customs Revenue	Total Revenue	Customs Revenue	Total Revenue	Customs Revenue
	\$	\$	\$	\$	\$	\$	P.C.	P.C.			P.C.	P.C.
June	7,978,898	4,810,279	9,612,677	6,180,362	1,633,779	1,370,083	20.4	28.4	To June (3 mos.).....		22.0	31.3
July	8,437,438	4,896,422	9,320,586	5,911,403	883,148	1,014,981	10.5	22.9	To July (4 mos.).....		18.7	28.4
August	8,469,848	5,365,577	10,174,930	6,560,662	1,705,082	1,195,085	20.1	22.3	To August (5 mos.)...		19.0	27.0
September	8,553,659	5,430,087	10,317,823	6,619,006	1,764,164	1,188,919	16.5	21.9	To September (6 mos.)		18.6	26.0
October	8,553,766	5,165,410	9,666,192	5,981,174	1,112,426	815,764	13.0	15.8	To October (7 mos.)...		17.7	24.5
November	8,748,923	5,086,040	10,061,060	5,959,359	1,312,137	873,319	15.0	17.2	To November (8 mos.)		17.4	23.5
December	8,733,571	5,219,402	9,799,387	5,824,013	1,065,816	604,611	12.1	11.6	To December (9 mos.)		16.7	22.1
January	8,120,441	4,421,436	9,144,873	5,775,693	1,024,432	1,354,257	12.6	30.6	To January (10 mos.)		16.3	22.9
February	8,173,937	5,077,839	9,491,997	6,040,090	1,318,060	962,251	16.1	18.9	To February (11 mos.)		16.3	22.5
March	8,978,514	5,897,391	10,363,520	6,938,261	1,385,006	1,040,422	15.4	17.8	To March (12 mos.)...		16.2	22.0