case of fire they will draw enough money in settlement to make good their losses, or even the total amount of the maximum indemnity specified. The requirement of a schedule of items covering everything said to be lost or damaged is a frequent cause of bitterness in making adjustments; in fact, it might almost be said that people regard insurance as an easy method of getting something for nothing and turning the accidental destruction of property into a pecuniary gain.

The fact which is not fully recognised, writes The Commercial Times of Chicago, is that the theory of insurance limits its operation to the field of chance. It is a development of the "Science of Probabilities" first fully discussed by La Place, and has no valid application in the domain of certainties. The collection of data and experience tables covering thousands of risks afford the basis of computations which, according to the laws of chance and probability, justify insurers in assuming term liability up to a definite maximum at a mathematical rate of premium.

To insure a certainty of loss underwriters would necessarily have to demand a premium exactly equivalent, in the actuarial sense, to the value of the liability. But that would not be economically beneficial, even if it were feasible, and it would not be "insurance" in the accepted sense. The immense value and utility of underwriting in civilised society arises from the fact that all things are encompassed with dangers and possibilities of disaster. Nothing is free from the heavy weight of risk; and it would require greater courage than the bravest man of affairs possesses to struggle through life with all the odds against him and no one to help him to cope with the losses which must be borne. The perfecting of a sound basis of insurance ranks among the wonders of the world, and it is well entitled to intelligent support and reasonable use by everybody in every line to which it is applicable.

The insurance of credits is one of the features of underwriting which is destined to grow in importance and value to the civilized world, though some difficulty is being met in applying the system owing to the inability of some people to understand that what is certain to happen is beyond the pale of insurance theory and practice. The field of credits presents exactly the same relations between total uncertainty and reasonable certainty that exist in other departments of life. It is possible to determine for any trade the limits within which losses, due to bad faith, poor judgment, and ordinary circumstances, may be expected to fall. This credit hazard may be regarded as the uninsurable certainty in the matter. But the risks of extraordinary losses, due to monetary stresses, derangements of supply and demand relations, and moral defaults—all things which are clearly within the province of chance—do fall within the proper domain of the underwriter, and it is almost an ethical duty for all men of mercantile business to make use of credit insurance.

The economist always takes account of the fact that losses of whatever sort impoverish the community at large, unless provision has been made in advance to indemnify those who are harmed by the operations of chance. The pre-requisite of an insurance contract on the part of the beneficiary is the payment of a premium; the payment of a premium implies the accumulation of a certain capital accurately gauged to cover the probability of loss. Then when the loss falls it finds society prepared and in possession of capital resources to make reparation. Our business system will be incomplete so long as there remains uninsured any department beset with hazards which can be insured. Prune away every excrescence that smacks of gambling, then apply as widely as possible the principle of sound underwriting.

Notes on Business, Insurance and Finance.

The New Japanese Tariff. The much discussed new Japanese tariff comes into force on July 1st, 1911, the date of the termination of the Conventional Treaties with Great Britain, Germany and France. So far as British goods are concerned, and comparing the duties now charged with those to be levied under the tariff, the decreases of duty are few and comparatively unimportant while the increases are many and very large. The average of the new duties on British goods is, it is estimated in a publication of the Tariff Commission upon the subject, an advance of two-thirds upon the average of the existing rates. On goods from all countries, the increase in the average of the duties is only 50 per cent. and those classes of cotton goods in which Great Britain predominates are subject to exceptionally heavy duties. The increases of duty concern chiefly the industries which Japan has established or expects to develop, being especially large in the case of cotton and woollen yarns and cloths, iron and steel goods, printing machines, leather goods and paper. The amount of imports from the United Kingdom likely to be excluded under the new tariff is estimated at between $3,500,000 and $5,000,000. Speaking generally, says the Tariff Commission, the opinion of the principal British exporters to Japan is that the new tariff will seriously check British trade in many branches, and bring other branches entirely to an end. The present Lancashire trade with Japan is somewhere about $10,000,000 in value, and some British traders say it will be a matter of surprise to them if 25 p.c. of their own trade is left, should the proposed new tariff come into operation without amendment. What is left will, they say, consist of the smaller items of a special character which the Japanese cannot as yet make, and the finer classes of textiles.

Canadian Forestry Association. The annual report of the Canadian Forestry Association for the current year, which has just been issued, contains a large amount of valuable information upon a subject which recent events have served to bring to the fore. All the papers read at the convention held at Fredericton, N.B., last February, are given in the volume, together with much of the discussion, the subjects dealt with including the protection of the forest from fire, the wood pulp industry, the education of professional foresters or forest engineers and many other aspects of forestry, es-