

and all he received as witness fees and expenses was less than \$8.

If a man can command four, five, or ten dollars per day for his professional services when rendered to merchants, banks, or incorporated companies, is it reasonable to force that man to work for the Government as a witness at one dollar per day? We do not think so. When the medical and legal profession are guarded against this sort of "starvation wages" as expert witnesses, why should not the person skilled in accounts be paid in some sort of proportion to the current value of his services? It is to be hoped, therefore, that means may be found to do away with the injustice wrought by the present scale of payments to expert witnesses of the character we have mentioned. We believe that some official application has been made or is likely to be made to the Government of Ontario in the matter; and it will be surprising if the good sense of Ministers does not concede the justice of the ground taken in this matter by professional witnesses skilled in accounts.

CONFLAGRATIONS OF 1889.

The year just closed will long be remembered by fire insurance companies for its succession of disastrous conflagrations. The great fires on the Pacific coast have been matched by those of Lynn and Boston. It is rare, if not unprecedented, to have so many great conflagrations in any one year. Many of the local insurance companies collapsed in consequence of having "all their eggs in one basket." The companies that had a business which extended over a great area were able to stand the serious demands made by these disasters upon their finances, and have paid their losses with commendable promptness. The wisdom of companies in husbanding their resources, by setting a surplus apart to meet such contingencies as these we are considering, will not be called in question, especially by those whose losses were indemnified in consequence of the wise and prudent course adopted by the insurance companies.

The fires in Canada during the past year, have not been unusually severe, and companies generally have reason to be congratulated on the success of their Canadian business. We have no doubt that the system of periodical examination of special hazards by the inspectors of the Canadian Fire Underwriters' Association has had something to do with the diminished fire loss on this class of risks. Improved fire appliances may, in no small degree, have been important factors in the same direction.

In no place has this been so clearly illustrated as in the city of Hamilton. A little more than two years ago that city purchased a standard chemical fire engine. According to Mr. Aitchison, the chief of the Hamilton fire brigade, over 90 per cent. of all the fires which occurred in that city in 1888, and to which the department was called out, were extinguished by means of this chemical engine. It must be borne in mind that every fire put out in this way, instead of by water, is a great saving to

insurance companies, for there is less damage done in quelling the fire.

In 1889 the loss by fire in Hamilton was about twelve thousand dollars. There were in all 49 fires. Of these 15 were put out by the use of water works streams and chemicals combined. Twenty-eight were extinguished by means of the chemical engine alone. So well satisfied was the city of Hamilton with the success of the chemical engine as a fire extinguisher, that a second one has been purchased within the past few months.

We understand that the Canadian fire underwriters have decided that in future no space can attain a classification of "A" unless a standard chemical engine forms a part of the fire appliances. The damage to property in case of fire in water works towns is often as great, if not greater, by water than by fire. Hence the desirability of lessening the amount of loss by water by means of using chemicals.

LIFE ASSURANCE AND THRIFT.

Under the heading of "Thrift," an American contemporary, the *American Exchange and Review*, has an entertaining and instructive article on the subject of the relation of life insurance to a man's habits of saving. The writer contends that the word insurance applied to life underwriting in the sense in which it is applied to marine and fire risks, especially the latter, is a misnomer. Prudence, says the *Review*, is the insurance word. "Prudence, which makes the incentive to protection and produces the means for the protection. Thrift, which implies gainfulness, makes advance; prudence is contented to maintain the status. If a man simply protects the property, or the money value, which he has in his life by life insurance, he exercises simply a prudential expedient, but we propose now to refer to another advantage of life insurance, which of all means for bettering people's condition is most advancing."

But in the course of the article a typical case is given, which forms so good an illustration of the benefits of life insurance that we quote it in full, for it is true that one example is better than half-a-dozen arguments. The instance is as follows:

"Mr. C. lived in a town in New Jersey. He was a man of culture, holding a scientific position, but not a man of large means. One day, in April, thirty-six years ago, he had \$55.50 at his disposal, and it was proper that he should make the best and most advantageous use of such money possible. Circumstances had directed his attention to the subject of life insurance, as a protection in the relations in which he stood, and it was too early a day for the mind of either the applicant for insurance or the solicitor to range along the ways by which the practically new economy would have a golden fruition otherwise. There were then no great life insurance institutions, the companies were struggling experiments, not without promise in some instances, but, though the future was ahead as an expectancy, fulfilment was yet to be attained, and behind was limited performance. It did not occur to C. that in any way there could be saving up of money by taking out a life insurance policy. It was an expense. Men of his time saved money by

savings banks or by hoarding it in stockings. It was an expense called for by the demands of affection, by the best promptings of the heart; it was the providing of a security satisfying moral obligations; it was the sustaining of the widow and the orphan as they mourned, but it was not good, solid, practical financial handling of one's own funds; and besides this, here and there the doubt was heard that it was a distrust of Him who provideth for the raven his food. Yet, withal, C. took out a policy in a company which was making its way. It was a policy for \$2,000. He was thirty-six years old, and it would cost him \$55.50 yearly. Should he die in the first year or in any year for which he had paid the premium, it would yield \$2,000 to his heirs. That was to him all there was in it, and it would have been enough for him, or any one else, if that were all there were in it. Still, as it appeared, he would "have to die to win," and he might live to compass the years three score and ten with which the Psalmist numbers our days. The living, however, was not assured, the \$2,000 was; and the cost of living was accepted as worth the price of the benefit which would come upon the coming of that death which happeneth unto all—and since the world began men have died in all ages of human life.

C. had done a prudent but not thrifty thing in his own estimation, and should he live to reach seventy years of age, he would have made a poor bargain (so it seemed); and had he been sure of reaching such age, the life insurance would have been useless. C. lived on and paid his premium year after year. Mutual life insurance dividend was an active American insurance thought, but eighteen years old when he became a policy-holder; it was now a developing practice.

Twenty years were gone and C. was still paying out money and he was getting old. Counting up he found he had paid up \$1,100. What good use thrift would have made of this money! But—a new light was dawning. Strange to say, the premium money was not expended! It was to his credit in the insurance company, and more besides. How it got there is a very long, long story. Enough that it was there. He had been accumulating when he thought he was expending. It is to be said, as an incident of the position attained, that the insurance by the policy had grown from \$2,000 to \$3,694.11, and this increase of \$1,694.11 meant that, dying this year, the mere increase of the amount due him at death was \$594.11 more than he had paid. Not dying at age fifty-five, his estate did not receive the \$2,594.11 more than he had paid, and the question of his personal account remained to be considered. He might have been a depositor in a savings bank, or otherwise an investor. The living want an immediate value, the worth of cash in hand. Investment itself is a business. It is one which can be pursued at its highest ratio of profits with the greatest combination of funds. Speculation is not a business, it is rather a gamble. In one or two years speculation may pay greater profit than investment. In a score of years it will not. Net accretment in interest earning is but little affected practically by difference in rate of interest; the higher the interest the less the security, and the excess earnings of maximum rates but compensate for the greater loss of principal. As a yearly depositor of \$55.50 at 4 per cent. interest, without ever drawing out any of the money, principal or interest, C. would have accumulated \$1,719.80, that is, he would have gained \$619.80. The present value (or dis-