

AN INSURANCE LESSON TO BUSINESS MEN.

The eminent, the indeed invaluable services rendered to the mercantile world by fire insurance are becoming to be more and more recognized. Next to capital, insurance furnishes the most general and most effective basis of credit. To capital itself insurance affords solid support and such protection as saves it from disastrous waste. Under circumstances that are daily occurring, which may arise anywhere at any time, beyond the control of those liable to be affected, insurance stands as a safeguard against ruinous, or, at the best, very embarrassing disaster. There is another service rendered by fire insurance to business men which, though highly valuable, is generally overlooked, which is the continual reminder of the necessity of regularity in account keeping. The judgment given in a case recently heard in a Louisiana Court affords an illustration of this insurance lesson. It is an impressive warning to merchants against negligence in keeping their stock accounts closely posted and cared for. The case was that of a retailer whose fire insurance policy had a clause requiring that his stock account should be written up daily, and kept in a safe. This provision is a very rational, and for both parties a highly prudent one, as the judgment given in this case shows. When a fire occurs which destroys or injures a trader's goods, a stock account kept posted to date affords evidence as to the extent of the loss, which, in the absence of any such evidence, it is most difficult to ascertain. A store-keeping firm brought suit against the fire company in which their goods were insured for amount of loss they allege to have occurred. It was proved that they had neglected to keep their record of cash sales written up to date, nor had they protected this record as the policy required. They, however, pleaded that they had a right to prove their loss apart from their books. This plea the Court set aside. The Judge said:—

"Plaintiffs have no one to blame but themselves. They failed to keep a record of cash sales, as is usual and customary among merchants, and as they bound themselves to do under penalty of the forfeiture of the policy. It is, therefore, ordered, adjudged and decreed that plaintiffs' demand be rejected and their suit be dismissed, they to pay all costs."

The experience of curators and accountants who are called in to wind up insolvent estates is, that neglect of proper bookkeeping by retail merchants is very prevalent. It is quite rare when insolvency occurs to find the books of the trader, or firm, in proper condition. Retailers indeed very generally conduct business in such a way that they do not know how much stock they are carrying, how much they owe to wholesale houses, how much is due to them on customers' credit accounts, how much their

business and domestic expenses are, nor how much profit they have made in a given period. Hence amid this darkness they go blundering along, spending beyond their profits, piling up stocks beyond their resources, and crediting to an extent that ends in their insolvency. To whatever extent an insurance company exercises its influence for inducing traders to keep their stock accounts systematically written up and protected it is doing them and their creditors a very valuable service.

HAZARDS OF STORING AND HANDLING EXPLOSIVE CHEMICALS.

Mr. William McDavitt, Inspector of the Fire Insurance Patrol, Philadelphia, read a paper recently, on above topic, which excited great interest amongst underwriters. He stated that pouring water to extinguish a fire in a building where nitrates are stored will cause the evolution of explosive gases. "The primary danger to guard against in the handling of chemicals is that from spontaneous or self-combustion or explosion. Chemistry teaches that any substance which contains in itself elements that will produce combustion, will, under certain conditions, produce an explosion, as the explosion of any combustible matter is nothing more than rapid combustion. In nearly all explosives their action depends upon the presence in their mixture of either the nitrates or chlorates, chiefly nitrate of potash, soda, barium, lead, nitric acid, or the chlorates of potash or soda, all being oxidizing agents, promoters and producers of combustion, and where any of these are added or incorporated with other oxidizable substances combustible or explosive mixtures are formed. Singular to say any or all of these mentioned substances, and some other of like character which will be described, are extensively used in the arts, and owing to the rapid increase in trade may be found stored in large quantities. Either of the nitrates or chlorates possess the property of liberating oxygen when heated to a low degree of temperature, and if brought in contact with heated carbonaceous matter combustion will occur. Perhaps the most powerful and treacherous of these substances possessing such property is chlorate of potash. This substance is extensively used in medical preparations for making oxygen gas, for oxidizing purposes by dyers, and in the making of fire-works. To show its power to produce combustion at a very low temperature we will put some sugar and chlorate of potash on this piece of paper and apply heat to the paper. You will notice that the mixture takes fire at a temperature below that required to fire the paper. Heat some of the chlorate until it fuses; in this state it liberates oxygen freely, and by adding either sulphur, sugar, charcoal, starch or sawdust rapid combustion occurs. The same effect will be produced with the mixtures shown by friction either through accident or by trituration. Heat will also be generated by contact between the chlorate and many of the acids, and if on woodwork will cause fire. As is probably well-known to you all, a mixture of oxygen with illuminating gas if ignited will cause a violent explosion." To illustrate the danger from inexperienced handling from which fires have occurred he showed a mixture of dye stuffs for fast black dyeing made up in the drug houses of dye houses. "This compound comprises either of the chlorates (oxidizing substances), aniline salts (an absorbent or oxygen), tartaric acid and sulphate of copper, all active reducing agents. This combination is measured and thrown in-