drawn upon, the funds for paying claims are being provided by each head office.

Vice-President Snow, of the Home Insurance Company, has given his opinion as to the outlook as follows, by request of the New York "Commercial Bulletin:"

"When the smoke shall have cleared away from the scene of the Baltimore conflagration, and the fire insurance companies shall have resumed their usual routine after the considerable task of settling their many millions of dollars of losses, reflection upon the 'incident' will probably cause a recurrence of the realization of some fundamental truths and basic facts which, while theoretically admitted, have been at times lost sight of in practice.

"One such truth is that it is vitally necessary to maintain rates at such a level as will not only provide for normal losses which will occur, but also for abnormal catastrophies which may and do happen. Fortunately for the credit and prestige of our fire underwriting corporations generally, and fortunately as well for the large and important interests in the stricken city which have been saved from financial collapse only by the indemnity paid from the accumulated resources of such corporations, the calamity occurred following a period of some years of fair average prosperity made possible by a general uplift, so to speak, of rates in 1894, and another, to regain lost ground, in the early part of 1902. These general advances were, it might have been thought by some accomplished in an unscientific manner, but however that may be it is perfectly apparent that without them many companies must have been more hardly put to it to meet their obligations arising out of the great destruction of property in the recent conflagration.

"Whatever the method adopted, however the result is arrived at, rates must be high enough to provide premiums in sufficient amount to pay losses, both ordinary and extraordinary, and some slight better seek some other channel of employment. profit as well; otherwise insurance capital would The present time is opportune for setting this truth before the public; it is a self-evdient truth, but even sound doctrine may be more convincingly presented when it has the benefit of impressive illustration.

"How dire and irremediable would have been the financial distress of a multitude of owners of Baltimore property had the fire insurance companies generally been prepared to meet only ordinary and normal losses, and (let us view the matter squarely on all sides) how much more seriously would the disaster have stricken the companies had it occurred, say, in the latter part of 1893.

"A great body of agents, we believe, recognizing their position as representatives of the companies, are ready and willing to co-operate, through local boards and other organizations, and individually, in contact with property owners, to support and lend their valuable aid to the maintenance of conditions which shall contribute to the strengthening of fire insurance interests and place their principals in positions to afford their customers assurance of absolutely certain and suitably prompt indemnity for fire losses, even though another great conflagration, or several of them, were to ensue. No prudent agent, having regard for his business and place in the community, wants to put the risks of his customers with a company which is not in a position to withstand both usual and unusual demands upon its resources, and the greater number of agents are intelligent men who realize that such resources must primarily be accumulated from sufficient premiums to make a reasonable average loss ratio, which means that fully adequate rates must be obtained.

"We quite agree with the opinion expressed by an underwriter in an interview recently published with respect to the undoubted inadequacy of the rates which prevail in most sections for risks on mercantile stocks and unprotected manufacturing plants. We have no doubt that the experience of most or all of the companies doing an extended agency business will show that the record on these two great general classes is poor, and we think most of them will agree that in very many localities the level of rates is altogether too low on stocks of merchandise, notably in congested centres of trade, and on 'special hazards' without benefit of fire protection facilities.

"If so, it would be suitable and proper and especially timely to institute action to remedy such condition, as well as any other which adversely affects our business and the well-being of the institutions we are engaged in managing."

BALTIMORE FIRE.

The New York office of the Liverpool & London & Globe Insurance Company received the following cable from the Head Office at Liverpool, on the occasion of the Baltimore fire:—

"Draw for Baltimore loss, if desirable, at sight, cabling amounts. Give $10,000 (£2,000) for relief of sufferers, and convey our deep sympathy."

PROMINENT TOPICS.

Paris has had a wholesome lesson given it in regard to the "other" side of war, the reverse side to that of "glory." As the result of popular expressions of a desire to stand by Russia against Japan, a report gained credence that the French Government was about to give such sympathy effect by sending vessels and troops to the seat of war. The effect on the Bourse, the stock market of France, was to create a panic, securities "slumped" disastrously, and the alarm was spreading to other cities, when official action was taken to stop the excitement. It is one thing to shout for one of the combatants; it is quite another to find the men and the money and the ships to keep in fighting his battles. Glory is an expensive luxury, it is apt to be, as no nation better knows than France, a highly evanescent one.

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The news from the East continues to be a mere hash and re-hash of old materials, with only a change in the spicing and colouring of the dish varied. It seems likely for months to elapse before any decisive blow is struck, meanwhile rumours will abound and denials, until all confidence disappears in war news.

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There are five great powers opposed to the passage of Russian war vessels entering the Mediter-