THE ESSENCE OF THE CONTRACT.

The essence of a contract of insurance is that it is a contract of indemnity, to prevent the insured from suffering loss within the amount of the insurance by means of any of the perils insured against. Of course if, in addition to the value of his property, the insured has distinctly covered an expected profit to be derived therefrom, adjustment will decide what is the equitable measure of loss. But the whole spirit of an ordinary contract of insurance would be violated if the insured could make the occurrence of loss a source of profit to himself; this would give him an interest in producing losses. One of the old writers says upon this subject, "Insurance seeks not gain, but operates to prevent loss."

The principle of indemnity, however, does not require that the insured shall be paid the full value of his interest, and at the same time be permitted to retain such interest or any portion of it. The contract should never be so arranged, that under any circumstances, it could be made profitable to the insured to meet with disaster; he should never make money by his loss. This involves the principle of subrogation, by which any excess of insured interests, beyond the insurance, belongs to the insured.

Indemnity must be adjusted upon the principle of replacing the insured, as far as the amount of insurance will do so, in the situation in which he was at the commencement of the fire. If the loss or damage be less than the sum of the insurance, he should recover all of the loss or damage; if the loss or damage exceed the insurance, he should recover the total insurance. But no recovery can be had unless the insured had, at the time of the insurance, and of the loss, an insurable valid interest in the policy. The price at which the property can be restored at the time of the fire is the money value of the indemnity.

STATEMENT OF CANADIAN ACCIDENTS DURING JUNE, 1915.

Trade or Industry.	Killed.	Injured.	Total.
Agriculture	7	8	15
Fishing and hunting	5	..	5
Lumbering	6	6	12
Mining	14	43	57
Railway construction	1	1	2
Building Trades	6	10	16
Metal Trades	16	52	68
Woodworking Trades	..	9	9
Clothing	..	2	2
Textile	..	3	3
Food and tobacco preparation	2	..	2
Transportation—			
Steam Railway Service	8	21	29
Electric Railway Service	..	5	5
Navigation	7	4	11
Miscellaneous Transport	1	13	14
Public Employees	1	9	10
Miscellaneous Skilled Trades	2	13	15
Unskilled Labour	8	6	14
Total	84	205	289

COST OF LIVING UP AGAIN.

According to calculations made by the Labour Department at Ottawa, it costs the average head of an average family of five $1.31 more now per week to live than it did in 1911 and at least 30 cents a week more than it did a year ago. In part, this increase is due to war taxation; in part to a rise in the cost of foodstuffs, etc.

The annual report of the Department of Labor, dealing with prices in Canada for the year 1914, as just issued, gives some interesting statistics as to the cost of living and the effect of the war on prices.

AN AVERAGE WEEKLY BUDGET.

An interesting table is that giving a typical week's expenditure of a workingman's family on staple foods, fuel, lighting and rental. The compilation is based on proportionate expenditures on an income of $800 per year For food the average weekly budget demanded last year $7.73, as compared with $7.33 the year before, and $7.13 in 1911. For fuel and lighting the weekly cost last year was $1.90, or about one cent less per week than for 1913. Rents show a slight lower tendency. The average last year is placed at $4.65 per week, as compared with $4.75 per week in 1913, and $4.05 per week in 1911.

The figure given for the total weekly budget of necessary expenses for food, rent, light and heat is $14.31, as compared with $14.02 for 1913, and $13 for 1911. Allowing the average cost of living for necessaries given for last year, the workingman with wages of $800 per year, and a family of five to keep, would have just about $56 left for the year's clothing, doctor's bills, amusements, church, tobacco and savings.

The Labor Department says nothing about savings, but it is pretty obvious that under such circumstances the best, if not in fact the only way to save is through an insurance policy, small as it may have to be.

INDEX NUMBER STILL HIGH

The Labour Department's index number of wholesale price for June is reported as 147.3, compared with 147.6 for the preceding month, and 135.2 for the corresponding month of last year. Although there have been some decreases in the prices of foodstuffs during the past few months, this is counterbalanced by increases in the price of metals and other commodities, which keep the cost of living up to the record figures which have prevailed since the beginning of the year.

FOR NECESSARIES, NOT LUXURIES.

Man insures to provide necessaries. He never intentionally provides an insurance benefit by which his beneficiary may secure luxuries which he cannot furnish while living. If, therefore, a part of the benefit be used after his death for something he could not provide from his income during life, that part of his premium payment which furnished that part of the benefit so used, was, in effect, an overcharge to him. If he provide a benefit payable as income, he will receive exact value for every dollar of premium paid; for the instalments of income, by their frugal size, will enforce economy from first to last.—*Frederick F. Taylor, Metropolitan Life.*