

in his opinion would represent more nearly the interests of policyholders than do State officials, because the public to whom these officials owe allegiance includes many who are not policyholders, and whose interests are not in all respects identical with policyholders. Moreover, Mr. Cox expressed the view that associated effort is necessary for educational work, that the public should be made to understand insurance from the economic standpoint—that it is in itself a highly organized form of co-operation, absolutely essential to the modern social fabric; that the chief interest of the public should be to save the institution from the enemies within and without, and that all regulation should have this as its chief motive.

"In the life insurance field we are doing much co-operative work aside from the work of the associations which bring together the executive officers and managers of the various companies. We have associations of actuaries, medical directors and agents. As proof that the field for beneficial co-operation is by no means confined to meeting the problem of legislation, I may state that the Actuarial Society of America and the Association of Life Insurance Medical Directors are now making a joint investigation of the causes of mortality as disclosed by millions of lives insured by the companies these men represent. This investigation when completed will be made public, in order that the facts may be known by all life insurance companies alike and by the public at large. No longer will these records, containing much valuable information relating to the causes of death, be held for the exclusive use and private advantage of individual insurance companies. On the contrary, the lessons which these records may teach will become a part of the general movement to prolong the average human life whether insured or not.... There is no longer a question as to whether an association conducted on a high plane, discarding selfish interests and disregarding personal ambition, can establish a place of usefulness for itself in the insurance field. If any question remain, it is merely the question of whether insurance companies in sufficient number have yet reached the point where they are willing to put aside that which must be eliminated in order to maintain such an organization."

IN FAVOUR OF FEDERAL CONTROL.

A third paper was read by the Hon. George F. Seward, president of the Fidelity & Casualty Company of New York under the heading "Insurance is Commerce." He complained of a decision of the Supreme Court that insurance is not commerce and does not therefore come within the purview of inter-state commerce; renewed his advocacy on a former occasion of the proposal that the control of insurance, so far as all inter-state operations are concerned, should be transferred to the general Government and he expressed the opinion that there can be no hope of any considerable amelioration of the situation until such transfer is made.

"The State courts have over and over again held that insurance is a commodity, and that the operation of buying and selling is trade, a term synonymous with commerce. The Supreme Court itself has held that the buying and selling of lottery tickets is commerce, and that the operation of a correspondence school is commerce. If so, why is not the buying and selling of insurance policies commerce?"

In support of his argument Mr. Seward quoted a large number of decisions of State courts.

"There has been, and there must continue to be, a steady development of the construction of the Federal Constitution to meet changing economic conditions. In the early stages of the discussion of the meaning of the commerce clause of the Constitution, it was thought to apply only to communication between the States by navigable waters. This probably was due to the fact that commerce between the States was almost wholly carried

on by water communication. Since then the development of the country's commerce by means of railroad communication and the great changes that have taken place in economic conditions has led to applications of the clause that were not dreamed of early in the country's history. Thus, Congress now not only regulates railroad and other means of transporting goods from State to State, but it also regulates the business of telegraph and telephone companies as being engaged in inter-state commerce. If a merchant arranges, by telephone or telegraph, with a company of another State for insurance, the telephone or telegraph message is held to be commerce between the States, but the contract of insurance that results is not. To the average man there would seem to be a flaw in this logic.

FIRE INSURANCE IN CONTINENTAL EUROPE.

Fire insurance on the Continent of Europe is carried on in the main by proprietary companies whose general organization does not essentially differ from British offices. There exist, however, alongside these proprietary companies, powerful mutual concerns, some of a local or exclusive risk character, but others operating over the whole field of the country to which they belong. In some European countries also there are insurance institutions carried on by the State or by municipal or other authorities. In several Cantons of Switzerland the insurance of all buildings with the State is obligatory, in others, it is permissive; in Germany, in Denmark, in Norway and in Sweden insurance by public authorities is also in force and is generally of a compulsory character, while in France the question of a government monopoly of insurance was recently given prominence to in a Ministerial programme. With the exception of France, Denmark, Belgium and Holland, some of the smaller Balkan states, Turkey and Greece, every European country now requires a substantial deposit in cash or securities before a foreign insurance company can commence operations, and in some countries there exist insurance inspection departments. Speaking generally, rates in Continental Europe are low, particularly for the ordinary non-hazardous classes of risks, a fact attributed by Mr. A. D. Robertson in the Transactions of the Insurance and Actuarial Society of Glasgow* to the competition of the mutual companies, which are worked on low expense ratios and have large reserve funds accumulated over a long period of years.

It is a characteristic of fire insurance in Europe that the widest divergencies from English practice are to be found in France and in the Latin countries, whose history France has helped to write. In the European countries where Teutonic characteristics prevail, a line of practice has been evolved not very different from the English.

The French policy forms are typical of the forms in use in practically all the Western countries of Europe. Mr. Robertson thus describes them:

Each policy is made out in two or three originals, one for the insured, one for the company, and sometimes one for the broker or agent. By this means the "Policy Books," which are so familiar in our offices here, are un-

*Fire Insurance on the Continent of Europe. By A. D. Robertson. Transactions of the Insurance and Actuarial Society of Glasgow, Sixth Series, Number 11. C. and E. Layton, London.