Flour mills form another special class of risks with serious inherent hazard. There is the danger of explosion from dust; in improved flour mills, the old dust rooms are done away with and proper dust collectors obviate a great deal of the hazard.

The picker room in connection with woolen mills is a source of danger, and should always be isolated or well protected with metal lining, fire doors and steam jets. The carding room also possesses special elements of danger. Some foreign substance, possibly a piece of metal, may get into the carding machine, causing a spark to be struck, and general ignition to ensue.

Paper box factories, carriage manufactories, foundries, machine shops, brass foundries, clothing factories, paint works, malting houses, breweries and many other industrial establishments require careful inspection, as to their special inherent hazards.

ADEQUATE RATES.

Fieldmen should make themselves as conversant as possible with the principles and practice of the schedule rating of manufacturing risks. Statistics should be studied also regarding the premiums received on each class of risk, losses suffered, and causes of fires. The careful consideration of such statistics will help reveal to the inspector the classes of risks to avoid, the weak spots to be guarded against in those accepted, and will enable him to pass judgment of real value upon the adequacy or inadequacy of rates.

As to the exact form in which the report of an inspector should be rendered, much depends upon what a particular company requires. Some companies are satisfied with an exceedingly brief statement of salient facts, others require a detailed report giving occupacy, construction, management, rate, insurances and so forth. In any case, the duty of the inspector is to make a full and conscientious examination, as to moral, physical and inherent hazards, with close attention to construction, occupancy and fire protection.

ROYAL-VICTORIA LIFE.

The annual meeting of the Royal-Victoria Life Insurance Co. was held in this city, on March 27. The Directors' Report, which appears elsewhere in this issue, was unanimously adopted. The retiring directors were re-elected, so that the personnel of the company's strong board remains unchanged. The year's new business of about $850,000 was less than that of the preceding twelve months, owing, as the report points out, to the unsettled conditions in life insurance that existed in Canada during the year. Cash income, ledger assets and policy reserves all showed an increase during 1906, and the total security to policy-holders, including capital, is now $1,333,000.

General Manager David Burke, A.I.A., F.S.S., was able to make an announcement of a reduction in expenses of 7 1-2 per cent. on the previous year.

As already intimated, the necessary steps have been taken by the directors to obtain from Parliament powers to adjust the capital shares of the company, and in due course a by-law will be submitted to the shareholders for their consideration in this connection.

BANKS AND FIDELITY BONDS.

Bankers' Magazine Not in Accord With Views of Ex-President Cleveland.

Rather a novel view of the effect of fidelity bonds upon the conduct of officers and employees, says The Bankers' Magazine, was expressed by Ex-President Cleveland a short time ago in an article contributed to The Saturday Evening Post. He says:

"Can we say, in view of our observation and our knowledge of the facts and conditions, that this scheme of indemnification tends to make the officer or employee insured against any more honest, or the trustees and directors of the indemnified organization any more vigilant and attentive to duty? On the contrary, is there not reason to suppose that the officer or employee who has furnished a guarantee against loss through his wrongdoing has somewhat weakened his moral restraints, and so nearly placed the question of his honesty upon a business basis that temptation easily gains a hearing? And so far as trustees and directors are concerned, does not the fact that the institution they control is safely secured against losses through the dishonesty of subordinates reconcile them to an easy, perfunctory supervision, and a relaxation in the vigilance and alertness which is their bounden duty?"

It might well be doubted whether considerations of this kind materially affect the honesty of employees. If a man is disposed to be dishonest, the fact that the loss occasioned by his peculations will have to be borne by a surety company instead of by his employer can hardly cut much of a figure. He would be dishonest in either case. But the fact that the surety company looms up as a relentless prosecutor for his criminal deeds is known to have a powerful influence in preventing unfaithfulness on the part of employees. Often an employer, out of personal regard for an old and heretofore faithful clerk, or because of sympathy for his family, or an indisposition to undergo the annoyance of publicity, will refrain from prosecuting a dishonest employee. But the bonding company is not apt to be swayed by such considerations.

Instead of there being any lessening of moral restraints because of the bonding of employees, it would seem to be quite as reasonable to take the opposite view. When a bonding company assures the fidelity of an employee, it has, in a sense, given him a certificate of character—an evidence of belief in his trustworthiness. Can there be any stronger incentive to right conduct?

Whether the directors of an institution whose officers and clerks are bonded, will trust to such insurance as a means of protection, and relax their own personal supervision of affairs is another question. Perhaps it will be found, however, that the director who insists that officers and employees shall be bonded is precisely the one who may be depended on to be always vigilant in the discharge of his duties.