

not know that the courts of the United States have adjudicated a case like this in all respects, but cases involving the same principle have been decided upon substantially the same grounds, we believe. The same is true of the English courts.

A TROUBLESOME FIRE broke out in the hold of the ocean steamer "Grecian" of the Allan line of this city in mid-ocean the other day, and though temporarily subdued broke out at intervals afterward, being extinguished fully only on reaching its dock here last week. The cargo where the fire broke out consisted mainly of wool and linseed oil. As wool is plainly suggestive of spontaneous combustion, and oil is supposed to have a decided affinity for fire, the combination was one rather trying to the nerves of the passengers and menacing to the treasure chest of the underwriters. A good deal has been said, and to the purpose, of late about the stowing of cotton bales in ships' holds; but a little intelligent attention to the prevailing methods of shipping wool would be interesting and might prove profitable. Closely packed bales of this greasy commodity, away from light and air for a couple of weeks, are liable to performances not down on the programme.

WE SINCERELY HOPE that the rumored project for the formation in New York of a company to negotiate loans on life assurance policies is incorrect. The existence of such a company would only add to the demoralization of the business without any compensating benefit. The tendency is already too strong among policyholders to sign away their prospective inheritance for ready money to "tide over" some imagined hard place, or to engage in some seductively speculative enterprise. With a loan company loudly advertising for applicants, and by private circular inviting everybody to realize on their policies on a liberal basis and by easy methods, the temptation to do what only from stern necessity or soundest business reasons ought ever to be done will be greatly increased. Surrenders for paid-up policies will be more numerous, and litigation over questions of vested right will burden the court calendars. Besides, the companies themselves stand ready to loan to their policyholders, if needed, quite as much as any outside concern, organized to make money out of the transaction, can offer. There are quite enough side shows to the life assurance business already without the one proposed.

IN HIS ANNUAL report for the year ending April 30, last, Fire Marshal Whitcomb of Boston gives some very suggestive statistics on incendiarism and who are responsible for this evil. Something over 7 per cent. of the total fires are set down unmistakably to incendiarism, while a considerable portion of those classed as "unknown" are believed to belong to this category. It is stated that 72 per cent. of the incendiary fires were set for the purpose of obtaining the insurance, and that 54 per cent. of the incendiary totals were caused by Polish and Russian Jews; while 76 per cent. of the fires set for the purpose of defrauding the insur-

ance companies were by persons of the same nationality. Of the total fires on the premises of Polish and Russian Jews, 88 per cent. were insured. While of the fires on the premises of others than Jews 59 per cent. were insured. Marshal Whitcomb remarks that "it would seem as if these figures should carry their own lesson, to say nothing of the frequent warnings which have been heretofore given, and which have been based on reliable information in my possession of a nature so startling that its publication would at least put an end to insurance on this class of risks." These are significant facts, and cannot be wiped out in an airy paragraph or two by some shallow editor about the injustice of bringing the question of nationality into underwriting.

OUR ABLE CONTEMPORARY, the *Electrical, Mechanical and Milling News*, is very confident in its utterances concerning the growing willingness of the insurance companies to take electrical risks, asserting that "agents of companies who would not look at these risks a year or two ago are now canvassing for the business." This is putting it rather strongly, but unquestionably the decided improvements in the machinery and processes by which electricity is applied at present have been noted favorably by insurance men. There is considerable force in what our contemporary says about the superior safety of the electric light in flouring mills, establishments where inflammable vapor tends to accumulate, and buildings generally where light, fibrous material is handled, provided—and the proviso is of prime importance—the insulation of the wires is perfect and the isolation from other wires absolute. Electricity as a factor in the world's every day work has undoubtedly come to stay, and while we do not quite share the optimistic view of Mr. Villard, the noted railway manager, that every wheel on our railways will, during the present decade, turn in obedience to electric power, we believe its possibilities are great. The attitude of insurance should in the meantime be that of the critical observer, willing to be guided by clearly, and only clearly, demonstrated facts.

THAT THE PRESENT rule in use by the insurance departments of the United States and Canada, for fixing the reserve liability of fire insurance companies, is neither scientific nor just, seems to be a growing conviction among thoughtful students of underwriting. Actuary Harvey of the Missouri insurance department, in his paper before the recent convention of State insurance commissioners, a portion of which we reproduce in another column, states the case as viewed from the standpoint occupied by a good many men whose opinions are entitled to consideration. This view is that the character of the risk assumed and not merely the premium received is the true basis for the calculation of the reserve liability. If this can be shown to be the correct view, the troublesome question of how the insurance department is to correctly measure the risk assumed arises. What is the liability of loss on the several classes of risks?