and rates as low as fair business returns will permit, and that the fact that insurance funds are trust funds should be rigidly asserted and firmly maintained. I do not argue, and I do not believe, that any business can be made safe and honourable by legislation alone. I distrust rather than exaggerate dependence upon rigid statutory provisions and mechanical inspection.

"I have an abiding confidence in the essential fairness and sense of justice of the common people, if that term may be used without offence, and if insurance managers, instead of distrusting the press and the public, as is the habit of great corporations, will deal frankly with the people, use the press to inform Parliament and the public as to the exact character of their operations, and the sound reasons which lie back of their system, they will not be embarrassed by revolutionary enactments, nor lie under suspicion and censure which they do not deserve. Out of all the turmoil and confusion of recent months good will come, although harm may be done in the process. No great system like that of life insurance arises by accident, is based on principles essentially unsound, or is essentially unsound in its ethics and management. Moreover, if press or Parliament undertakes to prescribe regulations for life insurance or for any other great organized financial or corporate interest in contempt of the advice or experience of those who best understand its established laws and conditions, the result will be confusing and abortive. The function of Parliament is to regulate and protect, but not to destroy; the function of the press is to inform the people, and to clarify the public judgment in order that abuses may not continue, and as well that great mischief may not be done by empirical and revolutionary legislation."

COMPULSORY CLASSIFICATION OF FIRE RISKS.

An experience classification covering two hundred and fifty-eight different kinds of property risks, was recently asked from the fire insurance companies doing business in Minnesota. It is now reported, however, that Insurance Commissioner Hartigan is likely to modify his Department's unfair demands as a result of the representations made to him at a conference held a week or two ago, with leading fire underwriters. The end in view was the regulation of rates within the state upon the narrow basis of a short-time local experience. The inadequacy and unfairness of any such provision is manifest to anyone who reflects that the solidity of the system of fire insurance calls for careful judgment based upon a loss experience extending through a series of years and over a wide area of operation.

Doubtless, vast advantages would result from a general and scientific classification of experience, contributed to by all the companies. The attainment of such a desideratum would be a long step towards the hoped-for goal of fire insurance as a science. But to use a classification so limited and incomplete as that demanded by Minnesota is a proceeding that would seem farcical if it did not involve serious injustice.

United States Manager, E. G. Richards, of the North British & Mercantile Insurance Company responding to a request for information from a State insurance commissioner, said recently in this connection:

"The cost of insuring any particular class or classes in a single State would be no correct guide for fixing rates upon risks included therein, for it is inevitable that some classes will and do show a loss while others an apparently extreme profit, and the impossibility of regulating losses to premiums and therefore the impossibility of regulating premiums to losses makes this variable profit or loss impossible to regulate or avoid. Therefore, the making and determining of rates is necessarily one of broad average and not purely a local affair. What is true of States is true of classes. The experience of every company will demonstrate that a particular class may be profitable one year and unprofitable another, and so long as it is impossible for man to determine where, when and to what amount losses will occur, so long will it be impossible to so adjust upon any class or any community that the income will fairly cover expenses and losses and no more.

"To apply the average rate obtained from a classification in your State on dry goods stores to risks in the smaller towns as would be applied to such risks in St. Paul and Minneapolis would bring results that would be both unfair and create great dissatisfaction."

HONOURED BY FELLOW ACTUARIES.

On September 3, a complimentary dinner was tendered by a number of Toronto actuaries, managers and officers of life companies, to Mr. P. C. H. Papps, A.I.A., F.A.S., actuary of the Manufacturers' Life, and to Mr. C. C. Ferguson, B.A., A.I.A., F.A.S., chief clerk of the Canada Life's Actuarial Department. As already noted in these columns, these gentlemen are leaving Toronto in the near future, Mr. Papps having been appointed to the position of actuary to the Mutual Benefit Life Insurance Company of Newark, N.J., and Mr. Ferguson as actuary to the Great West Life Insurance Company of Winnipeg. Colonel W. C. Macdonald acted as chairman, and Mr. F. Sanderson, M.A., F.F.A., as vice-chairman. The only toast outside the usual one to the King was that to "Our Guests," Colonel Macdonald proposing the one to Mr. Papps and Mr. Sanderson the one to Mr. Ferguson, these being suitably responded to. Short speeches were made by Messrs. Robert Junkin, J. K. Macdonald, L. Goldman, A.I.A., F.C.A., T. Bradshaw, F.I.A., and Dr. J. F. W. Ross.