stained on its first test it will be strengthened by clearly stated, common sense definitions of terms, such as will remove all danger of disagreement in the future.

FIRE CAUSED BY LOCOMOTIVES

The appeal of the Central Vermont Railway Company against a judgment condemning them in damages in consequence of a fire caused by sparks from one of their locomotives, was dismissed on 23rd April by the Court of Queen's Bench, in Appeal. The case differs from others involving the question of the liability of a railway company for fire caused by locomotive sparks. The action in the first instance was brought by the Stanstead and Sherbrooke Mutual Fire Insurance Company against the Central Vermont Railway to recover a sum of money expended on properties at Waterloo damaged by fire, alleged to have arisen from above cause, the company having taken subrogations from the several policyholders The facts were well established as follows: On the 4th May, 1892, during a gale of wind, an engine of the railway company was engaged at Waterloo for a couple of hours in the station-yard shunting cars and helping to make up a train for its next trip. At one point in the track there was a "three-throw switch," which leads to detention of engine and cars passing it. This switch was at the foot of an up grade, so that extra power was required to force the engine and its load past this point, which was 70 feet distant from a barn. Witnesses swore to having seen sparks thrown from the engine smokestack to such an extent as to cause them to remark that the barn was in danger, as it was in a direct line along which the gale carried the sparks. This barn caught fire, and it and an adjoining house were consumed in less than twenty minutes. From these premises the fire spread, causing a serious destruction of property. The railway company put in the plea, that their locomotive was fitted with proper guards to prevent the escape of sparks, that however was of no avail against proof that sparks were seen escaping It was urged that the barn which started the conflagration was not insured, and the damages done to other properties by fire were not caused by locomotive sparks, but by the fire at the barn. The judgment of the Court on this point was as follows

"Authorities have been cited for and against the enforcement of damages thus caused. Apart from the weight to be attached to the decision of the Court, in the case of Quebec Fire Assurance Company vs. Molson et al., L.L.C.R. 223, in which the persons causing the first conflagration were held responsible for its subsequent extension, a principle distinctly confirmed in the same case by the Privy Council (although they reversed the judgment in appeal upon another point), we are of opinion that upon general legal principles, the liability for the direct consequences of the first act, or negligence, must attach to the person committing such act or negligence, unless he establishes an exemption from or limitation to such liability, in other words, that the presumption of liability is against him, and that he must be held to the consequence unless he establishes affirmatively such exemption or limitation, which in the present case we do not think has been done."

That a gale of wind was blowing when the fire broke out, which the railway company urged to lessen their responsibility for the fire extending, was held by the Court of Appeal to be rather an aggravation of their fault, as it was apparent to the railway employes, when they fired up the engine so as to cause an emission of sparks at a place near a wooden building. In the case of the Canada Southern Railway Company *vs.* Phelps, it was laid down, "that there must be some point where, in a fire spreading from house to house, the liability of the defendant ceases, even though their negligence be the cause of the first fire." In the Phelps case the Supreme Court held that such limitation had not been established, so in the one under review, the Court of Appeal decided that no such principle of limitation can be invoked as applying to the facts under consideration. The appeal of the Vermont Railway Company was therefore dismissed with costs; the indemnity claimed by the Stanstead and Sherbrooke Fire Insurance Company will have to be paid.

REBATING AND THE REBATER.

Written for the INSURANCE AND FINANCE CHRONICLE *by Wm. T. Standen, Actuary.*

As we complete page after page in the memorable history of life insurance, the contemplation of the record of this beneficent institution furnishes those who are able and willing to read between lines, the most indisputable evidence that common-sense and prudent business methods revolt against the pernicious practice known as "rebating." It is the scandal of modern life insurance; the one blot upon an almost stainless escutcheon; and those who profit by even the most superficial examination of contemporaneous records cannot and may not stop short of its absolute and unqualified condemnation. Would that we could read in these same records, with equally unerring accuracy, the speady death warrant of the abuse which undoubtedly is directly answerable for most of the evil to which life insurance, as a system, is subjected. Personally, I believe that the time is now fully ripe for the most determined effort to stamp this abuse under foot, and to visit with condign punishment those who, in defiance of all instruction to the contrary, and despite all principles of right and justice, persist in its continuance. It behooves all honest and upright life insurance officials to cease the time serving and temporizing policy with which they have hitherto treated this evil, and to put themselves squarely on record in favor of such equitable and honorable methods as are inconsistent with rebating and its ramifications.

Rebating did not have its origin, nor can it even now boast of existence, as an original and independent abuse, per se, but is the logical outgrowth of an evil for which the life companies themselves are responsible the ill-adjusted basis of compensation of the agents. As soon as this fact is recognized and acknowledged, it becomes apparent that the officers of the companies can no longer justly repudiate their own responsibility, or throw all the blame for it upon their agents. They themselves are at least guilty of con