

Monetary Times

Trade Review and Insurance Chronicle
of Canada

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THE ALLIES' LOAN

Whenever a loan of consequence is made, the terms are criticized. The price of the Allies' accommodation of \$500,000,000 in the United States, 96 to the underwriters, 98 to the public, and interest at 5 per cent., is obviously substantial. But these are days of extraordinary events; times when it is impossible to do business in ordinary routine fashion or at everyday figures. Those who place the Anglo-French bonds in the United States will earn their commission. Great Britain and France will have the necessary credit at their disposal on this side of the Atlantic. Exchange conditions will be steadied; in other words, trading between these countries will be able to proceed without the hindrance of jack-in-the-box tricks of sterling exchange and its gamblers. In addition, this immense credit of \$500,000,000 ties up the sympathies of a goodly section of the United States with the business, the hopes, struggles and ambitions of the Allies. The terms of the credit, therefore, while substantial, are necessary. We may be sure that the distinguished and capable Anglo-French commissioners made the best possible arrangements on the best possible terms.

These details, however, in this particular instance, are comparatively unimportant. The outstanding fact is the strength of Anglo-French credit, British credit naturally being the real backbone of the transaction. No other warring nation could negotiate such a loan in the United States, no matter what terms were offered. Germany tried a small loan there of \$10,000,000 early in the year as a sort of "feeler." It was a sad fizzle and was finally taken up by hyphenated sympathizers. The Allies' loan in the United States, after making due allowance for French assistance, is another tribute to the substance of British credit. It has stood firm, like the Rock of Gibraltar, buffeted by the financial and economic winds and waves, in the most troublous seas of history. Nothing has shaken British credit. Nothing can shake it. That fact is known equally well by every Britisher, Yankee and German alike. The pound sterling can still hold up its

head and will be recorded in history as the most important monetary unit helping to fight the world's battle for honor, right and civilization.

Great Britain and France have not borrowed in the United States because they need money. They have effected this credit arrangement in order to stabilize exchange and allow the volume of trade across the Atlantic to proceed without disturbance. As James J. Hill said in a recent interview, the loan is of just as much importance to the United States as it is to the Allies. It is the medium, for buyers and sellers who wish to trade, to do business without obstacles. Great Britain's first foreign loan is another omen of British determination.

UNIFORM LEGISLATION

When provincial governments think less of provincial rights and more of the business welfare of the entire Dominion, an effort will be made to have more uniform legislation. The laws of nine provinces, conflicting in so many fields, are a curse to Canadian business. The lack of uniformity in legislation costs Western Canada alone several millions of dollars annually. No matter what particular line one cites, there exists the same mixture of legislation. There is, for instance, considerable diversity in the laws of some of the provinces, relating to the position of beneficiaries of life insurance policies and the rights of the assured in disposing of the benefits of a life insurance contract. In some cases the legislation is quite incomplete. This frequently results in confusion, inconvenience and occasionally in litigation, making apparent the advantage that would accrue to the insuring public and the life insurance companies, were the laws of the several provinces in accord.

The government of Saskatchewan has recognized the value of uniform provincial laws bearing on the business of life insurance, as evidenced in the recent enactment of insurance laws that are practically identical with those of Ontario.

As a result of assiduous and careful attention to the legislative needs of the great and growing interests affected, Mr. Charles Ruby, secretary of the Mutual Life of Canada, pointed out in a recent address that Ontario may be said to have the most enlightened legislation dealing with the life insurance business or, at any rate, dealing with the subject of beneficiaries. Outside of the statutory provisions enacted in Ontario, legislation, bearing on the status of beneficiaries and the rights of the assured in disposing of the benefits of a policy of life insurance, appears to have followed the principle expressed by Bliss, at a time when the life insurance business was in its formative period: "We apprehend the general rule to be that a policy and the money to become due under it belong, the moment it is issued, to the person or persons named in it as beneficiary or beneficiaries, and that there is no power in the person procuring the insurance, by any act of his by deed or by will to transfer to any other person the interest of the person named. An irrevocable trust is created."

This states the position of beneficiaries in common law and while the principle may wisely be applied to the immediate dependents of the assured it will probably be conceded that, outside such special (or "preferred") class of beneficiaries and beneficiaries for value, the assured is justly entitled to unrestricted action in dealing with a benefit that is created and sustained by himself. The latter, Mr. Ruby says, is unquestionably the view of the