

# The Chronicle

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### Dominion Insurance Legislation Deferred.

THE recent announcement of Hon. R. W. Scott, Secretary of State, to the effect that the Government is not likely to introduce insurance legislation this session, did not come as any very great surprise, in view of the fact that the report of the Royal Commission had not yet been rendered. Sir Mackenzie Bowell, in commenting upon Mr. Scott's announcement to the Senate, considered it an unfortunate matter that there would be no insurance legislation this session. He believed that in view of impending changes in the law, many men who intended to insure were holding back, and that, therefore, both their interests and those of the life companies would suffer by delay. Be this as it may, the deferring of action gives at least one opportunity of which the companies should avail themselves, namely, the most thorough watching for the direct results and also the aftermath of insurance legislation in the United States. That certain enactments most ill-advised are being pushed in many States is already clear to careful students of insurance affairs. But the public—and many of our own legislators—may not be in a position to judge beforehand as to the ill effects of "half-baked" laws. There will be direct value, therefore, in strongly bringing to their attention during the next twelvemonth all practical disadvantages to the insuring public that arise from mistaken insurance legislation.

### The Functions of Government.

JACOB G. Schurman, the Canadian-born president of Cornell University, has recently expressed some views on "Individualism vs. Socialism" which might well be considered by those who would extend government supervision of insurance companies to cover minute details rather than broad principles.

"For my own part I will add that the presumption is always against any extension of the functions of government, as government is already overburdened and the men who conduct it are not equal to the growing task, being neither demi-gods nor heroes, but mere human beings, little, if any, above the average of their fellows either in ability or character. No fallacy is more pernicious than the complacent assumption that a problem is solved when the task of solving it is put on the President or Governor, Congressman or Assemblyman, or some lower official of their selection or appointment. The State is not a wise, benevolent, and all-powerful earthly Providence. Concretely realized the State for us is President Roosevelt, Senator Platt, Governor Hughes, Mr. Murphy, and a number of other political leaders and public officials of similar or inferior standing and influence."

### Secretary Shaw on the Currency.

NOT an inadequate volume of currency but "a want of responsiveness in the circulating medium" is the root of the currency evils from which the United States suffers. So stated Secretary of the Treasury Shaw last week in his speech at the Missouri Society dinner. He went on to point out that a currency which does not contract when money is plentiful and cheap fails also to expand when money is scarce and dear. A bond secured currency, such as the United States possesses, tends to contract as interest rates advance, and conversely to expand as rates decline, these tendencies being natural effects of bond market trends. A credit currency, the Secretary acknowledged, is "the only elastic currency known to man." But going thus far in theory Mr. Shaw balks somewhat at what he holds to be practical difficulties in its full application. A system which he admits as working admirably in Canada with its three dozen or so branch-system