

sent Nova Scotia powers-that-be, excellent work will have been done in creating discussion and stimulating public interest and in preparing the way for future action along the right lines. Mr. Wentworth, whose able presentation of the case for fire prevention to the Nova Scotian municipalities has already appeared in our columns, on Wednesday was at Ottawa, placing the matter before the Canadian Manufacturers' Association in equally effective way. Extension of the activities of the National Fire Protection Association to Canada will be cordially welcomed by those who are already at work in this field in the interests of a reduction of the fire waste.

COMBATting FRAUDULENT INSURANCE PROMOTIONS.

A letter in the Spectator of New York from the president of a life company in the Middle West calls attention to the harm which is being done to life companies of substance and repute and transacting a thoroughly legitimate business by the activities of the unscrupulous promoter and stock salesman, operating in insurance promotions whose sole reason for existence is their capacity for putting money into the pockets of those responsible for their inauguration. In four years, Ohio alone, says this correspondent, has contributed five million dollars to the unscrupulous Canada, up to the present we have been fairly free from dead loss due to mismanagement, so that there are now in that state ten thousand disappointed stockholders, holding a fragment only of value representing their original investment in life insurance and securities companies' stock.

Within recent years, there appears to have been something like an epidemic of insurance promotions of a loose or questionable character in the United States, so that the figures given by this correspondent, though large, are not altogether surprising. Here in Canada, up to the present we have fairly free from the pest of the undesirable promotion in the insurance business. But one or two incidents which have lately occurred suggest that the undesirable and undesired insurance promoter is not wholly indifferent to the attractions of the Dominion as a field of operations. Unfortunately the supply of those who fall an easy prey to the wiles of the promoter of this type has never yet given out, and apparently never will give out, however numerous the agencies of warning or education and, however apparently effective their work. So that the only really effective and practical method of laying these gentry by the heels is through the agency of the law.

It seems highly desirable that the reputable insurance organisations themselves should lend a willing hand in putting the unscrupulous promoter out of business permanently, if for no other reason than that it will be in their own interests to do so. The matter

affects equally both fire and life companies. Every flaring newspaper 'roadside, in which for the purposes of stock selling, the figures of old-established fire companies are used in a misleading way to suggest that enormous profits accrue as a matter of course to the fire underwriter, is a potent argument with a large number of people that fire underwriters are making a too-generous profit out of their business, and that in default of rates being lowered voluntarily, they should be lowered compulsorily. In many cases, where an idea once acquired is clung to with Anglo-Saxon tenacity, it will be practically impossible to drive home the real facts afterwards. Or take the case of a man who finds when his house burns down, that his policy is not worth the paper it is written on. He is likely enough to include for a long time afterwards every fire insurance organisation under the sun in one sweeping condemnation as "all frauds."

Again, a man who has been landed with a parcel of life insurance stock, on unreasonable suggestions of anticipated profits, or has been induced to take a policy in a mismanaged company that likely enough goes into liquidation, is probably for ever afterwards a bitter enemy of life insurance. "Once bit, twice shy," and the man who has been once "stung," is not likely to be in a hurry to get his name "on the dotted line" again, however excellent the policy in however substantial a company that is offered him. Neither is he likely to suggest the advantage of life insurance to those over whom he has any influence.

At the recent American Life Convention at Chicago, Insurance Superintendent Fred. W. Potter of Illinois, advocated strongly the supervision of insurance promotions as well as of insurance companies and appealed to the members to assist the commissioners in securing the enactment of the Kansas "blue sky" law in every state for the regulation of promotions. The convention took this matter up and subsequently passed a resolution in favor of the "blue sky" law. Manitoba's act for the regulation of stock-selling is a Canadian version of this law. While the details would naturally require careful consideration, it would seem that any forward movement in Canada for the better supervision of promotions, and especially insurance promotions, should be strongly supported by the sound companies both in their own interests and as a contribution to the general well-being of the business.

Brandon's fire hazard from faulty electric wiring necessitated the fire underwriters making a surcharge on insurance rates some time ago. As a step towards remedying matters, the City Council is to appoint a new and competent city electrician. Already, as a result of the resignation of the former electrician being accepted, the underwriters have cut out the 15 cent rate recently added to the preceding ten cent increase, and the latter item will also be cut out as soon as a certificate is issued by a competent city electrician yet to be appointed by the council.