

LOAN COMPANY LAW.

RECENT AND CONTEMPLATED CHANGES—NEW TAXATION PROBABLE.

At a recent meeting of representatives of the Ontario loan companies under the presidency of Mr. R. S. Hudson, of the Canada Permanent Mortgage Corporation, Mr. Hudson gave an informing review of recent and prospective legislation affecting loan companies. He said in part:—

As foreshadowed last year, the Minister of Finance has prepared two bills relating respectively to trust companies and to loan companies, which are now engaging the attention of the Committee on Banking and Commerce. As had been assumed, while some sections of these bills are made applicable to all companies which have been incorporated by the Dominion, the main purpose is to provide a model charter for future companies seeking Dominion incorporation. I think it will be generally admitted that the object aimed at is a most desirable one, and also that the legislation proposed by Hon. Mr. White is of a character well fitted to safeguard the interests of the public as well as of all legitimate and conservatively managed companies. Your committee suggested a few slight amendments which I may say the Minister has received in a friendly spirit and to which he has promised careful consideration.

LEGISLATION OF PROVINCES.

Among the measures promised at the present session of the Ontario Legislature is a bill which the Provincial Treasurer is expected to bring forward for further supplementing the revenue. Whether the already inequitable and, as we believe, unjust basis of taxation of land mortgage companies which Ontario alone has enforced, is proposed to be modified, we have been unable to ascertain.

During the past year the Alberta Legislature has amended the Corporations' Taxation Act and has fixed the taxation of loan companies on the same basis as Manitoba, namely, one-half of one per cent. on the gross income from investments in the Province. As introduced, the Bill was much more exacting, but strenuous opposition on the part of the local manager of the Canada Permanent and representatives of some of the other companies lending in that province, secured its modification.

SASKATCHEWAN'S ATTITUDE.

On the other hand, in the Province of Saskatchewan, which in the past has been productive of so much legislation regardless of the interests of mortgagees, the efforts of the representatives of some of our companies were productive at the last session of the Legislature of some important modifications of laws previously in force. The Seed Grain Act has been amended, so that the charge will not in future take priority of a mortgage, but the municipality furnishing the seed will have a first lien on the crop for which the seed was furnished, and in the event of the failure of that crop the lien is extended for one year. The Noxious Weeds Act has been so amended that the charge cannot exceed \$1.25 per acre, or a maximum claim of \$200 against a quarter section. A most important measure of justice has been done to mortgagees in the matter of mechanics' liens, which will rank according to priority of registration, and will no longer take precedence of a previously registered mortgage.

The disaster which has overtaken some of the weird and extraordinary creations of British Columbia Orders-in-Council "trust companies" has led the Attorney-General of that province to bring down another bill for the regulation and inspection of trust companies, which, if adopted and if found to be possible to put into intelligent and effective operation, should do much to correct a state of affairs which has been and is fraught with much danger to the communities in which these speculative institutions are operating.

MONTREAL LIFE UNDERWRITERS: ADDRESS BY MR. L. GOLDMAN.

The usual monthly meeting of the Montreal Section, Life Underwriters Association, was held on Monday, 23rd inst., with the President, Mr. Geo. E. Williams, in the chair, and an attendance of forty-four.

The speaker of the evening was Mr. L. Goldman, managing director of the North American Life Assurance Company, who kindly came from Toronto to address the meeting.

In commencing his address, Mr. Goldman dealt with the origin and early history of life assurance, going back some three centuries. He referred to the Amicable Society in England as the oldest life company. This society was reinsured by the Norwich Union owing to loss of invested funds, but all policyholders had their claims paid.

The oldest living British company was the Equitable of London, founded 1762, purely mutual. This Company had never employed any agents or paid any commissions. The business in force now amounted to \$43,000,000, with assets of \$28,000,000. It was at one time double its present size. While it had always been managed on perfectly sound lines, and had always given first-class returns to policyholders, yet the trifling amount of business done stood as a monument to its failure to adequately serve the people without employing agents.

An interesting fact brought out by Mr. Goldman, was the lower mortality prevailing among total abstainers from liquor as compared with moderate drinkers. This was proved by the experience of the United Kingdom Temperance and General Society, whose mortality among abstainers was 80 p.c. of that among moderate drinkers; the figures were based upon 70 years experience.

NO CANADIAN POLICYHOLDER EVER A LOSER.

Coming to Canada, Mr. Goldman emphasized the fact that no Canadian policyholder has ever lost a dollar through the failure of any regular life assurance company. He showed the benefit derived by policyholders from their right to guaranteed loans, available in times of commercial distress; and he drew attention to the popular misconception that lapses were a source of great gain to the companies, pointing out that usually they mean a loss.

Then, taking up the work of the agent, Mr. Goldman related reminiscences illustrating the agent's need of courage and resource, and dealt with the wonderful improvement in the conditions surrounding his work.

At the conclusion of his address, Mr. Vipond moved a resolution of thanks to Mr. Goldman, which was enthusiastically adopted. The meeting then adjourned.