

NEW GENERAL MANAGER OF THE MOLSONS BANK.

It is stated that Mr. E. C. Pratt will be the new general manager of the Molsons Bank in succession to the late Mr. James Elliot. The latter gentleman had intended to retire at the close of the year, and Mr. Pratt, it was generally understood, would be his successor. Mr. Pratt was for a number of years in the service of the Molsons Bank, making a notable reputation among bankers and was Montreal manager when he left to take the managing directorship of the National Breweries, Ltd. About a year ago he re-entered the Bank's service as Montreal manager and assistant general manager. Mr. Pratt is widely esteemed as a conservative and experienced banker.

INSURANCE NOT COMMERCE.

The Supreme Court of the United States has again put a blight on the contention that insurance is commerce, and thus spoiled the hopes of the advocates of Federal supervision. Very much interest has been felt the past three years in the progress of the test case instituted by the New York Life from its dealings with Deer Lodge County, Montana, and there have been strong believers, like the astute president of the insurance company, that the sixty-year-old fiat in the Paul and Virginia case would now be overthrown. The present case was certainly as strong a one as could be made, and it did win the approval of two of the members of the court of nine justices. But the majority held that, as insurance is not commerce from the point of view of the constitution, the court could not interfere with the action of the Montana county authorities in taxing the premium receipts of the company. In other words, this majority reaffirmed the decision of the court in the original case, in which fire insurance companies were specially interested; in a later case, of Hopper against the State of California, which affected marine insurance, and in the still later case of the New York Life against Craven, wherein it was held that life insurance is not an interstate commodity. In the face of all these previous decisions it was declared that the Supreme Court did not feel that it could reverse its opinion. It should be understood that this position is wholly independent of the question whether Federal supervision of insurance is not more desirable for the insurance business than supervision exercised over non-domestic companies by forty-eight States. There can hardly be a dispute that one source of government is less harassing and less expensive than many. That the fight for the one supervisor will be kept up is already proclaimed by its champions. It is difficult to see, however, how expectation of Federal supervision in many years to come can be justified. There can be no hope of the success of a constitutional amendment declaring that insurance is interstate commerce, and therefore independent of the control of individual States, because the States would not relinquish their rights of regulation and taxation, even were it possible for such an amendment to be proposed by a Congress composed of the representatives of the States. Thus both avenues to Federal supervision are closed. We must wait for the dominance of centralization in the United States.—*Weekly Underwriter.*

REGULATION OF UNITED STATES LIABILITY COMPANIES EXPENSES.

Referring to the recent conference at Chicago for the determination of "a fair maximum total expense ratio" for the liability companies, a strenuous protest has been made by the Aetna Life of Hartford through Vice-President J. Scofield Reeve, who writes:—We suggest that the proper amendment of the present liability loss reserve laws so as to require all companies, regardless of the length of time they may have been in business, to set aside at least 60 per cent. of all liability premiums and at least 66 2-3 per cent. or 70 per cent. of all workmen's compensation premiums to protect its obligations for future losses, will automatically and of necessity enforce a reasonable limitation of all underwriting expenses.

Since there are only 100 cents in a dollar, and if all companies are required to set aside, say 65 cents of that dollar as a loss reserve, which loss reserve is to be maintained for at least five years, it must be true that the companies will then have left only 35 cents from each dollar out of which to pay taxes, the cost of inspections, commissions and all other acquisition and underwriting expenses.

NO OCCASION FOR EXPENSE LIMITATION.

Under the circumstances we respectfully submit that a proper amendment of the present Liability Loss Reserve Law, which we understand is now being considered by a committee appointed at the last convention of Insurance Commissioners, will effectively enforce a reasonable limitation of expenses, and that there is no occasion or warrant for an expense limitation based on a percentage of premiums being fixed by law or departmental ruling.

We furthermore respectfully submit that all important requirements of State supervision will have been fully met if (a) all companies are obliged to comply with all legal requirements as to the maintenance of adequate capital free from impairment, (b) all companies are required to charge adequate rates, such rates to be based upon all available experience; (c) all companies engaged in this or any other class of insurance are required to set aside and maintain ample reserves for the protection of their obligations to policyholders; (d) the principle of fair and open competition is maintained.

The enactment of any law or the enforcement of any departmental ruling designed for or having the effect of stifling fair and open competition, whether such competition be for the purchase of salesmanship and underwriting ability, or whether it be competition in the matter of service or superior advantages that may be offered to policyholders, can only operate to injure and retard the legitimate and healthy development of the business.

The Merchants' Bank has established a new branch at St. Catherine's Ont., under the management of Mr. George Carruthers.

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The Commercial Union Assurance Company, which already had a working agreement with the Liverpool Victoria Insurance Corporation, is now absorbing that company, says a London message, and will carry it on as the Liverpool Victoria branch of the Commercial Union.