

HOW NOT TO CORRECT EXCHANGE.

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terest received from these investments and these remittances are included in the totals above. The facts are easily ascertainable from the Dominion insurance departments' blue books. So far from the companies having deprived the Dominion of funds, they have in fact furnished large amounts of funds from abroad for the Dominion's development and expansion, besides making available for investment through their activities, Canadian funds which under other circumstances might not have become thus available. This applies particularly to the life insurance companies, who are naturally the more concerned with investment in proportion to the business transacted. The companies realise keenly enough that they would be placed at a great disadvantage were they not able to show their Canadian policyholders that the premiums collected from them are invested in the country and not sent out of the Dominion for investment elsewhere. The companies also are not so foolish as to overlook the fact that the interest rates ruling in Canada are, broadly speaking, higher than those elsewhere, certainly than in Great Britain or in the United States. Practically, the only fact which Mr. Patterson could quote in support of his view is that foreign insurance companies are allowed to deposit certain foreign securities at Ottawa. But the amount so deposited is not large in proportion to the whole, and while there is a good case for the restriction of these deposits at Ottawa to Canadian securities it is at least arguable that action of this kind would tend to prejudice Canadian companies in some of the States, where restrictions on the character of deposits are not now in force.

The Fire Insurance Position.

"Insure with Canadian companies," says Mr. Patterson. An admirable sentiment, but nothing more than that. So far as fire insurance is concerned, the existing Canadian companies can only take care of a mere fraction of Canadian business—and a good many of these Canadian fire companies are subsidiaries of the big British companies. Mr. Patterson would doubtless say that a pronounced demand by the Canadian public would create the supply in due course, but we are not so certain that it would. The history of Canadian fire insurance is not encouraging from the point of view of the average investor. Where success has been achieved, and it has been in some instances, though in few proportionately, it has been usually due to the underwriting ability of one man. As Canada develops, purely Canadian fire insurance companies will doubtless develop with it. But the United States, which is a good deal farther along the economic road than Canada, still has to depend largely upon foreign, mainly British, fire insurance companies. Even at this time domestic enterprise in fire insurance in the United States is wholly insufficient to meet the immense needs of the country for fire protection. The risky business of fire insurance has not been and is not sufficiently attractive to domestic capital, which finds safer and more remunerative investment elsewhere. The same phenomenon will

doubtless appear in Canada, as the country develops. New Canadian insurance ventures will be undertaken from time to time, but they are not likely to be even in proportion to the growing needs of the country for fire insurance protection. The simple truth is that for a century to come Canadian business will not be able to get on without foreign fire insurance companies and particularly the British companies, and any remittances abroad arising out of their operations here will be as much a primary and necessary charge as remittances to cover any other interest charges on capital borrowed abroad. The only way in which these remittances, very moderate in amount in proportion to the services performed, be it noted, is one which Mr. Patterson would probably not be anxious to advocate, and is certainly not practical, the making of fire insurance in the Dominion, a Canadian Government monopoly without any re-insurance of risks undertaken.

This matter would not have been worth so lengthy discussion had the foolish suggestion with which the article opens been made by some irresponsible individual. But the case is different, when a person of Mr. Patterson's authority in his own particular field addresses in this strain, the whole Canadian banking community. Under such circumstances, the facts need to be clearly set forth in order to correct a mischievous impression. There are ways and means of minimising and adverse exchange, but Mr. Patterson's present suggestion is decidedly not one of them.

CANADA'S ANTI-LOAFING LAW.

Canada's Anti-Loafing Law has been in operation since the early in April and every male person over sixteen and under sixty years of age, unless a bona fide student, or physically unfit, or reasonably unable to find employment, must be engaged in some useful occupation.

In Canada the most essential industry at the present time is agricultural. Food production is a necessity of the summer of 1918 and the saving of the harvest is the necessity of the present moment. More than 65,000 able-bodied men, in addition to the men already employed on the land such as the soldiers of the soil and the boys and women of other organizations, will be needed to save the crops this season. There is no room for loafers; no time for idlers and there should be no mercy for tramps and mere pool-room sports.

The loafers and merely nominal workers of the North American Continent have fallen upon evil days. Both in Canada and the United States, the law has now set its face severely against them. On July 1st the United States Federal Order, as drawn up by Provost Marshall Enoch Crowder, went in effect. All men of draft age, that is between the ages of eighteen and fifty have now to be engaged in some productive employment or get into the army. This Federal Order is being re-enforced by anti-loafing laws, enacted by the State Legislature.

Mr. Thomas Chitty, Sault Ste. Marie, Ont., representing the Palatine and other companies spent a few days in Montreal this week visiting his head offices.