ABOUT WORKMEN'S COMPENSATION.

An editorial in the Toronto *Globe* dealing with the subject of workmen's compensation administration in Ontario illustrates the prevalent tendency to blame insurance companies for something for which they are not responsible. "Although the cost of workmen's compensation in Ontario may be somewhat heavy," says the *Globe*, "and the Governmental weakness of an overmanned staff may be developing, the system is incomparably better than the superseded method of wasteful litigation between the short purse of the injured workman or bereft dependents and the long purse of the insuring company." The obvious suggestion is that the insurance companies were to blame for the old condition of affairs, whereas in fact they were no more to blame than the *Globe* itself—perhaps less. Any blame for the unfairness of Ontario's old-fashioned liability laws to workmen lay with the Government which let them remain in force. The insurance companies were merely transacting business under the law as they found it, as they would have transacted business under a modern Act as they found it, had they been permitted.

This error is at the bottom of a good deal of the Government monopoly of workmen's compensation sentiment which is afloat in Canada at the present time. There is an idea in many minds that any modern scheme of workmen's compensation is incapable of being worked by insurance companies—that the only possible method is to have a Government monopoly. It is curious that at this time, this essentially Prussian idea should have taken such hold in Canada, while the fact that in Great Britain and in various States of the Union, insurance companies are actively transacting business under workmen's compensation legislation on the most modern lines is overlooked. Possibly, Manitoba's new experiment will have some effect in combatting the State monopoly idea. Under the Manitoba scheme insurance against workmen's compensation is compulsory upon employers, the insurance being taken by approved companies whose rates are subject to Government approval while compensation is paid to employes through a Government commission. While it remains to be seen how this scheme will work out in practise, it is obviously an improvement at the start on the policy of confiscation and monopoly followed by the Ontario Government.

Insurance men will note with interest the admission by the *Globe* that the evil of over-manning is developing in connection with the administration of Ontario's Government monopoly of workmen's compensation. Over-manning means a political, inefficient and wasteful administration, it means that employers will pay in assessments more than is really necessary; in short, that this grandiose scheme is already beginning to show its weaknesses. They will become plainer as time goes on.

TERMS OF THE WAR LOAN.

The prospectus of Canada's second domestic war loan was issued on Tuesday, and is published on another page. The loan is of $100,000,000 15-year 5 per cent. gold bonds (denominations $100, $500, $1,000, $5,000) maturing 1st October, 1931, issue price 97½. Interest payable, 1st April and 1st October, a full half-year's interest being payable on 1st April, 1917. Subscriptions are payable 10 per cent. on application, 30 per cent. on the 16th October and 15th November respectively and 27½ per cent. on 15th December. Instalments may be paid in full on the 16th October or any instalment due date thereafter under discount at the rate of 4 per cent. per annum.

It is stated in the prospectus that the total allotment of bonds of this issue will be limited to $100,000,000 exclusive of the amount, if any, paid for by the surrender of the War Loan bonds issued last November. Holders of the old War Loan bonds have the right to turn in their bonds as the the equivalent of cash subscriptions to the new issue at 97½ plus accrued interest.

The yield of the loan at the issue price of 97½, allowing for redemption, is 5.33 per cent. This yield is slightly increased by the fact that a full half year's interest is payable on 1st April next although the final instalment of subscription money is not due until December 15th next, while payment of the full amount under discount on October 16th would further increase the yield.

The $100, $500 and $1,000 bonds will be either bearer bonds or registered as to principal as desired, both having coupons attached, and $1,000, $5,000, and any authorized multiple of $5,000 fully registered bonds will also be issued. Interest on both classes of bonds will be payable free of exchange at any branch of any chartered bank in Canada.

The issue will be exempt from taxes—including any income tax—imposed in pursuance of legislation enacted by the Parliament of Canada.

The subsciption lists will close on or before 23rd September.

The principal differences between the present loan and that issued last year are the duration of the bonds—15 years instead of ten years—while it is specifically stated in the present prospectus that principal and interest are payable in gold. The loan issued last year has not this assurance. The instalment period of the last loan covered five months while the present loan must be paid up in three months.

THE DOMINION'S DEBT.

At the end of August the net debt of the Dominion had increased to $658,621,270, a growth of $23,417,356 during the month and of over $176,000,000 during the last twelve months. The net debt at the end of last month was approximately double what it was at the outbreak of the war.

Temporary loans at the end of July were up to $242,252,380, against $226,340,351 in the previous month.

Foreign loans negotiated in the United States since the outbreak of war two years ago aggregate $1,764,950,000. Of these, borrowings by England, France and Russia aggregate over $1,000,000,000 and Canadian borrowings about $250,000,000.