

STATE PATERNALISM IN LIFE INSURANCE.

Owing to Germany's experimenting in state insurance, and to various other leanings towards "paternalistic socialism," it would be natural to suppose that private insurance enterprises would be arbitrarily hampered in that country. That this is scarcely the case has been made interestingly clear by Mr. Frederick L. Hoffman, statistician of the Prudential Insurance Company, in a paper read at the recent Insurance Commissioners' Convention in Richmond, Va. In treating the subject of Government Regulation of Insurance in Germany, Mr. Hoffman made evident that insurance legislation in that country, as also in Switzerland and Austria, has in large measure solved the problem of a working compromise between a let alone policy on the one hand and a too restrictive policy on the other. Much freer play to company enterprise is given under German conditions than is allowed, for instance, under recent New York State enactments. And so satisfactory on the whole, is the practical working out of the system said to be, that Canadian law-framers will do well to lift their eyes for a little from their rote-learning of repressive Armstrong enactments.

The Standard of Boston remarks in a brief comparison of legislation in New York and Germany: True, that the German government takes effective measures to ensure the absolute solvency of the companies; that it refuses even to allow new organizations to transact business if the plan upon which they propose to transact it is likely to end in failure, and that it requires such publicity of the companies' transactions as is sufficient to show their financial condition and any extravagance in management. But there its paternalism practically ends. Companies are not compelled to make public such details of their business as may serve for misleading comparisons; are not restricted to certain standard forms of contract; not restricted as to commissions paid to agents; not restricted as to the issue of participating or non-participating forms; not restricted as to dividends which may be paid to stockholders, so long as the dividends are earned. They are not even restricted as to mortality tables and rates of interest to the same extent to which American companies are. Managers of German companies, the greater number of which are stock organizations, are supposed to be able to conduct their business without government interference with every detail of company management, and German policy-holders supposed to have sufficient intelligence to be able, from the imperial department's reports, to select the company likely to give them the best return for their money.

To adapt to this country the words of our esteemed Boston contemporary regarding its own, one may well ask: Are Canadian managers and Canadian policy-holders inferior in business ability and intelligence to the Germans? Not a little of the life insurance legislation recently proposed for the Dominion is apparently based on some such inferiority.

SECURITIES ISSUED DURING 1907.

With existing restriction in available capital, the last three months of 1907 are likely to add much less than usual to the year's total of security issues, both in America and Europe. Indeed, the month of September showed a distinct falling off, in the United States' showing. But aside from any increases between now and the close of December, the year's aggregate is bound to be a remarkable one. For the United States alone, it is estimated that during the nine months since January 1, the authorization of securities has been well on to \$2,000,000,000—half a billion greater than the corresponding showing of last year. This includes municipal bonds, but is exclusive of Government bonds. Owing, however, to increasing difficulty in obtaining money, only about sixty per cent. of this vast amount has actually been issued. With railroads, indeed, the proportion has been but little more than fifty per cent.—part of this, as in the case of other securities, was made up of 1906 authorizations held over until the present year.

Despite the absence of British Government borrowing this year—in accordance with the intention of the Chancellor of the Exchequer to support the market for Government securities—new capital applications have been large. While the three months ending with September show a much smaller total than the two preceding quarters, they are fully up to the average in recent years—due to two or three issues of large amount, among them the Manchurian Railway loan for £4,000,000. For the nine months of the current year applications in London have totalled over £105,000,000 as compared with £96,000,000 in 1906 and \$127,000,000 in 1905. It is noteworthy that British municipalities of late have appeared for comparatively small amounts, which may mean that they are learning lessons from the too ambitious efforts of the London County Council, and from other municipal undertakings of that ilk.



THE LONDON STATIST in its annual insurance supplement says that about one-eighth of the total annual savings of the United Kingdom are provided by life insurance. In the short space of twenty years the annual sums devoted to it have grown from £16,000,000 to nearly £37,000,000—while the growth during the last ten years has been nearly £12,000,000. Including the accumulated funds of fire, accident and marine offices, the total insurance funds accumulated by insurance offices of all kinds grew from about £246,000,000 in 1895 to £376,000,000 at the end of 1905—an increase in ten years of £130,000,000, or 53 p.c.

THE TRADERS BANK has opened its strikingly handsome new branch building at the corner of Yonge and Bloor Streets, Toronto. The branch is under the management of Mr. J. P. Hodgins.