

LESSONS OF THE NOVA SCOTIA COLLIERY DISASTER.

The Nova Scotia Government's Workmen's Compensation Fund, which was inaugurated only last January, appears to have had a lucky escape in regard to the colliery disaster at New Waterford, N.S., by which over sixty lives were lost and a great number of workmen injured. It seems that the Dominion Steel Corporation, which operates the mine, was exempted from the jurisdiction of the Government Fund, the Company having operated for some years a compensation scheme of its own, which scheme was continued under the new legislation. Had the Dominion Steel Corporation been included in the Fund's operation, the Fund would have received what would probably have been a knock-down blow in the first year of its establishment. Whether, however, the Fund or the Corporation is responsible for the loss, this lamentable disaster illustrates forcibly the unwisdom of curtailing the scope of insurance schemes. A risk of disaster such as this is too great to be comfortably borne by any single corporation or even by a single Canadian province. The underlying principle of all forms of insurance is the distribution of risk. The wider the distribution the better; hence the fact that risks of this character, where possibilities of exceedingly heavy loss are highly concentrated, are best carried when distributed among strong insurance organisations doing a world-wide business. To a concern less financially well-equipped than Dominion Steel, such a loss as that involved by the present catastrophe might easily prove disastrous.

The New Waterford disaster calls attention also to the folly of devising schemes of compensation, whether Government administered or otherwise, on the "current cost" system without taking into account the catastrophe hazard. Such a haphazard and unscientific method of financing a workmen's compensation scheme, sooner or later, is almost bound to result in an unsound condition, with endless trouble to manufacturers, who may be suddenly called upon to make good a heavy deficiency, possibly at a most inconvenient time to them, and who can never have any certainty regarding workmen's compensation cost or liabilities. The Ontario Government scheme, though young yet, has already developed some possibilities in this connection. Its "disaster reserve" at the end of 1916, of \$33,486, was utterly insufficient to meet the deficit in the milling class of \$79,246, caused by the Quaker Oats disaster at Peterboro. Which system best answers the requirements of the business man and manufacturer—one of level payments by which every possible contingency is efficiently guarded against, or one of payments utterly uncertain as to time and amount—it does not require the capacity to look through a brick wall to see.

Lieutenant Archibald Randall Davidson, Gordon Highlanders, recently killed in action, was the only son of Major George Harry Davidson, D.S.O., late Royal Scots (a first cousin of the Archbishop of Canterbury). Lt. Davidson was a cousin of the present Laird of Muirhouse, and a near relative of Mr. Randall Davidson, of Montreal, for many years manager for Canada of the North British and Mercantile Insurance Co.

MUTUALISATION OF THE EQUITABLE OF NEW YORK.

It is announced that the board of directors of the Equitable Life of New York have approved a plan for its mutualisation—a matter which has been under consideration for some years. The 564 shares held by General Coleman du Pont, will be purchased for \$2,799,900—approximately \$2,000,000 less than the stock cost the General, when he purchased it several years ago from Mr. J. Pierpont Morgan. Payment for the shares will be made in semi-annual installments, covering a period of twenty years, by deducting the amount of such installments, which includes interest on deferred payments, from the semi-annual interest payments to the Society on the mortgage of \$20,500,000 which it holds on the Equitable office building, of which General du Pont is the chief owner. Holders of the remaining 436 shares will be offered \$1,500 per share payable in cash.

NOTICE.

As usual at this season of the year, THE CHRONICLE will be doubled up and for a short period, issued in alternative weeks only. The next issue will accordingly appear on August 17th.

Bombardier Angus E. Mackay, with the Heavy Siege Battery at present in France, is the only son of Mr. William Mackay, the well-known Canadian manager of the Royal Insurance Company. Bombardier Mackay, although only 23 years of age, has been through more than one engagement at the front.

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