"WHERE IGNORANCE IS BLISS."

There was a foolish article in a Montreal financial paper last week suggesting that the British and American insurance companies transacting business in Canada should be severely restricted by law with regard to the investments necessitated by and arising from their Canadian business. As a serious contribution to discussion of an important subject, the article is useless, but it is worth preserving for some brilliant gems of unintentional humour which sparkle through it.

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For instance, the writer says in a fine burst of eloquence: "These companies are taking prodigious sums of money out of Canada yearly. Canada is a young country, a borrowing country—and no young borrowing country can afford to lose to other and older countries *tens of millions of domestic capital every year.*" This is mere twaddle. The facts are that in 1911, the latest year for which figures are available, the gross income in Canada from all sources of the British and foreign insurance companies operating in Canada under a Dominion license amounted to $35,000,000. Out of that amount the companies made payments to policyholders, met their fire, casualty and miscellaneous losses, paid their expenses and taxes, provided for necessary reserves and made new investments in Canada. If after meeting those engagements one ten millions was left out of the thirty-five millions to wing its way to foreign climes, the fact would be surprising. This reckoning, of course, does not take into consideration the amounts involved in underground insurance, but judging by the tenor of our friend's argument, he takes no account of this, so we likewise omit it.

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But the most brilliant jewel in this collection of gems is this: "Why should it not be enacted that all American or foreign insurance companies doing business in Canada invest all their Canadian premium income in Canadian securities?" Why not indeed? We may notice in passing the delicate fashion of the suggestion that a British company is a foreign company in Canada and proceed to survey the glorious vision conjured up by this wonderful idea. A foreign fire company doing business in Canada, for instance, instead of paying its Canadian losses and expenses out of the Canadian premiums it collects would proceed to invest forthwith the amounts collected in premiums in Canadian securities, and when losses came along and expense bills had to be met, an obliging head office in London or Edinburgh or New York or Hartford would forward the necessary amounts. So the thing would go for years and years and years, while the companies acquired enormous assets in Canada, yearly growing bigger and bigger and bigger. Beautiful, isn't it? And so delightfully simple!

One more gem: "The Dominion insurance authorities should not fear lest they appear too arbitrary in enacting legislation covering this point. Foreign companies are quite accustomed to such measures, and would be quick to conform to them." Those companies who have been engaged for years in fighting fatuous legislation of this sort in the States will no doubt fully appreciate the writer's consideration for their feelings. Of course, when the insurance companies had got "accustomed" to a Dominion law on the lines of the Texas Robertson law, the idea could be extended indefinitely. For instance the city fathers of Montreal could go to Quebec and get authority compelling the insurance companies transacting business in Montreal to invest all their premiums collected in the city in the city's bonds. If this idea were properly carried out by some hundreds of cities, towns and villages in Canada, a glorious time would come when Canada would be able to secure for herself practically all the funds of the British and foreign companies transacting insurance business here, and eventually the companies would have to move their head offices here where all their interests would be centred. What a wonderful prospect!—if only the insurance companies didn't jib.

VAL.

MIDLAND AND TEXTILE INSURANCE COMPANY.

Important developments have lately taken place in connection with the Midland and Textile Insurance Company, which owns the London Mutual Fire and the Imperial Fire of Toronto. At the annual meeting held in London, England, accounts (incorporating the figures of the subsidiary companies) were submitted for the nine months ending 31st December, 1912. These showed a premium income from fire risks of £117,410 for the period, and one of £15,865 from employers' liability, personal accident and general accident business. Reserves equal to 40 per cent. of the annual premium income having been set up, the profit and loss account showed an adverse balance of £3,904, which, with the net cost of businesses acquired, preliminary, organisation and establishment expenses, appears as part of an unproductive item of £47,796 in the list of assets.

A scheme has been prepared under which the balance sheet will be entirely freed from the item last mentioned. After the annual meeting an extraordinary general meeting was held, at which the shareholders agreed to a re-arrangement of the capital, reducing it from £500,000 to £452,203 10s. by cancelling capital lost or unrepresented by available assets.

The name of the Company was changed to "London and Midland Insurance Company, Limited."

Ontario Bank contributories who paid up their double liability will receive a dividend of 20 per cent. in July on the amount paid up by them and may receive more later. The first payment will be $200,000. The assets turned out better than expected.