

article. The general conclusion of another may be quoted in view of the vital importance of the subject: "Whatever the ultimate result of this agitation this fact has been distinctly brought out, that the Government investigation in regard to insurance companies in America, which the American offices have hitherto claimed to be of a far more searching character than the Board of Trade requirements in this country, is a mere farce. Such a thing is not possible in Great Britain, and intending British assurers will be well advised in the future to place their business with one or the other of our well-managed British offices."

And then there are intimations that these questionable insurance practices are quite of a piece with other commercial practices which affect injuriously other classes doing business with United States houses. He quotes the formation of a Policy-Holders' Association, which recommends the following essential reforms:

First—The representation of British policy-holders on the board of directors.

Second—The mutualization of the company by the elimination of the stockholder.

Third—The investment of the company's funds in first-rate securities.

Fourth—The auditing of the accounts yearly by a responsible firm of British accountants and the issuance to policy-holders of the annual balance sheet.

Fifth—The distribution of the surplus funds amongst the policy-holders entitled thereto.

Sixth—The protection of the interests of the individual policy-holders.

As to the supervision of insurance the writer of the paper admits that the United Kingdom has already in practical operation the system which President Roosevelt demands and the one provided for in the bill introduced by Senator Dryden, the national regulation of insurance corporations, a most desirable thing, since, according to Superintendent Hendrick's report, American state control of life assurance is defective and misleading.

THE PLUMBERS' INDICTMENT.

That not only the architect and builder, but the general body of citizens, should feel a degree of satisfaction at the course events are taking in the matter of the plumbers' combine is easy to understand. Long-suffering has its limits, and while for months past the public probably had a vague idea that it was being over-reached, practically cheated, in its relations with the plumbing and steam-fitting branch of the building trade, it could not see exactly why the shoe was made to pinch so smartly. The evidence in the law courts of Toronto during the last few days shows pretty closely how the evil has been wrought, and shows it is high time such methods should be checked, or, seeing that the cases are still *sub judice*, that a most searching investigation is badly needed.

The substance of the charges in the indictments is unlawful combination and agreement to limit facilities for the supply of plumbers' goods, restraint of injury of trade by limiting the production of such goods, and by preventing competition in the manufacture or sale of them, and injury to other persons in the plumbers' trade who were not members of the association. Another indictment makes charges of fraudulently and deceitfully conspiring to defraud persons requiring steam-fitting and plumbing work to be done. It is said that the few plumbers outside the association are charged 20 per cent. more for their plumbers'

goods than are members of the body, so that it is impossible for them to compete. And in numberless other ways the combine, it is alleged, has been enabled to take the consumers by the throat. The grand jury before whom the cases have been tried having returned true bills for conspiracy, it may be worth reciting how this is regarded by the courts. The Criminal Code considers it an indictable offence, and an individual is liable to a fine not exceeding \$4,000 or two years' imprisonment, or a corporation to a fine of \$10,000, and not less than \$1,000 for conspiracy with any person, railway, steamship or transportation company. Conspiracy consists in efforts (a) To unduly limit facilities for transportation, producing, manufacturing, storing or dealing in any article or commodity which may be a subject of trade or commerce. (b) To restrain or injure trade or commerce in relation to any such article or commodity. (c) To unduly prevent or limit the manufacture of any such article. (d) To unduly prevent or lessen competition in production or sale of a commodity.

An illegal act done by one person cannot have such a far-reaching effect as that of a number of individuals or corporations. For that reason an act which when done by an individual would be merely illegal, becomes criminal when it is the act of a corporation.

AMALGAMATING MORTGAGE LOAN COMPANIES.

The proposals to amalgamate the Huron & Erie and Canadian Loan and Savings Companies of London, with a capital for the united companies of \$5,000,000, of which \$1,900,000 shall be paid up, have been agreed to by the boards of each and now await the sanction of the shareholders. While the directors of both are almost unanimous in approving the scheme, some particulars of which we have already given, there is opposition to it in one or two quarters, and a circular has been issued by the ex-president of the smaller company urging reasons against the step. He argues that it is wise to let well alone, getting six per cent. dividend as they do and having a 42 per cent. reserve. Also that on the basis of the existing reserve the shareholders of the Canadian should get more than the \$132 for each \$100 which they are to receive under the projected arrangement. Of course, the objectors ought to have a fair hearing, and nothing like arbitrary coercion of them should be permitted. At the same time it may be remarked with respect to the objection last stated that the shares of the smaller company do not bring in the open market the price which they should bring on the estimate of the ex-president, based upon the proportion of its reserve. They were selling at 122 on October 6th and went up to 128, at which they were quoted in several succeeding weeks, presumably as a consequence of the proposal of amalgamation. This is very different from the 142 they should bring on the theory that the amount of reserve governs their value.

On the other hand, there are considerations in favor of the amalgamation thus: Lessening the number of companies would decrease the competitive borrowing of deposits and debenture moneys and would also tend toward better mortgage lending rates by decreasing competition for loans. The expense of two head offices would also be saved—probably fewer clerks, certainly fewer inspectors would be needed. It is besides doubtful if the smaller companies of the kind can borrow as cheaply as a larger and stronger company. Although it is natural that its friends should not wish to see a financial institution sink its familiar name and in a measure lose its prestige by amalgamation with a larger one, still we cannot help thinking that the considerations we have mentioned, joined to the fact of the approval of the large majority of the officers and directors of both companies