

accurate does not minimize the importance of the principle. The greater is the sphere of international commerce and investment, the less is the danger of an outbreak of war, because the situation is judged from the viewpoint of preservation. War usually destroys rather than protects credit.

FREIGHT AND CABLE RATES.

An increase in Atlantic freight rates has been threatening for a considerable time. Protest and opposition to such a course apparently stayed the advance, but a cable message this week states that the shipping companies engaged in the Atlantic trade have decided to increase freight rates ten per cent. The change will likely be made on October 1st, and the reason given is the result of the recent strike.

The steamship combine, as it is commonly called, has attracted attention in Canada on more than one occasion. When the Canadian Northern last spring inaugurated its Bristol-Montreal service, unofficial stories were heard that the new line would fight the combine, and speculation was rampant as to what would be the fate of the Canadian Northern vessels when pitted against specially directed competition. Rumors were settled when the Mackenzie-Mann ships joined the Conference.

Early this year the North Atlantic Westbound Freight Conference proposed to increase materially the transportation charges for ocean freights from British to Canadian ports. This caused protests by the Toronto and Montreal Boards of Trade, by shippers generally, while Montreal importers asked for the appointment of a Royal Commission to investigate the action of the Conference. Mr. G. M. Bosworth, fourth vice-president of the Canadian Pacific Railway, at the time stated in London that ships lose money on the westbound trade cargoes. Later, a large delegation of Montreal importers waited upon the Dominion Government respecting the proposed increased charges. This energetic opposition apparently had effect. But the steamship combine is a powerful institution, and one which governments are apparently not very willing to attack. This time the increased rate seems likely to be enforced by the companies.

A more gratifying cable message informs us that the report of the Pacific Cable Board states that negotiations for the establishment of a reduced rate for messages that are not urgent give promise of a satisfactory outcome. The Postmaster-General thinks the advantages of a reduction are such as to make it highly desirable to adopt it throughout the cable service of the Empire, and between British dominions and external States. He approached British and American cable companies, and after obtaining their approval had negotiated with foreign governments. There is now every prospect that within the next few months it will be possible for messages, other than cypher, to be sent at half the existing rates and charges, subject only to conditions that transmission must await for a period not exceeding twenty-four hours.

LIFE INSURANCE UP TO DATE.

The movements of Mr. J. M. Spence in a life insurance company shuffle are decidedly interesting. This gentleman was president of the Canadian Guardian Life Insurance Company. The Dominion Department of Insurance chartered the company, and, although the Department had fairly full knowledge of the extraordinary workings of the insurance corporation's affairs, it was allowed to go unmolested until early this year.

An examination was then made of its position by chartered accountants, when it was seen that so much "cooking" had been applied to certain figures and books that the company had no further right to write new business in Canada.

Its charter was withdrawn and a limited one issued, so that its policies in force could be surrendered or reinsured. The company had an Ontario certificate of registry, which was not renewed this year, apparently for the same reasons that influenced the Dominion authorities. The Ontario Department of Insurance also issued a temporary certificate to permit the company to collect the premiums on policies in force and to pay accruing claims. Therefore, we have the Canadian Guardian Life Insurance Company in a moribund condition, and with sufficient legal power to wind up its affairs. To learn how the winding is being done, we must turn towards Edmonton, Alberta.

In that city on August 29th, 1911, a meeting of the International Insurance Company was held, of which Mr. J. M. Spence, former president of the Canadian Guardian, is managing director. He presented a report to the shareholders and directors, asking for authority to purchase the Canadian Guardian Life Insurance Company, "your board of directors having arranged for the purchase." In plain words, Mr. J. M. Spence, managing director of the International, has arranged with Mr. J. M. Spence, president of the Canadian Guardian, to purchase the latter company, the deal being carried out naturally enough with the help of consultation with other gentlemen. The proposal of the Edmonton company is to take over the assets of the Canadian Guardian, to accept applications from their policyholders, issue them new policies in the International, and to get shareholders of the Canadian Guardian to become shareholders of the International.

Remembering the career of Mr. J. M. Spence as president of the Canadian Guardian Life, dealt with at some length on another page in this issue, *The Monetary Times* is inclined to think that Mr. Spence is responsible for one of the coolest reinsurance schemes ever mooted in Canada. Are the passengers of a sinking ship, captained by J. M. Spence, likely to gain anything by transferring to another vessel, likewise captained by J. M. Spence?

Will the Department of Insurance at Ottawa countenance the proposals of the International Insurance Company as outlined by Mr. J. M. Spence, its managing director? The answer to the first question is No. The answer to the second question should also be No.

SMALL CHANGE.

Mr. John Canuck, nephew of Uncle Sam and son of John Bull, is reported by the physician to feel better after the operation performed on Thursday.

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Several prominent financiers have drawn attention to the misuse of the word "trust" in company titles. The further West one goes, the situation seems to become worse. A correspondent tells *The Monetary Times* that there are about 150 so-called "trust" companies in British Columbia, and that if the weaklings were weeded out, about fifteen would be left. These self-termed "trust" companies are too prone to obtain incorporation with large authorized capital and only a few thousand dollars paid up. It is common talk that some companies have used their trust moneys in order to speculate. When successful, the interest is paid on the trust funds and the gamblers pocket the profits. If a slump should ever occur when real estate speculation is in its zenith, there will probably be some peculiar positions from which the officers of these alleged "trust" companies will have to crawl.