

commendation. "It is a subject worthy of careful consideration. I am confident that upon examination the conclusion will be reached, that it is unwise to incorporate the life insurance feature into a scheme of the building loan association, and make it a part of the business of the association, for the reason that life insurance has an element of risk in it, that cannot be safely joined with a 'savings institution,' and such are all legitimate building loan associations. The life insurance suggestion must be worked out along the line of having a life insurance company wholly independent, financially, of the building loan associations, but in which the borrower may take life insurance, and then assign the policy to the building loan association as an additional security for the payment of his loan. The premiums on the policy to be paid in weekly or monthly payments at the same time as his dues and interest, the association acting as an agent in collecting and remitting the same to the insurance company."

SPECULATION IN BANK STOCKS.—Following an act recently passed by the British Parliament, by which contracts for the sale of bank shares are void, unless the numbers by which such shares are distinguished are set forth in the contract of sale, a provision has been inserted in the new Bank Act, which is intended to prevent what are known as "short" sales. By this term is meant the selling of shares subject to future delivery, a species of speculative trading which, unfortunately, constitutes the chief part of stock exchange transactions in this advanced age of civilization. This enactment is generally regarded as desirable, in that it surrounds speculation in bank shares with wholesome restrictions, and lessens the danger of "bear" movements on the stock and credit of these institutions in periods of financial stringency and trade depression. If it matters little how operations are conducted in miscellaneous securities, the bank share list, at least, ought to be protected from manipulation by wreckers. The penalty for any infringement of this section is justly severe, the offender exposing himself on conviction to a fine not exceeding \$1000, or to imprisonment, or to both, at the discretion of the court. The enactment reads as follows:—

All sales or transfers of shares, and all contracts and agreements in respect thereof, hereafter made, or purporting to be made, shall be null and void (*saving, however, as to a purchaser not having knowledge of the defect, his rights and remedies under the contract*