

matter of qualifications and financial standing of surety companies, except when such State supervision is unfavorable to a surety company. An instance of this attitude is the requirement that surety companies must file separate statements quarterly with the Treasury Department, made up on a different basis from that required by its home State or any other State in which it operates, and yet, should an examination of a surety company by any State department reveal a slight reduction in surplus funds it is immediately seized upon as a basis for reducing that company's qualifying power. So arbitrary have the Federal Government regulations become that at the recent national convention of Insurance Commissioners held at Milwaukee, President Joseph Button of that organization devoted considerable attention to pointing out the dangers of the Federal Government usurping the supervising powers of the State Insurance Departments. It is contended that there are several of the Federal Government regulations which run counter to State laws and might, therefore, work hardships to the surety companies should the State Insurance Departments take cognizance of them. The whole situation of the relation of the surety companies with the Federal Government is in a very unsatisfactory condition, and there are many surety underwriters who are urging that the proper course to pursue is for the Surety Association of America to assume a determined stand for reforms in Government surety business, with the united support of its members. Such a course, they point out, would almost surely result in the alleviation of many of the obnoxious regulations.

Affairs in London

(Exclusive Correspondence of The Chronicle.)

Employers' Protection against Labour Troubles—Bankers and the Bankruptcy Laws—Poor Market Outlook.

Happily the critical period of the strike movement is over, but there now remains with us the formidable problem of how to obviate the constant disputes between the employer and the employed. Lord Furness, who has recently taken a closer interest in Canadian shipping affairs, must be regarded as one of the first employers of labour in this country to take definite steps to set aside a portion of the profits earned in times of peace towards providing funds for employment by the masters in periods of industrial warfare, for out of the net revenue balance shown in the accounts of Furness, Withy & Co., of which he is chairman, a sum of £50,000 was carried to a "trade's contingency account," and it was specially stated that while this amount would be available for meeting competition, it would also be regarded as applicable to combating strikes and other labour troubles. This allocation was the subject of very general comment at the time it was announced. The proposal is now made that employers should contribute to a fund out of which the subscribers would be indemnified for any loss arising out of a reasonable resistance to demands on the part of their employees which cannot be shown to be justifiable. The railways are prepared to discuss the details of the proposed fund, while some of the shipping companies have also ex-

pressed their sympathy with the object in view. The iron and steel trades are in favour of a policy of co-operation among employers and the leaders of the cotton-spinning industry would also join in any general movement towards the consolidation of the employers with the view of providing a mutual fund for use in times of labour unrest.

BANKERS' AND THE BANKRUPTCY LAWS.

The Council of the Institute of Bankers has drawn the attention of the Board of Trade to the present unsatisfactory position of the law with regard to insolvent firms having one or more partners resident outside the United Kingdom—an example of which occurred in a recent Manchester failure. For the purpose of the Bankruptcy Acts, English law does not recognise the existence of a firm, but only of the individuals composing the firm. Each partner can be made bankrupt, but not the firm itself. The House of Lords has decided that Rule 262 in Bankruptcy does not apply to partners resident abroad. Their assets cannot be realised, and the only method of redress is to appoint an agent abroad, to whom each creditor must give a power of attorney to sue. It is suggested that the only way out of the difficulty is to bring our practice into line with that of all nations whose legal system is based on the Code Napoleon—by making a partnership firm a legal entity capable of being made bankrupt. The Board of Trade is considering this important question with a view of taking action to bring about an alteration in our bankruptcy law.

MR. FAITHFULL BEGG TO VISIT CANADA.

I understand that Mr. Faithfull Begg, who is a prominent member of the Stock Exchange and a member of the committee, is sailing for Canada by the "Empress of Britain" and will make an extended tour in the Dominion. The only undertaking in the West that Mr. Begg is at present identified with is the Electric Supply Company of Victoria, of which he is a director.

THE INVESTMENT OUTLOOK.

It cannot be said that the outlook for the investment markets is very bright. The financial results of the strike will not be disclosed for some time, but it is quite clear that it will mean the loss of many millions of pounds sterling to the country generally. It is not likely, therefore, that there will be large sums representing surplus profits available for investment during the current half-year. Under these circumstances Canadian houses or indeed any houses must not look for a satisfactory reception of any new issues they may make. Things will improve later when the leeway caused by the disastrous strike is made up.

LONDONER.

London, E.C., August 26, 1911.

Three British companies, Sir John Jackson, Ltd., Sir Weetman Pearson, Ltd., and Norton Griffiths, Ltd., have tendered for the construction of the dry dock, breakwater and wharves at Courtenay Bay, St. John, N.B. Hon. Dr. Pugsley stated at St. John last week that Messrs. Norton Griffiths' tender is the lowest. It is anticipated that operations will be begun at an early date.