A WORD OF CAUTION TO THE AUSTRALIAN PROVINCIAL ASSURANCE ASSOCIATION LIMITED.

According to reports published by journals in the United States and Canada, the management of the Australian Provincial Assurance Association, of Sydney, contemplates entering both these countries in the near future for the transaction of life insurance. The Chronicle does not wish to throw cold water on the extraordinary aspirations of this very young life company, when suggesting the exercise of considerable caution, before definitely committing itself to a policy of unwise expansion. The history of insurance in this country and every other country, very clearly, demonstrates the foolishness of the younger and smaller companies attempting to follow the lead of the older and larger offices with abundant assets.

The Australian Provincial Assurance is quite a young concern, having only been established some six years ago. Its managing-director is a gentleman of the hustling variety by the name of Selby P. Wood. For some two or three years past, the Association appears to have been spending a fair amount of money in advertising in both the United States and Great Britain, and it has succeeded in securing a number of absurdly extravagant eulogiums all over the universe which, of course, have been utilised in the usual manner in due course. The extraordinary thing about the company's publicity campaigns is that, so far as we are aware, and The Chronicle is fairly familiar with the company's "literature", the vital fact of the amount of insurance in force is always suppressed. There is much large type about new business, but never a word to show what proportion of that new business sticks. From this silence, experienced insurance men can easily draw their own conclusions regarding the character of the company's business and its expense ratio.

This sphinx-like attitude would, of course, not long be possible in Canada. If the company is able to meet the requirements of the Ottawa authorities and commences business here, its record in Canada and elsewhere will soon be open to all who desire to become acqainted with it, in the pages of the annual blue-books. Nevertheless, in view of the company's bizarre methods, its extraordinary ambitions and its outlandish methods of publicity, any Canadian insurance agent who comes into touch with Mr. Selby P. Wood will do well to insist as an essential preliminary to "talking business" with that gentleman, on the production in black and white of the company's figures since its start, and, if necessary, this submission to someone experienced in the gentle art of finding out what financial statements and statistics really say and what they carefully omit to say.

Whatever the company's real position, its methods do not impress the impartial observer in its favour, and The Chronicle has refused its advertising.

GERMAN INSURANCE COMPANIES.

United States Alien Property Custodian Announces Action.

News comes from Washington, D.C., this week that the Alien Property Custodian announces action in Connection with the investigation of all German Insurance Companies in the United States, and while the names of the German Insurance Companies which are to be taken over were not made public it was understood that they will be readily recognized in insurance circles. We understand that in view of the provisions of the "Trading with the Enemy Act," the step taken came very much in the nature of a surprise.

In the law some enemy insurance companies are permitted to continue business if licensed by the secretary of the treasury, under that provision of the law. The Journal of Commerce, New York, says: "The secretary had a hearing last year on this subject as a result of which German fire insurance companies were forbidden to do any more business in the United States. Some re-insurance companies especially life companies were licensed to continue business. The step taken by the Alien Property Custodian, it is understood is without regard to the licenses issued by the Treasury Department."

The Journal of Commerce further states: "There is a distinct change in sentiment in regard to German holdings in the United States, and this sentiment of the country is being reflected in the actions of the Administration. The Alien Property Custodian is said to be just beginning upon a broad and comprehensive campaign to close out all German property. The hearings instituted in connection with certain chemical interests in New York last week were but an incident of it. The announcement in regard to German insurance companies yesterday was another.

To Take Vigorous Action.

The announcement in regard to the insurance companies issued to the press read as follows:

"The Alien Property Custodian, A. Mitchell Palmer, stated that his office is making vigorous efforts to close out the business interests and take over the remaining properties of all foreign insurance companies classified as 'enemies' or 'allies of enemy' under the Trading With the Enemy Act, of which there are four marine companies, thirteen fire companies two life companies, and one casualty company, and also four companies incorporated in the United States but under enemy ownership. Prior to the the war these companies enjoyed a very large patronage in the United States and the destruction of their plants will set free a vast amount of insurance to be replaced with American companies or with such other foreign companies as are privileged to continue in business, and it seems probable that the necessity for insurance coverage thus created will afford an unusual opportunity for the organization and development of a number of new American companies."

This campaign to clean out German interests in the United States is America's answer to the

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