

have never taken the trouble to define the thing which they denounce or to discover wherein its evil consists. There are disadvantages in gambling and the basis of that disadvantage is the *limited means* of the individual in making wagers against society—which it necessarily in possession of *unlimited means*. For instance, assume two boys playing "pitch and toss"—the one with 100 coppers and the other with 3 coppers. The chance of the one with the fewer coppers being ruined is 100 to 3. The fact that he would be compelled to stop playing when he had lost his few coppers is the foundation of the disadvantage referred to in gambling.

Professor Martin also instanced the following:—A party of say 12 persons dine at hotel, at a charge of \$3 each, and as wine and winning are often associated, it is proposed by one of the party that, instead of each person going to the trouble of settling his bill—thus necessitating the making of change, etc., etc.—they draw lots to discover who will have the privilege and pleasure of paying the whole bill. Here it is evident that a certain and sure disbursement of \$3 is to be exchanged for a chance of a larger disbursement of \$36. Now one of the party, whose means are *limited*, feels that it would be very inconvenient for him to have to pay \$36, though he could well afford to subscribe \$3 towards the evening's pleasure. It is quite possible that he would be prepared to pay even more than his share of the dinner rather than run the risk of having to pay the larger sum of \$36. He offers to an outside person \$3.25 to relieve him of this gamble, and finding such a person who makes it his business to take up such risks he enters into such a bargain and pays his \$3.25. Upon reflection, perhaps, the other members of the party came to the more sober conclusion that there is a disadvantage to them in such a gamble and enter into the same contract with this outside person who makes such his business. Well what has happened? The risks have all been neutralized, the person who has taken them up has received \$39, and has to pay a bill of \$36 thus making \$3 profit for himself. The business of this outside person who relieves people of limited means from the inconvenience of gambling to their disadvantage is insurance. In insurance the individual is freed from risk by union for mutual protection with his fellow men. In fact, the individual who has the opportunity of insuring and does not do it, is the gambler taking the single risk upon himself. By insuring—if any sporting metaphor here holds—he is "hedging" to offset the risk he otherwise runs.

NOVEMBER BANK CLEARINGS of Canadian cities totalled \$569,700,427, as compared with \$440,794,510 last year—a gain of nearly 30 per cent.

CONTROL OF EQUITABLE LIFE.

As was to have been expected, the purchase by Mr. J. Pierpont Morgan of the majority stock of the Equitable Life Assurance Society led to some "yellow journal screechings" about financial monopoly of a far-reaching character.

The State Superintendent of Insurance for New York has announced that Mr. Morgan has personally declared to him his purpose of "working out a plan whereby the (Equitable) stock—which means the control of the company—would be safeguarded in the interests of the policy-holders." As The Evening Post points out, there are numerous difficulties in the way of any arrangement, short of outright gift of the whole \$100,000 capital stock to the Society. Judge Maddox's State Supreme Court decision of May, 1905, in the suit of Franklin Lord to enjoin the plan for conferring on policy-holders the right to vote the Ryan stock, held that such "mutualization" as regarded a majority of the Equitable stock would infringe the rights of minority holders. On the other hand, deposit of the stock in a trust cannot settle the question permanently, because the trust itself cannot under the law he made perpetual. The problem is not altogether simple; but, to quote The Evening Post "the fact that it has apparently been taken in hand with an honest effort to achieve the most desirable ends, and the intimation ascribed by the Superintendent to Mr. Morgan, that the stock was bought to keep it out of selfish hands, and not to round out a 'banking trust,' are distinctly signs of promise."

As regards the company's holdings of National Bank of Commerce stocks, The New York Evening Post states that the Equitable owns 50,231 shares and the Mutual Life of New York 36,088 shares, adding that "inasmuch as under the new insurance law the insurance companies will be obliged to divest themselves of their bank shares by the end of 1911, those in touch with the situation admit that it will be natural for the insurance companies to pool their holdings so that they may be transferred to a friendly syndicate which will take them over upon advantageous terms."

ASSOCIATION OF LIFE INSURANCE PRESIDENTS.

At the annual business session of the Association of Life Insurance Presidents, held this week in New York, it was voted unanimously to hold the public sessions of the annual meeting at Washington on January 10th, and 20th. This change was made so as to make possible the attendance of President Taft who is to address the convention.

One of the principal topics to be dealt with at the meeting is the problem presented to the managers of life insurance companies by the lack of uniformity of state laws. Ways in which life insurance companies might lend further and more general co-operation to