

large sums of new capital in Canada, and the question of gradually realizing their present holdings, beyond those required for their Canadian business, transferring their funds to a field where they receive more equitable treatment. The action contemplated, in short would have been extremely prejudicial to Canadian credit abroad and would eventually have had serious results in the gradual withdrawal of large sums of capital now invested here.

Since it is at present required of foreign life companies operating in Canada that they shall deposit with the Government an amount equal to the reserves of their Canadian business, Canadian policyholders in these companies are fully secured, and there was no necessity for further security such as was provided for by this new section.

This fact is recognised by the new amendment, now proposed, which is a satisfactory solution of the difficulty, though in view of the terms of the existing Acts the proposed new statement is superfluous.

EFFECTS OF "EMPRESS" LOSS ON MARINE RATES.

The London *Economist* contains some interesting comments on the insurance aspects of the *Empress of Ireland* disaster. It is necessary to remember, however, that that journal has always been unsympathetic to the various proposals which have been put forward for a Canadian Lloyds.

"To the insurance market the *Empress of Ireland* is a much less heavy loss than the *Titanic*," says the *Economist*. "The hull was insured for £280,000 in London, apart from disbursements, and already it is treated as a total loss, for no hope of salvaging the steamer itself can be entertained. That is a very unpleasant item to enter in the loss book, but so far as can be judged at present, the hull loss is not aggravated by a number of minor claims on cargo and valuables. True, the steamer was said to be carrying £200,000 of specie, but only a small part of that was covered in London, and the quantity of scrip on board was probably very small, and "Block" policy underwriters are not anticipating heavy claims such as followed the loss of the *Titanic*, for the value of the diamonds and precious stones coming from Canada to Europe at present cannot be very large. In the same way the loss on personal accident policies will not be comparable to that of two years ago, as the *Empress* was not freighted with heavily insured American millionaires.

HIGHER RATES POSSIBLE.

"For these reasons we need anticipate no such general rise in insurance rates as followed the *Titanic* disaster. Specie and diamond rates generally are not likely to go up, and in the present slackness of the marine market an attempt to put the screw on for good business would almost certainly be ineffective. On the other hand, the loss will undoubtedly help to stiffen Canadian rates, and should put an end to the project which is from time to time so ardently put forward of a Canadian Lloyds. It is a commonplace of Canadian business men that European underwriters are leagued

against them, and that premiums charged to St. Lawrence ports are deliberately made too high. This complaint usually ends in a scheme for a subsidised organisation on the model of Lloyd's in Canada, the object of which will be to charge fair rates and let the Canadian merchant off lightly. The English underwriters' answer has always been that they would rather lose the business than cut their rates, which are none too high, and that if a Canadian Lloyd's is practicable, by all means let it be started. The dangers of the St. Lawrence are recognised by all navigators, and the number of strandings which have occurred in the past two years are a full justification for maintaining the level of premiums. In view of this recent disaster, underwriters are not likely to modify their attitude."

A SQUARE DEAL FOR THE INVESTOR.

The circumstances of the passing of dividends recently by some of the large industrial corporations have not redounded to the credit of the directors of those corporations. They appear, in fact, not to have given their shareholders a square deal. In the case of half a dozen flagrant instances of this kind of thing which have occurred recently, the circumstances make it pretty obvious that insiders were able to profit by knowledge of coming events while the directors kept mum and left the bulk of their shareholders in the lurch with bundles of severely depreciated securities, which they were not given a chance to realise upon at a reasonable market figure.

Directors seem to labour under the impression that the financial doings of a big corporation with thousands of shareholders should be kept as secret as the ledger of a country store-keeper. They have no sense of the fact that a large shareholders' list should mean of necessity greater publicity. Their prospectuses give as little information as is humanly possible; their annual reports are mostly conspicuous for a bizarre cover and a lack of essential details. As for taking shareholders into their confidence at less than yearly intervals, they are aghast at the thought of it.

Probably legislation can do something to stir up these folk to a sense of their duty in regard to prospectuses and annual reports, but nothing less than the action of the public generally will ensure the average investor in Canadian industrials getting what he is entitled to in the way of information. At present the small investor in Canada does not get a square deal; he is utterly at the mercy of insiders and after the bitter experiences of the last twelve months or so, it will be surprising if he puts any more of his hard-earned funds into Canadian industrials until he has reasonable assurances of being treated fairly.

The Bank of England yesterday continued its official rate of discount at three per cent.