

THE INFALLIBLE M.P.

Parliament's emergency session, brief as it was, was not short enough to prevent Mr. W. F. Maclean making one of his famous speeches "on behalf of the people of this country" (!). There is no sham modesty about Billy Maclean, so it is not surprising to find that he merely demanded that the Government should forthwith and instantly adopt his ideas for a complete reorganisation of our credit system and the abolition of marginal trading on the Stock Exchanges.

Like most other folk who are strong on theory, Billy Maclean is weak on facts. He talks about our banks having sent \$200,000,000 to the United States for purposes of stock speculation, though five minutes before he had himself explained that the banks have \$133,000,000 on call loans outside of Canada, and \$67,000,000 on call loans in Canada. To a really great mind like Billy's, of course, a mere trifle of \$67,000,000 does not matter—especially when putting it in the wrong place makes your argument look better.

Mr. Maclean, too, carefully suppresses the fact—or perhaps he does not know it—that the banks' loans on call in Canada include a good many loans besides their loans to brokers. He does not mention, for instance, that bond houses finance their purchases of municipal and other bonds through call loans. And municipal bonds could hardly be described as a speculation even by such a fervid anti-speculator as Mr. Maclean.

It is hard lines that under present circumstances, tax-payers should be compelled to pay up good money to be expended in preserving Mr. Maclean's gems of thought and omissions of fact in dusty volumes of Hansard.

CUTTING INTO LLOYD'S BUSINESS.

One of the effects of the European war will be to divert to casualty companies a more or less considerable portion of the fidelity, surety and burglary business now placed with syndicates of London Lloyds underwriters. Some Boston banks carrying this so-called "insurance" have cancelled it, through apprehension lest the marine losses of the members of these syndicates should impair their ability to meet the liabilities incurred by them in speculative ventures outside of their legitimate sphere of operations. For the fire and casualty insurance ventures of some of these syndicates have very little to differentiate them from purely gambling transactions. There is no guarantee behind any of this fire and casualty "insurance" outside of the ability and willingness to pay of the brokers concerned. The insurer who relies on these brokers for fire or casualty insurance protection is exposing himself to a risk of loss from which he is well protected if he places his insurance with a home institution. The insurance may cost a little more, but he is getting what he pays for, protection as nearly absolute as the law and the watchfulness of the insurance department can make it.—*Boston Standard*.

FRATERNALS AND THE INDUSTRIAL FIELD.

Easily the most important of the matters looked upon with favor by the recent National Fraternal Congress is that relative to child, or family insurance. It means, of course, that fraternalists propose entering the industrial field. During the past twenty years there have been, proportionately speaking, more retirements from operation by companies doing industrial insurance than any other branch. Some of those which have been successful have found it necessary to call upon stockholders for vast sums never dreamed of at the time of organization, while returns to stockholders have been nil. The reason for this is that companies doing a successful business have gradually increased the policy benefits and decreased the premium payments, thereby causing a considerable increase in reserve requirements proportionate to the premiums paid. The newer companies have felt the pressure and have been confronted with the problem of putting up more money or retiring from the field. Since this is the case, as a contemporary points out, it is difficult to see wherein fraternalists, already burdened to the point of swamping with unprotected liability, can give to families the measure of protection now afforded at anything like the same cost.

PRACTICAL PATRIOTISM.

London advices say that most of the British insurance offices have arranged that their staff employees who have been called to the war shall have their positions retained for them while serving their country.

The North British and Mercantile Insurance Company has granted leave of absence with full salary to all members of the Territorial force on their staff. The Phoenix Assurance Company, Limited, has arranged that employees in its home service called out on naval or military service shall be paid full salary during their absence, and shall have their posts kept open for them. The Royal Exchange Assurance Corporation will guarantee payment at full salary for six months of all their employees on service, numbering 101, sixty-one being from head office and forty from country branches. The Prudential Assurance Company of London has decided to supplement the Government pay to members of its staff called up for military service, so that no loss of salary will be incurred.

VALUATION OF SECURITIES.

In the course of the discussion at Ottawa last week on the Government's emergency financial legislation, Hon. George P. Graham stated that the Government might well give consideration to the case of certain companies under strict Government inspection and supervision. It was the practice of the finance department to value once a year the securities in which the funds of such companies were invested. This valuation was always made at the price which the securities would command in the open exchange at the time the valuation was taken. Under present conditions, when securities were almost unsaleable, this practice would work a hardship to such companies, and Mr. Graham, therefore, suggested that the Government take steps to change its procedure so that the intrinsic rather than the quoted value of securities could be fixed as their official valuation.

It was understood that this point is referred to the Finance Department for consideration.