credit conditions" will check dishonest borrowing schemes throughout the country. In many cases of bad loans the national banks are the last to suspect that anything is wrong. It is reported from Washington that in several recent instances where the defective or practically fraudulent nature of paper has been discovered by alert examiners, the banks have asserted its goodness, basing their claims upon the supposed fact that the maker of the paper was doing business nowhere else and that they knew all about his liabilities.

In Canada such a state of affairs is pretty thoroughly guarded against. Loans are not broken up piecemeal among several institutions.

Here, then, is another of several instances where advocates of government bank inspection are wide of the mark when they base arguments upon United States conditions and practices.

CANADA AND FRENCH INVESTORS.

The question is sometimes asked whether foreign investment comes in the wake of trade, or trade follows upon the placing of capital. No categorical answer would apply to all cases. Even in specific instances, cause and effect are not easily distinguishable. What at one time may seem an effect, becomes in its turn the cause of further growth. But, theorizing aside, there are evidences that, since France and Canada are arranging to give each other a fair field and some favour commercially, the older country will increase its investment interests in the newer.

Mr. C. De M. de Martigny, the Paris representative of Messrs. L. J. Forget & Co. of Montreal, remarked in a newspaper interview the other day, that conservative French investors are more and more becoming favourably impressed with the advantages of Canada as a field for the placing of large sums of money. He considers that a campaign of education as to the resources of the Dominion would have the result of loosening the French purse strings in a marked degree. Care would, however, be necessary, as the thrifty Frenchmen are still sore over large sums lost in wildcat ventures in British Columbia and the Yukon during those famous mining booms.

Mr. De Martigny, however, states that no French money has been lost on enterprises recommended by responsible houses and banks in Canada, and he feels confident that if a large flotation were essayed in Paris by responsible Canadian firms it would not only prove a success, but would also furnish a good object lesson to French capitalists with regard to the Dominion.

The facts that Russian loans in France amount to $2,000,000,000, and that the Bank of France to-day holds $700,000,000 are two indications, among many, of the investment power that results from the "organized thrift" of the French people.

A NEW FIELD FOR LIFE AGENTS' ACTIVITIES.

A comparatively uncultivated field for life agents is that of what may be termed corporate insurance. Partnership insurance has of late years come into moderate vogue—though it is surely capable of much wider extension in Canada. But there seems no reason why all arguments in favour of individual partners' insuring to protect each other, should not apply to a joint-stock company's insuring the life of an officer whose death would bring direct loss to the corporation. In a recent paper by Mr. Herbert N. Laflin, appearing in the United States insurance press, the legality of such insurance in the United States is very thoroughly dealt with. He admits that in this matter of corporate insurance—that is, insurance written on the life of an officer or employee of a corporation for the benefit of the latter—there is a great dearth of adjudicated cases. Indeed while the practice of insuring the lives of officers of corporations whose services are of particular value is now well established, it has become so within comparatively recent years. It is a new field of insurance, but based upon well-known principles of insurance law. And, certainly, there seems no reason why the same principles that sustain corporate fire insurance cannot be invoked to sustain corporate life insurance.

That the legislature of North Carolina is of this mind is evidenced by the fact that at its last session it passed an act providing that:

"Whenever there shall devolve upon an officer or agent of a corporation duties or responsibilities of such a nature as that a financial loss would result to the corporation from the death and consequent loss of services of such officer or agent, then in such case the corporation shall be deemed to have an insurable interest in the life of such officer or agent and shall have the power to insure the life of such officer or agent for its benefit."

The field is one over which Canadian life companies and their agency forces might do well to reconnoitre thoroughly.

CANADIAN MEMBERSHIP IN FRATERNAL ORDERS.

According to the annual report of Insurance Commissioner, B. F. Crouse, of Maryland, last year seems to have brought a large increase in that state in the number of associations classed as fraternal —"which bodes no good to our people" he adds:

"Most of these concerns charge rates which are inadequate to carry out their contracts, hence in a short time the association collapses, and those who have paid their money in the belief that they might expect a fair return in case of sickness or death find that they have wasted their hard earnings. Our law gives this department very little control over such associations, which is entirely wrong and should be corrected by the legislature at its next session."