

The Chronicle

Banking, Insurance & Finance.

ESTABLISHED JANUARY, 1881

R. WILSON-SMITH, Proprietor

PUBLISHED EVERY FRIDAY

Vol. XXIX. No 40.

MONTREAL, OCTOBER 1, 1909.

Single Copy - . 10c
Annual Subscription \$2.00

CANADA AND THE IRISH SECRETARY. **M**R. Augustine Birrell, Chief Secretary for Ireland, was frankly confessing the other day that he did not understand Consols. But there has been inserted a clause in the new Irish Land Bill which suggests a shrewder understanding of finance by the author of *Obiter Dicta* than he lays claim to. The new clause extends the field of investment at present open to trustees of money paid as purchase money under the Act where the land sold is comprised in a settlement. The securities in which a trustee, with the consent of the Public Trustee in Ireland, may invest, include foreign government stocks and the bonds and debentures of railways in Canada, the United States, Mexico, and the Argentine Republic, where the railway has paid a dividend on its preference or ordinary stock during each of the five years preceding the date of investment.

Not only did Mr. Birrell move this clause, but, incidentally, he was good enough to give a flattering testimonial to Canadian and United States railway stocks. "The best of them," he said, "are the best things in the world."

PROBABLE REVISION OF TRUSTEE ACTS. **T**HE idea of the new clause in the Irish Land Bill came, it appears, from the will of Sir Frederick Banbury, the senior member from the City of London (and, *inter alia*, the champion obstructionist of the House)—surely a curious store from which to draw the material for legislation of this important character. The clause, which has been duly added to the Bill, was strongly supported by Irish nationalist members on the ground that land-owners, being able to obtain a larger income from their money, will now be disposed to accept a lower price for their land—an amusing example of "gratitude being a lively sense of favours to come."

Apart, however, from this extremely Irish testimonial to the value of the provision now made in the Bill, the clause is interesting as being, perhaps the precursor of another revision of the British Trustee Acts. The present Trustee Acts are full of anomalies, and their amendment—so that trustees may be able to invest more largely than at present in accredited colonial and foreign securities—has

been frequently urged in many quarters. The action of Parliament in this matter of Irish land purchase will strengthen the case for revision.

A PROMOTERS' CARNIVAL. **T**HE Southern States have been having a life insurance stock-promotion carnival during the past year or so. New company seals have been almost as numerous, and as brilliant-hued, as confetti at a Mardi Gras.

Reports of methods pursued by company promoters recall the plaint of South Sea Bubble days:

"By fire and life insurers next,
I'm intercepted, badgered, vexed,
Almost beyond endurance.

But though the schemes may be unsound,
Their advocates are seldom found
Deficient in assurance."

And North has been vying with South in offering inducements to buyers of insurance company stock. So much so, that the recent National Convention of Insurance Commissioners passed a special resolution (which the members will try to make effective in their respective states) against the coupling of company stock with the sale of insurance.

Just now Everybody's Corporation, of Chicago, is offering accident insurance stock on the "prize package of pop-corn" plan. A year's accident policy goes with every five shares of stock.

"Other insurance companies have earned from 3,000 to 5,000 per cent. in the past twenty-five years," says its moderate-phrased advertisement.

It is the time-worn device—not unknown even in Canada—of publishing highly coloured estimates of profits made by old-established insurance companies, and citing them as results that will be duplicated by new concerns. But no mention is made of entirely changed business conditions. For one thing, the old companies that have been most successful started without the blare of trumpets and the promotion costs that characterize present-day beginnings. And some, even of the most successful, had early years during which their financial backers faced investment losses rather than profits. Where large profits were subsequently made, it was under conditions that no longer obtain—or are ever likely to obtain again.