BRITISH ARRANGEMENTS FOR FOREIGN EXCHANGE OPERATIONS.

Mr. Lloyd George, Chancellor of the Exchequer, has announced that an arrangement has been arrived at to remove the difficulties caused by the breakdown of foreign exchanges.

Under this arrangement the Bank of England will provide acceptors with the funds necessary to pay at maturity all bills contracted before the moratorium was declared. Acceptors will be under obligation to collect from their clients the funds due them as soon as possible and apply those funds to the advance made by the bank, for which interest will be charged at 2 per cent. above the ruling bank rate.

The bank undertakes not to claim repayment of any amount not recovered by acceptors from their clients for a period of one year after the close of the war. Until the end of this period the bank's claim will rank after claims in respect of post-moratorium transactions.

In order to facilitate fresh business and the movement of produce and merchandise from and to all parts of the world the joint stock banks have arranged, with the co-operation of the Bank of England and the Government, to advance to clients the amounts necessary to pay their acceptances at maturity where the funds have not been provided in due time by the clients of the acceptors.

STATE INSURANCE.

(*Alexander S. Matthew at Vancouver, B.C.*)

To-day the business of insurance is admitted to be one of the most beneficent institutions ever conceived by the brain of man. It has done more for civilization and humanity than any other one thing. It started with a very small beginning and gradually expanded and developed with the growing needs of the human race. It has to-day woven itself inextricably into our social fabric. Such an institution as this is due to individual genius and individual initiative, and now that insurance has established itself as an indispensable institution the State comes along and says, "We want to take it over."

Even admitting that a larger collective element might advantageously be introduced in our national life, why experiment with insurance first? Why does the State not try dentistry, for instance, or why doesn't it go in for canning salmon? The business of insurance has taken years to evolve. Many of the best men in the country have given their life thought to it. The insurance companies have year after year been laboriously compiling statistics and acquiring knowledge to enable them to conduct the business more scientifically and in keeping with the growing needs of our complex civilization. Why should the State start its hazardous experiments with one of the most technical and scientific businesses, and why should they tamper with an institution which has undeniably done more good for human progress than anything else? In strangling the thing that has done the most good, it reminds one of the man who cut off his feet because he had no shoes.

A temporary branch of the Bank of Montreal has been opened at Valcartier Camp, Valcartier, Que., in charge of Mr. E. H. C. Smith as manager.

AN HONORABLE ATTITUDE.

The following is the leading editorial in the current issue of the Fireman's Fund *Record*:

"The war which has broken out in Europe, involving many of the nations, has given rise to questions regarding the European fire insurance companies operating in the United States. From the past history and present condition of such of these companies as maintain United States branches, it is very evident that there need be no fear as to their ability to meet this situation and maintain their excellent standing. The great institution of fire insurance has often passed through similar experiences and has proved its splendid ability.

Agents of the Fireman's Fund Insurance Company are strongly urged to avoid even the appearance of questioning the ability of European companies duly entered in this country, to pass triumphantly through this crisis. Where policyholders in these companies raise questions on this score, our agents are earnestly requested to give them assurances that their policies are good and will be protected.

AGENTS FEDERATIONS TO FIGHT TAXATION.

Among the encouraging signs of the times, so far as the great business of insurance is concerned, is the gradual coming together in federations of insurance agents of all classes, says the New York *Spectator*. For many years fire insurance agents have worked independently of life insurance men, while casualty and surety agents have claimed that they had nothing in common with other lines. This feeling is now undergoing a rapid change, for insurance agents of all kinds of companies are realizing that the interest of one is the concern of all. Insurance has been criticised by the daily newspapers, harassed by legislatures and abused by politicians, with scarcely a protest being made by the agents as a body, for the reason that they were not united. When, for instance, the question of taxation arises in a legslature on fire insurance companies, the life and casualty organizations keep out of the fight and leave the fire companies to work out their own salvation. Consequently they get the same treatment when it is proposed to put additional legislative burdens on them. Efforts have been made in recent years to awaken the public to the tremendous burden of taxation put upon those who carry life insurance, but all the arguments put forth are equally applicable to fire and casualty companies. A fight, therefore, against unjust taxation should be waged unitedly by all classes of insurance companies and agents. The public must be educated in a far more emphatic manner than heretofore as to the important part insurance plays in the economic welfare of the nation, and to that end concerted action is necessary by insurance men everywhere. The federations can influence thousands of voters with whom their individual members come in business contact day by day, and they may except eventually to exercise a restraining influence upon legislation.

A shipment of $1,000,000 gold was made on Tuesday from New York to Montreal, for account of the Merchants' Bank. This is understood to have been a special transaction.