

BANKS' LOANS IN BRITISH COLUMBIA EXCEED DEPOSITS BY OVER \$20,000,000.

"Banks in the East are loaning money to the extent of considerably more than \$20,000,000, or to be more exact, are investing funds in British Columbia," commented Mr. Ewing Buchan, manager of the Bank of Hamilton, president of the Vancouver Clearing House in an interview.

"This is not a new condition by any means," he continued, "but it gives an idea of the assistance that the banks are giving at this time of financial stress. It shows the unbounded confidence which is being tangibly evidenced by the parent institutions when they advance such large sums, and is an indication of the unusual development which is now proceeding throughout this province."

MUNICIPAL BORROWINGS.

"Is the money market showing any signs of becoming easier in your opinion?" he was asked.

"The tightness is aggravated, I believe, by municipalities for a long time refusing to accept the market price for their bonds," Mr. Buchan replied. "The bonds have in many cases been carried by the banks as short term loans. But the banks are disinclined to protract loans of that kind. The municipalities' action in holding back for high prices on their bonds has had a far-reaching effect on every phase of business life. Public works have been curtailed, and the contractor, the mechanic, the laborer and the community generally have felt the pinch. The local situation has been helped recently by the decision of the city of Vancouver to accept a lower price for its bonds than usual.

"For the past twelve months very little money has been coming in from abroad, but the commercial interests, so far as I know, have not suffered in consequence, or are not likely to. This new condition has to be recognized: The European investor wants more for his investment than he was formerly content to have. He demands it and the persons and corporations who wish to attract capital from Great Britain and other parts of Europe will have to meet the new condition."

Mr. Buchan said that after the present stringency was over conditions would be more stable than heretofore.

LIFE UNDERWRITERS AT OTTAWA.

The annual convention of the Life Underwriters' Association of Canada was held at Ottawa this week. About two hundred delegates were present and were welcomed by Premier Borden, Sir Wilfrid Laurier, and Mayor Ellis. President John A. Tory, in his address, advocated the licensing of life insurance agents by the Federal Government, urged that support should be given the companies in their fight against the taxation of life insurance premiums, maintained that rebating should be made a crime by statute, and condemned twisting.

Officers were elected as follows:—Hon. President, J. A. Tory, of Toronto; President, J. B. Morissette, Quebec; vice-presidents, J. A. Johnston, Calgary, A. J. Meiklejohn, Ottawa, and the president of the National Life Underwriters of the United States.

The executive includes: Brantford, J. Burbanks; British Columbia, W. J. Twiss; Brandon, E. Daw; Brockville, H. B. White; Central Ontario, Gordon Hall; Calgary, P. A. Wintermute; Cape Breton, A.

R. McIsaac; Edmonton, Dunlop; Eastern Townships, G. J. Alexander; Grey and Bruce, R. W. McGregor; Guelph, F. B. Hilliard; Hamilton, W. H. Seymour; Huron, Thomas Jolliffe; Kingston, J. B. Cooke; London, V. Reeve; Montreal, G. E. Williams and H. H. Kay; Winnipeg, J. A. Wilson and R. S. Rowland; Moose Jaw, Houston; Niagara Falls, McEvoy; Nova Scotia, S. D. Freeman; New Glasgow, P. McFarlane; Ottawa, W. H. Stevens and W. Lyle Reid; Prince Edward Island, J. O. Hyndman; Port Arthur, G. I. Sedley; Prince Albert, T. C. Sinclair; Quebec, J. F. Belleau; Quinte, S. Burrows; Regina, J. H. H. Young; St. John, F. S. Farris; Sault Ste. Marie, B. H. Carney; Toronto, Fred. Chance and W. E. Eugert; Victoria, A. B. Fraser; Windsor, A. G. Roberts; Waterloo, W. M. Lockhead.

The next convention will be held in Halifax.

Winnipeg association won the cup donated by John R. Reid, of Ottawa, to the association bringing in the largest percentage of new members during the year. The cup for the association holding the best six meetings since last convention, given by Mr. A. Homer Vipond, of Montreal, was won by the Quebec Association.

A cup was presented to Mr. Clarence Armstrong, of Toronto, for the best essay on Insurance as a Factor in Social Economics.

INVESTMENTS OF BRITISH INSURANCE COMPANIES IN CANADA AND ELSEWHERE.

Important Judgment by the House of Lords—Companies Chargeable with British Income Tax on Interest from Foreign Investments, although not Received in Great Britain.

The House of Lords has given an important judgment affecting the British insurance companies who hold investments in Canada and elsewhere. The question at issue was this: Is an insurance company chargeable with the British income tax on dividends and interest arising from funds invested abroad, though not received in Great Britain? And the answer of the House of Lords was yes, if such investments be made in the way of the company's business. The case in question was carried to the House of Lords by the Liverpool and London and Globe Insurance Company from the Court of Appeal.

The case arose out of the investments of the Company in Canada, the United States and Australia, the British Inland Revenue authorities seeking to tax the dividends and interest arising from them. The investments in question fall into three classes characterised as follows:—

(1) Investments made in Canada and certain of the States of the Union consequent upon the legal requirement that foreign insurance companies deposit certain minimum amounts with the Government or with trustees as a further security for policyholders.

(2) Investments made in the United States in order to comply with the State of New York's law regarding "surplus" and investments and deposits of the same character made in Canada in accordance with the laws of Canada.

(3) Large sums invested in Canada, the United States and Australia (not under compulsion of law), such sums being accumulated profits of past years which had not been distributed among the shareholders. Generally it had not been necessary for the