HON. W. T. WHITE ON LIFE INSURANCE

ENTERTAINING ADDRESS TO LIFE PRESIDENTS—THE IDEA OF TRUSTEESHIP—FINANCIAL STRINGENCY CONTAINS WITHIN ITSELF SEEDS OF ITS OWN CURE.

The Hon. W. T. White, Minister of Finance, made an entertaining address before the Association of Life Insurance Presidents at their annual meetings in New York City, last week. Mr. White said he had always had an admiration for the life insurance fraternity because insurance was the only subject at which he had made an absolute and complete failure. He was a life insurance agent for about six months and the result, to say the least, would be disappointing to the most indulgent of general managers.

THE IDEA OF TRUSTEESHIP.

There are one or two features of life insurance, proceeded Mr. White, in which the public are very much interested, and which really have been the occasion of the legislation which has brought insurance under government supervision, and, in a measure, control. The first is the idea of trusteeship. When life insurance companies enter into contracts with the public and agree to pay a sum stated in a certain contingency, or to divide profits, and especially in the latter case, they are constituted trustees. The idea of trusteeship, in my opinion, is the most prominent feature, from the public's standpoint, of life insurance. In equity it is a cardinal principle that no man who is a trustee shall be allowed to make any personal profit out of his trust, and the idea that I desire to emphasize here is that what should be aimed at by governments is to so control life insurance companies, by wise legislation, that the trust, the great trust which they exercise, shall be carried out in strict accordance with the laws of equity, and that no profit shall be made by presidents or managers or executive officers or by directors or by shareholders of life insurance companies, except such as they are justly entitled to. You may say that is very obvious. Most of the troubles that we have had in life insurance companies, in Canada, at all events, have arisen from breach of trust. Men controlling life insurance companies, directors of life insurance companies, have been able to serve, in some cases—and I am speaking not generally—I want to make that very clear, because the history of life insurance in Canada has been good; but in the cases which I have in mind the trouble has arisen by reason of the fact that men in close connection with life insurance companies, controlling their business, controlling their funds, have been able to take an inequitable and unlawful advantage of their administration for their own personal aggrandizement—it is not all directly, but sometimes it is done through an intermediary company; but I lay down the principle that the public is interested in seeing that the administration of life insurance companies shall be in strict accordance with the law and with equity and justice and fair play, and that the stockholders and directors and executive officers of these companies must not make any personal profit out of their trust.

THE QUESTION OF LONGEVITY.

In lighter vein, life insurance companies of Canada and the United States are interested in the question of longevity. The contract of life insurance, in common law, is what is called a betting contract; one of the class of betting contracts that is lawful. You really bet that a man will live a certain number of years, and he bets he won't, and the common law, making that exception, with one or two others, from the general rule, recognizes that betting contract as a lawful contract and permits people to enter into it with life insurance companies.

I may be not correctly informed. but although we say a great deal as to what science has done in late years in promoting longevity, I understand that the gains have all been made in earlier years of life; that infant mortality is less; that in cases of youth medical interference and assistance will save where formerly they used to die; but I believe it is a fact, that if you will take those of to-day who have reached the age of forty years and those of a generation or more ago who reached the age of forty, that we have not increased longevity for that class. This is one of the outstanding facts and quite a commentary upon our civilization. As you gentlemen are interested not only from a humanitarian standpoint, but from the standpoint of business, I think you should direct your attention to that feature or phase of civilization.

PRESSURE TOO GREAT.

The pressure to-day upon the business man of Canada and the United States is too great. You have men breaking down at thirty-five, forty and forty-five, who ought to live to be seventy-five or eighty. You may say that is inherent in the conditions under which we work and to a very large extent that is true; but I think much could be done by insurance companies and they have done much along these lines to prevent those breakdowns among business men, the most productive men in our communities, to prevent those breakdowns at an untimely age. It seems to me that the solution of the question is to make them play more, sleep more and eat less. I think that if we could introduce those cardinal practices into the lives of our business men in this busy, material age, we would do very much for the uplifting of the nation, the improvement of its virility and for the benefit of life insurance. So, if you want to take a message from me, it is to use your immense influence not only with others but with yourselves and play more—golf, I suggest as a useful diversion. (Applause) I am not sure that it would not be more valuable for nations to subsidize golf grounds than railways. I suggest golf as a useful avocation—play more, sleep more, eat less, drink less, if you like—I think more men kill themselves over-eating than over-drinking. It is literally true for a great number of our population that they dig their graves with their teeth. If they would play more, eat less, and sleep more, I think we would be able to achieve longevity in those who have achieved middle age.

THE FINANCIAL STRINGENCY.

I think it is pretty well recognized that there has been an extraordinary and abnormal demand for capital from all parts of the world, during the last few years, and that a great deal of that capital which has been taken from the international money markets, has become fixed, by the great demands from the Orient—modernizing the Orient, Japan and China. Enormous sums of money have been called for in