

There is moreover another aspect of the case which must never be lost sight of. The American companies have been working in Canada since 1878 with the full knowledge of the law. It was not made retro-active, but applied only to business which they might do after that date. Those who remained in the country elected to comply with the law, and so notified the government and the public. They have secured their business since that date largely by the representation of the special protection which their deposits afford to Canadian policy-holders. It is a little late in the day to attempt to evade now an agreement entered into with open eyes. To unsophisticated Canadians, it looks a little like bad faith. But then of course we are "arbitrary and absurd."

A good deal has been said about the ownership of the reserves on these Canadian policies. This may be looked at through the spectacles of ordinary business or of legal technicality. Who paid the premiums of which the reserves form part? What is the hardship of asking that the unearned portions of the premiums paid by Canadians, and which are the security for Canadian policies, should be invested in the Dominion? The editor of the *Insurance Times* considers that the premiums belong to the company as completely as the price he pays for a suit of clothes belongs to his tailor. If, however, he had paid the tailor not only for the suit he wears (we presume he has paid for it), but had also paid in advance for several suits to be delivered ten years hence, we imagine he would view the matter differently. He would then view with more concern the possible closing of the tailor's "branch" in his city, and the contingency that he might have had to enter suit at the end of a term of years at the tailor's "head office" in some distant country. And that is exactly the position of policy holders in life companies. They have paid in advance for benefits not to be received for many years, and have a right to be protected.

There are other points connected with the subject, but space prevents our discussing them at present. We trust, however, that we have said enough to show that the Canadian Government has some grounds, at least for the course it has taken, and that the American companies have not yet a sufficient ground of complaint to constitute a *casus belli*.

#### THE AMERICAN BANKERS' ASSOCIATION.

The Convention of the American Bankers' Association held recently at Baltimore was one of great interest, as indeed those meetings usually are. One of the marked features was a frank recognition that the present currency system of the States is defective. The keynote of currency reform was struck in the opening address by the Honorable John C. Roe, who said: "The vital necessity of a national currency is that it will freely circulate anywhere, and be on a par with coin by being readily convertible into specie at the will of the holder." In the President's annual address occurred also this significant passage: "Let no man dare to advocate for local or partisan purposes the lowering of the standard of values recognized by the great na-

tions of the world." Thus the Convention in its initial stage laid down the sound, fundamental bases for currency, viz., freedom from local restrictions, and prompt convertibility into gold. The first paper read was on the influence of the Press on the finances of 1893, in which the author condemned the too common habit of American papers of publishing "exaggerated and alarming reports, which struck a blow at the internal organization of all commerce and industry." It will be remembered that Mr. Clouston, at the annual meeting of the Bank of Montreal in June last, said the conduct of the Canadian Press had been most discreet during the panic. In the States, the financial troubles were increased by the Press; in Canada they were restrained. A second paper dealt with a banker's responsibilities to the public, in which the necessity of reticence as to customers; of the avoidance of personal feelings; of keeping confidences sacred; of avoiding speculation; of keeping in touch with the business world; of cultivating friendly relations with other bankers, and other points of conduct were ably dilated upon. A paper on banking ethics very justly set forth that bankers gave the *tone* to the commercial community, and, therefore, "the banker must be animated by that high sense of honor, probity and intelligence, which causes and upholds conservatism, stability and success in business transactions." The value to a community of a banker maintaining a high standard of commercial integrity can hardly be exaggerated. We note with pleasure, that in this paper the duty of bankers taking an interest in public business is laid down, so that the influence of their example as men of high moral character and the force of their advice as men of sound judgment may be brought to bear for the purification, and raising the tone of public life in the nation and in the sphere of local government.

This view was dwelt on by other speakers, notably by one banker, who said: "If our Republic goes down, it will be the fault of the rich, of the well-to-do, of the educated and well-informed citizens," who have left to others the work of carrying on the war against ignorance, selfishness and viciousness in public places. The most important work of the Convention was the approval given to a proposal for the entire reconstruction of the American banking system which emanated from the bankers of Baltimore. It is a matter of pride to Canadians that the scheme endorsed by the American Bankers' Association was suggested by, and is, to a large extent, founded upon the banking system of this Dominion. The issue of circulation is fixed at 75 per cent. of a bank's paid up capital. A guarantee fund is to be deposited with the Treasury to secure the circulation, as in Canada. The securing of note issues by bonds is condemned, as a wasteful and imperfect security. The speaker who introduced this plan condemned the silver currency system of the States in severe terms as a scheme by which men could legally "repudiate 50 per cent. of their indebtedness." When this radical proposal for a reformed banking and currency for the States was put to the vote it was carried unanimously. We are not surprised at this, for strong