

LIFE INSURANCE CONSIDERATIONS FOR TO-DAY.

Year by year it becomes increasingly evident that for the vast majority of people, life insurance is the only certain means of financial salvation. The increasing complexity of modern civilisation, the whole tendency towards the specialisation of the individual on some particular line of business or intellectual effort are reasons why. It is not sufficient in these days, to take one case, that a man should train himself to the practise of law; it is necessary, if he would rise in his profession, that he should become an authority on some particular phase of law. Similarly in the business world. Modern conditions are more and more tending towards specialisation. To achieve success in modern business, a man must discover his *flair*, and having discovered it, work untiringly along the lines that are thus marked out for him. In either case, whether in profession or business, the following of his own line must necessarily absorb all his attention. He has no time, as in the old leisured days, to acquire a great bulk of information on subjects outside that which is his *métier*. He may be well-informed, as the phrase goes, even cultured. But he cannot, for instance, unless it is his daily business so to do, acquire that intimate knowledge of investment and market conditions which is essential to successful investment. The fact that professional men, often of the highest standing in their respective careers, are the easiest of marks for the financial shark is too well known to require amplification. But it is also true that many men, engaged in a business which does not require intimate study of the financial markets, venture there with imperfect knowledge and sooner or later find themselves in the position of shorn lambs. For both these classes of people, and they represent an immense proportion of the population, life insurance is essential.

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There is another point which needs to be taken into consideration. We are living in a period of rapidly rising prices, while for one reason and another, much of the most useful and worth-while work now being undertaken, is scandalously underpaid. A Presbyterian minister wrote the other day:—"How can any professional man in Montreal, with the increasing cost of living make ends meet on a stipend of \$2,500 or \$3,000 a year?" The interrogation suggests another:—"How is the ordinary professional man at the present day to make adequate provision for those dependent upon him except through life insurance?" There is, in fact, no other way by which he can effectively guard them against the accidents of life. He may put by a thousand dollars a year for five years, or ten years, or fifteen years, but if at any time during those periods he suddenly dies, the provision that he will have made will be small, even pitifully small, in comparison with what he might have done through life insurance. A man with adequate life insurance is the only person who is justified in living up to his income. He alone can go serenely forward day by day, unweighed by thoughts of possibilities of disaster, unharassed by the necessity of pinching and scraping to make provision—and unsatisfactory provision at that—against the time of sorrow and distress that often comes as a thief in the night.

The cost of living is going up. So is the cost of insurance. There is no company in the world which will insure you for as low a premium a year hence as it will to-day. And it is possible that a year hence no company will insure you at all. To-day, you may be able to pass a medical examination for any policy you care to apply for; a year hence the doctor may discover the unsuspected beginnings of organic disease, and you may be unable to obtain any policy at all. These things are worth thinking about seriously when the comfort or misery of those you love most in the world is dependent upon them. Have you ever thought, too, of the risks you incur when you walk down the street; that a journey in a street car is full of immense hazards; that as you go about your daily life, death is always lurking at our elbow? You cannot afford, unless you are utterly selfish, to neglect that only means by which the cup of misery of those you love most in the world may be kept from overflowing.

THE CLOSING OF THE BANK OF ST. HYACINTHE Bankers' Effective Reply to M. P.'s Charges—Proceedings Justified by Subsequent Events.

At the meeting of the Banking and Commerce Committee on Tuesday, a report was presented by Hon. W. T. White containing the reply of the Canadian Bankers' Association, through a statement by Mr. John Knight, its secretary, to charges made by Mr. J. H. Rainville, M.P. for Chambly-Vercheres, in regard to the closing of the Bank of St. Hyacinthe in 1908.

The principal points made by Mr. Knight in his statement are the following:—

- (1). That when the Bankers' Association entered upon its inquiry into the condition of the St. Hyacinthe Bank, it was quite justified in taking this step on account of well-founded rumours.
- (2). That the bank's statement showed that its capital was lost, this being admitted by the directors.
- (3). That the recommendation to suspend payment was quite in order.
- (4). That this recommendation was fully justified by what afterwards transpired; that creditors had been paid up without full amount for interest only after the liquidator had called up unpaid capital and had had recourse to the full amount of double liability.

LOSS OF CAPITAL.

In reviewing the history and operations of the bank, Mr. Knight states that the subscribed capital was \$504,600, of which \$331,235 was paid up. Total deposits at the close of May, 1908, showed a drop of \$75,000 as compared with the previous month. The cashier, Mr. L. F. Philie, was requested by the late Sir Edward Clouston, then president of the Bankers' Association, to go to Montreal and to prepare a valuation of assets. This showed that the whole of the paid-up capital had gone. The chief item was a doubtful claim against the Quebec Southern Railway, then insolvent. Mr. Knight was of opinion that that claim for \$612,000 was exorbitant.

Mr. Knight contradicts the statement that he told the directors to close their doors. He points out that it was well known that the bank was in difficulty, and he therefore informed the directors that if they did not suspend payment, he would be obliged to report that the bank was insolvent. In his opinion it would have been unfair to the depositors to open up again. The committee took no action in connection with this report.