

Such declines as have occurred may be ascribed, quite reasonably, to the calling of loans instituted by the banks having deficient cash reserves.

Call loans on stock market collateral in Canada are quoted at 5 p.c. as heretofore. Certain stocks have attracted considerable speculative buying and the movements have been vigorously conducted. Needless to say Canada's ability to borrow in London is not increased by sensational bull exploits in Montreal and Toronto at this time. English and other financiers are watching Canada very closely in the belief that speculation is perhaps too active in certain directions. And when they see a couple of stocks driven to points up by the speculative cliques the circumstance has a tendency rather to cause them to close their purses.

Should the expected rise in interest take place in New York Canadian rates would doubtless be affected. If New York rates are in the neighborhood of $5\frac{1}{2}$ or 6 per cent. then when a Canadian bank finds itself in possession of a large amount of New York funds it will be disposed to leave the money in Wall Street at call instead of transferring it home in the usual manner. And those who are accustomed to look ahead are well aware that a few more weeks of favorable crop weather in Western Canada may bring the banks face to face with the problem of financing the biggest wheat yield the Dominion has ever had. It is altogether likely that when that crop begins to come on the market at the beginning of September the banks will not have a great superfluity of funds available for promoting stock market movements.

THE CALL FOR INVESTMENTS.

Excerpts from an Address Delivered by Alfred Hurrell, Attorney, Association of Life Insurance Presidents, New York, before the South Carolina Bankers' Association at Charleston (Sullivan's Island), S.C., Friday, July 5, 1912.

There is much in common between the business of banking and that of legal reserve insurance, and your recognition of that fact, by giving us a place on your official programme, is appreciated.

And for fear some waiting critic (and this is the day of critics) should immediately execute an exultant war dance, claiming that my statement of a common interest is an admission of a criminal conspiracy, let me hasten to say that of course we are not organized for the same purposes, do not work together, have no agreements, understandings or trade secrets concerning prices or interest rates, and are entirely separate in our corporate operations. Our lines do meet, however, and very often run parallel, when as a result of the different business and objects we pursue, we find ourselves interested in the same questions, such as the demand for money, investments, interest rates, assets of men and of communities, and the material development of the country.

SIMILARITY OF BANKING AND LIFE INSURANCE.

Then, too, while the powers of the corporations we represent, as expressed in their charters, and as carried into effect by their officers, are clearly different, the public good, inherently resulting from the operation of both the banking system and that of legal reserve life insurance, in many ways is similar. To the banker is committed the savings of the people on his undertaking to return this money to the owners, plus interest; to the life insurance company is paid premiums on policies and for that money it obligates itself to pay on the death of the premium payer a certain sum to his beneficiary or on a fixed date before death to the insured himself. With each, however, there results an accumulation of funds. The more business a bank does, the greater its liabilities and assets grow; and with an insurance company, the greater the volume of policies outstanding, the larger the reserve funds in its hands must be, in order to maintain its solvency and mature its contracts successfully.

BENEFITS FROM ACCUMULATION OF FUNDS.

It is in this accumulation of funds that a similar good is done by both institutions to the individuals whose deposits or payments make up such funds, and to the country at large. It goes without saying that any business organization which by its existence and operation induces people to put by money from present income or to conserve that which they may already own, is doing a real public service. It is the thrifty who inherit the Kingdom of this earth. Thrift is handmaiden of progress, and institutions such as banks and life insurance companies, which stimulate and engender the spirit of thrift and forethought among the people, and indeed depend largely for their existence on the strength of that spirit, may justly take pride in that common attribute of the business of each. And in the distribution of these accumulations in the securities of the country a similar good is done to each. It will not be disputed but that in the collection and distribution and redistribution of the money of the people and in the coordinating of the small contributions into substantial sums for investment in the securities of the country representing permanent improvements, an economic result of great value is obtained both for the individual and the public.

RESPONSIBILITY UPON TRUSTEES.

It is also true that in the conservation of these funds to the end that business obligations assumed in connection therewith may be carried out with fidelity, the same questions are bound to arise as to where and how they will be invested. It matters not whether it is depositors' savings in a bank or the reserves of a life insurance company which are being considered, the same care must be exercised in the one instance as in the other. The element of trusteeship is present in both, and here again the bank official and the insurance company officer are on identical ground, for in this end of the business of each these officers are under the very highest form of material responsibility which can rest on men—that of carefully investing the funds of others.

INFLUENCES WHICH AFFECT FLOW OF CAPITAL.

Having thus by mere natural coincidence like interests of such substantial nature, I have encouraged myself in the belief that you would be interested in