

great body of those who contract for life insurance and is the view that has been embodied in the provisions of the Ontario insurance act. This legislation meets the present-day needs of the business and it is hoped that when the legislators of the other provinces next deal with their insurance laws the desirability of uniformity of legislation, especially in connection with the matter of beneficiaries, will lead them to bring their laws into harmony with those of the premier province.

CALL LOANS ABROAD

The call loans abroad, and chiefly in New York, of the Canadian banks have fluctuated considerably during the past year. Just before the outbreak of war, the Canadian banks had over \$137,000,000 of foreign call loans. The Dominion was still undergoing a process of liquidation and there was a comparatively small demand for bank credit at home. In July a year ago, foreign loans stood at \$125,000,000. War between Great Britain and Germany commenced on August 4th and at the end of August, Canadian banks had withdrawn \$29,000,000 of their loans from abroad, despite the fact that critics were positive that the banks could not recall these loans in a hurry during the crisis. The following table gives a record of the foreign call loans during the past fifteen months:—

	Canadian call loans abroad.
1914—June	\$137,120,167
July	125,545,287
August	96,495,473
September	89,521,589
October	81,201,671
November	74,459,643
December	85,012,964
1915—January	85,796,641
February	89,890,982
March	101,938,685
April	121,522,971
May	136,098,835
June	124,604,875
July	117,821,674
August	120,607,677

Between June and November, 1914, the Canadian banks withdrew loans, made in New York largely, amounting to \$63,000,000. Since last fall until May this year, there has been a gradual increase in these loans until they reached \$136,000,000, a total within a million dollars of the high mark in June last year. Since May to the end of July, loans were called to the extent of about \$19,000,000. Last month's return showed an increase of \$3,000,000.

An examination of the monthly statements to the Dominion government of the chartered banks, shows that the increases in foreign call loans during recent months were largely the result of operations by the Bank of Montreal. This institution is financing the loan operations of the Dominion government and several other large Canadian borrowers. Financial arrangements made by the Canadian government with the British authorities have also been transacted through the Bank of Montreal, which has found it necessary to keep large reserves in New York. This bank's call loans abroad in November

last were \$36,000,000 and by the end of May had risen to \$89,500,000, an increase for the six months of \$53,000,000, an average of about \$9,000,000 a month.

There is invariably criticism by certain sections of the public regarding Canadian bank loans in New York. The usual complaint is that Canadian banks are loaning their funds in New York to the detriment of the business community in Canada. As Mr. Alexander Laird, former general manager of the Canadian Bank of Commerce, once put it: "Notwithstanding all that financial critics have written about the Canadian banks sending to New York moneys needed in Canada, in order to take advantage of the high rates occasionally prevailing there, such a thing as a bank curtailing its commercial loans in Canada for a purpose of this kind is absurdly improbable." The above figures are a substantial reply to the critics who stated that these loans could not be withdrawn from the New York market at short notice.

This particular business between Canadian banks and New York has been going on for half a century. The results have been satisfactory to Canada because they have yielded a steady profit to the banks, have strengthened their position and have enabled them to lend to their Canadian customers on more favorable terms than perhaps would have been possible otherwise. The larger portion of these loans are carried in New York at 24 hours' call and are practically as readily available as cash. Except on rare occasions, New York call loans bear a lower rate of interest than Canadian mercantile loans. Therefore, the Canadian banks aim to carry such an amount on call in New York as will constitute, with the cash carried in Canada, a reasonable reserve of cash and immediately realizable funds.

Only occasionally during the past 20 years have excessive rates for call money prevailed in New York for more than a few days in a year. Obviously, a Canadian banker would not sacrifice prominent business connections in Canada for such a temporary advantage. Selfish reasons alone would be sufficient to prevent the banks from lending Canadian funds outside of the Dominion except to the extent that is necessary for the purposes of their cash reserve.

AN ADMITTED REBATE

The correspondence relating to a rebate case, which occurred in life insurance work in Hamilton, Ontario, last spring, was read to the Dominion Life Underwriters' convention at Toronto the other week. Here are the facts as set forth in the correspondence: An agent had been canvassing a prospect for over twelve months. Then he received a letter from his prospect thanking him for sending certain insurance literature, and adding: "Some time ago we were discussing the matter of my taking out an insurance policy with your company, but since that time, one of our chief agents persuaded me to take out a policy with another company, and he has allowed me the commission on this business. It was, of course, to my advantage to take hold of this opportunity. I trust this explanation will meet with your approval."

The original canvasser contended that he was robbed of his justly earned commission on a \$2,000 policy. The case was discussed by the Hamilton Life Underwriters' Association, by a vice-president of the Dominion Life Underwriters' Association, by its president, by its