LIFE COMPANIES' INCREASING RESPONSIBILITIES.

In his presidential address to this week's assembly of Life Insurance Presidents, Hon. W. A. Day, president of the Equitable of New York, pointedly called attention to the fact that the growth in the magnitude of the trust committed to the care of the life insurance companies on this Continent demands from time to time a broadened conception of the responsibilities attaching to that trust. He expressed the opinion that the time has come when the companies should be more assertive in protecting life insurance interests, and that they should give greater heed to the factors, public and private, that tend to jeopardise or injure those interests.

It is gratifying to find a life insurance executive of Mr. Day's prominence bringing forward this matter. For some time, it must have been obvious to students of the business that the influence which the institution of life insurance has in public affairs is by no means commensurate with its importance. Take the matter of taxation. Whenever any new proposals for this are made, the protests of the companies are most often simply swept aside as merely the to-be-expected objections of wealthy corporations anxious to avoid their fair share of taxation. Or take the matter of legislation gravely inimical to those whose capital has been invested in good faith, like the legislation in the western provinces affecting mortgages. The fact that anybody else than a few wealthy lenders have been affected by this legislation has not been brought out at all. In both cases, the real sufferers, among others, are the hundreds of thousands of policyholders located between the Atlantic and the Pacific. But it seems that no pains are taken to mobilise their influence in defence of their rights.

Mr. Day is not only in favor of action where the policyholders are directly interested, but would have their aid secured in dealing with matters that indirectly endanger or injure the interests of the companies' constituency. He instanced the matter of laws calculated to restrict railway earnings. The life companies' reserve and other funds are invested in American railroads to the extent of over one and a half billion dollars, and laws which would adversely affect the security of railway bonds would affect 45 millions of policyholders and dependents, whose only representation at present is the right of individual appeal by the company officers. "May we not with propriety consider," pointedly remarked Mr. Day, "the wisdom of bringing the facts in all such cases not only to the attention of our lawmakers, but to the policy-holders themselves that their aid may be secured in protecting their rights? Can we be justly denied the privilege of appeal to our legislators through our policy-holders whose interests are at stake?"

The Minister of Finance, interviewed on his return from England, said he was surprised to find the extraordinarily favorable impression which has been created in official and business circles in London by the strength and stability of Canadian finance as revealed by the Dominion's successful loan operations and the establishment of credits for the Imperial Government towards meeting its commitments for munitions and supplies purchased in Canada.

THE FINANCE MINISTER'S STATEMENT.

A statement issued from Ottawa this week summarising the Finance Minister's views in regard to a present-day economic policy suggests the possibility of some interesting innovations. Sir Thomas White is reported as not merely academically in favor of national economy in food, dress and personal expenditures generally, but as insistent that "imports other than necessaries of life or required for war purposes should be discouraged in order that the exchanges may be maintained and the national wealth conserved for the State." Probably the only really quick and efficient method of "discouraging" unnecessary imports is to prohibit them. Is the Finance Minister's statement a hint as to what may be shortly expected in this direction?

During the twelve months ending with October, Canadians spent about $300,000,000 more for foreign merchandise than during the previous year. There is no doubt as to a very considerable proportion of this expenditure being for luxuries which could quite easily be done without. Whether, however, the Government is yet prepared to take so drastic a course as prohibition or prefers to trust to the method which may be ethically preferable but is certainly slower and less efficient in action, that of public education, remains to be seen. It may be noticed that in regard to the matter of the present investment of Canadian moneys abroad, the Minister of Finance still pursues the way of requesting conservation of investment funds for Canadian war purposes, instead of adopting the more forcible line. The same method of relying upon voluntary response is being followed by the Government in other directions.

BANKERS AND THEIR CLIENTS.

The Canadian bankers have been rescued from an awkward position as a result of the decision of the Court of Appeal in London, in what is known as the Banbury case. The late Sir Edward Clouston gave Captain Banbury an introduction to the manager of the Victoria, B.C., branch of the Bank of Montreal, and the latter put the Captain in touch with the Westholme Lumber Company. That organization had a contract to supply the city of Victoria with water from Sooke Lake, and had some difficulty in financing the undertaking. Captain Banbury agreed to lend the company $125,000, upon which he was to get 8 per cent. interest and 12½ per cent. of the profits that might arise from the contract, and in addition he took as security a second mortgage on the lumber company's properties. The Westhome Lumber Company's undertaking did not work out as well as antitipated, and Capt. Banbury, as a result, was faced with probable loss, and brought action against the bank for damages on the ground that he was introduced to the lumber company in question by the agents of the bank. In the first instance the case was tried before the Lord Chief Justice but the jury disagreed. In the second trial the jury found in favor of the Captain. The Bank appealed and the Court of Appeal has now reversed the jury's decision.

Had the jury's decision been maintained, it would have meant that the Canadian banks would have been placed in the position of guarantors of every investment of which their agents spoke favourably. Such a position, to put it mildly, would have been an extremely uncomfortable one.