

### HUMAN NATURE AND RED TAPE

If the Union Life Insurance Company's financing operations and those of its allied concerns had been novelized, the reader would have held his breath till the conclusion of the tale, his hair meantime standing on end. If the same story had been dramatized, the playgoer would probably have found too much excitement in one short evening for the good of his heart-beat, refusing also to refrain from hissing the villains, however plausible their appeal to the gallery. But, as the financial operations were not the work of a novelist or a playwright, being of real life, things may be different. The Dominion governments' investigation, which has just concluded, might possibly have delved more deeply. As it was, the outstanding points of an extraordinary story of high finance were elicited. We imagine that Mr. C. A. Masten, K.C., representing the Dominion government, Mr. Kappelle, the referee, and Mr. Clarkson the liquidator have the best idea, outside of the Union Life coterie, of exactly how high the finance really was. Mr. Clarkson will submit a report to the Department of Finance, and will presumably make certain recommendations with a view to preventing a recurrence of similar disasters.

What will the Finance Department do? The question is on the lips of all those who have followed the course of the inquiry. Their action should be known in a few months. They will probably publish the text of Mr. Clarkson's report, adopt his recommendations, give the Union Life directorate a verbal slap on the wrist, quietly telling them not to be naughty boys again. This is scarcely the most complete function of a supervisory government insurance department, but, at the same time, it is human nature trimmed with red tape.

### THE BANKER'S OPINION

The interesting addresses at the annual meetings of various banks in Canada, emphasize four points—the fairly good year generally enjoyed here during 1913, having regard to the monetary stringency; the strong position of the chartered banks, acting as a solid foundation and a proper check upon unwise speculation; the satisfactory profits of the banks, and the opinion of bankers that conservative business action and proper economy is necessary during the next twelve months.

Mr. John Galt, president of the Union Bank of Canada, for instance, reminds us that the causes underlying the feeling of anxiety in the financial world are worldwide, and while some of them are now removed, caution is advisable and strictest economy in both public and private affairs is necessary.

"The year 1913 has been a trying one both for borrower and lender," said Mr. Galt. "There has been a general feeling of uneasiness, which has caused financiers to carry an unusually large proportion of their funds in a liquid form. This has curtailed the loaning power of all the banks and has checked the encouragement of new business, but we have been careful to see that our customers have had the money necessary to carry on their legitimate trade, and I do not think we have given any of them reason to complain. The capital available for investment in new fixed forms, such as railways, canals, city and farm buildings, etc., is, of course, limited. Of late years it has been pretty well absorbed. It is clear that when the supply is exhausted, or when causes operate to check it, expenditure in fixed forms must be curtailed. This point seems to have been reached, and Canada will have to mark time until confidence is restored and until the older countries, from whom we draw much of our capital, are in a position to again invest their savings and profits. The natural resources of Canada are so vast and so attractive, that the capital necessary for their develop-

ment will, undoubtedly, be forthcoming when financial conditions become more settled."

In commenting upon the report presented to the shareholders of the Northern Crown Bank, Sir D. H. McMillan, the president, stated that it was important at a time like the present for every business concern, financial or otherwise, to show by its statement that collections had been good. He added: "In view of the financial situation outside of our own country, the bank will continue to pursue a conservative policy, and will not allow a desire for large profits to tempt it into too rapid expansion. It must be remembered that this country, being new and in the course of development, cannot finance itself upon what it produces at present, and that it must obtain money from abroad until it is on a self-supporting basis; also that temporary checks must inevitably occur from time to time in the supply of money from abroad, which will mean a scarcity of money here."

The opinion of Canada's bankers—and that opinion is one of the most reliable and valuable—is that the Dominion is in excellent condition but that there is necessity for a conservative attitude in order to adjust matters with conditions in the world's money markets.

### OTTAWA NEEDS INDUSTRIES

It is somewhat surprising to know that the powers that be at Ottawa are taking a plebiscite next month as to whether or not that city should retain its publicity bureau and grant the small sum of \$15,000 for its 1914 work. There is little doubt that the vote will be favorable to the bureau and by a big majority. Toronto a few years ago dispensed with its publicity office. With the right type of man as an industrial commissioner the Queen City might have secured some valuable industries during the past few years. Instead, Mr. Marsh, the energetic hunter of industries for Hamilton, has magnetized a large number, besides building up for Hamilton a worldwide reputation that the city wants new industries and treats them well when they arrive.

Mr. C. F. Roland, of Winnipeg, is another industrial commissioner who has shown what can be done for a city of merit, with a good commissioner and citizens affording proper support. Mr. Hall, of Edmonton, is another industrial missionary who is spreading abroad, with good results, the attractions, agricultural and industrial, of the Edmonton district. Good work can be accomplished for a city or district by a publicity commissioner, but he must have the unqualified support of the civic rulers and the ratepayers generally, and sufficient funds to finance office expenses and legitimate publicity campaigns.

Mr. H. W. Baker has a good record at Ottawa. The single fact that he has received, in a period of two years, considerably more than five thousand specific inquiries concerning Ottawa, is testimony to his straight shooting in the matter of publicity. It is pleasing to know that the plebiscite has received the support of the Ottawa board of trade and a number of the other business organizations of that city.

### FOLLY OF THE STRENUOUS LIFE

To the attention of presidents of United States life insurance companies, meeting at New York, Hon. W. T. White, Minister of Finance at Ottawa, under whose jurisdiction also comes the insurance department, brought a serious point for consideration. He spoke of what a great deal science had done in late years in promoting longevity, but emphasized the fact that the gains have all been made in earlier years of life. If we take those people of to-day who have reached the age of forty years and those of a generation or more ago who reached the age of forty, we find that modern science has not increased longevity for that class. There is, therefore, some-