

declined in the same period of 1899 to only \$739,982 in value. We are inclined to think that the American newspapers have been altogether too jubilant over the above table. The increased exports of wheat and wheat flour represent—we venture to say—the gain of Canadian ports at the expense of American ports, for the grain and flour goes to Britain, and while the Canadian consumption of Indian corn from the United States has undoubtedly increased, a large quantity of this grain has also been sent forward from Canada in export. It is curious to note that while the United States newspapers are calling for protection against the cheap lumber of Canada, at the same time they boast that the lumber exports, which were valued at \$588,922 in ten months of 1897, increased to \$1,062,424 in the same period of 1899.

LOW PRICES FOR FLEECE WOOL.

Canadian fleece wool has been coming forward very freely when the extremely low prices which it brings are taken into account. It is estimated that 350,000 pounds of the new clip have been received to date by Toronto merchants. In addition to this quantity of wool, a close canvass of the street reveals the existence of 385,000 pounds of last year's clip. That so much 1898 fleece wool remains in the country—stocks in Toronto may be taken as representing conditions in other parts of Ontario—exercises a very depressing effect upon the market. Merchants in Toronto are paying 14 cents the pound for new fleece wool, and do not appear anxious to secure consignments even at this low price. The representative of a firm which usually buys heavily stated this week that his house contemplated dropping out of the market until conditions gave evidence of improvement.

The present price of Canadian fleece wool is the lowest on record, and is two cents per pound lower than the prices of wool at the same season in any of the past eleven years. We submit a table of the prices paid for wool, in the first week of July, since the year 1889:

Season.	Price of Wool per pound.
1899	14 cents
1898	16 cents
1897	17 cents
1896	19 cents
1895	20 cents
1894	17 cents
1893	18 cents
1892	17½ cents
1891	18 cents
1890	20 cents
1889	20 cents

Farmers naturally feel very discouraged that domestic wool prices are so low, and anxiously await a turn for the better in the market. The only relief that can come to growers must come from the United States. Prices there have, we are pleased to say, shown a hardening tendency. Up to July 1st there had been an average advance since May 1st of 11 per cent., or about two cents per pound. While buyers profess to regard present quotations as extreme, sellers, on the other hand, manifest great confidence in higher figures. The advance which has taken place in wool values in the United States, however, has not yet led to any American enquiry for Canadian fleece wool. We know

of no wool buyers from the United States in Ontario, and are creditably informed that Toronto merchants have not as yet exported any of the new clip.

LIFE ASSURANCE RESERVES.

A long and thorough discussion of the measure by which the Canadian Government intended to alter the Insurance Act and make a change in the rate of interest upon which reserves of life assurance companies in Canada should be based, took place before the Banking and Commerce Committee of the House last month. As we have already stated, the bill, as brought in by the Finance Minister, provided that "on all new business life insurance companies shall keep a reserve based on the assumption that money draws 3½ per cent.; on old business the present basis of 4½ per cent. shall apply until 1907, after which the basis shall be 4 per cent. until 1912, when it shall be 3½ per cent." This was regarded by almost all the Canadian life companies (13 out of 15), as a prudent measure, and none opposed it except the Sun Life of Canada, whose actuary contended that it "would cause intense dissatisfaction among policy-holders, who had been participating in profits, and who would to a large extent find their profits cut off."

As to this contention, the Finance Minister pointed out that it was desirable for the Government to see that the reserve on the policy was kept large enough to secure its payment without fail. "When a man bought insurance he bought two things: *first* there was the provision for his family, and the *after* consideration was the speculative element of profits." The Superintendent of Insurance urged the declining rate of interest obtainable on money invested as a reason why the interest of policy-holders should be protected, as in the terms of this bill it was sought to protect them. Mr. Wm. McCabe showed that life companies in Britain, America and Australia had taken just such steps as were proposed by this bill and none of the serious results apprehended by Mr. Macaulay had ensued. He further demonstrated that the views of the last-named gentleman were in 1894 very different from those he now expressed, for his company then took the step of reducing its standard from 4½ per cent. to 4; and in 1898 it approved a still further reduction, for its literature stated that "The Sun Life of Canada has arranged to place its new policies upon a 3½ per cent basis."

Mr. Foster, leader of the Opposition in Parliament, on the following day suggested "that a compromise be made on the basis of the continuation of the old basis of 4½ per cent. until 1912 upon such [participating] policies, and that a basis of four per cent. for such business be adopted after 1907, and 3½ after 1912, and that the bill remain as it is respecting new business." Mr. Sanderson, of the Canada Life, Mr. Bradshaw, of the Imperial Life, and Mr. Macdonald, of the Confederation Life, approved in general terms the provisions of the bill, while Mr. Macaulay was still unconvinced.

On the third day of the discussion, Hon. Mr. Fielding, the Finance Minister, announced that a compromise had been reached with regard to the great point of contention in the insurance bill—the assumed rate of earnings on companies' investments. "By the terms of this compromise, the rate on new business after January 1st next shall be 3½ per cent., the rate on old