Meanwhile bankers are not to be blamed for adopting a conservative policy, for anticipating the mere possibilities of panics; and the men in control of great corporations have no honourable alternative, but to curtail expenditures, and to avoid all unnecessary increase of liabilities in a time most unpropitious for getting money.

We repeat: "There is a time for everything," and most emphatically, this is not a time for boasting, but the misfortunes of our neighbours will have lost much of their disciplinary value, if they have not already impressed them with the weakness and unreliability of their banking system. The contrast between the financial conditions now prevailing in Canada, and in the United States is very striking. The difference although largely due to the superiority of our banking system, is partly due to the difference in industrial and what might be called developmental conditions. In railway and industrial development, Canada is much the younger country. It is still in the vigour of youth and energy. Expenditures that would be wanton extravagances across the border, are vital necessities here, and in time of stress, the luxuries, not the necessities, are the first things to throw overboard. We have all much to learn from our neighbours'—and our own—mistakes. One of the lessons is, that it is exceedingly unwise to be constantly dependent upon government "relief measures." To commit follies and excesses, and then trust to the Chancellor of the Exchequer, the Finance Minister, or the Secretary of the Treasury, to pull you through is like running your head against a stone wall, and then asking a surgeon to save you from the natural consequences by performing a delicate operation with a crowbar.

INVESTMENT VALUATION OF UNITED STATES FIRE AND LIFE COMPANIES.

At the meeting of state insurance commissioners held last week in New York city, it was agreed by those present, that as the present Wall street value of securities, if adopted as a basis of valuation of insurance companies' assets in their next annual statements, would work the companies a great injustice, they should be allowed to list their stocks and bonds at the prices current on December 31, 1906, as being a fairer valuation. While this agreement is not legally binding, there is little doubt but that it will be generally adopted by insurance departments throughout the United States. In such case, however, the valuations submitted by the companies will be subject to revision by the commissioners, who will try to strike a proper average of prices.

Commissioner Folk, of Tennessee, who presided, said after the meeting to a press representative: "Our idea was to meet the situation by seeking to arrive at something like the actual valuation of the securities held by the insurance companies. Wall Street quotations are fictitious under present conditions, and if allowed to go into the annual reports of the life companies would result in serious injustice to policy-holders whose dividends mature next year."

Of particular interest at the present time are certain tables relating to investments, contained in the seventh annual edition of the Brown Book of Life Insurance Economies. These show the wide range of fluctuations to which high class securities are subject under opposite market conditions, and emphasize the unwisdom of imposing so arbitrary a limit upon the surplus which a life company may hold, as that provided in Section 87 of the Armstrong Laws.

NEW DOMINION INSURANCE ACT.

An Ottawa despatch announces that the Government's new insurance bill is now ready for formal presentation to the House—though the actual dealing with the measure will probably take the form of a thrashing out of its provisions by a select Committee of the Commons. While details of the changes made in the Royal Commission's draft bill are not yet available, there is little doubt that some of the more radical recommendations will not be followed. Probably the chief discussion will be upon investment matters, the impression prevailing that some of the more extreme changes recommended by the commissioners, and so strenuously objected to by the companies, have been modified considerably with a view to allowing more latitude in investment matters than the draft bill would have permitted.

Rebates, it is understood, will be made illegal, but the penalty recommended by the commissioners of $1,000 fine on the directors of any company whose agent has allowed a rebate, is to be changed for a more logical and effective penal clause. The companies themselves are agreed as to the advisability of stopping the rebate evil, but with good reason object to the penalty suggested by the commissioners

The clause compelling the payment of dividends to policy-holders annually instead of every five years, or at the end of a tontine period, is said to have been changed in the present bill to make payments compulsory at least every three years. It is doubtless hoped by the framers that this will in part meet the objections of the companies that no policy earns a surplus in the first years of its existence in view of the initial expense, and consequently were it necessary to pay to the policyholder at the end of the first year a dividend or