TRADE RECESSION AND COMMODITY PRICES.

Seldom if ever has there been more world-wide watching for financial "signs of the times." That monetary and credit instruments are undergoing a peculiarly exacting strain, is a fact most patent. And a peculiarity exists in this—that hitherto any continued monetary stringency in one country has ordinarily been offset or relieved by comparative abundance in another. While readjustment always entailed temporary disturbance, a resultant equilibrium was gradually and automatically re-established.

But just now there seems no nation possessing a stocking-hoard ready to afford adequate relief. Not one or two countries merely, but the whole commercial world appears to have been going ahead at unusual speed, until the tuggings at the reins of credit and capital have brought more than one somewhat sudden jerking-up. Ultra-optimists have refused to give credence to the view that the course of the world's stock exchanges has been a practical foretelling of conditions pending in manufacturing and commercial matters. Those more unbiased have recognized for some months past that a needed, and practically worldwide, slowing-up in general trade was already under way. But that this may as much as possible prove gradual and ultimately beneficial, rather than sudden and therefore temporarily disastrous, has been the hope of those who recognize that a sort of resting-time is necessary for financial recuperation and for the augmenting of world-capital by more careful saving and husbanding than has characterized the past few years. Even the ultra-optimists aforesaid have been forced by recent developments to recognize trade recession.

Among the evidences of the general condition of recession, none is of more interest than the barometric record of commodity-prices. Soon after mid-year the level of prices measured by index-numbers—both in Britain and America—began to show a slight but certain decline. At the beginning of the present month the index-number determined by The Economist of London, from the average prices of commodities was 2,457 compared with 2,519 on September 1. At the beginning of June 2,601 was reached—the high-water mark for any month since January 1, 1877, when it stood at 2,715. In the middle of 1897 the number was at the low level of 1,885. From that time it advanced almost continuously to this year's June maximum—since when, however, the decline has been steady as the following makes clear:

October 1, 1907	2,459
September 1, 1907	2,511
August 1, 1907	2,574
July 1, 1907	2,591
June 1, 1907	2,601
May 1, 1907	2,367
October 1, 1906	2,355
October 1, 1905	2,219
October 1, 1904	2,148
October 1, 1903	2,114
October 1, 1902	2,002
October 1, 1901	1,980

In commenting upon the recent course of prices, The Economist avers that little doubt can be entertained as to the fall being mainly due to a slackening in the activity of trade, since it has manifested itself principally in the quotations for raw materials used in the staple industries. It admits, however, that possibly the enormous fall in copper has been accentuated by American manipulation, and that in other cases there have been contributory causes. It remarks, in this connection, that the excessive rise which has taken place in many directions, particularly in coal, has operated to check the demand, and that the decline is therefore by no means an unmixed evil, but should help to regulate the ebb in the industrial tide, and so mitigate any disturbances that may attend the pause in the manufacturing industry.

THE PUBLIC AND INSURANCE LEGISLATION.

The recent recommendation of a Toronto judge affords an instance of the hasty methods of reasoning that are back of so much of the insurance legislation—both fire and life—enacted in the United States during the past year. In commenting upon an arson case, the said judge advocated passing a law against over-insurance. Such a proposal, first of all, overlooks the fact that the average man is more apt to attempt stealing a march on the insurance companies by under-insurance than by over-insurance. And when he so steals a march, he obtains an unfair advantage, either in rate or in compensation, over those of the public who carry adequate insurance on their property. It is in its equitableness as between those who are insured (rather than in its advantage to the companies) that the co-insurance clause has its chief *raison d'être*. In the rare cases when over-insurance is attempted, the companies in their own behalf can be trusted to do all possible to frustrate it, without the multiplication of special provisions upon the statute book. Self-preservation is still the first law, and a more effective one than any legislative enactment.

Fortunately, in Canada, we are slower to accept cock-sure suggestions than are our neighbors to the South; nor do we so often experiment without first counting the cost. Apropos of cost—and in its literal dollars-and-cents application—a significant admission was made at Chicago three weeks ago by Mr. Oscar B. Ryan, special counsel for the Illinois Insurance Department. While advocating state interference in rate-making he was forced to admit that restrictive legislation directed against insurance companies had generally increased the cost of business to the insured.

In its own interests, no less than in those of the companies, the Canadian public should be made acquainted with the real outcome of unduly re-