DISTRIBUTION OF COMPANIES' SURPLUS.

As will be remembered, the Insurance Commissioner recommended that annual dividends be obligatory upon the companies. Mr. Fielding stated that the Government thought this recommendation rather drastic, and the new bill required instead that the surplus must be divided once in three years. Surplus funds arising out of deferred dividend policies were to be located as a liability, but in case of depreciation of securities, this could be charged against the surplus funds, and in that way the balance would appear as a liability of the companies.

EXPENSES OF BUSINESS-GETTING AND MANAGEMENT.

The Commission's recommendation that expenses of new and old business be shown separately has been adopted by the Government.

The bill provides that officials at the head offices of the companies will not be permitted to receive commissions in any shape or form. No salary of $5,000 or up will be paid without being specifically voted by the Board of Directors, and no salary agreement may be made for a period exceeding five years.

THAT REBATE PROVISION.

The rebate provision of the Commission is modified to the extent that while a penalty of $1,000 is to be imposed on a director or manager whose agents grant a rebate, this is to be done only on condition that such official knows the offence is committed.

AS TO PROXIES.

Mr. Fielding dwelt on the abuses of the proxy system, and hereafter proxies must be executed within two months of the annual meeting. The bill also provides for pension funds, with the consent of shareholders of policy-holders entitled to vote.

NO STANDARD POLICIES.

The Government has decided not to demand the standard policies recommended by the Commission. Standard provisions must, however, be inserted in every policy.

GOVERNMENT DEPOSITS.

Regarding deposits with the Receiver-General, it is provided that any company may make its deposits in the form of Imperial or Dominion securities, either direct securities or securities bearing Imperial or Dominion guarantee. Provincial securities are also to be permitted. Any company which is a foreign one may deposit national securities of the country in which it is incorporated.

INVESTMENTS.

In respect of the above-mentioned class of securities, Mr. Fielding explained that while the existing act authorized Imperial, Dominion, Provincial, etc., securities, the proposed bill was broader in that it provided that the backing of a security, whether by Imperial, Dominion or Provincial guarantee, should put it on the same footing as a security direct. On the other hand, the Commission had recommended that existing powers of investment in bonds and stocks not so guaranteed should be qualified, so that, with regard to stocks, only those of chartered banks were to be permissable. The Government bill, apparently, provides for investments in both stocks and bonds on the following conditions: the bonds must be outstanding for five years, must be secured by real estate and other assets of a marked value of at least 25 p.c. in excess of the bonds, and there must have been no default in these bonds for a period of five years. Debentures desired as securities must also have been outstanding seven years without default. Preferred stock must have paid a dividend of 4 p.c. for at least seven years, and common stock 5 p.c. for at least ten years.

In regard to foreign securities, the Treasury Board has, under the bill, the power to refuse or accept them. The total amount invested on or loaned upon securities other than in Canadian securities by any such company shall not exceed by more than 20 p.c. the reserve or re-insurance value of its policies other than Canadian policies calculated upon the basis of valuation adopted by such companies.

To provide against the creation of subsidiary companies, the bill provides that not more than 20 p.c. of the total issues of the bonds, debentures and stocks shall be purchased by any life insurance company.

Companies may lend money on real estate, provided no such loans shall exceed 60 p.c. of the value of the real estate or interest therein, which forms securities for such loans

DOMINION FISCAL ESTIMATES.

As briefly mentioned in THE CHRONICLE of last week, the main estimates for the next Dominion fiscal year, ending March 31st, 1909, provide for a total expenditure on both consolidated fund and capital account of $119,237,091, being an increase of $2,752,364 over the amount voted last season for the current fiscal year. The total estimates on consolidated fund accounts amount to $76,871,471, a growth of $2,355,795 compared with the amount voted last session. Of this increase, $2,309,100 is chargeable to the increased amounts the Provinces will receive in subsidies. The total of the capital expenditure asked for is $42,365,620, of which some $30,000,000 is for the National Transcontinental Railway, and $4,327,250 for the Intercolonial Railway. The total amount voted on capital account last session was $41,969,051, or $396,569 less than the amount asked for this year. The supplementary estimates, which will be given late in the session will necessarily increase the above totals. Last session the main estimates were $105,689,000, which sum was increased by supplementary estimates to a total of $116,484,727.

CITY ENGINEER RUST, OF TORONTO, is of the opinion that those members of the City Council who favour an underground street railway are what is colloquially termed, somewhat "too previous." In his opinion, it will be time enough for such a proposition to be considered when the city has a population of a million. He estimates that the cost of lines on Yonge, King and Queen streets would be over twenty-three millions of dollars.