It seems now that some of the railroads were a little unwise in making their dividend increases lately. With their expenses greatly increased it was hardly good policy to pay away in dividends money which they had to replace by borrowing at exorbitant rates. And the hostile legislation of the several states, along with the attitude of President Roosevelt's administration, is another exceedingly unsettling factor.

It is this that has prevented the railroads from making the freight rate increases that some of them contemplated when they granted the demands of their men for higher wages. The more enlightened railroad men believe, and rightly, that now is no time to further antagonize the people when so many legislatures are pressing for two cent passenger fares and freight reductions.

Then, under everything, runs the vague idea that the stock market may be discounting less prosperous times six months or so ahead. Even if this should be so, the most careful observers will agree that the price movement has already discounted pretty much the worst that is likely to happen in the way of receding prosperity.

Some measure of relief to existing tension is contributed by the instructions from the Secretary of the Treasury supplementing previous directions under which collectors of customs were to deposit their customs receipts in the regular depositaries. This, however, did not embrace the so-called sub-Treasury cities. These instructions have this week been enlarged so that the public deposits with national bank depositories in New York city will be at once increased about $15,000,000 from customs receipts under the provisions of the act of March 4, 1907. This action is doubtless taken with a view to facilitating the redemption of the 4 p.c. bonds of 1907, and also to render available additional funds for the usual disbursements occurring on April 1. The secretary also has instructed the treasurer of the United States to mail at once to the owners the cheques for interest due April 1, 1907, on registered bonds of the 2 p.c. consols of 1930, and the 4 p.c. funded loan of 1907. The Sub-Treasury officers have been instructed to cash the cheques on presentation and to cash on presentation any April coupons belonging to the bonds of these loans. Secretary Cortelyou's action will thus result in immediately relieving the money market to the extent of nearly $17,000,000.

EUROPEAN MONEY.

The recent advance of the Bank of France to a 3½ p.c. rate, and the rumours of a possible further increase, are the more noteworthy because its 3 p.c. rate had been uninterruptedly in force since May, 1900. In the Russo-Japanese war period, during the Morocco dispute, as well as throughout the months of money stringency when the Bank of England enforced a 6 p.c. rate and the Bank of Germany a 7 p.c. rate, the French bank kept to the even tenor of 3 p.c.—finding it possible even to lend a hand across the channel by a timely release of gold to its British neighbour. While France is not a country of great centralized fortunes, the notable saving and investing habits of its people give it fiancially a reserve strength and a surplus of resources that are the envy of other nations.

The recent action of the Bank of France is the result apparently of a determination to protect gold holdings and possibly is aimed also at intimating to speculators that monetary conditions make it advisable to keep their commitments within bounds. In some quarters the opinion is expressed that the action is aimed specially against Germany, there being a feeling that too much French money was being used to finance the Germans, and that it was extremely difficult to get back from Germany funds once placed there. The Germans are said to have been using French money in their American commitments. Then, too, though New York up to the time of the rate increase had been showing reluctance to take gold from Europe, the foreign exchange market was distinctly favourable to importation by the United States. And importations by American bankers from London would indirectly come in considerable measure from Paris. Then, too, Paris and other European centres have bought great quantities of American railroad notes, as well as having in the usual way purchased commercial commodities from the United States in larger quantity than returning exports could balance. Altogether it would seem that with the giving way of the temporary and more or less artificial "reluctance" of New York to import gold, there will be a decided demand upon French gold reserves. Nor does it seem at all certain, under the circumstances, that the 3½ p.c. rate will prove an effective check upon drains that may be made. On the whole, European opinion tends to consider the action of the bank as indicating that in the judgment of leading French financiers, dear money is likely to be a constant factor for some months to come.

REBATING MADE EASY.

There is no question as to the desirability of abolishing rebating from the business of life insurance. How to effect its extirpation is not so easily decided upon. It was to be expected that the Royal Commission should provide in its draft bill that no life insurance company may make any discrimination in favour of individuals of the same class of insurants, either by direct rebates on premiums, or by indirect allowances such as special dividends or remuneration for nominal services in connection with "advisory board" and similar schemes. But in Section No. 90, the bill goes on to enact that every director and manager of any life insurance company licensed to carry on the business of life insurance within Canada, the agent of which allows a rebate, shall be liable to a penalty of $1,000 to be recovered at the suit of any private individual—one half the fine to go to the person suing and the other half to the crown. It is further provided that no director or manager shall be in any way indemnified, either for fine or costs, out of the funds of the company.

Provisions so radical may well "give us pause." But would they put an end to the evil at which they are aimed? Or if so, would they introduce other and more serious evils? Doubtless they