

Some of the national banks of Europe do not return their silver separately from their gold so it is not possible to tell exactly what the silver movement has been of itself, but there seems to have been considerable displacements of this form of specie last year.

The reductions in silver last year up to end of February, 1905, so far as the details are given, were Bank of France, \$880,000; Bank of Russia, \$6,575,000; Netherlands Bank, \$1,665,000; Bank of Italy, \$2,515,000, making a total reduction of \$11,635,000. The increases in silver were, Austrian Bank, \$580,000, Bank of Spain, \$4,940,000. The two latter banks are not likely to have had their stocks of silver enlarged by movements of the metal for the uses of war, but there is little doubt that a large portion of the decrease in the stocks of silver in other great banks in Europe, was caused by disbursements for war purposes where silver is the currency. Russia's Imperial Bank lost \$6,575,000 worth of silver between February, 1904, and February, 1905, much of which probably, found its way to the East.

The large balance held by the Imperial Bank of Russia in other European banks is a factor in the monetary situation. This may be regarded as having been deposited as part of the loans floated by Russia which are kept where the money is available for foreign expenditures.

The relation between this large balance abroad and the war is indicated by its having increased from \$62,000,000 shortly before hostilities commenced to \$88,000,000 shortly after the war broke out. After the war had been raging a few months this balance was reduced to \$20,800,000, then, when loans had been effected this balance went up again at the end of last year to over 80 millions of dollars, which was drawn down to 64½ millions last month.

A remarkable feature in the gold movement last year was the increase in the stock of gold held by the Bank of Russia from \$372,850,000, when the war broke out, to \$446,460,000 after the conflict had been in progress for a whole year. The increase in the gold held by the bank of a nation during the period of its being engaged in an appallingly costly war is without precedent, and gives evidence of financial conditions being now in existence which were unknown in earlier times.

The increased stock of gold in Europe has been made possible by the enlarged output of the chief gold fields in recent years, those on this continent now providing so much more than is required for bank reserves and for manufacturing purposes as to leave a considerable surplus of gold for export.

Taking the situation as a whole, and in these times the money market may be so regarded, so intimately associated are the several parts, the prospect is favourable for easier rates, from which may reasonably be anticipated greater activity in financial business, to which a powerful stimulus will be given if peace is declared.

THE EQUITABLE LIFE WINS ITS CASE.

THE WORD "MAY" DECLARED TO MEAN "MAY," NOT "MUST."

The case in which the Equitable Life was interested, that turned largely upon the meaning to be given to the word "may," has been decided by the Supreme Court, of Wisconsin, in favour of the company, the word "may" being declared to be permissive and not mandatory.

The action was taken to restrain the Insurance Commissioner of Wisconsin, from revoking the license issued to the Equitable Life to do business in that State. The law alleged to have been violated by the company reads as follows:

"Any domestic life insurance corporation which by its charter or articles of association is restricted to making a dividend only once in two or more years *may* hereafter, notwithstanding anything to the contrary in such charter or articles, make and pay over dividends annually, or at longer intervals, in the manner and proportions and among the parties provided for in such charter or articles."

Another section of the General Insurance Laws, of New York, reads:

"Any domestic life insurance corporation *may* ascertain at any given time, and from time to time, the proportion of surplus accruing to each policy from the date of the last to the date of the next succeeding premium payment, and *may* distribute the proportion found to be equitable, either in cash, in reduction of premium or in reversionary insurance, payable with the policy, and upon the same conditions as therein expressed at the next succeeding date of such payment, notwithstanding anything in the charter of such corporation to the contrary."

It will be noticed that the whole pith of these clauses lies in the word "may." The Insurance Commissioner, of Wisconsin, on being appealed to by a member, a policy-holder of the Equitable Life, gave a decision to effect that the company had violated the insurance law and done great damage to the people of Wisconsin, by "failing to make distribution of the surplus funds of said company among the policy-holders of said company as provided in and by said section." This charge rested wholly upon the theory that the word "may" in the section referred ought to be interpreted as mandatory, as indeed meaning "must." After giving this decision the Insurance Commissioner threatened to revoke the company's license "unless within that period this plaintiff, viz., the Equitable Life, file with said defendant, the Commissioner, a statement in writing that it will comply with Section 1952, as construed by said defendant (which construction said plaintiff alleges was and is erroneous) and threatens to, and will thereafter revoke the license of the plaintiff to transact business in Wisconsin unless this plaintiff distribute among its policy-holders, regardless of the term of their policies, the amount so erroneously found by the said defendant to be a surplus, as aforesaid, in accordance with his said con-