he says:—"No change from the usual method of net valuation, if made for the purpose of helping the companies, can be called satisfactory unless it really does effect its ostensible object; and among different methods which seem to give practically about the same results, the one to be preferred is that which makes the least and the simplest change from the existing method.

"The Armstrong method does afford a certain measure of relief in the first year, but many companies have contended that it does not give sufficient relief, and probably nearly all will agree—when looking at the second and third tables—that inasmuch as the relief practically ends in the second year, it does not continue long enough to be satisfactory..........

"The third method, as will be noticed, extends the reduction in reserve through the first four years of the policy's existence, beginning more liberally as compared with the Armstrong law in the first year and continuing so to the fourth year, inclusive, after which it coincides exactly with the usual net reserve plan. This method makes no show of elaborate formulas or calculations, and the reserves thereon can be computed with the usual net reserves in a few moments by any person having the slightest acquaintance with reserve calculations."

The third method, referred to in this quotation, is the Canadian Method with a slight modification, described in the appendix. This amendment does not greatly affect the merits of the method, which are pointed out by Mr. Fackler.

Mr. Ferguson while seeking to do full justice to the Select and Ultimate method, and in fact, removing some misapprehensions existing about it, makes clear, we think, the following advantages of the Canadian Method:

(1) It makes the maximum allowance for the cost of new business consistent with the necessarily conservative attitude of the Government on this point.

(2) It makes reductions in reserve values, which are satisfactory in amount and well graded from the first duration to the fifth.

(3) Its application presents the minimum of difficulty. When the level net premium reserve is calculated, it is an easy matter to pass to the reserve according to the Canadian method, and it is important to know the amount of the difference between the two valuations.

(4) It does not require the construction of a select table, but gives satisfactory results when applied to all tables, aggregate or select.

(5) It does not suggest the puzzling gains from mortality.

AT THE CANADIAN MANUFACTURERS' ASSOCIATION executive meeting held in Toronto recently reference was made to the efforts of the association to secure the benefit of the French minimum tariff to more Canadian exports than at present enjoy it. The Canadian section of the British Chamber of Commerce at Paris has been communicated with in regard to the extension of the Franco-Canadian treaty of 1903, but it was believed by some that the quid pro quo, which France would likely demand, would result in strenuous opposition to the proposal in certain quarters.

Prominent Topics

Money and Stocks in New York. When the New York stock market closed on Saturday it showed a net gain for the week in the average level of prices, despite such usually disturbing factors as the failure of the New York city bond issue, low bank reserves, gold shipments of $5,650,000 (of which Canada received $1,000,000), prospects of withdrawal of Government deposits, and another wheat rise. But liquidation during previous weeks had been so thorough that the above factors effected the market but little. Withal, there seemed an incipient optimism regarding future developments—and this was carefully encouraged by professional buying. Caution, however, continues to be the note of the hour with the more substantial portion of the financial community. A certain degree of business "slowing up" is considered imminent; and this, combined with comparatively inactive stock market conditions, is looked to as likely to afford some relief to the monetary strain of later harvest demands. During last week the rate for call money reached 12 p.c.—the highest figure scored at that time of the year since 1903, the advance being generally attributed to the entrance of the stock exchange into the money market.

The weekly statement of the New York clearing house banks showed a decrease of $3,117,325 in surplus reserves, which then stood at only $2,509,275. This compares with an increase of $1,142,825 in surplus reserves last year. Indeed, but for a decrease of nearly $8,000,000 in loans the statement would have shown a considerable deficit. This reduction in loans was achieved largely by a shifting of loans to trust companies.

However, the statement was looked upon by the Steet as more favourable than expected, and Monday's stock market continued to show an improved tone. There was considerable profit-taking during the day by these who had bought in anticipation of prices rising with first-of-the-month reinvestment of dividend disbursements. The rate for call money did not relax until late in the day. With this easing, prices rose and the stock quotations generally closed at the day's highest.

Some reaction was experienced on Tuesday, a factor being the new light thrown on the foreign demand for gold shown by Monday's course of the foreign exchanges. While there was some recovery in the sterling exchange rate at Paris, and some early decline in the rate at New York, the latter became stronger again later, pointing to further gold shipments following relaxation in the local money market.