tion with it the only obligation we are under is to remit abroad to the relations, dependents, or creditors of our new citizens the amounts they wish to send away. And these amounts represent only a small part of what they contribute to the wealth of this country. This reasoning applies also to immigrants who bring with them little or no capital in money. So long as they have health and intelligence and use these qualities to earn money for themselves Canada makes the largest gain from their labours, even if they do send a large part of their surplus abroad every year.

Though the investment of outside capital in industrial plants and in mines, etc., hardly comes under the head of direct borrowing by Canada from abroad, there is connected with it, nevertheless the obligation to remit large sums annually in dividends and profits to residents of other countries. But, of course, the great bulk of the gross earnings of the industrial plants remains in the Dominion; the dividends or the profits remitted constitute only a small portion of the amount by which their operations have enriched us. In a modified sense this is true also of Canadian mines owned by foreigners. Therefore, it is reasonably safe to conclude that so long as the foreign investments are wisely made and so long as they prove profitable on the whole for those who make them we need have no fears of our ability to provide foreign exchange for anything they choose to remit as profits and dividends. But, when foreign investors, of any class, find themselves duped or defrauded in their Canadian investments they will naturally be disposed to withdraw their capital. That is why it is so necessary now for the banks to be exceedingly careful about permitting their names to go on prospectuses. Foreign investors are apt to believe, when they see the name of a respectable bank on a prospectus, that the project introduced by the prospectus has reasonable chances of success.

Bound up with this subject of the investment of outside capital in Canada, is the matter of our foreign trade balance. If we produce and send abroad very heavy quantities of goods the problem of financing remittances is made much easier. Since 1900 the trade balance has run as follows:

Year ended 30th June.	Exports Domestic Produce.	Imports Home Consumption.	Excess Imports.
1900..	$163,510,790	$172,506,878	$ 8,996,088
1901..	177,431,386	177,700,694	269,308
1902..	196,019,763	196,480,190	460,427
1903..	214,401,674	224,813,719	10,412,045
1904..	198,414,439	243,590,019	45,175,580
1905..	190,854,946	251,617,119	60,762,173
1906..	235,483,956	283,263,805	47,779,849

For the four months ended 31st October, 1906, the figures were: exports, domestic produce $88,818,114, imports, home consumption $111,871,358, excess imports $23,053,244.

Though a large part of the heavy adverse balances recorded against us annually since 1902, consists of investment, as above mentioned, in one or other of the different forms, it is exceedingly probable that there has also been some overtrading on the part of our merchants. In times of great prosperity overtrading is always present. And, no doubt, our imports have been swelled by the purchase of some goods which were not needed, and which are now lying on some over-stocked shelves.

LIFE INSURANCE INVESTMENTS.

The labours of the Royal Commission on Insurance belong to the year 1906. The report of the Superintendent of Insurance, last issued, covers the year ended 31st December, 1905. It is not to be expected that the composition of the assets of the life insurance companies would be influenced to any great extent by the discussion about insurance investments and by the prospective changes in the laws regulating that investment, during the present year. Indeed, it is quite likely, if the Government decides to make important changes in the authorized investments, or to enforce more strictly the present limitations, that the companies will be allowed a reasonable time in which to adjust their affairs to conform to the new laws. Therefore, any important changes in the mode of life insurance investment, due to the insurance investigation, cannot very well begin till 1907. And, as the Superintendent's report for 1907, will not likely be published till the fall of 1908, it will be quite two years before any possible change in the tendency of investment finds reflection in the published reports. Of course, it is not possible, yet, to say what reforms will be instituted, but it is scarcely probable, in view of the evidence offered before the Commission by the high insurance officials, that the field of life insurance investment will be narrowed. But there are some indications that the members of the Commission, in making their report, will lean in the direction of recommending that a larger control of, or rather representation in life insurance administration be vested in policyholders. While a change of this kind would naturally be distasteful, still there is no doubt of the existence of a strong public opinion in favour of giving to the enormous interest of the policyholders additional powers and representation. And it is to be expected that the Government will take cognizance of that public opinion in framing fresh insurance laws. It will be interesting to take the different items of the life companies' assets, as they were at the ends respectively of 1904 and 1905, to trace, if possible, the tendency of their investment policy as it was up to the eve of the investigation. The following table gives the totals reported by the Canadian companies: