

Bank of Hamilton.....	660,238	660,238
Bank of Nova Scotia.....	6,304,432	3,508,012	2,796,420
Royal Bank.....	5,301,352	9,030,871	Exc. of dpts.
Union Bank.....	2,500,000	2,500,000
Bank of Ottawa.....	500,000	500,000
Union Bk. of Halifax.....	1,075,995	497,672	578,323
Other banks.....	748,701	748,701
Total foreign loans.....	\$94,354,369	\$44,777,840	
Excess of foreign loans over foreign deposits on 31st March, 1906.....			\$49,576,529

CANADIAN IMPROVEMENT COMPANY. LAKE SUPERIOR CORPORATION.

The loans of the Canadian Improvement Company which were guaranteed by the Ontario Government two years ago, amounting to \$2,040,000 including interest, and which matured on May 1, at the Morton Trust Company's office in New York were paid on that date in full. The whole of the cash being provided by the company. The Ontario Government gave a renewal guarantee for six months on \$1,000,000 of the amount. The renewal guarantee is on one-half of the pledged securities including Algoma Central and Manitoulin & North Shore Railway mortgages and bonds. Both the Government and the company are to be congratulated upon this settlement which must be considered satisfactory to all interested. The Canadian Improvement Company is the holding or underlying company which financed the Lake Superior Corporation affairs during the crisis in connection with this Corporation which took place about two years ago.

This vast enterprise is now in a flourishing condition. It is comprised of steel works, and smelting furnaces, mines, railways and steamers, water powers, pulp mills, street railways, lighting plants, lumber, etc. It is felt that its affairs are now on a sound financial and commercial basis. The net profits realized during six or eight months of its last fiscal year were \$520,000. According to present results the net earnings for the fiscal year ending June 30 next, will be between \$1,000,000 and \$1,250,000. Its gross turn-over is between six and seven millions of dollars per annum. These industries and associated properties originally cost about \$40,000,000. The total first mortgage and collateral trust bonds amount to \$10,000,000 bearing interest at 5 p.c. About \$1,300,000 of these bonds remain in the Treasury to meet future requirements. So that the net earnings are about two and a half times the interest on these first mortgage collateral trust bonds. There are income bonds behind these of about \$3,000,000, for which par was paid. The total assets of the Corporation according to the books amount to over \$53,000,000. The steel rail mills are working full blast and have turned out over 600 to 800 tons of rails in one day. Indeed, we are informed that they turned out over 800 tons on one or two occa-

sions in the twenty-four hours. By the addition of two new blast furnaces, the foundations for which have already been provided, the capacity of the rail mills can be nearly doubled. There are orders on hand which will keep these mills busy for many months. It is most gratifying that these important industries are progressing so satisfactorily. Their location is, we understand, particularly favourable, being centrally situated, contiguous to supplies, and having water powers and transportation facilities unrivalled in Canada.

THE ROYAL COMMISSION ON INSURANCE.

The proceedings of the Royal Commission on Insurance have been continued during the past week. We are satisfied that the mode of procedure is unsatisfactory. It is a menace to financial interests of great magnitude and calculated to do more injury to the cause of life insurance than will be offset by any advantages likely to follow from the work of the Commission.

For some days, the affairs of the Manufacturers' Life have been "in the firing line." The enquiry has been an expansion of what was elicited at Ottawa respecting the transactions in which one or more of the directors were borrowers from the company.

Further inquiry showed that his or their share in these transactions was not as blameable as first appeared.

It is, however, not advisable for a director of a life company to be acting in concert with the manager to deal in securities, nor to take any part in affairs without the express approval of his colleagues on the board.

Mr. Junkin, managing director, declares that for a length of time the actions of himself and other directors in regard to investments has been strictly in accordance with the insurance law. He had learnt that this is the only course which in the long run, will redound to his own credit and the advantage of the company.

He expressed an emphatic condemnation of the practice of rebating, which he denounced as "the greatest curse of life insurance business." But he was not hopeful of this reprehensible practice being suppressed, unless it was made a punishable offence for any agent to write business that had been secured by a rebate.

Mr. Junkin declared that his company had set its face against rebating, but, agents would grant rebates unknown to the management.

The severe competition between the life companies had developed this practice and created such conditions as were a strong temptation to companies to seek for investments yielding a higher rate of interest than was derived from such securities as were sanctioned by the Insurance Act.