provides the bulk of the exchange for the January-July interest payments. Its English balance falls almost correspondingly with the fall in the combined balances of all the banks. The greater part of the exchange operations are transacted at New York. The agencies in that city of our large banks are constantly buying bills of all kinds originating in every part of the States and Canada—cotton bills, wheat bills, oil bills, bills against corn, cattle, and manufactured goods. These bills are sent to New York by the owners or their bankers, and sold in the exchange market where the Canadian agents, bid along with the representatives of European and other foreign exchange houses. In Canada our banks are picking up foreign bills at their branches which are situated where an export business is done. The branches sometimes send the bills, if they be drawn in sterling, direct to London for credit, but quite frequently they are sent to the head offices in Montreal or Toronto, and from there they are disposed of in New York. In the same way the branches are all the time buying exchange from the immigrants who bring capital in with them. On the other hand they are selling daily to importers of merchandise, etc., drafts on London in satisfaction of accounts for goods imported. All these transactions are reported to the main office and usually exchange is bought or sold to cover whatever balance exists either way, unless some special operation such as interest payment, is being prepared for.

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK.

REPORT OF THE COMPANY'S COMMITTEE AND OF THE BRITISH AND AMERICAN AUDITORS; VALUATION OF BONDS, REPORTS ON INVESTMENTS IN RAILWAYS, BANKS, ETC., VALUATION OF MORTGAGE LOANS; VALUATION OF SECURITIES HELD AS COLLATERALS, LOANS SECURED BY COMPANY'S POLICIES, VERIFICATION OF CASH ON HAND AND ON DEPOSIT, REPORT ON PREMIUMS DUE AND UNCOLLECTED, ETC.

In accordance with a bye-law of the company, there was a committee of four trustees chosen on 25th October, 1905, by the Board of Trustees, of the Mutual Life Insurance Company, of New York, to examine the accounts and assets of the company and act as a committee to audit the annual statement of the company for 1905.

This committee, consisting of Messrs. W. H. Truesdale, John W. Auchincloss, Stuvvesant Fish and W. P. Dixon, all men of high reputation as financiers and men of unsullied character, examined the accounts and assets as of December 31, 1905.

To assist them in this work they enlisted the services of Messrs. Haskens and Sells, and Messrs. Deloitte, Dever, Griffith & Co., both firms of eminence as Chartered and Public Accountants. The committee and the professional auditors worked together, the latter doing the work of counting and valuing the securities, and the members of the committee observing their methods.

The committee have personally examined with care into the values at which the various securities are entered on the books of the company, have compared them in detail with the market reports of such values and have looked thoroughly into the prices at which the securities are carried on its books and found the valuations there given as safe and conservative, in many instances less than the market value and none in excess of such value.

The accountants verified all deposits in banks and trust companies and the cash on hand was counted. All bonds and loans, of every kind, have been examined and the security found to be ample.

The professional accountants found the investments in Government bond, railway and other bonds, owned by the company as of a par value of $183,352,600, and bonds held by foreign Governments to be together of a market value of $191,417,-569.

The investments in railway, banking and other stocks they fix at a market value of $73,884,298, which much exceeds the par value.

The mortgage loans have been examined and verified as of the value of $109,771,163. The loans secured by bonds and stocks as collateral were found to be of a value 20 per cent. in excess of the loan on them.

The loans on policies were examined, both those at Head Office and those in London, their total being $28,198,278 of the security verified.

Cash items and premiums due and uncollected were examined and verified.

The full report of the investigation will be found in this issue on a later page, and we commend it to the careful consideration of every policy-holder in the Mutual Life Insurance Company of New York, the strength of which becomes the more impressive the more the affairs of the company are examined and revealed.

THE MARCH FIRE LOSS.

The fire loss of the United States and Canada for the month of March, as compiled from the records of the "New York Commercial Bulletin," shows a total of $18,727,750. This is a high figure for March, as will be seen from the following table, which furnishes a comparison of the losses by fire during March, 1906, and the two preceding years, together with the losses for the other months of the years 1904 and 1905: