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REPORT OF ROYAL COMMISSION.

The long awaited report of the Royal Commission on Insurance was laid on the table of the House at Ottawa, Tuesday afternoon. Filling as it does five hundred large type written pages, to print it in full would require well on to two hundred pages of THE CHRONICLE. To attempt even a summary of the full report in this issue would be doing scant justice to the important matters covered, and it therefore seems best to confine attention this week to the general conclusions and recommendations contained in one of the principal sections of the Commission's document. A summary of these will be found on other pages. The first main part of the report gives in detail the Commission's findings regarding the affairs of every Canadian life company. The second and more general section of the report begins by referring to the freedom from legislative control under which insurance companies in Great Britain do business. This is looked upon as approximating the ideal condition—no legislative check on investments, no standard legal reserve, but a system of Board of Trade returns which lends itself to adequate publicity in all important business details. But, in the opinion of the Commissioners, conditions in Canada do not make advisable the adoption here of any such system. "In Great Britain," says the report, "life insurance companies are usually managed by scientific actuaries, who devote themselves to the life insurance business alone. More attention is paid to the soundness of insurance basis and accuracy of insurance results than to financing on a large scale. Then there is in Great Britain a large body of trained expert actuarial opinion, and insurance companies cannot stray far from sound methods without detection and publication of their error."

A draft bill of seventy-four pages is submitted with the report, embodying all the changes recommended in the present act. A substantial widening of the powers of the Superintendent of Insurance is recommended, the point being taken that greater authority to elicit information from the companies would make the work of the Department more efficacious.

CANADIAN BANKING PROFITS, II.

In THE CHRONICLE of last week appeared a statement of the disposition of the profits of all the Canadian banks. The totals shown for 1906 compare as follows with those of 1904 and 1903.

PROFITS.	1906	1904	1903
Balance brought in....	$ 2,736,039	$ 2,270,595	$ 1,596,481
Earnings for year....	12,104,703	10,153,828	9,530,074
Premiums on new stock	6,371,151	591,380	5,099,376
	$21,211,893	$13,015,803	$16,225,931
HOW DISPOSED OF.			
Paid in dividends......	$ 7,208,963	$6,228,803	$5,761,903
Added to Reserve Funds	9,943,089	3,496,125	7,640,683
Applied to Premises...	1,331,982	897,707	615,094
Written off—Depreciation, etc	271,386	*	*
Contributions — Pensions, etc..........	189,533	129,847	115,577
Balance carried out....	2,266,940	2,263,321	2,092,674
	$21,211,893	$13,015,803	$16,225,931

*** Amounts written off for depreciation, etc., were included under the heading "Applied to Premises."**

In 1903 thirty banks were included; in 1904 thirty also, but not the same thirty; while in 1906 there are thirty-three, all the banks being included except three new ones which have not yet completed a year of their existence.

The figures show a decided improvement all along the line when compared with those given in THE CHRONICLE of 7th September, which covered the year beginning with June 1, 1905. A glance at the table in last week's article shows that the present figures cover the banking operations as reported during the calendar year 1906.

The most satisfactory feature is the steady improvement in regular earnings—these being roughly two millions more than in 1904, and two and a half millions more than in 1903. In connection with this, the growth of the total assets and of the capitals and reserve funds should be taken into account. The following table is compiled from the government returns:

	Dec. 31, 1906	Dec. 31, 1904	Dec. 31, 1903
Capital Paid............	$95,509,015	$80,055 596	$78,563,236
Reserve Funds.........	69,258,007	54,071,656	50,598,511
Total Proprietors' Funds.	$164,767,022	$134,127,252	$129,161,747
Total assets........	$954,192,546	$729,915,962	$663,145,534

In the three years the increase in the total of proprietors' funds has been $35,605,275, or over 27 p.c.; the increase in total assets $291,047,012 or over 43 p.c. As the increase in earnings, 1906 over 1903, amounted to $2,574,629 or almost exactly 27 p.c. it has kept pace with the increase in stockholders' funds. Figuring roundly it is plain that the rate of income earned on total capital and rest has been fully maintained in the past year. Taking the average for 1903 at $125,000,000 the profits shown for that year work out 7.62 p.c. Taking the average for 1904 at $130,000,000 that year's profits work out at 7.81 p.c. And, if the average