

Summary of the Principal Provisions Contained in the New Government Insurance Bill (Continued).

DIVIDENDS TO POLICYHOLDERS.—Continued.

red dividend policies, it is provided that their equitable share of surplus shall constitute a liability of the company, until actually distributed to the policyholders entitled thereto: Provided, however, that the company shall have power to charge the holders respectively of participating policies with losses arising from the shrinkage in the value of securities to the extent to which they have been credited with profits during the current dividend period if such losses require it.

CONTINGENCY RESERVES.

A company may maintain in addition to the amount of the valuation of its policies a contingency reserve not exceeding the following respective percentages of said valuation: When valuation is less than one hundred thousand dollars, twenty per cent. thereof or the sum of ten thousand dollars, which ever is the greater; when said valuation is greater than one hundred thousand dollars, the percentage shall decrease one-half of one per cent. for each one hundred thousand dollars of said valuation up to one million dollars; one-half of one per cent. for each additional one million dollars up to ten million dollars; one-half of one per cent. for each additional two million five hundred thousand dollars up to twenty million dollars; one-half of one per cent. for each additional five million dollars up to fifty million dollars; one-half of one per cent. for each additional twenty-five million dollars up to one hundred million dollars; and if said valuation equal or exceed the last mentioned amount, the contingency reserve shall not exceed four per cent. thereof; provided that as the said valuation increases and the maximum percentage measuring the contingency reserve decreases such company may maintain the contingency reserve already accumulated pursuant to this section, although for the time being it may exceed the maximum percentage herein prescribed, but may not add thereto so as to make its amount greater than such maximum percentage.

REDUCTION OF CAPITAL.

Where agreed upon by the vote of shareholders representing two-thirds of the stock, a company may reduce within defined limits its paid-up Capital, if such has become impaired.

VOTES AND PROXIES OF POLICYHOLDERS.

Policyholders' directors are to be elected by votes or proxies of all policyholders insured for \$1,000 or over. Hereafter, proxies of shareholders and policyholders must be executed within two months of the meeting, or adjourned meeting, at which they are to be used; and they may be revoked at will by the giver.

AMALGAMATION OF COMPANIES.

Before an amalgamation of life insurance companies can be proceeded with, policyholders of the company to be transferred or re-insured must be given due notice, and application containing full information must be made to the Treasury Board. If a fifth or more of the policyholders dissent, or if the combined capital of the two companies show impairment, there can be no amalgamation.

Synopsis of: (A) Existing Insurance Act, (B) Life Officers' Memorial to Royal Commission, (C) Commissioners' Draft Bill (Continued).

CONTINGENCY RESERVES.

(C) The Commission's recommendation, as to this is adopted *in toto* by the Government measure.

VOTES AND PROXIES OF POLICYHOLDERS.

(C) The Commission's bill provided for policyholders voting by mail, as well as in person and by proxy; and demanded an elaborately prepared list of policyholders available for public inspection.

AMALGAMATION OF COMPANIES.

(A) No specific procedure for amalgamations is provided in the existing Act.

(B) The Life Officers requested that suitable provision be made governing and simplifying the conditions under which amalgamation or the transferring of a company's business might be brought about.

Prominent Topics

The General Financial Outlook.

The most that can be said in connection with this subject is that there is a slight perceptible improvement. It was not, however, expected that there would be any material change until after the turn of the year, and even then it will be gradual. Money is, of course, the dominant feature and there is apparently no superfluity of that for distribution just now. However, fortunately for Canada, the latest Government statement shows that our Canadian banks are on a solid basis, and there is no need for any one to pass a sleepless night in connection with his deposits, or interests whatever they may be in Canadian banks. We believe that the banks will, after the turn of the year, be in a position to assist their clients on a comparatively more liberal scale, and as soon as this takes place, the manufacturers and others will have more confidence than ever in the generally prosperous condition of the Dominion.

The Situation in the United States.

The United States finds it necessary to curtail expenditures generally, and it is stated that all large railways will reduce the wages of their employees, while some of the manufacturing industries will also curtail their expenditure, either by reduction of employees or reduction of wages. There cannot be much improvement in this connection, until as previously pointed out, the currency of the country is placed upon a more sound basis and the clearing house exigency certificates and United States Treasury loans have been liquidated.

New York Stock and Money Markets.

The bank statement of Saturday last was somewhat in the nature of a mildly pleasant surprise—the \$8,350,000 contraction in the reserve deficit being more than was anticipated. Still, the deficit is well over the thirty million mark, as against a three million dollar surplus a year ago.

Saturday's stock market while chiefly professional had some appearance of underlying strength. Canadian Pacific was one of the active stocks, closing more than a point above Friday.

Owing to the heavy decline in the Government revenue during the two months past, there is a growing expectation of a call on the banks for a return of a portion of the Treasury deposits held by them.

Monday's stock market was sluggish—as is often the case preceding a holiday. What price movement there was, tended downward. The sharp rise in call money to 25 p.c. had naturally a depressing effect upon speculation. Demands from the West and South were sufficient to advance the currency premium to 1¼ p.c. About \$2,000,000 in gold was secured in the London market, while further engagements were reported under way. Sterling exchange ruled lower declining five-eighths cent. below Saturday, and 1½ p.c. below Friday, when urgent bids from the December 31, remitters were the influencing factor in the exchange market.

High money and holiday dulness on the Stock Exchange continued on Tuesday. After renewing