the net revenue from rentals. The effect of this method is to enlarge the revenue arising from the properties and to expand the interest rate beyond its normal proportions.

In view of the important place which the investments of life insurance companies occupy in the proceedings of the Royal Commission and of the legislation upon the subject which is likely to arise from the recommendations of that body, a critical analysis and comparison of the invested assets as they appeared in 1900 and in 1905, are of unusual interest. The following table is compiled from the balance sheets of the Canadian companies:

	1900.	Percentage of total assets.
Real estate owned	$4,875,630	8.7
Loans on Real estate	18,337,953	32.6
Loans on Collaterals	3,926,937	7.0
Stocks, Bonds and Debentures	22,042,387	39.2
Total	$49,182,907	87.5
	1905.	Percentage of total assets.
Real estate owned	$4,792,783	4.9
Loans on Real estate	26,703,011	27.5
Loans on Collaterals	3,407,818	3.5
Stocks, Bonds and Debentures	49,918,986	51.3
Total	$84,822,598	87.2

In the above table the relative proportion which each denomination of assets bears to the total invested assets is set forth. The assets of all the Canadian companies amounted to $56,254,472 in 1900 and to $97,237,268 in 1905.

The amount of real estate owned has undergone an actual diminution within the period under observation. As an interest-yielding investment, this is the least productive item of all. The mean sum invested in these holdings amounted to $4,843,105 in 1905, and the interest earned thereon, after making appropriate allowance for rents due and accrued, was $135,440, representing the exceedingly small return of 2.9 p.c. upon the sums invested. It is a matter of grave doubt whether the ownership of property by life insurance companies is justifiable. Handsome office buildings, which constitute the bulk of the property holdings are of some value for the sake of the advertising they afford, but if their value had been proportionately divided among the other investments of the Canadian life companies the policy-holders would have benefited by an additional revenue of $111,000. In other words that sum represents the cost of carrying the real estate during 1905.

Coming next to the loans on real estate and on collaterals it will be observed that the sums invested in those channels have not increased in proportion to the increase of invested assets. On the first three items on the list the proportion to total assets has shrunk from 48.3 p.c. in 1900, to 35.9 p.c. in 1905, a loss of 12.4 p.c. This amount has been made up, however, in the proportions of Stocks, Bonds and Debentures. This item increased from 39.2 p.c. in 1900 to 51.3 p.c. in 1905, a gain of 12.1 p.c. which almost exactly offsets the diminution in the proportion of the three first named classes of investment.

This table is a remarkable illustration of the recent tendency to favour investment in Stocks and Bonds in preference to purchasing real estate or loaning on securities. The reason for this preference is apparent. For 11 years previous to 1900 the average interest earnings on life insurance funds had been slowly but steadily declining, until it became apparent that the avenue of investments which gave promise of a more lucrative return must be broadened in order to provide against further decline. By increasing the proportion of investments in bonds and stocks, the desired check was given and a slow but steady return along the up grade was established. An average rate of interest has been re-established which is now the same as it was in 1894, whether the companies have gained enough from the additional interest arising out of investments in bonds and stocks to offset any depreciation or loss of value in that class cannot be determined. It is, however, safe to assert that any losses which may have taken place have been due to precipitancy and rashness in taking up speculative securities. So long as judgment and care are exercised in selection, and safety is the uppermost consideration, no danger need be anticipated. Speculation may result in some lucky winnings, but in the long run the results are just as liable to give a balance on the wrong side, eternal vigilance must ever be the price of safety.

The Canadian life insurance companies have now revenues of over $13,500,000 per annum, and after all disbursements have been allowed, the very considerable sum of $5,125,000 becomes available for investment, in addition to the sums falling due upon matured investments, so that the directors and officials of life insurance companies have imposed upon them responsibilities of no small magnitude in selecting investments which combine a proper degree of safety with a reasonable return.

Safety in investing the funds of life offices should be the first consideration and determining factor.

Dr. Forbes Winslow regards the motor bicycle with strong suspicion. The extreme mental tension necessary to drive such a machine, he says, together with the strong vibration communicated directly to the brain through the spine, are highly dangerous. "The expression of agony—of anguish—on the face of many a motor-cyclist tells its own tale. Only a man with an iron constitution should indulge in such a form of sport, and even for him the game is not worth the candle."