taining the dignity and authority of the law will remove the substantial injustice and public injury which its rigorous enforcement would involve. Tnat the aldermen will altogether escape the penalty of their indiscretion is not to be expected They will probably lose their seats temporarily and be saddled with costs. There has been some talk of a bill to grant an appeal from the judgment of the Court of Review, but what is foreshadowed is a bill to simply annul the penalty of disqualification and thus enable the aldermen to seek vindication of their honour at the hands of their constituents. This would commend itself to public opinion, would be the best way of quickly terminating a very awkward situation and would do injustice to nobody. It should be remembered that the City Council itself voted to send the Mayor and his secretary to Paris, and we believe voted a sum of $1,500 towards their expenses, thereby indicating that the full expenses would naturally be forthcoming, and it must not be forgotten that the Council is supreme. Really, the whole technicality in a nut-shell is the fact that the Comptroller's certificate was not obtained showing that there were funds available for the purpose.

THE VALUATION OF FOREIGN BUSINESS.

There has been a growing tendency of late years for the insurance laws of different countries to require non-domestic companies to make periodical valuations of life policies written within their bounds. The work and expense involved are not inconsiderable, and Professor Bohlmann, actuary for Germany to the New York Life, in conjunction with Actuary Davidson of that company, has worked out "A System of Valuation by Movement and Recurrence" which is described in the published Transactions of the Actuarial Society of America. This "labour-saving device" is appreciatively referred to by British actuaries, The Post Magazine of London referring to it as follows: From a simple property of the arithmetical mean, a formula is developed which expresses the mean reserve at the end of the calendar year in terms of the mean reserve at the beginning of the calendar year. This formula is independent of the plan of insurance or age at issue, so that the insurance in force is classified simply according to attained age. During the year the valuation as at the end of the year is made for the business in force at the beginning, so that a considerable part of the work is already completed before the end of the year. The policy account is amplified so that it contains columns not only for the number of policies and the amounts insured, but also for the net annual premiums and the reserves as at the end of the calendar year; and by means of this amplified policy account or "Movement of Insurance," as it is called in the paper, the correction in the reserve for all changes during the year is made. The new business of the year is valued separately. The paper describes very fully the actual working of the method in practice, which is illustrated by an example from the German business of the New York Life. The amount of insurance in the example is about Mks.150,000,-000 and the reserve over Mks. 20,000,000. The reserve obtained by the approximate process described in the paper is only Mks. 270 less than the exact reserve.

THE STRENGTHENING OF FIRE INSURANCE COMPANIES.

The new Dominion Insurance Bill contains certain changes relating to the reserves of fire companies—and, *mutatis mutandis*, to all companies transacting other than fire, inland marine and life business. Section 136 provides that, for the purpose of the Insurance Department's annual report, any company licensed to transact fire or inland marine insurance in Canada shall compute its liability in respect of outstanding unmatured policies as being 80 per cent. of the unearned premiums, instead of 100 per cent. as at present. This is to apply to the total business of domestic companies —and to the Canadian business of British and foreign offices.

It will be remembered that it has for several years been the practice of the Superintendent of Insurance to add a footnote to the reserve column of the fire companies to the effect that "upon the assumption that adequate premiums have been collected, these amounts may be regarded as considerably in excess of the sums which would ordinarily be required to pay the losses to accrue under outstanding risks." The new bill, therefore, now recognizes specifically what the Department has already tacitly held, namely, that a reinsurance reserve need not equal the total of unearned premiums received—a view according with the practice of companies in making an allowance for the expense element in the original premiums of policies taken over from other offices. The principle underlying the change is evidently this: In calculating reinsurance reserves it is to be taken into account that certain portions of the premiums paid by the insured were necessarily for business expenses; these having been duly expended for their purpose have no direct bearing upon provision for fire losses —it being assumed that the premiums charged were, apart altogether from this expense "loading," adequate to meet all fire losses.

Even accepting this explanation, the public may naturally enquire further as to how the security of the insured will be affected. Closer reading of the