hoped that the temptation will be stoutly withstood. Our neighbors south of the international boundary are now struggling hard to extricate themselves from the evils of a banking and currency system that owes its faults largely to the fact that it has been used as a means of providing the Washington government with a good market for bond issues instead of as a means of carrying on the commerce of the country. Whatever changes are introduced into our banking system should be of a nature to enable the banks to more efficiently and safely finance the trade and industry of the Dominion. It will pay us as a country far better, should the London financiers ask high rates for accommodating us, if we submit to their exactions, rather than to seek as an alternative to compel or induce the home banks to employ their resources in the purchase of government bonds.

Reverting to the problem of the rapidly growing imports, recent utterances by our leading bankers seem to imply that the banks will be obliged to ask the importers to go slow for a time in bringing in foreign goods. The balances and funds carried in New York and London have been drawn down considerably; and until they are replenished there will not be a very plentiful supply of available funds. From this cause—the depletion of our bank's foreign balances—there might ensue a sort of compulsory diminution in our imports.

LIFE OFFICE REINSURANCES.

A generous meed of deserved praise is given by The Insurance Monitor of New York to Mr. G. Cecil Moore, A.I.A., associate actuary of the Imperial Life, Toronto, for his paper entitled "The Principles and Proper Methods to be Employed in the Reinsurances of a Life Office." The paper was read originally before the Insurance Institute of Toronto, and those who have heard it or since perused it will not take issue with The Insurance Monitor when it says that "rarely has a more instructive paper been presented to an insurance society of any kind."

Mr. Moore's treatment of one topic in particular elicits the special commendation of our contemporary—namely, his explanation of the reasons for the necessary limitations of maximum single risks, as related to reinsurance principles and methods. While, as he points out, there must be no neglect of procedure in accordance with mathematical lines, the fundamental data on which the mathematical formulae depend must ultimately be established by the judgment of the actuary. The direct bearing of risks of large amount upon the periods of surplus division is commented upon. The company has not only to consider the ultimate effect of exceptionally large lines, but their relation to the immediate death strain during the surplus division period. The average sought is such as shall equalize this death strain which represents the excess of the expected claims above the reserve held to meet them, or, in other words, the cost of insurance. If, during any distribution period, this is seriously disturbed by fluctuations arising through large single risks, the dividend paying power of the company may be injuriously affected, although its average in the long run may be maintained. It will be seen from this what advantage is gained by lengthening the distribution period. Larger lines can be safely accepted. For similar reasons the young company with its heavy initial expenses, comparatively limited number of risks and small reserve should be exceedingly conservative in fixing its limit, while at an older stage, with the increased reserve, the strain is reduced and the lines can be expanded.

THE STERLING BANK OF CANADA.

The initial annual statement of a new bank is naturally awaited with interest by the general public, as well as by those more immediately concerned in its success. The report covering the first year's business of the Sterling Bank of Canada was submitted to the shareholders at the head office of the bank, Toronto, on Tuesday 21st inst. In moving the adoption of the report, President G. T. Somers referred with gratifiaction to the progress made thus far under the capable management of General Manager, F. W. Broughall. The net profits for the year after deducting all organization and management expenses were over $27,000—an encouraging result that was made possible by the high rates of money existing during past months. An initial devidend (1¼ p.c. quarterly) of $9,683 was paid on May 15, leaving a balance of $17,523 to be carried forward. Premium on stock sold amounted to $171,151, this sum being transferred intact to reserve fund. Deposits totalled almost $2,000,000—all liabilities to the public being $2,455,000. Readily available assets amounted to practically 50 p.c. of the latter sum—a highly creditable showing.

A dinner in celebration of the bank's first anniversary was tendered at the National Club by President Somers to the directors and officials of the bank and to representatives from other institutions. Among the latter who were present were the following: Messrs. H. S. Strathy, general manager of the Traders Bank; G. P. Schofield, general manager of the Standard Bank; W. D. Ross, general manager of the Metropolitan Bank; R. Inglis, general manager of the Bank of British North America; E. Begg, secretary of the Dominion Bank. The various speakers of the evening spoke cordially of the good beginning made by the Sterling Bank. Outside of its Ontario organization, the bank has a progressive branch in Montreal, under the managership of Mr. W. D. Hart.