

tions into which the circular letter addressed to the Canadian Life Assurance companies by the Royal Commission is divided, covers enough detail, if fully answered, to fill a private library of respectable size, and certainly can be of comparatively little aid in helping the Commission to reach sound conclusions as to the main questions which I have named.

It is perfectly well known, that the main features of administrative and actuarial practice of life companies in Canada as elsewhere are on the whole very much alike; and the detailed evidence of twenty or more companies on these points must be mainly cumulative.

In most cases the reason for these practices is admitted to be because they are what the other fellows do.

The course which if pursued by the Commission would be most likely to elicit fruitful results without waste of time and expense, would be to summon representative managers and actuaries and interrogate them as to the main features of these practices certainly deliberate more intelligently and successfully and their opinion of their respective merits and defects. Those who have the best ideas are apt to be those who can give the best reasons for them, and with such advance information as to opinions, as distinguished from practice, the Commission can certainly deliberate more intelligently and successfully than with a mass of cumulative facts, and the aid of a single mind to help them digest it.

That there should be much retrenchment in the expense of the conduct of life insurance in Canada by Canadian companies is unquestionable, and needs no elaborate inquiry to prove, as the following figures show, which were printed in the March 30, number of THE CHRONICLE, but which will bear repeating here, for if the Canadian expenses were set against the British in this table, their percentages would be seen to be nearly if not quite twice as high.

Net Premiums and Expenses (Ordinary British companies.)

Date of Blue-book.	Premiums.	Expenses (Including Expense to Commissions).	Percentage of Premiums. Per cent.
1900.....	20,829,017	2,918,714	14.01
1901.....	21,259,186	2,988,106	13.82
1902.....	21,795,619	2,992,081	13.73
1903.....	22,455,422	3,088,576	13.73
1904.....	22,998,588	3,142,579	13.66
1905.....	22,903,788	3,277,421	13.71
1906.....	24,547,873	3,313,305	13.50

The thing to be aimed at is to bring about such a result as nearly as possible, without restricting or limiting actual resort to life insurance, and with a wholesome distribution of the business, as in Great Britain, between a considerable number of companies; so as not to mass financial power and responsibility in few hands, which cause of trouble is the main valuable teaching of the New York investigation.

In my judgment nothing is more likely to advance this desirable result than placing the conduct of the business on correct principles and plans of operation. Whence I am anxious that the Royal Commission may not be weak and unfruitful in this respect. When this has been accomplished, I think the general use of the gain and loss form of exhibit will be the only new statutory limit or check necessary to place on the expense or volume of business of any company, because the

evidences of merit will then be so well understood and applied that growth without economic desert will be well nigh impossible, and natural local patriotic sentiment will secure the fair development of local institutions. At least this has been generally found to be true of Savings Banking, the correct principles of administration of which are not called in question, or unsettled, as is the case with life insurance administration.

THE MARCH BANK STATEMENT.

STATISTICAL REVIEW OF MARCH BANK STATEMENTS

FROM 1897 TO 1906; RESOURCES AND LOANS MORE THAN DOUBLED; INCREASE OF CAPITAL NOT IN PROPORTION TO DEPOSITS AND LOANS; CONDITIONS IMPROVED FOR INCREASED EARNINGS; LARGER DIVIDENDS PAID, AND SHARES ADVANCED IN MARKET VALUE.

The bank statement for March shows some changes of an exceptional character. Probably there was unusual activity in some industries owing to the remarkable mildness of the season, by which the bank figures were enlarged. Certainly some impelling force was at work which drove the banks into extensions beyond precedent at this season as is evident from the following comparisons:

March.	Current loans and discounts.	Increase in month.	Increase in year.
1906.....	514,069,121	17,901,919	69,950,764
1905.....	441,148,357	8,341,175	22,058,255
1904.....	422,090,102	14,466,620	46,329,609
1903.....	375,761,022	11,996,294	47,717,429
1902.....	327,843,593	9,553,961	28,221,436
1901.....	299,621,157	4,352,091	1,017,892
1900.....	279,023,194	7,164,463	38,454,579
1899.....	240,568,615	6,560,119	22,532,972
1898.....	218,035,643	6,375,894	4,803,206
1897.....	213,232,438	4,500,064	1,629,720
Increase.			
1906 over 1897.....	\$300,836,683		

How far the increase in deposits has kept pace with the increase in discounts may be judged by the following table:

March.	Deposits.	Increase in month.	Increase in year.
1906.....	564,594,821	Dec. 4,545,371	68,737,666
1905.....	496,257,753	7,314,880	51,352,550
1904.....	444,904,203	9,263,034	37,970,657
1903.....	406,933,546	4,106,019	44,910,945
1902.....	362,022,601	Dec. 1,677,395	39,169,853
1901.....	322,852,618	2,599,534	35,889,282
1900.....	264,789,246	Dec. 2,411,415	16,490,201
1899.....	248,298,015	Dec. 1,921,851	31,101,509
1898.....	216,996,506	Dec. 2,742,441	23,548,935
1897.....	193,647,571	1,614,117	13,073,315
Increase.			
1906 over 1897....	\$370,948,250		

The call loans stood as follows in the years given below:

March.	Call loans.	Increase in month.	Increase in year.
1906.....	111,286,253	Dec. 6,658,531	Inc. 28,238,900
1905.....	83,047,348	574,940	44,930,004
1904.....	78,558,294	53,150	Dec. 9,650,211
1903.....	88,208,505	Dec. 5,099,776	5,389,898
1902.....	82,818,620	2,055,312	14,240,960
1901.....	68,573,600	2,779,065	7,638,740
1900.....	2,966,114	Dec. 1,054,705	809,888
1899.....	28,156,434	Dec. 659,537	7,818,515
1898.....	20,337,515	Dec. 1,160,468	6,260,200
1897.....	14,069,277	304,415	219,400
Increase.			
1906 over 1897....	97,216,976		

The movement of circulation in the same years was as follows: