POLICY LOANS OF THE CANADIAN LIFE COMPANIES.

The policy loans of the Canadian life companies did not show so large an increase last year as in the preceding years 1914 and 1913. Their net increase was only $3,106,985 compared with $5,329,108 in 1914 and $4,995,446 in 1913. But at the close of the year their total of $39,311,412 was in a higher proportion to the companies' net reserves than ever before, viz., 17.3 per cent. compared with 17.0 per cent. in 1914 and 15.7 per cent. in 1913.

The following figures show the loans and premium obligations upon policjes of the Canadian life companies (including two fraternal organizations) since 1901 and the proportion such loans and obligations bear to the companies' net reserves:

	Amount. Dec. 31.	Year's Increase.	Proportion to Reserves. Dec. 31.
1901	$ 6,437,682	....	10.9
1902	7,044,111	$ 606,429	10.7
1903	7,942,580	898,469	10.9
1904	8,812,029	869,449	10.9
1905	9,679,244	867,215	10.6
1906	11,091,446	1,412,202	11.0
1907	14,057,512	2,966,066	12.7
1908	16,750,846	2,693,334	13.8
1909	18,409,651	1,658,805	13.8
1910	20,409,223	1,999,572	13.9
1911	22,960,040	2,550,817	14.2
1912	25,879,863	2,919,823	14.4
1913	30,875,309	4,995,446	15.7
1914	36,204,417	5,329,108	17.0
1915	39,311,402	3,106,985	17.3

Probably the decrease in the net advance in these loans last year is to be accounted for less through the enhanced self-denial of policyholders, than through other less satisfactory causes. The tendency of the heavy borrowing on policies which was a feature of the years 1913 and 1914 was undoubtedly to exhaust the available cash resources of many policies and to expedite their surrender or lapse.

AN UNSATISFACTORY POSITION.

As already noted, the proportion of these loans to the companies' reserves at present is 17.3 per cent.; their proportion to all the assets held by the companies for the benefit of policyholders is little short of 15 per cent. The means of an improvement in this condition of affairs are not simple. The popular argument about "borrowing from your widow and children" does not cover every case and is perhaps less efficacious than some of its enthusiastic advocates suppose. The primary duty of every man is not only to provide for his widow and children, but to pay his way from day to day during his lifetime, and there are very few to whom sometime in a lifetime it does not happen that through sickness or misfortune, current outgoings—perfectly legitimate expenditure—exceed incomings and resort has to be made to savings. In those cases, borrowing upon a life insurance policy is as legitimate as withdrawing savings from a bank. As interest has to be paid upon the loan, it is in fact more likely to be repaid than bank savings, the 3 per cent. interest upon which is scarcely missed, are likely to be replaced. This kind of borrowing, however, obviously does not account for the marked increase in policy loans in recent years. There is the foolish kind, raising cash for the purposes of speculations and so on, which it is impossible to stop so long as human nature is so constituted that it falls every time to a "get rich quick" promise. Pending an alteration in the law, so that loans cannot be procured at a moment's notice, all that the companies can try in such cases is moral suasion—which is not likely to be particularly effective with a man who sees himself in fancy a millionaire next week.

COMPANIES' AND AGENTS' RESPONSIBILITIES.

One other important contributory cause to the present condition of affairs in regard to policy loans is, perhaps, not given the attention which it deserves. In the Dominion a much greater proportion of the population than in older countries, have incomes which fluctuate widely accordingly as times are good or bad. Inevitably, in good times the tendency is to undertake commitments, which cannot be carried through times of depression. This fact has been pretty obvious in Canadian business during the last

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