

Monetary Times

Trade Review and Insurance Chronicle
of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.
Telephone: Main 7404, Branch Exchange connecting all departments.
Cable Address: "Montimes, Toronto."
Winnipeg Office: 1208 McArthur Building. Telephone Main 2663.
G. W. Goodall, Western Manager.

SUBSCRIPTION RATES

| One year | Six Months | Three Months | Single Copy |
|----------|------------|--------------|-------------|
| \$3.00 | \$1.75 | \$1.00 | 10 Cents |

ADVERTISING RATES UPON REQUEST.

The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869 The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal; and the Toronto Journal of Commerce.

The Monetary Times does not necessarily endorse the statements and opinions of its correspondents, nor does it hold itself responsible therefor.

The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

SUBSCRIBERS PLEASE NOTE:

When changing your mailing instructions, be sure to state fully both your old and your new address.

All mailed papers are sent direct to Friday evening trains. Any subscriber who receives his paper late will confer a favor by complaining to the circulation department.

VALUATION OF SECURITIES

Some unfair criticism has been directed against the volume issued by the department of insurance, Ottawa, which contains the market values of all securities held by insurance companies in Canada. This book has been distributed among the insurance companies for their convenience in compiling their annual statements for the year 1915. The chief criticism was directed against values shown for the securities of provinces, cities and towns of Canada as compared with those for state and municipal securities of the United States. Thus it has been asked why the city of Toledo 4 per cent. debentures maturing in 1944 should be valued at 101 when 4 per cent. debentures of Toronto and Montreal maturing in the same year are valued at 82, and why city of Buffalo four's of 1961 are valued at 101 and city of Los Angeles five's of 1940 at 111 when Winnipeg's four's, 1940 to 1960, appear at 82 and Vancouver five's, 1930, at 93. The answer naturally is that the values quoted are either the stock exchange quotations or the actual selling prices at the date of valuation, and as the volume purports to give actual market values which are required by the insurance act to be used in the annual statements, the facts are correctly stated.

In each case the prices of the United States securities are substantially those actually prevailing on the New York stock exchange while those of the Canadian securities are those prevailing on the most active exchange or the actual selling prices in Canada, as vouched for by leading brokers.

A recent newspaper article deplored the fact that a Canadian government department should allow itself to depreciate a government security of a province of Canada below the like security issued by a minor state of the United States, and in conclusion asked that the volume should be withdrawn from circulation. One might just as well ask for the suppression of the London Daily Stock Exchange List, which on December 31st, 1915, showed British war loan $4\frac{1}{2}$ per cent. stock, 1925-1945, at $97\frac{1}{4}$, and United States 4 per cent. loan, 1925, at $115\frac{3}{4}$. The

reason for the higher values attaching to the securities of the United States is generally known to those who have studied the banking system of that country. These securities are made the basis for the note issues of United States National Banks and these securities have, therefore, an artificial market which Canadian or British securities do not enjoy.

The same newspaper article also suggested that our insurance companies should be allowed to compile their statements for 1915 on the basis of the amortized value of their securities. Such a request ignores the fact that the act requires a valuation of securities on the basis of the market values prevailing at the date of the statements.

VALUE OF THE LIFE AGENT

State life insurance will not receive a fillip as a result of the report of Mr. L. A. Anderson, actuary of the Wisconsin insurance department. He recently made an examination of the life fund of that state at the request of the insurance commissioner. Mr. Anderson, in his report, sharply criticizes the methods of the management, some of which he shows have been irregular and contrary to law. He accuses the salaried officers of securing applications, of failing to turn fees into the State as required by law, giving them instead to applicants, and says that office methods and records are extremely crude and impractical as well as expensive.

One of the most interesting parts of the report is the recommendation that if the life fund is to be continued and made a success, the legislature should provide means for active solicitation of business. If this is not done, the business now on the books, the report says, should be reinsured. This is a sound conclusion. Life insurance cannot be written in any great volume without a capable agency force. Wisconsin expected prospective insurers to crowd into the State offices to buy insurance over the counter, but the growth of the State's insurance business has been exceedingly slow. Mr. W. Lyle Reid, president of the Dominion Life Underwriter's Association, writing in the annual number of *The Monetary Times*, truly said that, due to the spirit of procrastination, the life insurance field representative is the indispensable link between the supply and the need.

IMMIGRATION

In considering the question of probable immigration after the war, significant figures regarding emigration during the war must not be overlooked. According to the preliminary emigration returns for 1915, just issued by the Imperial board of trade, the arrivals of British subjects in the United Kingdom from the Dominions and elsewhere actually exceeded the number of those emigrating by 15,046. In the twelve months, 76,914 persons of British birth are recorded as having left for countries outside Europe, made up of 31,822 men, 32,402 women, and 12,690 children. On the other hand, there arrived from overseas "to settle in the United Kingdom" 91,960 persons, of whom 44,533 were men, 29,547 women, and 17,880 children. The British board of trade figures also show that Canada in 1915 received only 16,765 emigrants from the United Kingdom, while she sent back 38,811.

The change in the migration movement, so far as Canada is concerned, is probably due partly to war and partly to economic conditions here. The figures, at any rate, afford material for serious consideration.