

THE NORTH AMERICAN LIFE ASSURANCE COMPANY.

The newly-issued annual report of the North American Life Assurance Company, of Toronto, is an eminently satisfactory document. The year 1911 was from almost every standpoint the best in the company's history of thirty-one years. Policies issued during the year, together with those revived, amounted to \$6,129,426, showing the satisfactory increase over 1910 of \$1,019,367. Business in force was advanced to \$45,849,515. The cash income of the year also showed a gratifying advance, being nearly \$120,000 higher than in 1910 at \$2,295,177. The total outgo was \$1,415,136, and of this practically one million was paid on policyholders' account. The payments for death claims were \$386,877; matured endowments, \$138,206; matured investment policies surrendered, \$214,068 and dividends to policyholders, \$148,135. The dividends will be largely increased this year. It may be noted that of the total payments made to policyholders, those with deferred dividend policies received \$501,400. This item, including both reserve and surplus, is naturally growing larger year by year. It is an indication of progress and that the business is being conducted in the interests of policyholders.

The assets of the company received a substantial accession during 1911, and at the close of the year stood at \$12,313,107, an advance upon the year-end total of 1910 of \$924,334. These assets include \$3,718,624, mortgages on real estate; \$4,455,604, bonds and debentures; \$1,776,558, stocks and \$1,506,341, loans on policies. A particularly satisfactory feature regarding these investments is that they are taken into the balance sheet at book value and the market value of bonds, etc., held at December 31, was actually \$168,576 in excess of book values. The company, however, conservatively takes no credit for this excess in market value over book value, and, as it is, there was last year the satisfactory increase in the net surplus to policyholders of about \$125,000, bringing it up to \$1,300,784.

These figures are, as has been pointed out, of a highly pleasing character, but, perhaps, the most interesting fact in connection with the newly-issued report is that the company has now completed the task of placing its policy reserves upon a 3½ p.c. basis. The Insurance Act, it may be noted, does not require the companies to place their reserves upon a 3½ p.c. basis until 1915, so that the North American Life has anticipated the requirements of the Government by a considerable margin of time. The task of placing the reserves upon a 3½ p.c. basis has occupied the company six years, and it says much for the skilful management of Mr. L. Goldman that it has been accomplished without in any way disturbing the happy and prosperous condition of the company in the way of dividends to policyholders and increase of net surplus. Simply, the assets have been kept down to the rock-bottom and the liabilities up to the full limit. The care and success with which this operation has been conducted augurs well for the future of the North American Life under Mr. Goldman's management. The company, we understand, has started 1912 remarkably well, the field force being keen to show another million dollar increase in new business this year.

THE WEALTH OF ENGLAND.

Is figured by the London Economist at £13,986,000,000—An increase of £3,950,000,000 between 1885 and 1909—British capital abroad £2,332,000,000.

The London Economist has attempted to compute, in money value, the capital and property in all of Great Britain. Basing its figures on an estimate made by Sir Robert Giffen in 1885, it shows that since that time, and up to 1909, there was an increase of £3,950,000,000, making the total value £13,986,000,000.

Although admitting that the principle followed may have resulted in over-estimating, the Economist finds in the figures a subject for much interesting comment. Since 1885 the return on capital has, on the whole, risen considerably, and this has caused a shrinkage in value of many fixed-interest securities, such as consols, railway debentures, and even ordinary railway stocks. In this way capital value has been affected. But allowing for this, the table of periodical increases since 1885 is given as follows:—

(000,000's omitted.)

	1909.	1905.	1895.	1885.
	£	£	£	£
Land	1,300	1,306	1,385	1,691
Houses	3,284	3,024	2,318	1,927
Farmers' capital	348	340	368	520
Railways in U. K.	1,975	1,050	960	932
Mines, quarries, ironworks, canals and other industries.	550	568	427	330
Other trade capital, public companies, etc.	2,727	2,458	1,500	1,414
British capital abroad	2,332	2,025	1,600	1,302
Capitalized value of local Insurance	290	240	175	126
Capital of non-inc. taxpayers	450	420	380	335
Furniture, etc.	1,000	1,000	1,000	960
Government and local property	630	695	550	500
Total	13,986	13,036	10,663	10,037

"Important features of the calculation are the changes in the first three categories," writes the Economist. "The total capital value of land shows a steady decline since 1885, and even in that year Sir Robert Giffen's figure was more than three hundred millions lower than in 1875. The capital value of houses, on the other hand, has increased rapidly, a result which is certainly not unexpected in view of the growth of the town population of the United Kingdom. The figure as to farmers' capital is put forward with all reserve.

"Farmers' profits are calculated for income-tax purposes at one-third of the annual value of the property, the estimate having been one-half of the annual value at the time when Giffen made his estimate. This is purely an arbitrary figure, affording little indication of the amount of farmers' capital. The alternative method of estimating it by assuming an average amount of capital per acre is scarcely more definite, for statisticians are not agreed as to the average amount per acre, taking the country as a whole.

"Comparing the figures with Giffen's previous estimates, we get the following result, showing the increasing accumulation of wealth since 1865:

1909.	£13,986,000,000	1885.	£10,037,000,000
1905.	13,036,000,000	1875.	8,548,000,000
1895.	10,663,000,000	1865.	6,113,000,000

"In this comparison the changes are, of course, affected by price variations, the period 1875 to 1895 being one of falling prices, and that from 1895 to the present day, one of rising prices. This consideration affects certain categories more than others, for while rising prices tend to swell profits and increase the value of capital in general trade, it has no such effect on, say, railway capital where the income earned is restricted by a legal maximum for freights and fares. Hence, while our estimate of railway capital in the United Kingdom shows an increase during the last fifteen years of some 12 per cent., general trade capital has increased 82 per cent. Price changes, therefore, are responsible for part of the change shown in this table."