

**Life Insurance  
By Cities.**

The payments made by life companies in over 200 leading cities on this continent last year and the estimated amount of life insurance in force in the same cities are given in the "Insurance Press." For Canada, the returns for the chief cities are estimated as follows:—

| Cities.                | Life insurance<br>payments 1904.<br>\$ | Life insurance<br>in force 1904.<br>\$ |
|------------------------|--|--|
| Montreal.....          | 2,252,271                              | 185,700,000                            |
| Toronto.....           | 1,479,537                              | 121,900,000                            |
| St. John, N.B.....     | 402,538                                | 33,400,000                             |
| Hamilton.....          | 297,385                                | 22,600,000                             |
| Halifax.....           | 263,288                                | 19,754,000                             |
| Winnipeg.....          | 195,602                                | 14,670,000                             |
| London.....            | 133,855                                | 9,092,000                              |
| Ottawa.....            | 680,626                                | 54,700,000                             |
| Quebec.....            | 472,530                                | 36,700,000                             |
| Kingston.....          | 99,819                                 | 7,500,000                              |
| Brockville.....        | 69,863                                 | 5,250,000                              |
| Brantford.....         | 28,948                                 | 2,175,000                              |
| Victoria.....          | 63,119                                 | 4,734,000                              |
| Other cities, etc..... | 10,329,449                             | .....                                  |
|                        | \$16,769,000                           | .....                                  |

**CANADA'S SOUTHERN INVESTMENTS.**

The Mexican Light and Power Co. recently made an important issue of bonds, which, though taken in the first instance by the directors of the company and by financial institutions, is intended finally for distribution among investors. The Mexican company is one of the most ambitious of the foreign enterprises controlled by Canadians. One of its recent achievements was the acquisition, practically, of the whole lighting business of Mexico City which was purchased from American, European, and native owners. As there has also been a considerable investment of Canadian money lately in the other Southern enterprises, it will not be out of place to recapitulate and set before investors some of the considerations they should bear in mind when such offerings are made to them.

Perhaps the main attraction these ventures have for our people lies in the rate of return they yield. At the same time, it is remembered that the men who originated them and who now control them have been eminently successful in what they put their hands to in the Dominion. The rapid development and the increase in the dividend rate of one or two of the companies first formed have fired speculative interest. The profits made in San Paulo undoubtedly exerted a powerful influence on the investment in the later Mexican and Rio Janeiro schemes. It is no wonder people get excited when they see a common stock which was given away for nothing at the start selling, two or three years later' at 130 and paying large dividends; no wonder they are eager to pay their money into something new when it is artfully insinuated that it will

turn out exactly the same way. It is a curious fact that these far away schemes, for people who know little or nothing about them, have a glamor which sober home enterprises can never attain. This has been so in all ages, even before Law's famous Mississippi Bubble. True, statistics of earnings are regularly given out and balance sheets are published, but, in regard to any corporation, statistics of earnings and balance sheets do not tell the whole story. To know how things are going it is nearly always necessary to read between the lines—a difficult thing to do when the operations are carried on many hundred miles away. Right at the beginning there is the question of the capitalization. How many investors in Canada know the basis on which that has been worked out. For example, suppose one group of capitalists, in organizing the first of their foreign ventures, decide to keep the capitalization down as low as possible. All the bonds issued represent money actually paid for property and rights, taken in at sensible valuations; the common stock represents a bonus to themselves and has at the beginning no actual concrete value. Operations are commenced and the property developed; in short order, the common stock, or the equity lying between the face amount of the bonds and the real value of the property, begins to increase in value, and after a while gets to be worth over par. Encouraged by these results, the promoters decide to organize another company. This time they have something to guide them. They capitalize on a wider basis. That is to say, they incorporate as part of the property they sell to investors some of the profits to be earned in the future. Relatively to the real present value of the property, the capitalization of the second concern is much greater than was the first. If it were a case of properties at home in the Dominion this matter could be checked up by investors with some degree of satisfaction, but away off, in foreign States, the conditions are altogether unfamiliar; scarcely any one here knows what should be paid for concessions and privileges, or what is a fair price to pay for existing properties bought. All this has to be left to the men in control. There is no satisfactory way of checking them. The developments in connection with the Equitable matter in New York, have shown that big financiers even those standing highest, need to be checked and supervised, otherwise their passion for acquiring wealth may lead them to dishonourable actions. We do not say that the Canadian big men who have control of the foreign ventures here referred to have done as outlined in the above supposititious case. All we say is, that if they did do so, most Canadians would be ignorant of the fact.

Another point is this: In Mexico and the South American countries, the usual rate of interest is