LIFE COMPANIES' INVESTMENTS.

There is little or no risk in connection with Federal and Provincial bonds. The only care that should be exercised is to endeavour to secure them at good yield rates, and for long periods. During the war we purchased these securities at yield rates varying from 5½ to 6½ per cent. Such rates as these have not been obtainable since life insurance companies first started doing business. Municipal bonds and debentures may be the securities of cities, towns, villages or rural districts, and the value of these securities is determined by the financial standing of the municipality issuing them. It is to be said for the credit of our Canadian municipalities that there have been very few defaults covering a long period of years.

Industrial Bonds and Stocks.

In making investments of this character, where so much often depends on the management of the corporation or institutions issuing these securities, greater care is necessary. I fear that those who are entrusted with making investments for life insurance companies are sometimes tempted into the purchasing too liberally of this class of securities on account of the attractive rates of interest they offer, which help very materially in increasing the average earning rate.

Real Estate Mortgages.

Loans or mortgages or real estate constitute one of the most important and safest assets on the books of life insurance companies. To carry a moregage business on successfully, however, a good organization of loan managers and inspectors must be maintained, which means that real estate mortgage business on successfully, however, a than bonds or debentures.

The Insurance Department at Ottawa has adopted the practice of showing gross interest returns and charging the expenses in connection with mortgage investments in the Government report as home office or branch expense. When comparing the interest rates shown as "earned" by the various companies due regard must be had to this fact. For example (to suggest an extreme case), a company investing practically all its assets in Western farm mortgages would show a high average rate of interest "earned," but the loaning expenses if deducted would make the actual "net" much lower.

By carrying a good proportion of mortgage investments, however, a life company is better able to maintain a good average rate of interest than if its investments were confined to bonds, debentures and stocks, which do not yield as high returns.—E. M. Saunders, Canada Life.

PERSONALS.

Mr. Ralph Yeo Sketch, general manager Norwich Union Fire Insurance Society, Limited, arrived in New York this week after making an extensive tour of the Company's branches on this Continent.