HOW CANADIAN LIFE COMPANIES INVEST THEIR ASSETS.

There are published on another page analytical statistics regarding the invested assets of the Canadian life companies. Under the heading of invested assets are included the following: the real estate owned, the loans on real estate, the loans on collaterals, the loans on policies and "premium obligations on policies in force," and the bonds, debentures and stocks held. These invested assets represent over 94 p.c. of the companies' *total* assets, which include, in addition to the invested assets, cash on hand and in banks, interest and rents due and accrued, outstanding and deferred premiums and "other assets." At December 31, 1913, the total assets of the life companies included in our tables were $232,658,244. The total of their invested assets at the same date was $218,168,490, so that their uninvested assets were $14,489,754. This is an increase in uninvested assets of $2,000,000 compared with December 31, 1912.

THREE YEARS' INVESTED ASSETS.

The following is a summary table of the companies' invested assets as at the close of December, 1913, and in two previous years:—

	1913.	1912.	1911.
Real Estate Owned.......	$ 9,967,470	$ 8,941,457	$ 7,958,157
Mortgages on Real Estate..	87,085,966	75,131,638	63,443,648
Loans on Collaterals......	1,477,726	2,889,833	2,388,758
Loans on Policies, etc......	30,800,808	25,810,787	22,896,968
Bonds and Debentures....	77,144,914	69,388,972	68,099,271
Stocks.................	11,691,607	16,298,097	14,328,472
Totals (Unadjusted)...	$218,168,490	$198,460,784	$179,114,376

From these figures it will be seen that the Canadian life companies increased their invested assets last year by about $20,000,000, a slightly larger advance than was made in 1912. Nearly two-thirds of these additional funds were placed in real estate mortgages, which were added to again last year to the extent of $12,000,000 following a similar increase in 1912 and one of $10,500,000 in 1911, and bringing up the total of these mortgages to $87,085,966 against $75,131,638 at December 31, 1912, and $63,443,648 at December 31, 1911. Last year also the Canadian life companies made exceptionally large investments in bonds and debentures, due, no doubt, to the very favorable prices at which these could be secured. Probably the companies who took advantage of the bargain prices prevailing for first-class long-term investments of this character last year will have good reason to congratulate themselves later on. Bonds and debenture holdings of the companies increased practically $8,000,000 last year to $77,144,914, while in 1912 the increase was nearly $1,200,000. Policy loans increased by nearly $5,000,000 to $30,800,808; and real estate increased by about a million to $9,967,470. On the other hand loans on collaterals fell by nearly a million and a half to $1,477,726, and stocks by nearly $5,000,000 to $11,691,607. With regard to stocks it is to be noted that among the assets of some of the companies are included bonus stocks, acquired in connection with bond purchases. When these stocks are not deemed to be of appreciable or certain value, they are not included in the returns; but when a value has been assigned by the companies to the stocks, they are then included.

GROWTH OF REAL ESTATE MORTGAGES.

The variations in the proportions of assets invested in the different classes of securities during the last three years are shown in the following table:—

	1913.	1912.	1911.
Real Estate Owned..............	4.6	4.5	4.4
Mortgages on Real Estate.........	39.9	37.9	35.4
Loans on Collaterals..............	0.7	1.5	1.3
Loans on Policies, etc............	14.1	13.0	12.8
Bonds and Debentures...........	35.4	35.0	38.0
Stocks.........................	5.3	8.2	8.0

The proportion of the loans on real estate to total invested assets continues markedly on the upward grade. In 1910 the proportion of these mortgages was only 33 per cent., whereas at the close of 1913 it was practically 40 per cent. Bonds and debentures had shown a declining tendency for several years, but in 1913 took a turn upward, being 35.4 against 35.0 in 1912. But in 1910, they were 39.6—the strong partiality of the life companies in recent years for mortgages accounts for the change.

INCREASE IN POLICY LOANS.

Policy loans made another record increase last year. They advanced by $5,000,000 in 1913 as compared with $3,000,000 in 1912, the previous record year. By this increase policy loans are brought up to 14.1 per cent. of the companies' invested assets against 13.0 per cent. in 1912, 12.8 per cent. in 1911 and 12.6 per cent. in 1910. Probably it is hopeless to expect any slackening-up of the demands for policy loans in Canada until the present period of monetary stringency merges into one of comparative ease, and speculators are able to realise on some of their undertakings which they are at present carrying by the help of loans on their life policies.

SAFE BUILDINGS.

In a properly constructed building fire should not be allowed to escape. The interior of a large building might burn, but the flames should be confined to this one structure regardless of numerous buildings in the neighborhood. Fire-walls should keep the flames from bursting through the walls, wire-glass windows should prevent an outlet from windows, and metal frames and sashes should aid. All these things will make it impossible for flames to run from one building to another. Buildings so erected are known as safe buildings. They cost hardly 10 per cent. more than ordinary structures, but they pay in the long run.