## MUNICIPAL SELF-INSURANCE.

Aldermen of the city of Edmonton, who were elected on a platform of strict economy in municipal administration, have shown wisdom in dropping a proposed scheme of self-insurance of the municipal property, and we hope they will not be tempted to take up again with such a will-of-the-wisp. Municipal self-insurance is not economical and cannot possibly be so, since it is merely a gamble with the ratepayers' property, of which the aldermen are in the position—morally if not legally—of trustees. The City owns property of an aggregate value of approximately $3,000,000, on which insurance is carried of between 25 and 30 per cent. of the value—by the way a ratio of insurance the inadequacy of which a serious fire would bring home sharply. The property includes various public utility buildings, etc., such as the telephone building and equipment, street railway buildings and equipment, etc., against which bonds have been issued for a considerable amount. The proposal for self-insurance had the usual charming simplicity of all these schemes. The Council now pays $21,000 a year in insurance premiums. It was proposed to "save" this by giving up the insurance and putting the $21,000 into a trust fund. By thus "saving" $21,000, the Council would reduce the financial protection on the ratepayers' property against the risk of fire for the next twelve months from, say, a million dollars to $21,000. However, for the following twelve months, if the same policy were adopted, the protection would be increased to $42,000 and in 25 or 30 years or so *if there were no fires*, the fund would have got to about the amount of the insurance now carried. But if there were fires in the first or second year—well $20,000 or $40,000 does not go very far in replacing the loss by a fire that is at all serious, particularly in these days of the high cost of materials. In such a not unlikely event, ratepayers would have the pleasure of digging afresh into their pockets—and their expressed opinion of the aldermen's idea of "economy" would probably be unprintable.

It has been noted that against some of this Edmonton property, bonds have been specifically issued. It would be hardly likely to increase the popularity of the City's bonds with investors, if the bondholders were to have suddenly taken away from them part of their security in the shape of fire insurance. Such action constituting a breach of good faith, could not fail to re-act unfavorably upon the City's credit. Suppose that a merchant carrying a large stock suddenly decided to "economise" by a scheme of self-insurance. How long would his credit remain at its pre-existing level in face of such a lack of foresight and reckless reliance upon chances. A course of action which a merchant or property owner would in his own case regard not merely as imprudent but improvident can scarcely be "economical" when adopted by a municipality.

## THE DOMINION'S DEBT.

The net debt of the Dominion at December 31st last stood at $722,111,450, a growth during the month of $15,983,368 and for the year of $207,000,000. Of the funded debt, $362,703,312 is now payable in London; $308,806,932 in Canada and $75,357,000 in New York. Temporary loans are $120,925,808.

## THE NATIONAL LIFE'S STATEMENT.

Steady progress continues to be reported by the National Life of Canada. Not only did the Company last year achieve a substantial measure of success in regard to new business placed on the books, but in other respects also, good headway was made. As is well known, the National Life restricts its investments to Government and municipal bonds and a few other securities of the highest class and it is able again to record the fact that it has never lost a dollar of its invested funds and that there are no arrears of interest or principal. This record now covers a period of eighteen years, and is sufficient evidence of the conservative character of the Company's investment policy. The ability of the Company within the last two or three years to make large purchases of the highest-grade securities on extremely favorable terms should result in the not distant future, following the conclusion of the war, in the accruing of handsome profits as the credit of the leading borrowers moves towards a more normal basis.

### THE YEAR'S FIGURES.

The National Life benefited substantially last year from the change to more propitious circumstances than in 1915 for the sale of additional life insurance. "Policies issued and placed" totalled $5,457,957 compared with $4,309,297 in the preceding year. Business in force was increased to $23,883,130, the gain for the year being approximately $2,700,000. The total income increased to $900,310, a gain of some $34,000. Of this premiums contributed $704,270 and interest, rents, etc., $196,040. Payments to policyholders were $211,067, death claims at $117,204 being about $12,000 more than in 1915, probably as a result of war losses. The assets are increased to $3,630,194, a gain for the year of $290,000. Of these assets, $2,371,135 are represented by government and municipal bonds and debentures, $538,887 by loans on policies, $275,000 by the head office building, and $144,713 by bank stocks. Outstanding and deferred premiums, it may be noted, now stand at under $95,000 compared with $155,000 a year previously and $238,000 at the close of 1914. This is a particularly satisfactory improvement.

We understand that authority is being asked to increase the capital of the National Life from $1,000,000 to $2,000,000 in order to increase the working surplus. The new shares will be sold at a premium sufficient to take care of a larger volume of business without using earnings to secure new business. Thus under the management of Mr. A. J. Ralston, vice-president and managing director, the National Life is being steadily developed upon conservative lines. The sound position at the present time is the best of foundations for satisfactory future progress.

## FIDELITY-PHENIX FIRE.

The Fidelity-Phenix Fire Insurance Company now has total assets of $19,324,465.51 with an unearned premium fund of $8,342,584.93, and a policyholders' surplus of $9,620,732.88. During 1916 gross assets increased $1,465,317.03, the net surplus increased $837,271.14, and premiums written increased $578,447.87.