

WHAT IS MEANT BY THE "INDEX NUMBER" OF PRICES?

In articles published relating to the prices of commodities, frequent reference is made to an "Index Number," which enables a comparison to be graphically exhibited between market values at certain periods. To the generality of readers this term conveys no definite idea as to what is really indicated by an "Index Number." Although one compiler of such valuable data has acquired especial prominence, as his figures have been found to be very reliable, there is nothing official in his, or any other table of the same kind, nor anything exclusive, or in the nature of a monopoly in any return of this nature. It is competent for any person, who will take the requisite trouble, to compile his own "Index Number," and keep the table written up to date. The first requisite is to establish a basis or datum which represents the average prices prevailing in some given period. For ease of comparison the number of 100 has been adopted, which may be applied to the average price of any article in any group of years. Thus the one before us is based upon the average prices of the six years 1845 to 1850. The reasoning of the table may be thus stated. If the average price, say of wheat, in the years 1845 to 1850 is assumed to be 100, then the Index Number of the price at another period, or at present, is so much. Thus the matter resolves itself into a sum in "Proportion," the answer to which is the Index Number which gives in the most condensed form the data for comparing prices at various periods. When the prices of a large number of articles are thus treated, the sum of their Index Numbers can be added together for the periods at which a comparison is desired to be made, and the two aggregates will show at a glance whether, taking all the articles comprised in the calculation, there has been a decrease or increase in values. To illustrate this, we give the Index Numbers of 5 products for a number of years, starting with the average from 1845 to 1850, which is made the basis, or datum, and represented by the figure 100.

Years.	Tca.	Wheat.	Meat.	Tobacco.	Iron	Total Index No.
1845-50....	100	100	100	100	100	500
1870.....	102	80	123	167	88	560
1880.....	141	88	119	180	92	620
1890.....	62	56	123	222	109	572
1895.....	60	45	133	239	68	545
1898.....	49	77	125	233	76	560
1899.....	70	50	132	243	83	568
1900.....	78	47	136	183	110	554

The present high price of iron makes it interesting to note that in 1857 the Index Number was 121, as compared with the present figure 110. The aggregate of the Index Numbers of 22 articles of merchandise, 5 of food, 14 of raw materials, including the principal metals, and 3 of cotton goods, was 2,906 in 1857, and now is 2,145. As a method of presenting in the most condensed form the data for comparing prices at various periods, so that they may be seen at a

glance, the system of Index Numbers is highly valuable, and might be kept up regularly in any office by a clerk with a clear head, and a fair amount of skill as an arithmetician.

THE SUN LIFE ASSURANCE COMPANY OF CANADA.

The report of the Sun Life of Canada is one of successful results, and ought to be satisfactory to all who are interested in the prosperity and progress of the company. Increased income and reduced expenses. Such is the pleasing story conveyed in the statement under review. The reviewer of the figures submitted to him as representing the operations of the Sun Life of Canada for the year 1899 has an agreeable task, and will find therein plenty of material for praise and honest congratulation.

The policies actually taken and paid for during the twelve months in cash numbered 13,101 and represented \$9,746,308. The policies in force at the close of the year were 48,925 in number, the total amount of same being \$52,806,035, of which \$2,144,462 is represented by "Thrift" policies. The company may certainly be congratulated upon the success of their introduction of this system by which the advantages of life assurance may be enjoyed by persons of limited income, by means of policies for small sums, the premiums of which being paid half-yearly or quarterly come well within the means of the better class of artisans and small traders. The cash premium income of the Sun Life of Canada, after deducting re-assurances, has now reached \$2,214,508, which, when added to interest and returns from invested funds, was increased to a total of \$2,596,207, showing an increase in the total income of \$268,293. As we have already remarked, this pleasing growth in the revenue of the company was marked by a reduction in the expenses of some \$10,000. The statement shows an increase in assets amounting to \$1,015,752, the total amount of same being \$9,247,664. The total out-go of the company for payments to policy-holders amounted to \$803,972, the total sum thus expended since the formation of the company being \$5,930,503.

The history of the Sun Life of Canada is one of rapid progress, and from the statement just issued, we cull the figures of a decade of business which illustrate the growth of the company.

Year.	Income.	Net Assets exclusive of uncalled Capital.	Life Assurance in Force.
1889.....	563,140	2,223,322	13,337,983
1899.....	2,596,207	9,247,664	52,806,035

The president, Mr. Robertson Macaulay, and his principal colleague, Mr. T. B. Macaulay, have displayed a remarkable capacity for work in a field annually demanding greater activity, and the result of their labours has made the Sun Life Assurance Company of Canada known all over the British Empire. The zeal and interest they display in the promotion of the progress and prosperity of the company is thoroughly deserving of the success they have achieved.