ASSETS OF THE CANADIAN LIFE COMPANIES.

Assets of the Canadian Life Insurance Companies (including two fraternal organizations) were increased by $26,000,000 during the year 1918, following a gain of $24,000,000 in 1917. Last year's achievement is the more notable through the fact that in 1918, the companies had not only to meet war claims on almost as large a scale as in the preceding year, of over $5,000,000, but in addition, to provide for an even larger volume of which may be called special claims, amounting to fully $8,500,000, arising as a result of the epidemic of Spanish influenza. It is to be expected that had this epidemic not taken place, the gain in the Company's assets last year, which forms an accurate indication of the real progress of the business of life insurance in the Dominion, would have been fully $30,000,000. However, there is no doubt that any loss by the companies on this account is purely of a temporary character, and that in the long run, this slight set-back will be more than compensated for. The process of compensation is, in fact, already taking place. There is not the least doubt that the boom in new business generally reported by the companies during the current year is a result, in part, of the testimony to the strength of the companies affected by the epidemic, and to the wide publicity given the advantages of life insurance as a result of the payment of claims on policies which had only been a few months, in some cases, only a few weeks, in force.

The following table shows the record of the companies' assets as on 31st December, 1918:—

	Amount.	% To Total Assets.
Real Estate	$ 17,915,818	5.1
Mortgage Loans.	90,653,290	26.1
Loans on Collateral . . .	1,217,389	0.3
Policy Loans.	43,886,661	12.7
Bonds and Debentures.	153,486,418	44.2
Stocks.	20,967,602	6.1
Total Invested Assets	328,127,187	94.5
Cash.	3,897,989	1.1
Interest and Rents due and accrued	7,445,219	2.1
Outstanding Premiums	7,828,932	2.2
Other Assets.	208,469	0.1
Total Assets.	$347,507,696	100.0

Practically the whole expansion of the companies' assets during 1918 is represented by the increase in invested assets. Uninvested assets remain stationary in amount, and are in a slightly decreased proportion to the whole in comparison with 1917. Of the increase in invested assets, bonds and debentures, which have made great strides forward during recent years, account for fully $23,000,000, their total at the end of 1917 having been slightly in excess of $130,000,000. The services to the nation which the companies have performed through their exceedingly large subscriptions to the various war loans are by this time well known, and there is not the least doubt that they will do their duty in an equally handsome way in connection with the forthcoming loan during the fall. Additionally to their large subscriptions to the war loans, the companies have made heavy purchases of the municipal and other issues made during the war years, and as these purchases have been uniformly made at attractive rates of interest, policyholders stand to benefit considerably thereby in the long run. The increase upon the companies' holdings of stocks, while small in amount, $1,200,000, is unusual in comparison with the experience of recent years, since for some time past, these holdings have shown a tendency to decline. The expansion in 1918 is probably a result of the companies' availing themselves of rights to new issues of bank stocks and the like.

Mortgages again show a decline in amount. At the end of 1918 they were in fact, $2,000,000 less than at the close of 1917, and some $4,000,000 less than at the end of 1914. With the increased growth in the companies' assets during the four years, their proportion to total assets has rapidly declined—from 36.9 per cent. in 1914 to 28.8 per cent. in 1917, and 26.1 per cent. in 1918. In the years prior to the war, some of the companies, attracted, no doubt, by the high gross rates of interest afforded by these securities, were a little too free, as has been frequently said in these columns, in investing in these securities. Events during the war years, including legislation grossly unfair to what in a number of the western provinces, have fully justified The Chronicle's attitude in this connection, and it may be hoped that when a fresh demand for mortgage loans springs up, as is bound to occur sooner or later, that the lesson of the war years will be remembered, and the companies keep a clear head in connection with mortgage investments.

The truism that "any fool can make money, it takes a wise man to keep it," has its bearing in this connection. The supervision of a life company's investments requires a trained judgment and skill in financial administration equal to that required of the banker. With the growth in size of their invested assets during recent years many of the larger Canada life companies have recognized this fact by the appointment of specially qualified officials whose sole duties are the super-

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