

## "AN ANCHOR TO WINDWARD."

Life insurance agents are in a position to profit by the present circumstances of business affairs possibly to a greater extent than any other class of the community. The conditions and circumstances of the day are providing them with concrete arguments which will have more weight with prospects than the best theoretical arguments ever invented. The primary purpose of life insurance is protection. Is there any better argument than the circumstances of the present day for the necessity to business men of "an anchor to windward" in the shape of life insurance policies, which are always worth one hundred cents on the dollar—no matter when and under what stress of circumstances they become due.

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The business man who is plodding his way through the present days of financial stress without the backing of insurance protection is not to be envied. If he has any heart at all, he can't help reflecting from time to time upon the possibly hard circumstances in which his dependents would be left, should anything happen to him, when his business is not in as good shape as he would like it to be, and the few investments he has are either unsaleable altogether or realizable only at very heavy losses. He may not have much spare cash at present, but it may be suggested that the agent would find him receptive if low-priced protection to enable him to have an easy mind in regard to his dependents were put before him.

In this connection there would seem to be a considerable opening under present circumstances for the pushing of low-priced convertible term policies, which would give a man protection for a period, long enough to carry him on until good times come round again and he can afford something better. A campaign among those who have already shown themselves alive to the necessity of life insurance would also probably find many to agree to the desirability of additional protection under the unprecedented circumstances of the present day, especially if they could secure it at a low figure.

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But while the present seems a particularly good time to push purely protective policies before those who have hitherto not realized the necessity of insurance, or who wish for increased protection against the increased financial strain of the present day, there are obviously good opportunities for pushing the higher-priced ones. There are still a good many salaries which have not been cut and which are not likely to be cut. In past good times the insurance man has been somewhat at a disadvantage when endeavoring to secure a portion of those salaries for the maintenance of endowment policies. He has had to meet the competition of the stock market, of speculations promising very

large returns, and of real estate attractions. The size of the returns offered in these various avenues of investment has done a good deal towards disguising their essentially speculative character. But now people have found out that large profits from speculations do not always materialize when they are expected, that speculations can turn out losses instead of gains, and securities become on occasion unrealisable. It is certain that at the present time there are up and down the Dominion many people in a sober "once bit, twice shy" frame of mind in regard to speculation that will make them amenable to consideration of the claims of endowment insurance, when carefully placed before them, though a few years ago they would have passed them by with scorn. They will find in insurance, as have others, "an anchor to windward" that is worth having at all times as well as at the present.

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## WHY FOREIGN FUNDS ARE AT A DISCOUNT.

The principal reason why New York funds are at such a heavy discount, writes a correspondent, is that the Canadian banks have large balances at credit with the big clearing house banks and are unable to convert the balances into gold. Canada has no pressing obligations payable in New York. Although the imports from the United States far outweigh the exports to the States, for the time being there are no large amounts, materially affecting the international balance of payments, to be remitted from here. Hence when customers of the banks in Canada tender big drafts or checks on New York for deposit, the bankers realize that the funds will have to go further to swell the heavy balances lying with New York correspondents and which can be converted only into clearing house loan certificates. The discount of  $1\frac{1}{2}$  or 2 per cent. is an inevitable result.

On the other hand, Canada, like the United States, owes London a huge amount; the interest on this debt falls due from month to month throughout the year, and also bonds and short-term treasury notes are maturing from time to time. It is out of the question to float long-term bonds in London to take up the maturing paper, under present conditions; and consequently there is the necessity of remitting funds to London to take care of such of the obligations as cannot be provided for through new short-date loans. The Canadian banks themselves have had to remit funds to London extensively in order to square their accounts with London correspondents and provide for acceptances and finance bills coming due. So there has been strong demand for sterling exchange and as gold payments here are restricted, the quotations rose far above the gold export point as it stands under normal conditions.

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The financing of the war and the measures taken for the protection of British trade have been admirably carried out, and the enormous wealth contained in and tributary to the British Isles guarantees a war chest which will not be nearly depleted before Germany and Austria have entirely exhausted their expedients for financing their field operations.—Sir Edmund Osler.