

fallen into an error common to those unfamiliar with economic affairs. He speaks of money paid to life assurance companies as "locked up," and withdrawn from the active resources of business. This is not so. Of the whole sum of \$81,721,478 paid from 1884 to 1894 to life assurance companies by policy-holders, they, or their heirs, received back \$43,547,518. If to this sum we add the disbursements of the companies for office and other expenses, for loans to policy-holders, etc., we should find that not less than 55 to 60 millions of the companies' receipts were paid to policy-holders, and to the public of Canada in salaries, commissions, dividends, advances, and for other current expenses. But, besides this, it must be remembered that nearly the whole of the balance left after all current outlays had been made was invested in mortgages, or municipal or other public securities. All these outlays went into, or economized the

COMMON FUND FOR PROVIDING CAPITAL

to sustain the industries of the country, or for adding to the purchasing resources of the people, or other public services helpful to the development of the country. This view seems to have been just glanced at by the author but he dismisses this vital point by the declaration, that "Considerably more than two-thirds of the net savings of the community in the form of insurance is locked up." Now two-thirds, or 67 per cent., in this connection amounts to \$54,480,000. We should like to know where this is "locked up"? It is impossible for this to be so, as the official returns show that over fifty per cent., or one-half of the premiums received, was repaid to policy-holders. Indeed an exhaustive analysis made to discover what became of the "net savings of the community paid for life insurance" proves that the sum so diverted from the active resources of trade is too trifling to be of any serious consequence. The idea that life insurance is a sort of

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into which money is lost or "locked up" is an economic delusion. The third complaint, which is called "the worst," is that life insurance causes a large amount of money to be sent abroad to the extent of which Canada is impoverished. The author says: "Just fifty per cent of the policies taken out by Canadians" are in foreign companies, "which is said to cause the savings of Canadians being carried out and invested abroad." He adds: "Even when every deduction has been made the anomalous result remains that Canada, a nation that borrows money for the development of her resources, has not trust enough in her own future to invest all her money at home." This charge of self-distrust made against Canadians is ill-judged and ill-founded. When this Dominion was founded the business of life assurance in Canada was almost a monopoly of British and foreign companies.

THE CHANGE FROM 1884 TO 1894

in the relation of our native companies to outside ones is seen in this comparison.

CANADIAN COMPANIES.

	Premiums.	Percentage to total.	Assurance in force.	Percentage to total.
1884.....	\$1,931,668	46.00	\$ 66,519,958	49.00
1894.....	\$4,503,1	51.80	177,511,836	57.60

In 1884 our native companies did about 49 per cent. of the total life assurance in Canada, whereas in 1894 they did 57 per cent. This record shows that Canadians are not open to the reproach of lacking trust in their country's future. The rapid growth of the business of native companies is indeed most remarkable evidence of confidence in the future of Canada. The time is not far distant when our own resources were inadequate for insurance purposes. It is well for nations as for individuals to cultivate a spirit of

GRATITUDE FOR PAST SERVICES

Canada while now encouraging her native insurance enterprises would be base indeed to forget the days when the protection of British and American insurance companies was of the utmost service. The extent to which those companies now drain money away from Canada, and their alleged mischievous economic influence upon our resources, are both greatly exaggerated. We submit that the above evidence proves the indictment against life assurance in Canada to be ill-drawn and unfounded.

THE MARCH BANK STATEMENT.

The bank statement for March this year, as in many preceding ones, has nothing in it to challenge serious attention. Even were its features more than usually important it would not command the notice generally paid to this statement, as at present, the Tariff is the all engrossing topic. Ere many months have passed, however, the Tariff will have to stand the ordeal of trial by the returns of the Banks, which will afford either evidence in its favor, which we trust may be the case, or give proof of the fiscal changes having failed to bring trade back to prosperity. An abundant harvest with good prices ruling for its products, and settled conditions of business, are however more essential to a revival of business than changes on import duties, which, though devised with the utmost skill, cannot bring prosperity if those two elements are lacking. The increase of \$4,500,064 in total current loans and discounts is somewhat in excess of the increase in March, 1896, but is too near the usual movement at this season to call for comment. This increase makes that for the year \$1,628,720. Owing to this enlargement of current loans the deposits payable on demand were up in March by \$2,360,623, making the increase for the year \$7,581,732, an amount which is no ground for felicitation, as if business were more active these funds would be drawn down to smaller figures. The deposits payable after notice were reduced in March by \$746,506, which corresponds closely to the reduction in same month 1896. Balances due by American agencies were reduced by \$1,128,152, not so much from the need of money here, as the slack demand for it in the States, where business generally remains in an unsatisfactory state. Circulation expanded by \$673,024, which is below the March increase last year. The increase of \$795,933 in amount of securities held by the banks is not a favorable indication.