

POLICY LOANS OF THE CANADIAN LIFE COMPANIES.

To trace the course of the policy loans of the Canadian life companies over a series of years is to secure a bird's-eye view of the ups and downs of industrial activity and financial prosperity in the Dominion. It will be seen from the table below that in recent years, these loans have increased most rapidly, both in actual amount and in their proportion to the companies' reserves, in the years 1913, 1914, and 1915—years well-known as being marked by financial hardship in many directions and comparatively by industrial stagnation. Previously there had been a relatively pronounced increase in 1907 and 1908—the first a year of panic in the United States, the second, one of comparative quiet industrially. From 1910 onwards, with the development of war-prosperity, the proportion of these loans to the companies' reserves has decreased quite rapidly, while the actual increase has been small in comparison with the years immediately preceding. For 1918 the net increase in these loans is actually less than in any year since 1905, when borrowing power was very much less. The very small increase of only \$1,137,180, an increase of \$500,000 less than in 1917, suggests that not only were new borrowings on policies much reduced last year in comparison with preceding periods, but that a good many folk used their new-found prosperity wisely in paying off outstanding obligations upon their policies. This last development, if such is the case, is a very welcome one, since it has long been a source of complaint among insurance officials that loans once made, were rarely repaid, and the policy was permanently impaired.

As a result of the small increase in these loans during 1918, policy loans at the end of last year were in a proportion of only 15.1 per cent. to the companies' reserves, compared with 16.0 per cent. at the end of 1917 and with a maximum of 17.3 per cent. recorded in 1915. The decline in this

proportion during the last three years has been a decidedly substantial one. At their 1918 level of 15.1 per cent., these loans are in a lower proportion to the companies' reserves than in any year since 1912, and while it is not to be expected that the low proportions of pre-1907 years will be again reached, there is some reason to expect that for a year or two at least these loans are not likely to show any very pronounced increase in proportion to the companies' reserves. The rapid growth of the Canadian companies' business, and consequent marked expansion of reserves, is one reason for this; the fact that many folk have now other means available than borrowing on life insurance policies to tide them over times of need or misfortune, another. Sale of or borrowing on Victory Bonds is likely in a great many cases to take the place of borrowing on policies. In this, as in many other things, the war has made a far-reaching change in circumstances.

The following table shows the loans and premium obligations upon policies of the Canadian life companies (including two fraternal organizations) since 1905, and the proportion such loans and obligations bear to the companies' net reserves:

	Amount Dec. 31.	Year's Increase.	% of Reserves, Dec. 31.
1905.	\$ 9,679,244	\$ 867,215	10.6
1906.	11,091,446	1,412,202	11.0
1907.	14,057,512	2,966,066	12.7
1908.	16,750,846	2,693,334	13.8
1909.	18,409,651	1,658,805	13.8
1910.	20,409,223	1,999,572	13.9
1911.	22,960,040	2,550,817	14.2
1912.	25,879,863	2,919,823	14.4
1913.	30,875,309	4,995,446	15.7
1914.	36,204,417	5,329,108	17.0
1915.	39,303,673	3,099,256	17.3
1916.	41,134,378	1,830,705	16.7
1917.	42,749,481	1,615,103	16.0
1918.	43,886,661	1,137,180	15.1

MOTOR UNION INSURANCE CO. AWARDS PRIZE FOR ESSAY COMPETITION

In connection to a notice recently published by "The Chronicle" referring to a prize of \$100 offered by the Motor Union Insurance Company, Toronto, for the best essay on the subject of "Automobile Insurance," it is interesting to note that the best essay submitted was contributed by Mr. R. J. Bastedo of the Toronto office of the London Guarantee & Accident Company, Limited. We are informed by Mr. Williams, manager of the Motor Union, that Mr. Bastedo has been handed a cheque for \$100. The latter gentleman has our best congratulations.

PRICE OF FOODSTUFFS

There seems to be a conjunction of operations for keeping up the price of foodstuffs, when the foreign demand and the army and camp distribution have fallen off so much, while the farmers and producers complain that the prices which they are getting have no normal proportion to those which consumers have to pay. Those who have been testifying before the Agricultural Com-

mittees in Washington complain that their prices have been brought down, except in the case of wheat, which the Government holds up for them, and that keeping them up on the way from producer and consumer is a profiteering process. That is what the Attorney-General is working to put an end to with the hope of lessening the cost of living. There is need of as clear and complete an exposure of this as is attainable, for the persistent profiteering is one of the most pernicious agencies that are working now, and if brought into the light it is likely to evaporate.

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