## LIFE COMPANIES' SUBSCRIPTIONS LARGE

### Comparison of Purchases of First Two Loans—Companies Have Added to Original Buyings

The annual reports of Canadian life insurance companies show that these institutions, among the largest buyers of bonds, are well prepared as in previous loans to take up war loan bonds to the extent of many millions of dollars.

The appended table, compiled by *The Monetary Times*, shows the Canadian life insurance companies' subscriptions to and allotments of the first and second war loans, with a note where possible as to their intended subscription to the present loan:—

Legislation was passed early last year whereby life insurance companies and associations carrying on business in Canada under Dominion license were obliged to invest and keep invested a certain portion of their assets, during 1916 and 1917, in the currency bonds or debenture stock of the Dominion.

Companies whose domicile is outside of Canada but which are licensed to transact business in Canada were required to make the deposits which they were required to make in 1916 and 1917 as security for their policyholders in the Dominion in such securities; and Canadian companies for 1916 and 1917 had to invest in such securities one-half of the increase in their net ledger assets during the years 1915 and 1916, after making provision for increase in foreign reserves and in policy loans.

| Life insurance company. | Subscription to first loan. | Allotment. | Subscription to second loan. | Allotment. | Probable subscription to present loan. |
|---|---|---|---|---|---|
| Canada | $1,500,000 | $1,500,000 | $1,000,000 | $407,500 | Not decided. |
| Capital | 25,000 | 25,000 | 25,000 | 25,000 | $ 50,000 |
| Confederation | 500,000 | 500,000 | 500,000 | 207,500 | $ 500,000 |
| (1) Continental | 100,000 | 100,000 | 100,000 | 47,500 | Not yet decided. |
| (2) Crown | 100,000 | 100,000 | 150,000 | 75,000 | Not yet decided. |
| (3) Excelsior | 150,000 | 150,000 | 100,000 | 82,500 | Not yet decided. |
| Great West | 1,000,000 | 1,000,000 | 1,000,000 | 407,500 | At least $1,000,000. |
| London | 250,000 | 250,000 | 300,000 | 127,500 | Probably $200,000. |
| (4) Manufacturers | 835,000 | 835,000 | 700,000 | 287,500 | Not yet decided. |
| (5) Mutual Life (of Canada) | 500,000 | 500,000 | 1,500,000 | 537,500 | Not yet decided. |
| National | 100,000 | 100,000 | 150,000 | 67,500 | $ 200,000 |
| North American | 500,000 | 500,000 | 500,000 | 207,500 | $ 500,000 |
| Northern | 105,000 | 105,000 | 50,000 | 32,500 | Probably $200,000. |
| Travellers (of Canada) | 15,000 | 15,000 | 25,000 | 25,000 | 25,000 |
| Saskatchewan | 5,000 | 5,000 | 5,000 | 5,000 | 10,000 |
| Sun | 2,000,000 | 2,000,000 | 5,500,000 | 2,487,700 | Not yet decided. |

(1) This company's subscription will be as much or more than its previous subscriptions.

(2) The company later purchased $13,000 of the second loan.

(3) Of its first war loan allotment, the company has sold $50,000.

(4) The subscription of $835,000 to the first war loan was all converted into the second loan. With the allotment of $287,500 of the second loan, the total of war loans held by the company is $1,122,500.

(5) In addition, a further amount of $325,000 of the first loan was purchased in the open market. The total of war loans held by the company is therefore $1,362,500.

# How the Three War Loans Compare

| | Loan of Nov., 1915. | Loan of Sept., 1916. | Loan of March, 1917. |
|---|---|---|---|
| Amount of loan | $50,000,000 (later increased to $100,000,000) | $100,000,000 | $150,000,000 |
| Five per cent. bonds maturing in | 10 years | 15 years | 20 years |
| Issue price | 97½ | 97½ | 96 |
| Yield to investor | 5.42 | 5.30 | 5.40 |
| Cost of $1,000 bond to investor, if paid for by instalments | $975 | $975 | $960 |
| Cost of $1,000 bond to investor who discounts instalments and makes all outstanding payments on given date | $962.70 | $970.40 | $957.35 |
| Discount-of-instalment privilege given | 42 days from date of issue | 34 days from date of issue | 35 days from date of issue |
| Instalments payable between | November 22nd, 1915, and May 1st, 1916 | September 12th and December 15th, 1916 | March 12th and June 15th |
| Instalment payments spread over | 159 days | 94 days | 96 days |
| Interest payable, half-yearly, on | June 1st and December 1st | April 1st and October 1st | March 1st and Sept. 1st |
| Principal and interest payable | In currency | In gold | In gold |
| Proceeds of the loan to be used only for | War purposes | War purposes | War purposes |
| Denominations of coupon bonds | $100, $500, $1,000 | $100, $500, $1,000 | $100, $500, $1,000 |
| Denominations of fully registered bonds | $1,000, $5,000, or authorized multiple of $5,000 | $1,000, $5,000, or authorized multiple of $5,000 | $1,000, $5,000, or authorized multiple of $5,000 |
| Privilege of converting war bonds into bonds of future war isues | Privilege allowed. (Bonds of this issue accepted at 97½ plus accrued interest as equivalent of cash for purpose of subscription to new war loan issues.) | Privilege not allowed | Privilege not allowed |
| Final allotment of bonds | $100,000,000 | $100,000,000 (exclusive of amount paid for by surrender of first war loan bonds) | $150,000,000 (exclusive of amount paid for by surrender of first war loan bonds) |
| Fee for conversion of fully registered bonds without coupons to bonds with coupons and vice versa | — | 25 cents | 25 cents |