Mr. E. Hugo Eristock Kommerzienrat visited the Toronto exhibition—whether in two, three or four passenger coaches is not stated.

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We hear of a young man worth $100,000 who got his money by perseverance, hard work, ambition, and a legacy of $99,999 from an uncle.

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A distinguished English visitor says Canadians are in such a hurry to do big things—evidently thinking of Alderman Tommy Church, of Toronto.

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Sir Oliver Lodge says spelling seems to him to be a matter of providence. That is apparently the opinion of many people who spell Monetary Times.

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The Toronto Globe is taking a peculiar attitude on the subject of the gold reserve of Canada at a time when a free reserve of gold is so essential to the maintenance of our international credit.

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The famous young lady across the way says she saw in the paper that Sir Edward Grey's foreign policy was considered perfectly safe, but she should think a man in his position would prefer to patronize one of the good British companies, though, come to think of it, he probably took out his insurance before he got into public life.

The late Lord Goschen published in 1865 an essay on 7 per cent., designed to show that money was likely to become permanently dear. Three years later he wrote a sister essay on 4 per cent., explaining why money had become permanently cheap. The two essays side by side may be taken as a warning by those who are explaining things these days.

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According to a Welland dispatch, two adjusters made reports on the court house fire. These reports not being acceptable, one of the adjusters withdrew his report. Two other adjusters were appointed and a third one by the county judge, but their report has been refused by the insurance companies. Which only shows that adjustment requires much adjusting.

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In British Columbia there is a progressive real estate man selling chicken farms. His faith in the homely old hen and the giddy young rooster is apparently invincible. He says that a net income of $100 a month is a very conservative estimate of what one can earn on a small poultry farm. Here is the figuring: "250 hens, each hen laying on an average 150 eggs a year, will bring you an income of $1,200, even assuming the eggs are sold at several cents a dozen less than has been the average for the last few years. By the sale of chickens, roosters, worn-out hens, etc., you can earn another $1,500, making your total income $2,700." One's first thoughts are admiration for man's trust in the hen's egg-laying proclivities and sympathy for the fellow who has to eat the worn-out hen.

ANALYSIS OF LIFE INSURANCE STOCK AS AN INVESTMENT

(Written for *The Monetary Times* by a Life Insurance Expert)

The investor who believes in distributing his investments would no doubt include an investment in life insurance stock in his list of desirable investments. It is one of the safest and most remunerative of investments, and yet there would seem to be a dearth of general information on the subject of life insurance stock values. We accordingly purpose to deal with some of the more important points affecting the value of life insurance stock as an investment, and to consider the return yielded to the original, as well as the permanent investor in life insurance company's shares. We will examine more particularly three typical companies, the oldest company in Canada, one fairly representing the middle period, and one comparatively youthful.

It would be well in the first place to note the comparatively small paid-up capital stock of our Canadian life assurance companies. On referring to the table which follows, it will immediately be noted that the paid-up capital is comparatively small—exceedingly small—when compared with the total funds of the institutions. The Canada Life, with its paid-up capital of $1,000,000, is but an apparent exception, for, as will be explained later, its great business was built up on a capital of $125,000, of which a large amount was paid up from bonuses or profits derived from the company's business.

The successful record of our great life offices, therefore, is proof that a large paid-up capital is not necessary for the successful establishment of a life office. Capital is needed at the commencement of a life company's career to provide the $50,000 deposit required by the government and a sufficient amount to tide the company over its establishment expenses. It would seem, therefore, reasonably clear, that provided a new life company possesses the elements of success, a large subscribed capital is not needed and the actual capital provided soon ceases to play an important part in the company's operations. A risk, which, in practice has proved nominal, is, however, run by the shareholders who subscribe for capital at the commencement and these shareholders are undoubtedly, entitled to the position of security and profit which usually attaches to the shares of a life assurance company.

The factors that govern an investor seeking for an investment are security, interest or return on his investment, and probably future appreciation in value thereof.

A certain risk in respect of the uncalled capital is run until the company becomes established. In actual practice, however, this risk proves to be slight, for the reason that the obligations of a life company do not mature for many years, whilst the premiums are receivable in advance right from the commencement. A life assurance policy is a contract to pay a specified sum at death, and it may be a contract which will run for seventy years or more, whilst the premiums are payable annually in advance, and based as they are on scientific principles, with a margin added for safety, the company's obligations are not only entirely provided out of premiums received, but in addition, a reserve or surplus is built up and retained in hand. This surplus results from a charge made to cover contingencies upon the persons insured, over and above the actual cost of insuring their lives. Further, upon examination of the early records of a life assurance company, the mortality claims are very small in number. The reason for this is at once apparent. The early policyholders have been recently subject to a medical examination and it is unlikely, therefore, that many claims will mature in the early years. It may be taken as an axiom, therefore, that the capital advanced is safe, because the premiums are amply sufficient to provide the obligations, and claims are slight owing to an early favorable mortality. This is the position at the commencement of a company's career. Once, however, the business becomes established, the position of security is undoubted, and the security of a well-established life assurance company is rightly reckoned as being stronger than that of any other commercial institution in the world.

The business having become established, paradoxical as it may appear, the uncalled liability has in practice frequently proved an asset. For the reason we have given, it has not been found necessary to make calls on capital account. The company's position strengthens from year to year and in practice it has been found that further capital has not been needed in the company's business. Where a call has been made, in general, a bonus or dividend has been declared at the same time, and the liability has been reduced from profits. In the case of the Canada Life, an exceptional call of 87½ per cent. was made payable over a period of three years. These calls were made at a date forty years after the company was founded, during which period very substantial