

## INSURANCE COMPANIES TO BUY BONDS

### Superintendent Finlayson Thinks \$15,000,000 Will Be Obtained Through Life Companies' Investment Bill

The superintendent of insurance, Mr. G. D. Finlayson, thinks that from \$15,000,000 to \$20,000,000 will be obtained through the life insurance companies' investment bill. This is in addition to the amount—about \$7,000,000—which has already been taken up by life insurance companies. Sir Thomas White, finance minister, made these statements in moving the second reading of the bill which provides that life insurance companies, both Canadian and non-Canadian, doing business in Canada, shall within a certain period, invest a portion of their assets in Dominion currency debentures or securities. The object of the measure is to insure a market to that extent for Dominion securities issued during the period of the war. The act provides that:—

"Every Canadian company licensed under the Insurance Act, 1910, to transact the business of life insurance shall invest in, and, on the said thirty-first day of December, shall hold and own, securities of Canada to the amount of not less than fifty per cent. of the increase in the net ledger assets of such company during the year one thousand nine hundred and fifteen after deducting from such increase (a) the amount of increase during the said year in the actuarial reserves held by the company in respect of its policies in force outside of Canada, and (b) the amount of increase during the said year in loans, liens and premium obligations on its policies in force in Canada."

#### Object of Exceptions.

"The object of the exceptions," said Sir Thomas White in the House, "will be obvious. Companies must maintain actuarial reserves in respect to their policies in force outside of Canada and they are also obliged under the terms of the policy to make loans upon their policies. We are dealing only with the matter of net ledger assets in the case of Canadian companies."

In regard to non-Canadian companies, it is provided:—

"After the fifteenth day of February, one thousand nine hundred and sixteen" (which was the date of the Budget speech) "and deposit of securities in respect of the business of life insurance required or permitted by the Insurance Act, 1910, to be made prior to the first day of January, one thousand nine hundred and eighteen, with the Receiver General or with a Canadian trustee or trustees appointed under and for the purposes of the said Act by any company licensed under the said Act to transact the business of life insurance in Canada other than a Canadian company shall consist of securities of Canada."

#### No Better Class of Investment.

The securities of Canada are defined in the interpretation clause of the act as being "debentures, debenture stock, bonds or other securities of Canada payable only in the currency of Canada." We have less hesitation in introducing the measure because life insurance companies have been exempted from its provisions. In addition, under the present conditions, the securities of the Dominion yield a fairly high rate of interest. They can obtain no better class of investment either for themselves or for their policyholders.

The measure relates to the years 1916 and 1917. Every Canadian insurance company must, during the present year, invest, if it has not already invested, in the securities of Canada, to an amount of not less than 50 per cent. of the increase in the net ledger assets of the company during the year 1915.

#### Limited to Two Years.

Sir Thomas White did not think the measure would involve the sale of the company's present investment. Mr. Pugsley thought it unfair to municipalities and provinces whose bonds are so largely held by insurance companies that the act should be limited entirely to the securities of the Dominion. Sir Thomas White replied that he would agree with that view if times were normal, but if we were not at war, this legislation would not be brought down. He did not think that the legislation should be objected to by municipalities or provinces for reason that the Dominion has to bear the heaviest burden of the war. Sir Thomas added that he thought that it would be competent for the Dominion government even at ordinary times to provide that life insurance companies should hold a certain portion of Dominion,

provincial or municipal securities, but the present legislation was limited to this year and next. He said the life insurance companies had not been specially consulted with regard to this legislation but so far as he could learn they did not object to it.

#### In Canadian Securities Only.

In regard to foreign companies licensed to do business in Canada Sir Thomas explained that as their business here increases they must increase their deposits which are held by the Receiver General or by trustees, as security for their policyholders in this country. The bill contemplates that such deposits shall until January 1st, 1918, be made in Canadian securities only. This is in regard only to increases in the deposits. "It would be rather harsh legislation," said Sir Thomas, "to compel them to sell the vast amount of securities that are now held by the Receiver General or by trustees for the security of policyholders here, and to invest in Dominion securities, which would take the place of the securities. Under the measure as drafted, we provide that Canadian insurance companies shall deposit a certain increase of their net ledger assets in Canadian securities."

"In order to protect them and also to provide an additional market for Canadian securities, we propose to enact that non-Canadian companies, which are required to make deposits in respect of their increased business in Canada, shall make such deposits in Canadian securities. So that the bill would seem to put both Canadian and non-Canadian companies on all-fours. It must be remembered that they are in competition one with another, and it would not be fair to deal with one class of companies without at the same time dealing with the other."

## TO CONVINCE THE LIFE INSURANCE PROSPECT

With the latest issue of its bulletin, the Mutual Life Assurance Company of Canada has sent to its agents a copy of Devney's demonstration chart. It shows in a convincing manner the service furnished by modern life insurance. The chart has ten headings, which, in turn, have forty-one sub-headings, each of these having concise explanatory notes, and all showing in the clearest possible way the service rendered, both to the insured and to beneficiaries. It is one of the best helps to date for life insurance agents. It is free from platitudes and empty sayings, and gives very practical arguments for taking life insurance. The prospect cannot answer them. The chart is copyrighted by J. J. Devney, Citizens' Building, Cleveland, Ohio, and is being sold at 25 cents.

## WESTERN WHEAT SITUATION

Mr. Frank O. Fowler, secretary of the Northwest Grain Dealers' Association, sends *The Monetary Times* the following figures relative to the Western grain situation as at March 8th:—

	Bushels.
Wheat inspected to date, 179,485 cars at 1,200 bushels per car .....	215,382,000
Wheat in transit not inspected .....	5,300,000
Wheat in store, country points .....	44,700,000
Wheat required for seed, feed and country mills .....	35,000,000
Wheat in farmers' hands to market .....	50,000,000
	350,382,000
Less amount allowed for dual inspection .....	2,000,000
Total wheat crop .....	348,382,000
Oats inspected to date .....	55,200,000
Oats in store at country points .....	9,500,000
Oats in transit not inspected .....	2,130,000
Oats in farmers' hands to market .....	30,000,000
Barley inspected to date .....	8,225,000
Barley in store at country points .....	1,500,000
Barley in transit not inspected .....	200,000
Barley in farmers' hands to market .....	3,500,000
Flax inspected to date .....	2,050,000
Flax in store at country points .....	300,000
Flax in transit not inspected .....	80,000
Flax in farmers' hands to market .....	2,500,000