

## EAGLE STAR AND BRITISH DOMINIONS.

### Marine Department Under Management of Dale & Co.

As mentioned in our recent issue the amalgamations of the British Dominions with the Eagle, the Star, the Sceptre and latterly the British Crown have produced an organization which ranks as one of the strongest of our British Insurance Institutions.

The British Dominions when formed was, as most of our readers will remember, a marine company which by careful and successful underwriting produced for itself a very satisfactory position, enabling it to add other departments including fire. Even now with the vast addition to its income which the amalgamations have produced the marine department is a very important portion of the business and ever since the company entered Canada the well known firm of Dale & Company have been their chief agents and managers for Canada. Since the British Crown entered Canada in 1910 this latter office has maintained a Canadian Branch at Toronto, recently under the very successful management of Mr. J. H. Riddell. With the amalgamation of the British Crown, however, it has been decided to establish a head office for Canada for the fire and automobile hail departments at the offices of the British Crown, with Mr. Riddell as manager for all companies, Messrs. Dale & Company continuing as chief agents for the fire department in Montreal and the province of Ontario. This will enable the company to consolidate its reporting and as the three organizations will be controlled by the parent company all head office functions will be performed by one office. The marine department will remain as it has always been under the Canadian management of Messrs. Dale & Company, Marine and Fire Underwriters, with branches throughout Canada.

### LIFE INSURANCE FARM MORTGAGE INVESTMENTS IN THE UNITED STATES IN WAR TIMES.

In helping to finance the recent extraordinary demands upon American agricultural production, American life insurance companies during two years of the world war increased by nearly two hundred million dollars their mortgage loans in those farming districts which are now supplying the bulk of the foodstuffs to that country and its Allies. In addition to this net increase, which was during 1915 and 1916, the same companies made new loans of two hundred million dollars to the same sections during the first nine months of 1917. This second sum, however, does not represent the net increase for the later period, as the amount of matured mortgages, pre-payments, etc., has not been deducted. About 95 p.c. of both these funds was sent to nineteen states in the West and South. This and other information concerning one source of financial support back of the expanding agricultural production of the

United States is disclosed in a printed report made to American life insurance companies.

"The radical trend toward real estate mortgage loans that stood out as the dominant feature of the period from 1904 to 1914 is still noticeable in the experience of the companies in 1915 and 1916. The mortgage loans increased from \$670,000,000 in 1904 to \$1,700,000,000 in 1914 or more than 150 per cent. Where in 1904 they amounted to 27 per cent. of all assets they jumped to 34½ per cent. in 1914. Two years later we find them about \$190,000,000 more, although there is a very slight downward fluctuation in their ratio to total assets. Side by side with this remarkable growth in real estate mortgages as a favorite life insurance investment we find a slight reduction in the proportion of railroad and other classes of corporate bonds held, to total investments.

"When the 1914 figures showing the sub-division of the real estate mortgages into farm and city loans were contained it was disclosed that the farm mortgage loans amount to \$655,000,000 or 39 per cent. of all mortgage loans held by American life insurance companies. This was 38 per cent. of all farm mortgage loans reported by the United States Census of 1910 and \$100,000,000 more than the total amount of the farm mortgage loans credited to all banks and trust companies by the Comptroller of the Currency in 1914. It is thus evident that the life insurance companies, before the outbreak of the present world war, were a leading factor in the agricultural development of the United States.

#### Average Rate of Interest.

The average interest rates received were reported by the companies on about 75 per cent. of the farm loans outstanding at the end of 1916 and on over 50 per cent. of the new loans made in 1917. From this data it appears that the average rate on farm mortgages increased slightly throughout the country between the years 1914 and 1916, viz: From 5.55 p.c. in 1914 to 5.63 p.c. in 1916; but that the average rate throughout the country on the 200 millions of loans made in the first nine months of 1917 dropped to 5.52 p.c. This rate of 5.52 p.c. was on loans made up to September 30th only and complete statistics for the year would doubtless show a higher average rate, for the reason that the interest returns on the market value of stocks and bonds have risen materially since that date, indicating an increase in the value of the use of money. The Federal Farm Loan Board recognized this fact by raising, in December of 1917, the rate to the farmer to 5½ p.c., or within two-tenths of 1 p.c. of the average rate received by life insurance companies for the first nine months of 1917.

#### NO SMOKING.

"No smoking" signs are too silent, passive and common to have sufficient influence—so many do not believe in signs. An active, supervising supplementary discipline must be added with such penalties as will make smoking on premises where it is forbidden, dangerous also to the smoker.