CLEARING-HOUSE RETURNS.

The following are the figures of the Canadian clearing-houses for the week ended with Thursday last, compared with those of the previous week :—

	Clearings. March 1.	Feb. 22.
Montreal	$9,093,515	$8,487,636
Toronto	4,659,007	4,750,749
Winnipeg............	654,673	732,381
Halifax	919,554	1,023,629
Hamilton	580,716	596,243
Total	$15,907,465	$15,590,638

Aggregate balances this week, $2,447,944; last week, $2,132,159.

Correspondence.

A BUILDING AND LOAN PROPOSAL.

Editor MONETARY TIMES :

SIR,—I am shown a new building and loan association prospectus, which is similar in scope to other companies of the same sort, with just enough variety to give it individuality. It is named "The Birkbeck Investment, Security and Savings Co'y," of Toronto. In its early literature the authorized capital was $5,000,000, but that is dropped now. The prospectus says, "in its purpose and workings it has been modelled* closely upon the lines of the great Birkbeck Banking and Building Society of England," and quotes the immense business done by that society, which in 41 years handled in deposits some $750,000,000.

I notice some differences, however. The bank pays 2 to 2½% for deposits, and the Building Society Branch 3½% on paid-up shares. They loan on mortgages, monthly instalment plan, at 5 to 7%, and very much less rates on debentures, stocks, bonds, consols, etc. Its building society mortgage assets, March 31st, 1892, were $2,094,000, and like many of our Canadian loan companies, has $41,200 in arrears for over twelve months, and $7,620 mortgaged properties on hand for sale. In the reports of 21 Canadian loan companies for 1892, they each show from over $2,000,000 to $12,030,000 mortgage assets. This new Birkbeck quoting the London Birkbeck's business $750,000,000, is misleading to the ordinary wage-earning investor. Similarly misleading are the illustrations to borrowers who pay their $15 per month for eight years; this is in fact nearly 10 4.5%, and in their next two lines the Canadian Birkbeck folks boldly print—"borrower pays less than 6% interest per annum."

The investor paying $6 monthly for 8 years pays $576, and is then *promised* $1,000 cash, "net gain $414," but on the same page (5) see how they hedge around this "net gain." "Thereafter, (8 years) whether it (the stock) has matured *or not*, the holder may withdraw the *value* of the stock in cash; or may leave it in the company until the *earnings* thereon mature it." The *value* of the stock is not the $576 and $10 paid by investor, for this Birkbeck monthly retains for expenses $1 out of every $6, so that really the amount paid into the loan fund to the investor's credit is $480. This is what the Birkbeck invests to realize $1,000, and if withdrawn in eight years, before maturity (page 7) will pay you $480 and half its profits.

Listen to the play upon words. "The instalment stock of the company is *estimated* to mature in eight years. A positive statement of the exact time cannot, however, be made in good faith by a *responsible* company, the profits being subject to the same law of variation and change as govern departments of finance. The Birkbeck *simply promises* (page 6) to invest the funds ($480) with care and prudence, and earn the greatest profit possible consistent with safety." These very indefinite assertions will make an exquisite and convenient safety-valve of escape for the company when Mr. Investor is nearing the eight years' goal, and he again reads the illustration and anticipates "net gain $414."

These people seem to forget that things are different in this country from England, and financial matters different from the days when the Old Birkbeck was started. Their expenses, according to page 4, are relatively enormous. Those of the Birkbeck of London were £28,753 on £5,975,119, being the total assets of the London Birkbeck Companies, March 31st, 1892, under the one management. Then in that company £62 2s. 1d. fines were received, while same year $5,900 were paid as entrance fees.

CASEY.

February 13th.

* A model comparison, surely, as the following table will serve to show :

	Toronto Birk.	London Birk.
Entrance fees, $1,000 stock................	$ 10 00	2 50
Monthly payments, borrower	15 00	13 22
Monthly payments, borrower, 8 years........	1,423 00	1,260 00
Monthly payments, investor	6 00	6 30
Monthly payments, investor, 8 years $576 00		
Less retained expense 96 00		
	480 00	604 80
Loans on real estate up to	60%	90%
Management expenses..	16⅔%	not ½%

Meetings.

WESTERN ASSURANCE COMPANY.

The annual meeting of the shareholders of the above company was held at its offices at Toronto, on Thursday, 22nd February, 1894. Mr. A. M. Smith, president, occupied the chair, and Mr. J. J. Kenny, managing director, was appointed to act as secretary to the meeting. The secretary read the following

REPORT.

The directors have pleasure in presenting herewith the forty-third annual report of the company, with revenue and expenditure, and profit and loss accounts, for the year ending 31st December last, and statement of assets and liabilities at the close of the year.

In conformity with the resolutions passed at the special meeting of shareholders held on the 22nd of February last, the paid-up capital of the company has been increased to $1,000,000, and the total cash assets now amount to $2,412,642.63.

In regard to the business transacted during the year, it will be noted that the premium income shows a moderate increase over that of 1892; but, while the rates of premium obtained have, as a rule, been such as, judging by past experience, would have been ample to yield a fair profit in an ordinary year, they have not proved sufficient to meet the exceptional losses which this company—in common with others doing business in Canada and the United States—has sustained during 1893. Your directors consider, however, that the causes to which no inconsiderable proportion of the excessive destruction of property by fire during the past twelve months is attributable, may be regarded as of a transitory nature; while its effects are likely to be experienced in succeeding years in the maintenance of adequate rates to fully reimburse companies for the losses they have sustained. The experience of this company in the past, as will be seen in a reference to its annual reports, confirms this opinion, and at the same time demonstrates the wisdom of accumulating in prosperous times an ample reserve to meet the demands of adverse years. In this connection it may not be out of place to refer here to the fact that from the earnings of the five years preceding the one under review, we have been able, after paying dividends at the rate of ten per cent. per annum, to carry $315,000 to our Reserve Fund; and although in a business such as that we are engaged in, no reliable forecast can be made of the probable outcome of any one year, your directors feel that they have every reason to anticipate that the future experience of the company will prove at least as favorable as its record in the past.

The directors feel that the thanks of the shareholders are due to the officers and agents of the company for their work in a year which has been a particularly trying one to all concerned.

STATEMENT OF BUSINESS FOR THE YEAR ENDING DECEMBER 31ST, 1893.

Revenue Account.

Dr.

Fire premiums................	$2,070,253 54
Marine premiums	687,851 02
	$2,758,104 56
Less re-assurance............	461,816 92
	$2,296,287 64
Interest account	69 520 39
Premium on new stock	160,000 00
	$2,525,808 03

Cr.

Fire losses, including an appropriation for all losses reported to Dec. 31st, 1893	$1,239,753 34
Marine losses, including an appropriation for all losses reported to Dec. 31st, 1893	451,240 21
General expenses, agents' commission and other charges....	735,783 43
Balance to profit and loss	99,031 05
	$2,525,808 03

PROFIT AND LOSS ACCOUNT.

Dr.

Dividend No. 64	$ 37,454 25
Dividend No. 65	48,488 21
Depreciation in investments....	10,106 06
Balance	8,036 58
	$104,085 10

Cr.

Balance from last year	$ 5,054 05
Balance as above..............	99,031 05
	$104,085 10

Liabilities.

Capital stock paid up	$1,000,000 00
Losses under adjustment	266,117 84
Dividend payable January, 1894.	48,488 21
Reserve Fund..................	1,090,000 00
Balance Profit and Loss	8,036 58
	$2,412,642 63

Assets.

United States and state bonds ..	$438,955 00
Dominion of Canada stock	262,660 75
Loan company and other stocks..	435,000 04
Company's building............	65,000 00
Debentures....................	315,351 97
Cash on hand and on deposit....	342,067 39
Bills receivable	48,939 68
Mortgages	67,634 88
Re-assurances	46,469 58
Interest due and accrued	8,939 36
Agents' balances and sundry accounts	381,623 98
	$2,412,642 63

Re-Insurance and Surplus Funds.

Dr.

Reserve fund..................	$1,090,000 00
Balance profit and loss..........	8,036 58
Total surplus funds........	$1,098,036 58

Cr.

Re-insurance reserve—being the estimated amount necessary to re-insure or run off outstanding risks........................	$ 748,872 09
Net surplus....................	349,164 49
	$1,098,036 58

A. M. SMITH, President.
J. J. KENNY, Managing Director.

Western Assurance Offices,
Toronto, February 14th, 1894.

AUDITORS' REPORT.

To the President and Directors of the Western Assurance Company:

GENTLEMEN,—We hereby certify that we have audited the books of the company for the year ending 31st December, 1893, and have examined the vouchers and securities in connection therewith, and find the same carefully kept, correct and properly set forth in the above statement.

R. R. CATHRON,
JOHN M. MARTIN, F.C.A., } Auditors.

Toronto, February 14th, 1894.