

CANADA PERMANENT MORTGAGE CORPORATION.

Following a policy of prudence throughout 1914, the Canada Permanent Mortgage Corporation retained as cash in hand last year a much larger amount than formerly. In thus laying stress on the policy of "safety first," the Canada Permanent, as this Corporation is widely known, to some extent handicapped its earning capacity, but events have shown the wisdom of it. As things are, the Corporation may be said to have done exceedingly well in regard to earnings, considering the extremely difficult conditions of the year for lenders on mortgage. Net profits were \$876,766, a decrease of less than \$8,000 in comparison with 1913. With a balance of \$130,654 brought forward, the total amount available for distribution on profit and loss account is \$1,007,420. Of this amount the ten per cent. dividend upon the capital stock absorbs \$600,000; \$250,000 was again transferred to the reserve fund, making this fund \$4,500,000, equal to 75 per cent. of the paid-up capital, and the increased balance of \$157,420 was carried forward.

It says much for the esteem in which the Canada Permanent is held that in a year like 1914, the funds entrusted to the Corporation increased by well over half a million dollars. It was stated at the annual meeting that while deposits were decreased by \$179,620, this falling-off was more than counter-balanced by an increase of \$214,913 in debentures payable in Canada, while debentures payable in Great Britain increased by \$512,028. The latter figure is particularly satisfactory and that not only to the Canada Permanent itself, but also as an indication that British capital is willing enough to continue to come to Canada, if the right securities are offered. The Canada Permanent's total assets increased by approaching \$700,000 last year and at December 31, were \$32,496,750.

THE BUSINESS SITUATION.

Several interesting points in regard to the present business situation in Canada were made in the course of the addresses at the recent annual meeting. Mr. W. G. Gooderham, the president of the Canada Permanent, suggested that real estate speculation is mainly responsible for present business conditions and remarked upon the wisdom of the course pursued by the Corporation in not recognizing the speculative prices which have prevailed as a basis of value for loaning purposes and of not lending at all upon unproductive property or speculative securities of any kind. Mr. W. D. Matthews (vice-president), pointed out that the Corporation has for some time confined its loaning largely to farm properties. It is the Corporation's invariable rule also not to advance more than 50 per cent. of the value placed upon any property by the Corporation's trained and experienced inspectors. In fact, a large majority of the loans made are a much smaller proportion of the value. This gives added confidence to the statement that not only is the present position of the Corporation unassailable, but in the future there is a very wide margin between it and the possibility of any loss.

It is evident indeed that the Canada Permanent is in a position to benefit from the prosperity which seems likely to be the agreeable lot of Canada's farming community during the next few years. With Messrs. R. S. Hudson and John Massey continuing

as joint general managers, and a board of well-known business men, headed by Mr. Gooderham as president, the continued success and prosperity of the Canada Permanent is assured.

FIRE INSURANCE AND FIRE EXTINGUISHMENT.

Fire underwriters in the Dominion are only too familiar with the troublesome and illogical claim urged so frequently by municipal authorities, that the insurance companies are under obligation to contribute more than their quota as regular taxpayers for maintenance of fire departments, because the companies are benefited by these departments. This argument is mainly responsible for the enactment of special compulsory tax laws in many places for the direct or indirect benefit of the fire extinguishing service. The absurdity of this argument at once appears when it is remembered that the fundamental theory and the universal practice of underwriting is to make the premium charge in a given place according to the risk. A town with no fire department, or a very poor one, must pay a high rate; a town with a first class fire service comparatively a low rate. The companies pay roundly for every improvement in the fire extinguishing service by scaling down the rate—a thing which every municipality at once clamors for when the least improvement is made. Let the people agree to pay the same rate in a well protected town that is charged in a non-protected one and the companies will be more than willing to contribute liberally to the fire department. That would be consistent.

BRITISH AMERICA ASSURANCE COMPANY.

The British America Assurance Company of Toronto, presents the annual statement of its United States branch showing total assets in that country of \$1,843,585. Its reserve for unearned premiums, based on the New York standard, amounts to \$958,715 and the reserve for unpaid losses is \$142,301, while for taxes and other liabilities the sum of \$19,134 is provided. This shows aggregate obligations in the United States of \$1,120,152 and leaves surplus funds of \$723,432. The British America has long been held in high regard in the United States as a prompt loss payer. During the time it has been operating in the United States, from 1874 to 1914, inclusive, it has paid in losses to policyholders there the large sum of \$23,412,155.

Montreal bank clearings during January were \$188,434,337 against \$224,224,521 in January, 1914. This is the smallest decrease in six months. Toronto's clearings in January were \$146,700,711, a decrease of \$38,000,000—the largest decrease with the exception of December since last July.

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At the annual convention of superintendents of the Metropolitan Life held in New York City last week, Mr. A. G. B. Claxton, K.C., of Montreal, said that during the year more than \$19,000,000 of ordinary had been written by the Metropolitan in Canada. The number of industrial policies was so great in the Dominion that fully one-tenth of the entire population was enrolled under the banner of the Metropolitan.