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A Winnipeg
proposal re fire
insurance.

THE *Winnipeg Free Press* says that a member of the Board of Trade of that city has given notice of motion that the council consider the advis-

ability of sending a representative to England, to arrange with first class fire insurance companies to establish agencies in Manitoba, who would not enter into any agreement with regard to the iniquitous so-called provincial licence tax, and remarks: "It was the general opinion of the council that such agencies, on being established here, would receive practically the whole insurance business of the city."

We wonder if this "Member of the Board of Trade" is aware that insurance companies established in this country, whether British or American, have to take out a Dominion license, and deposit \$50,000 with the Government as a condition of their existence here, and that others, before commencing business in Canada, would have to observe the same conditions?

Fire underwriting in the Dominion is not so promising and profitable as to induce more British companies to enter this field, which is now well stocked.

If those already here cannot make money below current rates, as is the case, what better prospects would new comers have?

As to "the iniquitous Provincial tax," would that be rescinded in favor of the new comers, and if not, would they not have to consider it in making their rates?

It is highly improbable that "first class" companies would be found willing to "receive practically the whole fire insurance business in Winnipeg."

Many business men, members of Boards of Trade, and so on, fail to comprehend that insurance rates are necessarily graded to cover the hazards incurred, and that where a local tax is imposed on fire insurance

business, the companies are compelled to re-coup this expense by increasing their rates. The representative sent to England would have a pleasant trip; his interviews too with insurance managers there would increase his knowledge, though his pre-conceived ideas would probably be dissipated, and, almost certainly, the business of his mission would be a failure.

German Mortgage
Bonds.

THE mortgage loan companies of Canada are represented in Germany by mutual credit associations, which are organized, as the name implies, on a mutual-capital basis, much after the style of the old-fashioned building societies. They issue bonds which are listed on the exchanges. The last official list of these gives the gross amount of bonds of 18 of these associations, from which we learn that those at 3 per cent. were \$9,800,000; at 3½ per cent., \$296,000,000; at 4 per cent., \$23,600,000; and at rates not stated, \$83,600,000, making a total of \$413,000,000. This is an interesting fact that the loans on properties under this system in Germany are 49 per cent. of their value, the standard proportion for advances on real estate here being 50 per cent. These bonds are not issued direct to investors, like our loan company debentures are, but are given to borrowers in payment for mortgages, who dispose of them in the market for securities, or otherwise. It speaks well for the financial skill and the steady character of the German people, that these mortgage bonds are remarkably free from fluctuations in value. In long terms of years they will not vary more than half a point. They afford also evidence of the well known thrifty character of Germans, as they are very widely distributed throughout the Empire, being held largely by small investors. These bonds are not held outside Germany. The *Bankers' Magazine* gives the total amount of mortgage loans represented by this class of bonds as about \$1,297,000,000, which enormous sum has been obtained from the public at an average rate of 3¼ per cent. The loans which are the basis of these bond issues are made for from 30 to 50 years, payable by small instalments, a great contrast to the system prevailing in this country, and one that would be dangerous in any new country where land values are not in the settled condition they are in the German Empire.