overlook American subscriptions to these loans and the fact that Dominion and provincial governments have had to resort to the United States, to say nothing of those who desired to sell municipal, railway and general corporation securities. Subscribing so heavily to Victory loans as she has done, Canada could not do more than absorb a limited amount of other securities; and so access has had to be made to the United States.

We Owe Four Billion

Sir George Paish, in 1913, estimated that Great Britain's investments in Canada amounted to nearly $2,500,000,000. As, since 1914, the British investor has been unloading his Canadian investments, let it be assumed that these to the extent of $200,000,000 have been disposed of, which would make the aggregate to-day $2,300,000,000. The investments of American capital in this country in 1913 have been placed at $600,000,000; to-day the best estimates put them at approximately $1,600,000,000. Add to these the investments of other countries and one can readily see that the investment of foreign capital in Canada to-day, is if anything, in excess of $4,000,000,000. This is proof that to place the annual interest and dividends payments to foreign investors at $200,000,000 is not excessive. Before it could with any degree of reason be claimed that Canada is a creditor nation, she would have to be in a position to absorb the greater part of these securities, in addition to being able to export a certain amount of capital every year.

These figures effectually dispose of the notion that Canada has become a creditor nation. To-day she is borrowing at a very rapid rate for industrial purposes; this is wise, for she must do so, if she is to experience within the near future the development that lies within her grasp.

Debt is Subject for Concern

Has Canada over-borrowed? For private enterprises, no; but it may well be questioned whether, from the national standpoint, she has not gone the limit, or even a little beyond it. Borrowing is always a subject for serious consideration; but when undertaken by private enterprises it is surrounded by a number of safeguards that are not always present when governments borrow. Besides, if private enterprise is unsuccessful, comparatively few are affected, except those directly involved. But heavy public borrowing is usually accompanied by inflation, which seriously handicaps industry and injuriously affects the whole country. in this respect Canada is not nearly as badly off as are a number of the nations of Europe; but she is very seriously handicapped as compared with her great competitor, the United states. To-day a depreciated currency is more the cause of high prices than is the scarcity of commodities. It is the root cause of the problem of exchange. Our national financial structure rests on such a narrow gold basis that it can be compared only to an inverted cone. Still it will probably not be easy to stop the borrowing tendency; for with governments it is the easiest way out of difficulties, and when once a loan campaign is launched it is accompanied by such strong patriotic appeals that not to subscribe is to render one liable to the charge of doubtful loyalty.

Canada has had her due period of jubilating over her achievements in the raising of money. From now on we should content ourselves with a consciousness of duty done, and devote ourselves seriously to considering how the piper is to be paid; for paid he must be. A nation which must pay in interest on the national debt approximately fifty per cent. of its total revenue—which is the position of Canada this year—has something seriously to think about. In matters of national finance Canada may well look to the United States, which has gone a long way towards putting her house in order. If she does not do so Canada will pay dearly for it; she is doing so even now. This is no time for pessimism, much less for foolish optimism; it is a time to look facts in the face. Canada is a heavy debtor nation and we had better realize this and shape our affairs accordingly.

MARYLAND CASUALTY COMPANY

The Maryland Casualty Co. has submitted to its shareholders its annual statement for the year ending December last, showing a creditable increase over 1918. The action of the shareholders when consummated in March will bring the capital stock up to $3,500,000, the surplus to policyholders $7,454,000, and the company's total resources from $21,083,333 to over twenty-four millions. The company has invested in Canadian war loan bonds to the extent of $576,000 and holds other Canadian securities to the value of $281,000, making a total of Canadian securities held amounting to $857,000.

BRITISH AMERICA ASSURANCE CO.

As previously pointed out in these columns the financial position of the British America Assurance Co. was improved as a result of the 1919 business. The results from the fire department were especially profitable. A total credit of $465,955 being available from this source. There was also a satisfactory credit balance from the automobile department, the business of which showed a large increase. As had been anticipated last year, however, the results in the marine department were not profitable, the debit balance being $188,163. The president, W. B. Meikle, attributed this to post-war conditions, such as labor unrest, hasty and inadequate safeguards, and breakage and depreciation in sea-worthiness of hulls due to the wear and tear and strain upon the ships.

At the annual meeting held in Toronto on February 26th, the following directors were elected for the ensuing year:—Sir John Aird, Robert Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin K.C., LL.D., Miller Lash, W. B. Meikle, George A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., and E. R. Wook. At a meeting of the board of directors held subsequently, W. B. Meikle was elected president.

OCCIDENTAL FIRE INSURANCE COMPANY

In its report for the financial year ending the 31st of December, 1919, the Occidental Fire Insurance Company shows premiums less rebates and cancellations amounting to $387,537 as compared with $349,146 in 1918, an increase of $38,391. The amount paid for reinsurance was $156,450 as against $139,496 in 1918, so that the net premium increase was $21,438. This increase in business requires under Dominion government regulation the reserving of an additional sum of $17,813, making the reserve for unearned premiums $148,095, which was 64 per cent. of net revenue for the year. Losses paid and unadjusted less reinsurance recoverable amounted to $100,441, being 43.4 per cent. of net premiums, or 47 per cent. after providing for necessary increase in reserve. Expenses showed an increase, chiefly on account of taxation, and totalled $86,098, which was 37.2 per cent. of net premiums received, or 40.3 per cent. after providing for reserve. The net underwriting profit was, therefore, $26,734, which, with returns from investments totalling $32,829, enables the company to transfer $59,563 to the credit of profit and loss account.

The management states that interest and principal repayments have been well met on mortgage loans, there being only $268 arrears of interest on an investment of $87,560 in these securities. All debentures have been taken into the accounts at actual market value. It is also deemed advisable to continue the policy of building up a reserve, and in consequence no dividend is being paid. The entire profits of the year, $59,563 have been transferred from revenue account to the credit of profit and loss account. The net surplus to shareholders now amounts to $249,040.

At a special general meeting in October last the shareholders approved the company underwriting automobile insurance. The necessary action has now been taken and licenses secured.