

them except as it regulates the gold movement and note circulation, and the discount and money rates for all France.

GOVERNMENT DEMANDS.

It is not the same with Government and Parliament. While politicians have been afraid to handle too severely the institution which has done more than any other organism to keep France a great nation, yet at each renewal of the bank's privilege they turn over an increasing portion of its revenues to the "State." In 1897 the bank agreed to advance permanently to the State Treasury 140,000,000 francs credit without interest. It has had to advance similarly 40,000,000 francs more for the agricultural credit institutions. It has to pay Treasury dues equal to the product of one-eighth of the discount rate by the figure of note circulation, and this amounted to 7,226,000,000 francs for the year 1911. The law of last December increases these dues to the product of one-sixth of the discount rate when it reaches 4 per cent. which is, fortunately, rare under the policy of the bank; and it increases the permanent advance of the bank to the State Treasury without interest by 20,000,000 francs more!

FIRE INSURANCE AND THE PROMOTER.

Some sensible remarks regarding the activity of the fire insurance promoter are contained in the newly issued annual report of the Insurance Commissioner of Massachusetts, who advises those in receipt of flamboyant literature sent out for stock selling purposes to consult that report. They will find, says the Commissioner, by studying the gain and loss exhibit of the stock fire insurance companies, showing whether or not they made a profit from underwriting during 1911, that 90 companies of the 261 stock companies authorized in Massachusetts lost \$4,797,543 and 171 gained \$6,445,997—a net gain in underwriting for all the stock companies of \$1,648,454. This of itself would pay a dividend on their combined capital stock of less than 2 per cent. It would be found further that the source of dividend is chiefly the companies' investments, which investments are at the same time serving to protect the insured. The income from this source to the same group of companies during 1911 was \$22,149,666.

Some of the companies, continues the Commissioner, are making money, and if search is made into past history, it will be found that they have uniformly made money. But many times as many companies have not made money. "It is just as logical to argue that every man hereafter born into the world is going to be a billionaire because Carnegie is as to believe that the promoter's scheme is bound to be a profitable venture because the Continental has succeeded."

Fire insurance managers as a whole, the commissioner goes on, are not in an optimistic frame of mind and the stockholders of a large proportion of companies are not seeking chances to put their money into similar enterprises. One San Francisco disaster takes the profits of many a good year. Companies move in and move out, companies are being born and companies are being taken in hand by the undertaker. Business plenty of some sort, but still indifferent success for the most of the companies and poverty for a vastly larger number than enjoy riches. The fact that the business is no more profitable especially for the newcomers into the field, is in part due to the difficulty in getting hold of the best business at remunerative rates. This business is held now by the old companies—a large share of it by those which are successful. It cannot

be wrested away except by the offer of commissions to the agents which even on the preferred class of business, leaves little of profit to the corporation, after losses and other expenses are paid. An unprofitable good line of risks and the poor risks that no seasoned underwriter will take except to help in getting good business, is the portion of the new company that is going to make a record as a great premium getter, which is the ambition of the neophyte underwriter.

THE GROWTH OF LOAN CORPORATIONS.

The loan companies operating in Canada continue to make a large expansion both in their resources and in the extent of their business. Taking the figures for the last few years of the companies reporting to the Ontario registrar of loan companies, an abstract of whose 1911 figures is printed on page 1301 it appears that at the close of 1907, their mortgages on realty were \$111,608,006 and their assets \$206,945,906. By the end of 1908, these totals had advanced to \$113,975,119 and \$226,049,732. A year later, at the close of 1909, mortgages were \$122,253,988, an advance of upwards of \$8,000,000 upon the 1908 total, and assets had climbed to \$258,281,847, an increase of just over \$32,000,000. In 1910 mortgages made another big advance to \$131,138,109, while the companies' assets showed an increase of \$50,000,000 to \$308,729,139. Last year this advance was continued, mortgages climbing to \$142,164,240, while the companies' assets reached \$340,428,580.

The loan corporations were again instrumental last year—as constantly, of course, throughout their existence—in importing a very considerable amount of new capital into the country. Taking the four classes of companies comprised in the returns together, it appears that as at December 31 last, their outstanding debentures, payable elsewhere than in Canada, amounted to \$57,674,912, against \$52,580,416 at the close of 1909, an increase during the twelve months of just over \$5,000,000. Debenture stock shows a trifling decrease, but allowing for this, which may be due to conversion into different form, there is a representation of \$5,000,000 of new capital brought into the country during the year by these companies, who probably enough were instrumental in importing much more new capital into Canada than is here shown.

Canada, too, may legitimately expect to receive continued large supplies of capital for the purpose of the further financing of these loan corporations, and since the names of many of them are almost household words throughout the Dominion, it may be anticipated that the immediately coming years will see continued large increases in the scale of their operations.

The following are summary figures of the companies' operations in 1910 according to those appearing on the following page:—

Average rate of interest paid on	
(a) Deposits	3.7726 per cent.
(b) Debentures	4.369 per cent.
(c) Debenture Stock	4.00 per cent.
Average rate of interest received on Mortgages of realty.	
(a) Owned beneficially	6.5536 per cent.
(b) Not so owned	6.208 per cent.
On other securities.	
(a) Owned beneficially	5.7725 per cent.
(b) Not so owned	5.724 per cent.