

besides the money of its shareholders and the deposits of Canadian people; and the steady growth and success of its operations, yielding an average dividend of $11\frac{1}{2}$ per cent. for all these years, constitute a remarkable record among Canadian financial institutions. For forty-five years the same man, Mr. J. Herbert Mason, has been at its head, and its board has always contained men of mark and influence.

We find in Mr. Mason's very interesting resumé of his company's history some circumstances which deserve to be noted. In all that long period of nearly half a century, no member of the office staff has ever been removed by death, and during this period the company never lost a dollar by defalcation of an employé. Further, we observe with interest that the same firm of Toronto solicitors has been connected with the company since its inception.

It is agreeable to learn that the directors of this company have agreed to mark their sense of the value of Mr. Mason's lengthened and able services by presenting him with a very considerable *douceur* on the occasion of this, the last meeting of the Canada Permanent as an independent loan society. His many friends and those of the company share, we may be sure, in the hope he confidently expresses, that the Canada Permanent and Western Canada Mortgage Corporation, a company of \$20,000,000 assets, which starts under such favorable auspices, will realize the expectations of continued prosperity under conditions of economical and concentrated administration, which it is the aim of the amalgamation to secure. While Mr. George Gooderham is to occupy the presidential chair of the new company, the position has been conferred on Mr. Mason of chairman of the Executive Committee, which is the same position as that occupied by Sir William Van Horne on the board of the Canadian Pacific Railway.

WESTERN CANADA LOAN AND SAVINGS COMPANY.

The reduction of its assets as valued by the Amalgamation Committee of the Canada Permanent and Western Canada Mortgage Corporation does not seem to have affected the earning power of the Western Canada Loan and Savings Company, for its net profits on the year's working are shown to be eight per cent. on capital. The average rate of interest yielded by the mortgage investments as they stood on its books a year ago was nearly $5\frac{1}{2}$ per cent., and on the reduced valuation of them now made for amalgamation purposes, over 6 per cent. This is the most remarkable statement of earnings the company has made for a dozen years. And there is on hand, too, the large sum of \$367,000 in liquid assets, available if required for a still further reduction of debenture liability. The improved general conditions of the years 1898 and 1899 have enabled the Western to close out many dragging city properties, for we are told that its total of Toronto real estate on hand amounts to less than \$290,000. The general good character of the company's other securities is attested by the nature of the statement now printed. The portions of the report dealing with interest payments and investments during the year are interesting, and the president's address will repay perusal.

FREEHOLD LOAN AND SAVINGS COMPANY.

The report for 1899 of the Freehold Loan Company shows that its net earnings in that year were in excess of six per cent. on its reduced capital. Its collections of interest, of arrears, and payments on account of principal are stated to have been unprecedentedly large, amounting to almost \$800,000, while its obligations to the public are reduced by the large sum of \$384,000. More than one hundred city properties, thirty farms in Ontario, and fifty-five farms in Manitoba have been disposed of. This is a year's record which the management is entitled to regard with satisfaction. While, as we have elsewhere stated, the directors do not view with complacency the reduction in value of assets made by the Amalgamation Committee, it has been resolved to accept the finding. The reasons, as given by the president, are that, "the expense ratio [of the new company] should be much less as compared with the receipts. Public confidence will be increased, the holders of partially-paid subscribed stock protected, and the important powers of the new company obtained by recent legislation will enable the management to conduct a safer and more profitable business."

FIRE INSURANCE; CANADA AND THE STATES

There is but little comfort for the underwriting capitalist in the record of fire insurance companies on this continent in 1899, or indeed for some years before that. Well might Mr. Irvin say, in his circular issued as president of the National Board of Fire Underwriters, "the fire insurance business of this country (the United States) is in a deplorable condition. . . . We seem to be competing with each other in an effort to increase the expense of the business without making any earnest effort to increase our revenue to meet this increased expense." And the loss ratio has increased until between the two there is no profit left in the business.

In considering this matter of expense some Blue Book figures may be instructive. Thirty-two British companies doing fire business in the United States took premiums of \$38,129,000 in 1899; their losses were \$27,439,000 (71.95 per cent.), and expenses \$14,201,000 (37.24 per cent.), yielding a loss of 9.19 per cent., equal to a waste for the year of three and a half million dollars capital.

The fire insurance companies taking risks in the States present collectively a result not quite so bad as this, but still bad, for the losses were 67.6 per cent. of the premiums, and the expenses about 36 per cent.—showing also a loss.

Now take the Canadian fire business. In the year 1899 all the companies reporting to Ottawa, Domestic, British and American, took Canadian premiums of \$8,125,000; their losses were 56.02 per cent., and expenses 32.20, making 88.22 in all, a great improvement over the ratios of loss and expense in some previous years, and a great contrast with the 103 per cent. expended by companies operating in the States.

If we apply this comparison to Canadian companies doing business in the States we at once see how much more profitable the underwriting conditions of the year have been in Canada. Take the Western and the British America companies; in the reports of both we find it stated that the experience of the year 1899 in Canada