

TRUST AND LOAN COMPANY OF CANADA

Increased Net Profits—Dominion's Strength Being Shown in Tight Money Period

The balance sheet of the Trust and Loan Company of Canada, as presented at the company's recent annual meeting in London, indicated that investments in Canada stood at £3,534,000, showing an increase of £373,000 over those of a year ago. They were now feeling the benefit of the creation of new debenture stock, of which £667,000 had been issued in the course of the year, stated Hon. Sidney Peel, the company's president. Their debenture issue—as distinct from their debenture stock—stood at £2,217,000, against £2,400,000 a year ago. The decrease was owing to the replacement of short-term by longer-term obligations. Their share capital remained the same. Their net profits for the half-year were £61,869, against £50,735 for the corresponding half-year. These figures constituted a record; they were the best in the history of the company. Working expenses had decreased from £14,086 to £13,747 for the half-year. He did not believe that any mortgage company working in Canada could show results surpassing theirs in excellence, but he did not rely only on the figures of their balance sheet for taking an optimistic view of the company's position.

Last autumn he paid a visit to Canada, and spent some time in visiting all the centres in which their loans were made, in going through the books of the company in their various offices, and in forming an opinion by personal inspection as to how their business was being carried on in Canada. He found everything in a most excellent condition, and they had able and energetic men working with devotion in the interests of the company.

None in Doubt as to Distant Future.

Whatever might happen in the future—and, of course, those who managed mortgage companies could not always be right in their judgment—he saw at present no reason to doubt the security of any of their investments. Canada, as he had said, was passing through a period of very tight money, but, as far as he could see, the country seemed to be coming through the ordeal with remarkable strength. It was the fashion in some places in London to talk apprehensively about the immediate future of Canada, though few, he thought, were in doubt as to the more distant future.

With the results of their own company before them he found it impossible to share those apprehensions. He returned from his visit to the country convinced that, as far as Canada herself was concerned, it was impossible to foresee the limits of her future. Great as her progress had been, he was convinced that it was only just beginning. In the end the level of prosperity in a country must be decided by the productivity of her soil.

Values based on sentiment or temporary conditions were bound to have great fluctuations from time to time, and, no doubt, there would be fluctuations in the values of town properties in Canada; but when they had those vast areas of fertile soil, producing annually immense crops of the necessities of life, it was impossible to doubt the stability of the country.

Would Pay Expenditure Over and Over.

Some people were alarmed at the amount of Canadian borrowing that was going on, but when one considered the number of people who were pouring into the country, for all of whom accommodation had to be found and the organization of government provided, he did not think that the Canadian authorities could be accused of extravagance. All this expenditure would be repaid many times over by the expansion and development of the resources of the country. Of course, Canada depended for its continued expansion on the supply of credit and the supply of men, and it was easy to see that causes entirely outside the country might affect the supplies of both; but whatever might be the causes external to Canada which might occasion a halt or even a setback in her progress, he was convinced that her internal resources were so great that no investor need fear for the result—always provided, of course, that he acted with ordinary caution.

The officers of the company in Canada are: Commissioners, Capt. R. D. Macdonnel, Winnipeg, who is resident director; Col. L. Edey, Montreal; Mr. J. Campbell, Regina; assistant commissioners, Messrs. E. R. Whitehead, Winnipeg, and R. C. Young, Montreal. All Canadian transfers of the company pass through the head office at Montreal.

The capital stock of the Toronto Insurance and Vessel Agency, Limited has been reduced from \$500,000 to \$50,000, such reduction being affected by the cancellation of 3,000 shares of authorized and unissued capital stock of \$100 each and 1,500 shares of the authorized and issued capital stock of \$100 each, recorded in the name of the Winnipeg Insurance and Vessel Agency, Limited.

FIRE INSURANCE CONDITIONS

World-wide Survey—European, American and Asiatic Losses—Notes on Legislation

World conditions relative to fire insurance, as reviewed in the Post Magazine Almanac, show that in Great Britain, there were indications that the year would prove more favorable than 1911. As regards trade there has been unexampled prosperity in almost every direction, in spite of much unrest in the labor world. To this must be added a very general rise in prices and values so that the amount of insurance premiums should show a large increase. This would certainly be the case if it were not for the steadily progressive fall in rates.

In Great Britain there were no losses of conflagration magnitude, though the number of fires was heavy. Perhaps the largest was that which occurred in a big grain warehouse at Ranks' Corn Mill, Barry Dock, where damage to the extent of £95,000 was sustained. Corn mills and granaries were anything but fortunate. Maltings were also conspicuously bad. Among the textile classes, cotton mills stood to the fore on account of the number and extent of fires.

Losses on woolen mills were above the average. Several serious fires also took place in joiners and builders risks. There were losses in textile goods warehouses at Manchester and Leeds, as also in mercantile warehouses at Tilbury Docks, and cotton warehouses in Bootle and Liverpool. Of risks of the industrial type, bleachers and printers, dyers and finishers fared very badly. Some improvement showed itself in regard to country mansions, although the loss ratio still remained excessively high.

Of new schemes of municipal insurance, the only one of any importance which came into force during 1912 was that adopted by the Glasgow corporation.

Canada and the United States.

While business in the United States was not, perhaps, quite so much unsettled as generally happens during a presidential election campaign, it was inevitable that there should be some disturbance of the commercial activity. There was a downward tendency in rates and an upward tendency in commissions, and there were two serious rate wars.

Among notable fires there was the destruction of the New York building of the Equitable Life Assurance Society of the United States, which entailed no loss on the insurance companies. There were also two conflagrations at Houston, Texas.

Prospects of a good insurance year in Canada were most promising, the wheat crop being said to be the largest ever raised. Losses were fairly numerous and several large fires have to be recorded. The worst was that at Vancouver, B. C., in wholesale warehouses, etc., the damage approaching \$1,750,000. About 200 buildings, involving a loss estimated at \$1,200,000, went down in a conflagration at Chicoutimi, Que.

Far Distant Countries.

In Japan, owing to competition among the foreign and native companies for textile and other industrial business, the tariff had to be suspended for these classes of risk. There was a conflagration at Osaka, where about 5,000 houses were destroyed.

In India the extensive outbreak at the Colaba Cotton Green, Bombay, involved a loss little short of £100,000.

Russia was conspicuous for large fires. A joint committee of insurance companies and representatives of the public sat in France with the object of revising the policy conditions.

The struggle between the insurance companies and the various legislatures of the United States became more and more acute, but legislative repression was not quite so aggressive in other countries.

Arrangements have been arrived at between the city and the Bank of Montreal for financing Saskatoon's current expenditure to the extent of one million dollars.

A movement is afoot among the business men of Saskatoon to establish a citizens' demonstration farm. The plan is to secure a parcel of land, place it under competent management, and demonstrate by actual example the value of mixed farming, whereby an all-the-year-round revenue is obtainable. As \$8,000,000 worth of pork, \$6,000,000 worth of hams, bacon, etc., \$10,000,000 worth of lard—totalling \$24,000,000 as the product of the hog industry—are imported annually from the United States, the farmers of the district surrounding the city of North Battleford are turning their attention to hog raising and are realizing that there is actually more money in raising hogs than in wheat growing. The country surrounding North Battleford, to the north especially, is suitable for stock raising, being well watered, and has good shelter for the cattle, which winter out.