

INSURANCE COMPANIES MUST PAY POLICIES

In the Superior Court, Montreal, on February 13th, Mr. Justice Maclellan delivered judgment in two test cases heard in December last, on behalf of Curtis's and Harvey (Canada) Ltd., in liquidation, and J. Leonard Apedaile, against the North British and Mercantile Insurance Co., and the Guardian Assurance Co., Ltd., of London, England, on fire insurance policies issued by these companies in favor of the company now in liquidation. The actions were the outcome of the explosions which wrecked the plant of Curtis's and Harvey (Canada), Ltd., at Dragon, near Rigaud, on August 18th, 1917.

By the judgments the North British and Mercantile Insurance Co. is condemned to pay to J. Leonard Apedaile, liquidator to the Curtis's and Harvey firm's affairs, \$32,897.88, and the Guardian Assurance Co. is condemned to pay the same two policies \$93,993.92, with costs, in each instance.

There are claims outstanding against some twenty-five other insurance companies. The defence in the case of the two companies was that the loss was one of explosion and not of fire, and being a loss by explosion, they claimed they were not responsible under the policies issued.

GOVERNMENT PLANS RAILWAY WORK

Assurance that the government proposes to pursue a vigorous policy of railway construction in the provinces, with the double object of benefiting sections of the country which lack transportation facilities and giving employment to returned soldiers, was obtained last week by delegates from the inter-provincial conference of mayors of Alberta and Saskatchewan.

The two delegates, Mayor Hardie, of Lethbridge, and Captain E. G. McKenzie, president of the Alberta Great War Veterans' Association, after interviewing Acting-Premier Sir Thomas White and Hon. J. D. Reid, minister of railways and canals, expressed themselves as satisfied with the programme laid before them by the two members of the government.

Captain McKenzie stated that Sir Thomas White had intimated that the government proposed, during the coming session to vote large sums for the construction of railways and highways in the West.

"The building of 2,500 cars for Canadian government railways, the manufacture of enormous quantities of steel rails for the railways, the expenditure of \$65,000,000 for shipbuilding and the government housing programme, were," said Captain McKenzie, "touched upon by the prime minister in dealing with plans for the reconstruction period."

The minister of railways, said the delegates, had stated that work on over 300 miles of railroad in Alberta and Saskatchewan had been authorized in connection with the government railway system. This work was all on lines partly graded and under construction. The question of further extensions on the Canadian Pacific Railway was now being discussed with heads of that road, and plans were being laid down for as much work of this kind in Alberta and Saskatchewan as possible. The Grand Trunk Railway was also co-operating with the government along these lines.

Just as soon as weather conditions would permit the laying of track, work would be started, and it was possible that a large number of men would be employed in about two weeks. Returned soldiers would, of course, be given the preference when the work was started.

Captain McKenzie said that the minister of railways and canals expressed his belief that the work to be undertaken would furnish employment for a very large number of returned men and solve to a great extent, the unemployment problem in Alberta and Saskatchewan.

Twenty-year 5½ per cent. gold bonds of the United Kingdom of Great Britain and Ireland are being offered for sale by a United States syndicate. These are the bonds dated February 1st, 1917, and due February 1st, 1937, with interest payable February 1st and August 1st.

TRUST COMPANY SHARING PROFITS

The Guaranty Trust Co., of New York, has adopted a profit-sharing plan for the payment of compensation to employees and officers, in addition to their salaries, through action of its directors at a meeting held recently. One of the principal features of this plan is a primary fund through which the employees of the company are to receive additional compensation based on the earnings of the company during any calendar year, and in which the officers shall have no share. The plan provides for setting aside, after dividends are paid, a secondary fund in which both the officers and employees will share. The purpose of having two funds is to provide through the primary fund that the employees shall be assured of a fairly uniform payment of additional compensation every year, and through the secondary fund that in prosperous years the employees shall have an increased share, and that both employees and officers shall benefit with the stockholders in the prosperity of the company. This affect more than 2,200 employees and gives each employee a direct personal interest in the operation of the company.

CANADA LANDED AND NATIONAL INVESTMENT CO.

A slight decrease in assets is reported by the Canada Landed and National Investment Co., of Toronto, in its statement for the year 1918. Profits were also slightly less than for the previous year but a substantial margin still remained over and above the amount required for the dividends at the usual rate of 9 per cent. per annum. The profits totalled \$415,795, which, together with the balance brought forward of \$89,151, made a total of over \$500,000. Debenture interest required nearly \$200,000, and dividends over \$100,000. The expenses of management, etc., were practically the same as last year and the balance carried forward is \$132,987, as compared with \$89,151 last year.

The company's mortgage loans declined by \$300,000 while government and municipal bond holdings increased by about \$250,000. The other items in the assets statement are practically the same as last year. Debentures outstanding declined slightly. The company's reserve fund remains at \$1,205,000 just equalling the capital stock paid up. The annual meeting was held on Wednesday, February 12th, at the head office in Toronto.

MOUNT ROYAL ASSURANCE COMPANY

The Mount Royal Assurance Co., whose annual meeting was held in Montreal on February 17th, had a premium revenue amounting to \$537,694.91 in the year ended December 31, 1918, which showed an excess of \$34,409.50 over the previous year's income. The revenue from investments and other receipts amounted to \$76,190.12, making the total net income for the year \$613,885.03.

The losses paid were \$260,455.47, indicating a ratio of 48.44 per cent. in the premium income. The net earnings of the company amounted to \$175,619.24, of which \$18,325.81 was transferred to the reinsurance reserve fund, and \$157,293.43 carried to profit and loss account. The total assets of the company now reach the sum of \$1,436,842.12.

For the protection of the company's policyholders the following amounts are available:—

Paid-up capital	\$ 250,000.00
Reinsurance reserve	326,324.08
Investment reserve	63,015.92
Balance at profit and loss	575,117.52
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	\$1,214,457.52

The Mutual Life Assurance Company has opened an office at Nanaimo, B. C., in charge of Mr. John Ward. In the past policyholders around that district forwarded their renewal premiums to Victoria, but with the opening of the local office this has been eliminated.