

THE OCEAN ACCIDENT & GUARANTEE CORPORATION.

The annual statement of the Ocean Accident & Guarantee Corporation published on another page, shows the largest increase in premiums in its history. Premium income for the year totalled \$15,802,245, a growth of no less than \$3,276,330 in comparison with the preceding year. While such increase in income denotes enterprise, it is however of minor importance, if the business has not been well selected, so that after the liquidation of all claims and expenses, a satisfactory underwriting profit remains. The experience of the Ocean in this respect has been most satisfactory for some years. Last year the claims paid, and to be paid amounted to \$8,246,636 as against \$6,345,655 in 1916, an increase of \$1,900,981, giving the excellent proportion of 52.1 per cent. to premium income in comparison with 50.7 for 1916, following exactly the same ratio 50.7 for 1915, 49.9 per cent. for 1914, and 53.1 per cent. in 1913. These figures clearly demonstrate careful underwriting combined with judicious expansion. Expenses absorbed \$5,372,955, comparing with \$4,544,580 in the preceding year. The taxes were again a very heavy item amounting to \$621,065 exclusive of income tax deducted at the source against \$500,275 in 1916.

A Strong Financial Position.

The reserve against unearned premiums is increased from \$4,660,749 to \$6,088,990. The investment reserve and general contingency fund has been substantially increased from \$1,250,000 to \$1,425,000, a sum more than enough to cover all contingencies.

The assets are increased by \$3,854,635 and stand in the balance sheet at \$24,494,000. The directors have invested a large amount of the Corporation's surplus funds in Government loans both in England and elsewhere to assist in the prosecution of the war.

The Corporation in Canada.

Mr. Chas. H. Neely has directed the Ocean's affairs for some years until recently, as general manager and under his supervision a strong and efficient organization was maintained. The present general manager, Mr. W. T. Perry, whose appointment is referred to elsewhere has been in charge of the Corporation's affairs for a few weeks. In the various departments of casualty, etc. business, the Ocean's premium income in 1917 amounted to \$698,329, as compared with \$530,000 in 1916. A fire department established in 1915 under the careful supervision of W. E. Fudger reports net premiums last year of \$250,637, compared with \$142,000 in 1916, the loss ratio on both occasions being a little over 51 per cent.

Liberal treatment of its policyholders and honourable dealing, has been characteristic of the Ocean in Canada as elsewhere. It is interesting to note that the number officials who have joined His Majesty's Forces were stated at the annual meeting in London to be 542, and that the casualties were 128, of which number 60 had paid the supreme sacrifice.

THE DUTY OF PATRIOTIC CITIZENS IN THE PRESENT CRISIS.

The acting Minister of Finance, the Hon. A. K. Maclean, referring to a loan to be issued in the autumn to meet the requirements of the war said:

"We must rely on our own capital and labour, as far as one can see, to carry on our present war and trade program. I cannot too strongly state the imperative necessity of the Government borrowing from our own people, and the imperative duty of our people to loan to the Government. No person can too strongly impress this view upon our Country. This obligation rests upon all classes and upon every citizen. To enable our people to do this, it is necessary that they continue to produce wealth. The production of wealth means an excess of production above our own wants. We must continue to produce and if possible in greater quantities by a more effective mobilization and utilization of our man and woman power, notwithstanding the fresh requirements of our army for man-power, and the many other difficulties confronting us. And we must economize in every way. Primarily, saving is not a question of money, it is rather a question of saving the things that money will buy. The less we consume of that which we produce, the greater the surplus we shall have to sell abroad. The more we save of our productions and of our services, the better able shall we be to meet our increasing taxation, and the greater the power of our people to purchase Government bonds. Of our imports from the United States there is a great volume of non-essential commodities and luxuries. If we all ceased to buy of these, our adverse trade balance with the United States would be partially redressed, the cost of remittances for our essential imports from the United States would be less, the cost of these essentials would be that much less to our importers and consumers, and a greater surplus would be available for payment of taxation and loans to the Government. We must learn to dispense with luxuries and possibly with some of the things which we have hitherto regarded as necessities."

There is a shortage at the present time both of men and of things which men can produce, in other words, a limited supply of labour and materials. Out of this the needs of the Government for the prosecution of the war must first be met and then the food supply must be maintained and the essential business of the country carried on. Disaster would evidently follow unrestricted competition between the Government and ordinary business for the use of this limited supply, and when such competition exists, an increase in the cost of labour and material and a consequent rise in prices is inevitable. In such a struggle the Government must necessarily win out, because its needs are imperative and also because it possesses almost inexhaustible supplies of credit, or at least the means of creating credit, by the use of which it is able to obtain what it requires. Much can be done by organized and intelligent effort by the greatest possible use of labour saving methods and by assigning the available supply of men to that work which is of the most importance.