

business of such large concerns as the American Tobacco Company, and the United Fruit Company, and no doubt, the officials of the Royal Bank of Canada and to a lesser extent the Bank of Nova Scotia would be indirectly affected by the spread of the disorders.

In Canada money rates are unchanged. Call loans are quoted mostly at 5 p.c. In Montreal and Toronto also the stock market has been showing a disposition to lessen its activity. Prices of a number of favorite speculative issues have been put up rather rapidly; and it would seem that if a collapse or upset is to be averted, the market should be given a reasonable rest or breathing spell. There are many observers who think the recent period of speculative activity in real estate, stocks, etc., has been over-strenuous, and that the best interests of the country would be served if the financial markets were to enjoy a few months of relaxation. The news from Western Canada regarding the 1912 crops is of a favorable character. The wheat is practically all seeded; and while the Province of Manitoba shows no material increase in acreage, Saskatchewan and Alberta have satisfactory increases to show. Altogether the three provinces are said to have about 12,000,000 acres in wheat as against approximately 10,000,000 last year. So it will be seen that the West's productive capacity increases rapidly even when conditions are not in all respects favorable. This increase of acreage in 1912 places the probable Western wheat yield definitely in the neighborhood of 200,000,000 bushels. An average yield of 16 bushels to the acre would give 192,000,000 bushels.

COMMERCIAL UNION ASSURANCE COMPANY.

Year by year, the balance sheet of the Commercial Union Assurance Company becomes more impressive as an exhibit of vast operations and immense resources. Its leading figures—assets exceeding \$115,000,000, an annual income fast approaching \$40,000,000, and funds, after providing for payment of the dividend, and all outstanding claims, losses and current accounts against the company, of practically \$98,000,000—are enough to indicate alike its size and its wealth. But it perhaps affords a more significant indication of the company's world-wide importance to remember that in every important insurance field in the world, the Commercial Union takes a similar place to that which it occupies in Canada, that is to say, its name is a household word, the company holds an unsullied record, and it is highly esteemed for its fair and generous dealings. This is an enviable position for any corporation to occupy, and in the case of the Commercial Union, there is every indication that it will be retained indefinitely.

Having commenced fire insurance business on October 1, 1861, the Commercial Union has lately celebrated its jubilee. The company was inaugurated in consequence of a demand in the city of London for a new fire insurance organisation, as a result of the rates of the existing fire companies being raised to panic figures, following the \$6,000,000 loss in the famous Tooley street fire of July, 1861. At the first meeting in 1863, the premiums received from the fire and life departments amounted to \$310,000, and the assets to \$1,340,000. One has only to contrast these figures with those from the newly issued balance sheet quoted above to see what a magnificent structure has in the interval been reared from these small beginnings by those responsible for the company. They have had from time to time their periods of anxiety, the latest being in 1906, when the Commercial Union paid out \$4,250,000 after the San Francisco conflagration. But actually in the same year the dividend was raised from 55 to 60 p.c., for the reason that the immense San Francisco losses were paid from reserves. In this fact is to be found a strong reason for the Commercial Union's success. Its policy has always been to build up great reserves so as to meet exceptional losses. That policy, justified by its success, is to be continued, the Chairman at the recent annual meeting emphasising the fact that reserves must grow as liabilities grow in even greater proportion than in the past.

In common with other British fire companies, the Commercial Union last year had to encounter rather heavier losses in its fire department than in 1910. With a fire premium income for the year of \$15,914,355, the company has experienced losses amounting to 55.6 per cent. as against the low ratio of 47.8 p.c. in 1910. The remarkable thing about last year's losses was that there were no serious conflagrations nor any serious loss by an individual fire. But fires have been extraordinarily numerous, showing an increase of 18 p.c. over those of 1910, to 53,080. As a partial offset to these increased losses, however, it may be noted that expenses are being kept well in hand, having been slightly reduced last year from 35.79 to 35.43 p.c. From the fire department, the company is able to transfer \$1,100,000 to the profit and loss account as a result of the year's working, while the fire fund is raised to over \$16,000,000.

The Commercial Union entered the Canadian field so long ago as 1863. For many years, its interests in the Dominion have been under the able management of Mr. James McGregor, who has now the assistance of Mr. W. S. Jopling as assistant manager. Organisation throughout Canada is maintained at a high level. In 1911, the Commercial Union's Canadian fire premium income, including that of the Union Assurance Society, now merged in the Commercial Union was \$1,233,650, the net losses incurred being \$665,766. In addition to itself writing fire and marine business in Canada, the Commercial Union has an important stake in the casualty, etc., business of the Dominion through the Ocean Accident & Guarantee Corporation and the Canada Accident Assurance Company. And its Canadian associations are bound to become of increasing importance in the future.