

The Chronicle



Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXIX. No. 45.

MONTREAL, NOVEMBER 8, 1918

Single Copy 10c.
Annual Subscription \$3.00

THE GENERAL FINANCIAL SITUATION

Possibly the most remarkable feature of the week's developments has been the calm with which both the financial markets and the general public have received the various announcements of the approaching end of the world-war. To some extent, no doubt, this is due to a feeling that all rejoicing is premature until the chief enemy of humanity and civilization has openly and frankly acknowledged defeat and accepted such terms as may be granted him. For the rest, the heavy sacrifices which have been called for on all hands have undoubtedly had a decidedly sobering effect, while in Canada, and no doubt elsewhere, the general shortage of labour, and the fact that most folk have their hands full of duties, not only as a result of the war, but on other accounts, is also a reason why no time is being devoted to the exuberant display of enthusiastic feeling. Furthermore, there is without doubt increasing appreciation of the fact that the cessation of fighting will only result in the advent of a fresh crop of problems which will need the utmost good judgment of the world's intelligence, backed by all available energy, for their solution. The announcement this week that plans are being worked out for the feeding of the half-starved populations of recently belligerent countries is a reminder that things are not likely to go back to "normal" in a hurry, but that the period of transition will be a troublesome one, and that peace and plenty will not necessarily synchronise for a year or two at least.

The Victory Loan campaign proceeds satisfactorily enough. Everyone is confident that when the three weeks of effort finally draws to its close, it will be found that Canada will again have gone "over the top" financially, in energetic fashion, and thus make a brilliant finale to her financing during the actual period of hostilities, though the present war is hardly likely to be the last of the Dominion Government's domestic appeals for funds as a result of the war. This confidence, and the general desire to be in at the finish constitute an important psychological factor in the

war's success. In this connection, it is to be remembered that the published totals of loan subscriptions, while valuable as pointers to the way in which things are going, do not indicate the whole extent of subscriptions to the loan. The banks are not departing from their custom of privacy regarding their customers' transactions, and bearing in mind the large amount of subscriptions, both large and small, which go directly through them, it may well be surmised that the actual total of subscriptions is, in fact, well in advance of the published figures. This is no reason why any reader should avoid making any effort which is within his power. Subscription to the limit is not merely a patriotic duty, but the wisest provision for the future that any man can make.

The events of the last two weeks again bring into prominence a point of view regarding the future of Victory Bonds, which has been previously insisted upon in these columns. It would be foolish to expect a rise in the market value of these bonds immediately on the conclusion of hostilities owing to their enormous volume of issue in proportion to Canada's investment power, and because when the urgency is passed, a certain volume of realising sales is to be expected, perhaps a large volume, as funds are required by many investors, both large and small, for new purposes. But, on the other hand, the gradual sale of these bonds abroad, particularly by large investors, will undoubtedly prove a most valuable means of securing funds for new Canadian enterprises, while at the same time stabilising their home market. The preliminary stages of reconstruction may have to be passed before this influence becomes evident, but that it will be seen, and that at no distant date, there can be no doubt.

These sales of war securities abroad will perhaps act effectively in regard to our balance of foreign trade, which is bound to loom largely in the near future in the consideration of our financiers and economists. The enormous increase in our foreign trade as a direct result of the war, an increase largely temporary in character, has

(Continued on page 1149.)

BUY VICTORY BONDS

ANY BANK WILL HELP YOU

BANK OF MONTREAL

ESTABLISHED 100 YEARS (1817-1917)

Capital Paid up, \$16,000,000

Res., \$16,000,000

Unalvied Profits, \$1,754,979

Total Assets - - \$426,322,096

BUY VICTORY BONDS

Full information regarding denominations of bonds, terms of subscription and other particulars will gladly be furnished at any branch of the Bank of Montreal.

BRANCHES OF THE BANK LOCATED IN ALL IMPORTANT CITIES AND TOWNS IN THE DOMINION.

Savings Department connected with each Canadian Branch and interest allowed at current rates.

Collections at all points throughout the world undertaken at favorable rates.

Travellers' Cheques, Limited Cheques and Travellers' Letters of Credit issued, negotiable in all parts of the world.

This Bank, with its Branches at every important point in Canada, offers exceptional facilities for the transaction of a general banking business.

PRINCIPAL BRANCHES OUTSIDE OF CANADA:

LONDON, Eng.: 47 Threadneedle St., E.C.

G. C. CASSELS, Manager.

Sub-Agency: 9 Waterloo Place

Pall Mall, S.W.

Trafalgar Square Branch

NEW YORK, CHICAGO, and SPOKANE

in the UNITED STATES and

MEXICO CITY

NEWFOUNDLAND: St. John's, Curling and Grand Falls.

THE CANADIAN BANK OF COMMERCE

Established 1867 Head Office: TORONTO

Paid-up Capital - \$15,000,000

Res. - - - - 13,500,000

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L.
President

SIR JOHN AIRD, General Manager.

H. V. F. JONES, Assistant General Manager.

BRANCHES OF THE BANK IN EVERY PROVINCE
OF CANADA AND AT THE FOLLOWING
POINTS OUTSIDE CANADA:

Great Britain—London. Mexico—Mexico City.

United States—New York; Portland, Ore.; San
Francisco, Cal.; Seattle, Wash.

Newfoundland—St. John's.

Agents and Correspondents throughout the World

THE MOLSONS BANK

We recommend our
friends and customers

TO BUY

VICTORY BONDS

to the limit of their
capacity and are pre-
pared to assist them
in doing so.

YOU ARE NOT ASKED TO GIVE

your money to help win this great war for freedom—you are simply asked to **lend it** to Canada at Five and one-half per cent. interest. You get the strongest security in the world in return—a Canadian Government Bond which constitutes a mortgage of all Canada.

BUY VICTORY BONDS

Space donated by
The Royal Bank of Canada

THE DOMINION BANK

Head Office, **TORONTO.**
London, Eng., Branch

Established 1871
73 Cornhill, E. C.

Capital Paid Up \$6,000,000
Reserve Fund \$7,000,000

BOARD OF DIRECTORS:

SIR EDMUND B. OSLER, President

W. D. MATTHEWS, Vice-President

A. W. AUSTIN JAS. CARRUTHERS SIR JOHN G. EATON

W. R. BROCK R. J. CHRISTIE E. W. HAMBER

W. W. NEAR A. T. REID H. W. HUTCHINSON

A. M. NANTON

C. A. BOBERT, General Manager

Montreal Branch:

160 St. James Street, MONTREAL

M. S. BOBERT, Manager.

THE BANK OF TORONTO

DIVIDEND No. 149

NOTICE is hereby given that a **DIVIDEND of Two and Three-quarters per cent.** for the current quarter, being at the rate of **Eleven per cent. per annum**, upon the paid-up capital stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the 2nd day of December next, to Shareholders of record at the close of Business on the 12th day of November next.

By Order of the Board,

THOS. F. HOW,

General Manager.

THE BANK OF TORONTO, TORONTO,
October 23rd, 1918.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832

Capital - - - \$6,500,000.00
Reserve Fund - - - 12,000,000.00
Total Assets over - - 130,000,000.00

Head Office - - - **HALIFAX, N.S.**
CHARLES ARCHIBALD, President

Genl. Manager's Office, **TORONTO, Ont.**
H. A. RICHARDSON, General Manager

Branches throughout every Province in Canada,
and in Newfoundland, Jamaica and Cuba

BOSTON CHICAGO NEW YORK

IT IS NO GIFT

That the Government asks you
when you are requested to buy

Victory Bonds

It is a rare opportunity offered
you to invest your money at a
high rate of interest, and at the
same time perform your part of
our NATION'S GREAT DUTY

Space donated by

The Bank of Ottawa

BANK OF HAMILTON

ESTABLISHED 1872

Capital (Authorized).....\$ 5,000,000
 Capital (Paid Up)..... 3,000,000
 Reserve and Undivided Profits 3,500,000
 Total Assets Over..... 64,000,000

Sir John Hendrie, K.C.M.G., C.V.O., J. P. Bell,
 President Gen. Manager

In the 46 years since it was established, the Bank of Hamilton has attained a reputation for courtesy, prompt service and sound business policy. The facilities of this progressive bank are now offered to the business men of Montreal—126 Branches in Ontario and Western Canada.

227 McGill Street,
 Montreal

R. L. Ellis,
 Manager

The MERCHANTS BANK OF CANADA

HEAD OFFICE - MONTREAL

Capital Paid-up - - - \$7,000,000
 Reserve and Undivided Profits 7,437,973
 Total Deposits (Sept., 1918) 126,000,000
 Total Assets (Sept., 1918) - 159,000,000

BOARD OF DIRECTORS:

SIR H. MONTAGU ALLAN, G.V.O., President
 K. W. BLACKWELL, Vice-President
 F. HOWARD WILSON THOS. LONG A. B. EVANS
 F. ORR LEWIS A. J. DAWES Lt.-Col. J. R. MOODIE
 ANDREW A. ALLAN F. ROBERTSON THOS. AHEARN
 Lt.-Col. C. C. BALLANTYNE G. L. CAINS E. F. HEBDEN
 E. F. HEBDEN, Managing Director
 D. C. MACAROW, General Manager
 T. E. MERRETT, Supt. of Branches and Chief Inspector



DRAW ON YOUR CUSTOMERS

Through the Merchants Bank, With Branches in all parts of Canada, and correspondents abroad this Bank is in a position to present Drafts promptly, have them accepted and collect payment, with the least trouble and cost to you.

236 BRANCHES IN CANADA

Extending from the Atlantic to the Pacific

New York Agency: 63 & 65 Wall Street

ESTABLISHED 1873

THE

Standard Bank

of CANADA

Head Office, TORONTO

TRUST
FUNDS

Our Savings
 Department
 gives you a
 guarantee of
 absolute
 security and
 interest at
 current rate.



Montreal Branch: 136 ST. JAMES ST.

E. C. GREEN, Manager

ESTABLISHED - 1875

IMPERIAL BANK OF CANADA

Capital Paid Up - - \$7,000,000

Reserve Fund - - 7,000,000

War Supplies

This Bank is ready to assist merchants and manufacturers to increase their production of war supplies.

When a loan will effect this, consult our local manager.

Branches in all Principal Centres in Canada.

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY.
F. WILSON-SMITH, *Proprietor and Managing Editor.*
Office:

406-408 LAKE OF THE WOODS BUILDING,
10 St. JOHN STREET, MONTREAL.
Annual Subscription, \$3.00 Single Copy, 10 cents.

MONTREAL, FRIDAY, NOVEMBER 8, 1918

THE GENERAL FINANCIAL SITUATION.

(Continued from Front Page).

perhaps had the result of causing many observers to overlook previously existing conditions which yet remain in force. Professor Mavor aptly points out that Canada's obligations to Great Britain before the war were very large, and that after the war they will still be very large. There has been no doubt in the last four-years a certain amount of repayment of debt, but what has taken place in this connection has probably made no very sensible effect upon the annual volume of interest obligations which Canada has to meet abroad. The credits which have been given to the British Government, large as they are, are offset by the expenditures incurred by that Government on Canada's account, in the maintenance of Canada's armies in the field. The stimulation of an export trade, and the use of every available legitimate means for lessening the burden of our interest obligations abroad, by the wise use of capital in production, will therefore take an important place in after-the-war problems demanding solution.

While under present circumstances the additional burden of permanent taxation will have to be carried as a result of the war naturally looms large in the minds of Canadians, the proportionately favoured fraction of Canada in this connection is readily seen when comparison is made with the new taxation scales in force in Great Britain and the United States. Taking the 1918 Canadian standard of taxation, which is somewhat higher than the 1917 tax now being collected, on a \$2,500 income a \$10 tax is imposed. In the United States, the tax on a corresponding income is \$30, and the British tax, \$210. On a \$10,000 income the respective taxes are: Canadian \$392, American \$845, and British \$2,250. The \$100,000 income is called upon in Canada to pay \$17,607; in the United States, \$39,095, and in Great Britain, \$47,187. On larger incomes the taxes of the three countries approximate more closely. The figures quoted show that even allowing for the less liquid nature of wealth in Canada compared with the United States and Great Britain, the fact that the income tax is likely at least to last the lifetime of most business men of the present day, need not prove a serious handicap to the future accumulation of capital, and the display of business enterprise, under conditions making for a wealth-production largely increased over that in the past.

AMERICAN BANKERS' OPINIONS ON GERMANY'S FINANCIAL POSITION.

Bankers are inclined to think that too much is being made of the report that Germany is facing a financial collapse. Not that they do not think that Germany's finances are in an unsound condition, but they doubt whether conditions are different to what they have been for some time past. It is probably true that the Ninth German War Loan is a failure, as far as public support goes. But this does not mean financial collapse and that she would sue for peace on that ground solely. If Germany could continue the war on the battlefield successfully her financiers would find a way out of the present difficulty so that the army could obtain the necessary supplies. But it is other things besides finances that are worrying Germany now.

Isolated, and contained within itself, Germany has been for the most part, her war financing has been largely a matter of bookkeeping. This book-keeping process could go on indefinitely between the German people as creditors and the German Government as debtor. It is for this reason that there is little expectation of any spectacular collapse of German finances just now.

It is when the war is over that Germany's finances will meet their debacle; when it is found that the country has mortgaged the greater part of its national wealth. Having lost all trade connections with the outside world the solution of her financial problems will be absolutely hopeless, bankers say.

Of course, the isolation of the German people has this advantage, in that her debt is owed among themselves. The settlement is entirely their own internal problem. Much of the debt will be owned by the rich, the corporations and the profiteers. To impose such taxes that will fall on all the people in order to pay not only the interest on the debt which now approaches 150,000,000,000 marks, but the ultimate redemption of the debt itself, is inconceivable.

The Government that will supersede the present one in Germany, if it does not actually resort to repudiation, will have to impose such a levy on capital, represented now largely by Government bonds, as will virtually amount to confiscation. In other words, this will result in the money classes in Germany having paid for the cost of the war, and lost their money in the venture.

Thus, repudiation or confiscation of wealth, would really be the best thing, after all, for the German people when they begin life over again after the war.

What is of more concern to the outside world is how Germany is to be made to pay indemnities for the damage done in this war. Germany does not have enough gold in the country to begin to pay for these damages. Practically all the gold in the country, about \$700,000,000, lies in the Reichsbank. If the Allies impose a big indemnity on Germany, spread over a number of years, this will fall upon the people through a taxation which they cannot avoid and which will be in itself severe enough to preclude the burden of an internal debt.

TRAFFIC RETURNS

Canadian Pacific Railway.				
Year to date	1916	1917	1918	Increase
Sept. 30	\$97,773,000	\$106,475,000	\$108,138,000	\$1,663,000
Week ending	1916	1917	1918	Increase
Oct. 7	2,966,000	2,842,000	3,458,000	616,000
" 14	3,034,000	3,333,000	3,524,000	191,000
" 21	2,932,000	3,429,000	3,509,000	80,000
" 31	4,170,000	4,989,000	5,023,000	34,000

Grand Trunk Railway.				
Year to date	1916	1917	1918	Increase
Sept. 30	\$43,976,451	\$45,544,789	\$52,060,959	\$6,516,170
Week ending	1916	1917	1918	Increase
Oct. 7	1,319,090	1,014,812	1,460,738	445,920
" 14	1,300,095	989,067	1,433,788	444,721
" 21	1,200,044	916,866	1,296,165	379,299
" 31	1,841,092	1,463,482	2,157,396	693,914

Canadian Northern Railway.				
Year to date	1916	1917	1918	Increase
Sept. 30	\$26,780,400	\$30,213,000	\$32,315,400	\$2,102,400
Week ending	1916	1917	1918	Increase
Oct. 7	857,400	758,500	1,072,900	314,400
" 14	847,700	960,600	1,040,300	79,700
" 21	839,700	872,300	1,189,000	316,700
" 31	1,172,000	1,350,200	1,872,800	522,600

INSURANCE COMPANIES' VICTORY LOAN SUBSCRIPTIONS

The following insurance companies' subscriptions are announced; the list, however, is not complete.

Life Insurance Companies:

Sun Life, Montreal	\$10,000,000
Canada Life, Toronto	6,250,000
Mutual Life, Waterloo	3,000,000
Manufacturers' Life, Toronto	2,000,000
Confederation Life, Toronto	1,250,000
Imperial Life, Toronto	1,250,000
Travelers of Hartford	1,100,000
North American Life, Toronto	1,000,000
London & Lanc. Life & General Ins., Montreal	300,000
Excelsior Life, Toronto	300,000
Standard Life, Montreal	250,000
Crown Life, Toronto	160,000
Monarch Life, Winnipeg	100,000

Fire Insurance Companies:

Commercial Union, Montreal	250,000
North Brit. & Mer., Montreal	250,000
Law Union & Rock, Montreal	500,000
Royal Exchange, Montreal	125,000

Phoenix Assur. Co. of Eng., Montreal	150,000
Liverpool & London & Globe, Montreal	50,000
Liverpool Manitoba, Montreal	25,000
Phenix of Hartford, Montreal	50,000
Connecticut Fire Ins. Co.	25,000
Westchester Fire Ins. Co.	25,000
Atlas Assurance Co.	25,000
Canada Fire, Winnipeg	200,000
Mount Royal Assur. Co., Montreal	120,000
Pacific Coast, Vancouver	35,000
Century of Edinburgh	30,000

THE EXCELSIOR LIFE SUBSCRIBES \$300,000

The Excelsior Life Insurance Company of Toronto has subscribed \$300,000 of the Victory Loan, being an increase of 50% over their subscription to the previous loan and represents an amount greater than the total of the new premiums which will be received in 1918. Policyholders of the Company are thus indirectly subscribing to the Victory Loan.

The Head Office staff at Toronto has obtained an Honour Flag, 79% of the staff subscribing for Victory Bonds, amounting to 12½ per cent. of the annual payroll.

LAW UNION & ROCK INSURANCE COMPANY, LIMITED.

We are officially advised that the Company have applied for \$500,000 of the new Victory Loan.

The Home Bank of Canada



Original Charter 1854
 Branches and Connections throughout Canada
MONTREAL OFFICES:
 Transportation Bldg., St. James Street
 Hochelaga Branch:
 Cor. Davidson and Ontario Streets
 Verdun Branch:
 1318 Wellington Street

LLOYDS BANK LIMITED,

HEAD OFFICE: 71, LOMBARD ST., LONDON, E.C. 3.



CAPITAL SUBSCRIBED	\$156,521,000
CAPITAL PAID UP	25,043,360
RESERVE FUND	20,000,000
DEPOSITS, &c. (December, 1917)	873,489,725
ADVANCES, &c. do.	307,333,545

THIS BANK HAS NEARLY 900 OFFICES IN ENGLAND & WALES.
 Colonial and Foreign Department: 17, CORNHILL, LONDON, E.C. 3. London Agency of the Imperial Bank of Canada.
 The Agency of Foreign and Colonial Banks is undertaken.

FRENCH AUXILIARY:
LLOYDS BANK (FRANCE) & NATIONAL PROVINCIAL BANK (FRANCE) LIMITED.

When you have bought to the limit

Will you make it a point to impress on all those who look to you for information and financial guidance how important it is that this loan be a success, a great success?

The Financial and Commercial men in Canada should be fully posted regarding all details of the Victory Loan 1918---prepared to answer fully and correctly all questions regarding it---to spread information and enthusiasm.

Explain the security of Victory Bonds---the good rate of interest they pay, the advantage of saving and thrift to buy Bonds, and last but not least, the direct connection between this loan and our military efforts.

Don't consider that your help is of little importance. It is desired that everyone shall do his share.

It is "an action" along the entire Canadian front.

From the standpoint of our national honor, our military success and our commercial and industrial future, nothing approaches in importance the success of the Victory Loan, 1918.

**Buy Victory Bonds to the limit of
your ability--induce others to buy
to the limit of their resources**



**THE LIVERPOOL AND LONDON AND GLOBE
INSURANCE COMPANY LIMITED
CANADIAN BRANCH HEAD OFFICE - MONTREAL**

DIRECTORS:
James Carruthers, Esq. Sir Alexandre Lacoste
M. Chevalier, Esq. Sir Frederick Williams-Taylor, LL.D.
William Molson Macpherson, Esq.
J. Gardner Thompson, Manager. Lewis Laing, Assistant Manager
J. D. Simpson, Deputy Assistant Manager.



**THE LIVERPOOL - MANITOBA
ASSURANCE COMPANY**

Liability Guaranteed by THE LIVERPOOL and LONDON and GLOBE Insurance Company Limited
Head Office: Cor. Dorchester St. West and Union Ave., MONTREAL

DIRECTORS:
J. Gardner Thompson, President and Managing Director. Lewis Laing, Vice-President and Secretary.
J. D. Simpson, Assistant Secretary.
M. Chevalier, Esq. Sir Alexandre Lacoste A. G. Dent, Esq. John Emo, Esq.
J. C. Rimmer, Esq. Wm. Molson Macpherson, Esq. Sir Frederick Williams-Taylor, LL.D.

FIRE INSURANCE



**The Globe Indemnity Company
of Canada**

Liability Guaranteed by THE LIVERPOOL and LONDON and GLOBE Insurance Company Limited
Head Office: 343 Dorchester Street W., MONTREAL

CASUALTY Insurance including Accident, Sickness, Guarantee, Burglary
Employers' Liability and Automobile
== FIRE INSURANCE ==

John Emo Secretary and General Manager
Robt. Welch Assistant Manager
Lewis Laing Fire Manager
J. D. Simpson Assistant Fire Manager

DIRECTORS
J. Gardner Thompson, President. Lewis Laing, Vice-President.
M. Chevalier Wm. Molson Macpherson A. G. Dent J. D. Simpson
Sir Frederick Williams-Taylor, LL.D. Sir Alexandre Lacoste

**410 TONS OF GOLD HAVE BEEN PAID TO
POLICYHOLDERS BY
Insurance Company of North America**

THE OLDEST AMERICAN STOCK FIRE INSURANCE COMPANY

WE MAINTAIN A DEPARTMENT TO ASSIST AGENTS IN SECURING LOCAL RISKS CONTROLLED OUTSIDE. IF THERE ARE ANY SUCH RISKS IN YOUR FIELD, WRITE US ABOUT THEM. WE MAY BE ABLE TO HELP YOU. IT IS WORTH TRYING.

ROBERT HAMPSON & SON, LIMITED GENERAL AGENTS FOR CANADA **MONTREAL**

**LONDON & LANCASHIRE LIFE
AND GENERAL ASSURANCE ASSOCIATION
LIMITED**

of LONDON, ENGLAND

ESTABLISHED IN CANADA, 1865

ASSETS EXCEED \$24,500,000

DIRECTORS FOR CANADA:
A. J. DAWSON, Esq. H. B. MACKENZIE, Esq.
E. F. HERRON, Esq. E. C. PRATT, Esq.
Manager for Canada: ALEX. BISSETT

BRANCHES THROUGHOUT THE DOMINION

HEAD OFFICE FOR CANADA:
LONDON AND LANCASHIRE LIFE BUILDING
164 St. James' Street, Montreal, P.Q.

Take Your Choice

We have several good openings for General Agents, both in urban and rural districts. Keen, energetic men, looking for advancement, will find it to their interest to connect themselves with a progressive Company like The Manufacturers Life which stands foursquare on the principles of sound Life Insurance.

**THE MANUFACTURERS LIFE
INSURANCE COMPANY**

TORONTO - - - CANADA

COMPARATIVE ABSTRACT OF THE BANK STATEMENT, SEPTEMBER, 1918

(Compiled by the Chronicle).

	September 30 1918	August 31 1918	Month's Movement 1918	September 30 1917	Month's Movement 1917	Year's Movement
Assets						
Specie.....	\$ 74,684,377	\$75,222,384	-\$ 538,007	\$ 69,848,798	-\$ 1,374,430	+\$ 4,835,579
Dominion Notes.....	187,080,654	186,256,488	+ 824,166	121,691,837	+ 1,183,620	+ 65,388,817
Deposits in Central Gold Reserves.....	100,070,000	91,470,000	+ 8,600,000	64,870,000	+ 11,550,000	+ 35,200,000
Notes of other Banks.....	28,999,657	25,854,067	+ 3,145,590	19,895,554	+ 2,932,687	+ 9,104,103
Loans to other Banks in Canada.....	4,000,000	4,000,000	.....	.....	.....	+ 4,000,000
Cheques on other Banks.....	91,670,689	73,238,661	+ 18,432,028	73,965,050	+ 5,282,588	+ 17,705,639
Deposit to secure Note issues.....	5,850,615	5,845,902	+ 4,713	5,761,342	+ 4,719	+ 89,273
Deposits with and balances due from other Banks in Canada.....	5,461,514	4,846,301	+ 621,213	6,841,139	+ 1,192,622	+ 1,379,625
Due from Banks, etc., in U.K.....	8,325,560	9,108,360	- 782,500	13,841,655	- 5,899,232	+ 5,516,095
Due from Banks, etc., elsewhere.....	43,763,911	54,455,629	- 10,691,718	56,492,760	+ 6,434,589	+ 12,728,849
Dom. and Prov. Securities.....	223,313,609	179,039,711	+ 44,273,898	142,698,962	+ 215,574	+ 80,614,647
Can. Mun. Brit., For. & Col. Pub Securities.....	250,698,255	252,239,043	- 1,540,788	176,015,496	- 233,696	+ 74,682,760
Rlwy. and other Bonds and Stocks.....	55,903,534	56,190,748	- 287,214	58,894,390	+ 130,425	+ 2,990,856
Total Securities held.....	529,915,398	487,469,502	+ 42,445,896	377,608,848	+ 112,303	+ 152,306,550
Call Loans in Canada.....	74,137,860	73,509,571	+ 628,289	72,421,187	+ 1,216,836	+ 1,716,673
Call Loans outside Canada.....	159,680,810	166,544,990	- 864,180	166,480,004	- 12,130,621	+ 6,799,194
Total Call and Short Loans.....	233,818,670	234,054,561	- 235,891	238,901,191	- 10,913,785	+ 5,082,521
Current Loans and Discounts in Canada.....	942,802,018	920,775,269	+ 22,026,749	855,306,953	+ 18,877,283	+ 87,495,065
Current Loans and Discounts outside Canada.....	109,850,161	101,551,546	+ 8,298,615	87,265,325	+ 182,478	+ 22,584,836
Total Current Loans and Discounts.....	1,052,652,179	1,022,326,815	+ 30,325,364	942,572,278	+ 19,059,761	+ 110,079,901
Loans to Dominion Government.....	.....	.....	.....	1,790,151	+ 182,388	+ 1,790,151
Loans to Provincial Governments.....	3,099,312	3,107,083	- 7,771	5,430,535	+ 419,307	+ 2,331,223
Loans to Cities, Towns, etc.....	47,977,472	56,662,931	- 8,685,459	42,721,563	+ 1,228,613	+ 5,255,990
Bank Premises.....	53,268,468	53,333,467	- 64,999	51,188,669	+ 463,357	+ 2,079,799
Total Assets	2,507,714,981	2,423,466,887	+ 84,248,094	2,126,571,342	+ 30,180,680	+ 381,143,639
Liabilities						
Notes in Circulation.....	211,623,856	200,839,660	+ 10,784,196	177,589,268	+ 21,138,611	+ 34,034,588
Due to Dominion Government.....	97,328,077	85,393,676	+ 11,934,401	19,888,938	+ 5,382,777	+ 77,439,139
Due to Provincial Governments.....	20,216,474	22,037,448	- 1,820,974	21,392,853	+ 145,795	+ 1,176,379
Deposits in Canada, payable on demand.....	588,940,119	554,906,517	+ 34,033,602	451,749,532	+ 11,754,273	+ 137,190,587
Deposits in Canada, payable after notice.....	1,037,408,020	1,014,711,865	+ 22,786,155	965,393,541	+ 12,801,720	+ 72,104,479
Total Deposits of Public in Canada.....	1,626,438,139	1,569,618,382	+ 56,819,757	1,417,143,073	+ 24,555,892	+ 209,295,066
Deposits elsewhere than in Canada.....	217,486,568	220,124,417	- 2,637,849	180,535,043	+ 6,116,610	+ 36,951,525
Total Deposits other than Govt.....	1,843,924,707	1,789,742,799	+ 54,181,908	1,597,678,116	+ 18,439,283	+ 246,246,591
Deposits and Bal., other Can. Bks.....	10,072,133	8,406,023	+ 666,110	10,408,394	+ 2,016,519	+ 336,261
Due to Bks. and Correspts. in U.K.....	6,122,571	3,757,405	+ 2,365,166	2,860,387	+ 221,637	+ 3,262,784
Due to Banks & Correspts. elsewhere.....	26,674,357	26,778,640	- 104,283	21,030,174	+ 448,791	+ 5,644,183
Total Liabilities	2,248,965,343	2,166,483,583	+ 79,481,760	1,876,390,291	+ 228,613,543	+ 372,575,052
Capital, etc.						
Capital paid up.....	111,453,477	111,451,963	+ 1,514	111,666,656	+ 2,507	+ 213,179
Resal.....	114,142,333	114,141,248	+ 1,085	113,517,153	+ 2,050	+ 625,180
Loans to Directors and their Firms.....	7,227,344	7,544,298	- 317,154	8,367,365	+ 476,237	+ 1,140,021
Greatest Circulation in Month.....	213,066,909	202,489,039	+ 10,577,870	178,139,958	+ 15,443,919	+ 34,926,951

SOLDIERS' INSURANCE.

Toronto Ratepayers to Answer a Series of Questions.

At the request of the Toronto Board of Control, the city treasurer and the city solicitor have drawn up a series of questions which may be submitted to the ratepayers at the next municipal elections on the subject of soldiers' insurance. According to a resolution of the City Council passed in December last, insurance is now paid to (a) widows and children of the deceased wherever resident, (b) parents, or those acting as parents, only if resident in Toronto. The questions drawn up by the officials for an enlargement of these payments are as follows:

"Are you in favor of the city paying \$1,000 on the death of each soldier who was a resident of the city and enlisted before the Military Service Act came into effect:

(a) To his parents not residing in the city?
(b) To his brothers and sisters residing in the city?

(c) To his brothers and sisters not residing in the city?"

The idea is that the elector could answer each question separately. If each was answered in the affirmative by a majority of the voters, the city would have to pay an additional \$300,000, or half a mill of taxes, for claims already incurred, and would, of course, be under still further expense for future claims.

Aldermen who were shown the foregoing questions criticized them on the ground that electors might infer that more than one party or class is to receive \$1,000 for a single death; that they do not specify the length of residence before enlisting which would be a qualification, and that they do not state what dependents are already receiving insurance.

Commercial Union

ASSURANCE COMPANY LIMITED
of LONDON, England

The largest general Insurance Company in the world
(As at 31st December, 1917)

Capital Fully Subscribed.....	\$14,750,000
Capital Paid Up.....	1,475,000
Life Fund, and Special Trust Funds.....	73,045,450
Total Annual Income exceeds.....	57,000,000
Total Funds exceed.....	159,000,000
Total Fire Losses Paid.....	204,667,570
Deposit with Dominion Government.....	1,323,333

Palatine

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December, 1917)

Capital Fully Paid.....	\$1,000,000
Fire Premiums 1917, Net.....	\$2,896,395
Interest, Net.....	142,130
Total Income.....	\$3,038,525
Funds.....	\$5,476,985
Deposit with Dominion Gov't....	\$318,267

N.B.—In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$159,000,000.

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

COMMERCIAL UNION BUILDING, - 232-236 St. James Street, - MONTREAL

J. McGREGOR, Manager

W. S. JOPLING, Assistant Manager

Head Office for Canada: TORONTO



Assets Exceed \$65,000,000

Eagle Star

AND

British Dominions Insurance Company Limited

Of London, England

J. H. RIDDEL, Manager E. C. G. JOHNSON, Asst. Manager

DALE & COMPANY, LIMITED

GENERAL AGENTS

MONTREAL AND TORONTO

Head Office for Canada TORONTO



Security over \$65,000,000

The **BRITISH CROWN**

Assurance Corporation Limited
Of Glasgow, Scotland

Guaranteed by Eagle, Star and British Dominions Insurance Company, Limited, of London, England

J. H. RIDDEL, Manager E. C. G. JOHNSON, Asst. Manager

JOSEPH ROWAT, General Agent

LEWIS BUILDING - - - - - MONTREAL

C. R. G. JOHNSON, POIRIER & JENNINGS, INC.

AGENTS

INSURANCE

BROKERS

AFRA INSURANCE CO. OF HARTFORD
SE. PAUL FIRE & MARINE INSURANCE CO.
BRITISH TRADERS INSURANCE CO. LIMITED

11 ST. SACRAMENT STREET
MONTREAL, P.Q.

CANADIAN BANKING PRACTICE

THIRD EDITION

QUESTIONS ON CUSTOM AND USAGE AND LAW. Published under the Auspices of the Canadian Bankers' Association (Compiled by John T. P. Knight)

ON SALE AT THE CHRONICLE OFFICE

10 ST. JOHN STREET, MONTREAL.

BRITISH OAK INSURANCE COMPANY.

In view of the fact that the British Oak Insurance Company, of London, England, may some day enter the Canadian field, where its general manager, Mr. Bingham, is well known, the following comments by The Policy Holder are interesting:

The British Oak Insurance Company should prove an important and permanent factor in the insurance world, for it commences with powerful interests to support it, apart from the fact that a subscribed capital of £\$1,000,000, with £250,000 paid up, disposes of all doubts as to its financial standing. It is transacting fire, marine, accident, employers' liability, and all the usual classes of business known as "general." We hear that a good start has been made by the investment of \$200,000 in National War Bonds.

Mr. H. B. F. Bingham, the manager, joins the company with the prestige of an old official of the Phoenix Assurance Company. For a number of years he has been assistant manager of the life department at the Fleet Street branch, having previously acted as life superintendent for Canada. He is in his ninth lustrum. To-day he has the ball at his feet, and we believe he will make the most of the opportunity.

Mr. J. E. Newark remains with the company as fire and accident superintendent.

The Board of the British Oak in the past has been identical with that of Messrs. Spiller and Baker, but now it is modified to a few of the members, viz.: Messrs. Wm. Edgar Nicholls (chairman), Walter Allen, Wm. Spiller Allen, Edgar A. V. Baker, and H. B. G. Morgan.

We understand a special feature of a fire prospectus now being issued by the British Oak is that a bonus of one year's premium is allowed after seven premiums have been paid and where no claim has arisen during that period upon such risks as private dwelling houses, churches, chapels, banks, offices, schools, hospitals, libraries and public buildings. The insurance of rent for which the policyholder is responsible, limited to one year, is included free of charge. Attractive commission terms are also set out, a profit-sharing scheme for agents being one way in which the management aims at securing loyalty and support.

Clearly, Mr. Bingham and the Board are not afraid of novel schemes and ideas.

MARINE BROKER LIABLE FOR PREMIUM.

In the case of the Globe & Rutgers Fire Insurance Company against Isaac C. Bunnell, an insurance broker, of 67 Wall Street, New York, an interesting point has just been decided by Judge William F. Moore in the Municipal Court, First District. The broker was sued for the full amount of two premiums on insurance certificates covering war and marine risks in the sum of \$25,000. The evidence upon the trial went to prove that the broker applied for the insurance on a cargo aboard the schooner Albert W. Robinson, stating that he was authorized by his principal, T. E. Reeve, an

export factor, to do so. It was, however, proven to the satisfaction of the court that the broker never received such an order from Mr. Reeve. Judgment was given against Bunnell for the full amount, which with costs and interest was \$738.63. It was urged at the trial on behalf of the insurance company that it was entitled to the full premiums from the broker, there being in fact no assured. It was shown that after the company, in good faith, accepted the lines from the defendant, it closed its books on this schooner, as its limit had been reserved.

The rule of law urged by the insurance company through its attorney, Charles Fischer, 1 Liberty Street, New York City, and which he contended is sustained by a leading court of appeals case in this State, and which was evidently accepted by the judge who presided, is as follows: "When one holds himself out as being duly authorized to act as the agent for another and thereupon does something which causes damage to a third party, the unauthorized agent will himself be held liable for any damages sustained by the innocent third person who relied upon the authority of the alleged agent." In this case the court held the broker personally liable for the full premium on the war and marine insurance which he caused the Globe & Rutgers, Fire Insurance Company to issue in the name of T. E. Reeve, who himself was a witness at the trial and testified that he never knew Bunnell or directly or indirectly gave him any order to place any insurance, and that it was not until the broker had caused the certificates to be issued did he meet Bunnell, who called at his office and asked him to certify to the Globe & Rutgers Fire Insurance Company in writing that he had no insurable interest aboard the schooner "Robinson." This, Mr. Reeve stated, he refused to do because as a matter of fact he did have a cargo on board the schooner "Robinson," but had procured the insurance thereon himself.

The foregoing decision is of very great importance to marine underwriters and will have the attention of insurance brokers, for it stands for the proposition that an agent who attempts to order insurance coverage without being duly authorized from the assured can be called upon himself to pay the premium. The Globe & Rutgers Fire Insurance Company is to be congratulated upon the excellent service it has rendered the insurance world by carrying this case to court at an expense perhaps greater than the amount involved in the premium. It is regarded as certain that the above decision will benefit the legitimate insurance broker who has found it difficult to place a legitimate risk because some unauthorized broker has closed the line, in the hopes of having the assured mentioned in the policy accept the same. It will be recalled that early this year Superintendent of Insurance Jesse S. Phillips held lengthy hearings on this subject, uncovering much abuse along this line, and as a result introduced legislation to check it by placing brokers handling marine insurance lines under a special broker's license law.

—Journal of Commerce New York.

The Trust and Loan Co.

OF CANADA

Capital Subscribed	\$14,000,000.00
Paid-up Capital	2,920,000.00
Reserve Funds	2,783,596.38

MONEY TO LOAN ON REAL ESTATE

30 St. James Street, Montreal

CANADA PERMANENT MORTGAGE CORPORATION

TORONTO STREET :: :: TORONTO

Established 1885

President - W. G. GOODERHAM
 First Vice-President Second Vice-President
 W. D. MATTHEWS R. S. HUDSON
 Joint General Managers
 R. S. HUDSON JOHN MASSEY
 Assistant General Manager
 GEORGE H. SMITH

Paid-up Capital	\$6,000,000.00
Reserve Fund (earned)	5,250,000.00
Unappropriated Profits	197,977.41

Capital and Surplus

\$11,447,977.41

DEPOSITS RECEIVED

in sums of one dollar and upwards and interest allowed compounded half-yearly.

A TRUSTEE INVESTMENT

The Bonds issued by this Corporation are a high-class security in which Executors and Trustees are authorized by law to invest Trust Funds. Enquire about them.

Prudential Trust Company

LIMITED

<p>Head Office 9 St. John St., Montreal</p>	<p>Trustee for Bondholders Transfer Agent & Registrar Administrator Receiver Executor Liquidator Guardian Assignee Trustee Custodian Real Estate and Insurance Departments Insurance of every kind placed at lowest possible rates.</p>	<p>Safety Deposit Vaults Terms Ex- ceptionally moderate. Correspond- ence invited</p>
---	--	---

B. HAL. BROWN, President and Gen. Manager

"I Wish I Had Taken Twice as Much!"

Nothing is more often repeated in letters received at our office than the expression "I wish I had taken twice as much insurance while I was about it." When endowments, dividends or cash settlements are paid, the assured very often acknowledges the remittance with that remark. The truth is very few men take as much life insurance as they can reasonably carry—and repentance often comes when additional insurance is not procurable. Probably every reader of this paper believes in life insurance and carries more or less of it, but one should ask himself the question, **AM I CARRYING AS MUCH INSURANCE AS I CAN AFFORD?** If the policyholders who are now entering the company could read the evidence of gratified policyholders and beneficiaries, they would make a great effort to increase the amount applied for—and existing policyholders would double the amount of their protection. "One word more"—What income would your present insurance yield the beneficiary at say 6%?

The Mutual Life Assurance Co. of Canada
WATERLOO, ONTARIO

The LIFE AGENTS' MANUAL

THE CHRONICLE - - MONTREAL

Western

Assurance Company

Incorporated in 1851

FIRE, MARINE, EXPLOSION AND AUTOMOBILE INSURANCE

ASSETS	over	\$6,000,000.00
--------	------	----------------

LOSSES paid since organization
of Company . . . over **\$70,000,000.00**

DIRECTORS

W. B. MEIKLE, President and General Manager Sir John Aird Robt. Bickerdike, (Montreal) Lt. Col. Henry Brock Alfred Cooper, (London, Eng.) H. C. Cox John H. Fulton, (New York) D. B. Hanna E. Hay	Z. A. Lash, K. C., LL. D. Geo. A. Morrow, O. B. E. Lt. Col. The Hon. Frederic Nicholls Brig.-General Sir Henry Pellatt, C. V. O. E. R. Wood
---	---

HEAD OFFICE - TORONTO

A BRITISH COMPANY

Union Insurance Society of Canton, Limited

ESTABLISHED 1825

Head Office: HONGKONG Assets over \$18,000,000

TOTAL ASSETS—Union and Allied Companies, \$30,000,000

FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 36 Toronto Street, TORONTO

General Agent Montreal, JOSEPH ROWAT Manager for Canada, C. R. DRAYTON

CANADA'S FIRE WASTE.

Canada's annual fire waste is \$2.73 for every man, woman, and child, and is larger than that of any other civilised country in the world, according to an exhaustive report by the Commission of Conservation on fire waste in Canada. This enormous waste, the Commission asserts, is sapping the economic vitality of the country, and the immediate adoption of compulsory fire-prevention measures is necessary. The investigation also revealed the fact that the expense of conducting fire insurance in Canada is unduly high, and that there are grave abuses inherent in the present agency system.

The Commission says that 70 per cent. of the fires in Canada are caused by carelessness, faulty building construction, arson and lack of fire prevention laws, such laws as exist being but poorly enforced. Canadian fire departments are declared the best in the world, but they are not preventing a steady growth of fire losses. In dealing with the remedy for present conditions, the Commission says that compulsory legislation, making individuals responsible for their own careless acts, is imperative.

"The root evil of the insurance business, and one of the greatest factors in the excessive fire waste in Canada, is undoubtedly the method of compensating agents solely on a commission basis," the report declares. The careless agent is paid equally well with the careful agent. This tends to over-insurance, carelessness in the use and care of property, and arson, all of which cause a heavier fire waste. The remedy for this, the Commission states, is a profit-sharing commission for agents whereby those who write good risks would be more highly remunerated than those who write bad ones.

CONSUMPTION OF ALCOHOL.

A paper, "Note on Mortality by Habits Representation," read by Percy H. Evans at the meeting in Montreal of the Actuarial Society of America, contained a table of the experience of the Northwestern Mutual Life, covering 286,392 policies issued 1885 to 1900, inclusive. During this period the policies contained not only a warranty but a so-called "temperance clause" providing that if the insured became habitually intemperate, or so far intemperate as to induce delirium tremens, the company might cancel the policy during the insured's lifetime. From December 1, 1889, to August 1, 1900, the restriction was limited to five years. This clause and the knowledge of competing agents as to the company's strictness, he said, doubtless explains the relatively large proportion (95 per cent.) classed as abstainer and moderate users.

Rate of Alcohol Consumption.

Mr. Evans asserted that there is a notion extant that as the rate of alcohol consumption increases there follows an increasing tendency exclusive of any conscious misrepresentation, to underestimate the amount. If so, he declared, the fact must be considered in interpreting statistics on

the subject since the farther we go from the abstainer class the greater is the element of misrepresentation and the less accurately do the classifications represent the facts. A relatively bad result in the group approximating the company's limit of allowable consumption does not necessarily prove that such limit is too high, but may indicate that the inevitable percentage of excessive drinkers accepted has been unequally distributed, to the detriment of the unsatisfactory class in question. "Excessive drinkers," he said, "rarely claim to be abstainers, hence, it is submitted, the higher mortality among temperate users may be due to an infusion of risks impaired by habits and not to the absolute effect of alcohol in definite quantities within the company's limit."

Difference is Important.

Referring to the fact that it is commonly assumed that the consumption of alcohol among those who use it at all tends to increase with age, Mr. Evans stated: "It would perhaps be more accurate to say that the individual rate of consumption is extremely variable. In this particular the use of alcohol differs from other consumption habits and the difference is important. Among those who are free users at the younger ages the individuals who become excessive drinkers find an offset in those who, with the maturity of their intelligence, materially reduce or eliminate their indulgence. On the other hand, free users observed in the middle ages possibly include a larger proportion of cases that graduate into the excessive class and a smaller proportion whose habits improve. The outstanding consideration is the instability of this habit in consequence of which a classification based on representations made at the time of application can tell us very little of the influence of a given alcohol consumption on longevity. The general reader must, therefore, be warned that nothing better than broad inferences concerning the effects of alcohol can be drawn from data based on original applications where the subsequent histories have not been traced and periodical reclassification made on some significant basis."

WESTERN AND BRITISH AMERICA INSURANCE COMPANIES SUBSCRIBE \$500,000.

The Western and British America Insurance Companies have subscribed half a million dollars (\$250,000 each) to the new Victory Loan. This makes a total of \$965,000 that has been taken in Victory Loans by these two oldest Canadian fire companies.

PERSONALS.

Mr. H. N. DeWitt, of Armstrong & DeWitt, the well-known insurance agency, Toronto, has returned from a trip to New York.

Mr. F. J. J. Stark, general manager of the Dominion Gresham Guarantee and Casualty Company, was a visitor in the insurance district of New York, last week.

Seventy-Five Years Ago

On the first of February, 1843, The Mutual Life of New York issued the first mathematical reserve policy ever written by an American company.

Having completed its 75th fiscal year on the 31st December, 1917, the Company enters upon the new year with a justifiable pride in its impregnable strength, its unsurpassed policy contracts, its generous dividends, and its great body of well-satisfied policyholders.

THE OLDEST COMPANY IN AMERICA IS
THE COMPANY FOR YOU.

For terms to producing agents address

**THE MUTUAL LIFE
INSURANCE COMPANY
OF NEW YORK**

34 Nassau Street - - - New York City

THE
**London Assurance
CORPORATION**
OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1720

CAPITAL PAID UP - - - - - \$ 2,241,375
TOTAL ASSETS EXCEED - - - - - 36,000,000

Head Office for Canada - MONTREAL
W. KENNEDY, W. B. COLLEY, Joint Managers.

**THE PROVIDENT
ASSURANCE COMPANY**

All lines of
**Accidents, Sickness,
Liability, Guarantee and
Automobile Insurance**

Head Office
189 St. James St. - - Montreal
REPRESENTATIVES WANTED FOR ONTARIO AND
MARITIME PROVINCES

**ATLAS
ASSURANCE COMPANY LIMITED**

Founded in the Reign of George III

Subscribed Capital - - - \$ 11,000,000
Capital Paid Up - - - - - 1,320,000
Additional Funds - - - - - 22,141,355

The Company enjoys the highest reputation for prompt and liberal settlement of claims and will be glad to receive applications for agencies from gentlemen in a position to introduce business.

Head Office for Canada:
260 St. James St., MONTREAL
MATTHEW C. HINSHAW, Branch Manager

Established 1886
Queensland Insurance Co. Limited
of Sydney, N. S. W.

Capital Paid Up \$1,250,000 Assets \$3,185,605

Agents Wanted in Unrepresented Districts.

Managers for Canada:
Montreal Agencies Limited, Montreal



Assets:
\$22,022,227.19

Surplus:
\$7,426,114.26

Canadian Head Office:
MONTREAL.
J. W. HINNIE, Manager

**L'UNION
FIRE INSURANCE COMPANY, Limited**

Established 1838 Head Office: PARIS, France.
Capital fully subscribed \$2,000,000.00
25 p. c. paid-up
Fire and General Reserve Funds 5,949,000.00
Available Balance from Profit
and Loss Account 113,266.84
Net Premiums in 1917 6,136,055.28
Total Losses paid to 31 Dec.,
1917 104,117,000.00

Canadian Branch:
LEWIS BUILDING, 17 St. John St, MONTREAL
Manager for Canada: MAURICE FERRAND.

NOTICE

In accordance with the Dominion Insurance Act, 1917, notice is hereby given that The Fire Insurance Company of Canada has received License No. 755 for the transaction of Fire Insurance.

J. E. CLEMENT,
Vice-President and Managing Director

WANTED

Position in a good tariff Fire Company, four years' experience—both languages. Address:
G. A. B.,
360 Prefontaine St.
Montreal.

WANTED

Position in a Fire Insurance Office by a young lady having three years' experience in Fire Insurance. Thoroughly conversant with both languages and a typist. Best of References.
Address: A.B.C.

c/o The Chronicle,
Montreal.

WANTED

By British Fire Insurance Company, an experienced Clerk, suitable for position of Junior Inspector. Address:

JUNIOR INSPECTOR,
c/o The Chronicle,
Montreal.

CANCELLATION OF FIRE POLICY BY SUBSTITUTION.

When a fire insurance company orders a policy cancelled, the strict legal steps to effectuate such cancellation by notice to the insured and return of the unearned premium are not always taken by the company's agent; he usually presumes that the insured desires him to replace the cancelled policy and does so without any express instruction to this effect. Such a transaction often gives rise to the question as to which company was on the risk at the time of the loss. Just such a case as this was tried in the Supreme Court between the Synthetic Chemical Company and the Ohio Farmers Insurance Company. The court held that there was an effective cancellation and dismissed the suit of the Synthetic Chemical Company. On appeal to the Appellate Division of the Second Department, the lower court's judgment was followed and a decision has just been rendered sustaining the lower court in its dismissal of the complaint. The facts of the case are as follows, as reported by the New York Journal of Commerce:

William G. Bedle was the agent for several fire insurance companies at Matawan, N.J., including the Ohio Farmers and the Allemannia. On May 6, 1916, he issued a policy of the Ohio Farmers for \$5,000 covering the Synthetic Chemical Company at Matawan. On May 12 he was notified by that company to cancel his policy, since it already had a line on the risk. On May 20 Bedle wrote to the Synthetic enclosing a policy of the Allemannia to replace the cancelled policy of the Ohio Farmers and transferred the premium on his books from the Ohio Farmers' account to the Allemannia account. The insured did not acknowledge receipt of this policy until after the total loss which occurred on June 15.

The day after the loss Bedle met the president of the Synthetic and reminded him of the fact that he had not yet returned the Ohio Farmers' policy which had been cancelled, and the insured stated that this was due to an oversight and that it would be returned immediately. In conformity with this promise, on June 16, the day after the fire, the insured mailed back to Bedle the cancelled policy and gave notice and made proofs of loss under the Allemannia policy, but gave no notice and made no proofs to the Ohio Farmers. Later, the Synthetic Chemical Company brought suit against the Ohio Farmers upon this cancelled policy. This is the action above referred to.

Upon the above showing of facts, Justice Cropsey of the Supreme Court dismissed the Synthetic's complaint at the close of its case upon the ground that the policy had been cancelled prior to the fire. The action of the Synthetic in returning the cancelled policy on the day after the fire was held conclusive upon the question of its election to receive in lieu thereof the policy of the Allemannia sent to it on May 20.

It was agreed at the trial that there was no communication between the insured and the agent of the company between May 20, the date of the substitution of the policy and June 15, the date of the fire. If the insured had not returned the cancelled policy after the fire, there might have been some slight question as to its election to accept the policy of the Allemannia and, therefore, as to the validity of the cancellation of the Ohio Farmers' policy. In this event, however, the failure of the insured to object to the substitution for such a long time would have been evidence of its acquiescence in the substitution.

Apart from the fact that the evidence showed a clear acceptance by the insured of the substituted policy, the decision is important for another reason. It was shown that Bedle, the agent of the company, had been empowered by the insured to procure insurance for it to a stated amount and that such authority given to the agent by the insured would seem to include the authority to accept notice of cancellation of one policy and to accept another in lieu thereof, although ordinarily after a broker has delivered a policy to the insured he has no power to receive a notice of cancellation. William Otis Badger, Jr., and Joseph Thurlow Weed appeared for the Ohio Farmers Insurance Company, and Joseph O. Skinner and Arthur C. Mandel appeared for the Synthetic Chemical Company.



Security - - \$36,000,000

ONTARIO AND NORTH WEST BRANCH
14 Richmond Street, East, TORONTO

PROVINCE OF QUEBEC BRANCH
184 St. James St., Cor. St. John St., MONTREAL



PERSONAL ACCIDENT
SICKNESS
FIDELITY GUARANTEE

PLATE GLASS
AUTOMOBILE
GENERAL LIABILITY

Head Office: TORONTO.
Montreal, 164 St. James Street. Quebec, 81 St. Peter Street.

Mount Royal Assurance Company

SURPLUS AND RESERVES, \$970,499 TOTAL FUNDS, \$1,199,903

TOTAL LOSSES PAID \$2,224,512

Applications for Agencies Invited

HEAD OFFICE - - - MONTREAL

P. J. PERRIN and J. R. MACDONALD, - - - Joint Managers

Ætna Insurance Company

Established in Canada 1821

Ætna Fire Underwriters Agency

Of Ætna Insurance Co., Hartford, Conn.

Applications for Agencies Invited.

J. B. HUGHES, Special Agent, WATERLOO, Ont.
J. E. STEWART, Special Agent, 26 Toronto Street,
TORONTO, Ont.

R. LONG, Special Agent, 21 Canada Life Bldg., CALGARY, Alta.

Union Assurance Society, Ltd.

OF LONDON, ENGLAND
(Fire Insurance since A.D. 1714)

CANADA BRANCH, MONTREAL
T. L. MORRISSEY, Resident Manager.
NORTH WEST BRANCH, WINNIPEG
THOS. BRUCE, Branch Manager.

Agencies throughout the Dominion.

EXCELSIOR

INSURANCE LIFE COMPANY
A Strong Canadian Company

J. J. Roblehaud, Provincial Inspector.
MONTREAL TRUST BUILDING, 11 Place d'Armes, MONTREAL

The Law Union & Rock

INSURANCE CO. LIMITED, LONDON. Founded in 1896

Assets Exceed - \$48,500,000.00

Over \$12,500,000 invested in Canada.

FIRE and ACCIDENT RISKS accepted.

Canadian Head Office: 57 Beaver Hall Hill,
MONTREAL

Agents wanted in unrepresented towns in Canada.

W. D. AIKEN, Superintendent,
Accident Dept.

{ J. E. E. DICKSON
Canadian Manager.

INSURANCE SALESMEN, ATTENTION!

We have one or two choice vacancies in Western Ontario awaiting District Managers. for men of character and ability. If you are a productive worker, and would like to improve your position, write, stating experience, etc., to

H. A. KENTY, Superintendent of Agencies,

THE CONTINENTAL LIFE INSURANCE CO.

GEORGE B. WOODS, President.

TORONTO, Ont.

CHAS. H. FULLER, Secretary.

NORTHERN ASSURANCE CO., LIMITED.

The Northern Assurance Company, Limited, has entered into an agreement to acquire the shares of the Tasmania Insurance Company, Limited, a local office with a subscribed capital of £27,000, which has been transacting fire business in Tasmania during the last few years.

CANADIAN FIRE RECORD.

Fire at Montreal.—On the 4th instant, a fire broke out in the Montreal Abattoirs plant on Iberville street, Montreal. We understand the building (known as the Liming Department) containing bones and skins together with machinery was totally destroyed, entailing a probable loss of about \$70,000, fully covered. The fire is stated to have been caused by combustion. The alarm was given by the automatic sprinkler.

Fire at Montreal.—On the 4th instant, a fire broke out on the premises of L. O. Grothe, Henri Julien street, Montreal (cigar factory), entailing an insurance loss of about \$9,000.

Fire at Montreal.—On the 4th instant, a fire destroyed a vacant building, 410 Parthenais street, the property of Gurtin & Bonehard, sash factory. The place had been unoccupied for over a year.

Fire at Montreal.—On the 6th instant, a fire broke out in the St. Viateur R. C. Church, Bloomfield ave., Outremont. Loss about \$1,500

EAGLE STAR AND BRITISH DOMINIONS

To Absorb the English & Scottish Law Life Assurance Association.

The announcement was made last month of a provisional amalgamation agreement between the above mentioned companies. When the proposed fusion is complete the following will be the approximate financial position of the amalgamated company:

Subscribed capital	\$13,254,705
Paid-up capital	3,727,060
Total assets	83,059,805
Total premium income	18,327,920

The English and Scottish Law Life Assurance Association was established in 1839 with a subscribed capital of \$5,000,000.

Referring to the taking over by The Eagle Star and British Dominions of the above company, our contemporary, The Insurance News, says:

There is a halo of romance about the history of the English and Scottish Law. It was one of the many life offices which sprang from the brain of Edward Baylis, a talented but impracticable visionary, father of a no less unbalanced schemer, Thomas Hutchinson Baylis, the two together forming the most remarkable pair of "promoters" the insurance world has ever seen. The elder Baylis was born in 1791, and was at one time a clerk in

the Alliance. Between 1838 and 1854 he founded the following life offices, the Victoria, 1838; the English & Scottish Law, 1839; the Anchor, 1842; the Candidate, 1843; the Professional, 1847; the Trafalgar, 1851; the Waterloo, 1852; and the British Nation, 1854. To many of these he acted as manager and actuary, and in all of them, as Mr. Walford tells us, he expected to realize results which unceasing competition made impossible. Both shareholders and policyholders were promised extravagant advantages which they never enjoyed.

Every one of these offices perished years ago, with the single exception of the English and Scottish Law, and it has been rather cynically said that the survivance of that one company was due to the early exit of its founder. Thus rescued it has pursued for nearly four score years a useful and successful career. It now meets with a more dignified and honorable fate, and although its name and identity must ultimately become a thing of the past, its organization and influence will remain, adding new scope and new power to the Eagle Star and British Dominions. Such are the mutations and transformations of this changeable world! The individual withers and the world is more and more.

INSURANCE AFTER FIRE STARTED.

Complications are promised as a result of the placing of a large amount of insurance by the Cloquet Lumber Company on the day the plant was burned by the Minnesota forest fires. While the fire was raging some distance away, the Cloquet Company ordered \$175,000 of additional insurance on its plant. The entire amount was bound through agencies at Cloquet and Duluth, a part of it in inter-insurance concerns. Although the fire was then many miles away, it reached Cloquet and burned the lumber yards that evening, and the problem now is to determine whether it was all part of the same fire.

A similar question arose about three years ago when the Alger-Smith Lumber Company, at Duluth, ordered between \$40,000 and \$50,000 of additional insurance, it developing later that fire had already started in its yards. Most of the companies compromised the case, but the Phoenix of London stood trial, and the jury found that it was not liable. It also developed that just before the fire reached Cloquet several property-owners telephoned the agencies in Duluth which were in the habit of writing their insurance, and asked for additional insurance, but were refused it, the news of the approaching forest fires having already reached Duluth.

The State Forester of Minnesota believes that the forest fires were started by sparks from the engine of the Soo Line. If any responsibility can be so fixed, the insurance companies will take subrogation for the insurance claims paid and seek to collect from the railroad. The situation is complicated, however, by the fact that the railroad is operated by the Government.

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1833

Fire, Marine, Hail and Automobile Insurance

HEAD OFFICE: TORONTO

Old	Reliable	Progressive
Assets over	- - -	\$3,500,000.00
Losses paid since organization over	- - -	\$43,000,000.00

DIRECTORS:

W. B. MEKLE, President

SIR JOHN AIRD
ROBT. BICKERDIKE, Montreal
LT.-COL. HENRY BROCK
ALFRED COOPER, London, Eng.
H. C. COX
JOHN H. FULTON, New York
E. HAY
JOHN HOSKIN, K.C., LL.D.

D. B. HANNA
Z. A. LASH, K.C., LL.D.
GEO. A. MORROW, O.B.E.
LT.-COL. THE HON. FREDERIC NICHOLS
BRIG.-GEN. SIR HENRY PELLATT, C.V.O.
E. R. WOOD

W. B. MEKLE **JOHN SIME** **E. F. GARROW**
Pres. and Gen. Man. Asst. Gen. Man. Secretary

THOMAS F. DOBBIN, Resident Manager
MONTREAL

NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST

**Fire, Accident and Sickness
Employers' Liability
Automobile, Plate Glass**

AGENTS WANTED FOR THE ACCIDENT BRANCH.

Head Office for Canada, - - TORONTO
Head Office for Province of Quebec, MONTREAL
P. A. TASKER, Branch Manager.

FOUNDED A. D. 1819

THE PHENIX FIRE INSURANCE COMPANY OF PARIS, FRANCE

SURPLUS TO POLICYHOLDERS, \$5,528,500

THOMAS F. DOBBIN, Manager for Canada.
EDMUND FOSTER, Superintendent of Agencies.

Lewis Building, St. John Street, - MONTREAL
Applications for Agencies Invited.

THE NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE

SUBSCRIBED CAPITAL.....	\$1,000,000
TOTAL FUNDS.....	7,481,330
NET SURPLUS.....	1,867,377

J. E. Clement, General Manager
J. A. Blondeau, Asst. Manager L. C. Valle, Inspector

First British Insurance Office Established in Canada, 1804

INTENDING ASSURERS

Should read the "THREE MINUTES" Leaflet

of the

PHOENIX ASSURANCE COMPANY, Limited
OF LONDON, ENGLAND (Founded 1782)

Copies of this and full information regarding the Company's system, its equitable principles and liberal policies, may be obtained at the Head Office,

100 St. Francois-Xavier Street, Montreal

The Company offers to the Public every advantage which

LIFE ASSURANCE

conducted under the most favourable conditions is capable of affording:

At the BONUS DIVISION for the five years ending 31st DECEMBER, 1915

A UNIFORM ADDITION of \$75 per \$1,000 was declared on all classes of Full-Bonus Policies, at the rate of \$15 per \$1,000 assured in respect of each full annual premium paid since 1st January, 1911. This bonus applies to new as well as existing policies.

R. MacD. PATERSON, } Joint
J. B. PATERSON, } Managers

Agents Wanted

ESTABLISHED 1864.

New York Underwriters Agency

A. & J. H. STODDART
REGISTERED

100 William Street - New York

Provincial Agents

MURPHY, LOVE, HAMILTON & BARCOM,
Toronto, Ont.
OSLER, HAMMOND & NANTON,
Winnipeg, Man.
ALFRED J. BELL & Co.
Halifax, N.S.

JOHN WM. MOLSON & ROBERT Y. HUNTER
Montreal, Que.
WHITES & CALKIN
St. John, N.B.
AYRE & SONS, LTD.
St. Johns, Nfld.

T. D. RICHARDSON, Supt. for Canada
TORONTO

Founded A. D. 1710

SUN INSURANCE OFFICE

Head Office: Threadneedle St., London, Eng.

THE OLDEST INSURANCE OFFICE IN THE WORLD

Canadian Branch:
15 Wellington St. East
TORONTO, Ont.

LYMAN ROOT
Manager