

# The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

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## THE GENERAL FINANCIAL SITUATION

Mr. T. B. Macauley is an authority on life insurance. But we are not convinced that his diagnosis of the exchange situation, published in a newspaper a few days ago, can be accepted as an entirely satisfactory guide to the present position. Mr. Macauley is an ardent Imperialist, as every one knows, and his statement has the disadvantage of all special pleading. His aim is admirable, but the achievement of it would not put sterling exchange at a parity in New York, without the intervention and aid of other vital factors, which Mr. Macauley has entirely overlooked. Moreover, like some other ardent Imperialists, Mr. Macauley colours his canvas as regard conditions in the mother country, somewhat too gloomily. The present position of sterling exchange in New York is not, as Mr. Macauley suggests, merely the result of the fact that British purchases from the United States have been recently in excess of British exports to the United States. As a matter of fact, the trade balance between the two countries has been in favour—strongly in favour—of the United States for decades, and even with British imports so recently increased as they have been through the war, were that the only matter in question, sterling exchange in New York would not be at \$3.30 or anything near it.

The present position of sterling exchange in New York, is, in fact, only to a very small extent, if at all, due to the surplus of British imports from the United States over exports to that country. The main reason for the present state of affairs is that London is maintaining strictly its position as the world's international monetary clearing house, and accordingly the position of sterling exchange on New York does not reflect merely the position of London to New York, but the position of the rest of the world to New York. Sterling exchange is not merely a barometer of the trade balance between two countries, in the way that normally Canadian exchange on New York is a barometer, (though not at the present time); it is the focussing point between the two most highly developed industrial and commercial countries in the world, of the whole world's trade and finance. This fundamental fact Mr. Macauley has entirely overlook-

ed. An increase of British exports to the United States and a corresponding diminution of imports may help, to some extent, to rectify sterling exchange. But it will only have as much influence in its rectification as the reverse movement has had in the decline. Sterling exchange on New York will strengthen in proportion as the financially weaker European countries reduce their over-abundant paper currencies, resume their normal industrial activities and cease to lean on London. It will improve in proportion as the need decreases for making vast exports of staple commodities from Great Britain to poverty stricken countries, which have to be given long term credits. It will improve when France begins to export, in reasonable proportions, her fine textiles and china; when Italy can take a golden stream from tourists in exchange for her beauty; when Austria, instead of starving in misery can begin to lift up her head, and when Germany commences to get on her feet again financially. Mr. Macauley seems to have left quite a lot out of account.

Neither is Mr. Macauley happy in his reference to the present selling by British holders of their American and Canadian securities, and his suggestion that the maintenance of sterling exchange, even at its existing valuation, merely depends upon the supply of these holding out, is, if he will permit us to say so, simply ludicrous. British investors are not selling their securities as a last resort before plunging into the abyss of national bankruptcy, but simply because under present circumstances, it pays them very handsomely to take profits, and invest those realized profits elsewhere. The whole of the world outside Great Britain is not comprised—in Canada and the United States, though some folk occasionally think so, and because British investors are realizing here, it does not necessarily follow that they are hard-up. In the highest financial journals, there is plenty of evidence to the contrary. The fact is that the total volume of British investments abroad is, at the present time, not proportionately, seriously less than it was before 1914, although their location has changed.

With much that Mr. Macauley has to say regarding the encouragement and development of trade within the Empire, we are in thorough agreement. But as we have shown that it is not a

# BANK OF MONTREAL

Established Over 100 Years

Capital Paid Up, \$20,000,000

Res. 20,000,000

Undivided Profits, 1,812,854

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-

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With correspondents of the highest standing in China, Japan, India and other countries of the Orient, and branches in all the principal ports on the Pacific coast of North America, namely:—

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this Bank is excellently equipped to serve the interest of Canada's growing trade with the Orient.

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HEAD OFFICE: - MONTREAL

E. C. PRATT, General Manager

# The Chronicle

## Banking, Insurance and Finance

Established 1881.

Published Every Friday

F. WILSON-SMITH, Proprietor and Managing Editor

OFFICE:

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10 St. John Street, Montreal.

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MONTREAL, FRIDAY, FEBRUARY 13th, 1920

### THE GENERAL FINANCIAL SITUATION

(Continued from front Page)

sovereign remedy for depreciated sterling exchange. Even in the case of Canadian funds in New York, a mere switching of trade from the United States to Great Britain will not, under present circumstances, wholly rectify the position and restore Canadian funds to a parity in New York. It may help to some extent, but an improvement in sterling exchange, as a result of the factors which have been enumerated above, would quite possibly help more.

In several quarters, questions have been lately raised regarding the supply of funds for mortgages, and emphasis placed on the fact that for the immediate future, at all events, Canada must rely upon her own resources in this connection. This will possibly not be such a difficult matter as it might have been a few years ago. Very large amounts of funds, which under other circumstances would have been available for mortgage investments have in recent years, gone into various War Loans, and with these loans now out of the way, funds from the same sources will doubtless again become available for mortgage purposes. Moreover, a good many of the mortgage organizations were heavy investors in the War Loans, and the gradual disposal of these holdings would place them in a position to meet a fair amount of demand for new mortgages when that arises. From the point of view of the ordinary investor of comparatively restricted means, a disadvantage of the debentures issued by the established mortgage companies is their comparative unmarketability. With means devised whereby these securities could be realised, if necessary, as easily and quickly as the standard Stock Exchange securities, there would, we imagine, be a considerable increase in their investment popularity. An arrangement of this kind would have its difficulties, but in the event of development calling for a large supply of mortgage funds in the near future, such an arrangement would probably make available for the purpose, funds which are at present not diverted in this direction.

The shake-out on the local Stock Exchange last week appears to have had the usual results among the small fry of thoughtless Stock Exchange speculators, and in street gossip, considerable losses in various quarters are reported. It has also had the effect of lowering the prices of some of the higher grade and more stable securities to levels which make them exceedingly attractive as investments with a very fair prospect of appreciation on any easing of the situation as regards funds available for carrying stocks. At present the situation in this respect appears to be exceptionally acute. New investment issues continue to make their appearance, and are by all accounts being readily subscribed. An interesting feature of the situation is the development of more varieties of 7 and 8 per cent. preferred stocks, with various provisions designed to place the investor in a comparatively safe position while giving him a high dividend return. This development appears to be a case of adaptation to circumstances. Four or five years ago, the concerns making these issues, would have made issues of bonds instead of preferred stock. But an industrial bond bearing say, 6 per cent. interest would, under present day conditions probably not find a ready market, and the difficulty has been got over by removing the lien feature from the security and increasing the return to the investor at the same time making use of various new devices for his safeguarding which the old style of preferred stock lacked. The development is an interesting example of the ingeniousness of financial brains in meeting changed circumstances. In some of the prospectuses recently issued, the arrangements made appear quite satisfactory from the point of view of the investor. Given an established and stable business, there seems no reason why this new form of preferred stock should not have a place even with the conservative investor, as a means of increasing the average yield from his investment and so meeting the high cost of living.

### PERSONALS

Mr. W. E. Findlay, manager Niagara Fire Insurance Company has returned from a business trip to the Prairie Provinces. Mr. Findlay was favourably impressed with trade conditions, and the apparent indications of substantial development which is likely to take place in the near future in the West. He referred to the enthusiasm existing in Alberta regarding what seems a good outlook for oil production, this also refers to Northern Saskatchewan. Mr. Findlay states that the increase in mixed farming, is very noticeable in the Western Provinces. This he states will prove a healthy movement towards greater stability, a fact which is already realized by the farmers.



## THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY LIMITED

CANADIAN BRANCH, HEAD OFFICE - MONTREAL

**DIRECTORS:**  
 James Carruthers, Esq. Sir Alexandre Lacoste  
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 William Molson Macpherson, Esq.

J. Gardner Thompson, Manager. Lewis Laing, Assistant Manager  
 J. D. Simpson, Deputy Assistant Manager.



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

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## 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  
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== FIRE INSURANCE ==

John Euse, Secretary and General Manager  
 John Pinkerton, Assistant Manager  
 Lewis Laing, Fire Manager  
 J.D. Simpson, Assistant Fire Manager

**DIRECTORS**  
 J. Gardner Thompson, President, Lewis Laing, Vice-President.  
 Jas. Carruthers, 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

## THE BRITISH GENERAL INSURANCE CO. LIMITED

OF LONDON, ENGLAND

Will commence operations (Fire Insurance) in Canada with the New Year 1920  
 Head Office for Canada - Lewis Building, Montreal

THOMAS F. DOBBIN, Manager for Canada

EDMUND FOSTER, Assistant Manager

## JOHNSON—JENNINGS, INC.

AGENTS ——— INSURANCE ——— BROKERS

LENA INSURANCE CO. OF HARTFORD  
 ST. PAUL FIRE & MARINE INSURANCE CO.  
 BRITISH TRADERS INSURANCE CO., LIMITED

11 ST. SACRAMENT STREET  
 MONTREAL, P.Q.

**CANADA PERMANENT MORTGAGE CORPORATION**

For sixty-five years the Canada Permanent Mortgage Corporation, has occupied a prominent and honourable position among the leading financial institutions of Canada. A comparison of the Annual Statement for 1919 published on another page with that of the preceding year disclose evidences of progress made in every department.

The net profits total of \$827,983 comparing with \$820,532 in 1918 show an increase well over \$3,000 notwithstanding increased expenses. The balance brought forward of \$172,509 makes available for distribution \$1,000,493. Of this amount the ten per cent. dividend upon the Capital Stock absorbed \$600,000. Amount transferred to Reserve fund \$250,000, leaving a balance carried forward of Profit and Loss \$150,493. The Corporations Reserve Fund now totals \$5,900,433, and it may reasonably be predicted that at the end of the present year it will equal the paid up capital of \$6,000,000. In the course of his address at the annual meeting Mr. R. S. Hudson the Vice-President said:—A strong Reserve is of the most vital interest to a financial institution, which obtains money from the public, as it increases the security of the Debenture holders and Depositors and inspires their confidence.

The money on deposit with the Corporation consists chiefly of the savings of thrifty people who seek primarily to be assured of unquestioned security for their money, and at the same time to obtain a reasonable rate of interest thereon.

It was pointed out by the President (Mr. W. G. Gooderham) that notwithstanding the larger investments in Bonds and similar securities, the Corporation's Mortgages on real estate, which are always its chief and most desirable form of securities, amount to the large sum of \$26,211,306. The amount of high-class negotiable securities actually owned by the Corporation is considerably greater than at the end of 1918, due to the further investments in both British and Canadian War and Victory Loans and to increased holdings of Stock in the Canada Permanent Trust Company. The total assets of the Canada Permanent Mortgage Corporation have increased from \$31,461,387 to \$33,054,238.

**MONTREAL CITY & DISTRICT SAVINGS BANK**

There is no more popular financial institution in Montreal than the Montreal City & District Savings Bank established nearly three quarters of a century, and that it holds and increases its clientele is evidenced by the results shown in its statement for 1919.

The net profits for the year under review totalled \$240,590 compared with \$234,642 in 1918, and the balance brought forward from last year's profit and loss account \$243,943, making a total of \$484,533. Balance at credit of profit and loss account to be carried into 1920 amounted to \$280,222.

Total assets at the end of 1919 amounted to \$45,154,851, as compared with \$41,178,120 at the end of 1918, while security holdings include a new item in the assets of bonds of school municipalities, \$497,236.

On the liabilities side of the account, there has been a withdrawal of the special deposit without interest shown last year at \$3,484,034, while the amount due the receiver-general is up to \$1,354,920, as compared with \$520,452 last year.

The present report shows the banks deposits at \$40,213,589 as compared with \$33,808,573 in 1918. Call loans have increased from \$7,591,108 to \$9,624,053. Government Securities have advanced from \$7,254,410 to \$10,719,634, while holdings of Municipal and other securities total \$17,033,774.

Mr. A. P. Lesperance has been directing the affairs of the Bank for many years.

**RETIREMENT OF MR. WILLIAM MACKAY OF THE ROYAL**

As we go to press, we are officially informed, that after a long service, Mr. William Mackay, Manager for Canada of the Royal Insurance Co., and its subsidiaries will retire from that position as from the 1st May, next. To succeed Mr. Mackay, the appointment is announced of Mr. J. H. Labelle as Manager for Canada of the Royal and the other Companies referred to above. Mr. Labelle is well known as assistant to Mr. Mackay for many years. Further particulars will be published in our next issue.

**TRAFFIC RETURNS**

Canadian Pacific Railway				
Year to date	1917	1918	1919	Increase
Dec. 31	\$ 148,937,300	\$154,024,000	\$173,240,000	\$19,216,000
Week ending	1918	1819	1920	Increase
Jan. 7	\$ 2,343,000	\$ 2,856,000	\$ 3,171,000	\$ 315,000
Jan. 14	2,368,000	2,891,000	3,331,000	440,000
Jan. 21	2,024,000	2,049,000	2,837,000	Dec. 114,000
Jan. 31	5,535,000	4,111,000	4,330,000	221,000
Grand Trunk Railway				
Year to date	1917	1918	1919	Increase
Dec. 31	\$ 58,037,913	\$ 59,397,853	\$ 67,291,988	\$ 7,894,135
Week ending	1918	1819	1920	Increase
Jan. 7	\$ 1,076,606	\$ 1,003,631	\$ 1,329,338	\$ 125,707
Jan. 14	654,794	1,029,578	1,228,846	199,268
Jan. 21	798,805	940,925	1,056,381	115,456
Jan. 31	1,302,645	1,428,095	1,639,469	211,374
Canadian National Railways				
Year to date	1917	1918	1919	Increase
Dec. 31	\$ .....	\$81,009,684	\$ 91,526,871	\$ 10,427,187
Week ending	1918	1919	1920	Increase
Jan. 7	\$ 900,167	\$ 1,294,039	\$ 1,642,208	\$ 348,169
Jan. 14	1,056,607	1,420,433	1,564,220	443,787
Jan. 21	607,800	1,541,392	1,599,643	58,251
Jan. 31	948,200	2,531,653	2,161,401	Dec. 370,162

# Commercial Union Assurance Company Limited

of London, England

THE LARGEST GENERAL INSURANCE COMPANY IN THE WORLD  
as at 31st Dec., 1918.

Capital Fully Subscribed . . . . .	\$14,750,000	Total Annual Income exceeds . . . . .	\$64,000,000
Capital Paid Up . . . . .	4,425,000	Total Fire Losses Paid . . . . .	215,897,380
Life Fund, Etc. . . . .	75,578,630	Deposit with Dominion Gov't . . . . .	1,401,333
Total Funds exceed . . . . .	174,000,000		

# Palatine Insurance Company Limited

of London, England

as at 31st Dec., 1918.

Capital Fully Paid . . . . .	\$1,000,000	Total Income . . . . .	\$3,462,515
Fire Premiums 1918 . . . . .	3,305,020	Funds . . . . .	6,062,500
Interest Net . . . . .	157,495	Deposit with Dominion Gov't . . . . .	358,266

N.B.—In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$174,000,000.

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

COMMERCIAL UNION BUILDING, 232-236 ST. JAMES STREET, MONTREAL

W. S. JOPLING, Manager

# THE CANADA

ACCIDENT & FIRE  
ASSURANCE COMPANY

Head Office, - - MONTREAL

T. H. HUDSON, Manager, Fire Department.  
Policies Guaranteed by  
Commercial Union Assurance  
Company Limited

H. F. RODEN, Manager, Casualty Department.  
Local General Agents, (Fire)

G. U. PRICE & CO., LIMITED  
Bank of Toronto Bldg., Montrea

GUARANTEED BY EAGLE STAR AND BRITISH DOMINIONS INSURANCE COMPANY LIMITED, OF LONDON, ENGLAND

SECURITY OVER

\$80,000,000

THE

# BRITISH



# CROWN

FIRE  
AUTOMOBILE

ASSURANCE CORPORATION LIMITED

J. F. RIDDEL

Manager

OF GLASGOW, SCOTLAND

HEAD OFFICE FOR CANADA . . . . . TORONTO

E. C. G. JOHNSON,

Asst. Manager

JOSEPH ROWAT - GENERAL AGENT - MONTREAL

# THE FIRE INSURANCE COMPANY OF CANADA

MONTREAL

Authorized Capital, \$1,000,000

Subscribed Capital, \$250,000

Paid Up Capital, \$100,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

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

# Annual Meeting of the MONTREAL CITY & DISTRICT SAVINGS BANK

Montreal, February 9th, 1920.

## SEVENTY-THIRD ANNUAL REPORT

The Annual Meeting of the Montreal City & District Savings Bank was held at noon today.

The President, Honourable Raoul Dandurand, presided, and Mr. A. P. Lesperance, General Manager, acted as Secretary.

The Annual Report and Statements were read to the Meeting and duly adopted, and a vote of thanks was accorded the Directors, officers and employees of the Bank.

The old Board of Directors was unanimously re-elected and at a subsequent meeting of the Board Hon. Raoul Dandurand was elected President, and Richard Bolton, Vice-President of the Bank for the ensuing year.

To the Shareholders, Montreal, February 9th, 1920.  
Gentlemen:

Your Directors have pleasure in presenting the Seventy-third Annual Report of the affairs of the Bank and the result of its operations for the year ending December 31st, 1919.

The net profits for the year were \$240,500.01, and the balance brought forward from last year's Profit and Loss Account was \$243,942.90, making a total of \$484,532.91. From this amount have been paid four quarterly dividends to our Shareholders and \$5,100.00 has been contributed to various charitable and philanthropic Funds, leaving a balance at the Credit of Profit and Loss Account of \$280,222.27 to be carried forward to next year.

For the accommodation of our clients in Maisonneuve, a new branch has been opened at the corner of Lasalle and Adam Streets.

As usual a frequent and thorough inspection of the books and assets of the Bank has been made during the year.

The report of the Auditors and the Balance Sheet are herewith submitted.

R. DANDURAND,  
President.

## STATEMENT

of the affairs of The Montreal City and District Savings Bank on the 31st December, 1919.

ASSETS.	
Cash on hand and in chartered banks	\$ 6,782,375.97
Dominion and Provincial Government Bonds	10,719,634.06
City of Montreal Municipal Bonds and Debentures	14,903,708.07
Bonds of School Municipalities	497,236.33
Other Bonds and Debentures	1,414,028.97
Sundry Securities	218,801.15
Call and Short Loans, secured by Collaterals	9,624,052.67
Charity Donation Fund, vested in Municipal Securities approved by the Dominion Government	160,000.00
<b>Bank premises (Head Office and sixteen Branches)</b>	<b>\$750,000.00</b>
Other Assets	65,014.27
	\$44,389,837.22
	\$45,154,851.49

On behalf of the Board,

R. DANDURAND,  
President.

LIABILITIES.	
<b>To the Public:</b>	
Amount due depositors	\$40,213,589.14
Amount due Receiver-general	6,354,920.36
Amount due Charity donation Fund	180,000.00
Amount due Open Accounts	277,549.72
	\$47,026,039.22

<b>To the Shareholders.</b>	
Capital Stock (Amount subscribed \$2,000,000) paid up	\$1,498,570.00
Reserve Fund	1,350,000.00
Profit and Loss Account	280,222.27
	3,128,792.27
	\$45,154,851.49

A. P. LESPERANCE,  
General Manager

## Auditors' Report

Having obtained all the information and explanations we have required, and having satisfied ourselves of the correctness of the Cash Balances, and examined the Securities held against the Money at Call and Short Notice, and those representing the investments of the Bank, and having examined the foregoing Balance Sheet and compared it with the Books at the Head Office, and with the certified Returns from the Branches, we are of opinion that the transactions

of the Bank have been within its powers, and that the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Bank's affairs as shown by the Books of the Bank.

A. GING-MARS, C.A. }  
C. A. SHANNON, L.L.A. } Auditors

Montreal, February 5th, 1920.

# CANADA PERMANENT MORTGAGE CORPORATION

## ANNUAL MEETING

The Annual Meeting of the Shareholders of the Canada Permanent Mortgage Corporation was held at the Head Office of the Corporation, Toronto Street, Toronto, on Friday, January 30th, at 12 o'clock noon.

The Chair was taken by the President, Mr. W. G. Gooderham. The Assistant General Manager, Mr. George H. Smith, having been appointed Secretary of the meeting, read the Report of the Directors for the year 1919 and the Statement of Assets and Liabilities, which are as follows:

### REPORT OF THE DIRECTORS.

It is with much pleasure that the Directors present to the Shareholders the Annual Statement of the business of the Corporation for the year 1919, which has been duly certified by the Auditors.

The net profits for the year, after deducting interest on borrowed capital, expenses of management, all charges and losses, together with War Taxes and sundry contributions to Patriotic Funds, amounted to . . . . . \$ 827,983.51

The balance at the credit of Profit and Loss at the beginning of the year was . . . . . 172,509.77

Making available for distribution \$1,000,493.28

This sum has been appropriated as follows:

Four quarterly dividends of Two and One-half per cent. each on the Capital Stock . . . . . \$ 600,000.00

Transferred to Reserve Fund . . . . . 250,000.00

Balance carried forward at credit of Profit and Loss . . . . . 150,493.28

\$1,000,493.28

All of which is respectfully submitted.

W. G. GOODERHAM,  
President.

Toronto, January 14th, 1920.

### GENERAL STATEMENT

31ST. DECEMBER, 1919

#### LIABILITIES

##### Liabilities to the Public.

Deposits and Accrued Interest . . . . .	\$ 6,206,962.05
Debentures—Sterling—and Accrued Interest (£2,105,063 7s 6d) . . . . .	10,244,641.72
Debentures—Currency—and Accrued Interest . . . . .	4,122,278.35
Debentures Stock and Accrued Interest (887,869. 14s 8d) . . . . .	427,632.70
Sundry Accounts . . . . .	2,229.92
	<u>\$12,003,744.74</u>

##### Liabilities to Shareholders.

Capital Stock . . . . .	\$ 6,000,000.00
Reserve Fund . . . . .	5,750,000.00
Dividend payable 2nd January, 1920 . . . . .	150,000.00
Balance carried forward at credit of Profit and Loss . . . . .	150,493.28
	<u>\$12,050,493.28</u>
	<u>\$33,054,238.02</u>

#### ASSETS.

Mortgages on Real Estate . . . . .	\$26,211,306.42
Advances on Bonds and Stocks . . . . .	404,699.24
Municipal Debentures, Bonds, British War Loans, Dominion of Canada War Loans and other securities . . . . .	4,232,768.18
Real Estate acquired by Deed or Foreclosure . . . . .	228,259.44
Office Premises (Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Woodstock and Halifax) . . . . .	732,134.59
Cash on Hand and in Banks . . . . .	1,245,070.05
	<u>\$33,054,238.02</u>

R. S. HUDSON, Vice-President and Joint Gen.-Manager.  
JOHN MASSEY, Joint General Manager.

We beg to report that we have examined the foregoing accounts together with the books and vouchers of the Corporation, and that we have obtained all the information and explanations we have required. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, according to the best of our information, and as shown by the books of the Corporation, and that all transactions of the Corporation that have come within our notice have been within the powers of the Corporation.

A. E. OSLER,  
HENRY BARBER,  
Chartered Accountants.

Auditors

Toronto, January 12th, 1920.



In moving the adoption of the Report of the Directors, the President M. W. G. Gooderham, said:

I am sure the Report and Financial Statements which the Assistant General Manager has just read has afforded the Shareholders the same satisfaction and pleasure which your Directors have in being able to present so gratifying an exhibit of the Corporation's affairs.

After paying the usual quarterly dividends at the rate of ten per cent. per annum, a quarter of a million dollars have again been added to the Reserve Fund, which amounts to \$5,750,000, in addition to which there are unappropriated profits amounting to \$150,493.

A comparison of the General Statement with that of a year ago will disclose evidence of progress made during the year in every department. Not only have gratifying increases taken place in the amount of our deposits and of our debentures payable in Canada, but as I expressed the hope a year ago, the money obtained in Great Britain on the security of our Sterling Debentures does not this year show any diminution.

While we are desirous of maintaining the amount of our capital borrowed in Britain at not less than its present level, the adverse exchange rates render it impossible to bring money to Canada, and, so long as this condition continues, no considerable increase in our Sterling Debentures may be looked for. In the meantime, therefore, it is necessary to look to Canada for the funds with which to supply the demand for loans. Our Shareholders can materially further the interests of the Corporation in this direction by their influence, as well as by making it the depository of their savings.

The amount of high-class negotiable securities actually owned by the Corporation is considerably greater than at the end of 1918, due to further investments in both British and Canadian War and Victory Loans and to increased holdings of stock in The Canada Permanent Trust Company. The latter Company's paid-up stock is now one million dollars, and during 1919 its net profits were in excess of seven per cent. on the average capital actually paid up. It was considered advisable to transfer one hundred thousand dollars from the Profit and Loss Account of our Trust Company to establish the beginning of a Reserve Fund for it.

Notwithstanding the larger investments in Bonds and similar securities the Corporation's mortgages on real estate, which are always its chief and most desirable form of securities, amount to the large sum of \$26,211,366.42. The total Assets have increased from \$31,461,387.24 to upwards of thirty-three million dollars.

Some time ago the Directors decided that it would be advisable to have a Branch Office for the

Province of Nova Scotia in Halifax, instead of, as hitherto, transacting all the business arising in the Maritime Provinces in Saint John. Our office building in Halifax was completed last month and the new Branch was opened on the first business day of this year.

I believe a brief review of the progress made by the Corporation since 1905 will be of interest to the Shareholders.

At the close of the year 1905 the Reserve Fund and unappropriated profits totalled \$2,244,708.50, while during that and the two years following, the Shareholders received dividends at the rate of six per cent. per annum. Beginning in 1908 the dividends were gradually increased, and for the past seven years have been at the rate of ten per cent.

At the close of 1919 our Reserve Fund amounts to \$5,750,000, in addition to unappropriated profits of \$150,493, making a combined surplus of \$5,900,493. The average annual increase during the fourteen years was \$261,127. While not attempting to prophesy, I think it may reasonably be expected that at the end of the present year we shall attain the goal toward which we have long been aiming, a Reserve Fund equal to our paid up Capital. When that objective has been reached the Directors may not consider it necessary to appropriate so large a portion of the annual profits for further additions to that fund.

I have confined my remarks entirely to the business and affairs of the Corporation of which we are Shareholders, and in which I have taken a deep personal interest from the day I became associated with it. For sixty-five years the Canada Permanent has occupied a prominent and honorable position among our leading and most responsible financial institutions. From my close association with and personal knowledge of its affairs I have no hesitation in reiterating that its position to-day is even more firmly established than it has ever been.

The death during the year of Mr. W. D. Matthews took from us one who has filled a large place not only in the affairs of this Corporation, but in many large institutions of great importance to our country. Mr. Matthews had been associated with the Canada Permanent as a Director for twenty-five years, and as a Vice-President since 1905. His death is deeply regretted by his colleagues on the Board and by the Shareholders, among whom he was widely known. The vacancy thus created has been filled by the appointment of Mr. George W. Allan, K.C., M.P., of Winnipeg, who is well known to many of you and a man of wide experience, especially in the Western Provinces.



**LONDON & LANCASHIRE FIRE**  
INSURANCE COMPANY LIMITED

Security - - \$42,000,000

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

**PROVINCE OF QUEBEC BRANCH**  
164 St. James St., Cor. St. John St., MONTREAL.



**LONDON & LANCASHIRE**  
GUARANTEE  
**ACCIDENT**

**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, \$1,214,467      TOTAL FUNDS, \$1,436,842

TOTAL LOSSES PAID, \$2,692,201

Applications for Agencies Invited

**HEAD OFFICE** - - - - - **MONTREAL**

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

Established in Canada in 1821

1819 **AETNA (FIRE)** 1919

HARTFORD, CONN., U. S. A.

**Losses Paid over \$175,000,000**

J. B. HUGHES, Special Agent, . . . . . WATERLOO, ONTARIO  
J. R. STEWART, Special Agent, 36 Toronto Street, TORONTO, ONT.  
R. LONG, Special Agent, 515 Yorkshire Bldg., VANCOUVER, B. C.

### Union Assurance Society, Ltd.

OF LONDON, ENGLAND  
(Fire Insurance since A. D. 1716)

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

**Agencies throughout the Dominion**

## EXCELSIOR

INSURANCE      LIFE      COMPANY

A Strong Canadian Company

J. J. Robichaud, Provincial Inspector.

MONTREAL TRUST BUILDING, 11 Place d'Armes, MONTREAL

## The Law Union & Rock

INSURANCE CO. LIMITED, LONDON.      Founded in 1806

Assets Exceed - - - - - \$50,000,000.00  
Over \$10,000,000 invested in Canada.

FIRE and ACCIDENT RISKS accepted.

Canadian Head Office: 277 Beaver Hall Hill.  
**MONTREAL**

Agents wanted in unrepresented towns in Canada.

W. D. AIKEN, Superintendent.      COLIN E. SWORD  
Accident Dept.      Canadian Manager.

### SUCCESS IN SELLING LIFE INSURANCE

Depends chiefly upon how hard Salesmen work, and the excellence of their service to clients. The more you put into it the more you will get out of it. Let "Greater Service to Policyholders" be your motto for 1920, and if you want a good position with a progressive Company, apply stating experience and references, to

M. D. McPHERSON, Provincial Manager, 180 St. James Street, MONTREAL, P.Q.

## THE CONTINENTAL LIFE INSURANCE CO.

GEORGE B. WOODS, President      TORONTO, Ont.      CHAS. H. FULLER, Secretary

Without detaining you further, I beg to move, seconded by the Vice-President, that the Report of the Directors be received and adopted, and, together with the General Statement, be printed and a copy sent to each Shareholder.

The motion was seconded by the Vice-President, Mr. R. S. Hudson, who said:

Before seconding the President's motion that the Report just presented be received and adopted, I wish to say that I think the record of the past fourteen years, to which the President has specially directed your attention, is one that cannot but inspire the fullest confidence of the Shareholders and of the public generally.

In considering the results of the past few years it should be borne in mind that in addition to having to contend with many difficulties directly attributable to war conditions, both in respect to the procuring of funds for loaning purposes and the loaning of the money when obtained, the profits shown have been the net earnings after the deduction of large and increasing payments for special war taxation. In the past three years the amount paid to the Dominion Government in settlement of these new taxes, and the amount contributed for patriotic purposes, have aggregated \$126,921.14. This is in addition to the taxation imposed by the various Provinces, which existed previous to the war, but has since been on an increasing scale. How long these various forms of taxation will be continued we do not know, but it will be seen that but for them the Corporation's profits would have been even more satisfactory.

I can well remember when the margin between the cost of money and the rates we obtained was very much larger than it is at present. Under existing conditions such results as those the President

has mentioned can only be attained by the most careful management.

I shall not detain you with any lengthened remarks, except to say that I can assure you, as one who knows every detail of this business, that the Assets as presented are realizable and are only incorporated in the Statement after the most careful revision.

A strong Reserve is of the most vital interest to a financial institution which obtains money from the public, as it increases the security of the Debenture Holders and Depositors and inspires their confidence. We have all been looking forward for some years to the time when our Reserve Fund would equal the Paid-up Capital. Now that, as the President has indicated, the goal is in sight, I think the Shareholders may be justified in expecting that thereafter so large a proportion of the net profits may not necessarily be devoted to augmenting the Reserve.

Without further remarks I beg to second the motion to adopt the Report.

The motion to adopt the Report of the Directors was then presented to the meeting and unanimously carried.

The election of Directors for the ensuing year resulted in the unanimous re-election of Messrs. W. G. Gooderham, R. S. Hudson, Col. Albert E. Gooderham, J. H. G. Hagarty, John Campbell, S.S.C. (Edinburgh); John Massey, F. Gordon Osler, E. R. C. Clarkson, William Mulock and George W. Allan, K.C., M.P. of Winnipeg.

Messrs. Henry Barber and A. E. Osler, Chartered Accountants, were appointed Auditors for the current year.

At the subsequent meeting of the Board Mr. W. G. Gooderham was re-elected President, and Mr. R. S. Hudson, Vice-President.

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## CANADIAN AUTOMOBILE UNDERWRITERS ASSOCIATION

A special meeting of the C. A. U. A. was held at Ottawa on the 5th and 6th instants. There was a large attendance of members both from Toronto, and Montreal. Mr. John Jenkins (Employers) presided.

The chief business was the considering of rates for the coming year. In case of Liability, Collision and Property damage insurance, it was decided

to adopt a new basis of rating, viz.: the present price list of Car, while in the case of Fire and Theft insurance, the list prices were discarded, and in lieu thereof the Merit system was adopted, based in the case of the fire risks upon the physical hazard of each make of car as established by the Underwriters Laboratories of Chicago after elaborate examinations carried on during the past 18 months, and in the case of Theft insurance upon the experience of Companies, as to the types of cars most popular with thieves.



# THE EMPLOYER'S

Liability Assurance Corporation, Limited  
of London England

*Transacts*  
**AUTOMOBILE INSURANCE**, Covering ACCIDENT, PROPERTY DAMAGE, COLLISION,  
 FIRE, THEFT and TRANSPORTATION  
**PERSONAL LIABILITY**, HEALTH LIABILITY, PASSENGER and FREIGHT, ELEVATOR,  
 FIDELITY GUARANTEE, CONTRACT BONDS, BURGLARY, HAIL, ROILER,  
 PLATE GLASS, EXPLOSION and FIRE INSURANCE.

**OFFICES:**  
 Temple Building, Toronto. Lewis Building Montreal

Charles W. I. Woodland,  
 General Manager for Canada and Newfoundland

John Jenkins,  
 Fire Manager

Applications for Agencies Invited

Canadian  
 Government  
 Deposit  
**\$1,622,000.00**

**Stands First**  
 in the  
 liberality of its  
 Policy contracts,  
 in financial strength  
 and in the  
 liberality of its loss  
 settlement.



**TRANSACTS:**

Personal Accident      Automobile  
 Sickness                  Burglary  
 Liability (All Risks)      Postal  
 Fidelity Guarantees.      Plate Glass.

362 St. James Street, MONTREAL  
 ROBERT WELCH, General Manager

Applications for direct Agencies Invited.

## The Ocean Accident & Guarantee Corporation Limited

**AUTOMOBILE INSURANCE**

A Comprehensive Policy covering **ACCIDENT, PROPERTY DAMAGE, COLLISION, FIRE, THEFT and TRANSPORTATION** is what the public demands.

*The "OCEAN" can meet these requirements under one contract*

Branch Office:  
 MERCHANTS BANK BLDG,  
 MONTREAL

JOHN W. WETHORE,  
 Superintendent.

W. T. PERRY,  
 Manager for Canada

Canadian Head Office: Ocean Insurance Building, TORONTO

## The Dominion of Canada Guarantee & Accident Ins. Co.

**The Oldest and  
 Strongest Canadian  
 Casualty Company**

**TRANSACTS:**  
 ACCIDENT                      SICKNESS                      PLATE GLASS  
 BURGLARY                      AUTOMOBILE INSURANCE  
 GUARANTEE BONDS              FIRE INSURANCE

R. ROBERTS, Manager  
 101, LEWIS BUILDING, MONTREAL

C. A. WITHERS, General Manager  
 TORONTO

Branches: WINNIPEG      CALGARY      VANCOUVER

**TORONTO GENERAL TRUSTS CORPORATION**

The Toronto General Trusts Corporation is known as the oldest Trust Company in Canada. The Corporation has enjoyed a high prestige during its long career, and has been a factor in the financial development of the Dominion. It was pointed out by the President, Hon. Featherston Osler, K. C., D.C.L., at the annual meeting held in Toronto last week, that the continued confidence of the public in the administration of Estates by the Corporation is illustrated by the increase in the number of estates placed in its charge. The policy of the Toronto General Trusts, in building up this large Trust Estate business, from its inception has been dictated by a high sense of its paramount obligations as a Trustee. It has not risked its high powers, except as incidental to the purpose for which it was created. It has not risked its character and capital, or fiduciary interests by assuming business of a hazardous nature.

The annual statement for 1919 shows net profits of \$343,983 an increase of over \$20,000 as compared with the preceding year, which must be considered satisfactory, in view of the increased cost of administration due to existing conditions. The net profits are nevertheless very moderate, when it is considered that assets aggregating over \$100,000,000 are under administration, or in view of the fact that the net profits are only 9 per cent., on the combined capital and reserves which the shareholders have under investment in the Corporation. The sum of \$152,812 brought forward from the previous year makes a total of \$496,796 for distribution, which has been appropriated as follows: Dividends and bonuses \$180,000; Ratriation Cam-

paign and other contributions \$6,500; Provision for Federal Income Tax \$25,000. Written off Head Office Building \$19,767, balance carried forward to credit of profit and loss \$265,529.

The Trusts & Guarantee Corporation has a paid up capital of \$1,500,000 with a reserve fund of \$2,000,000. The volume of estate assets in their charge and under their management, has increased by \$8,876,533 during the year under review, and amounts to the enormous total of \$87,763,834. The total assets of the Corporation figuring at \$101,123,031 indicate a growth of over \$10,000,000 during the year.

Mr. A. D. Langmuir, General Manager of the Corporation in the course of his address at the annual meeting said:—

Trust Companies were brought into existence primarily because of the difficulty in obtaining Trustees and Executors having sufficient time at their disposal to accept such responsible positions, and also because, even if such people could be found, there was no certainty of permanency. Such reasons hold good just as strongly to-day, as ever before, in fact, one might say, even more so to-day, men in all walks of life, recognize that a new era has opened up in the world's history. During the year great things have been accomplished as a result of the efforts for reconstruction of old-time methods and understandings, and as a consequence of these new conditions, the time, attention and consideration of individuals towards their own personal affairs will be required more than ever.

It should, therefore, be expected that the demand by the public for the services of a Trust Company for the management of its affairs will show a steady increase.

**Monarch Life**

**ASSURANCE COMPANY**

Head Office

Winnipeg

**SUMMARY OF 1919 INCREASES**

Assurances, New and Revived, 42%. Policy Reserves, 33%. Assurances in Force, 33%  
 Total Assets, 22%. Total Premium Income, 36%.

**COMPARATIVE GROWTH**

YEAR	New and Revived Business	Business in Force
1916	2,719,031	9,007,904
1917	4,203,908	11,507,701
1918	5,198,888	15,171,309
1919	7,410,412	20,120,340

Interest Earnings, 7.42%. Expense Rate, reduced 14 points (119%).  
 Mortality, 58% of expected—(Ordinary, 29%; War and Flu, 29%).

**OFFICERS AND DIRECTORS**

President: W. A. MATHESON Vice-President: F. W. ADAMS  
 W. P. Riley, Col. H. A. Mullins, W. L. Parrish, C. E. Gordon, H. W. Echlin, R. G. Ironside  
 Managing Director: J.W.W. STEWART Secretary and Actuary: J. A. MACFARLANE, A.I.A.

# The Toronto General Trusts Corporation

## THIRTY-EIGHTH ANNUAL REPORT

**Total Assets now exceed One Hundred Millions**

The Thirty-eighth Annual General Meeting of the Shareholders of The Toronto General Trusts Corporation was held at the Head Office of the Corporation in Toronto on Wednesday, the Fourth of February, 1920, at 12 o'clock noon.

The President of the Corporation, Hon. Featherston Osler, K.C., D.C.L., presided and Mr. W. G. Watson, Assistant General Manager acted as Secretary of the Meeting.

Mr. A. D. Langmuir, General Manager of the Corporation submitted the Annual Report for the year ended December 31st, 1919 accompanied by the usual statements showing the result of the operations for the year.

### THIRTY-EIGHTH ANNUAL REPORT OF THE BOARD OF DIRECTORS. (being for the year ended 31st December, 1919)

#### To the Shareholders—

Your Directors have pleasure in submitting the Thirty-eighth Annual Report of the Corporation, together with the usual statements showing its operations for the year ended 31st of December, 1919.

The gross profits for the year, after providing for all ascertained or anticipated losses, amount to \$757,338.05. The administration expenses, including salaries, Directors' and Auditors' fees, advertising, rent, taxes, etc., amount to \$413,354.16. This, as you will observe, makes our net profits for the year \$343,983.89. To this amount must be added \$152,812.13 brought forward on the 1st January, 1919, making a total of \$496,796.02, which has been dealt with by your Directors as follows:—

To payment of four quarterly dividends at the rate of ten per cent. per annum	\$150,000.00	
To payment to the Shareholders of—		
One per cent. Bonus on 2nd July, 1919	65,000.00	
One per cent. Bonus on 2nd January, 1920	15,000.00	
		\$180,000.00
To Amounts subscribed as follows:—		
Repatriation Campaign	\$5,000.00	
Salvation Army	1,000.00	
Navy League of Canada	500.00	
		6,500.00
To amount provided for 1919 Federal Income Tax (payable in 1920)		25,000.00
To amount written off Head Office Building		19,767.00
To Balance carried forward to credit of Profit and Loss		265,529.02
		<b>\$496,796.02</b>

The Assets and Liabilities Statement shows an increase of assets over the preceding year of \$10,290,401.71 making the total volume of assets now in the hands of the Corporation \$101,123,031.51.

The subscriptions to the Repatriation Campaign, Salvation Army, and Navy League of Canada, which the Board of Directors have made on your behalf, will be submitted for confirmation at the Annual Meeting.

It is with regret your Directors have to report the death during the year of Mr. W. N. Matthews and Hon. Peter McLaren, two valued members of the Board. The vacancies on the Board have been filled by the appointment of His Honour Lionel H. Clarke, Lieutenant-Governor of the Province of Ontario, and Mr. Robert Hobson of Hamilton.

All of which is respectfully submitted.

A. D. LANGMUIR,  
General Manager.

FEATHERSTON OSLER,  
President.

Toronto, January, 20th, 1920.

**ASSETS AND LIABILITIES STATEMENT**  
**ASSETS.**

<b>CAPITAL ACCOUNT—</b>		
Mortgages on Real Estate .....	\$1,947,240.85	
Government and Municipal Debentures .....	401,065.37	
Loans on Debentures, Stocks and Bonds .....	279,759.31	
Loans or Advances to Trust Estates and Guaranteed Mortgage Accounts under Administration by the Corporation .....	576,987.50	
Real Estate:		
Office Premises and Safe Deposit Vaults at Toronto and Ottawa .....	\$725,000.00	
Accrued Rents re Offices and Vaults at Toronto and Ottawa .....	4,975.22	
	<u>729,975.22</u>	
Cash on hand and in Banks .....	147,618.42	
		<u>\$3,882,637.67</u>
<b>GUARANTEED ACCOUNT—</b>		
Mortgages on Real Estate .....	\$7,045,987.67	
Government and Municipal Debentures .....	2,240,597.18	
Loans on Debentures, Stocks and Bonds .....	90,800.00	
Cash on hand and in Banks .....	99,174.73	
		<u>9,476,559.58</u>
<b>ESTATES, TRUSTS AND AGENCIES—</b>		
Mortgages on Real Estate .....	\$13,521,64.92	
Government and Municipal Debentures .....	11,053,176.32	
Stocks and Bonds .....	1,273,711.56	
Loans on Debentures, Stocks and Bonds .....	983,392.53	
Sundry Assets .....	4,365.84	
Cash on hand and in Banks .....	1,049,570.82	
	<u>\$27,885,791.99</u>	
Original Assets, including Real Estate, Mortgages, Debentures, Stocks and Bonds, etc., at Inventory Value .....	59,878,042.27	
		<u>\$87,763,854.26</u>
		<u>\$100,123,031.51</u>

**LIABILITIES**

<b>CAPITAL ACCOUNT—</b>		
Capital Account .....	\$1,500,000.00	
Reserve Fund .....	2,000,000.00	
	<u>\$3,500,000.00</u>	
Dividend No. 94 due January 2nd, 1920 .....	\$37,500.00	
Bonus of One per cent. payable January 2nd, 1920 .....	15,000.00	
	<u>52,500.00</u>	
Interest in Reserve .....	35,000.00	
Appropriation for Federal Income Tax and Sundry Accounts .....	29,608.65	
Profit and Loss .....	255,529.02	
	<u>\$3,882,637.67</u>	
<b>GUARANTEED ACCOUNT—</b>		
Guaranteed Funds for Investment .....	\$9,476,559.58	
		<u>9,476,559.58</u>
<b>ESTATES, TRUSTS AND AGENCIES—</b>		
Trusts Funds for Investment or Distribution .....	\$27,885,791.99	
Inventory Value of Original Assets of Estates and Agencies under administration by the Corporation .....	59,878,042.27	
		<u>87,763,854.26</u>
		<u>\$100,123,031.51</u>

**AUDITOR'S REPORT**

We, the undersigned, beg to report that we have made a full examination of the books, accounts and vouchers of The Toronto General Trusts Corporation to 31st December, 1919, and find same to be correct and properly set forth in the above statements of Profit and Loss and Assets and Liabilities. We have examined, and find in order, all the mortgages, debentures, bonds and scrip of the Corporation, as well as those negotiated for the Supreme Court of Ontario, and Trusts, Estates and Agencies in the Corporation's hands, and we have checked same, with the mortgage and debenture ledgers and registers. The Trust investments and funds are kept separate from the Corporation's own securities and funds, and all securities are so earmarked in the books of the Corporation as to show the particular Estate, Trust or Guaranteed Account to which they belong. The Banker's Balances, after deducting outstanding cheques, agree with the Books of the Corporation. All our requirements as Auditors have been complied with. We have also examined the reports of the Auditors of the Winnipeg, Ottawa, Saskatoon and Vancouver Branches, and find that they agree with the Head Office books.

After due consideration we have formed an independent opinion as to the position of the Corporation. In our opinion so farmed, according to the best of our information and the explanations given to us, we certify the above statements set forth fairly and truly the state of the affairs of the Corporation, and are in accordance with its books. All transactions for the Corporation that have come within our notice have been within the powers of the Corporation.

R. F. SPENCE, F.C.A. "Can."  
J. GEORGE, F.C.A. "Can."

Auditors.

The report of the Directors and the accompanying Statements were duly adopted, a resolution was passed confirming the subscriptions mentioned in the Directors' Report to the Shareholders, and the following Shareholders were appointed:—

Directors for the ensuing year: Hamilton Cassels, K.C., LL.D.; Hon. W. C. Edwards; Wellington Francis, K.C.; Brig.-Gen. Sir John M. Gibson, K.C.M.G., LL.D.; Arthur C. Hardy; John Hoskin, K.C., LL.D.; Lieut.-Col. R. W. Leonard; Thomas Long, J. Bruce Macdonald, Hon. Sir Daniel H. McMillan, K.C.M.G.; Lieut.-Col. Jno. F. Michie, E. T. Malone, K.C.; Sir Edmund B. Osler, Hon. Featherston Osler, K.C., D.C.L.; J. G. Scott, K. C.; Sir Edmund Walker, C.V.O., LL.D.; E. C. Whitney; H. H. Williams; Hon. Lionel H. Clarke. At a subsequent meeting of the Directors the following officers were elected: President—The Hon. Featherston Osler, K.C., D.C.L.; Vice-Presidents; Hamilton Cassels, K.C., LL.D.; and Brig.-General Sir John M. Gibson, K.C.M.G., LL.D.

## Prudential Trust Company

LIMITED

<p><b>Head Office</b></p> <p>1 B. Jean St., Montreal</p>	<p>Trustee for Bondholders Transfer Agent &amp; Registrar Administrator Receiver Executor Liquidator Guardian Assignee Trustee Custodian</p> <p>Real Estate and Insurance Departments Insurance of every kind placed at lowest possible rates.</p>	<p>Solely Capital Paid</p> <p>Terms Ex- ceptionally Moderate.</p> <p>Correspond- ence invited</p>
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**B. HAL. BROWN, President and Gen. Manager**

First British Insurance Company Established in Canada  
A.D. 1804

## Phoenix Assurance Co. Limited

OF LONDON, ENGLAND (Founded 1782)

**FIRE LIFE MARINE**

TOTAL RESOURCES, over . . . . . \$97,000,000.00  
 CLAIMS PAID EXCEED . . . . . 500,000,000.00  
 DEPOSITS with Federal Government and  
 Investments in Canada, for security of  
 Canadian policyholders only, exceed . . . 2,000,000.00

AGENTS WANTED IN BOTH BRANCHES. Apply to

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

100 Francois Xavier Street - MONTREAL

## The Standard Life Assurance Co.

Established 1825 Incorporated 1910

Accumulated Funds - - \$68,000,000

Over \$10,000 paid daily in claims.

## The Foundation of a Great Success

The world-famous merchant, John Wanamaker, attributes his phenomenal success to having carried life insurance on the endowment plan. This system encouraged him year by year to lay by a fixed amount of money. As means increased, additional policies were taken and as they matured the proceeds were invested in new departures in connection with the business. These endowment policies helped greatly in the accumulation of capital. Every young man should carry endowment insurance. It furnishes a motive for saving. Money that might otherwise be dissipated is accumulated—and at good interest. Many have laid the foundation of success, not so notably perhaps as that of the Philadelphia millionaire, through investing in endowment policies in the Mutual Life of Canada.

Do not spend your surplus, lay it by for  
a sunny day by means of a  
Mutual Life Endowment.

## The Mutual Life Assurance Co. of Canada

WATERLOO, - - - ONTARIO

## The Travellers Life Assurance

Company of Canada

**HEAD OFFICE: MONTREAL**

Hon. GEO. F. GRAHAM, President

TO AGENTS.—Write to the Home Office for particulars of direct renewal contract. Valuable territory available in Quebec and Eastern Ontario.

# Western

## Assurance Company

Incorporated in 1881

**FIRE, MARINE, AUTOMOBILE, EXPLOSION,  
RIOTS, CIVIL COMMOTIONS AND STRIKES**

ASSETS over **\$7,000,000.00**

LOSSES paid since organization  
of Company . . . over **\$74,000,000.00**

**DIRECTORS**

W. B. MEIKLE, President

Sir John Aird	John Hoskin, K.C., LL.D.
Robt. Bickerdike, (Montreal)	
Lt. Col. Henry Brock	Geo. A. Morrow, O.B.E.
Alfred Cooper, (Montreal)	Lt. Col. The Hon.
H. C. Cox	Frederic Nicholls
John H. Fulton, (New York)	Brig.-General Sir
D. B. Hanna	Henry Pellatt, C.V.O.
	R. B. Wood

W. B. MEIKLE, Pres. and Gen. Man.	G. S. WAINWRIGHT, Secretary
	A. B. FRINGLE
	Canadian Fire Manager

**HEAD OFFICE - TORONTO**

**A BRITISH COMPANY**

# Union Insurance Society of Canton, Limited

ESTABLISHED 1835

**Head Office: HONGKONG** **Assets over \$24,000,000**

A combination of AGE, MAGNITUDE and EXPERIENCE

## FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 36 Toronto Street, TORONTO

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



**CANADIAN FIRE RECORD**

*Fire at Brockville, Ont.*—As the result of youngsters playing with matches, on the 8th instant a fire destroyed a row of tenement houses in the north east portion of the town. Mr. Robert Armour is owner of the property. Loss about \$12,000.

*Fire at London, Ont.*—The Egerton St. Baptist church was burned on the 7th inst. The church was recently erected at a cost of \$60,000. Insured for \$20,000.

*Fire at Halifax, N.S.*—On the 5th inst. a fire destroyed the dwelling of W. B. Putman, Westmount Street and also the adjoining house under construction. One life was lost in the fire, which resulted from a maid using oil to light range. Property damage about \$7,500.

*Fire at Windsor, N.S.*—On the 5th instant the historic building of Kings College, the oldest in Canada was burned. The University was built in 1791 of wood nogged with stone and brick, with a masonry wall between each of the five bays, and these remain intact. Loss about \$80,000. Insurance on building \$30,000 on contents \$2,500. Total \$32,500. Loss total.

*Fire at Lachine, P.Q.*—On the 5th inst., two children lost their lives in a fire which damaged the dwelling of Paul Rico, 85, 6th Ave.

*Fire at Port Arthur, Ont.*—On the 10th instant a fire broke out in the Walsh Block in the business centre; the principal losses are Wright Furniture Co.; Dunn Hardware Co.; Gavan Shoe Store. A candy store and several offices. Loss about \$65,000. The same block was destroyed in 1916, and rebuilt.

*Fire at Toronto.*—On the 9th instant the West End of Deans boat house was burned, at the foot of York St. Loss about \$12,500.

*Fire at Cambellford, Ont.*—On the 9th instant a fire destroyed Mr. Mulhearns livery barns, together two automobiles, one auto truck, several carriages and sets of harness. Loss about \$15,000, partially insured.

*Fire at Lake St. Paul Credit, Ont.*—On the 7th inst. a fire destroyed three frame houses. Loss about \$6,500.

*Fire at Brockville.*—On the 4th inst. a fire destroyed the parsonage of the Methodist church at Lyn. Loss about \$7,000.

*Fire at Halifax, N.S.*—On the 8th inst. a fire occurred in the building occupied by the Halifax Herald and other publications. The loss will not exceed \$35,000 to \$40,000.

*Fire at Montreal.*—On the 1st instant a fire occurred in the Havelock Building, 419-421 Union Ave. Insurance on Building, Scottish Union, \$32,000; Queensland, \$3,000, total \$35,000. Loss about 65%. On Bells Galleries Building, 423 Union Ave. Scottish Union \$73,000; Queensland, \$7,000, total \$80,000. Loss about 12½%. On Rice Studio Firemens Fund \$5,000; Providence Wash, \$3,000, total \$8,500. Loss total.

*Fire at Moose Jaw, Sask.*—On the 9th inst. a fire occurred in the Moose Jaw hardware building, entailing a loss of about \$60,000.

**VERBUM SAP**

Over FIFTY motor cars were destroyed in the East End Garage fire on January 8th. Many of the burned cars WERE NOT INSURED. When you read the newspaper account didn't it make you think of your speed monster or glistening limousine in the garage on the next street.

**VERBUM SAP.**—A word to the wise—you know the rest. If your automobile is not insured, phone or write the **CONTINENTAL**. Our policy will cover your car against **Fire, Theft, Collision, Property Damage.**

**The**  
**Continental Insurance Company**  
OF NEW YORK.

HENRY EVANS, President.

NOW WRITING

**AUTOMOBILE INSURANCE**

CANADIAN HEAD OFFICE: 17 ST. JOHN ST., MONTREAL.

W. E. BALDWIN, Manager

**"The Oldest Life Company in America"**

"Mutual Life"—known in every household. Unexcelled policies and service, notable financial strength, co-operation with agencies. Life Insurance at its best!—the Agent's desire and ideal.

For terms to producing Agents address

**The Mutual Life Insurance Company**  
OF NEW YORK

34 Nassau Street, New York City

**ATLAS**  
**ASSURANCE COMPANY LIMITED**

Founded in the Reign of George III

Subscribed Capital - - - \$ 11,000,000  
Capital Paid Up - - - - - 1,370,000  
Additional Funds - - - - - 25,198,205

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

**GENERAL**  
**FIRE AND LIFE**  
**ASSURANCE CORPORATION LIMITED**  
OF PERTH, SCOTLAND.

Total security to Policyholders now exceed - \$12 500,000.

PELEG HOWLAND Esq.  
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Manager for Canada.

JUDSON G. LEE  
General Agent Montreal.

Established 1886

**Queensland Insurance Co. Limited**  
of Sydney, N. S. W.

Capital Paid Up \$1,750,000    Assets \$4,015,811

Agents Wanted in Unrepresented Districts.


Managers for Canada:  
**Montreal Agencies Limited, Montreal**

**THE**  
**London Assurance**  
**CORPORATION**  
OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1720

CAPITAL PAID UP - - - - - \$ 2,741,375  
TOTAL ASSETS EXCEED - - - - - 42,500,000

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



Assets:  
**\$30,389,461.55**

Surplus:  
**\$8,824,000.31**

Canadian Head Office:  
**MONTREAL.**  
J. W. BENNIE, Manager

**Fidelity Insurance**

**Manufacturers—Contractors—Merchants**

The Workmen's Compensation Act imposes upon you serious obligations respecting your liability for injuries or death suffered by your employees by reason of or in course of their work.

The Provident Assurance Company issues, at reasonable cost, an Employers' Liability Policy that provides complete indemnity against all liability imposed by law upon the assured for injuries to his employees, including all legal expenses.

**The Provident Assurance Company**  
159 St. James Street, Montreal. Tel. Main 1626-7.  
J. C. Gagne, Managing Director.

**L'UNION**  
**FIRE INSURANCE COMPANY, Limited**  
Established 1828    Head Office: PARIS, France.

Capital fully subscribed. . . \$2,000,000.00  
25 p.c. paid-up

Fire and General Reserve Funds 6,792,000.00  
Available Balance from Profit and Loss Account. . . . . 118,405.00  
Net Premiums in 1918. . . . . 7,105,053.00  
Total Losses paid to 31 Dec., 1918. . . . . 108,718,000.00

Canadian Branch:  
**LEWIS BUILDING, 17 St. John St., Montreal**  
Manager for Canada: MAURIOE FERRAND

### MONARCH LIFE ASSURANCE COMPANY

The Monarch Life Assurance Company, Winnipeg at its annual meeting held recently, presented a Report indicating the substantial progress being made by this Western institution in the writing of new business.

The statement for 1919 shows Assurance issued and revived as totalling \$7,410,412 as compared with \$5,198,888 in 1918, an increase of \$2,211,524. Assurance in force was increased from \$15,171,309 to \$20,129,349. Regardless of what might be considered the wisdom of such institutions, as the Monarch Life writing over \$7,000,000 new business. It is quite obvious that the desire to share in the great demand for life insurance during 1919 was not confined to the older and larger companies. It is hoped that the results of such tendencies may not prove unfavourable in the long run, and a word of caution in this respect may not be amiss to such institutions, during the present year, when the increased demand for life insurance is likely to continue.

The total premium income of the Monarch Life for the year under review, is given as \$603,013 as compared with \$422,118 in the preceding year. Total assets were increased to \$1,359,157 from \$1,118,510. The interest earned on the Company's funds is given at the high figure of 7.42 per cent.

#### New President

The Monarch Life suffered a great loss during the year in the death of J. T. Gordon, who had been the president for the past thirteen years, and who in that time rendered great service to the undertaking. Mr. Gordon is succeeded in the presidency by W. A. Matheson, the general manager of the Lake of the Woods Milling Company, who for several years has been the vice-president of the company. Frank W. Adams, well known manufacturer and wholesale dealer in harness, who was the second vice-president, succeeds to the vice-presidency.

The Monarch Life has been fortunate in the selection of new members of its board. One of these is W. P. Riley, who has made a name for himself through his administration of Western Grocers, Ltd., formerly known as the A. Macdonald Company, Ltd. The second new member of the board is W. L. Parrish, M.L.A., president of Parrish and Heimbecker, grain shippers and exporters. The other directors of the company are Col. H. A. Mullins, live stock dealer, director of the U. S. Fidelity and Guarantee company, R. G. Ironsides, H. W. Echlin, president of the Echlin Manufacturing Company, and J. W. W. Stewart, the managing director.

### HALIFAX HAS ADVANCE IN FIRE RATES

Fire Underwriters have learned with much satisfaction that the long overdue increase in fire rates in Halifax, has at last been brought about by the Nova Scotia Board.

Many Underwriters, however, feel that the increase which averages 20 per cent., is by no means adequate, for the hazards existing in that city.

Notwithstanding the criticism by Engineers for many years past, pointing out the inadequacy of the existing water supply, the city fathers have as yet failed to do anything of importance to provide more water, and until this is done the conflagration hazard will continue to exist. It is to be hoped that action in this connection will be undertaken in the near future, otherwise a further increase in rates may be necessary. The large number of wooden buildings in Halifax accentuate the hazard, and it is most important that a thorough overhauling of the Water System be made.

### THE MUTUAL LIFE'S NEW PRESIDENT

Major Hume Cronyn, M.P., London, Vice-President and General Manager of the Huron & Erie Mortgage Corporation and Managing Director of The Canada Trust Company was, on Thursday, elected President of the Mutual Life Assurance Company, to succeed Mr. E. P. Clement, K.C., who because of continued ill-health has resigned from that position.

This flourishing Policy-Holders' Company which, this year celebrates its Golden Jubilee in the Canadian field of Life Assurance has, in choosing its new President, selected a man who has placed in the front ranks of Canada's strong financial institutions the two Companies of which he is General Manager.

Major Cronyn has been a Director of The Mutual Life for over twelve years and is well qualified for so important a post. He received his education at Dr. Tassio's famous Grammar School at Galt and at the Toronto University from which he graduated with the degree of B.A. Having qualified for Law, he received the degree of LL.B. from the latter institution in 1889 in which year he was called to the Bar. For the next eighteen years he practised Law in London, Ontario. In 1907 he gave up his practise to accept the post of General Manager of the Huron & Erie Mortgage Corporation. This well known institution reports remarkable progress for 1919—having increased its assets from \$18,207,750 to \$20,435,520.

The Mutual Life Assurance Company which now has \$170,706,305 of Assurance in force can be depended upon to hold a leading place among Canada's strong Assurance Companies.

## WORDINGS AND WARRANTIES

The following extracts are taken from a paper recently read before the Fire Insurance Association of Montreal by Mr. J. D. Simpson, Liverpool & London & Globe Co. of that city. Besides the matters dealt with in these columns the paper treated upon the Distribution Clause and the possible effect of the general application of Warranties to Fire Policies. We regret that demands on our space prevent us giving in full the ideas expressed by the writer, but those interested will share with Mr. Moberly the President of the Association and popular Manager of the Northern the expressed hope that the full address may be printed in the Journal of the Association.

On this wide and important subject little seems to have been said of Public Note beyond an able paper by Mr. Jones, C. F. U. A. Toronto. Under the title of Policy Drafting there appears a contribution in one of the Federation Journals in England. "Hine's Book of Forms" represents the American Contribution. Co-insurance and Average has, of course, been widely written of and discussed. Although the field is so wide, I do not propose to do anything more than touch an occasional point, here and there. This paper is no complete compendium for Brokers and Agents who want the latest. Nor is it intended to be the Junior Officials Vade Mecum: More than likely it will not contain a single idea which is new. Rather it is meant to quicken our interest in and focus attention on a subject that seems to have suffered by neglect.

After all, the making of our more important wordings is left largely in the Brokers hands supervised by the C. F. U. A. The wording frequently contains undesirable features. Sometimes the Company does not get all it deserves: sometimes the Insured suffers: and on the whole there are many wordings regarding which one feels that the further away from court they remain the better. I think it is no small tribute to the liberality and broad mindedness of the Companies that so few cases fall to be decided by the Courts. Nevertheless, that is tribute which should not be levied. Wordings and Warranties should receive sufficient care and attention to keep them beyond the bounds of all controversy. The responsibility for payment of the loss rests with the Company. The Agent no doubt feels it his duty to protect his client: The C. F. U. A. are concerned purely with the observance of their rules: but it is with the Company and on the Company alone that the question of liability and payment depends. Much may be done, collectively, by the creation of a healthy general opinion, amongst Officers, Underwriters, Brokers and the insuring public. In the formation of this opinion the first step is a clear understanding by

the Staffs of the Companies of the precise requirements for each case. It is not enough to say "we cannot accept this" or "we must decline" that. Mere negation will not do. We must and ought to be able to put our finger on the weak spot and at the same time say what ought to be substituted. Like a Doctor we must follow our Prognosis and Diagnosis with Treatment and Cure.

In writing a Policy the first point is the name of the Insured. I do not propose to enter into the niceties of Insurable Interest. That is a subject for a lengthy paper in itself.

After the name I would like to see, set out in full, the trade or business of the Insured. One realizes from the name itself the business of say the Canada Cement Company, the Maple Leaf Milling Company or such representative concerns: but there are others, and their number is legion, where the name of the Insured in no way indicates the trade or business. Take the following examples:—

John Jones "Fish, Fruit, Vegetables, Poultry, Game and Provision Dealer."  
William Smith, "Builder & Contractor, Plumber, Tinsmith, Electrician, Paper Hanger, Painter, Decorator."

Set out in full the whole business of the Insured immediately following his name, and the remainder of the wording is much simplified. No need to introduce such phrases as "on stock consisting chiefly of . . . . . " "in their business of . . . . . " "in their premises occupied as . . . . . " Brokers or Inspectors drafting such wordings will usually find a complete note of an Insured's business printed on his bill heads. An underwriter looking over such a form sees at a glance the class he is insuring and, knows what to expect. That idea may not be new; it is an innovation in our present practice which would tend to simplicity and improvement.

Consider for a moment the question of insurable interest. The chief source of difficulty is the partial owner under Mortgage, Deed of Sale, Collateral Security, and all the variations including Agent, Bailee and Warehouseman with which we are more or less familiar.

The Mortgage Clause is another subject on which we shall hope to have an address before this Association. Whilst Mortgagees as a class in regard to Fire Insurance, seem greatly favored, the privileges granted in the Mortgage Clause have been remarkably free from abuse. There is one point in some clauses (they vary of course according to taste) which refers to contribution between Companies. The usual clause reads:—

"in the event of the said property being further insured with this or any other office on behalf

of the *owner or Mortgagee*, the Company shall only be liable for a ratable proportion of any loss or damage sustained."

but sometimes an effort is made to apportion the total loss between insurances actually payable to the Mortgagee and bearing the Mortgage Clause. There are some arguments which may be advanced in favor of such a change; but between Companies, I think there are more arguments "con" than "pro". The point becomes an active issue when some violation of condition has arisen, at, or previous to a loss. The Mortgage Clause protects the Mortgagee but should there be some additional insurance written without that Clause, the Company issuing that insurance may be disposed to take advantage of the breach of conditions. Policies on the same risks would wherever possible be concurrent in every sense.

As a point of academic interest you observe the use of the word "ratable" in the Mortgage Clause. In other places the word has been a storm centre of argument, and I refer you to the works of Mr. Hore and Messrs. Laird on Loss Adjustment if you feel sufficiently interested to follow the various contentions. The contribution clause in the Quebec Act says, "ratable, without reference to dates of the different policies."

One rather peculiar case of partial owner or excess insurance arises in covering Whiskey in Bond. The Warehouseman insures his responsibility which may cover up to the amount of his receipt. The excess of increased value between date of bonding and time of fire may be covered by the owner as an Excess Insurance. A special clause in the policy would read somewhat as follows:—

"It is declared and agreed that the insurance hereby is limited to the excess value only of the said stock in trade, that is the difference between the invoice value for which the Distillers or Warehousemen having custody of the said stock in trade are responsible and the Market Value at the time of the fire, and it is further hereby declared that if in the event of fire there be paid by this or any other Company to such Distillers or Warehousemen on any of the above Whiskey any sum exceeding the original invoice price thereof, then this Company shall be liable only for the difference between the actual market price of such Whiskey and the amount paid as aforesaid."

#### GENERAL WORDINGS.

The wordings most frequently used are those for stores and dwellings. Within recent months there have been prepared by the C. F. U. A., a series of "Uniform Forms" or wording, uniform in the

sense that their use is common to the Tariff Companies. In many ways this is a step forward, apart from the question of economy and convenience, in their production and use. It would be well to make a careful scrutiny of each of these forms as they differ in some respects from those of many individual offices. For example, the words emphasized as very desirable by Mr. Lavery "only while occupied as" and "only while contained in" are found in the building and contents forms. The removal endorsement covers both locations for five days subject to distribution. The transfer of interest forms for absolute transfer, mortgage interest, and collateral, are merged into one, which will I think prove ultimately unfortunate. Insurances on building specify "on the building *only* of the . . . . Dwelling—Store—Factory", removing the doubt as to whether we cover building or contents or both when the policy reads "on the . . . . dwelling . . . . store . . . . factory." Additions are restricted to "communicating and in contact therewith". Detached outbuildings have been held to be additions, but it could not possibly be so under our wording. The Vacancy Permit says "vacant or unoccupied". But these are after all details: the principle is excellent and one would like to see it extended and applied to manufacturing and mercantile risks. For example in British Columbia there is a special Tariff Wording for Printers and Lithographers. Every trade has its peculiarities and we hope to see a special, mandatory, form of Tariff Wording for each trade or business with a well expressed definition of each item covering Building, Machinery, Stock, etc. Speaking of B. C., you will find the Mainland Board Tariff Book worth perusing.

#### BLANKET WORDINGS.

Now gentlemen, I am somewhat at a loss how to deal with this particular item. Like the poor, I am afraid we shall always have it with us and therefore, let us see if anything can be done by way of improvement, in wording or rate.

A Blanket Rate in the minds of some people is confused with a reduced rate. Theoretically that is incorrect, because at the time the rate is issued the average values of and in the different buildings are taken separately and the rate fixed therefor charged on these stated values. (Please note I am not now referring to completely sprinklered plants. These latter are a law unto themselves.)

In actual results I think it would not be difficult to prove that these blanket rates, according to our general practice of to-day are *actually cheaper* to the Insured. The Insured's statement of values in each building is furnished the C. F. U. A., and seldom if ever reaches the Companies. When the loss occurs the Adjusters report, giving values on which claim is based is sent to the Companies and



# BRITISH COLONIAL

FIRE INSURANCE COMPANY, MONTERAL.

*Canadian - Strong - Progressive*

FIRE INSURANCE AT TARIFF RATES.

## THE YORKSHIRE INSURANCE COMPANY, LIMITED

ESTAB. 1824

YORK, ENGLAND ASSETS EXCEED \$35,000,000

**FIRE**.....Every description of property insured. Large Limits.

**LIVE STOCK**...The Yorkshire is the **FIRST COMPANY**, licensed by the **FEDERAL GOVERNMENT**, to transact Live Stock Insurance in Canada.

**ACCIDENT**....Personal Accident, Employers', Automobile, Tams, General Liability, and Plate Glass

**CANADIAN DIRECTORS** { Hon. C. J. Doherty, M. P. Alex. L. MacLaurin, Esq. Canadian Manager,  
G. M. Bosworth, Esq. Pamphile R. Du Tremblay, M. P. P. M. WICKHAM, Montreal

APPLICATIONS FOR AGENCIES are invited from responsible persons.

## DALE & COMPANY, Limited

Marine and Fire Underwriters

CORISTINE BUILDING, - MONTREAL

*All classes of Insurance underwritten or placed in reliable companies.*

Branch Offices at **TORONTO, HALIFAX and VANCOUVER**  
LLOYD'S AGENTS MONTREAL

## A Tower of Strength

Back of every Policy Contract assuring each National Life Policy-holder the largest possible measure of Service, Safety and Saving, towers the strength and security of the Company, as attested by more than two decades of conspicuous success.

*For information regarding Insurance or territory, address Head Office:—*

## THE NATIONAL LIFE

Assurance Company of Canada

National Life Chambers

TORONTO

### The Canada National Fire Insurance Company

HEAD OFFICE: WINDSOR, CAN.

Total Assets . . . . . \$2,400,000.00

A Canadian Company Investing its Funds in Canada

APPLICATIONS FOR AGENCIES INVITED

### THE NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE

SUBSCRIBED CAPITAL.....	\$2,000,000
TOTAL FUNDS.....	1,401,200
NET SURPLUS.....	1,657,100

J. E. Clement, General Manager

J. A. Blaudon, Asst. Manager L. C. Valle, Inspector

the two statements are seldom, if ever, compared. In one case recently, when the fire occurred in perhaps the most highly rated and hazardous building of the whole risk it was found on comparison (it chanced that in this case the original values had been secured by the Company) that as compared with the Insured's statement on which the rate was based the values in the building affected by the loss had almost trebled: the rate remained the same but the loss had to be paid in full. Of course the rating statement was some years old. But no amount of explanation will put premium in the Company's revenue after a loss which, because of our system of rating, is allowed to remain uncollected. I think you will on careful study and reflection agree that Blanket Insurance costs the Companies annually many thousands of dollars in premiums. The remedy is simple. A periodical statement of values should be required from all Insured who hold Blanket Policies, Monthly, Quarterly or Semi-Annual and the rate for the *succeeding* year revised before renewal. The *average* of these monthly or quarterly statements would probably give a much fairer basis for rating. If a Firm's insurances fall due at a time when their Stocks are high in a hazardous part of the risk they may be penalized unfairly, whilst if the contrary is the case the Companies may get a less rate than they are entitled to.

One other point, I do not think that 90% Co-insurance is sufficient. 100% should be required: it would be just as easy to get as 90%. And further the use of 5% Waiver (for in practice it is just as complete a waiver as the 2%) should be discontinued or a limit of amount introduced. Some of our present day schedules run to two, three or four millions of dollars: in the case of a million dollar Blanket Wording we permit a \$50,000. loss without ascertaining precisely whether the Co-insurance Clause has been complied with. Where there is anything like protection it almost savours of Specific Insurance.

It seems useless to dwell on the extension of cover to 100 ft. beyond the risk itself. I suppose we have to be thankful on the whole it is no worse, and that we do not have to grant, as some of our competitors from other Countries make a practice of doing, Tornado, Windstorm, Sprinkler Leakage or Automatic reinstatement (up to a limit) free of charge.

The customary permission for oils, materials and supplies is granted "on the premises". Would it not be better to restrict supplies of oils to the Oil House or Engine Room?

The following efforts at negation of the principles of policy writing seem just about as choice as I have yet seen, written no doubt, with the intention of handing the Insured something tangible in

the form of "Service".

"It is understood and agreed that the conditions of this policy relating to matters before the happening of any fire, breach of which would disentitle the Assured to recover, shall be read distributively, so that, in the event of fire, breach of such conditions in any portion of the property, neither damaged nor destroyed, shall not disentitle the Assured to recover in respect of claim for loss to other portions of the property hereby covered that are damaged or destroyed by said fire, but in which no breach of such conditions have occurred.

It is understood and agreed that any error in the description or location of above described property shall not work to the prejudice of the Assured. Also that the vacancy or inoccupancy of any building insured under this policy shall not vitiate the insurance on same."

Breach of Warranty occurring at any time prior to the date of fire on the premises hereby insured shall not be held to prejudice the interests of the Insured.

Quebec Statutory Condition 7 is sometimes singled out for special notice and these words included in the wording "including property excepted by Statutory Condition 7" You remember Condition 7 refers to plate glass, etc., uncoined gold or silver, works of art, etc. As to whether the above reference is sufficient to include these articles in the insurance is doubtful. The condition says they are not included unless *specially mentioned*. Above, the condition is merely referred to.

#### MONTREAL SECURITIES CORPORATION

Mr. E. J. Beauvais has been appointed as assistant to Mr. F. J. Knox in the insurance department of the Montreal Securities Corporation. Mr. Beauvais was previously connected with the Liverpool & London & Globe for many years and for some years latterly as the Company's inspector for Montreal.

The Montreal Securities Corporation are general agents for the Globe Indemnity Co. (Fire Branch) and Mr. Beauvais, long experience with the parent Company, the L. & L. & G. will no doubt prove beneficial to all concerned.

### THE NORTH EMPIRE FIRE INSURANCE COMPANY

Policies guaranteed by the London  
Guarantee & Accident Co., Limited,  
London, Eng.

HEAD OFFICE, PARIS BLDG., WINNIPEG  
TORONTO OFFICE: 218 CONFEDERATED LIFE BLDG.

J. E. HOUNSOM, Manager

## BUSINESS INSURANCE

on the lives of the men who run the business is just as important as fire insurance on the property. Fire is a possibility but death is a certainty.

The ready cash from a Canada Life Business Insurance Policy at such a time will readjust matters and carry on the business as nothing else can do. Ask for particulars.

### CANADA LIFE ASSURANCE COMPANY

Home Office - TORONTO

## Reinsurance

Advice on reinsurance matters given in connection with Life, Fire and General Casualty business.  
Reinsurances placed with British and Foreign Companies.  
Excess Covers.

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A. F. PEARSON & COY.

ESTABLISHED 1877

Insurance Managers and Re-Insurance Advisers

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Secretary: ROBERT W. REID

Director:

A. RANDTORFF.

FRED. SMITH

Underwriter: Wm. J. FOX  
Manager, Treaty Dept.: W. R. BEAVIS

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National Bank of Scotland.

LIVERPOOL—London Joint City and Midland Bank

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#### OFFICES:

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LIVERPOOL—28, Exchange Street East.

NEW YORK—4, South William Street.

Cable Address: "OSTERLINGA, LONDON"

Toronto Office, 67, Yonge Street.

Telephone: MAIN 5037.

Telegram: OSTERLINGA, TORONTO.

## Great American Insurance Company New York

INCORPORATED - 1872

PAID FOR LOSSES

**\$105,437,708.58**

STATEMENT JANUARY 1, 1919  
CAPITAL

AUTHORIZED, SUBSCRIBED AND PAID-UP

**\$5,000,000.00**

RESERVE FOR ALL OTHER LIABILITIES

**15,231,512.92**

NET SURPLUS

**10,619,509.09**

ASSETS

**30,851,022.01\***

\*Includes \$134,574.96 Excess Deposit in Canada

THE SECURITIES OF THE COMPANY ARE BASED  
UPON ACTUAL VALUES ON DECEMBER 31st, 1918

United States Government Liberty Loan bonds owned  
by the Company exceed its entire capital stock of  
\$5,000,000—a striking indication of true patriotism

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WILLIAM ROBINS, Superintendent of Agencies

Dominion Bank Building, Toronto, Ontario

## Canadian Banking Practice

ON SALE

BY THE CHRONICLE