

# The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1861

PUBLISHED EVERY FRIDAY

Vol. XXXV. No. 38

MONTREAL, SEPTEMBER 17, 1915.

Single Copy 10c  
Annual Subscription, \$3.00

## BANKING POLICY.

Opponents of the action of Hon. W. T. White, Minister of Finance, are still busy denouncing his forbidding the banks in regard to the proposed amalgamation between the Royal Bank and the Bank of Hamilton. Their agitation is not likely to produce any very widely spread public response. Neither can their arguments be regarded as particularly convincing. It is not impressive to be told that no instance is on record of the British Government forbidding a banking amalgamation in Scotland, from the banking system of which country the main lines of our system were originally drawn. To be of any use at all, the adoption of Scottish banking principles had to be a free adoption. A slavish imitation would have been merely ridiculous and useless. Free adoption means the right to create new precedents according to circumstances and provided that these precedents do not prejudice fundamental principles upon which the soundness of the banking system depends they certainly cannot be regarded as dangerous innovations. On the contrary, they may quite legitimately be held to be a sign of life, growth and progress and a proof of the ability of fundamental principles to be applied to circumstances other than those of their parent country. It is interesting, no doubt, to have presented a long list of the absorptions made by some of the leading English banks, but these lists prove nothing to the present point. They merely show that leading English banks have very naturally absorbed a large number of small private and local banks in exactly the same fashion that the leading Canadian banks have absorbed smaller institutions. In point of fact, there have only been in recent years two or three amalgamations of English banks occupying in the English banking system positions of importance relatively similar to those of the Royal and the Hamilton in the Canadian system. But the fact that these amalgamations were not forbidden has little bearing on present circumstances in Canada.

\* \* \*

Further points made by Mr. White's critics have as little force as those already mentioned.

The growth in the number of bank branches in the last ten years is ingeniously put forward to prove that a contraction in the number of banks does not mean a contraction in the number of branches. It certainly has not in the last ten years, but the critics surely do not hold that the contraction in the number of banks has been mainly responsible for the growth in branches during that period. Yet that is what their argument comes to. The critics make much of the further point that Mr. White's decision restricts shareholders from selling their property so long as that property is saleable. The point is more theoretical than practical. It is not to be supposed that Mr. White or any future Minister of Finance would wilfully forbid an amalgamation of this kind if it could be shown to him that unless permission were at once granted the shareholders of the bank to be absorbed would be in danger of incurring heavy losses. So far as there is any restriction upon the liberty of bank shareholders in this connection at all, shareholders have no reason to complain of it, always supposing that the Bank Act is reasonably and intelligently administered. They must and undoubtedly do recognise that the banks are in the position of semi-public institutions and that occupying that position the shareholders assume a certain measure of responsibility from which in other undertakings they would be free. Neither the bankers nor bank shareholders generally are, we believe, inclined to quarrel with this fact.

\* \* \*

It appears that the bankers generally do not regret Mr. White's decision in the present instance. They are aware that if this amalgamation had been carried through here would have been another outburst of public prejudice against the banks. Regrettable as this prejudice is, there is no use in blinking the fact of its existence and it is merely a matter of common diplomacy on the part of the banks not to raise it unnecessarily. It does not appear that the interests of any of the parties to the proposed arrangement have been vitally damaged by Mr. White's decision, and it is certain that the soundness of the Canadian banking system has not been affected by it.

# BANK OF MONTREAL

Incorporated by Act of Parliament

Established 1817

Capital Paid Up, \$16,000,000.00

Res., \$16,000,000.00.

Undivided Profits, \$1,252,864.00

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 PROVINCE OF ONTARIO. PROVINCE OF NOVA SCOTIA.  
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 PROVINCE OF PRINCE EDWARD ISLAND. PROVINCE OF ALBERTA  
 PROVINCE OF BRITISH COLUMBIA.

### BRANCHES OUTSIDE OF CANADA:

LONDON, England, 47 Threadneedle Street, E.C., G. C. CASSELL, Manager. Sub-Agency, 9 Waterloo Place, Pall Mall, S.W.  
 NEW YORK, N.Y., 64 Wall Street, R. Y. HEDDEN, W. A. BOG, J. T. MOLINEUX, Agents. SPOKANE, State of Washington.  
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 ST. JOHN'S, Newfoundland. MEXICO CITY, Mexico, D.F.

### BANKERS IN GREAT BRITAIN

LONDON, The Bank of England, The Union of London and Smith's Bank, Limited, London County and Westminster Bank, Limited, The National Provincial Bank of England, Limited.  
 LIVERPOOL, The Bank of Liverpool, Limited. SCOTLAND, The British Linen Bank and Branches.

### BANKERS IN THE UNITED STATES

NEW YORK, The National City Bank, National Bank of Commerce, National Park Bank.  
 PHILADELPHIA, Fourth Street National Bank.  
 ST. LOUIS, The Mechanics-American National Bank.  
 BOSTON, The Merchants National Bank.  
 CLEVELAND, The First National Bank of Cleveland.  
 PITTSBURG, The Bank of Pittsburg, N.A.  
 DETROIT, The First and Old Detroit National Bank.  
 BUFFALO, The Manufacturers' and Traders' National Bank.  
 SAN FRANCISCO, First National Bank of San Francisco, The Anglo and London-Paris National Bank.  
 MINNEAPOLIS, Northwestern National Bank.  
 SEATTLE, Seattle National Bank.  
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Savings Department connected with each Canadian Branch, and interest allowed at current rates.  
 Collections at all points of the world undertaken at most favourable 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.

## THE CANADIAN BANK OF COMMERCE

ESTABLISHED 1867. Head Office: TORONTO

Paid-up Capital - \$15,000,000  
 Resi - 13,500,000

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., *President*  
 ALEXANDER LAIRD, *General Manager*  
 JOHN AIRD, *Assistant General Manager.*

*Branches of the Bank in Canada are distributed geographically as follows:*

Alberta	- - - 52	Ontario	- - - 88
British Columbia	- - - 43	Prince Edward Island	- - - 5
Manitoba	- - - 23	Quebec	- - - 82
New Brunswick	- - - 4	Saskatchewan	- - - 60
Nova Scotia	- - - 13	Yukon Territory	- - - 2

*Branches of the Bank outside Canada:*

Newfoundland—St. John's.  
 United States—New York, Portland, Ore., San Francisco, Cal., Seattle, Wash.  
 Great Britain—London Mexico—Mexico City.

Collections effected promptly and at Reasonable Rates

## The Molsons Bank

### 14th DIVIDEND

The Shareholders of the Molsons' Bank are hereby notified that a Dividend of TWO AND THREE QUARTERS PER CENT. (being at the rate of Eleven per cent. per annum) upon the capital stock has been declared for the current quarter, and that the same will be payable at the office of the Bank, in Montreal, and at the Branches, on and after the

FIRST DAY OF OCTOBER NEXT,  
 to Shareholders of record on 15th September 1915.

### THE ANNUAL GENERAL MEETING

of the Shareholders of the Bank will be held at its banking house, in this City, on TUESDAY, the 2nd of NOVEMBER next, at three o'clock in the afternoon.

By the order of the Board,

EDWARD C. PRATT,  
 General Manager.

Montreal, 24th August 1915.

# The Chronicle

## Banking Insurance and Finance

ESTABLISHED 1881.  
F. WILSON-SMITH,  
Proprietor.

PUBLISHED EVERY FRIDAY.  
ARTHUR H. ROWLAND,  
Editor.

Office:

406-408 LAKE OF THE WOODS BUILDING,  
10 St. JOHN STREET, MONTREAL.

Annual Subscription, \$3.00. Single Copy, 10 cents.

MONTREAL, FRIDAY, SEPTEMBER 17, 1915.

### THE TREND OF MUNICIPAL DEBENTURES.

Events in the municipal bond market during the past two weeks have probably brought home to local administrators the realities of the situation in regard to their issues of debentures following the issue of the British Government's war loan at a price to yield  $4\frac{1}{2}$  per cent. the Canadian Government's loan at 5 per cent. and the general rise in the rate of interest owing to the war. The city of Ottawa sold its important issue of \$1,503,480 5 per cent. 10, 20 and 30-year debentures, and \$980,000 5 per cent. instalment debentures on such terms that it is paying about  $5\frac{1}{2}$  per cent. for its money. Toronto's large issue of \$3,750,774.10  $4\frac{1}{2}$  per cent. ten-year debentures and \$155,185.13  $4\frac{1}{2}$  per cent. five-year debentures brought only a single offer no better than 90.34 and accrued interest. This was turned down by the controllers as unsatisfactory.

\* \* \*

Those municipal administrators who have been slow to accept the theory that the new rates of interest paid by Government would compel them to recognize considerably higher interest rates than they had formerly accustomed themselves to, even in the period of depreciation in municipal debentures before the war broke out, will realise from these figures that they must bow to the logic of events. As showing the extent of recent depreciation in municipal bond values, it is noted by the Financial Post that during 1912, three years ago, Ottawa debentures were being offered to yield  $4\frac{1}{4}$  per cent. In 1913, the yield rate ranged upward from 4 3-8 per cent. to 4 7-8 per cent. In February last an issue was made which was offered to the public at 4.90 per cent; the present issue is being offered at 5 3-8 per cent.

\* \* \*

The figures constitute a significant index of the profundity of the change in municipal financing, which has been brought about by the outbreak of the European war. It cannot be said for certain that a low point in municipal debentures has yet

been reached. Only the course of events in Europe will determine that. The fact that the British financiers are aware of the possibility of being compelled to issue further loans at an even higher rate of interest than the last was indicated in the intimation that the present issue would be convertible into any higher-interest bearing issue subsequently made. The probabilities are that if the war is prolonged, the British Government will be issuing new loans at around 5 per cent., and the Canadian Government, if it is compelled to borrow, at  $5\frac{1}{4}$  to  $5\frac{1}{2}$  per cent. Under those circumstances the leading municipalities could hardly hope to maintain even the present rates for their new issues. That, however, is a matter of speculation on possibilities. The one thing clear is that it is incumbent upon all municipalities, whether old and wealthy or new and somewhat indigenous, to sternly restrict their expenditures. We doubt if the municipalities generally have got anywhere near the real limits of necessary expenditure. There is, for instance, no particular reason why the present of all times should be chosen for the continuance of extensive and expensive paving operations both of sidewalks and roadways. In matters like this, it seems very evident that we shall have to be content pretty generally with a somewhat lower standard than that which has hitherto ruled. Apart from stern economy in expenditure, the main hope of the municipalities lies in the accumulation of idle funds which sooner or later will be compelled to seek remunerative investment. The extent of this accumulation depends upon public thrift, since the insurance companies and other financial corporations can only invest to the extent to which they are entrusted by the saving public with funds that thus became available for investment.

### THE ANGLO-FRENCH NEW YORK LOAN.

The following is reported as in general outline the proposals advanced by the Anglo-French financial commission now in New York for a new loan to rectify the exchange situation:—

1. It is to be a straight Government loan.
2. It will be the joint obligation of Great Britain and France.
3. The amount will possibly be \$500,000,000.
4. The bonds will have maturities of between three to ten years.
5. The interest rate will probably be 5 per cent.
6. Interest and principal will be payable in dollars in New York.
7. The Government bonds will be exempt from the British income tax.
8. Proceeds of the bond issue will be used for paying for merchandise bought for export and none of the money is to go out of the United States.
9. Bonds will be listed on the New York Stock Exchange.
10. A great syndicate of banks and bankers from all parts of the country is to be formed to underwrite the issue.

# The Bank of British North America

Incorporated by Royal Charter

The Court of Directors hereby give notice that an Interim Dividend for the half year ended 31st May last of forty shillings per share, less Income Tax, being at the rate of eight per cent. per annum, will be paid, on the 8th day of October next, to the proprietors of shares registered in the Dominion of Canada.

The Dividend will be paid at the rate of exchange current on the 8th day of October next to be fixed by the Managers.

No transfers can be made between the 24th inst. inclusive and the 7th. prox. inclusive as the books must be closed during that period.

By order of the Court,

**JACKSON DODDS,**

Secretary.

No. 5, Gracechurch Street  
LONDON, E. C.  
7th September, 1915.

## THE MERCHANTS' BANK OF CANADA

Head Office, MONTREAL.

Capital Paid up	\$7,000,000	Reserve Fund and Undivided Profits	\$7,245,140
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Pres. Sir H. MONTAGU ALLAN. Vice-Pres.: K. W. BLACKWELL.  
E. F. HIDDEN, General Manager.  
T. E. MERRITT, Superintendent of Branches and Chief Inspector

### BRANCHES AND AGENCIES.

<b>Ontario</b>	Acton Alvinston Athens Belleville Berlin Bothwell Brampton Brantford Bronte Chatham Chatsworth Chesley Clarkson Creemore Delta Eganville Eggleton Elora Finch Ford Fort William Galt Gananoque Georgetown Glencoe Gore Bay Granton Guelph Hamilton " East End Hanover Hespeler Ingersoll Kincardine Kingston Lancaster Lansdowne Leamington Little Current London London, East Lucan Lyn Markdale Meaford Mildmay Mitchell Napawan Newbury Oakville Orillia Ottawa Owen Sound Perth Prescott Fresno Renfrew Sarnia Stratford St. Eugene St. George St. Thomas Tara Thamesville Thorold Tilbury Toronto " Dundas St. " Dupont and " Christie Sts " Parl. St. " Parkdale Walkerton Walkerville Wallaceburg Watford West Lorne Westport Wheatley Williamstown Windsor Yarker	<b>Quebec</b>	Montreal (Head Office) " 1255 St. Catherine St. East " 320 St. Catherine St. West " 1330 St. Lawrence Blvd. " 1863 St. Lawrence Blvd. " 672 Centre Street " 2215 St. Denis Street Beauharnois Bury Chateaugay Huntingdon Lachne Naperville Quebec	<b>Quebec</b>	St. James St. St. East St. Jerome St. Jovite St. Johns St. Vaudreuil Verdun St. Agathe
<b>Saskatchewan</b>	Antler Arcola Battleford Carnduff Frohisher Gainsborough Gull Lake Humboldt Klaby	<b>Manitoba</b>	Brandon Carberry Gladstone Hartney Macgregor Morris Napinka Neepawa	<b>Manitoba</b>	Oak Lake Portage la Prairie Russell Souris Starbuck Winnipeg " Bannerman Av.
<b>British Columbia</b>	Limerick Maple Creek Melville Moose Jaw Oxbow Regina Saskatoon Shaunavon Unity Whitewood	<b>Alberta</b>	Acme Brooks Calgary Camrose Carstairs Castor Chauvin Coronation Daysland Delburne Donalds Edgerton Edmonton " Namayo Av. " Alberta Av. " Athabasca Av. Edson Hughenden Islay Killam Lacombe Leduc	<b>Alberta</b>	Lethbridge Mannville Medicine Hat Munsion Okotoks Olds Raymond Redcliff Red Deer Rimney Rumsey Sedgewick Stettler Strome Tofield Trochu Vegreville Viking Wainwright West Edmonton Wetaskiwin

St. John, N.B. Halifax, N.S.  
SUB-AGENCIES—Ontario—Beachville, Calabogie, Frankville, London South, Mulrirk, Newington, Pelee Island.  
Manitoba—Austin, Griswold, Lauder, Sidney.  
Alberta—Botha, Czar, Lorraine.  
IN UNITED STATES—New York Agency, 63 Wall Street.  
BANKERS IN GREAT BRITAIN—The London Joint Stock Bank, Limited  
D. C. MACAROW - - - Local Manager, Montreal

## The Trust and Loan Co. OF CANADA

Capital Subscribed.	\$14,600,000.00
Paid-up Capital.	2,920,000.00
Reserve Funds.	2,627,192.15

MONEY TO LOAN ON REAL ESTATE

**30 St. James St., Montreal**

## PRUDENTIAL TRUST COMPANY LIMITED

HEAD OFFICE  
**9 ST. JOHN STREET MONTREAL.**

Trustee for Bondholders Transfer Agent & Registrar	Receiver Guardian Trustee	Executor Assignee Custodian
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Real Estate and Insurance Departments  
Insurance of every kind placed at lowest possible rates.

**Safety Deposit Vault**  
Terms exceptionally moderate.  
Correspondence invited.

**B. HAL. BROWN, President and Gen. Manager**

## THRIFT AS A NATIONAL DUTY

Sir George Foster, minister of Trade and Commerce, who was the principal speaker at the convention banquet of the Life Underwriters Association of Canada in Toronto last week, pleaded eloquently for national thrift. He pointed out that it is the thrift of preceding generations of the British people which has now made Great Britain capable of shouldering the vast financial burden imposed by the war, and that here in Canada, twenty-five years from now, we shall be continuing to pay the expenses of the war.

"Canada," said Sir George, "has been in the habit of doing as little as possible for herself and calling on the resources of the banks and lending companies in the last few years. There has been a constant stream of money, millions and hundreds of millions, sums incalculable and beyond our simple conceptions. Credit has been too good, resources too great and optimism unbounded. We have unlocked the doors of the vaults and have revelled in loans.

"We can only stop this by practising thrift. We can do it in a national way, but that is not the most important. We must practise thrift in the individual, in the home and in the community. The empire is giving of its best life and blood, laying them on the altar of human liberty and freedom, but our duty is no less at home than on the field of battle. We must stop the waste and extravagance and we must do it by thrift. Out of our savings we will have to pay our debts, not only the debts of war, but in a much larger field. Our greater duty points out that after peace is signed there will be lands that are dismantled, devastated and burned in different portions of the world, and these must be built up again. It will require capital to do that.

### EXTRAVAGANCE A CRIME.

"In the words of a well-known British statesman, 'extravagance is always a folly, in these times it is a crime; thrift is at all times a virtue, in these times it is a national duty.' I would like to engrave that sentiment on the heart and conscience of every man and woman in Canada so that he and she would realize the great duty which demands fulfillment.

"Supposing you saved ten cents every day in waste. You spend, perhaps, ten cents every day that is not necessary. It does not seem much but think what that means with eight millions of people. By saving that ten cents per day, we could add to the wealth of Canada from three hundred to four hundred million dollars every year.

"The most wasteful people in the world are in the Dominion of Canada. We, in Canada, with our population and natural resources find that saving and thrift come so hard. We are too lavish in our natural resources, our forests, agriculture, mines, fish and water powers. Thrift is the last idea that would come to our minds.

"But it is coming now. We must put our money aside so as to add to the wealth of the country and to so conserve the resources that our national strength will be fitting to the most exacting task that may be imposed upon this land of which we are so proud."

## EFFECT OF TAX ON BANK CIRCULATION.

Probably, writes a Toronto correspondent, the new war tax of one per cent. upon the banks' note circulation has had some effect in causing certain of the banks to refrain from pushing the circulation of their notes. On glancing through the figures of the monthly bank returns the observer is struck with the fact that two or three of the strong institutions have kept their issues considerably below the level of paid up capital, whereas before the tax was imposed their circulation pressed close to the limits of the paid capital, even in the slack season of the year. This may be due to the business depression, but it looks as if in some cases the bankers are paying out their notes with more discrimination than in the past. In the days of free issue, notes were used for counter payments in many cases where the purpose could have been effected just as well by the transfer of a cheque or other negotiable instrument. Now the tendency will be to use these instruments and eliminate the taxed currency to a certain extent.

If call loans in New York remain around the present interest levels, adds the correspondent, it is likely that the Canadian banks will have recourse extensively to the issues against gold deposited in Central Reserves; this perhaps would necessitate calling of loans in Wall Street and possibly shipment of some gold to Montreal.

## BRITISH SELLING OF AMERICAN SECURITIES.

It is noted by American financial authorities that during the last two months there has been phenomenal liquidation of American securities by British and other foreign holders. The recent selling is understood to have been in large measure by institutions—by British insurance and financial companies, banks, etc., which were actively concerned in the support of the 4½ per cent. war loan not only by straight subscriptions but by the conversion of Consols and the earlier war loans, which conversions involved the putting up of new money.

## INSURANCE ON GRAIN.

At a sitting of the Grain Commission held last week at the Montreal Board of Trade, the question of insurance on grain stored in eastern elevators was taken up. The Montreal Corn Exchange had made application to the board to secure the necessary amendment to the Canada Grain Act to make it compulsory for all owners or operators of grain elevators in the Eastern Division to insure all grain stored in their elevators, such insurance to be added to the regular storage charge. It was set forth that under the Grain Act as it at present stands all the elevators, Fort William and west, have to so insure grain in their charge, and the idea was to have this principle extended east.

The commission apparently considered this a reasonable suggestion, and a committee was appointed to devise a method of drawing up a working agreement.

Men don't die that they can go down Yorge street in autos, but in the hope that their children will live in a much better civilisation than we are living in.—*Dr. Falconer to Life Underwriters.*

# THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid up \$11,560,000 Reserves \$13,174,062  
Assets \$179,404,054

HEAD OFFICE - MONTREAL.

340 BRANCHES THROUGHOUT CANADA

78 Branches in Cuba, Porto Rico and Dominican Republic

Kingston, Jamaica. Bridgetown, Barbados.

Nassau, Bahamas. St. George's, Grenada.

Port of Spain and San Fernando, Trinidad.

Georgetown and New Amsterdam, British Guiana.

Belize, British Honduras.

LONDON, Eng.  
Princes St., E. C.

NEW YORK,  
Cor. William & Cedar Sts.

## SAVINGS DEPARTMENT

In connection with all Branches. Accounts opened with deposits of ONE DOLLAR and upwards. Interest paid, or credited at highest current rates.

# The Dominion Bank

SIR EDMUND B. OSLER, M.P., President

W. D. MATTHEWS, Vice-President

C. A. BOGERT, General Manager

## TRUST FUNDS SHOULD BE DEPOSITED

in a Savings Account in The Dominion Bank. Such funds are safely protected, and earn interest at highest current rates.

When payments are made, particulars of each transaction may be noted on the cheque issued which in turn becomes a receipt or voucher when cancelled by the bank.

Head Office, Toronto

# THE BANK OF TORONTO

Incorporated 1855.

Head Office: TORONTO, Canada.

PAID UP CAPITAL ..... \$5,000,000  
RESERVED FUNDS ..... \$6,402,810

### Directors

DUNCAN COULSON, President; W. G. GOODERHAM, Vice-Pres.; J. HENDERSON, 2nd Vice-Pres.; HON. C. S. HYMAN, WILLIAM STONE, JOHN MACDONALD, LT. COL. A. E. GOODERHAM, LT. COL. F. S. M'GHEEN, J. L. ENGLEHART, WILLIAM I. GEAR, THOS. F. HOW, General Manager

J. R. LAMB, Supt. of Branches  
T. A. BIRD, Chief Inspector  
Bankers

NEW YORK—National Bank of Commerce.

CHICAGO—First National Bank.

LONDON, Eng.—London City and Midland Bank, Limited.

### EFFICIENT BANKING

Business men will find at this Bank complete banking facilities, up-to-date equipment, and helpful management.

These features combine to provide a most efficient banking service, and your banking account is therefore invited.

# THE BANK OF NOVA SCOTIA

INCORPORATED 1832.

CAPITAL ..... \$6,500,000.00  
RESERVE FUND ..... 12,000,000.00  
TOTAL ASSETS over ..... 90,000,000.00

Head Office - - - HALIFAX, N.S.

JOHN Y. PAYZANT, President.

Gen'l 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

# The Bank of Ottawa

Established 1874

Head Office - - - OTTAWA, Canada

Paid-up Capital - - - \$4,000,000  
Ret and Undivided Profits - 4,978,299  
Total Assets, over - - - 50,000,000

## BOARD OF DIRECTORS

HON. GEORGE BRYSON, President.  
JOHN B. FRASER, Vice-President.

SIR HENRY N. BATE, DAVID MACLAREN  
RUSSELL BLACKBURN, DENIS MURPHY,  
SIR HENRY K. EGAN, HON. SIR GEORGE H. PERLEY.  
E. C. WHITNEY.

# HOME BANK OF CANADA

ORIGINAL CHARTER 1854

Head Office, TORONTO

JAMES MASON - General Manager

Branches and Connections throughout Canada.

### MONTREAL OFFICES

Main Office, Transportation Building, St. James St.

Bonaventure Branch, 523 St. James St.

Hochelaga Branch, Cor. Cuvillier and Ontario Sts.

Mount Royal Branch, Cor. Mount Royal & Papineau Av.

GEORGE BURN,  
General Manager.

D. M. FINNIE,  
Assistant General Manager

W. DUTHIE, Chief Inspector.

## EXPENSE RATIO OF FANCY INSURANCE SCHEMES.

Probably to an increasing extent, Canadian underwriters and insurance agents are confronted from time to time by advocates of Government and other fancy insurance schemes, with figures purporting to show that under any and all of these arrangements, the business of insurance can be transacted at considerably less expense than by insurance companies. They will be well advised to scrutinise sharply these figures since lately a number of statements have appeared in this connection which, to put it mildly, appear not to have been made with such strict care as might have been exercised.

In New York there is a State Fund transacting workmen's compensation in competition with mutual and stock companies. One of its proud boasts is that in the first twelve months of its existence, it paid to policyholders in dividends, \$146,000. The reason that it was able to do this is that it received a subsidy from the State for expenses of \$207,000—a subsidy that is to be continued till 1917. Any comparison with the results given by mutual or stock companies must under these circumstances obviously be misleading. What is in fact taking place is that those who are insuring in the State Fund are for the present at all events securing lower rates than their risk legitimately entitles them to secure, at the expense of the whole community, which is paying expenses to the tune of \$207,000 a year.

### A LIFE INSURANCE CASE.

Again, there is in Massachusetts a sort of insurance called savings bank life insurance, that was called into existence at the bidding of some wealthy enthusiasts, partly on account of the alleged high expense ratio of the regular life companies. On this point, an impartial but on the whole sympathetic observer, deputed to investigate the system on behalf of a savings bank which wished to decide whether or no it should take up the system, now finds, as we noted last week, "that the true cost of savings bank life insurance, far from being low may well be considered actually high, as compared with that of the regular companies." The real expense ratio of this scheme is not in fact procurable. It is known that it has been assisted by the State to the extent of some \$130,000; this financial assistance alone being largely in excess of the dividends paid to the policyholders and the surplus now held by the savings insurance banks. Beyond that State subsidy, an unknown but evidently substantial amount has been put up by the wealthy sponsors of this scheme, which has been a failure, in order to pay "instructors", otherwise agents—and that when it was widely proclaimed that through this scheme, the paid agent would be eliminated!

These private subscriptions, of course, are not charged in acquisition expenses against premiums though obviously they should be if any fair comparison is to be made with the regular life companies.

A fair comparison of the expense ratio of a Government or other fancy insurance scheme with that of the regular insurance companies cannot be made unless all the expenses of the former by whomsoever provided are taken account of. It will be in recollection that the Ontario monopolistic workmen's insurance scheme is subsidised by the Government to the extent of \$100,000 a year. That amount must be taken into consideration when the results of this scheme become available for discussion.

### MUTUAL LIFE OF CANADA DOING WELL.

Considering the conditions (says the Mutual Life of Canada's Bulletin), the Mutual has so far during 1915 written an amount of business that is satisfactory. It is to be remembered that in such a year as the present to write an amount equal to that of last year would be more than normal. In other words, the conditions are such that normal business this year would be less rather than more than that of last year. Only by the use of undue pressure, which always means poor business, could we hope to exceed the production of last year. Up to the present the management is satisfied and gratified.

ESTABLISHED 1873

The

# Standard Bank

of CANADA

## Head Office, TORONTO

124 BRANCHES THROUGHOUT THE DOMINION



SECURITY for both principal and interest is the first essential of an investment; the ability to realize quickly the second. Judged by these standards, a deposit in the savings department of this Bank is an ideal form of investment.



**Montreal Branch: 136 ST. JAMES STREET**  
**E. C. GREEN, Manager.**

# IMPERIAL BANK OF CANADA

**Head Office, - Toronto**

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

PELEG HOWLAND,  
*President*

E. HAY,  
*General Manager*



THE most satisfactory way of sending money to any point in Canada, is by using the money orders issued by the Imperial Bank of Canada. These money orders are readily cashed by the recipient without bother or delay. Ask for further particulars when next in the bank.

**126 BRANCHES IN CANADA**

## The Royal Trust Co.

Capital Fully Paid - - - \$1,000,000  
Reserve Fund - - - - 1,000,000  
**EXECUTORS AND TRUSTEES**

**BOARD OF DIRECTORS:**  
H. V. Meredith, *President.*

SIR H. MONTAGU ALLAN, E. B. GREENSHIELDS  
R. B. ANGUS, C. R. HORNER  
A. BAUMGARTEN, SIR W. C. MACDONALD  
A. D. BRATHWAITE, HON. R. MACKAY  
H. R. DRUMMOND, SIR T. G. SHAUGHNESSY, K.C.V.O.  
C. B. GORDON, K.C.M.G.  
SIR LOMER GOULD, SIR FREDERICK WILLIAMS-TAYLOR

**A. E. HOLT, Manager**

**OFFICE AND SAFETY DEPOSIT VAULTS:**  
**107 St. James St., MONTREAL.**

**BRANCHES:** Calgary, Edmonton, Ottawa, Quebec, Regina, St. John, N.B., St. John's, Nfld., Toronto, Vancouver, Victoria, Winnipeg.

## WESTERN

**Assurance Company**

Incorporated in 1851

**FIRE AND MARINE**

**ASSETS** over **\$3,700,000.00**

**LOSSES** paid since organization of Company over **\$61,000,000**

**DIRECTORS**

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W. B. MEIKLE, *Vice-President and General Manager.*

ROBT. BICKERDIKE, M.P. JAMES KERR OSBORNE  
H. C. COX Z. A. LASH, K.C., LL.D.  
D. B. HANNA GEO. A. MORROW  
JOHN HOSKIN, K.C., LL.D. LT. COL. FREDERIC NICHOLLS  
ALEX. LAIRD COL. SIR HENRY PELLATT C.V.O.  
AUGUSTUS MYERS E. B. WOOD

**HEAD OFFICE - TORONTO**

## National Trust Co.,

LIMITED  
CAPITAL - - - - \$1,500,000  
RESERVE - - - - 1,500,000

Acts as executor and trustee under will.  
Administers real estate.  
Allows interest on savings deposits.

**MONTREAL DIRECTORS**

H. B. WALKER, F. W. MOLSON,  
H. J. FULLER, T. B. MACAULAY  
W. M. BIRKS

**MONTREAL OFFICE:**

**153 St. James Street**

PERCIVAL MOLSON, *Manager.*

## LLOYDS BANK LIMITED, 71, LOMBARD ST., LONDON, E.C.

Subscribed Capital - - -	\$156,521,000	Cash in hand, &c. - - -	\$173,534,130
Capital Paid up - - -	25,043,360	Bills of Exchange - - -	67,100,965
Reserve Fund - - -	18,000,000	Investments - - -	80,667,610
Deposit & Current Accounts	590,869,295	Advances, &c. - - -	297,198,235

**THIS BANK HAS OVER 880 OFFICES IN ENGLAND AND WALES.**

Colonial and Foreign Department: 17, Cornhill, London, E.C.  
London Agency of the IMPERIAL BANK OF CANADA.

Paris Auxiliary: LLOYDS BANK (FRANCE) LIMITED, 26, Avenue de l'Opera.  
AN ENGLISH BANK CONDUCTED ON ENGLISH LINES. Branches at BORDEAUX, BRARITZ and NAYR.

## MUNICIPAL FIRE INSURANCE.

A number of Canadian municipalities are reported at the present time as considering various schemes of municipal insurance. The necessity for "saving money" is indicated as the reason for this activity and it need not be a matter of surprise that under present conditions old fallacies in this connection should be given a new lease of life. There are three alternatives open to a municipality which is dissatisfied with its present fire insurance arrangements. Either it may "save money" by declining to carry insurance any longer on the public's property, or it may start a scheme of self-insurance, putting aside a certain amount each year as a fire insurance fund, or it may join with other municipalities in getting insurance in an organisation which insures municipal property only at a lower rate than that which is commonly given.

The first alternative, that of no insurance is not likely to find wide acceptance. Its dangers are too obvious. The second and third alternatives have from time to time been eagerly advocated, and are buttressed by such a formidable array of fallacies and sophistries that it is not surprising if occasionally a municipality decides in their favor. Montreal has already done so. Years ago, it decided to carry no more insurance with the companies on its municipal buildings but instead to build up a fund from which fire losses could be recouped. What the exact size of that fund at the present time is, we are not aware, but it is certainly totally inadequate to meet any heavy loss on the municipal property. If the City Hall burned down to-morrow or next year, or probably five years hence, the Montreal ratepayers would have the satisfaction of knowing that they were some hundreds of thousands of dollars out of pocket—which they need not have been—through the failure of the city authorities to carry adequate insurance.

### WEAKNESS OF SELF-INSURANCE SCHEMES.

This particular instance discloses the fundamental weakness of municipal self-insurance schemes, which adopt the method of laying aside a certain amount annually to build up a fund to cover losses. They do not in fact give insurance protection. They fail to recognize the essential characteristic of the fire hazard, which is its uncertainty. It is said by the advocates of these schemes that in ten years, or twenty years, or thirty years, the fund will have attained to such dimensions that it will be able to provide for the heaviest possible loss. Possibly it will, but suppose the heaviest possible loss comes in the second, fourth or sixth years.

The one is as likely as the other. The State of Wisconsin supplies a famous instance in point. Two or three years ago, the State started one of these schemes for the self-insurance of its public buildings. The fund is now bankrupt through a heavy loss on a normal school, and the State, we believe, is going back to the companies for its insurance—poorer but somewhat wiser. A self-insurance scheme of this kind is beautiful in theory, but unfortunately its theory is entirely divorced from the circumstances of the fire hazard, and in practice it is an expensive failure.

There is not a single town or city between the Atlantic and the Pacific, that is immune from the conflagration hazard; in some, as fire underwriters know, the conflagration hazard is pretty high. Do the public authorities of any of these towns and cities really consider that they have the right to gamble with public property which is not their own, but of which they are merely in the position of trustees? Gambling with the public's property is what these self-insurance schemes come to. The authorities can protect themselves, as the ordinary individual would protect himself, by adequate and sound fire insurance. Do they consider it good business policy to take a chance on a conflagration not coming along for twenty years or so? Would they take the same chance in their own business? Not if their creditors knew it.

### EFFECT ON MUNICIPAL CREDIT.

This brings up another point which is worthy of the most careful consideration on the part of those who are tempted by the beauty of the theory of municipal self-insurance. Let them consider what is likely to be the effect of it on their credit. If the insurable property of a municipality is left uninsured, as it is practically by these schemes, its value as an asset for the protection of its creditors is materially diminished. The cost of insurance spread over the entire body of ratepayers is a mere bagatelle; it is too trifling to be noticed on the tax bill. If, however, a conflagration occurs which burns up the municipal properties, their restoration creates a duplicate of a portion of the municipal debt, and the rate-payers have to pay duplicate interest, first on the original loan raised to secure funds for erecting the buildings, etc., second, on the duplicate loan effected to re-build what was destroyed by fire. Not only is the municipality's financial position thus prejudiced, but the exposure of imprudent administration will so injure their credit that in borrowing to enable such properties to be restored, the municipality is certain to have

# CANADA PERMANENT MORTGAGE CORPORATION

## QUARTERLY DIVIDEND

NOTICE is hereby given that a Dividend of TWO and ONE HALF PER CENT, for the current quarter, being at the rate of

TEN PER CENT PER ANNUM

on the paid-up capital Stock of the Corporation, has been declared, and that the same will be payable on and after

FRIDAY, THE FIRST DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fifteenth day of September.

By order of the Board,

GEO. H. SMITH, Secretary.

Toronto, August 25th, 1915.

Representing

## THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

You will make money.

The great strength, big dividends and incomparable benefits of the "oldest company in America" mean certain success for you.

THE TERMS TO PRODUCING AGENTS, ADDRESS.

George T. Dexter

2nd VICE PRESIDENT

34 Nassau Street New York, N.Y.

## Atlas Assurance Co., Limited of LONDON, ENGLAND

The Company commenced business in the REIGN OF GEORGE III and the following figures show its record—

At the Accession of	Income	Funds
KING GEORGE IV.	\$ 387,065	\$ 800,605
KING WILLIAM IV.	657,115	3,038,380
QUEEN VICTORIA	789,865	4,575,410
KING EDWARD VII.	3,500,670	11,185,405
KING GEORGE V.	6,846,895	15,186,090
and at		
31st DECEMBER, 1914	7,489,145	19,064,425

In addition the Company has a Subscribed Capital of Eleven Million Dollars of which \$1,320,000 is paid up).

Agents wanted in unrepresented districts.

Head Office for Canada:

179 St. James St., MONTREAL

MATTHEW C. HINSHAW, Branch Manager



Assets: \$8,966,071.46

Surplus to Policyholders: \$4,019,694.66

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

A STRONG TARIFF OFFICE, NOW ENTERING CANADA

FOUNDED A.D. 1819

## THE PHENIX FIRE INSURANCE COMPANY OF PARIS, FRANCE

EDMUND FOSTER, Supt. of Agencies.

THOMAS F. DOBBIN, Manager for Canada.

LEWIS BUILDING,

ST. JOHN STREET, MONTREAL.

Applications for agencies invited

to pay a higher rate of interest than if its buildings had been protected by insurance.

In point of fact there is no difference between this kind of self-insurance on the part of a municipality and the same practise by an individual. Suppose that a merchant took chances in this way. What would be thought of his lack of foresight and his reckless reliance upon chances. A form of business procedure which, in his own case, every property owner would regard as highly improvident, cannot be a prudent course for a municipality to adopt.

#### FIRE INSURANCE WORTH A FAIR PRICE.

There remains the third alternative to the municipality desirous of "saving money" on its fire insurance, of joining with other municipalities in getting insurance in an organisation which insures municipal property only, at a lower rate than that commonly given. Some attempts to start such an organisation in Canada have, we believe, been made. As to its desirability, these points come to mind. If the organisation cuts rates, it can only re-insure its risks, as of course it will be compelled to do, with insurance organisations also cutting rates. The re-insurance organisations might be strong enough financially to carry the risks, but cut-rate fire insurance organisations do not usually beget confidence. There is an organisation of this kind in England which has been working about 12 years and which, while still a small affair, appears to have obtained a certain measure of support from various municipalities. Its history, however, includes the withdrawal of municipal authorities who at one time supported it, on the ground *inter alia* that its re-insurance arrangements were unsatisfactory, and various news items which have appeared from time to time suggest that some at least of the re-insuring companies it has had dealings with, would not beget any very strong measure of confidence in those acquainted with the fire insurance business.

To sum up, municipalities who think they can "save money" by indulging in fancy insurance schemes at the present time will be well advised to turn to some other quarter for possible economies. Fire insurance, if it is worth anything at all, is worth paying a fair price for. The risks involved in the schemes enumerated are out of all proportion to anything that could possibly be saved by them and a municipality which adopted them would merely be advertising the lack of foresight and poor business judgment of its administrators.

---

#### MR. J. P. A. GAGNON.

We understand that Mr. J. P. A. Gagnon, for many years inspector for the Province of Quebec for the Phoenix of England, has resigned to take charge of the Province of Quebec business, in the same capacity, of the Royal, Queen, and Hudson Bay Insurance Companies. Mr. Gagnon is well and favourably known among the agents of the Province, and THE CHRONICLE wishes him every success in his new sphere.

## FIRE INSURANCE RATES.

It has been said with a good deal of truth that fire insurance is mainly a question of rates. This is so, because it is necessary in the best interests of the business that rates be both adequate and equitable. Adequacy is necessary in order that the financial permanency of the insurers may be maintained; equity, since it would be obviously unfair that one class of policyholders be overtaxed to compensate for deficient premiums paid by another class. It is true that the balancing of deficient premiums in one quarter by excess premiums in another may result in the maintenance of a due and proper average in the general rating. But these incongruities of rating result eventually in the placing of the business upon an unsound basis, and destructive competition follows. Moreover, an undue dependence upon the character of the fire loss fluctuations so that rates of premium more or less follow the periodical rates of loss up and down, entirely ignores the important fire insurance principle that the premium and its reservation should anticipate the loss.

Fire insurance is undoubtedly an affair of mutuality. It is in fact an account among the owners of a large volume of different risks, each contributing to indemnification of loss *pro rata*, according to his share in the contribution to peril. The underwriter is in the position of an attorney of those who thus contribute in order that as individuals they may be protected financially against the hazard of fire. The stock capital on the part of the underwriter constitutes a pledge of good faith on his part—a guarantee of the safety of the funds entrusted to his care and of their due payment in case of necessity.

The fact that mutuality is the fundamental principle of fire insurance, even though carried on by stock companies, is seen in daily practise. An improvement in the risk by the insured leads to a corresponding reduction in the rate of premium required to cover the risk up to a specified amount. Similarly, an improvement by a community in water supply or in fire fighting appliances is given credit for by a general reduction in the fire insurance rates of the whole community. On the other hand, increases in risks necessitate increases in rates. It follows from this principle of mutuality in fire insurance that reduction in rates must depend upon the insured themselves. If they are able to reduce risks, and eliminate common origins of many fires, the rates charged them will naturally fall. Insurance men and companies may perhaps act as the leaders in effecting this, but without the co-operation of the whole body of insured they are powerless. That co-operation is essential if results are to be achieved which will bring down rates to the lowest practicable point. The insurers are not justified in reducing rates prior to this reduction in losses since to do so involves the danger that premiums will not be sufficient to meet losses and thus the financial permanency of the insurer be impaired.



CANADA BRANCH HEAD OFFICE, MONTREAL.

**DIRECTORS**

M. Chevalier, Esq. T. J. Drummond, Esq. Sir Alexandre Lacoste  
 William Molson Macpherson, Esq. Sir Frederick Williams-Taylor, LL.D.  
 J. Gardner Thompson, Manager. Lewis Laing, Assistant Manager.



Head Office: Cor. Dorchester Street West and Union Avenue.  
 MONTREAL

**DIRECTORS**

J. Gardner Thompson, *President and Managing Director.*  
 Lewis Laing, *Vice-President and Secretary.*  
 M. Chevalier, Esq. A. G. Dent, Esq. T. J. Drummond, Esq.  
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 J. C. Rimmer, Esq. Sir Frederick Williams-Taylor, LL.D.

*The*  
**Continental Insurance Company**  
 of NEW YORK

*Licensed for Fire Insurance by Dominion Government*

Authorized, Subscribed and Paid up Capital, \$2,000,000 Net Surplus, \$14,441,895

TOTAL ASSETS EXCEED \$28,000,000

HENRY EVANS, *President*

GEO. E. KLINE, *Vice-President*

**Agents Wanted in Unrepresented Districts**

IF YOU SELL INSURANCE WHY NOT SELL THE BEST. IT COSTS NO MORE.

Head Office

80 MAIDEN LANE  
 NEW YORK

W. E. BALDWIN,  
*Agency Supt.*  
 Eastern Canada

MONTREAL BRANCH OFFICE  
 Lewis Building St. John Street  
 JOSEPH ROWAT, *Resident Manager*



**The Northern Assurance Co. Limited**  
 "Strong as the Strongest"

Accumulated Funds 1914, \$41,615,000  
 HEAD OFFICE FOR CANADA,  
 88 NOTRE DAME STREET WEST,  
 MONTREAL.

G. E. MOBERLY, *Supt. of Agencies.*

ROBERT W. TYRE, *Manager.*

**OPPORTUNITIES**

in Life Insurance are many.

FOR AN AGENCY, ADDRESS

GRESHAM LIFE ASSURANCE SOCIETY, LTD.

Established 1848. Funds \$50,000,000  
 GRESHAM BUILDING - - - MONTREAL.

**LIFE AGENTS.**

A connection with the Continental Life Insurance Co., of Toronto, would be to your advantage. For Eastern Ontario or Quebec Province, write

T. R. BROWNLEE,  
 102 Bank Street Chambers,  
 Ottawa, Ont.

GEO. B. WOODS, CHARLES H. FULLER,  
 President. H. A. KENTY, Secretary.  
 Superintendent of Agencies.

**REDUCING THE LAPSE RATIO.**

To The Editor of The Chronicle:

SIR—That the crying evil in Life Insurance is the dreadful waste and loss by lapses, few will deny. That there should be some radical step taken in the direction of ameliorating this condition, all sensible insurance managers will admit. Yet they are all afraid to face the facts. We know that the chief trouble-maker is the method of compensating the Agent, and that but for the competition between the Companies and for their perpetual rivalry in the race for size and importance, radical steps would have been taken long ago. I do not think a good Agent is overpaid—on the contrary; but poor and inefficient Agents are certainly overpaid and there are a good many more of the latter than is well for the companies, for their fellow agents, or for the community. What I think about the commissions to good Agents is not that they are too large but that they are wrongly adjusted. Suppose that a first year's commission of 60 per cent. is allowed with nine renewals at  $7\frac{1}{2}$  per cent. The total is  $127\frac{1}{2}$  per cent. How much more likely the business would be to stick if the commissions were paid as follows: First year 30 per cent., second year 20 per cent., and eight renewals of 10 per cent., total 130 per cent. Were the Canadian Companies to enter into a compact to pay commissions in this manner they would at once lose a great many agents that they could well afford to lose. Their "new business" for some years (but, I venture to prophesy, not for many years), would be mightily diminished but it would not be long before the lapse evil would be a thing of the past and the greatest wastage in our business stopped for ever. The good Agent would, in years to come, benefit in every way. He would be freed from competition with "transients." He would have a higher standing. He would make more money. That the policy-holder would benefit by a much lower net cost is obvious.

To take a step of this nature requires two things—co-operation and courage. Have the Canadian Life Managers the wisdom to practice the first and have they the backbone to carry out a radical plan of relief for the common good?

Yours, etc.,

J. L. K.

September 13th, 1915.

**THE ROLL OF HONOR.**

Lieutenant Gerald Philip Esten, 1st Essex Regiment, killed in action at the Dardanelles last month, was attached to the Toronto staff of the British Crown Assurance Company, and went over with the first Canadian contingent as a sergeant. An extremely promising insurance career has thus been closed. Captain W. A. Mackenzie, of the Winnipeg office of the British Crown, is now a prisoner in Germany and Captain Lowry, late of the Calgary office, has been severely wounded.

The Sun Fire office has lost another of its staff in 2nd Lieutenant E. G. Stearns, aged 20, of the 4th Royal Fusiliers, who died from a bullet wound received while superintending the digging of a second line of trenches. This is the seventh fatal casualty to the London staff of the Sun Fire office since war broke out, in addition to two missing for many months.

**PERSONALS.**

Mr. H. C. Cox, president of the Canada Life, has returned to Toronto this week after an extended holiday.

\* \* \*

The death of Mr. R. L. Drury, district manager at Victoria, B.C., of the Mutual Life of Canada, is announced. Mr. Drury was not only valued for his services to his company, but esteemed for sterling personal qualities.

\* \* \*

The new president of the Life Underwriters' Association of Canada is Mr. W. Lyle Reid, of Ottawa, who is well known to life insurance men throughout Canada as having taken a prominent part in the Association movement for some years.

\* \* \*

Messrs. J. B. Morrisette (Quebec), E. C. Emmerston (Brantford), and T. J. Parkes (Sherbrooke), were respectively first, second and third in the Life Underwriters essay contest, the results of which were declared at the Toronto convention last week.

\* \* \*

The late Sir William Van Horne furnishes a remarkable instance of a man who, having "raised himself by his bootstraps," as he himself said, developed in his middle and declining years a discriminating and cultivated taste for the arts. In his death Canadian artists have lost a wise and wealthy patron.

\* \* \*

Mr. George Wegenast, managing director of the Mutual Life of Canada, returning from a trip west, reports that while western towns and cities are suffering from the present depression there is every reason to feel optimistic as regards the rural sections which for the time being must be mainly the field of activity for life agents.

\* \* \*

Mr. A. J. Meiklejohn, the retiring president of the Life Underwriters Association of Canada, was presented at the Toronto convention by his fellow members with a beautiful scarf pin, comprising a diamond set in amethysts, as a token of their esteem and appreciation of the sound work he has performed in the presidential chair during the past year.

\* \* \*

The new executive of the Canadian Life Underwriters' Association, elected at last week's convention at Toronto, is as follows:—Hon. President, A. J. Meiklejohn, Montreal; President, W. Lyle Reid, Ottawa; Secretary, Geo. Hunt, Toronto; Treasurer, F. T. Stanford, Toronto; Vice-Presidents, Maritime Provinces, J. T. Wilson, Halifax; Quebec and Ontario, Thos. Hendry, Brantford; Manitoba and Saskatchewan, C. M. Twiss, Winnipeg; Alberta and British Columbia, Ernest Reynolds, Edmonton.

**THE PLAYFUL GANDERS.**

The Montreal pond of the Ancient and Honorable Order of the Blue Goose proposes to indulge in a grand baseball contest, Allies (British companies) vs. Neutrals (American companies), on the M.A.A.A. grounds this afternoon at 4 p.m. The time for refreshments is not officially announced. Unofficially, however, we should say it would be about 4.05 p.m.

# COMMERCIAL UNION

ASSURANCE COMPANY LIMITED  
of LONDON, England

The largest general insurance Company in the world  
(As at 31st December 1914)

Capital Fully Subscribed . . . . .	\$14,750,000
Capital Paid Up . . . . .	1,475,000
Life Fund, and Special Trust Funds, . . . . .	72,629,385
Total Annual Income exceeds . . . . .	45,000,000
Total Funds exceed . . . . .	133,500,000
Total Fire Losses Paid . . . . .	174,226,575
Deposit with Dominion Government . . . . .	1,208,433

APPLICATIONS FOR AGENCIES SOLICITED  
IN UNREPRESENTED DISTRICTS.

Head Office: Canadian Branch:—

**Commercial Union Building,  
MONTREAL**

J. McGREGOR,  
Manager

W. S. JOPLING,  
Assistant Manager

# PALATINE

INSURANCE COMPANY LIMITED  
of LONDON, England

(As at 31st December 1914)

Capital Fully Paid . . . . .	\$1,000,000
Fire Premiums 1914, Net . . . . .	\$2,605,775
Interest, Net . . . . .	136,735
Total Income . . . . .	\$2,742,510
Funds . . . . .	\$5,525,540
Deposit with Dominion Gov't . . . . .	\$235,400

In addition to the above there is the further  
guarantee of the Commercial Union Assurance  
Company Limited, whose Funds exceed  
\$133,500,000 . . . . .

APPLICATIONS FOR AGENCIES SOLICITED  
IN UNREPRESENTED DISTRICTS.

Head Office: Canadian Branch:—

**Commercial Union Building,  
MONTREAL**

J. McGREGOR,  
Manager

W. S. JOPLING,  
Assistant Manager

# SUN INSURANCE OFFICE

FOUNDED A.D. 1710

Head Office:

Threadneedle Street - London, England

**THE OLDEST INSURANCE  
OFFICE IN THE WORLD.**

Canadian Branch:

15 Wellington Street East, Toronto, Ont.

H. M. BLACKBURN,  
Manager.

LYMAN ROOT,  
Assistant Manager.

ESTABLISHED 1809

Total Funds Exceed

**\$109,798,258.00**

Canadian Investments Over

**\$9,000,000.00**

**FIRE AND LIFE**

**North British and Mercantile**

INSURANCE COMPANY

DIRECTORS

W. M. McMASTER Esq. G. N. MONCEL, Esq.  
E. L. PEASE, Esq.

Head Office for the Dominion:

80 St. Francois Xavier Street - MONTREAL.

Agents in all the principal Towns in Canada.

RANDALL DAVIDSON, Manager.

.. THE ..

**London Assurance  
CORPORATION  
OF ENGLAND.**

INCORPORATED BY ROYAL CHARTER A.D. 1720

CAPITAL PAID UP \$2,241,375  
TOTAL CASH ASSETS 22,457,415

Head Office for Canada. - MONTREAL

W. KENNEDY, W. B. COLLEY, Joint Managers.

**GET OUR PRICES  
FOR  
FIRST CLASS WORK**

Orders Filled on Dates Promised

**JOHN LOVELL & SON, LTD.  
PRINTERS & BOOKBINDERS**

23 St. Nicholas Street - MONTREAL

**THE LIFE AGENTS MANUAL, \$3.00**  
THE CHRONICLE, MONTREAL

### A NEW EXPERIENCE SCHEDULE.

■An important new publication has just been issued by the National Board of Fire Underwriters of the United States—an Experience Grading and Rating Schedule, of which Mr. E. G. Richards, U. S. Manager of the North British and Mercantile, is the author. The new schedule is "designed to be a United States standard for measuring fire insurance costs, based upon combined experience averages." Mr. Richards, in his preface, points out that the possibility of State control becoming general in the matter of fire insurance price-making emphasizes the necessity for effective and conclusive action on the part of the companies by which the rate-making problem would receive a scientific solution. No state, he goes on to say, is sufficiently large to offer in itself and alone a safe field for a general business because of the constant peril of excessive loss from conflagrations. Rates are for the same reason dependent upon this principle of average, and to be properly adjusted should be based upon a combined experience of companies covering a long period of time, for a territory not less than the United States and with due consideration to conflagration loss.

"I have held the belief for many years," Mr. Richards says, "that each State should bear the cost of its own fire waste (severe conflagration loss excepted) in its own rates of insurance, to which should be added such other outgo for conducting the fire insurance business therein as is peculiar to itself, nevertheless, no class experience of a single State is sufficiently broad to furnish the necessary average for rate-making purposes. These theories are to some extent the warp of a rate-making fabric, which will be analysed in this work."

### SPRINKLERS.

There is hardly any variety of structure, whatever its occupancy, into which sprinklers have not been or cannot be introduced. The most elaborately finished department stores, as well as the plainest factories, hotels, schoolhouses, theatres, and even vessels, have been equipped. The principal Panama-Pacific Exposition buildings have been sprinklered. In some buildings the piping is concealed, but even where exposed it is not objectionably noticeable. How many customers notice the sprinklers in the stores?

A sprinkler in operating will throw 12 gallons a minute under 5 pounds pressure, 18 gallons at 10 pounds, 30 gallons at 30 pounds, 40 gallons at 50 pounds, 50 gallons at 70 pounds.

To give a better means of comparison, let us refer to rainfall. The greatest continuous rainfall for ten minutes recorded by the Weather Bureau office at Hartford averaged .076 inch per minute. From actual measurement the average distribution per minute on the floor 10 feet below a sprinkler operating at 25 pounds pressure was .0907. That is to say, the downpour from the sprinkler under average conditions is 1.2 times as heavy as our heaviest rainstorms. Under higher pressure it might be twice as heavy.—*Hartford Agent.*

Next week's British budget, it is expected, will reveal a further large increase in the income tax, small incomes becoming taxable, and stiff new duties on luxuries.

### CAUSES OF SURETY LOSSES.

With a view to determining the causes responsible for surety losses for the purpose of assisting its underwriters in their future operations, the National Surety Company has made a careful analysis of the features which have contributed to recent claims aggregating \$700,000, which the company has paid. The following conclusions are reached in regard to \$500,000 losses in contract cases:—

Five-eighths of these losses were preventable, before the bond was signed.

One-eighth of the total loss occurred through insufficiency of capital.

One-eighth through low and apparently reckless bids.

One-eighth through dishonest financial statements.

One-twelfth resulted from business literally forced upon the Company after refusal, through the insisting urging of agents.

It is disconcerting to note, says the Company, that 65 per cent, of the losses paid on contract bonds were on cases where the conditions might have been fully ascertained before signature, and where the loss might have been very largely reduced or even avoided entirely, if the agent and the Company had made a sufficiently thorough investigation. Note, too, the item of losses caused by the persistent pleadings of agents, to write business looked upon with disfavor. The home office has paid dearly in this matter for trying to please its agents, but this is not business and it must be stopped.

The figures showing \$200,000 court losses are also highly instructive. They show the radical difference between the underwriting of contract bonds, which are usually for short terms, and court bonds, which are nearly all indefinite and where the liability may appear a decade after execution. While an analysis of the court bond losses is not so easy, and the preventable errors are not so palpable, it is obvious that—

One-fifth of the amount lost was from incomplete investigation.

One-tenth from the wrong kind of so-called collateral.

One-tenth from the financial insufficiency of the principal.

One-fourth from the ignorance or negligence of the fiduciary.

### BRITISH LIFE VALUATIONS.

In view of the financial conditions which have arisen—to some extent antecedent to the outbreak of war, but much intensified since that event—the position of life offices whose valuations fall to be made at an early date (say as at December 31st, 1915, or in the first half of 1916) is a matter for serious consideration, says the London Insurance Record, and a good deal of speculation has been indulged in as to the steps that will be taken to cope with existing difficulties. In times of prosperity the companies have, however, adopted the policy of strengthening reserves. Their forethought will stand them in good stead now, and fortunately British offices are so strong that there is no doubt that they will be able to deal satisfactorily with the position. But the considerations which bear on the valuations of companies differ widely according to their constitutions, and no palliative measure which could be suggested could possibly be applicable to all.



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Losses paid exceed \$235,000,000

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Head Office: Royal Exchange, London

**INSURANCE COMPANY OF NORTH AMERICA**

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**CAPITAL, SURPLUS TO POLICY HOLDERS** \$4,000,000.00  
**ASSETS** 8,844,871.95  
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 GENERAL AGENTS FOR CANADA. MONTREAL

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Over \$19,600,000 invested in Canada.  
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**LIABILITY FOR NEGLIGENCE CAUSING FIRES.**

An important movement to fire insurance underwriters is the growing volume of judicial decisions on this Continent concerning the matter of individual liability for fire losses. Decisions recently given appear to warrant the belief that there is a right of action at common law by the owner of adjoining property damaged by fire communicated from another building when the fire was caused by neglect, carelessness or non-compliance with existing laws and ordinances.

The following synopsis of judicial decisions and pending cases in this connection has been compiled by the Glens Falls Insurance Company.

In two important cases the Supreme Court of New York has declared liability for full cost of extinguishing such fires.

Several suits have been begun in Indiana claiming damages from owners of property wherein like fires started; in one case by a tenant because the owner had failed to make changes in hazardous conditions to which the tenant had several times called the owner's attention.

The Supreme Court of Illinois, in *Noll vs. Taylor*, has held that a person is liable for all of those consequences which might have been foreseen and expected as a result of his conduct. In this case Taylor set fire to a gathering of dry grass and leaves on his farm. The fire got beyond his control, not only burning his own farm buildings, but, because of a high wind, burned the buildings of Noll, a quarter of a mile away. The court held that the setting of the fire by Taylor was the proximate cause of the burning of Noll's buildings and that Taylor must pay the loss.

In another Illinois Supreme Court case a railroad company set fire to grass along its right of way and was held liable for the death of a woman whose clothes caught fire in trying to put out the blaze.

The Supreme Court of Indiana in 1913, *Steiter vs. Coulter*, held that where a statute required the owner, occupant or lessee to erect certain fire escapes, the owner was primarily liable and responsible for failure to provide same, and a person injured by reason thereof has a right of recovery, and in some cases this right might be enforced against a tenant or lessee.

Cases in Minnesota and Missouri cover similar decisions. It looks as if fires caused by negligence, carelessness or disregard of fire prevention laws and ordinances, remarks the Glens Falls, have disturbing features for others than fire insurance companies.

**PRUDENTIAL INSURANCE COMPANY OF AMERICA.**

Announcement was made this week by The Prudential Insurance Company of America of the election by the Board of Directors of the Company of John W. Stedman, of New York, as Assistant Treasurer of the Company. He will join The Prudential on October 1.

For the past ten years Mr. Stedman has been associated with Clark, Dodge & Company of 51 Wall Street, New York, in its Bond Department, and the knowledge gleaned by him through this affiliation will be of much value to him in his new work.

**THE CREDULOUS MAGAZINE.**

About the limit in misrepresentation of the insurance business is seen in a story published in a recent issue in the *Saturday Evening Post*, the denouement of which was a confession that a bank burglary was perpetrated by a professional safe blower employed by a burglary insurance company to stir up business in sections where the premium income was not up to expectations. Politicians and others have before this charged the fire insurance companies with connivance with incendiaries in order to keep up their premium income, but this is the first occasion we have seen a similar argument used to misrepresent the burglary companies. Presumably, the editor who accepted this stuff for publication believed in the probability of the theory upon which the story was constructed. One can only gasp at his credulity.

**HAVE A PURPOSE.**

Don't, I beg of you, merely insure a man's life for so many dollars. Have a specific purpose for which the money is to be used. A policy for the amount of a mortgage is a mighty interesting proposition. The number of mortgages and the people struggling under them is enormous, and the field is large.

Have you ever thought of suggesting to a man that a life insurance policy, payable at his death, is a fine bequest to his favorite charity—a policy made payable to an educational institution, a hospital, a missionary board? No probate fees are involved, no will contest, no setting aside of a large sum that may be needed later on in the man's life for other purposes. Did you ever think of the men who have had their wills set aside by the courts? A life insurance policy is a will direct. Oh, there are innumerable uses for insurance.

Show your prospect some of the uses to which it may be put, finding first what his needs are. Don't just merely sell him a policy. Insure the man's life for a specific purpose. He will think more of you, and you will become a better and more competent man—a larger and larger money earner—a specialist in the business.—Thos. A. Buckner.

**DON'T WASTE YOUR AMMUNITION.**

The agent who talks so long and hard that he is studiously avoided by everybody is—or ought to be—obsolete. That type of representative seldom receive introductions from the few people he actually succeeds in insuring (an officer of the Equitable of New York declares). To get the full value of your time you must be able to fit the argument to the case; to know when you have said enough; to impress on each prospect the high value you place on both your time and his time, to show him the necessity for prompt action, and last, but not least, to close each case with a binding receipt.

**LIFE UNDERWRITERS' CONVENTION.**

The ninth annual convention of the Life Underwriters' Association of Canada, held at Toronto last week, was attended by fully 300 life men from all parts of Canada, and the instructive and inspiring three days' programme, which had been arranged by the executive, was successfully carried through. Extracts from addresses given at the convention appear under separate headings.

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Incorporated 1833.

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 Assets over - - \$2,000,000.00  
 Losses paid since organization  
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DEPOSITS with Federal Government and  
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AGENTS WANTED IN BOTH BRANCHES. Apply to

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INSURANCE AGAINST

Fire, Accident and Sickness

Employers' Liability

Automobile, Plate Glass

Agents wanted for the Accident Branch.

Head Office for Canada - - TORONTO  
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THE LIFE AGENTS' MANUAL - \$3.00

Published by The Chronicle, Montreal

# L'UNION

## FIRE INSURANCE COMPANY, Limited

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Established 1828

Capital fully subscribed . . \$ 2,000,000.00

Net Premiums in 1913 . . . 5,561,441.00

Total Losses paid to 31st Dec., 1913 90,120,000.00

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Manager for Canada:

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ARTHUR PATTON, Brandon, Man.

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## FIRE POLICY WORDINGS: SUGGESTIONS FOR AGENTS.

(R. Leopold Jones, C.F.U.A., before the Insurance Institute of Toronto.)

(Continued from last week.)

### PERMISSIONS ALLOWABLE.

What "Permission" is it necessary or allowable to give in an ordinary policy? The following points will, I think, cover a very large percentage of cases. There are five items to be noted in connection with the Ontario Statutory Conditions:—

1. Further Insurance is not permitted.
2. Assured's own property only is covered.
3. Workmen's Risk.
4. Gasoline and oils.
5. Lightning clause.

1. Further insurance is not permitted (Statutory Condition No. 5). This may be given if desired and if the company permits, subject of course to the existing tariff rule which, by the way, has now been somewhat restricted in its application. It is very desirable that the permission should state that the further insurance must be identical in wording. I do not think that "use and occupancy" or "loss of profits" would be held to be further insurance, and if the companies desire this notified it seems absolutely necessary for a clause to appear on the policy.

2. The insured's own property only is covered and not goods for which he is responsible (Statutory Condition 6a). This point has been dealt with in connection with the "covering" item.

3. Workmen's risk for incidental alterations and repairs is limited to fifteen days in each year (Statutory Condition 6E). C.F.U.A. Rules permit fifteen days at any one time. It should be noted that this permission is intended for "incidental alterations and repairs" only.

It may be interesting to note in passing that the Statutory Condition provides that workmen's permit must be previously obtained by the assured in writing, but as regards other changes material to the risk notification in writing only is necessary—the permit being automatic unless the company notifies otherwise. I have wondered why this difference.

### GASOLINE AND OTHER OILS.

4. No gasoline is allowed to be "stored or kept" at all and as regards other mineral oils five gallons of coal oil for lighting purposes and five gallons of ordinary lubricating is all that is allowed. There does not seem to be any limit under this condition as regards animal or vegetable oil although lubricating oil, which is specially mentioned, is, I believe, often composed of a mixture of mineral and vegetable oil.

It is rather generally assumed that permission for one gallon of gasoline may be given in all risks, but this is not the case. If the gasoline rules are referred to it will be observed that in a number of instances there is a charge for as small a quantity as one quart. Paradoxical as it may seem, it is a very good guide to say that when an assured is likely to use gasoline in connection with his business, the general permission for one gallon is not in order. This is not true in every case, but it is a fair guide. The case of *Equity Fire v. Thompson* shows that this Statutory Condition is more elastic (to the

assured's benefit) than might be assumed from its wording. As regards any special permission for storage or use of oils at a plant the particular building in which this is allowed should be specified.

5. The lightning and electrical current clause is now in the Ontario Statutory Conditions, being in No. 10. It is therefore unnecessary, and generally speaking undesirable, to add this clause, as in a number of instances that have been before me the lightning clause only has been added, without a dynamo or electrical apparatus clause, thus destroying the protection given by the Statutory Conditions as regards electrical machinery. In passing the evident clerical error in the last line of the Statutory Condition may be noted, viz., "from resultant fire originating," the clause should be "from resultant fire or from fire originating." The Statutory Condition does not make it quite clear whether it excludes damage to "cables" by electrical currents, and these are of distinct value in big power plants, such as the Falls, where there is a large amount of cables in conduits connecting the various buildings.

### BREACH OF CONDITIONS CLAUSE.

In a plant comprising a number of buildings a breach of conditions clause is often inserted. The clause reads as follows:—

"Conditions of this policy relating to matters before the happening of a 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 has occurred."

This, I think, can only be regarded as a precautionary clause, as Ontario Statutory Condition 2 says that "any change material to the risk... shall void the policy as to the part affected thereby." The point which brought the clause into existence was the word "part" being read by some to refer to the "policy" and not to the "property" or "risk," and in the case of a blanket wording the policy is not divisible into parts, so that it was thought it would avoid the whole. The matter is susceptible to argument but it seems more reasonable to me to assume that the intention was to avoid the insurance on the part of the property affected and this is made quite clear in a similar provision in Statutory Condition 1.

As mentioned elsewhere it is not unusual now to find a special valuation clause on a policy, providing that in the event of loss the stock shall be valued and the loss paid on a certain basis, say, for example, in the case of a factory, at the wholesale market selling price. This, of course, ordinarily means that the manufacturer's profit on the finished stock is covered and would, it seems, more rightly form the subject of a "use-and-occupancy" or "loss of profits" policy. Companies as a whole, I think, do not look with favor on such clauses, and for very good reasons.

### SHUT DOWN.

This is the subject of a direct rule and permission is usually given accordingly.

Some clauses "on the market" seem to provide that the insurance shall go on forever (if the mort-



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gage does) unless the insuring company or the mortgagees give ten days' notice of termination, and in addition they also provide for the payment of only *pro rata* additional premium for any such automatic extension. I wonder what "mortgagees" expect next! A hint to them that policies on mercantile risks are only allowed to be issued for one year under the Ontario Act might be helpful even if it is not "according to Hoyle" in expressing the intention of the Act. Mortgagees seem to "get away" very well as it is. Although they are supposed to pay under the mortgage clause for any increase in risk from the date thereof, companies I believe seldom collect this, contenting themselves for the greater part with getting the higher premium at renewal for the *ensuing* year, without looking into the past year's record of the rating.

**LIENS AND ENCUMBRANCES.**

A clause is fairly often now met with permitting liens and encumbrances on the property without notice. Companies seem to be passing it so far without, however, in any way welcoming it. In the cases in which it is used, viz., fairly large insurances, the question as to "encumbrances" is seldom put to the assured, and therefore I hardly think it is *absolutely* necessary, although of course advisable, for them to notify "liens and encumbrances."

As in certain parts night work is considered an extra hazard (until the last few years there was a charge for this under our schedules) permission to work nights, Sundays and holidays often appears in wordings. As the tariff companies in this district make no charge for this and there is nothing in the policy wording to prohibit night work, I consider the clause unnecessary, in this territory anyway.

(To be continued.)

**BILLY SUNDAY METHODS.**

The National Casualty Company finds a model for solicitors for business in Billy Sunday, and it tells its own agents so in a published statement. Billy is the incarnation of hustle. He serves his hearers with action and ginger. "Down on his knees, leaning over the edge of the platform, shaking his fist and daring Satan to come out and fight it out he has literally been raising Hell with derelicts and corruption." The consequence is that he is making thousands of converts to the cause for which he is working—and taking in loads of money, too. We do not know if our esteemed casualty friend is desirous that its business getters shall conform literally to Mr. Sunday's methods in order to succeed. If it does we shall expect to see them bounding furiously in front of the offices of their coveted prospects, threatening them with their paws, shrieking blue doubled-up murder at them and throwing bricks in the windows. If such proceedings do not scare a man into taking accident insurance with a rush, then we cannot understand how Billy Sunday is so successful. Perhaps the National Casualty only intends to suggest more activity in the efforts of its representatives than they are now displaying. That may be why it says to them in its address: "Work pays. Some of you men can increase your earnings by changing your methods. Business is never dull; it's the man." All of which is gospel truth, and ought to stir the agents up to talk of the religiousness of insurance with the effect of converting thousands to it and bringing in thousands in commissions—à la Sunday.—*Weekly Underwriter.*

**THE AUGUST FIRE LOSS.**

The losses by fire in the United States and Canada during the month of August, as compiled from the records of New York Journal of Commerce, aggregated \$10,067,100, as compared with \$11,765,650 in August last year and \$21,180,700 in 1913. The losses for the first eight months of 1915 reach a total of \$111,464,900, as against \$162,323,700 for the same months of last year, a decrease of over fifty millions. The following table gives a comparison of the losses by fire for the first eight months of this year with those of 1914 and 1913, together with the monthly losses for the balance of 1914 and 1913:—

	1913.	1914.	1915.
January.....	\$20,193,250	\$23,204,700	\$20,060,600
February.....	22,084,600	21,744,200	13,081,250
March.....	17,511,000	25,512,750	18,786,400
April.....	16,738,250	17,700,800	18,180,350
May.....	17,225,850	15,507,800	11,388,450
June.....	24,942,700	20,348,000	10,893,950
July.....	3,660,900	17,539,800	9,006,800
August.....	21,180,700	11,765,650	10,067,100
Total, 8 months....	\$160,537,250	\$162,323,700	\$111,464,900
September.....	17,919,300	14,383,050	.....
October.....	14,932,750	14,004,700	.....
November.....	15,207,600	21,372,750	.....
December.....	16,126,450	23,507,150	.....
Total for year....	\$224,723,350	\$235,591,350	.....

There were during August this year 206 fires, each causing an estimated property damage of \$10,000 or over, as compared with 190 such fires during July. Classified according to their destructiveness they afford the following comparison:—

Estimated loss.	No. of Fires
\$10,000 to \$20,000.....	78
20,000 to 30,000.....	45
30,000 to 50,000.....	24
50,000 to 75,000.....	24
75,000 to 100,000.....	8
100,000 to 200,000.....	19
200,000 and over.....	8
Total.....	206

It will be noticed, says the Journal of Commerce commenting upon these figures, that the fire losses have been very heavily reduced as compared with the two years preceding, and while hail losses have hit insurance companies writing this class quite heavily still the hail business is so small compared with the fire branch that altogether the fire insurance companies seem like'y to have a good experience in 1915 if no large conflagration occurs.

**DECREASE IN FIRE PREMIUM INCOME.**

It is noted by the New York Spectator that not since 1902 has the amount of fire insurance premiums collected in New York City fallen so low as in the first six months of this year. The total amount in the current year was \$8,735,644 and this is the only one of such six-month periods in the last nine years which has yielded less than \$10,000,000 in premiums. Generally, business dullness, resulting in a considerable reduction in stocks, is held mainly to account for the lowering in premium volume, though the constantly increasing number of automatic sprinkler equipments with accompanying heavy reductions in rates has undoubtedly had an influence in decreasing total premium receipts.



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All kinds of Personal Accident and Sickness Insurance  
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During the fifteen or twenty years of a man's development from youth to prime, he finds it necessary to periodically increase his insurance.

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For terms apply to Head Office, 25 TORONTO STREET, TORONTO, ONTARIO.

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## MOUNT ROYAL ASSURANCE COMPANY

PAID UP CAPITAL	\$250,000.00
TOTAL FUNDS	729,987.36
NET SURPLUS	202,041.02

## The NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE.

SUBSCRIBED CAPITAL	\$2,000,000
TOTAL FUNDS	7,481,390
NET SURPLUS	1,887,180

AGENTS WANTED IN UN-REPRESENTED DISTRICTS.

HEAD OFFICE FOR CANADA

MONTREAL.

J. E. CLEMENT, General Manager.

H. M. YORK, Inspector for Ontario

L. C. VALLE, Inspector for Quebec

## PARAGRAPHS.

The worse the times are, the greater is the need for sound life insurance.—*Mutual Life of Canada's Bulletin.*

A contemporary informs us that "it is read by the richest people in Canada." Is this intended as a recommendation?

The Mutual Life of Canada, following its usual generous policy towards its employes, has arranged that enlistment by members of the staff will not mean any pecuniary sacrifice on their part.

The latest gem of ill-informed writing in the newspapers about the business of insurance comes from Detroit. A paper there solemnly points out that while life insurance premiums in the State of Michigan are increasing, "losses are not increasing proportionately!"

The Kingston Life Underwriters' Association are the winners this year of the Reid cup presented by Mr. John R. Reid, of Ottawa, to the association showing the greatest proportionate increase in membership of local underwriters' associations during the past year.

The Census & Statistics Office at Ottawa is out with a preliminary estimate of 308 839,800 bushels as the total wheat crop of Canada this year, the production in the three western provinces being placed at 275,772,200 bushels. This is much higher than other estimates.

Husband—"You charge me with reckless extravagance. When did I ever make a useless purchase?"

Wife—"Why, there's that fire-extinguisher you bought a year ago; we've never used it once."—*Boston Transcript.*

To contribute to the funds of an orphanage is considered one of the best philanthropies. The easiest way to do it is for the philanthropist to take out life insurance in favor of his own children who will be orphans in the event of his death.—*Mutual Life of Canada's Bulletin.*

L'Argus, a Paris insurance contemporary, notes that the French fire companies have had fewer losses since war broke out, while the accident companies similarly report a lessening in the duration of temporary disablements. The reason given is that incendiaries and "certain unprincipled medical practitioners" are now at the front.

The Bulletin of the Mutual Life of Canada scores heavily on the alleged military experts who spread themselves all over the newspapers, by casually remarking that if ignorance is bliss, the war editors should be happier than the seraphs in heaven." Hear, hear!

An advertisement of the I. O. F. appears in a daily paper on a special page devoted to representative financial institutions "who have been largely influential in the up-building of Canada and the maintenance of Canadian credit at home and abroad." The canvasser who secured that I. O. F. advt. must have a mordant sense of humor.

It was announced at Ottawa yesterday that the Minister of Finance has satisfied himself that abundant facilities exist for the financing of the western crop movement without undue acceleration.

We erred in placing accounts with a collection agency, in the belief that they were courteous and diplomatic. On the contrary they assume that every debtor is a dead beat to be intimidated—by mail, at a safe distance, and not by personal interview. We apologize to our friends—and enemies. As for us—"never again."—*Coast Review.*

American surety companies are reported to have agreed upon rates for war contract bonds as follows:—bonds guaranteeing return of money advanced, 2 per cent. or if collateral is furnished, 1 per cent; for contracts with no financial advance, one-half of 1 per cent., the total premium being not less than 2 per cent. of the penalty of the bond or more than 5 per cent.

An old-timer of the New York Life's field force down in Kentucky, Capt. Marcum, is 75 years of age, has had acute indigestion for two years and works in a district whose industries (lumber and coal) have been as flat as ditchwater for a couple of years. But by June 10 his written and paid for business for the \$200,000 club year was \$203,508. How's that for an old 'un?

The Commercial Union Assurance Company, Ltd., acting as trustees and executors of the will of the late Sir William Dunn, have handed to the Governors of Guy's Hospital Medical School £25,000 in new War Loan four and a half per cent. fully-paid stock, for the purpose of endowing a Lectureship in Pathology in the Medical School, to be called "The Sir William Dunn Lectureship in Pathology." It is believed that this will be the most liberally endowed Lectureship in Pathology in Great Britain.

### PRINTING OFFICE RISKS.

Printing offices generally have on hand a supply of gasoline to clean type and presses. In most cases it is not kept in a safe manner. The type cleaning should be done on the outside or in a well-ventilated room and the gasoline used to clean the presses should be kept in approved cans and used as needed. The cloths or waste used for this purpose should never be left in the house, but should be carried out, as a cloth or piece of waste saturated with gasoline is liable to cause spontaneous combustion.

### WANTED.

Special Agent for Montreal by a large British Life Insurance Company. Address stating age and previous experience in Life Insurance, terms, salary and commission to A.B.C. c/o Box 1502, The Chronicle, Montreal.

**Traffic Returns.**

CANADIAN PACIFIC RAILWAY.				
Year to date	1913	1914	1915	Decrease
July 31..	\$75,887,000	\$62,948,000	\$48,708,000	\$14,240,000
Week ending	1913	1914	1915	Decrease
Sept. 7..	2,496,000	2,110,000	2,002,000	108,000

GRAND TRUNK RAILWAY.				
Year to date	1913	1914	1915	Decrease
July 31..	\$32,180,296	\$29,688,100	\$27,672,692	\$2,015,408
Week ending	1913	1914	1915	Decrease
Sept. 7..	1,099,259	1,088,113	1,091,711	Inc. 3,598

CANADIAN NORTHERN RAILWAY.				
Year to date	1913	1914	1915	Decrease
July 31..	\$12,618,700	\$10,930,000	\$8,465,200	\$2,464,800
Week ending	1913	1914	1915	Increase
Sept. 7	382,400	320,000	383,300	36,700

TWIN CITY RAPID TRANSIT COMPANY.				
Year to date	1913	1914	1915	Increase
July 31..	\$4,955,137	\$5,285,196	\$5,332,235	\$47,039
Week ending	1913	1914	1915	Decrease
Aug. 7	173,141	183,414	173,336	10,078
14	168,136	172,640	182,000	Inc. 9,450
21	173,035	180,173	182,396	Inc. 2,223
31	255,557	252,781	252,275	Dec. 506

HAVANA ELECTRIC RAILWAY COMPANY.			
Week ending	1914	1915	Decrease
Sept. 5....	\$52,068	\$49,437	\$2,631
" 12....	33,706	54,854	Inc. 1,148

DULUTH SUPERIOR TRACTION CO.				
Aug. 7	1913	1914	1915	Decrease
14	\$26,195	\$26,250	\$21,699	\$4,551
21	25,229	25,682	21,547	4,135
28	26,591	26,710	22,521	4,189
31	37,504	36,553	31,085	5,468

**MONEY RATES.**

	To-day	Last Week
Call money in Montreal.....	6-6 1/2%	6-6 1/2%
" " Toronto.....	6-6 1/2%	6-6 1/2%
" " New York.....	1 1/2%	1 1/2%
" " London.....	3 1/4-4%	3 1/4-4%
Bank of England rate.....	5%	5%

**CANADIAN BANK CLEARINGS.**

	Week ending Sept. 16, 1915	Week ending Sept. 9, 1915	Week ending Sept. 17, 1914	Week ending Sept. 18, 1913
Montreal..	\$48,853,942	\$41,672,120	\$48,999,937	\$57,692,953
Toronto..	32,372,448	27,350,943	37,995,394	41,101,903
Winnipeg..	22,814,374	14,919,458	.....	.....
Ottawa....	.....	3,319,412	4,027,014	4,245,088

**McGIBBON, CASGRAIN, MITCHELL & CASGRAIN  
CASGRAIN, MITCHELL, HOLT, McDUGALL,  
CREELMAN & STAIRS**

TR. CHASS-CASGRAIN, K.C. VICTOR E. MITCHELL, K.C.  
CHARLES M. HOLT, K.C. A. CHASS-CASGRAIN, K.C.  
HENRI M. McDUGALL. JOHN J. CREELMAN.  
GILBERT S. STAIRS. PHILIP F. CASGRAIN.  
**ADVOCATES, BARRISTERS, ETC.**  
ROYAL TRUST BUILDING, 107 ST. JAMES STREET, MONTREAL.  
Bell Telephone Main 8069.

**ATWATER, DUCLOS & BOND  
ADVOCATES**

Guardian Building, 166 St. James Street, Montreal.  
A. W. ATWATER, K.C. C. A. DUCLOS, K.C.  
W. L. BOND, K.C.

**McCarthy, Osler, Hoskin & Harcourt**

**BARRISTERS, SOLICITORS, ETC.**  
HOME LIFE BUILDING. TORONTO  
VICTORIA STREET.  
JOHN HOSKIN, K.C. F. W. HARCOURT, K.C. H. S. OSLER, K.C.  
LEIGHTON MCCARTHY, K.C. D. L. MCCARTHY, K.C.  
BRITTON OSLER. J. F. H. MCCARTHY.  
Counsel: WALLACE NERRIT, K.C.

H. J. KAVANAGH, K.C.  
H. GIBLIN-LAJOIE, K.C.  
PAUL LACOSTE, K.C.

JULES MATHIEU  
ALEXANDRE LACOSTE, JR.  
T. J. SHALLOO  
J. H. GIBLIN-LAJOIE

51r Alexandre Lacoste, K.C.

**Kavanagh, Lajoie & Lacoste**

**ADVOCATES, SOLICITORS, ETC.**  
Provincial Bank Building, 7 Place d'Armes  
Montreal, Canada

**Montreal Tramways Company  
SUBURBAN TIME TABLE, 1915**

**Lachine :**

From Post Office—  
10 min. service 5.40 a.m. to 8.00 a.m. 10 min. service 4 p.m. to 7.10 p.m.  
20 " " 8.00 " 4 p.m. 20 " " 7.10 p.m. to 12.00 mid.

From Lachine—  
20 min. service 5.30 a.m. to 5.50 a.m. 10 min. service 4 p.m. to 8.00 p.m.  
10 " " 5.50 " 9.00 " 20 " " 8.00 p.m. to 12.10 a.m.  
20 " " 9.00 " 4 p.m. Extra last car at 12.50 a.m.

**Sault aux Recollet and St. Vincent de Paul:**

From St. Denis to St. Vincent—  
15 min. service 5.15 a.m. to 8.00 a.m. 30 min. service 8.00 p.m. to 11.35 p.m.  
20 " " 8.00 " 4.00 p.m. Car to Hendersons only 12.00 mid.  
15 " " 4.00 " 7.00 p.m. Car to St. Vincent 12.00 a.m.  
20 " " 7.00 " 8.00 "

From St. Vincent to St. Denis—  
15 min. service 6.45 a.m. to 8.30 a.m. 20 min. service 8.30 p.m.  
20 " " 8.30 " 4.30 p.m. Car from Hendersons to St. Denis  
15 " " 4.30 p.m. 7.30 " 12.30 a.m.  
20 " " 7.30 " 8.30 " Car from St. Vincent to St. Denis  
1.10 a.m.

**Cartierville:**  
From Snowdon's Junction— 20 min. service 5.20 a.m. to 8.40 p.m.  
40 " " 8.40 p.m. to 12.00 mid.  
From Cartierville— 40 " " 8.00 p.m. to 12.30 a.m.

**Mountain :**  
From Park Avenue and Mount Royal—  
20 min. service 5.40 a.m. to 12.00 midnight  
From Victoria Avenue—  
20 min. service 5.50 a.m. to 12.30 a.m.  
From Victoria Avenue to Snowdon,—  
10 minutes service 5.50 a.m. to 8.50 p.m.

**Bout de l'Île:**  
60 min. service 5.00 a.m. to 12.00 midnight.

**Tetraultville:**  
15 min. service 5.00 a.m. to 9.00 a.m. 15 min. service 3.30 p.m. to 7.00 p.m.  
30 min. service 9.00 a.m. to 8.30 p.m. 30 min. service 7.00 p.m. to 2.30 p.m.

**Pointe aux Trembles:**  
15 min. service 5.00 a.m. to 9.00 a.m. 30 min. service 7.00 p.m. to 11.00 p.m.  
40 " " 9.00 a.m. to 3.30 p.m. 60 " " 11.00 p.m. to 1.00 a.m.  
20 " " 8.30 p.m. to 7.00 p.m.

**EDWIN P. PEARSON** AGENT  
**NORTHERN**  
Offices:  
**ASSURANCE CO.**  
Adelaide St. East, Toronto

## CANADIAN FIRE RECORD

*Specially compiled by The Chronicle.*

**HAMILTON, ONT.**—Half of grand stand at Britannia Park destroyed August 24. Origin and loss unknown.

**VILLE ST PIERRE, P.Q.**—Block of ten tenements, owned by Stanislas Zachezren and occupied by foreigners completely destroyed September 12.

**BRANDON, MAN.**—Barn of A. Magee destroyed, September 10. Ten horses and a team of mules were burned to death. Seven men lost their lives.

**MONTREAL, QUE.**—Interior of garage owned by Adelaide Chausse, 1433 St. Hubert Street, gutted September 14. Automobile owned by Dr Handfield was also destroyed.

Rompres grocery store, 257 Margaret Street, gutted September 12. Origin unknown.

Basement of store formerly occupied by Rae & Donnelly was damaged September 18. Origin, hot ashes.

On the 10th instant a fire occurred in Stockwell's garage, Crescent Street, Montreal. Insurance as follows:—Royal, \$7,500; Phoenix of Hartford, \$12,500; total \$20,000. Loss about 50 per cent.

**RIMOUSKI, QUE.**—Price Brothers' sawmill destroyed, September 16. Insurance, North British, \$7,500; Lloyds, \$5,000. Loss, total. Origin, lightning.

**THOROLD, ONT.**—Large frame dwelling on Ormond Street, owned by Willis Chapman, of Toronto, partly destroyed September 10. Contents, total loss. Building partly insured.

**PENETANGUISHENE, ONT.**—The summer hotel of H. H. Wilson. Penetanguishene, Ont., was totally destroyed by fire on the 10th instant. The following companies are interested:—Scottish Union, \$2,000; Liverpool & London & Globe, \$3,500; Norwich Union, \$2,750; Providence-Washington, \$3,500; General of Paris, \$2,000; Hudson Bay, \$1,500; National Union, \$2,000; Minnesota Underwriters, \$2,000. Total, \$19,250.

**TORONTO, ONT.**—St. Francis Roman Catholic Church corner of Arthur and Grace streets, badly damaged and organ was destroyed September 9. Loss \$10,000. Origin, lightning.

On the 14th instant, Newton's Hotel, Humber River, was completely destroyed by fire. Insurance as follows:—

	<b>ON BUILDING.</b>	
Royal .....		\$6,000
Germania .....		2,000
Firemen's Fund .....		2,000
Norwich Union .....		500
	<b>ON STOCK.</b>	
Norwich Union .....		\$3,000
Westchester .....		1,500
	<b>ON FIXTURES.</b>	
Norwich Union .....		\$2,000
Westchester .....		500

### THE CANADA NATIONAL FIRE INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, MAN.

A Canadian Company Investing its Funds in Canada

APPLICATIONS FOR AGENCIES INVITED

### C. P. R.'S STEAMSHIP ARRANGEMENTS.

The recently-published annual report of C.P.R. contains some interesting details of the new arrangements for segregating the ocean steamship interests of the company. The new "Canadian Pacific Ocean Services, Ltd.," a company incorporated in Great Britain with an authorised capital of £2,000,000 sterling, will take over all the C.P.R. steamships and those of the Allan Line, a moderate estimate of the value of the steamship property involved in the transaction being \$23,500,000. The C.P.R. will hold all the capital stock of the new company with the exception of the directors' qualifying shares, and also will receive from the new company 5 per cent. first debentures or debenture stock to an amount of £2,865,860 sterling—principal and interest of these being guaranteed by C.P.R. In due course, these debentures will no doubt be sold in London.

It is also noted in the annual report that six of the company's older steamers have been purchased by the Admiralty and one other steamer employed in the Pacific trade for many years has been sold and converted into a hospital ship. Two large steamers under construction at Belfast were purchased by the company for delivery in July and October, but their completion has been delayed.

During the past four weeks it has not been possible for the Dominion to draw upon its sterling balances in London to meet the heavy war expenditure here, and the probability is stated that in order to meet the situation the Minister of Finance may issue Dominion notes against gold held in London for account of the Receiver-General.

**"THE OLDEST SCOTTISH FIRE OFFICE"**  
**THE CALEDONIAN**  
 INSURANCE CO. OF EDINBURGH.  
 Founded 1805.  
**Head Office for Canada,**  
**DOMINION EXPRESS BUILDING**  
**Montreal**

**JOHN G. BORTHWICK**  
*Canadian Manager*

### THE MONTREAL CITY and DISTRICT SAVINGS BANK

NOTICE is hereby given that a Dividend of Two Dollars per Share on the Capital Stock of this institution has been declared and will be payable at its Head Office, in this City, on and after Friday, the 1st October next, to Shareholders of record at the close of business on the 15th of September next.

By order of the Board,

A. P. LESPERANCE, Manager.

Montreal, August 23rd, 1915.

## THE MUTUALIZATION OF THE PRUDENTIAL



means that Prudential policyholders have become participants in the distribution of Prudential dividends.

THE PRUDENTIAL INSURANCE CO. OF AMERICA  
 FORREST F. DRYDEN, President. Home Office: NEWARK, N.J.  
 Incorporated under the laws of the State of New Jersey

## GENERAL

ACCIDENT **FIRE** AND LIFE  
 ASSURANCE CORPORATION, LTD.  
 OF PERTH, SCOTLAND.

Total Security to Policyholders over \$8,600,000

PELEG HOWLAND,  
 Chairman,  
 Canadian Advisory Board

T. H. HALL, Manager for Canada.  
 JUDSON G. LEE, General Agent, Montreal.

## "Disaster - Proof"

This expression aptly describes an insurance policy in The Mutual Life of Canada. There is no security more nearly indestructible than a contract with Canada's only Mutual. Real Estate suffers depreciation as most of us know only too well from experience. Stocks too have a peculiar way of slumping just when they should go the other way. Yes and banks fail and in many forms money melts away, but not if invested in a policy with

## The Mutual Life Assurance Co.

OF Canada, - - - ONTARIO  
 E. P. CLEMENT, President  
 GEO. WEGENAST, Man. Director

## ANGLO-AMERICAN FIRE INSURANCE COMPANY

### MONTREAL-CANADA FIRE INSURANCE COMPANY

Established 1859  
 J. W. RUTHERFORD, General Manager.  
 A. B. DUFRESNE, Provincial Agent.  
 ROOM 21, DULUTH BUILDING,  
 Head Office Cor. Notre Dame and St. Sulpice Sts.

## The London Mutual Fire

INSURANCE COMPANY  
 Established 1859

Head Office - - - TORONTO

Assets	-	-	\$863,554.52
Surplus to Policyholders	-	-	433,061.40
Losses Paid	-	-	over \$8,000,000.00

PROVINCE OF QUEBEC BRANCH

W. J. CLEARY, Provincial Manager  
 R. de GRANDPRE, Inspector  
 17 St. John Street, MONTREAL

## Union Assurance Society Ltd.

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

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

Agencies throughout the Dominion

## The Imperial Guarantee

AND ACCIDENT INSURANCE CO., OF CANADA

Head Office: 46 King Street W.,

TORONTO, Ont.

A Strong Canadian Company.

ACCIDENT AND SICKNESS INSURANCE  
 GUARANTEE BONDS

PLATE GLASS AND AUTOMOBILE INSURANCE  
 E. WILLANS, General Manager.  
 FRANK W. COX, Secretary.



**Abbey's**  
 Effer-Salt  
 vescent

Is the gentlest, mildest and most effective of all tonic laxatives. It makes the bowels act right.

Two Sizes, 25c. and 60c.