



The Chronicle

Banking, Insurance & Finance.

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

R. WILSON-SMITH, Proprietor

Vol. XXX. No 17.

MONTREAL, APRIL 29, 1910.

Single Copy 10c
Annual Subscription \$2.00

TRAVELERS VERSUS TRAVELLERS. THAT two wrongs do not make a right is an ancient maxim that has received a new illustration, in the judgment given in the case of the Travelers' Insurance Company of Hartford, against the Travellers' Life Insurance Company of Canada.

The Travelers, the older company of the two, asked that the Travellers be enjoined from using in Canada a name so similar to their own. Judge Lafontaine decided that The Travellers Life Assurance Company of Canada having been granted that name by the Dominion Parliament, could not be legally deprived of its use by the court. A blunder was made, in our opinion, when the Company was incorporated under a name so similar to that of an existing corporation, but a crime would have been committed if the Company had been enjoined from using in Canada a name granted to it by the Parliament of Canada. The situation is all the more awkward because the one company is licensed and the other incorporated to do business in Canada.

ANNEXATIONS TO MONTREAL. THE Private Bills Committee of the Quebec Legislature has passed amendments providing for the annexation of three municipalities to Montreal: St. Paul, to be known as St. Paul Ward, Ahuntsic, to be called Ahuntsic Ward, and Notre Dame de Grace. These and all other possible suburban annexations are very desirable, and the sooner they are all accomplished, the better for both Montreal and suburbs.

LAWS AFFECTING THE VALUE OF SECURITIES.

IT would be well for our legislatures and civic authorities to exercise the greatest caution in altering any laws once made which affect the value of negotiable securities. Where vested rights are concerned, too much care cannot be exercised. Nothing will tend to discredit any country so much as a tendency to change laws affecting the value of securities. These securities are bought and sold in the markets of the world on the faith of the conditions created by legislation.

REGULATION OF STREET TRAFFIC.

EVERY week it becomes more and more evident that it is absolutely necessary to provide for the more systematic regulation of street traffic in Montreal. Scarcely a day passes without some accident being recorded, sometimes with dire results and there must be many that are not recorded. The police are making praiseworthy efforts in this connection but evidently lack some of the tact, ability or knowledge which is so observable in London and New York. Of course the public as well as the police have to be educated in this matter. Would it not be worth while to bring in a few capable officers from London or New York to help in the inauguration of the system? New York was not too proud to send to London in order to train its own policemen in the business of street traffic regulation. We ought to be glad to get the benefit of the best experience of other big cities in this and all other things.

Established 1817

BANK OF MONTREAL

Incorporated by Act of Parliament

Capital (all paid up), \$14,400,000.00. Rest, \$12,000,000.00. Undivided Profits, \$603,796.30

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Established in 1856.

Capital Paid Up - \$4,866,666

Incorporated by Royal Charter in 1840.

Reserve Fund - \$2,530,666.66

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Burdett, Alta.
Cainsville, Ont.
Calgary, Alta.
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Darlingford, Man.
Davidson, Sask.

Dawson, Yukon
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" Westinghouse Ave
Hamilton, Victoria Av.

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Kaslo, B. C.
Kelliher, Sask.
Kingston, Ont.
Levis, P. Q.
London, Ont.
" Hamilton, Road
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Longueuil, P. Q.
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Montreal, P. Q.
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Ottawa, Ont.
Paynton, Sask.
Quebec, P. Q.
" John's Gate
Raymore, Sask.
Reston, Man.
Rosland, B. C.
Roethorn, Sask.
Saltcoats, Sask.
Saskatoon, Sask.
Semons, Sask.
St. John, N. B.

St. John, N. B., Union St
St. Martins, N. B.
St. Stephen, N. B.
Toronto, Ont.
" King and Dufferin
" Bloor & Lansdowne
Trail, B. C.
Vancouver, B. C.
Varennes, Que.
Victoria, B. C.
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 Issue Circular Notes for Travellers available in all parts of the World. Drafts on South Africa and West Indies may be obtained at the Bank's Branches.

Prominent Topics.

Canada's Interest in London's Rubber Boom.

The financial world has had its eyes on England's rubber boom for some little time. On more than one occasion lately it has appeared as if the bubble were about to burst, but fresh bursts of speculation developed and the prophets of disaster were falsified. A considerable proportion of the purchases have been made on the deferred settlement plan, and, beginning early in May, there will come a quick succession of settlement days on which the speculative purchasers of shares in a number of important companies will be required to take up and pay for their stock. It will be interesting to see how the boom will be affected by this circumstance. Even the conservative critics admit that there is reasonable ground for the high price of crude rubber. Clearly there is under-production; and it will take a number of years before the position can be corrected. Canada is directly interested in having a stable, normal, monetary situation in London. If anything occurs to upset London considerably the market for our bonds and securities will be injured. For that reason our financiers look askance at the rubber boom; and they hope when it comes to an end that it will not throw the general market out of gear.

Cotton Trade Excited over Forged Bills of Lading.

In the last couple of weeks cotton mill men in the United States and England have been alarmed by the announcement that forged bills of lading for cotton covering perhaps a value of \$2,500,000 were in existence. The discovery followed upon the failure of a big Alabama cotton firm. The principal losers appear to be the mills in Manchester and Liverpool. Apparently they have honored drafts with bills of lading attached and they do not know yet which bills are forged and which genuine. It appears that the methods in vogue in the Southern cotton fields leave the door open for irregularities and possibly this occurrence will result in stiffening up the practices of the railway agents. There is no word of our Canadian mills having been involved in these losses.

America's Oldest Banks.

Those Canadians who think the Bank of Montreal is about the oldest bank on this continent will be surprised to learn that the United States has a number of banking institutions which can outclass our premier bank in point of age. The Bank of Montreal was formed in 1817 and is therefore within seven years of its centenary. The New York Financier gives a list of the oldest banks in the Republic. The Bank of

North America was chartered by the Continental Congress in 1781 during the Revolutionary War. It is thus 129 years old. The Philadelphia National was established in 1803; the Farmers and Mechanics National in 1807; and the Girard National in the same year. These banks all belong to Philadelphia. In New York the Mechanics National was established in 1810. It is now the Mechanics and Metals National. The Bank of Pittsburg was also founded in 1810. The Farmers' Bank of Georgetown, Delaware, began in 1807.

However, there are none of these old United States banks which can compare, in point of size or importance with the Bank of Montreal—the principal reason being that they have not developed any systems of branches.

Retirement of Sir Wm. Van Horne.

Sir William Van Horne announces his retirement from the chairmanship of the board of directors of the Canadian Pacific Railway. He will still remain a director of the great railway towards the construction of which he did so much. He attaches little importance to the chairmanship, which he regards as ornamental rather than useful and which having but little analogy with the chairmanship of an English railway is apt to create confusion in the public mind. Sir William takes the occasion to pay a handsome compliment to his successor in the presidency of Sir Thomas Shaughnessy.

The Immigration Movement.

The rush of immigrants into our Western Provinces still continues heavy and the press nearly every day has its story of the movement. For example it is reported that in two days last week 150 persons intending to take up land were ticketed at St. Paul for Canada. They had among them \$200,000 in cash effects. Although the movement of farmers from the Western States into our prairies is very large, judged from the Canadian standpoint, it is not at all likely to bring about a diminution of population in the neighboring country. This year it is expected that the immigration into the United States from Europe will amount to over a million souls. However the average European immigrant is hardly equal in value to the average of the farmer-immigrants which Canada has been securing from the States.

The Phoenix Assurance Company, Limited, of London, has been licensed to transact in Canada in addition to its business of fire insurance, the business of life insurance. The Phoenix commenced fire business in Canada, more than a century ago, namely, in the year 1804.

**Lifting the Veil in
Northern British
Columbia.**

It has always been suspected that Northern British Columbia contained great mineral wealth. Plans are now under way for the exploitation of what is known as the Portland Canal district. Mr. John Edgcomb, of Seattle, gave some details this week regarding the properties owned by himself and Mr. D. D. Mann, of the Canadian Northern. He said to a Globe reporter that the minerals were very rich 'two thousand ounces to the ton of silver, seven to twenty per cent. of copper, and from seven to \$250 to the ton of gold' is what is expected. Mr. Edgcomb says the Guggenheims have made large offers, also the London Exploration Company, but they have not been entertained and he and Mr. Mann and their associates intend to develop the properties for themselves. As much as \$3,000,000 has already been expended and \$2,000,000 will be expended before the plans are completed. It seems clear that Canada will before long, stand much more prominently in the world's eye as a producer of minerals. Good mines are a most powerful factor in attracting capital from other countries.

**The Molsons Bank
New Stock Issue.**

The Molsons Bank has now officially accepted the offer of the London financial firm for 5,000 shares of its stock at 210, which is equivalent to \$1,050,000 for \$500,000 of par value stock. A Register will be opened in London for this stock. This makes the paid-up capital of the bank \$4,000,000, being 40,000 shares of \$100 each. The present market quotation is 210 bid. The Molsons Bank was incorporated in 1855 and is considered one of the most conservative banking institutions in Canada. Its management and directors are men of the highest standing.

Hon. W. S. Fielding. On Tuesday evening the Hon. W. S. Fielding received a handsome compliment from his friends and admirers in Parliament, in the form of investments valued at over \$100,000. The Finance Minister deserves well of his country and his party, and there will be general pleasure at the success of the subscription in his honour and for his benefit.

**Iron and Steel
Bounties.**

The Hon. Mr. Fielding has given notice of the following resolution:
"It is expedient to provide that no bounties shall be payable in respect of rolled round wire rods after June 30, 1911, under the provisions of section 1 (A) of Chapter 24, of the Acts of 1907, an act to amend the act respecting bounties on iron and steel, except on such rods as may have been otherwise entitled to the payment of bounties

under the provisions of said section and which were, on or before June 30, 1911, sold to wire manufacturers for use, or used in making wire by the makers of such rods in their own factories in Canada.'

**Veteran Land
Grants.**

The Hon. Mr. Oliver has introduced a bill extending the time for taking up South African Veterans Land Grants until the end of 1911. Speaking of land grants—is there any reason why the Province of Quebec should be less generous than the Province of Ontario in giving land grants to its South African Veterans? Ontario gave each veteran from that province a mining claim and some of them turned out exceedingly valuable

**Underwriters Left
with 84 p.c. of Issue.**

A cable this week states that the issue of £300,000 five per cent. debentures at par by the Western Canada Land Company was not subscribed. It is said that the underwriters were left with 84 p.c. of the bonds. This, however, was not an important issue. However, it illustrates the necessity for caution in depending too much upon getting support in London for everything offered there. The signs are increasing that in a short while the issuers of bonds and securities will have to make their proposals more attractive in the way of interest return. In other words the prospective demands upon the loose capital of the great monetary centres are so large and important that the investors who are expected to buy the new securities are beginning to think they should have a better return on their money.

**Ungava's Mineral
Wealth.**

On Saturday evening, at the banquet at the Reform Club, Hon. P. S. G. Mackenzie, treasurer of Quebec Province, gave some interesting details regarding the resources of the Ungava regions, which were recently annexed to the Province. He explained that on one river there was a cataract which was estimated to be capable of developing nine million horse power, and it is surrounded by mountains of iron ore. He also told of a mountain of practically pure mica standing not far from the same spot.

It is possible enough that some day in the future these lonely regions will be the centre of considerable industrial activity. The financial world is coming to recognize the great importance of good water power as an agent for industrial development. The history of Alaska and the Yukon shows that people will flock in thousands to the most remote and inhospitable regions after the precious metals, which may yet be discovered in Ungava and the Quebec hinterland. At any rate it is certain that Canada has a heritage of tremendous value in the water power.

The Dominion Bank

HEAD OFFICE: TORONTO, CANADA.

Capital Paid up, - - - - \$4,000,000
 Reserve Fund and Undivided Profits, \$5,300,000
 Deposits by the Public - - - \$45,700,000
 Assets - - - - - \$58,900,000

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Branches and Agents throughout Canada and the United States.
 Collections made and Remitted for promptly. Drafts Bought and Sold
 Commercial and Travellers' Letters of Credit
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A General Banking Business Transacted.

Montreal Branch: 162 ST. JAMES ST. J. H. HORSEY, Manager
CAPITAL PAID-UP **RESERVE and UNDIVIDED PROFITS**
 \$5,000,000 \$5,928,000

The Royal Bank of Canada

INCORPORATED
 1869

HEAD OFFICE - MONTREAL
 115 BRANCHES THROUGHOUT CANADA
 11 AGENCIES IN CUBA

San Juan, Porto Rico. Nassau, Bahamas
 New York Agency - 68 William Street

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

Bank of Nova Scotia

INCORPORATED
 1832.

CAPITAL \$3,000,000
RESERVE FUND 5,500,000

HEAD OFFICE: HALIFAX, N.S.

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86 BRANCHES

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THE HOME BANK

Of Canada

Head Office - 8 King Street West, Toronto.

Six Offices in Toronto

TWENTY-EIGHT BRANCHES IN ONTARIO
 AND THE WEST.

COLLECTIONS PROMPTLY MADE AND
 REMITTED.

JAMES MASON, General Manager.

The Metropolitan Bank

Capital Paid Up - - - - - \$1,000,000
 Reserve and Undivided Profits - 1,307,809

HEAD OFFICE TORONTO

S. J. MOORE, **W. D. ROSS,**
 President General Manager

A GENERAL BANKING BUSINESS TRANSACTED.

EASTERN TOWNSHIPS BANK

CAPITAL \$3,000,000 RESERVE FUND \$2,000,000
 HEAD OFFICE - SHERBROOKE, QUE.

With over SEVENTY-THREE BRANCH OFFICES
 in the PROVINCE OF QUEBEC we offer facilities
 possessed by NO OTHER BANK IN CANADA for
 Collections and Banking Business Generally
 in that important territory.

BRANCHES IN
 MANITOBA, ALBERTA and BRITISH COLUMBIA
 CORRESPONDENTS ALL OVER THE WORLD

IMPERIAL BANK OF CANADA

CAPITAL AUTHORIZED - - - - - \$10,000,000
CAPITAL PAID UP - - - - - 5,000,000
RESERVE FUND - - - - - 5,000,000

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Burg	Fergus	Kenora	Ottawa	ines
Belwood	Pontheill	Listowel	Palgrave	St. Davids
Bolton	Port William	London	Port Arthur	S. Ste Marie
Brantford	Galt	Marshville	Port Colborne	St. Thomas
Caledon E	Gowanda	New Lisheard	Port Robinson	Thessalon
Cobalt	Hamilton	Niagara Falls	Ridgeway	Toronto
Cochrane	Hatrow	Niagara-on-	South Woods	Welland
Cottam	Humberstone	the Lake	lee	Woodstock
Elk Lake				

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 MONTREAL, QUEBEC.

BRANCHES IN PROVINCE OF MANITOBA.
 Brandon Portage La Prairie Winnipeg

BRANCHES IN PROVINCE OF SASKATCHEWAN.
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 Albert, Regina, Kosthern, Wilkie

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 Arrowhead, Cranbrook, Fernie, Golden, Kamloops, Michel, New
 Michel, Moyie, Nelson, Revelstoke, Vancouver, Victoria.

Savings Bank Department.

Interest allowed on deposits from date of deposit.

The Sterling Bank

OF CANADA.

Head Office, Toronto
 Montreal Office, 157 St. James St

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY

R. WILSON-SMITH, *Proprietor.*

GUARDIAN BUILDING, MONTREAL.

Annual Subscription, \$2.00. Single Copy, 10 cents

MONTREAL, FRIDAY, APRIL 29, 1910.

THE GENERAL FINANCIAL SITUATION.

The Continent and India obtained the bulk of the receipts of new gold from the Transvaal mines this week, which amounted to about \$3,700,000. However, the Bank of England has been satisfying its wants in New York very satisfactorily. On the completion of the very large shipments of Tuesday and Wednesday the bank withdrew the special price it had been paying for United States eagles and double eagles. It is therefore presumed in New York that the present gold movement is about done. Bank of England rate was left unchanged at 4 p.c. In the London market call money is $3\frac{1}{2}$ to 4 p.c. short bills, $3\frac{7}{8}$; and three months bills 3 15-16 to 4 p.c. This is slightly higher than a week ago for all maturities. The closeness of the open market rates to the bank's 4 p.c. suggests that the central institution has the market in hand, for the time being at any rate.

The Bank of France and the Bank of Germany have not departed from their existing rates. So 3 p.c. still prevails at the former institution and 4 at the latter. Neither has any change occurred in the market rates for money in Paris and Berlin. At the French capital $2\frac{1}{4}$ p.c. is quoted as against $3\frac{1}{2}$ at the German centre. London has been particularly busy with its rubber and oil speculation and with many new security issues by foreign and colonial states and governments, to say nothing about the peculiar state of the British Government's finances. And it is but natural that interest should rule higher there than on the continent.

In New York this week again the market met the loss of gold without showing any hardening tendency. If anything the tendency has been towards lower rates. Call loans are $2\frac{3}{4}$ to 3 p.c., with most of the loans at 3; 60 days, $3\frac{1}{2}$ to $3\frac{3}{4}$; 90 days, $3\frac{3}{4}$ to 4; and six months, 4 p.c. On Saturday the New York clearing house banks reported a loss of \$2,580,000 in surplus. It came about through a loan expansion of \$7,200,000 along with a cash loss of \$700,000. The amount of the surplus, as at the end of the week, was \$12,387,900. Trust companies and non-member state banks re-

ported a loan expansion of \$5,500,000 and a cash loss of \$180,000.

Considerable alarm prevailed in some quarters over the killing frosts which swept over the middle and southern states at the end of the week. Some extremists declared that half the wheat crop and half the cotton crop had been ruined; but the course of prices in the wheat and cotton markets did not support that theory. It is said that a considerable part of the cotton crop will have to be replanted. The secretary of the Cotton Seed Crushers' Association of Georgia, on Monday sent a telegram to every cotton seed mill in the state suggesting that they all stop crushing and hold the seed now on hand for replanting until the crisis in cotton crop is passed. It would be a world wide calamity if any serious disaster should overtake this year's cotton crop. A large yield is imperatively demanded. What with the recent big failure and the revelations of fraudulent bills of lading, the short crop of last year and the efforts of certain greedy speculators to corner the market, the cotton trade is in an upset condition.

So far no reports of serious damage to our Western wheat crop have materialized. Because its start was so very early—nearly a month ahead of normal—the wheat was peculiarly open to damage or destruction by frost. But as May approaches it is permitted us to hope that the exceptional danger is fading away. In another month we shall be able to take stock more confidently of the acreage planted and to calculate and estimate regarding the probable yield.

There has been no change in the position of the Canadian money markets. Call loans in Montreal and Toronto remain generally at the 5 p.c. level though it is said that some new loans have gone through in Toronto at $4\frac{1}{2}$. Each week sees an increase in the demand for bank loans for commercial purposes. The business men and firms of Winnipeg and the other Western cities and towns are borrowing heavily; and in view of the fact that they expect to transfer considerable funds from call loans to mercantile discounts the banks would be glad to get higher rates on their advances to Canadian stock brokers. However, it appears that the amount of outside funds in the markets has been steadily increasing of late. Thus in March there occurred quite a considerable speculation with rising prices in a number of local stocks, and one might have expected that it would cause an expansion of the call loans of the Canadian banks. However, when the March bank statement appeared it transpired that Canadian call loans had decreased instead of rising. The inference is that the supplies of capital coming from outside lenders have become much larger.

A noticeable, but altogether natural result of

THE
INVESTMENT TRUST CO.
(LIMITED)

MUNICIPAL AND CORPORATION
BONDS

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Jas. Reid Wilson, R. McD. Paterson, W. M. Dobell

A. J. NESBITT, N. B. STARK,
Managing Director. Sec. - Treasurer

84 NOTRE DAME STREET W., MONTREAL

The Royal Trust Co.

107 ST. JAMES ST., MONTREAL

CAPITAL FULLY PAID - \$1,000,000

RESERVE FUND \$900,000

BOARD OF DIRECTORS:

Right Hon. LORD STRATHCONA & MOUNT ROYAL. G.C.M.G.
PRESIDENT.

Sir EDWARD CLOUSTON, Bart.,
VICE-PRESIDENT.

SIR H. MONTAGU ALLAN C. R. HOSMER H. V. MURDITH
R. B. ANGUS SIR W. C. MACDONALD DAVID MORRICE
A. BAUMGARTEN HON. R. MACKAY JAMES ROSS
E. B. GREENFIELD A. MACNIDEE
C. M. HAYS SIR T. G. SHAUGHNESSY K.C.V.O.
SIR WILLIAM C. VAN HORNE, K.C.M.G.

H. ROBERTSON, Manager

SAFETY DEPOSIT VAULTS:

109 St. James St., Bank of Montreal
Building, Montreal

UNION BANK of HALIFAX

Capital - \$1,500,000.00

Reserve - \$1,200,000.00

Montreal Branch, SUN LIFE BUILDING,
142 Notre Dame Street, West.

BRANCHES IN

NOVA SCOTIA, NEW BRUNSWICK, PRINCE
EDWARD ISLAND and WEST INDIES.

TELEPHONES, C. A. Gray,
MAIN 7432-7433 Manager.

National Trust Co., Limited.

CAPITAL PAID UP - - - - \$1,000,000
RESERVE - - - - - 550,000

OFFICES: Montreal, Toronto, Winnipeg, Edmonton, Saskatoon.

Authorized to accept and execute Trusts of every description
and to act in any of the following capacities:

Trustee, Executor, Administrator, Assignee, Liquidator, Gen. Agent
Montreal Board of Directors:

JAMES CRATHERN, Esq., Director Canadian Bank of Commerce.
H. B. WALKER, Esq., Mgr. Canadian Bank of Commerce.
H. MARLAND MOLSON, Esq., Director the Molson's Bank.

Montreal Offices and Safety Deposit Vaults.

National Trust Building. 153 St. James Street
A. G. ROSS Manager.

The Trust and Loan Co.

OF CANADA

INCORPORATED BY ROYAL CHARTER, A.D. 1848

Capital Subscribed, \$10,706,666
With power to increase to 14,600,000
Paid-up Capital, 1,946,666
Reserve Fund, 1,177,493
Special Reserve Fund 194,667

MONEY TO LOAN ON REAL ESTATE AND
SURRENDER VALUES OF LIFE POLICIES.

26 St. James Street, Montreal

The Standard Loan Co.

We offer for sale debentures bearing interest at FIVE per cent
per annum payable half-yearly. These debentures offer an ab-
solutely safe and profitable investment, as the purchasers have fo-
r security the entire assets of the company.

Capital and Surplus Assets \$1,340,000.00

Total Assets \$2,500,000.00

ALEXANDER SUTHERLAND, President.
W. S. DINNICK, Vice President and Managing Director
Head Office: Cor. Adelaide and Victoria Sts., TORONTO.

United Empire Bank of Canada.

Head Office, corner Yonge and Front Sts., Toronto

Conservative investors will find a safe, sound, paying
proposition in this New Canadian Bank Stock (issued
at par). Allotments will be made to early applicants.

GEORGE P. REID, General Manager

INDUSTRIAL STOCKS AND BONDS

TIMBER LIMITS, WESTERN LANDS, COAL OIL STOCKS
COBALT, MONTREAL RIVER, BOWSANDA AND PORCUPINE STOCKS

BENJAMIN BURLAND, Financial Agent
303 Board of Trade Building, MONTREAL

Montreal Trust Company

The administration of estates is a business
In conducting it properly, experience,
judgment, integrity and financial strength
are just as essential as they are in any other
business. Many estates, built up by a life-
time of effort and skill, have diminished
greatly in value through incapable admin-
istration. This institution makes adminis-
tration of estates a business. Its public
character, financial strength directors and
officers are a surety of its efficiency, faith-
fulness and impartiality

**A
Practical
View**

2 Place D'Armes

the rapid settlement of the Western farm lands and the rapid growth of Western cities, is seen in the very heavy demand for mortgage loans emanating from that part of the Dominion. For excellent loans on farm properties in settled districts 7 and 8 per cent. are to be had; and 6 and 7 per cent. for loans on city property. It is said that the insurance companies and other investment corporations, which usually figure prominently as buyers of bonds, are now giving a good deal of attention to these mortgage loans.

THE MARCH BANK STATEMENT.

A Record Increase of Deposits.

Usually there are in the spring months some strong movements visible in the stream of our financial affairs. This year March was essentially a spring month, and certain forces and activities, which do not commonly appear prominently in view till a later season, were in play during the month. The outstanding features of the March bank report are the gains in deposits and the loan expansion. Taking all classes of deposits—government, demand, notice, and deposits elsewhere—the increase for the month (\$33,250,000) is larger than has ever before occurred in one month. The customary midwinter contraction of deposit liability was responsible for a reduction of \$10,000,000 in the deposits of the banks during January and February. Therefore the March increase restored this loss and placed the total some \$23,000,000 higher than the record of December 31st, 1909.

Current loans and discounts in Canada were increased by \$22,100,000. In this movement is seen one effect of the activity of the representative industrial and mercantile concerns in preparing for the operations of the coming summer. There is raw material to accumulate; improvements to equipment and plants are to be completed; and the importers have been getting in fabrics and merchandise from abroad to supply the spring and summer trade. All these things necessitate an increased demand upon the banks for credits. It is almost a certainty that a considerable part of the \$11,000,000 gain in "demand" deposits arose from the loan expansion in the Dominion. As for the notice deposits their steady advance, in all seasons of the year, has been most impressive. Since the end of 1907, there has not been a single month, except February in each year, in which the notice deposits failed to advance. As the increase in the current accounts of the banks spells industrial activity and expansion so the steady, rapid growth of the notice deposits speaks of a satisfactory growth of population and of an improved financial condition of the Canadian people. The

machinery for gathering up the savings and surplus funds of the people is very efficient, and it is quite certain that the continued growth of our population and wealth will result in continued heavy increase in the power of the banks.

With regard to the "deposits elsewhere," that is an item which fluctuates considerably. The London branches may receive one month a large amount of cash from the subscribers to and underwriters of the various Canadian security issues taken in London. Next month the transfer of the funds to Canada, or their disbursements, may result in a sharp reduction of the balance. So it is not wise to count too confidently upon the maintenance of the deposits elsewhere at the present figure. But it is likely enough, however, that a drop in the total of this item might be accompanied by a corresponding rise in the total of demand and notice deposits in Canada.

Every year in the spring there is a small upward movement of the bank note circulation. One of the principal factors in bringing it to pass is found in the operations of the lumber companies. The gangs of men who have been all winter in the woods come down to civilization and are paid off. These payments serve to swell the note circulation for a few weeks. Usually there is a fall in the circulation immediately afterwards and the account does not show any marked characteristics until the close of the summer when the Western wheat crop is coming upon the market.

Although the liabilities of the banks show so heavy an increase there was no loss of cash strength during March. As a matter of fact the proportion of immediately available assets to net liability rose .63 p.c. It now stands at 28.09 p.c. as against 30.78 p.c. at the end of March, 1909. Compared with March, 1908, the position is distinctly strong. The proportion of available assets then was 20.42 p.c. This includes, it should be explained, specie, legals, net foreign bank balances, and foreign call loans. An increase of close upon \$10,000,000 took place in the call loans outside Canada, and one of \$4,700,000 in the balances carried in foreign and United Kingdom banks. This development follows naturally upon the receipt by the banks of over \$12,000,000 of new deposits outside Canada. The funds have simply been employed, meanwhile, partly in loans and partly as balance in bank, at London and New York. By no possible stretch of the imagination can it be said that in this particular month the funds of Canadian depositors were sent abroad and there devoted to the use of stock market speculators.

It is always worth while to follow closely the movements of the banks in connection with their foreign operations. From the following table one

THE BRITISH AMERICA ASSURANCE COMPANY

INCORPORATED 1833.

HEAD OFFICE: TORONTO

Old Reliable Progressive
 Capital, - - - \$ 1,400,000.00
 Assets, - - - 2,022,170.18
 Losses paid since organization, 33,620,764.61

DIRECTORS:

Hon. GEO. A. COX, President	W. R. BROCK & JOHN HOSKIN, B.A., LL.D., Vice-Presidents
ROBT. BICKERDIKE, M.P.	AUGUSTUS MYERS
K. W. COX	FREDERIC NICHOLLS
D. S. MANNA	JAMES KEIR OSBORNE
ALEX LAIRD	SIR HENRY M. PELLAIT
Z. A. LASH, K.C.	E. R. WOOD
GEO. A. MORROW	

W. B. MEIKLE, Managing Director

W. B. MEIKLE, Gen. Manager P. H. SIMS, Secretary

EVANS & JOHNSON, General Agents

26 St. Sacrament Street : : MONTREAL

First British Fire Office Established in Canada

A.D. 1804

Phoenix Assurance Co. Ltd., OF LONDON, ENGLAND.

(Founded 1782) With which is Incorporated

The Pelican and British Empire

LIFE OFFICE. (Founded 1797)

Head Office for Canada :

100 St. Francois Xavier St. - Montreal.

PATERSON & SON, Chief Agents

Established 1864.

New York Underwriters Agency.

Policies secured by Assets - \$18,920,605

PROVINCIAL AGENTS.

JOSEPH MURPHY, Toronto, Ont.	JNO. WM. MOLSON, Montreal, Que.
OSLER, HAMMOND & NANTON, Winnipeg, Man.	WHITE & CALVIN, St. John, N.B.
ALFRED J. BELL, Halifax N.S.	HORACE HASZARD, Charlottetown, P.R.

T. D. RICHARDSON, Supt. for Canada, Toronto.

NORWICH UNION FIRE OFFICE.

FOUNDED 1797

AGENTS WANTED

HEAD OFFICE FOR CANADA: TORONTO

JOHN B. LAIDLAW, Manager

JOHN MacEWEN,
SUPERINTENDENT AT MONTREAL

THE London Mutual Fire INSURANCE COMPANY

ESTABLISHED - - - 1859

HEAD OFFICE - TORONTO

Is not a new venture, but an old-established, successful Canadian Institution, with a clean Fifty Year record and the patronage of over Seventy Thousand satisfied policyholders.

D. WEISMILLER,
President and Managing Director.

FIRE AGENTS' TEXT-BOOK

An Annotated Dictionary of the terms and technical phrases in common use among Fire Underwriters.

By J. GRISWOLD.

To which is appended a Policy Form Book. The whole supplemented by short rate and pro-rata Cancellation and Time Tables published at the office of

THE CHRONICLE, Montreal.

Price - - - \$2.00

LOVELL'S LAW ANNUAL FOR 1910

Important Announcement to the Legal Profession

In Half Cent, Subscribers, \$5.00; Non-Subscribers, \$6.00

The NEW EDITION will contain the following contents:

Index to Dominion and Provincial Statutes giving Public and Private Acts before and after Confederation, down to and including the Revised Federal and Provincial Statutes of 1909.

An accurate Table of Descent, Annotated.

Succession Duty Act of all Provinces, Annotated.

Epitome of Law Relating to Married Women for all the Provinces.

Court Calendar giving the Sittings of all Courts of different Provinces

Accurate List of Lawyers of the Dominion, Notaries, Commissioners Bailiffs, Chartered Accountants, etc.

Banks and their Branches throughout Canada.

John Lovell & Son, Ltd., Publishers, Montreal

may learn how their net foreign investment; as at the end of March, compares with the end of February and the end of March in 1909:

	Mar. 31, 1910.	Feb. 28, 1910.	Mar. 31, 1909.
Due by banks in U.K.	\$ 11,291,887	\$ 9,473,183	\$ 5,360,812
Due by banks elsewhere	24,487,969	22,287,987	29,905,683
Call loans elsewhere, Current loans elsewhere	130,194,540	120,374,681	117,850,605
	40,719,679	42,403,784	34,915,132
	\$206,694,075	\$194,539,635	\$188,032,232
Due to banks in U.K.	\$3,398,212	\$3,190,054	\$4,585,032
Due to banks elsewhere	3,655,046	4,583,341	3,357,914
Deposits elsewhere	85,948,201	73,944,685	73,951,501
	\$93,001,459	\$81,718,080	\$81,854,447
Net investment abroad	\$113,692,616	\$112,821,555	\$106,137,785

Notwithstanding that deposits and circulation taken together show an increase since March, 1909, of about \$152,000,000, the net investment abroad under the above headings only increased \$7,500,000. Of course, there may have been some further purchases of foreign bonds and debentures. The bank statement does not provide the means of telling how much of the bond investments of the banks consist of outside securities. However, the increase in the total of investment securities held has been, in the year, \$13,300,000. Of that increase about \$8,000,000 consisted of Dominion and Provincial Government bonds. So the increase in the foreign bonds could not well have amounted to more than \$5,000,000.

Statement of the Chartered Banks of Canada.

Statistical Abstract for Month Ending March 31, 1910, giving Comparison of Principal Items, with Increase or Decrease for the Month and for the Year.

<i>Assets.</i>	Mar. 31, 1910	Feb. 28, 1910	Mar. 31, 1909.	Increase or Decrease for month, 1910.	Increase or Decrease for month, 1909.	Inc. or Dec. for year.
Specie and Dominion Notes	\$ 102,472,684	\$ 101,656,693	\$94,258,999	815,391 i.	\$ 181,947 i.	8,213,685
Notes of and Cheques on other Banks	38,886,824	36,926,404	29,832,859	1,960,420 i.	4,486,596 i.	9,053,965
Deposit to Secure Note Issues	4,045,707	4,040,206	4,032,251	5,501 i.	1,102 d.	6,544
Loans to other Banks in Canada secured	3,951,961	3,951,994	5,168,143	33 i.	346 d.	1,156,306
Deposits with and due other Bks. in Can.	8,090,890	7,417,547	8,362,196	673,343 d.	2,113,888 d.	211,306
Due from Banks, etc., in U. Kingdom.	11,291,881	9,473,183	5,360,812	1,818,704 d.	5,162,437 i.	5,931,7075
Due from Banks, etc., elsewhere	24,487,969	22,287,987	29,905,683	2,199,982 i.	3,955,916 d.	5,417,714
Dominion & Prov. Securities	18,124,711	18,257,635	10,037,204	132,924 d.	207,866 i.	8,092,507
Can. Municipal, For. Pub. Securities.	21,831,642	21,778,900	20,799,648	54,742 i.	209,243 i.	1,031,991
Railway and other Bonds and Stocks	54,706,076	53,989,609	50,525,884	716,46 i.	1,176,681 i.	4,180,192
Total Securities held	94,662,429	94,024,144	81,357,736	638,285 i.	1,178,058 i.	13,304,693
Call Loans in Canada	59,945,735	61,855,519	48,911,736	1,909,784 i.	1,356,596 i.	11,033,999
Call Loans outside Canada	130,194,540	120,374,681	117,850,605	9,819,859 i.	16,406,703 i.	12,343,935
Total Call and Short Loans	190,140,275	182,230,200	166,762,341	7,910,075 i.	17,763,299 i.	23,377,934
Current Loans and Disc'ts in Canada	624,550,051	602,454,539	520,109,936	22,095,512 i.	12,760,188 i.	104,440,115
Current Loans and Disc'ts outside	40,719,679	42,403,784	34,915,132	1,684,105 d.	140,134 i.	5,804,547
Total Current Loans and Discounts	665,269,730	644,858,323	555,025,068	20,411,407 i.	12,620,054 i.	170,244,662
Aggregate of Loans to Public	855,410,005	827,088,523	721,787,409	28,321,482 i.	30,383,353 i.	133,622,596
Loans to Dominion and Provincial Gov'ts.	2,834,081	2,765,082	1,150,894	68,999 d.	5,469,193 i.	1,683,187
Overdue Debts	6,301,471	6,018,912	7,694,003	282,559 d.	199,106 d.	1,392,532
Bank Premises	22,196,814	21,954,522	18,756,173	242,292 i.	162,278 i.	3,441,641
Other Real Estate and Mortgages	1,833,955	1,819,912	2,289,912	14,143 i.	30,684 d.	4,595,7
Other Assets	8,903,902	8,899,190	8,533,958	14,712 i.	619,909 i.	369,944
TOTAL ASSETS	1,185,370,171	1,148,314,380	1,018,390,211	37,055,791 i.	28,049,597 i.	166,978,960
Liabilities.						
Notes in Circulation	78,265,822	74,086,443	68,708,458	3,579,379 i.	1,360,099 i.	9,557,364
Due to Dominion Government	11,604,919	8,524,657	4,942,160	3,080,262 i.	134,598 i.	6,662,759
Due to Provincial Governments	30,860,618	31,519,128	13,604,792	658,507 d.	907,581 i.	17,255,826
Deposits in Can. payable on demand	247,562,171	236,597,987	200,843,984	10,864,184 i.	7,875,448 i.	46,718,187
Dep'ts in Can. payable after notice	515,272,117	507,307,733	445,626,884	7,964,384 i.	4,236,344 i.	69,645,231
Total Deposits of the Public in Canada	762,834,288	744,005,720	646,470,868	18,828,568 i.	12,111,792 i.	116,363,420
Deposits elsewhere than in Canada	85,948,201	73,944,685	73,951,501	12,003,516 i.	8,617,503 i.	11,996,700
Total Deposits, other than Government	848,782,489	817,950,405	720,422,369	30,832,084 i.	20,729,295 i.	128,360,120
Loans from other Banks in Canada	4,067,895	4,047,413	5,255,861	20,482 d.	91,080 d.	1,187,966
Deposits by other Banks in Canada	5,006,800	4,845,755	6,140,436	161,045 d.	1,067,267 d.	1,133,666
Due to Banks and Agencies in U. K.	3,398,212	3,190,054	4,585,032	208,158 i.	1,978,361 i.	1,186,820
Due to Banks and Agencies elsewhere	3,655,046	4,583,341	3,357,914	928,295 i.	20,265 i.	297,132
Other Liabilities	10,147,887	9,851,943	6,435,360	295,944 i.	681,742 i.	3,712,527
TOTAL LIABILITIES	995,789,764	959,197,201	833,461,485	36,592,563 i.	22,847,449 i.	162,328,279
Capital, etc.						
Capital paid up	97,831,709	97,773,750	97,011,614	57,959 i.	851,059 i.	820,095
Reserve Fund	78,569,586	78,521,946	75,324,993	47,640 i.	838,351 i.	3,241,293
Liabilities of Directors and their firms	10,624,250	10,883,678	9,381,760	259,428 d.	484,352 i.	1,342,490
Greatest Circulation in Month	80,901,913	75,782,649	70,831,560	5,119,264 i.	2,769,744 i.	10,070,353



ONTARIO AND NORTH WEST BRANCH
8 Richmond Street, East. TORONTO

PROVINCE OF QUEBEC BRANCH
164 St. James St., cor. St. John St., MONTREAL.



HEAD OFFICE - - - TORONTO
MONTREAL BRANCH: Thomas F. Dobbin, Resident Secretary, 164 St. James St.
QUEBEC BRANCH: C. E. Sward, Resident Secretary, 81 St. Peter St.
WINNIPEG BRANCH: A. W. Blake, District Secretary, 807 & McGrovey Block.

The Yorkshire Insurance Co., Limited.

OF YORK ENGLAND.

ESTABLISHED 1824

RT. HON. LORD WENLOCK, Chairman.

ASSETS \$11,000,000

JAMES HAMILTON, Esq., Manager

FIRE INSURANCE granted on every description of property at Tariff rates.**LIVE STOCK INSURANCE.** This Company has a large Live Stock business in England and elsewhere, and is the **FIRST COMPANY**, licensed by the **FEDERAL GOVERNMENT**, to transact Live Stock Insurance in the Dominion.**APPLICATIONS FOR AGENCIES** are invited from responsible persons.**CANADIAN DIRECTORS.**—Hon. C. J. Doherty, Alphonse Racine, Esq. G. M. Bosworth, Esq.Canadian Manager, **P. M. WICKHAM, Montreal**

The WESTERN

ASSURANCE COMPANY

Incorporated in 1857

ASSETS,	:	:	:	\$3,267,082.55
LIABILITIES,	:	:	:	640,597.32
SECURITY to POLICY-HOLDERS,				2,629,485.23

LOSSES paid since organization of Company				\$52,441,172.44
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DIRECTORS:

Hon. GEO. A. COX, President

W. B. BROCK and JOHN MOSKIN, K.C., LL.D.
Vice-Presidents

W. B. MEKLE, Managing Director.

ROBT. BICKERDIKE, M.P.

D. B. HANNA
ALEX. LAIRD
AUGUSTUS MYERS
JAMES KEENE OSBORNE
E. W. COXZ. A. LASH, K.C.
GEO. A. MORROW
FREDERIC NICHOLLS
Sir HENRY M. PELLATT
R. R. WOOD

HEAD OFFICE.

TORONTO

FOUNDED 1792

Insurance Company of North America

PHILADELPHIA

CAPITAL,	.	.	.	\$3,000,000
ASSETS JANUARY 1, 1909,	.	.	.	13,385,501
LOSSES PAID,	.	.	.	144,730,841

ROBERT HAMPSON & SON

General Agents for Canada, MONTREAL.

Union Assurance Society

— MERGED IN THE —
Commercial Union Assurance Co., Ltd. of London, Eng.
Total Funds Exceed - \$86,230,000. Security Unexcelled

.... CANADIAN BRANCH:
Corner St. James & McGill Streets, Montreal
T. L. MORRISSEY, Manager.

The fall in Canadian call loans—\$1,900,000—follows a fall of \$2,100,000 in February. But that movement has not a great deal of significance, when it is remembered that the total of Canadian call loans had risen between January 31, 1909, and January 31, 1910, very nearly \$20,000,000—from \$44,299,554 to \$63,945,539. There are still a number of mergers to be financed in the near future, and doubtless the transactions incidental thereto will necessitate some increase in the amount of the call and short loans on bonds and stocks in Canada.

The capital account of the banks in March shows but little change. In a few months the capital increases of the Molsons and Imperial will become operative, and, with stock issues possibly by other important institutions, will have a decided tendency to increase the aggregates of capital and rest.

GENERAL ACCIDENT ASSURANCE COMPANY.

The fourth annual report of the General Accident Assurance Company shows that the company is making satisfactory progress. The premium income for 1909 less re-insurance rebates and cancellments amounted to \$280,917 as compared with \$188,000 for the previous year. The total revenue for the year amounted to \$291,978 including the balance carried forward from the previous year. The claims paid and reserves for claims outstanding amounted to \$144,195. General expenses amounted to \$119,213. Assets have grown by over \$20,000 during the year and now total \$170,895.

The company although in its infancy has an honourable career, and a popular and sagacious management.

THE NEW INSURANCE ACT, 1910.

In this issue of THE CHRONICLE, we publish in full the New Insurance Act. A year ago the Bill passed the House of Commons and was sent to the Senate, which, however, did not pass it last year. It was referred to a committee which gave the whole question a great deal of consideration, those interested had a large number of interviews with the committee, and every phase of the bill was exhaustively discussed. The Committee is to be commended for the time devoted for this important measure, as well as for the important manner the various views expressed were treated. While the Act is not everything that could be desired from some view points yet on the whole we venture to say that it is a satisfactory measure and should meet with general approval. In order to give the Act in full, several extra pages were added to this week's CHRONICLE.

NATIONAL UNION FIRE INSURANCE COMPANY, PITTSBURG, P.A.

The National Union Fire Insurance Company, of Pittsburg, Pa., is another company to enter the West. This company commenced business in 1901. Its premium income in 1908 amounted to \$1,556,973 paid-up capital to \$750,000, and surplus over all liabilities \$304,272.

Our London Letter.

The Monetary Outlook—The Rubber Mania—The Grand Trunk Changes—Canadian Issues—Quebec Lake St. John Ry.—Trades Unions and Co-partnership—Insurance Topics—Special Correspondence of THE CHRONICLE for Week ending April 16, 1910.

Complaints are general of the way in which discount rates are allowed to drop on the slightest signs of an improvement in the London monetary situation. Judging from the fact that these complaints are heard on every occasion when the monetary outlook or position is obscure or difficult, the foolish habit of discounting the future would appear to be inherent in some bill-brokers, and only to be eradicated by a sharp lesson. For many reasons, though, it is to be hoped that the lesson will not have to be given—on this occasion at all events—but it would be foolish to disguise the fact that the monetary outlook is still viewed by many conservative authorities, if not with actual apprehension, at least with some nervousness. The bank return this week showed some improvement in the position of the central institution, but a 5 per cent. rate is still regarded as a possibility, though that it would have the most serious consequences at the present time when our trade is reviving, and such an enormous business is being transacted in the city, goes without saying. The requirements of India—an uncertain quantity—remain the crux of the position, though there are fears that more gold will shortly be going to South America. The collection of the outstanding income tax is at length to be put to the prolonged period of financial chaos—the Government might have done this weeks ago if they had not been more intent on "filling the cup" of the Lords than governing the country—and the collection of the tax will, of course, avoid the necessity of future issues of Treasury bills. But since a great deal of current expenditure has been provided for by Treasury bills, it is argued, it would be foolish to imagine that of a certainty the taxes collected will be immediately released. On the contrary, with millions taken from the market, it is difficult to imagine a cheapening of monetary rates. Since the bank return was issued a million of the metal has been received from the United States and £300,000 in sovereigns from Germany, but there is still a big gap to be filled before the bank is placed in a normal position.

The Rubber Mania.

Another enormous settlement is being negotiated by the Stock Exchange, and the work involved has naturally had the effect of putting some restriction upon dealings towards the end of this week, though, of course, in the two boom markets—rubber and oil—they continue daily upon an enormous scale. Last week's pause was very efficacious in shaking out a crowd of weak bulls, and to it may no doubt, be attributed the fact that there is no whisper of financial trouble in connection with the settlement—things are going more smoothly than a few days ago was anticipated. A good many knowing operators, it is currently reported, are now taking their profits in the rubber market and trans-

A FEW FACTS FROM THE REPORT OF CANADA LIFE'S RECORD YEAR

Business Increased in 1909 while Expenses Decreased

ASSETS \$39,686,000.
BUSINESS IN FORCE \$125,000,000.
INCOME for the year was over **\$5,697,000.**
NEW PAID FOR BUSINESS issued in 1909, **\$10,139,000.**
SURPLUS earned in 1909, surpassing all records, **\$1,195,000.**
EXPENSES reduced as in the previous year in percentage and actual amount.
PAYMENTS to Policyholders in 1909 for Death Claims, Endowments, Profits, etc., **\$2,032,000.**
\$2,000,000.00 IN PROFITS will be allotted to Policyholders this year by the **CANADA LIFE**

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Accepted value of Canadian Securities held by Federal Government for protection of policyholders, \$1,206,576.

All policies issued with Annual Dividends on payment of second year's annual premium.

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INCORPORATED 1859. HEAD OFFICE: TORONTO, CANADA
 Assets for Policyholders security - \$2,307,505.00
 Insurance in Force - \$13,078,004.10

PROGRESS DURING LAST DECADE, 1899-1909

Income	Increased 425 per cent.	Over four-fold
Reserves	617 "	Over six-fold
Assets	541 "	Nearly six-fold
Insurance in force	358 "	Over three and one half-fold

The Excelsior excels in those features of vital interest to Policyholders
SECURITY AND PROFIT
 THE NEW EXCELSIOR POLICIES ARE THE BEST
 WANTED—Agents to devote entire or spare time to
 the business

E. MARSHALL, General Manager

B. FASKEN, President

ferring them to the home railway section. Selling of this kind would account for yesterday's slight weakness at the outset, but he would be a bold man, who ventured to say that the end of the mania is even in sight. The Continent is steadily buying, while the public, which long ago lost its head in this matter is being still more excited by the sensationalism of the halfpenny newspapers written, as some one once caustically remarked "by the half-educated for the half-educated." The conduct of one of these, in particular, in urging into the market, people who hardly know how to fill up an application form for shares in a new undertaking, or the methods by which shares are bought and sold, is simply disgraceful. There is a story going round of an applicant for a new rubber issue who filled up the "description" line of his form with a series of particulars beginning "Height 5 ft. 9 in. chest, 36," etc., while a prospectus came out yesterday which frankly confessed that the "estate" had not been surveyed and its boundaries still remain to be defined. And this sort of thing capitalized on a boom basis will probably be over-subscribed 30 or 40 times.

The Grand Trunk Scene Changes.

A change has come over the Grand Trunk scene. Not only was there a new chairman at Thursday's meeting, but shareholders were in such good humour that they positively refused to listen to criticism of the Board, and probably the brevity of the discussion is an absolute record for Grand Trunk meetings. Mr. Alfred Smithers, the new chairman, has certainly made an excellent start. Very wisely he devoted the major part of his speech to the Grand Trunk Pacific, justifying its construction, explaining very fully how it is being financed and describing the outlook. Mr. Smithers was properly enthusiastic about the future—he referred to himself as a Canadian of Canadians in that respect; but the speech was not blindly optimistic; on the contrary it was a statesman like utterance well calculated to impress favourably those who are really seriously interested and hopeful for the future welfare of Canada and the Grand Trunk than any amount of extravagant "blather." Thus he warned the enthusiastic people, who have lately been talking about Grand Trunk ordinary being almost within sight of a dividend that they must not expect that when the engine and car renewal suspense account is finally wiped out that all the amounts hitherto debited to revenue under this heading will be at once available for purposes of dividends, but that, even if it be not necessary to create future suspense accounts of this kind—and they remain a possibility—heavier charges may have to be made against revenue for equipment. This statement has, as a matter of fact, not been at all pleasing to enthusiastic "bulls" and has led to a slight set back in the company's junior securities after a week during which they have been steadily pushing ahead. Since, however, the ordinary are within reasonable distance of the 30 to which they have been "talked," no one except the mere gambler is likely to grumble at this.

That the Grand Trunk Board are determined not to encourage unhealthy speculation in the company's junior issues is shown by the Chairman's reply to the suggestion that ordinary stock should be in the form of "bearer" certificates. That the

alteration in form would increase the popularity of the stock there can be little doubt, especially as several continental centres now take an interest in Trunk ordinary, in Holland, as was instanced, a bank issuing "bearer" certificates against a million of it. The Board, it appears, has not considered the matter, but Mr. Smithers suggested that in order to carry the project into effect, it would be necessary to obtain an Act of Parliament, as did the Canadian Pacific. He added, however, that if "bearer" certificates would increase the popularity of the Grand Trunk among Canadians, he would be in favour of it—a remark which is particularly appreciated here, since for a long time there has been a fear that Canadian sentiment has not been particularly well disposed towards the Grand Trunk and that the line has suffered as a result. Altogether both the Chairman's speech and the meeting as a whole have created an excellent impression.

Canadian Issues.

The recent issue of Grand Trunk Pacific Branch lines bonds was only a partial success, underwriters being compelled to take up 45 p.c. of the issue. The result though disappointing is, in present circumstances not surprising, with people cranky about rubber and credulous about oil, the sober attractions of a sound 4 p.c. investment can scarcely be expected to make a very strong appeal, though admittedly the bonds were cheap at the price of issue. The £300,000 5 p.c. debenture stock of the Western Canada Land Company, issued at par, went off better, being over-subscribed seven times and being quoted now at several points premium. Probably the issue was assisted to go off so well by a concession to the present speculative fever, each £1 of debenture stock, carrying the option to subscribe for one £ share in the company at 3s. 5d. The new capital is to be devoted to the development of the Pembina coal fields, about 60 miles west of Edmonton, which are to be worked by a subsidiary company, controlled by the Western Canada Company through its holding of the capital stock. The coal is reported to be particularly useful for household purposes, and the Grand Trunk Pacific crosses the property.

The Bank of Montreal has issued £97,500 4 p.c. first mortgage bonds of £100 each of the Central Counties Railway (Ontario) at 90 p.c. The company's lines are leased to and worked by the Grand Trunk, for an annual rental of £3,000 which is sufficient to meet the interest on the bonds now offered. On behalf of the British Railway & General Construction Trust, the Commercial Bank of Scotland have offered £39,500 5 p.c. mortgage debenture stock of the British Columbia Development Association at the sale price of 105 p.c. This is the balance of £100,000 authorized, the major part having been offered to the public a year ago at par. This stock is redeemable by sinking fund in 1846 at 110 p.c. or earlier at the option of the Association on six months' notice at 125 p.c. The funds raised by the issue are to be devoted to irrigation work on 20,000 acres, which will be made available for fruit and tobacco planting and general intensive culture. From Glasgow emanates the Dominion of Canada Investment & Debenture Company with a capital of £500,000 in £10 shares, the present issue being of 25,000 shares. When

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THE DEBENTURES OF CANADIAN
PROVINCES, COUNTIES, TOWNSHIPS, CITIES AND TOWNS
Constitute an investment of the very highest order for the large or small investor. WRITE FOR OUR LIST
WOOD, GUNDY & COMPANY, TORONTO

fully paid the shares will be divided into $4\frac{1}{2}$ p.c. cum. pref. shares and ordinary shares of £5 each—a favourite practice this among trust and finance companies having their origin in Scotland. The company, which it to carry on an investment trust loan, agency and finance business, will specialize in mortgage business on Canadian real estate.

Quebec and Lake St. John Railway.

The Prior Lien Bondholders Committee of the Quebec & Lake St. John Railway state that a majority of these bonds have been deposited with their bankers. The report of the experts appointed to investigate the position of the line are expected shortly and the committee "have reason to believe that important questions will arise seriously affecting the Prior Lien Bondholders."

Trade's Unions and Co-Partnership.

It is surprising to hear that after a year's experience of the co-partnership scheme elaborated by Sir Christopher Furness, M.P., the men concerned (and other members of their Grades Unions who were permitted to vote on the matter) have voted against its continuance. The local labour leaders much regret this result, but the Socialists generally are jubilant, though for what reason, seeing that the future relations of employers and employed are regarded with some apprehension by those immediately concerned, it is difficult to see. The general reason given for the decision now come to, is that many of the men benefitting from the scheme were disappointed because it did not ensure for them last year continuous work, but it looks very much as if the real reason is that men in other yards were jealous, refused to have anything to do with men who were co-partners and having thus intimated those most concerned, took the opportunity, their Trade Unions allowing them to vote on the question, of squashing the scheme altogether on the plea that it was "contrary to Trades Union principles." If as a result we have a revival of the old series of never-ending disputes on the North East coast—so much the worse for "Trades Union principles."

Insurance Topics.

Various leading non-tariff offices transacting fire and accident business are, it is understood, forming an association to be called the Independent Offices Association, for the purpose of ensuring minimum rates for certain classes of risks based on the result of common experience. Insurance is not the first sphere in which those who at one time disdained organization have afterwards found it useful, but if these offices are to have an association of this kind, what is the point of their advertising themselves as non-tariff? Relatively to the offices who form the Fire Office Committee, established more than half a century ago for the express purpose for which the new association has been formed the "non-tariff" offices transact only a small amount of business, although as you are aware, some of them have been pushing ahead in recent years.

That the fight for existence in the London insurance world is becoming increasingly intense is shown by the speeches of the chairmen of several insurance companies at recent meetings. In the marine branch, which has, during recent years,

been notoriously unprofitable, owing to the low level to which premiums have been allowed to fall, something is being done by means of concerted efforts to put affairs upon a more satisfactory basis, but a good deal remains to be accomplished in this direction before those concerned will admit that things are satisfactory. A more widespread cause of dissatisfaction than even the recent low level of marine premiums is the foolish competitive rates quoted by the crowd of new companies which have lately been the light—rates which, of course, are given for the express purpose of building up business quietly, and which the old established companies are very frequently in self-defence compelled to meet. That the competition thus caused frequently goes beyond legitimate bounds is evident from the fact that relatively new companies, who have been distinguished for nothing more than their sensationalism, are almost in constant process of amalgamation or winding up. But that this process is likely to exhaust itself is not yet evident; among a large section of the community the insurance business still seems to be regarded as an unailing method of "getting rich quick."

A new policy is intended to cover the risks run by owners of private schools through fire or an epidemic of disease. Under the scheme the principal of the school is entitled to compensation if the school is compulsorily closed through an epidemic or the absence of pupils for more than half a term leads to loss of fees, the first two per cent. of cases in the latter instance being at the principal's own risk. The known uncertainty of profits from private schools suggests that this scheme will meet a long-felt want.

That fine old office, the Phoenix, has just issued its annual report, the 128th, showing that it is going as strongly as ever. In the fire department the premiums were last year £1,386,643 net; claims were 50.8 per cent. and expenses 37.6 per cent. altogether absorbing £1,226,063. New life business has been well maintained at £1,120,906, and the life funds have been increased by £210,036 to a total of £5,561,686. The balance of profit and loss was £378,415, and after setting aside £100,000 to the Fire Reserve, making it £800,000 and the total fire fund £1,450,000, a dividend of 30s. per £5 share is declared, as has been the case since 1906. Previously for 11 years the dividends were 35s. per share. The total funds of the company now exceed 13 millions.

METRO.

London, 16th April, 1910.

Wanted a capable English Speaking Life Insurance Solicitor to work in Montreal and Eastern Ontario for a large and well established Company. Must be able to write at least \$100,000. per year. Liberal terms and every facility for successful work, including, settling of death claims and maturing tontines and names of possible prospects.

Address, giving previous experience if any, and full particulars,

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THE CHRONICLE OFFICE, MONTREAL.

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in writing Prudential Insurance as much to the impressive and systematic mode of advertising employed by the Company as to any other factor."

-Virginia Representative

PRUDENTIAL ADVERTISING HELPS ITS AGENTS. WE WANT AGENTS. WRITE US.

THE PRUDENTIAL INSURANCE CO'Y OF AMERICA
Incorporated as a Stock Company by the State of New Jersey.

JOHN. F. DRYDEN, President.
HOME OFFICE, NEWARK, N. J.

THE IMPERIAL LIFE'S RECORD IN 1909.

ASSETS - \$5,303,236 INCREASE \$749,392
RESERVES - 4,055,540 INCREASE 597,494
NET SURPLUS 627,519 INCREASE 149,306

it pays to be associated with a successful institution
For particulars of attractive agency openings

Apply to

A. McN. SHAW, Supt. of Agencies
HEADOFFICE, - TORONTO, CANADA

CROWN LIFE

RETURN PREMIUM POLICY Guarantees not only payment of full face value of policy in case of death, but also guarantees return of all the premiums paid. Costs no more than other companies charge for ordinary insurance. Policy automatically continued in force after three years' premiums have been paid. Highest guaranteed Loan, Cash Surrender and Paid up Insurance Values.

CROWN LIFE INSURANCE CO.
Head Office - TORONTO
Liberal Salaris and Commission Contracts, with a Good Territory. Available to Reliable Agents.

INSPECTOR WANTED

THE NATIONAL LIFE ASSCE. CO. OF CANADA requires an Inspector and three good Agents for Montreal. The Inspector must be a good personal producer.

All contracts are direct with Head Office and are very liberal. On account of the exceptional standing of the Company and the attractive plans of insurance, agents find it an easy Company to work for.

Apply 286 St. James Street.,
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MONTREAL.

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THE
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desires to engage competent and productive Field Men in the different Provinces of Canada

Terms Attractive

Apply to
DAVID BURKE,
General Manager,
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CANADA'S BIG MUTUAL

Wants new partners in its business.

All you have to do to become one, with its manifold advantages, is to take out a participating policy in



and thus share in the prosperity of this progressive and carefully managed company.

Insurance in Force - \$60,000,000

Agencies in Every City and Town in Canada.

HEAD OFFICE, WATERLOO, ONT.

The Continental Life Insurance Co.

SUBSCRIBED CAPITAL, \$1,000,000.00
HEAD OFFICE - - - - TORONTO

GEO. B. WOODS, PRESIDENT & MANG. DIRECTOR
CHARLES H. FULLER, - SECRETARY & ACTUARY

Several Vacancies for Good Live GENERAL AGENTS and PROVINCIAL MANAGERS

Liberal Contracts to First Class Men

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THE CHIEF DIFFICULTY that confronts the new man entering the Life Insurance Field is the securing of GOOD PROSPECTS. This difficulty is eliminated when you write for an INDUSTRIAL COMPANY, the debits of which are an inexhaustible mine for both ordinary and industrial business.

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More Policyholders than any other Canadian Company



Financial and General.

THE TRAVELERS INSURANCE COMPANY, of Hartford, has issued a special accident policy for owners of automobiles in the select or preferred class. The policy is thus described by the company:

This policy will be sold in two amounts—\$25,000 and \$25 weekly indemnity, doubling to \$50,000 and \$50 weekly indemnity, cost \$120 per annum, and \$10,000 and \$25 weekly indemnity, doubling to \$20,000 with \$50 weekly indemnity, cost \$50.25 per annum.

It will be issued at the home office for annual premiums only, special report as to applicant's careful use of automobiles to be forwarded with each application and signed by agent personally soliciting the risk.

It will not be sold to persons engaged in the manufacture or sale of automobiles.

Applications will be considered favorably only from persons of responsible habits and character, who do not unnecessarily expose themselves by fast or reckless driving, or otherwise.

Policies of our regular forms now in force should not be disturbed; the same protection can be affected by adding the auto supplement.

EMBEZZLEMENTS during the year 1909, compared with 1908, as indicated by press notices and dispatches collated by the fidelity department of the Fidelity and Casualty Company of New York:

	1908	1909	Increase	Decrease
Banks and trust companies	\$5,933,971	\$3,840,576	.....	\$2,093,395
Beneficial associations	281,511	404,601	\$123,090	.....
Public service	1,044,741	1,007,028	.....	37,713
General business	2,402,982	1,908,051	.....	494,931
Insurance companies	581,233	1,296,981	715,748	.....
Court trusts	544,526	287,466	.....	257,060
Transportation companies	242,608	865,970	623,362	.....
Miscellaneous	534,107	1,041,387	507,280	.....
Total	\$11,565,679	\$10,652,060	\$1,969,480	\$2,883,099
Net decrease		\$913,619.		

DURING 1909 the Equitable celebrated the fiftieth anniversary of its organization, and the record of its fifty years of operation is therefore worthy of note. It is a remarkable record, and when considered in the light of the present large amount of business outstanding foreshadows in only a slight degree the vast volume of funds it will disburse in the years to come.

RESULTS FROM ORGANIZATION, 1859-1909, INCLUSIVE.

Premium receipts	\$1,141,713,978
Death claims paid	353,581,910
Endowments and annuities	66,874,189
Surrender values	166,362,762
Dividends to policyholders	120,154,012
Total payments on policyholders' account	706,972,873
Assets, December 31, 1909	486,109,638

PROPOSED EMPLOYERS' LIABILITY LEGISLATION in Arkansas is unique in that both the labor organizations and the liability companies seem to take it favorably. It proposes fixed compensation following a regular scale and aims to obviate the "ambulance chaser."

THE DIRECTORS of the Caledonian Insurance Company have resolved to recommend, subject to audit, a dividend of twenty-four shillings per share (being an increase of four shillings per share over the rate declared last year) payable free of income tax in equal half-yearly instalments on Whitsunday and Martinmas next. The underwriting profit in the fire department for 1909 amounts to £71,093; adding interest, the total surplus on the year's business amounts to £82,602. The dividend of 24s. per share will absorb £25,800, leaving a balance of £56,802 to be carried forward.

THE TOWN OF WATERLOO have just sold their issue of \$33,173.73 debentures issued for water and gas works and local improvement purposes to Wood, Gundy & Co.

Waterloo is one of the most substantial manufacturing towns of its size in Western Ontario.

The following fire companies will be located in the building recently re-constructed by the Lake of the Woods Milling Company, opposite the Board of Trade in this city: *Alliance, Norwich Union, German American, Scottish Union & National* and the *Dominion Fire*.

THE ALLIANCE ASSURANCE COMPANY'S annual statement for 1909 shows the following results:

Net premiums	\$6,586,820
Loses 39'9 p.c.	\$2,623,355
Expenses and commission 37'5 p.c.	2,475,194
	5,098,550
Trading surplus 22'6 p.c.	\$1,488,270

TRINITY CHURCH CORPORATION, NEW YORK HAS ASSETS ABOUT \$14,500,000.

The financial statement for the year ended 31st July, 1909, of Trinity Church Corporation, New York, shows its combined assets to have been approximately \$14,500,000. In its lists of receipts appears the following: Rents of real estate, \$743,718; pew rents, which are collected in only four of the churches of the parish and not universally in these \$10,381; sales of real estate, \$81,865. Trinity cemetery (not the churchyard at the end of Wall Street), \$3,862; notes which the parish has taken out, \$300,000. With the cash balance with which the corporation started the year, the receipts aggregated \$1,153,230.

Trinity spends for the maintenance of her 10 churches and nine schools, including such items as church music, the pay of the clergy, repairs to the buildings, supplies, fuel and light, water rents and insurance, \$355,517. It was an increase of \$15,000 over the expenses for the same items in the year before.

The cost of maintaining the real estate holdings of the parish outside of the churches and schools, amounted to \$461,252. It cost the parish \$11,000 more in taxes and \$15,000 more in insurance to keep its property going than it did the year before. The city taxes and water rates, over what the lessees paid, amounted to \$140,705. Repairs cost about \$140,000. The year left the corporation with \$205,458 in the bank, an increase of about \$170,000 over the year previous.

Stock Exchange Notes

Montreal, April 28, 1910.

The volume of business was more contracted this week and prices generally declined under pressure of the little urgent selling which developed. Throughout the trading Quebec Railway continued its upward movement, any temporary reactions being quickly recovered. It closed 4 3-8 points higher with 46 7-8 bid, on transactions involving 17,144 shares. Dominion Iron Common was the next stock in point of activity and after selling down to 65, recovered to 66 1-2 reacting again to 65 3-8 bid at the close. The net decline for the week was 2 1-2 points. Crown Reserve again sold down to 3.00, but improved to 3.05 bid at the close on sales totalling 26,372 shares. "Soo" Common dropped 4 1-2 points to 135 and Colored Cotton ex-rights is off 4 5-8 points. Some selling caused by the breaking price tendency in New York was in evidence to-day. The local market is still inclined upward on every chance, but it commences to look somewhat overbought and artificial at the prevailing level. Specialties will likely feature the trading on any further upward movement. The Bank of England rate of 4 p.c. continues and consols, which had been down to the low point of 1907, are back to 81 1-16.

Call money in Montreal.....	5 3/4
Call money in New York.....	3 to 3 1/2
Call money in London.....	3 1/2 to 4
Bank of England rate.....	4 1/2
Consols.....	81-3-16
Demand Sterling.....	9-13-16
Sixty days' sight Sterling.....	9 1/2

The quotations at continental points were as follows:—

	Market.	Bank.
Paris.....	2 1/2	3
Berlin.....	3 1/2	4
Amsterdam.....	4 1/2	5
Vienne.....	3 1/2	3 1/2
Brussels.....	3 1/2	4 1/2

SUMMARY OF WEEK'S SALES AND QUOTATIONS.

Security.	Sales.	Closing bid.		Net change
		Apr. 31, 1910.	to-day.	
Canadian Pacific.....	686	182	180 1/2	— 1 1/2
"Soo" Common.....	615	139 1/2	135	— 4 1/2
Detroit United.....	430	61 1/2	60	— 1 1/2
Duluth Superior.....	71 1/2	69	69	— 2 1/2
Halifax Tram.....	11	123	123	— ..
Illinois Preferred.....	1,110	90	89 1/2	— 1/2
Montreal Street.....	2,3	246 1/2 XD	244 1/2 XD	— 1 1/2
Quebec Ry.....	17,144	42 1/2	46 1/2	+ 4 1/2
Toronto Railway.....	811	123	120	— 3
Twin City.....	58	113 XD	112 1/2 XD	— 1 1/2
Richelieu & Ontario.....	350	87 1/2	85 1/2	— 2
Amal. Asbestos.....	95	25	23	— 2
Do. Prfd.....	117	91	89	— 2 1/2
Black Lake Asbestos.....	25	25 1/2	..	..
Do. Prfd.....	210	..	..	..
Can. Cement Com.....	887	23	22	— 1 1/2
Do. Prfd.....	865	89 1/2	89	— 1/2
Can. Con. Rubber Com.....	25	98 1/2	98	— 1/2
Can. Con. Rubber Prfd.....	..	..	110	..
Dom. Coal Com.....	1,260	68	66 1/2	— 1 1/2
Dom. Iron Common.....	6,567	67	65 1/2	— 2 1/2
Dom. Iron Preferred.....	489	105 1/2	102	— 3 1/2
Dom. Iron Bonds.....	\$13,000	..	94 1/2	..
Lake of the Woods Com.....	138	..	130	..
Mackay Common.....	30	..	..	..
Mackay Preferred.....	25	76 1/2	75	— 1 1/2
Mexican Power.....	..	78	77	— 1
Montreal Power.....	2,360	137	136	— 1
Montreal Steel Works.....	..	..	..	..
Nova Scotia Steel Com.....	446	83	81 1/2	— 1 1/2
Ogilvie Com.....	222	136	134 1/2	— 2 1/2
Ro Light and Power.....	225	.. XD	92 1/2 XD	..
Shawangan.....	205	99 1/2	100	+ 1/2
Can. Colored Cotton.....	200	64 1/2	60	— 4 1/2
Can. Convertors.....	170	44	45	— 1
Dom. Textile Com.....	1,280	74	73 1/2	— 1/2
Dom. Textile Preferred.....	7	102 1/2	102	— 1/2
Montreal Cotton.....	..	134	135	+ 1
Pennans Common.....	178	62 1/2	61	— 1 1/2
Pennans Preferred.....	..	.. XD	.. XD	..
Crown Reserve.....	26,372	3.15	3.05	— 10

Traffic Earnings.

The gross traffic earnings of the Grand Trunk, Canadian Pacific, Canadian Northern, Duluth, South Shore & Atlantic railways, and the Montreal, Toronto, Halifax, Twin City, Detroit United and Havana street railways, up to the most recent date obtainable compared with the corresponding period for 1908 and 1909 were as follows:—

Year to date.	GRAND TRUNK RAILWAY.			Increase
	1908.	1909.	1910.	
Mar. 31.....	\$8,142,470	\$8,337,338	\$9,911,978	\$1,574,640
Week ending.....	1908.	1909.	1910.	Increase
April 7.....	664,823	718,663	815,893	97,230
" 14.....	685,281	744,283	824,890	80,607
" 21.....	682,775	724,631	823,385	98,754

Year to date.	CANADIAN PACIFIC RAILWAY.			Increase
	1908.	1909.	1910.	
Mar. 31.....	\$13,848,000	\$15,971,000	\$19,487,000	\$3,516,000
Week ending.....	1908.	1909.	1910.	Increase
April 7.....	1,316,000	1,555,000	1,959,000	404,000
" 14.....	1,305,000	1,490,000	1,817,000	327,000
" 21.....	1,306,000	1,401,000	1,789,000	388,000

Year to date.	CANADIAN NORTHERN RAILWAY.			Increase
	1908.	1909.	1910.	
Mar. 31.....	\$1,689,100	\$1,767,500	\$2,425,200	\$657,700
Week ending.....	1908.	1909.	1910.	Increase
April 7.....	167,600	180,500	247,600	67,100
" 14.....	165,200	177,800	255,500	77,700
" 21.....	181,100	189,300	252,400	63,100

Year to date.	DULUTH, SOUTH SHORE & ATLANTIC.			Increase
	1908.	1909.	1910.	
Mar. 31.....	\$48,261	\$50,424	\$62,163	\$11,739
Week ending.....	1908.	1909.	1910.	Increase
April 7.....	48,261	50,424	62,163	11,739
" 14.....	49,022	48,474	62,377	13,903

Year to date.	MONTREAL STREET RAILWAY.			Increase
	1908.	1909.	1910.	
Mar. 31.....	\$828,392	\$868,667	\$955,986	\$87,189
Week ending.....	1908.	1909.	1910.	Increase
April 7.....	63,828	66,535	77,462	10,927
" 14.....	63,564	67,412	76,649	9,237
" 21.....	63,901	67,991	78,793	10,802

Year to date.	TWIN CITY RAPID TRANSIT COMPANY.			Increase
	1908.	1909.	1910.	
Mar. 31.....	\$1,396,464	\$1,536,466	\$1,701,485	\$165,018
Week ending.....	1908.	1909.	1910.	Increase
April 7.....	111,503	124,823	135,829	11,006
" 14.....	110,873	126,394	135,467	9,074

Year to date.	DETROIT UNITED RAILWAY.			Increase
	1908.	1909.	1910.	
Mar. 31.....	\$113,022	\$130,742	\$158,504	\$27,762
Week ending.....	1908.	1909.	1910.	Increase
April 7.....	113,022	130,742	158,504	27,762
" 14.....	118,658	137,148	161,543	24,395

Year to date.	HALIFAX ELECTRIC TRAMWAY CO., LTD.			Increase
	Railway Receipts.			
Year to date.	1908.	1909.	1910.	Increase
	Mar. 31.....	3,050	3,134		3,501	367
Week ending.....	1908.	1909.	1910.	Increase
April 7.....	2,974	3,552	..	..
" 14.....	3,421	3,316	3,814	498
" 21.....	..	..	..	..

Year to date.	HAVANA ELECTRIC RAILWAY CO.			Increase
	1908.	1909.	1910.	
Mar. 31.....	\$37,351	\$41,280	\$41,280	\$3,229
Week ending.....	1908.	1909.	1910.	Increase
April 3.....	38,420	43,417	4,997	5,261
" 10.....	37,345	42,606	..	..
" 17.....	37,345	40,623	..	..
" 24.....	37,203	..	..	..

Year to date.	DULUTH-SUPERIOR TRACTION.			Increase
	1908.	1909.	1910.	
Mar. 31.....	\$17,264	\$20,275	\$3,011	\$3,011
Week ending.....	1908.	1909.	1910.	Increase
April 7.....	17,264	20,275	3,011	3,011
" 14.....	17,857	19,409	1,552	1,552

MONTREAL BANK CLEARINGS for the week ending April 28th, 1910, were \$37,428,341. For the corresponding weeks of 1909 and 1908 they were \$30,243,907 and \$25,561,203 respectively.

TORONTO BANK CLEARINGS for the week ending April 28th, 1910, were \$26,838,521. For the corresponding weeks of 1909 and 1908 they were \$25,025,519 and \$20,906,848 respectively.

OTTAWA BANK CLEARINGS for week ending April 28th, 1910, were \$3,691,047. For the corresponding weeks of 1909 and 1908 they were \$3,179,178 and \$2,344,993 respectively.

From Western Fields.

BRANDON REAL ESTATE AND BUILDING ACTIVITY.

The real estate and building activity hitherto unparalleled in the history of Brandon, which has been taking place this spring, received an added impetus this week when it was learned that Grand Trunk Pacific surveyors were busy around the eastern and southern parts of the city ostensibly making preliminary arrangements to come into the city over Canadian Northern tracks, and use the fine new passenger terminals to be built by the latter road this season at Ninth street and Princess avenue.

Winnipeg's Growing Population.

While the great spring cry of immigration has heralded the incoming of thousands of settlers for the Western fields and towns, there has been little attention given to the rapid advance of Winnipeg in the matter of population.

A famine in houses for rental purposes is making itself felt throughout the city. Rental lists contain practically nothing of high-class central properties and it is estimated that there are six tenants waiting for every central vacancy. Rents are not any higher than they have been for the past couple of years and it is possible to rent almost any kind of a house without delay.

Not only are houses in the central section scarce, but the apartment blocks are well filled and in the more suitable ones it is stated there are few if any vacancies. Lists of houses for sale or rent would be appreciated by almost any realty man in the city for the demand for each purpose is above the supply.

Winnipeg Horse Show.

The growth of the Winnipeg Horse Show has been phenomenal. In the six years in which it has been in existence it has developed from the small affair held just off Broadway, where a temporary structure was erected each year, to the great institution that it now is. The first show, although comparatively small, was a splendid success, so much so that it was resolved at once to make it an annual affair and since that time the entries have grown considerably and the prize list has become large enough to almost fill a volume.

Undenominational University for Calgary.

An effort is being made by some prominent people in Calgary to organize a large undenominational university in this city.

The Western Fuel Company, operating coal mines at Nanaimo, has given an option to the Canadian Pacific Railway Company for the purchase of its properties for \$2,500,000, according to reports.

Vancouver Horse Show.

The third annual horse show was held at Vancouver, B.C., last week. Three thousand people were present the first day and the opening address was given by Hon. W. J. Bowser, attorney-general.

Kelowna makes Claim that Rates should be Reduced.

At the monthly meeting of Kelowna Board of Trade, C. C. Josselyn complained of the insurance rates, which, he said, were higher now than they

were three years ago, although owing to the number of fireproof buildings put up recently and the efficient water service, the risks were greatly reduced. In his own case, he originally paid \$4.50 per \$100, while it was now \$5.75.

It was decided, therefore, that the secretary write to the Mainland Board of Fire Underwriters, pointing out the efficiency of the city fire protection system, the high water pressure obtainable and the number of fireproof buildings already constructed and now being built, and urging that lower rates be charged.

LAURENTIAN INSURANCE COMPANY, OF CANADA, OBTAINS BROAD CHARTER.

The bill to incorporate the Laurentian Insurance Company of Canada, with headquarters in Montreal, caused discussion in the Banking and Commerce Committee at Ottawa. The company asked for authority to transact fire, marine, accident, sickness, liability, burglary, glass, automobile and other kinds of insurance business. Mr. Emerson objected to such a blanket charter and thought the company should specify exactly what business it proposed to do. Superintendent of Insurance Fitzgerald, in answer to A. Wainwright, who appeared for the bill, stated that, while it was true similar bills had been passed, such practices opened the door to the peddling of charters. Finally the bill was passed on the understanding that before it goes to the House some three classes of insurance sought must be cut out. Before commencing marine insurance \$250,000 must be subscribed and \$75,000 paid up.

MUTUAL LIFE OF CANADA.

We have received a copy of the 40th annual report of the Mutual Life of Canada, in booklet form, neatly and attractively got up, containing in addition to the proceedings at the meeting, a list of the bonds and debentures held by the company as at 31st December last, showing the amounts yearly invested in this class of securities as well as in mortgages since 1873. There is also a statement by years of the interest earned from 1872, which has more than paid the death losses since the organization of the company, by \$1,358,836. Altogether the report is a very satisfactory one, indeed, for the policyholders.

SOVEREIGN FIRE MAKES CHICAGO ITS UNITED STATES HEADQUARTERS.

The Sovereign Fire of Canada, which has had its general department in Chicago for western territory, will make that city its United States headquarters. H. S. Wilson, managing director of the home office, will divide his time between Toronto and Chicago. George B. Dykhouse, assistant manager in Chicago, will remain in that capacity, while F. W. Smith, the secretary, will be in charge of the home office. It will soon enter New York state and will add \$50,000 to its United States funds, making the amount \$500,000. It will enter Tennessee and be represented in the general agency of D. Cliffe Stone of Nashville.

List of Leading Stocks and Bonds

REPORTED FOR THE CHRONICLE BY R. WILSON-SMITH & CO., 160 ST. JAMES STREET, MONTREAL.
CORRECTED TO THURSDAY, APRIL 28th, 1910.

BANK STOCKS.	Closing price or last sale.	Par value of one share.	Revenue per cent. on investment at present prices.	Rate of Annual Dividend	Capital subscribed	Capital paid up	Res Fund	Per cent'ge of Res to paid up Capital	When Dividend payable.
	Asked. Bid.	\$	Per Cent.	Per cent	\$	\$	\$	\$	
British North America	205 1/2	243	4 31	7	4,896,656	4,896,656	2,433,333	50.00	April, October.
Canadian Bank of Commerce	161 1/2	50	4 31	8	10,000,000	10,000,000	6,000,000	60.00	March, June, Sept., Dec.
Eastern Townships Farmers	100	100	4 31	8	4,000,000	4,000,000	5,000,000	125.00	Jan., April, July, October
Hamilton	115 1/4	100	4 31	4	3,000,000	3,000,000	2,100,000	70.00	Jan., April, July, October
Home Bank of Canada	100	100	4 31	4	978,800	567,357			March, June, Sept., Dec.
Imperial	100	100	4 31	8	2,500,000	2,500,000	2,500,000	100.00	March, June, Sept., Dec.
La Banque Nationale	180 1/2	177 1/2	100	4 44	2,500,000	2,500,000	2,300,000	92.00	March, June, Sept., Dec.
Merchants Bank of Canada	215 1/2	213 1/2	100	4 65	1,222,200	1,098,302	333,853	30.28	March, June, Sept., Dec.
Metropolitan Bank	252 1/2	250 1/2	100	3 96	5,000,000	5,000,000	5,000,000	100.00	Feb., May, August, Nov.
Molson	100	100	4 44	8	2,000,000	2,000,000	1,050,000	52.50	Feb., May, August, Nov.
Montreal	100	100	4 44	8	6,000,000	6,000,000	4,500,000	75.00	March, June, Sept., Dec.
New Brunswick	100	100	4 44	8	1,000,000	1,000,000	1,000,000	100.00	Jan., April, July, October
Northern Crown Bank	284 1/2	281 1/2	100	4 21	3,500,000	3,500,000	3,850,000	110.00	Jan., April, July, October
Nova Scotia	100	100	4 44	8	1,000,000	1,000,000	3,350,000	335.00	Jan., April, July, October
Ottawa	100	100	4 44	8	1,000,000	1,000,000	1,000,000	100.00	Jan., April, July, October
Provincial Bank of Canada	100	100	4 44	8	1,000,000	1,000,000	1,000,000	100.00	Jan., April, July, October
Quebec	231 1/2	225 1/2	100	4 70	765,100	753,820	1,361,855	178.27	Jan., April, July, October
Royal	100	100	4 44	8	2,277,500	2,293,936	100,000	4.92	January, July.
Standard	100	100	4 44	8	3,000,000	3,000,000	5,500,000	183.33	Jan., April, July, October
St. Stephens	100	100	4 44	8	3,000,000	3,000,000	3,358,530	100.00	March, June, Sept., Dec.
Sterling	100	100	4 44	8	3,404,000	3,338,530	3,358,530	100.00	Jan., April, July, October
Toronto	141 1/2	100	5 55	8	1,000,000	1,000,000	35,000	35.00	March, June, Sept., Dec.
Traders	100	100	4 44	8	1,000,000	1,000,000	1,250,000	125.00	Jan., April, July, October
Union Bank of Halifax	100	100	4 44	8	2,500,000	2,500,000	1,250,000	50.00	March, June, Sept., Dec.
Union Bank of Canada	144 1/2	100	4 44	8	1,000,000	1,000,000	1,250,000	125.00	Jan., April, July, October
United Empire Bank	100	100	4 44	8	3,307,200	3,202,670	1,900,000	59.33	Jan., April, July, October
					612,100	507,647			
MISCELLANEOUS STOCKS.									
Amal. Ashbestos Com	24	22	100	7 69	8,124,500	8,124,500			Jan., April, July, October
do Pref	91	100	100	7 69	1,875,000	1,875,000			Jan., April, July, October
Bell Telephone	146	100	5 47	7	12,500,000	12,500,000			Jan., April, July, October
Black Lake Ash Com	21	20	100	10 76	2,993,400	2,993,400			Jan., April, July, October
do Pref	65	64 1/2	100	10 76	1,000,000	1,000,000			Jan., April, July, October
B. C. Packers Assn "A" pref.	70	100	10 00	7	635,000	635,000			Cumulative.
do "B" pref.	70	100	10 00	7	635,000	635,000			do
do Com.	50	100	10 00	7	1,511,400	1,511,400			March, June, Sept., Dec.
Can. Colored Cotton Mills Co. NR	61	61 1/2	100	6 34	2,700,000	2,700,000			April, October.
Canadian Pacific	181 1/2	181 1/2	100	8 85	115,016,000	115,016,000			Jan., April, July, October
Can. Cement Com.	2 1/2	2 1/2	100	6 08	10,500,000	10,500,000			Jan., April, July, October
do Pfd.	87 1/2	87 1/2	100	6 08	13,560,000	13,560,000			Jan., April, July, October
Can. Con. Rubber Com.	98 1/2	98 1/2	100	4 06	3,000,000	2,800,000			Jan., April, July, October
do Pref	115	100	100	6 08	2,000,000	1,940,000			Jan., April, July, October
Canadian Converters	46	45 1/2	100	5 18	1,733,500	1,738,000			Jan., April, July, October
Crown Reserve	3 1/2	3 1/2	100	5 18	1,999,957	1,949,957			Jan., April, July, October
Detroit Electric St.	60 1/2	60 1/2	100	6 66	12,900,000	12,500,000			February, August.
Dominion Coal Pr. ferred	105	100	6 66	7	3,000,000	3,000,000			Jan., April, July, October
do Common	65 1/2	65 1/2	100	6 08	15,000,000	15,000,000			Jan., April, July, October
Dominion Textile Co. Com	74	74 1/2	100	6 75	5,000,000	5,000,000			Jan., April, July, October
do Pfd.	123 1/2	100	6 83	5	1,858,988	1,858,988			Jan., April, July, October
Dom. Iron & Steel Com.	65 1/2	65 1/2	100	6 73	21,000,000	20,000,000			Cum.
do Pfd.	104 1/2	100	6 73	7	5,000,000	5,000,000			Jan., April, July, October
Duluth Superior Trac.	70 1/2	100	5 69	4	3,500,000	3,500,000			Jan., April, July, October
Halifax Tramway Co	124 1/2	123 1/2	100	5 64	1,350,000	1,350,000			Initial Div.
Havana Electric Ry Com	100	100	5 64	6	7,500,000	7,500,000			Jan., April, July, October
do Preferred	100	100	5 64	6	5,000,000	5,000,000			Jan., April, July, October
Illinois Trac. Pfd.	89 1/2	100	6 66	6	5,000,000	4,575,000			Jan., April, July, October
Laurentide Paper Com	135	100	5 18	7	1,600,000	1,600,000			February, August.
do Pfd.	135	100	5 18	7	1,200,000	1,200,000			Jan., April, July, October
Lake of the Woods Mill Co. Com	136 1/2	135 1/2	100	4 41	2,000,000	2,000,000			Apr. Oct. (\$10 Bonus Oct '09)
do Pfd.	17	100	5 51	7	1,500,000	1,500,000			March, June, Sept., Dec.
Mackay Companies Com	85 1/2	100	5 65	5	43,47,300	43,47,300			Jan., April, July, October
do Pfd.	76 7/8	75 1/8	100	5 26	50,000,000	50,000,000			Jan., April, July, October
Mexican Light & Power Co	78 1/2	77 1/2	100	5 18	13,585,000	13,585,000			Jan., April, July, October
Miss. St. Paul & S.S.M. Com	135	100	5 18	7	20,832,000	16,800,000			Jan., April, July, October
do Pfd.	110	100	5 71	8	10,416,000	8,400,000			April, October.
Montreal Cotton Co.	110	134 1/2	100	5 71	3,000,000	3,000,000			March, June, Sept., Dec.
Montreal Light, Hl. & Pwr. Co	135 1/2	135 1/2	100	5 18	17,000,000	17,000,000			Feb., May, August, Nov.
Montreal Steel Work Com.	100	100	5 18	7	700,000	700,000			January, July.
do Pfd.	100	100	5 18	7	800,000	800,000			Jan., April, July, October
Montreal Street Railway	245 1/2	245 1/2	100	4 08	9,000,000	9,000,000			Feb., May, August, Nov.
Montreal Telegraph	150	144 1/2	100	5 33	2,000,000	2,000,000			Jan., April, July, October
Northern Ohio Trac. Co.	40 1/2	25 1/2	100	5 00	7,900,000	7,900,000			March, June, Sept., Dec.
N. Scotia Steel & Coal Co. Com	82 1/2	100	4 87	4	5,000,000	4,980,000			Jan., April, July, October
do Pfd.	121 1/2	100	6 58	8	2,000,000	1,930,000			Jan., April, July, October
Ogilvie Flour Mills Com	134 1/2	134 1/2	100	5 94	2,900,000	2,900,000			March, September.
do Pfd.	100	100	5 94	8	2,000,000	2,000,000			March, June, Sept., Dec.
Penman's Ld. Com	61 1/2	61 1/2	100	6 50	2,150,000	2,150,000			Feb., May, August, Nov.
do Pref	46 1/2	100	6 50	6	3,075,000	3,075,000			Feb., May, August, Nov.
Quebec Ry. L. & P.	86 1/2	100	8 81	5	2,500,000	2,500,000			March, June, Sept., Dec.
Richelieu & C. Nav. Co.	93 1/2	100	4 30	4	3,120,000	3,120,000			March, June, Sept., Dec.
Rio de Janeiro	101 1/2	92 1/2	100	3 93	2,000,000	2,000,000			Jan., April, July, October
Shawinigan Water & Power Co.	100	100	5 18	7	6,000,000	6,500,000			Jan., April, July, October
Toledo Ry & Light Co.	129 1/2	119 1/2	100	5 83	13,875,000	12,000,000			Jan., April, July, October
Toronto Street Railway	94	100	6 38	6	8,000,000	8,000,000			Jan., April, July, October
Tri. City Ry. Co. Com	94	100	6 38	6	2,000,000	2,000,000			Jan., April, July, October
do Pfd.	113 1/2	100	5 33	6	20,100,000	20,100,000			Feb., May, August, Nov.
Twin City Rapid Transit Co. NR	100	100	5 18	7	3,000,000	3,000,000			Jan., April, July, Oct. Nov.
do Preferred	100	100	5 18	7	1,000,000	1,000,000			May, November.
Windsor Hotel.	130	100	7 69	10	6,000,000	6,000,000			Jan., April, July, October
Winipeg Electric Railway Co	178	100	5 61	10					Jan., April, July, October

STOCK AND BOND LIST Continued

BONDS.	Closing Quotations		Rate p.c. of Interest per annum.	Amount outstanding.	When Interest due.	Where Interest payable.	Date of Maturity.	REMARKS.
	Ask d.	Bid.						
Bell Telephone Co. ....	..	..	5	\$3,363,000	1st Oct. 1st Apl.	Bk. of Montreal, Mtl.	April 1st, 1925	Redeemable at 110 after Oct. 1st, 1911.
Can. Con. Rubber Co. ....	..	..	6	2,600,000	1st Apl. 1st Oct.	" "	Oct. 1st, 1916	
Can. Colored Cotton Co. ...	102	100	6	2,000,000	2nd Apl. 2nd Oct.	" "	April 2nd, 1912	Redeemable at 110.
Can. Cement Co.	99½	98	6	5,000,000	1st Apl. 1st Oct.	" "	Oct. 21st, 1929	
Dominion Coal Co.	99	97	5	6,175,000	1st May 1st Nov.	" "	April 1st, 1940	Redeemable at 105 and Int after May 1st, 1910
Dom. Iron & Steel Co.	94½	94½	5	7,674,000	1st Jan. 1st July.	Bk. of Montreal, Mtl.	July 1st, 1929	
" 2nd Mortg. Bds. ....	..	..	6	1,968,000	1st Apl. 1st Oct.	Bk. of Montreal, Mtl.	.....	\$250,000 Redeemable Redeemable at 110 and Interest.
Dom. Tex Sers. "A" ....	..	..	6	758,500	1 March 1 Sept.	Royal Trust Co., Mtl.	March 1st, 1925	
" "B"	100½	99½	6	1,162,000	" "	" "	" "	Redeemable at par after 5 years.
" "C" ....	..	97	6	1,000,000	" "	" "	" "	Redeemable at 105 and Interest.
" "D" ....	..	..	..	450,000	" "	" "	" "	" "
Havana Electric Railway. ....	..	..	5	8,311,561	1st Feb. 1st Aug.	52 Broadway, N.Y.	Feb. 1st, 1952	Redeemable at 105
Halifax Tram. ....	..	..	5	600,000	1st Jan. 1st July.	Bk. of Montreal, Mtl.	Jan. 1st, 1916	Redeemable at 110
Keewatin Mill Co. ....	..	..	6	750,000	1st March 1 Sept.	Royal Trust, Mtl.	Sept. 1st, 1916	
Lake of the Woods Mill Co. ....	..	..	6	1,000,000	1st June 1st Dec.	Merchants Bank of Canada, Montreal.	June 1st, 1923	Redeemable at 110 and Interest.
Laurentide Paper Co.	110	108	6	1,036,000	2 Jan. 2 July.	Bk. of Montreal, Mtl.	Jan. 2nd, 1920	
Mexican Electric L. Co.	83	81½	5	6,000,000	1st Jan. 1st July.	" "	July 1st, 1935	Redeemable at 105 and Int. after 1912.
Mex. L't & Power Co.	87	82	5	12,000,000	1st Feb. 1st Aug.	" "	Feb. 1st, 1933	
Montreal L. & Pow. Co.	99½	98	4½	5,476,000	1st Jan. 1st July.	" "	Jan. 1st, 1932	
Montreal Street Ry. Co.	100	99	4½	1,500,000	1st May 1st Nov.	U.B. of Halifax or B. of N.S. Mtl. or Toronto.	May 1st, 1922	Redeemable at 110 and Interest.
N. S. Steel & Coal Co. ....	..	..	6	2,282,000	1 Jan. 1 July.		July 1st, 1931	
N. S. Steel Consolidated. ....	..	..	6	1,470,000	1 Jan. 1 July.	July 1st, 1931	July 1st, 1931	Redeemable at 115 and Int. after 1912.
Ogilvie Milling Co. ....	..	112½	6	1,000,000	1st June 1st Dec.	Bk. of Montreal, Mtl.	July 1st, 1932	Redeemable at 105 and Interest.
Price Bros. ....	..	..	6	1,000,000	1st June 1st Dec.	.....	June 1st, 1925	.....
Quebec Ry. L. & P. Co.	84½	84½	5	4,945,000	1st June 1st Dec.	.....	June 1st, 1929	.....
Rich. & Ontario. ....	..	..	5	323,146	1 March 1 Sept.	.....	.....	.....
Rio Janeiro. ....	..	..	5	23,284,000	1 Jan. 1 July.	.....	Jan. 1st, 1915	.....
Sao Paulo. ....	..	..	5	6,000,000	1 June 1 Dec.	C. B. of C. London	June 1st, 1929	Redeemable at 105 and Interest.
Winnipeg Electric.	105	..	5	1,000,000	1 July 1 Jan.	Nat. Trust Co. Tor.	Jan. 1st, 1927	
				3,000,000	2 July 2 Jan.	Bk. of Montreal, Mtl. do.	Jan. 1st, 1935	

MONTREAL PARK & ISLAND RAILWAY COMPANY

LACHINE.—From Post Office, 20 min. service; 5.40 a.m. to midnight. From Lachine.—20 min. service; 5.10 a.m. to 12.45 midnight.

SAULT-AU-RECOLLET & ST. VINCENT DE PAUL. — 20 min. service; St. Denis Street, from 5.00 a.m., and from St. Vincent from 5.30 a.m.; 30 min. service from 9.30 a.m. to 4.00 p.m.; 20 min. service, 4.00 p.m. to 8.30 p.m.; 30 min. service, 8.30 p.m. to 11.30 p.m. Last car from St. Vincent de Paul at 12.00 p.m. from Sault-au-Recollet at 1.00 a.m., from St. Denis Street at 12.40 midnight.

MOUNTAIN.—From Mount Royal Avenue, 20 min. service; 5.40 a.m. to 11.40 p.m. From Victoria Avenue, Westmount, 20 min. service; 5.00 a.m. to 11.50 p.m.

CARTIERVILLE.—40 min. direct service from Mount Royal and Park Avenue Station, 5.40 a.m. to 11.40 p.m. From Cartierville, 5.40 a.m. to 11.40 p.m.; 40 min. from Victoria Avenue, with change at Snowdon from 5.50 a.m. to 11.50 p.m.

Subject to change without notice.

German American Insurance Company
New York

STATEMENT JANUARY 1, 1910

CAPITAL
\$1,500,000
RESERVE FOR ALL OTHER LIABILITIES
8,222,018
NET SURPLUS
6,440,211
ASSETS
16,162,229

AGENTS WANTED
Apply to THOS. C. MOORE, Supt. of Agencies
16 Wellington Street, East, Toronto, Ontario

AGENTS WANTED

Protector Underwriters

OF HARTFORD

ASSETS, JAN. 1ST 1910, \$9,941,424.23

FIRE INSURANCE ONLY

CANADIAN DEPARTMENT, MONTREAL

J. W. TATLEY, MANAGER

Personals

MR. J. M. MORRIS, resident inspector at Toronto for the Liverpool & London & Globe Insurance Company, has resigned that position for the purpose of forming a partnership with Mr. Harold H. Sims to carry on a general insurance brokerage and financial agency business with offices in the Bell Telephone building, Montreal. The new firm has been appointed special agents for the Liverpool & London & Globe Insurance Company.

MR. S. R. TARR, who for three years has been the managing editor of THE CHRONICLE, has left for Winnipeg, to establish a new financial paper to be called "Canadian Finance." The time is propitious for such a venture in the Canadian West and we wish Mr. Tarr every success in his enterprise.

THE FOLLOWING OFFICERS were elected for the Guelph (Ont.) Board of Trade on the occasion of its annual meeting last week. W. J. Bell, president; Alex. Stewart, vice-president, and James Watt, secretary-treasurer.

MR. JAMES H. PLUMER has been appointed a director of the Canada Life to replace Mr. George H. Russell, of Detroit, resigned. Mr. Plummer ranks amongst the best financial men of Canada.

MR. H. M. LAMBERT, manager for Canada Guardian Assurance Company, left on Wednesday night on a business trip to Calgary, Winnipeg and other important centres in the West.

MR. C. C. HALL, of the firm of Smith, MacKenzie & Hall, Toronto, representing the National of Hartford and Nova Scotia Fire Insurance Companies, was in Montreal this week.

MR. WILLIAM SINCLAIR CRICHTON, of the firm of Messrs. W. P. Sinclair & Co., Ltd., Liverpool, has been appointed a director of the Royal Insurance Company, Limited.

MR. JOHN BAIN, of the firm of John Bain & Sons, insurance brokers, Leeds, England, passed through Montreal this week.

MR. JOHN EMO, Ottawa, general manager Canadian Railway Accident Insurance Company, was in Montreal this week.

FIRE AT CORNWALL, ONT.

A disastrous fire broke out this morning in the Rossmore Hotel, Cornwall, by which none persons are believed to have lost their lives. The hotel itself was completely gutted. Included in the hotel premises were the telegraph and ticket offices, and the offices of the Bell Telephone Company. The flames rapidly spread across the street to the Colquhoun block, in which is situated a branch of the Bank of Montreal. Several other premises were damaged. The property loss will probably amount to about \$150,000 with insurance losses of about \$100,000. Correct details are not to hand as we go to press.

SCOTTISH WIDOWS' FUND LIFE ASSURANCE SOCIETY.

The report of the directors for the year ending 31st December, 1909, shows that 3,086 policies were issued assuring \$11,406,470 and giving a net premium revenue of \$491,270 of which \$84,055 was in single premiums.

The claims by death with bonus additions amounts to \$5,591,070 and matured endowments were \$1,220,455.

Under the participating policies which became claims by death, the society paid on an average \$795 for each \$500 originally assured, although the business in many cases had previously been surrendered during life. In 132 cases the sums payable were more than double and in 3 cases more than treble, the original amount of the policies.

Commission and expenses of management together amounted to 11.142 per cent. of the premium revenue or 6.354 per cent. of the total revenue.

The net premium income, interest, rents, etc. amounted to \$10,818,165, and after payment of all outgoings the sum of \$1,767,700 was added to the accumulated funds raising them to \$97,753,035.

CANADIAN FIRE UNDERWRITERS' ASSOCIATION.

A special meeting of the Canadian Fire Underwriters' Association was held in Montreal this week to consider the question of lumber rates.

A new schedule was adopted, the effect of which will be, to grant a general reduction on this class of business and further reductions for protected yards. Mr. W. B. Meikle occupied the chair, in the absence of Mr. R. McD. Paterson.

The following western members were present: T. H. Hall (General), C. C. Hall (National of Hartford), W. E. Fudger (St. Paul), P. McCallum (Hartford), Alfred Wright (London & Lancashire Fire), and T. D. Richardson (New York Underwriters).

INSURANCE COMPANY OF NORTH AMERICA.

The stockholders of the Insurance Company of North America have voted favourably upon a proposition to increase the capital stock and surplus fund of the company. The plan agreed upon provides for the issuance of 100,000 additional shares of stock to be paid for by the shareholders at \$150 a share. Of the proceeds of this sale \$1,000,000 will be placed to the capital stock of the company, which is now \$3,000,000, and \$500,000 will be added to the present surplus of the company, which now amounts to \$2,500,000.

FIREMEN'S INSURANCE COMPANY OF NEWARK, N.J.

The Firemen's Insurance Company, of Newark, N.J., has obtained a license to transact business in Manitoba. It recently made application for membership to the C.F.U.A.

The company has a paid-up capital of \$1,000,000. Surplus over all liabilities \$2,237,124. Net premium income for 1908 amounted to \$1,686,986. It commenced business in 1855.

THE NEW INSURANCE ACT 1910

SHORT TITLE.

1. This Act may be cited as *The Insurance Act, 1910*.

INTERPRETATION.

2. In this Act, unless the context otherwise requires,—

(a) "Department" means the Department of Insurance constituted by this Act;

(b) "Minister" means the Minister of Finance;

(c) "Superintendent" means the Superintendent of Insurance;

(d) "company" means and includes any corporation or any society or association, incorporated or unincorporated, or any partnership carrying on the business of insurance;

(e) "Canadian company" means a company incorporated or legally formed in Canada, for the purpose of carrying on the business of insurance in Canada, and which has its head office therein;

(f) "agency" or "chief agency" means the principal office or place of business of the company in Canada;

(g) "agent" means the chief agent of the company in Canada, named as such in the power of attorney hereinafter referred to, by whatever name he is designated;

(h) "officer" includes the manager, secretary, treasurer, actuary and any other person designated as "officer" by the by-laws of the company;

(i) "president," as regards a company other than a Canadian company, means and includes the chairman, governor, manager or other principal officer thereof;

(j) "secretary" means and includes the officer by whom the usual duties of a secretary are performed;

(k) "annual statement," in the case of companies incorporated or legally formed elsewhere than in Canada and licensed under this Act, includes both the statement of the Canadian business and of the general business of the company required by this Act to be made;

(l) "license" includes certificate of registration;

(m) "policy" includes a certificate of membership relating in any way to life insurance and any other written contract of insurance whether contained in one or more documents;

(n) "Canadian policy" or "policy in Canada," as regards fire and inland marine insurance, means a policy of insurance on any property within Canada, issued by any company licensed under this Act to transact the business of fire or inland marine insurance;

(o) "Canadian policy" or "policy in Canada," as regards life insurance, means a policy or an annuity contract issued by any company licensed under this Act to transact the business of life insurance in Canada, in favour of any person or persons resident in Canada at the time when such policy was issued;

(p) "policyholder in Canada" means, as respects life insurance, any person upon whose life any company licensed under this Act to transact the business of life insurance in Canada has, while such person was resident in Canada, issued a policy;

(q) "policyholder," as respects life insurance, when

used in reference to the person to whom a tender is made by the Minister, as hereinafter provided, upon a company which ceases to do business applying for a release of deposits, means the person to whom the policy is issued and with whom the contract for insurance is made, and includes the assignee of such person;

(r) "accident insurance" means insurance against bodily injury and death by accident, including loss or damage from accident or injury suffered by an employee or other person for which the person insured is liable; and the insurance of personal property other than plate or other glass against accidental damage or loss by reason of any cause except by fire or perils of navigation;

(s) "automobile insurance" means insurance against accidental bodily injury or death to its driver, including insurance against loss or damage from accident to or injury suffered by an employee or other person caused by an automobile for which the owner is liable; and insurance against loss or damage to property from an accident caused by an automobile, except by fire; and insurance against loss or damage to an automobile by accident, burglary or theft;

(t) "bond insurance" means guaranteeing the validity and legality of bonds issued by any province of Canada or by any city, county, town, village, school district, municipality or other civil division of any such province or by any private or public corporation;

(u) "burglary insurance" means insurance against loss or damage by burglary, theft, or house-breaking;

(v) "explosion insurance" means insurance against damage to property of any kind caused by the explosion of natural or other gas;

(w) "guarantee insurance" means the guaranteeing of the fidelity of persons in positions of trust, public or private, guaranteeing and becoming security for the due performance of any contract or agreement or of the duties of any officer executing bonds in legal actions and proceedings;

(x) "industrial insurance" means life insurance, the premiums for which are payable at shorter intervals than quarterly, and "industrial policies," means policies of life insurance whereon the premiums are so payable; but this paragraph shall not apply to life insurance undertaken by companies licensed under section 113 of this Act, nor to policies issued by such companies;

(y) "inland marine insurance" means marine insurance in respect to subjects of insurance at risk upon the waters of Canada, above the harbour of Montreal;

(z) "inland transportation insurance" means insurance against loss or damage to goods, wares, merchandise or property of any kind, including matter transmitted by mail, in transit otherwise than by water, from place to place in Canada;

(aa) "plate glass insurance" means insurance against the breakage of plate or other glass, either local or in transit;

(bb) "sickness insurance" means insurance against loss through illness not ending in death, or disability not arising from accident or old age;

(cc) "sprinkler leakage insurance" means the insuring of any goods or premises against loss or dam-

age by water caused by the breakage or leakage of sprinklers, pumps, water-pipes, or plumbing and its fixtures;

(*dd*) "steam boiler insurance" means insurance upon steam boilers and pipes, engines and machinery connected therewith or operated thereby, against explosion, rupture and accident and against personal injury or loss of life, and against destruction of or damage to property resulting therefrom.

APPLICATION OF ACT.

3. The provisions of this Act shall not apply—

(1) to any contract of marine insurance effected in Canada by any company authorized to carry on within Canada the said business; nor—

(2) except as hereinafter provided shall its provisions apply—

(*a*) to any policy of life insurance in Canada, issued previously to the twenty-second day of May, one thousand eight hundred and sixty-eight, by any company which has not subsequently received a license; or,

(*b*) to any company incorporated by an Act of the legislature of the late province of Canada, or by an Act of the legislature of any province now forming part of Canada, which carries on the business of insurance wholly within the limits of the province by the legislature of which it was incorporated, and which is within the exclusive control of the legislature of such province; or,

(*c*) to any society or association of persons for fraternal, benevolent, industrial or religious purposes, among which purposes is the insurance on the assessment system only of the lives of the members thereof exclusively; or,

(*d*) to any association for the purpose of life insurance formed in connection with any society or association and exclusively from its members, and which insures on the assessment system only the lives of such members exclusively; or,

(*e*) to any society or organization exempted, under this section, by the Treasury Board from the provisions of this Act; and—

(3) upon the passing of this Act licenses for the transaction of the business of inland marine insurance shall become inoperative and void and thereafter no company shall be required to obtain a license for the transaction of that branch of insurance, notwithstanding anything to the contrary in its Act of incorporation contained.

2. Upon its being established to the satisfaction of the Treasury Board that the occupation of the members of any society or organization of persons for fraternal, benevolent, industrial or religious purposes, among which purposes is the granting of life, accident, sickness or disability insurance to the members thereof exclusively, is of such a hazardous nature that the members of such society or organization are either wholly unable to obtain insurance in the licensed insurance companies or are able to obtain it only to a limited extent and upon payment of very high premiums, the Treasury Board may exempt from the provisions of this Act such society or organization or any association for the purpose of life, accident, sickness or disability insurance, or any one or more of such kinds of insurance formed in connection with such society or organization and exclusively from its members, and which insures such members exclusively.

3. Any company incorporated by an Act of the legislature of the late province of Canada or by an Act of the legislature of any province now forming part of Canada, which carries on the business of insurance wholly within the limits of the province by the legislature of which it was incorporated and which is within the exclusive control of the legislature of such province, may, by leave of the Governor in Council, avail itself of the provisions of this Act on complying with the provisions thereof; and if it so avails itself the provisions of this Act shall thereafter apply to it, and such company shall thereafter have the power of transacting its business of insurance throughout Canada.

4. Any society or association of persons for fraternal, benevolent, industrial or religious purposes, among which purposes is the insurance on the assessment system only of the lives of the members thereof exclusively, or any association for the purpose of life insurance on such system only formed in connection with any such society or association and exclusively from its members, and which insures the lives of such members exclusively, may apply to the Minister to be allowed to avail itself of the provisions of Part II of this Act, and upon such application being assented to, such society or association shall cease to be exempt from the application of this Act.

PART I.—GENERAL LICENSE.

4. In Canada, except as otherwise provided by this Act, no company or underwriters or other person shall solicit or accept any risk, or issue or deliver any receipt or policy of insurance, or grant any annuity on a life or lives, or collect or receive any premium, or inspect any risk, or adjust any loss, or carry on any business of insurance, or prosecute or maintain any suit, action or proceeding, or file any claim in insolvency relating to such business, unless it be done by or on behalf of a company or underwriters holding a license from the Minister.

5. The Minister, as soon as any company applying for a license has deposited in his hands the securities hereinafter mentioned, and has otherwise conformed to the requirements of this Act, shall, subject to the provisions hereinafter contained, issue the license.

6. Before issuing a license to a company, the Minister must be satisfied that the corporate name of the company is not that of any other known company incorporated or unincorporated, or any name liable to be confounded therewith or otherwise on public grounds objectionable.

7. The license shall be in such form as is, from time to time, determined by the Minister, and shall specify the business to be carried on by the company, the provinces of Canada to which it applies (where a license limited as to territory is granted), and any other particular limitation or condition which may be deemed proper.

2. The license shall expire on the thirty-first day of March in each year, but shall be renewable from year to year, subject, however, to any qualification or limitation which is considered expedient: Provided that such license may be from time to time renewed for any term less than a year.

8. Subject to the right of renewal of licenses granted previously to the eleventh day of August, one thousand eight hundred and ninety-nine, a license shall not be granted to a company to carry on the business of life insurance in combination with any other

branch of insurance: Provided that any life insurance company within the legislative power of the Parliament of Canada, and any other life insurance company licensed under this Act whose charter authorizes it, may, under the authority of its license to transact life insurance, issue life policies, including in the same policy insurance against disability caused by accident or sickness, but the amount of such disability insurance shall not exceed the premiums payable or accruing on such life and disability policy during the period of disability insured against, but in case of total and permanent disability the company may, at the request of the insured, and without further payment of premiums, pay, in full settlement of the policy, and as a substitute for all other benefits and privileges thereunder, a total and permanent disability benefit not exceeding the sum insured under the said policy.

2. A license may be granted to a company to carry on—

(a) fire insurance, explosion insurance, cyclone or tornado insurance, and inland transportation insurance; or,

(b) fire insurance, cyclone or tornado insurance, sprinkler leakage insurance in connection only with fire contracts made by the company, weather insurance and hail insurance; or,

(c) accident insurance, sickness insurance, plate glass insurance, steam boiler insurance and automobile insurance; or,

(d) guarantee insurance, bond insurance, credit insurance and burglary insurance.

3. Excluding the business of life insurance and the business of fire insurance, a license may, on the report and recommendation of the Superintendent, approved by the Treasury Board, be granted to a company—

(1) to carry on accident insurance, sickness insurance and three other classes of insurance in this section mentioned; or,

(2) to carry on four of the classes of insurance in this section mentioned.

4. Excluding the business of life insurance a license may, on the report and recommendation of the Superintendent, approved by the Treasury Board, be granted to a company—

(i) to carry on one or more classes of insurance in this section mentioned, in combination with one or more classes of insurance not in this section mentioned, not, however, exceeding, except as authorized by subsection 5 of this section, four classes in all;

(ii) to carry on four classes of insurance not in this section mentioned.

5. A license may, on the report and recommendation of the Superintendent, approved by the Treasury Board, be granted to a company to carry on one or more minor branches of insurance in addition to those hereinbefore enumerated or authorized, or on the like report and recommendation, one or more minor branches may be substituted for a like number of branches so enumerated or authorized, or such an addition and substitution may be combined.

9. Subject to the right of renewal of licenses granted previously to the eleventh day of August, one thousand eight hundred and ninety-nine, a license shall not be granted to a company which is by its charter authorized or empowered to carry on classes or branches of insurance greater in number or variety than those for which a license could be granted under the provisions of the last preceding section: Pro-

vided that any company incorporated elsewhere than in Canada, regardless of its greater corporate powers,

(1) which has a paid-up wholly unimpaired capital of at least three hundred thousand dollars if authorized among other classes of business to transact the business of fire insurance, and of at least one hundred thousand dollars if not so authorized; and,

(a) which holds over and above all liabilities estimated according to the existing Dominion Government standard, a rest or surplus fund equal to at least twenty per cent. of such paid-up capital, and the market value of whose stock is at a premium of at least twenty per cent.; and,

(b) which has carried on successfully for a period of at least five years the business for which the license is sought, or which, having a paid-up wholly unimpaired capital of at least five hundred thousand dollars, has carried on successfully the business for which such license is sought for such shorter period as the Minister deems sufficient; and

(c) if the business for which a license is sought consists only of one class of insurance, or of such classes as may for the purpose of a license be combined under the provisions of the last preceding section; or,

(d) which while not in all respects complying with the requirements of the foregoing paragraphs of this proviso, does not materially fall short thereof in any essential particular; or,

(2) which is a subsidiary company of a company duly licensed under this Act and whose insurance contracts are guaranteed by the company whose subsidiary it is, the latter being also liable for all the liabilities of every kind of such subsidiary company, shall be deemed eligible for and entitled to such license upon depositing, keeping and maintaining assets in Canada as defined by subsections 2 and 3 of section 20 of this Act, to the amount in the next following section specified.

10. Such assets so required to be deposited, kept and maintained by the company for which the license is asked shall be, to the extent the Treasury Board on the report of the Superintendent shall fix or determine, in excess of the amount which would be required if such company's charter powers were limited to the purpose for which such license is so asked.

2. Such excess shall, in the case of a company applying for a license to transact fire insurance or life insurance, be not less than fifty thousand dollars, and, in case of any other company, not less than ten thousand dollars, and in no case more than two hundred thousand dollars.

11. By leave of the Governor in Council a license may, on such terms and conditions and subject to such limitations as are determined by the Treasury Board on the report of the Superintendent, be granted to any such company as is mentioned in sub-paragraph (b) of paragraph (2) of subsection 1 of section 3 of this Act, regardless of the greater corporate powers of such company, and such license shall authorize the transaction of only one of the classes of business authorized by the charter or Act of incorporation of such company, or, if more than one, then such as may be combined under the provisions of section 8 of this Act.

12. Except as in this section provided, no license shall be granted to any individual underwriter or underwriters to carry on any kind of insurance busi-

ness: Provided that associations of individuals formed upon the plan known as Lloyd, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy, may be authorized to transact insurance other than life insurance in Canada in like manner and upon the same terms and conditions as insurance companies; such associations to be in all respects subject to the provisions of this Act, except that the statements required by this Act to be filed in the Department may be verified in such manner as the Superintendent shall direct and prescribe.

13. Contracts of accident and sickness insurance or contracts of fire, explosion and inland transportation insurance may be included in one policy, but in all other cases contracts of insurance for each class which a company is licensed to transact shall be in separate and distinct policies.

Deposits.

14. Every company carrying on the business of life insurance and every Canadian company carrying on the business of fire or of inland marine insurance, or of both combined, shall, before the issue of such license, deposit with the Minister, in such securities as are hereinafter specified in that behalf, the sum of fifty thousand dollars.

2. Every company incorporated or legally formed elsewhere than in Canada, carrying on the business of fire or of inland marine insurance or of both combined, shall, before the issue of such license, deposit with the Minister, in such securities, the sum of one hundred thousand dollars.

3. Where a license limited to one or more of the provinces of Canada is granted, the Treasury Board on the report of the Superintendent may authorize the acceptance of an initial deposit less in amount than in this section provided.

15. All such deposits, and all other deposits required under the provisions of this Act, may be made by any company—

(a) in securities of or guaranteed by the Dominion of Canada; or in securities of or guaranteed by any province of Canada; or in securities of or guaranteed by the United Kingdom or any British colony;

(b) if such company is incorporated in any foreign country, in securities of or guaranteed by the government of such country.

2. The value of such securities shall be estimated at their market value, not exceeding par at the time when they are deposited.

16. If any other than the aforesaid securities are offered as a deposit, they may be accepted at such valuation and on such conditions as the Treasury Board directs.

2. If the market value of any of the securities which have been deposited by any company declines below that at which they were deposited, the Minister may notify the company to make such further deposit as will ensure the *accepted* value of all the securities deposited by the company being equal to the amount which it is required by this Act to deposit.

3. On failure by the company to make such further deposit within sixty days after being called upon so to do, the Minister may withdraw its license.

17. Any company licensed under this Act may, at any time, deposit in the hands of the Minister any further securities beyond the sum herein required to be deposited.

2. Any such further securities so deposited in the hands of the Minister, shall be held by him and be dealt with according to the provisions of this Act in respect to the sum required to be deposited by such company, and as if the same had been part of the sum so required to be deposited.

18. If at any time it appears that a company has on deposit with the Minister a sum in excess of the amount required under the provisions of this Act, the Treasury Board may, upon being satisfied that the interest of the company's Canadian policyholders will not be prejudiced thereby, and upon the giving of such notice, and the exercise of such other precautions as may seem expedient, authorize the withdrawal of the amount of such excess or such portion thereof as may be deemed advisable: Provided that such withdrawal may be authorized without the giving of any notice.

19. If it appears from the annual statements or from an examination of the affairs and condition of any company carrying on the business of fire or inland marine insurance, that the re-insurance value of all its risks outstanding in Canada, together with other liabilities in Canada, exceeds its assets in Canada, including the deposit in the hands of the Minister, the company shall be notified by the Minister to make good the deficiency; and, on its failure to make the same good (up to the date of making good), within sixty days after being notified, he shall withdraw its license.

20. Subject to the power and duties hereinafter vested in and imposed upon the Treasury Board in relation to the withdrawal of a company's license or for limiting a time for making good a deficiency of assets, if it appears from the annual statements, or from an examination, as provided for by this Act, of the affairs and condition of any company carrying on the business of life insurance, that its liabilities to policyholders in Canada, including matured claims, and the full reserve or reinsurance value for outstanding policies, as hereinafter described, after deducting any claim the company has against such policies, exceed its assets in Canada, including the deposit in the hands of the Minister, the company shall be called upon by the Minister to make good the deficiency; and on its failure to make the same good (up to the date of making good) within sixty days after being so called upon, he shall withdraw its license.

2. If any such company as is mentioned in this and the last preceding section is incorporated or legally formed elsewhere than within Canada, the assets in Canada as aforesaid shall be taken to consist of all deposits which the company has made with the Minister under the provisions of this Act, and of such assets as have been vested in trust for the company for the purposes of this Act, in two or more persons resident in Canada, or in a trust company incorporated by or under the authority of an Act of the Parliament of Canada or of the legislature of one of the provinces thereof, appointed by the company and approved by the Minister.

3. The trust deed shall first be approved by the Minister, who with the approval of the Treasury

Board shall determine from time to time the value at which such assets shall be accepted for the purposes of this Act, and the trustees may deal with such assets in any manner provided by the deed of trust appointing them, but so that the accepted value of the assets held by them shall not fall below the value required by this section: Provided that such accepted value shall not be greater than ninety per cent. of the market value, and in no case greater than the par value thereof.

4. Trustees other than trust companies such as above described shall not hereafter be approved by the Minister in any case.

5. In case any such life insurance company gave written notice to the Minister before the thirty-first day of March, one thousand eight hundred and seventy-eight, of its intention to avail itself of the proviso contained in section 17 of *The Consolidated Insurance Act, 1877*, the foregoing requirements of this section shall not apply to policies issued by such company previously to that date.

6. In any such case the deposit of such company which was in the hands of the Minister on the twenty-eighth day of April, one thousand eight hundred and seventy-seven, shall be dealt with in regard to such policies, in conformity with sections 4 and 5 of chapter 9 of the statutes of 1871, intitled *An Act to amend the Act respecting Insurance Companies*; and whenever the full liability under such policies falls below the amount so held by the Minister, he may, with the concurrence of the Treasury Board, direct that the whole or such portion of the difference as he deems advisable shall be released and handed over to the company, and so on, from time to time, until the total deposit with the Minister is reduced to the amount of fifty thousand dollars required by this Act.

21. So long as the conditions of this Act are satisfied by any company, and no notice of any final judgment against the company, or order made by the proper court in that behalf for the winding-up of the company or the distribution of its assets, is served upon the Minister, the interest upon the securities forming the deposit shall be handed over to the company as it falls due.

Documents to be filed.

22. Every company shall, before the issue of a license to it, file in the Department—

(a) a copy of the charter, Act of incorporation, or articles of association of the company, certified by the proper officer in charge of the original thereof: Provided that any such document which would be admitted as evidence in a court of law shall be deemed to be sufficiently verified within the meaning of this clause;

(b) a power of attorney from the company to its agent in Canada, under the seal of the company, if it has a seal, and signed by the president and secretary or other proper officers thereof, in presence of a witness, who shall make oath or affirmation as to the due execution thereof; and the official positions in the company held by the officers signing such power of attorney shall be sworn to or affirmed by the officers signing such power of attorney or affirmed by some person cognizant of the facts necessary in that behalf; and,

(c) a statement, in such form as is required by the Minister, of the condition and affairs of such

company on the thirty-first day of December next preceding, or up to the usual balancing day of the company, if such day is not more than twelve months before the filing of the statement.

23. Such power of attorney shall—

(a) declare at what place in Canada the head office, or chief agency of such company is or is to be established; and

(b) expressly authorize such attorney to receive service of process in all suits and proceedings against such company in any province in Canada, in respect of any liabilities incurred by the company therein, and to receive from the Minister and the Superintendent all notices which the law requires to be given, or which it is thought advisable to give; and,

(c) declare that service of process for or in respect of such liabilities and receipt of such notices, at such office or chief agency, or personally on or by such attorney at the place where such head office or chief agency is established, shall be legal and binding on the company, to all intents and purposes whatsoever.

24. Whenever any such company changes its agent or agency in Canada, such company shall file a power of attorney as hereinbefore mentioned, containing any such change or changes in such respect, and containing a similar declaration as to service of process and notices as hereinbefore mentioned.

2. Every company shall, at the time of making the annual statement hereinafter provided for, declare that no change or amendment has been made in the charter, Act of incorporation or articles of association of the company, and that no change has been made in the agency or agent, without the Superintendent having been duly notified of such change or amendment.

25. Duplicates of all such documents, duly verified as aforesaid, shall be filed in the office of one of the superior courts in the province in which the head office or agency of the company is situated; or, if the agency is in the Province of Quebec, with the prothonotary of the Superior Court of the district wherein such agency is established.

Service of Process.

26. After such power of attorney and duplicate copies are filed as aforesaid, any process in any suit or proceeding against any such company, in respect of any liabilities incurred in any province of Canada, may be validly served on the company, at its agency and such service shall be deemed to be service on the company.

2. If such power of attorney becomes invalid or ineffective from any reason whatsoever, or if other service cannot be effected, the court or a judge may order constructive service of any process or proceeding to be made by such publication as is deemed requisite to be made in the premises, for at least one month in at least one newspaper; and such publication shall be deemed to be due service upon the company of such process or proceeding.

Notice.

27. Every company on first obtaining such license shall forthwith give due notice thereof in *The Canada Gazette*, and in at least one newspaper in the county, city or place where the head office or agency is established, and shall continue the publication thereof for the space of four weeks.

28. When a company ceases to carry on business in Canada or gives notice that it intends to so cease to carry on business, notice thereof shall, for the space of three calendar months, be given in the manner aforesaid.

2. Such giving of such notice shall be a condition precedent to the release of the company's deposit.

29. The Minister shall cause to be published quarterly in *The Canada Gazette* a list of the companies licensed under this Act, with the amount of deposits made by each company.

2. Upon any new company being licensed, or upon the license of any company being withdrawn in the interval between two such quarterly statements, he shall publish a notice thereof in *The Canada Gazette* for the space of four weeks.

Annual Returns.

30. The president, vice-president or managing director or other director appointed for the purpose by by-law or by the board of directors, and the secretary, actuary or manager of every Canadian company licensed under this Act, shall prepare annually under their oaths, a statement of the condition and affairs of such company on the thirty-first day of December in each year, which shall exhibit the assets and liabilities of the company, and its income and expenditure during such year, and such other information as is deemed necessary by the Minister or the Superintendent from time to time.

31. In the case of such companies carrying on the business of life insurance, such annual statements shall be in the form A in the schedule to this Act, with suitable changes made therein in the case of companies carrying on business on the assessment plan, and the said statements shall be deposited in the Department within two months after the first day of January in each year.

2. There shall also be prepared half yearly, as of the last days of December and June in each year after the first day of January, one thousand nine hundred and eleven, by the same officers, under their oaths, and deposited in the Department within fifteen days after the said last days of December and June in each year respectively, a statement in the form A1 in the schedule to this Act, showing in detail all bonds, stocks, debentures and other securities bought and all loans made, except on mortgages and policies, during the half year terminating on the date as of which such statement is made, specifying the amounts, dates of issue and maturity and par value thereof, the rate of interest payable thereon and the price paid therefor, and in the case of loans made, except on mortgages of real estate or insurance policies, particulars in detail of securities therefor, and showing also in detail all such securities sold or disposed of during the said half year, specifying similarly the amounts, dates of issue and maturity and par value thereof, the value in account thereof, the rate of interest payable thereon and the price or consideration received therefor.

3. In the case of companies incorporated or legally formed elsewhere than within Canada, a statement shall similarly be prepared, in the form A1, half yearly by the trustees in whom assets are vested in trust for the company for the purposes of this Act, and similarly deposited half yearly

in the Department, showing similarly all dealings during the preceding half year with the trust assets. The half yearly statements in this subsection mentioned shall be verified by the oath of one or more of the trustees, and in case a trust corporation is sole trustee or one of the trustees such half yearly statements may be verified by the manager and secretary or other principal officers of such trust corporation.

4. The half yearly statements mentioned in the two preceding subsections, the blank forms for which shall be supplied by the Superintendent, shall be embodied by him by way of appendix or otherwise in the annual report prepared by him for the Minister.

5. In the case of companies carrying on the business of fire insurance, such annual statement shall be in the form B in the schedule to this Act.

6. In the case of companies carrying on business other than life or fire insurance, such annual statement shall be in the said form B as nearly as circumstances will permit, necessary changes only being made therein.

7. Such annual statement shall be sworn to, in the form C in the schedule to this Act, before some person duly authorized to administer oaths in any legal proceeding, and such half yearly statements shall, in like manner, be sworn to in the form C1 in the said schedule.

8. The Minister or the Superintendent may, from time to time, make such changes in the form of such statements whether such changes are of general application or are, in the opinion of the Minister or Superintendent, necessary to meet the circumstances of any particular case, as the Minister or Superintendent may deem best adapted to elicit any information deemed necessary or expedient.

9. Subject to any provision of this Act with reference to the preparation and filing of annual or other statements, and subject also to the right of the Minister or the Superintendent to vary the forms thereof, such statement shall, for the business of the year one thousand nine hundred and ten, be in the same form as is required at the date of the passing of this Act, and thereafter the schedules to this Act shall come into full force and effect.

32. Every company incorporated or legally formed elsewhere than in Canada, licensed under this Act, and every company which is subject to the provisions of this Act, shall make annual statements of its condition and affairs, at the balancing day of the company in each year, and the form and manner of making such statement shall, as to the Canadian business of such company, be the same, so far as applicable, as is required of Canadian companies; and, as to its general business, shall be in such form as such company is required by law to furnish to the government of the country in which its head office is situated.

2. Where such company is not required by law to furnish a statement to the government of the country in which its head office is situate, then such statement, as to its general business, shall be in such form as the company usually submits to its members or shareholders.

3. In the event of no such statement being submitted to such members or shareholders, then such

statement shall show in concise form the assets and liabilities of the company at such balancing day, and the income and expenditure of the company for the year ending on such balancing day.

4. The annual statements mentioned in the last preceding section, and the statements of Canadian business provided for in this section, shall be deposited in the Department on the first day of January next following the date at which the condition and affairs of the company are thereby shown, or within two months thereafter.

5. The blank forms of the statements of the Canadian business shall be supplied by the Superintendent.

33. The statement of general business provided for in the last preceding section shall be deposited in the Department within thirty days after it is required by law to be made to the government of the country in which the head office of the company whose statement it is, is situate, or within thirty days after the submission of the same at the annual meeting of the shareholders or members of the company, whichever date first occurs: Provided that no such statement of general business need be so deposited earlier than the first day of June nor shall it be so deposited later than the thirtieth day of June next following the date at which the condition and affairs of the company are thereby shown.

34. Such statements shall, as to the Canadian business, be verified by the oath of the company's agent in Canada; and, as to the general business, be verified by the oath of the president, vice-president or managing director, and the secretary, manager or actuary of the company.

35. Such company shall keep at the agency in Canada records and documents sufficient to enable the agent to prepare and furnish the required statement of Canadian business, and such that the said statement may be readily verified therefrom: Provided that in the case of any company having in Canada in addition to such agent, one or more general agents reporting to the head office, and not to such agent, it shall be sufficient for the company to keep on file at the agency, in addition to the necessary records and documents relating to the business transacted by or through such agent, annual statements of the business transacted by each such general agent, duly verified by the oath of each such general agent, and such additional records and documents, transmitted through the company's head office as shall, taken together, show the company's entire Canadian business: Provided further that the Superintendent shall be at liberty, if he considers it necessary or desirable so to do, to visit the head office of the company, and there to examine the books, records, vouchers, receipts and other documents of such company relating to its business within Canada, for the purpose of checking and verifying the said statement of such business and the schedules or other documents relating to or forming part thereof, and shall have power to make all necessary corrections in said statement, in accordance with the information obtained from said books, records and documents; and if such company declines to permit such examination, or refuses to give any information necessary for such purpose in its possession or

control, its license may be suspended or withdrawn by the Minister.

36. The said annual statements of the business of such general agents shall, when kept on file as aforesaid, be made up to the thirty-first day of December in each year, and blank forms for such statements shall, on application, be furnished by the Superintendent.

Superintendent and his duties.

37. The Governor in Council may appoint an officer, to be called the Superintendent of Insurance, who shall have the rank of a deputy head of a department, and all the powers, rights and privileges of a deputy head so far as regards matters relating to or arising out of the administration of this Act, and such officer shall be paid such salary, not exceeding

per annum, as the Governor in Council may from time to time fix and determine.

2. The Superintendent shall act under the instructions of the Minister, and shall examine and report to the Minister, from time to time, upon all matters connected with insurance, as carried on by the several companies licensed to do business in Canada, or required by this Act to make returns of their affairs.

3. The branch of the Civil Service by which the provisions of this Act are administered shall be known as the Department of Insurance.

38. The Superintendent shall keep a record of the several documents required to be filed by each company in the superior courts of Canada, under this Act, and shall—

(a) enter in a book, under the heading of such company, the securities deposited on its account with the Minister, naming in detail the several securities, their par value, their date of maturity, and value at which they are received as deposit; and such book shall be left open to public inspection;

(b) in each case, before the issue of any new license, or the renewal of any license, make a report to the Minister that the requirements of the law have been complied with, and that from the statement of the affairs of the company it is in a condition to meet its liabilities;

(c) keep a record of the licenses as they are issued;

(d) visit personally, or cause a duly qualified member of his staff to visit, the head office of each company in Canada, at least once in every year, and examine carefully the statements of the condition and affairs of each company, as required under this Act, and report thereon to the Minister as to all matters requiring his attention and decision.

(e) prepare for the Minister, from the said statements, an annual report, showing the full particulars of each company's business, together with an analysis of each branch of insurance, with each company's name, giving items, classified from the statement made by each company.

39. If the Superintendent, after a careful examination into the condition and affairs and business of any company licensed to transact business in Canada, from the annual or other statements furnished by such company to the Minister or for any other cause, deems it necessary and expedient to make a further examination into the affairs of such company and so reports to the Minister, the Minister may, in his discretion, instruct the Superintendent to visit the chief agency of such company, to thoroughly inspect and examine into all its affairs, and to make all such further inquiries as are necessary to ascertain its condi-

tion and ability to meet its engagements, and whether it has complied with all the provisions of this Act applicable to its transactions.

2. The officers or agents of such company shall cause their books to be open for the inspection of the Superintendent, and shall otherwise facilitate such examination so far as it is in their power.

3. For the purpose of such inquiry, the Superintendent may examine under oath the officers or agents of such company relative to its business.

40. A report of all companies so visited by the Superintendent shall be entered in a book kept for that purpose, with notes and memoranda showing the condition of each company, after such investigation.

2. A special report shall be communicated in writing to the Minister, stating the Superintendent's opinion as to the standing and financial position of every company so visited, and all other matters desirable to be made known to the Minister.

41. If it appears to the Superintendent that the assets of any company are insufficient to justify its continuance of business, having regard to the requirements of sections 14 to 20 inclusive of this Act, or that it is unsafe for the public to effect insurance with it, he shall make a special report on the affairs of such company to the Minister.

2. If the Minister, after full consideration of the report, and after a reasonable time has been given to the company to be heard by him, and upon such further inquiry and investigation as he sees proper to make, reports to the Governor in Council that he agrees with the Superintendent in the opinion so expressed in his report, the Governor in Council may, if he also concurs in such opinion, suspend or cancel the license of such company.

3. Such company shall, during such suspension or cancellation, be held to be unlicensed and unauthorized to do further business. The Superintendent may, however, issue such modified or conditional license as may be necessary for the protection of policyholders.

42. Once in every five years, or oftener at the discretion of the Minister, the Superintendent shall himself value by the net premium method, or procure to be so valued under his supervision, all the policies of life insurance of Canadian companies, and the Canadian policies of life insurance companies other than Canadian companies, licensed under this Act to transact the business of life insurance in Canada.

2. Such valuation shall, as to policies issued on or after the first day of January, one thousand nine hundred, and bonus additions or profits declared in respect thereof, be based on the British Offices Life Tables, 1893, O^M (5), and on a rate of interest of three and one-half per cent. per annum; and as to policies issued prior to the said date, and bonus additions or profits declared in respect thereof, such valuation shall, until the first day of January, one thousand nine hundred and fifteen, be based on the said mortality table, and a rate of interest of four per cent. per annum; and on and after the first day of January, one thousand nine hundred and fifteen, be based on the same mortality table, and a rate of interest of three and one-half per cent. per annum.

3. It shall be allowable for any Canadian company, in preparing its statement of liabilities, to deduct from the value of its policies, as ascertained in accordance with sub-section 2 of this section, an amount ascertainable in the manner following, namely: in the case

of any policy, the net annual premium upon which is not less than the corresponding net annual premium for a whole life insurance with uniform premiums throughout life, the difference between the said whole life premium and the corresponding net premium for a one-year term insurance shall constitute the amount to be deducted as aforesaid in respect of such policy at the date of its issue; such difference, however, to be diminished each year by an equal proportion, so that upon the payment of the fifth annual premium, the value of the policy shall be the value as ascertained in accordance with subsection 2 of this section.

Every such company, whether it avails itself or not of the provisions of this subsection, shall set forth in its annual statement hereinbefore referred to, the value of its policies as ascertained in accordance with subsection 2 hereof, the amount allowable by this subsection as a deduction therefrom, and such other information in respect thereto as the Superintendent may deem necessary.

4. In this and the next following section, the word "policies" includes annuity contracts, whether immediate or deferred; Provided, however, that in the valuation of annuity contracts there shall be used the tables of mortality known as the British Offices Select Life Annuity Tables, 1893, male or female according to the sex of the nominee.

5. No such company shall at any time hereafter, except with the approval of the Treasury Board, increase its policy valuation so that the reserves in respect of all business the premium rates for which have been calculated on the basis of a rate of interest of not less than three and one-half per cent. shall be higher than the reserves produced by the use of the said British Offices Life Tables, 1893, O^M (5), and a rate of interest of three per cent.: Provided that in the case of business the premium rates for which have been calculated on the basis of a rate of interest less than three and one-half per cent., no such company shall, except with the approval of said Board, increase its policy valuation so that the reserve in respect of said business shall be greater than the reserves produced by the use of the said tables and a rate of interest one-half per cent. less than the rate upon which such premium rates have been calculated.

6. Subsections 3 and 5 of this section shall not apply to the business of industrial insurance of the character specially dealt with in this subsection. Whole life industrial policies and endowment industrial policies maturing at age 80 or any higher age shall be valued upon the following basis, viz.:— policies issued in any calendar year shall be valued at the end of such calendar year as if then just issued and at the end of succeeding calendar years as if in force, one, two, three or more entire years as the case may be.

43. If it appears to the Superintendent that the liabilities of any Canadian life insurance company, including matured claims and the full reserve or re-insurance value for outstanding policies estimated or computed on the basis mentioned in the last preceding section, exceed its assets, he shall report the fact to the Treasury Board; and the Treasury Board, after full consideration of the matter and after a reasonable time has been given to the company to be heard by the board, may,—

- (a) forthwith withdraw the company's license; or
- (b) upon such terms and conditions as the board deems proper, limit a time, not exceeding three years,

within which such company shall make good the deficiency, during which term the company's license shall be continued.

2. Upon the company's failure to make good such deficiency within the time so limited, its license shall be withdrawn: Provided that, if the company's liabilities exceed its assets by twenty per cent. or upwards, its license shall be forthwith withdrawn.

44. For the purpose of carrying out the provisions of the last preceding section, the Treasury Board may, upon the recommendation of the Minister, appoint such actuaries, valuers or other persons as the Board deems proper, to value and appraise the company's liabilities and assets, and report upon its condition and its ability, or otherwise, to meet its engagements.

45. For the purpose of carrying out the provisions of this Act, the Superintendent is hereby authorized and empowered to address any inquiries to any insurance company licensed under this Act, or to the president, manager, actuary or secretary thereof, in relation to its assets, investments, liabilities, doings, or condition, or any other matter connected with its business or transactions, and it shall be the duty of any company so addressed to promptly reply in writing to any such inquiries. The Superintendent may in his discretion embody in his annual report to the Minister the inquiries made by him under this subsection and the answers thereto.

2. In the case of any violation of any of the provisions of this Act by a company licensed thereunder to carry on business within Canada, or in the case of failure to comply with any of the provisions of its charter or Act of incorporation by any Canadian company so licensed, it shall be the duty of the Superintendent to report the same to the Minister, and thereupon the Minister may, in his discretion, withdraw the company's license or may refuse to renew the same or may suspend the same for such time as he may deem proper.

3. The issue by a company for policies not authorized by its license shall be deemed a violation of the provisions of this Act within the meaning of the preceding subsection.

46. The Minister may, from time to time, instruct the Superintendent to visit the head office of any company licensed under this Act and incorporated or legally formed elsewhere than in Canada, and to examine into the general condition and affairs of such company.

2. If such company declines to permit such examination, or refuses to give any information desired for such purpose in its possession or control, its license shall be withdrawn by the Minister.

Office Expenses.

47. Every company licensed under this Act, and every company transacting life insurance business under this Act, having ceased to transact such business before the thirty-first day of March, one thousand eight hundred and seventy-eight, and having before that date given written notice to that effect to the Minister, shall annually contribute a sum in proportion to the gross premiums received by it in Canada during the previous year, towards defraying the expenses of the Department, which shall be paid upon the demand of the Superintendent.

Officers and Clerks.

48. The Governor in Council may, from time to time, appoint such officers and clerks under the Super-

intendent, as are necessary for the purpose of this Act.

49. The Superintendent, or any officer or clerk under him, shall not, directly or indirectly, be interested as a shareholder in any insurance company doing business in Canada or licensed under this Act.

Annual Report.

50. The Minister shall lay the Superintendent's annual report before Parliament within thirty days after the commencement of each session thereof.

Change of Head Office, and Date of Annual Meeting.

51. Notwithstanding anything contained in its Act of incorporation, any insurance company which derives its corporate powers, or any of them, from an Act of the Parliament of Canada, or which is within the legislative power of the said Parliament, may—

(a) if the company has no members other than shareholders entitled to vote, by by-law passed and approved of by the votes of shareholders, representing at least two-thirds in value of the subscribed capital of the company, present or represented at a special general meeting duly called for considering the by-law; or,

(b) if the company has no shareholders, by by-law passed and approved of by the votes of two-thirds of the members present or represented at a special general meeting duly called for considering the by-law; or,

(c) if the company has both shareholders and members entitled to vote, by by-law passed and approved of by at least two-thirds of the votes cast by such shareholders and members at a special general meeting duly called for considering the by-law;

(1) change the head office of such company from any place in Canada to any other place in Canada, or

(2) change the date for holding its annual general meeting.

Amalgamation and Transfer.

52. Any life insurance company which is within the legislative power of the Parliament of Canada may amalgamate its property and business with those of any other such life insurance company or may transfer all or any portion of its policies to or reinsure the same in any other such company, and may transfer its property and business or any part thereof to any other such company, or may reinsure the policies or any portion thereof of any other such company, or may purchase and take over the business and property or any portion thereof of any other such company, and such companies are hereby authorized to enter into all contracts and agreements necessary to such amalgamation, transfer or reinsurance upon compliance with the conditions hereinafter in this section set forth.

2. Any life insurance company which is within the legislative power of the said Parliament is hereby authorized to enter into an agreement or agreements with any other life insurance company which has power to make the same; to reinsure the policies or any portion thereof of such other company; or to purchase and take over the business or property or any portion thereof of such other company.

3. When an agreement for any such amalgamation, transfer or reinsurance has been entered into, the directors of the companies which are parties to such agreement may apply by petition to the Treasury Board to sanction and confirm the same, and the Treasury Board, after hearing the directors and other

persons whom it considers entitled to be heard upon the petition, or giving them an opportunity to be so heard, may confirm the same if it is satisfied that no sufficient objection to the arrangement has been established.

4. Before any such application is made to the Treasury Board notice thereof together with—

(a) a statement of the nature and terms of the amalgamation, transfer or reinsurance as the case may be; and,

(b) an abstract containing the material facts embodied in the agreement under which such amalgamation, transfer or reinsurance is proposed to be effected; and,

(c) copies of the actuarial or other reports upon which such agreement is founded, including a report by an independent actuary;

shall be served on the shareholders and on the holders of all policies in Canada other than industrial policies of each company: Provided, however, that the Superintendent may dispense with the service of such documents on the policyholders of the reinsuring company.

Such notice and documents shall be served by being transmitted through the post office directed to the registered or other known address of each such shareholder and policyholder, and within such period that they may be delivered in due course of delivery thirty days at least before the day appointed for the hearing of the application.

The agreement under which such amalgamation, transfer or reinsurance is proposed to be effected shall be open to the inspection of the policyholders and shareholders at the principal office of the company or companies for a period of thirty days after the issue of the abstract herein provided for.

5. A copy of such notice shall also be published in *The Canada Gazette* at least thirty days before the application is made; but this subsection shall not apply to any company which issues industrial insurance.

6. The Treasury Board shall not sanction any amalgamation, transfer or reinsurance in any case in which it appears to the Board that the policyholders representing one-fifth or more of the total amount assured in any company which it is proposed to amalgamate, or in any company the business of which it is proposed to transfer or reinsure, dissent from such amalgamation, transfer or reinsurance.

7. No company shall be permitted to amalgamate its business with, transfer its business to, or reinsure its business in any other company, if the capital of the combined companies after such amalgamation, or of the continuing company after such transfer or reinsurance, shall be impaired, the policy and annuity liabilities of the combined or continuing company being calculated on the basis prescribed in subsections 2, 4 and 6, respectively, of section 42 of this Act.

8. When an amalgamation takes place between any companies, or when the business of one company is transferred to or reinsured in another company, the combined company or the continuing company, as the case may be, shall within ten days from the date of the completion of the amalgamation, transfer or reinsurance, deposit with the Superintendent the following documents, that is to say:—

(a) Certified copies of the statement of the assets and liabilities of the companies concerned in such amalgamation, transfer or reinsurance; and,

(b) A statement of the nature and terms of the amalgamation, transfer or reinsurance; and

(c) A certified copy of the agreement under which such amalgamation, transfer or reinsurance is effected; and,

(d) Certified copies of the actuarial or other reports upon which such agreement is founded; and,

(e) A declaration under the hands of the president and manager of each company that to the best of their knowledge and belief every payment made or to be made to any person whatsoever on account of the said amalgamation, transfer or reinsurance is therein fully set forth, and that no other payments beyond those set forth have been made or are to be made either in money, policies, bonds, valuable securities or other property, by or with the knowledge of any of the parties to the amalgamation transfer or reinsurance.

9. No company shall amalgamate with another company, transfer its business to or reinsure its business in another company, unless such amalgamation, transfer or reinsurance is sanctioned by the Treasury Board in accordance with this section: Provided, however, that this section shall not apply to the contracts of reinsurance made by companies in the ordinary course of their business.

10. Subsections 4, 5 and 6 of this section shall not apply to the reinsurance of a Canadian company of the business of a company which is not and never has been licensed to transact business in Canada.

53. No life insurance company licensed under this Act, nor any person, firm or corporation on its behalf, shall, in respect of its Canadian business, pay or allow to any agent, broker or other person, firm or corporation for procuring an application for life insurance, for collecting any premium thereon or for any other service performed in connection therewith, any compensation other than that which has been determined in advance.

54. No such life insurance company, and no person, firm or corporation on its behalf, shall make any loan or advance without adequate security, to any person, firm or corporation soliciting or undertaking to solicit applications for insurance; nevertheless advances may be made to any such person, firm or corporation for travelling expenses or against commissions or other compensation to be earned in respect of premiums, but such advances shall not be allowed as assets in the Superintendent's annual report prepared for the Minister.

55. No salary, compensation or emolument shall be paid to any director of a Canadian life insurance company for his services as such director unless authorized by a vote of the members in the case of a mutual company, and by a vote of the shareholders and other members, if any, in the case of a company having capital stock. No salary, compensation or emolument shall be paid to any officer or trustee of any such company unless authorized by a vote of the directors, nor shall any salary, compensation or emolument amounting in any year to more than five thousand dollars be paid to any agent or employee unless the contract (if made after the passing of this Act) under which such amount becomes payable has been approved by the board of directors.

56. No Canadian life insurance company shall make any agreement with any of its officers or trustees, to pay for any services, rendered or to be rendered, any salary, compensation or emolument extending beyond a period of five years from the date of such agreement.

57. No Canadian life insurance company shall make any contract with any director, trustee, officer, employee or servant of the company, save such agents as are employed to solicit insurance, to pay any compensation or reward whatever by way of commissions in respect of the business of the company or any portion thereof: Provided, however, that this subsection shall not apply to insurance personally solicited and secured outside of office hours by any employee or servant not being a director, trustee or officer of the company.

2. For the purpose of conducting the affairs of the company in the most efficient manner in the interests of the policyholders and shareholders, the directors may make by-laws providing for the creation of a staff pension fund, but such by-laws shall before becoming effective be submitted to and be approved of at an annual meeting of the company or at a special general meeting of the members thereof, notice of the intention to consider such by-laws having been in either case duly given.

Investments.

58. The powers of lending and investment prescribed by this Act shall be the powers of lending and investment of all companies licensed to carry on the business of life insurance in Canada, and which are within the legislative power of the Parliament of Canada. With respect to companies incorporated or legally formed elsewhere than within Canada and licensed to carry on such business in Canada, all assets and investments which under section 20 of this Act may be vested in trust for the company for the purposes of this Act in two or more persons resident in Canada, or in a Canadian trust company, shall be of the classes of investment permitted by this Act to Canadian companies. Any provision in any special Act or elsewhere conferring upon any company within the legislative power of the Parliament of Canada any other or wider powers of loaning and investment is hereby repealed.

2. Any Canadian company having on hand or vested in trustees in trust for the company at the date of the coming into force of this section, any loans or investments or securities representing the same, which such company was not legally authorized to make or acquire at the time such loans or investments were made or such securities acquired, shall absolutely dispose of and realize the same within five years after this section comes into force, unless such loans or investments are then valid and competent under the provisions of this Act.

3. Any company other than a Canadian company having vested in trustees pursuant to section 20 of this Act at the date of the coming into force of this section any securities or investments which but for this section would have been valid and competent, but which by reason thereof are not valid and competent, shall within five years after this section comes into force withdraw the same from the hands of its said trustees and replace them with securities such as are provided for in subsection 1 of this section.

4. The Governor in Council on the report of the Minister may for good cause shown enlarge the respective times mentioned in the two next preceding subsections for dealing with the securities vested in the company or in the trustees as required by the said subsection for any term not exceeding one year.

5. This section shall take effect on the first day of January, one thousand nine hundred and eleven.

59. Any life insurance company which derives its corporate powers, or any of them, from an Act of the Parliament of Canada, or which is within the legislative power of the Parliament of Canada, may invest its funds, or any portion thereof, in the purchase of,—

(a) The debentures, bonds, stocks or other securities of or guaranteed by the Government of the Dominion of Canada or of or guaranteed by the Government of any province of Canada; or of or guaranteed by the Government of the United Kingdom, or of any colony or dependency thereof; or of or guaranteed by the Government of any foreign country, or state forming a portion of such foreign country; or of any municipal or school corporation in Canada, or elsewhere where the company is carrying on business; or guaranteed by any municipal corporation in Canada;

(b) (i) The bonds of any company which bonds are secured by a mortgage or hypothec to trustees or a trust corporation or otherwise, upon real estate or other assets, of such company; or,

(ii) The debentures or other evidences of indebtedness of any company, which has been doing business for a term of not less than three years prior to the date of such investment, provided default shall not have been made by such company in the interest payments upon its debentures or other evidences of indebtedness within the said period of three years prior to such investment; or,

(iii) The preferred stocks of any company which has paid regular dividends upon such stocks or upon its common stocks for not less than five years preceding the purchase of such preferred stocks, or the stocks of any company which are guaranteed by a company which has paid regular dividends upon its preferred or common stocks for not less than five years preceding the purchase of such guaranteed stocks; or,

(iv) The common stocks of any such company upon which regular dividends of at least four per cent. per annum have been paid for the seven years next preceding the purchase of such stocks: Provided that not more than thirty per cent. of the common stocks and not more than thirty per cent. of the total issue of the stocks of any company shall be purchased by any such life insurance company, and that no company shall be permitted to invest in its own shares or in the shares of another life insurance company; or,

(c) Ground rents mortgages or hypothecs on real estate in Canada, or elsewhere where the company is carrying on its business, provided that the amount paid for any such mortgage or hypothec shall in no case exceed sixty per cent. of the value of the real estate covered thereby; or,

(d) Life or endowment policies or contracts issued by the company or by any other life insurance company licensed to transact business in Canada.

2. Any such life insurance company may lend its funds or any portion thereof on the security of—

(a) any of the bonds, debentures, stocks or other securities mentioned in the preceding subsection; or,

(b) real estate or leaseholds for a term or terms of years or other estate or interest therein in Canada or elsewhere where the company is carrying on business: Provided, however, that no such loan shall exceed sixty per cent. of the value of the real estate or interest therein which forms the security for such loan, but this proviso shall not be deemed to prohibit

a company from accepting as part payment for real estate sold by it, a mortgage or hypothec thereon for more than sixty per cent. of the sale price of such real estate.

3. The Treasury Board may authorize the acceptance by a company of bonds, stocks or debentures not fulfilling the foregoing requirements of this section, (a) in payment or part payment for securities sold by such company, or (b) obtained under a *bona fide* arrangement for the reorganization of a company whose securities were previously owned by such company, or for the amalgamation with another company of the company whose securities were so owned.

4. No such life insurance company shall loan any of its funds to any director or officer thereof except on the security of the company's own policies.

5. This section shall take effect on the first day of January, one thousand nine hundred and eleven.

60. Any such life insurance company may deposit outside of Canada such portion of its funds and securities as is necessary or desirable for the maintenance of any foreign branch or branches; provided that such deposit in any foreign country for all branches therein shall not exceed by more than one hundred thousand dollars Canadian currency the sum which is required to be deposited by the foreign law, or the amount of the reserves on the policies of such company in such foreign country, whichever is the greater. Every such company shall at all times retain in Canada and under its own control assets of a market value at least equal to the amount of its total liabilities to its policyholders in Canada and of such assets an amount at least equal to two-thirds of its said total liabilities in Canada, shall consist of investments in or loans upon Canadian securities.

2. All the securities of every such company other than such as are referred to in subsection 1 of this section shall be held at the head office of the company or elsewhere in Canada: Provided, however, that in the event of its being necessary to remove any portion of such securities from Canada for the purpose of exchanging the same for other securities authorized under this Act, or for any similar purpose, they may be entrusted for the purpose intended to a responsible person residing outside of Canada.

61. Except for the *bona fide* purpose of protecting investments previously made by it, and subject to the approval of the Treasury Board, no such life insurance company shall, nor shall its directors or officers or any of them on its behalf, under colour of an investment of the company's funds, or otherwise, directly or indirectly be employed, concerned or interested in the formation or promotion of any other company: Provided that nothing in this Act shall be deemed to prohibit insurance companies investing their funds in securities of a new company as provided in section 59 of this Act.

62. No such life insurance company shall subscribe to or participate in or employ the funds of the company in any underwriting for the purchase or sale of securities or property of any kind, nor shall any director or officer, except for the *bona fide* purpose of protecting investments already made by the company, enter into any transaction for such purchase or sale on account of said corporation, jointly with any other person, firm or corporation: Provided that this section shall not be deemed to prohibit the subscription in manner aforesaid for bonds or securities permitted

by this Act as a *bona fide* permanent investment on behalf of any such company.

63. Any insurance company, other than a life insurance company, which derives its corporate powers, or any of them, from an Act of the Parliament of Canada, or which is within the legislative power of the Parliament of Canada may invest its funds, or any portion thereof, in the purchase of any of the bonds, stocks, debentures, or other securities in which a life insurance company is by this Act hereinbefore authorized to invest its funds, except annuity contracts, or life, endowment or other policies of life insurance, or may lend its funds, or any portion thereof, on the security of any of such bonds, stocks, debentures or other securities aforesaid, except annuity contracts, or life, endowment or other policies of life insurance as aforesaid.

2. Any such company may deposit outside of Canada such portion of its funds and securities as is necessary to the maintenance of any foreign branch or branches, but all other securities of such company shall be held at the head office of the company or elsewhere in Canada; nevertheless the proviso contained in subsection 2 of section 60 of this Act shall apply to such securities.

64. Any company which derives its corporate powers or any of them from an Act of the Parliament of Canada, or which is within the legislative power of the Parliament of Canada, may take any additional securities of any nature to further secure the repayment of any liability thereto, or to further secure the sufficiency of any of the securities in or upon which such company is by this Act authorized to invest or lend any of its funds.

65. Such securities may be taken and accepted either in the name of the company or in the name of any officer of the company or other person in trust for the company.

66. Any loan by this Act authorized to be made may be on such terms and conditions, and in such manner and at such times, and for such sums, and in such sums of repayment, whether of principal or interest or principal and interest together, as the directors from time to time determine.

67. Notwithstanding anything contained in its Act of incorporation, or in any Act amending it, any insurance company which derives its corporate powers, or any of them, from an Act of the Parliament of Canada, or which is within the legislative power of the said Parliament, may hold such real estate as is required for its actual use and occupation or such as may reasonably be required for the natural expansion of its business (including such as having been lawfully acquired is vested in it at the time of the passing of this Act) or such as is *bona fide* mortgaged to it by way of security, or conveyed to it in satisfaction of debts or judgments recovered: Provided that any such company which transacts business in the United Kingdom may with the consent of the Treasury Board acquire and hold such real estate therein as its directors deem necessary for the use of the company's branch or the expansion of its business in the said United Kingdom. Provided further that no parcel of land or interest therein, at any time acquired by such company and not required for its actual use and occupation, present or prospective, as hereinbefore in this section mentioned, and not held by way of security, shall be held by such company or any trustee on its behalf, for a longer period than twelve years

after the acquisition thereof, but shall, at or before the expiration of such period be absolutely sold and disposed of, so that such company shall no longer retain any interest therein, except by way of security.

2. Any such parcel of land, or any interest therein, not within the exceptions hereinbefore mentioned, which has been held by such company for a longer period than twelve years without being disposed of, shall be liable to be forfeited to His Majesty for the use of Canada: Provided that:—

(a) No such forfeiture shall take effect until the expiration of at least six calendar months after notice in writing to the company by the Minister of the intention of His Majesty to claim the forfeiture; and

(b) The company may, notwithstanding such notice, before the forfeiture is effected, sell or dispose of the property free from liability to forfeiture.

3. It shall be the duty of such company to give the Minister when required a full and correct statement of all lands at the date of such statement held by the company, or in trust for it, and subject to the foregoing provisos.

68. If upon an examination of the assets of a Canadian company or in the case of a company incorporated or legally formed elsewhere than in Canada and licensed under this Act, the assets in Canada of such Company is defined in subsection 2 of section 20 of this Act, it appears to the Superintendent, or if he has any reason to suppose, that the value placed by the company upon the real estate owned by it or any parcel thereof is too great, he may either require such company to procure an appraisalment of such real estate by one or more competent valuers, or may himself procure such appraisalment at the company's expense, and the appraised value, if it varies materially from the return made by the company, may be substituted in the annual report prepared for the Minister by the Superintendent. If, upon such examination, it appears to the Superintendent, or if he has any reason to suppose that the amount secured by mortgage or hypothec upon any parcel of real estate, together with the interest due and accrued thereon, is greater than the value of such parcel, or that such parcel is not sufficient security for such loan and interest, he may in like manner require the company to procure an appraisalment thereof, or may himself at the company's expense procure such appraisalment, and if from the appraised value it appears that such parcel of real estate is not adequate security for the loan and interest, he may write off such loan and interest a sum sufficient to reduce the same to such an amount as may fairly be realizable from such security, in no case to exceed such appraised value, and may insert such reduced amount in his said annual report.

2. If upon any examination of a Canadian company's affairs it appears to the Superintendent for any reason desirable that a complete and thorough audit of the books of the company should be made or if a company makes a written request for such audit, the Superintendent may nominate a competent accountant who shall, under the direction of the Superintendent, make a special audit of the company's books, accounts and securities and report thereon to the Superintendent in writing verified by the oath of such accountant. The expenses of such special audit shall be borne by the company and the auditor's account therefor when approved in writing by the Superintendent shall be conclusive and shall be payable by the company forthwith.

Penalties and Forfeitures.

69. Every company which makes default in depositing in the Department the annual and other statements herein provided for, shall incur a penalty of ten dollars for each day during which such default continues.

2. All such penalties shall be recoverable and enforceable with costs at the suit of His Majesty, instituted by the Attorney General of Canada, and shall when recovered be applied towards payment of the expenses of the Department.

3. If such penalties are not paid, the Minister, with the concurrence of the Treasury Board, may order the license of such company to be suspended or withdrawn as is deemed expedient, and until such penalties are paid, the license of such company shall not on expiry be renewed.

70. Every person who:—

(a) In Canada, for or on behalf of any individual underwriter or underwriters, or any insurance company not possessed of a license provided for by this Act in that behalf and still in force, solicits or accepts any risk, or grants any annuity or advertises for, or carries on any business of insurance, or prosecutes or maintains any suit, action or proceeding, or files any claim in insolvency relating to such insurance, or, acting as an insurance agent, receives directly or indirectly any remuneration from any British or foreign unlicensed insurance company or underwriters; or, except as provided for in section 139 of this Act, issues or delivers any receipt or policy of insurance, or collects or receives any premium, or inspects any risk, or adjusts any claim; or

(b) except only on policies of life insurance issued to persons not resident in Canada at the time of issue, collects any premium in respect of any policy; and every director, manager, agent, or other officer of any assessment life insurance company subject to Part II of this Act, and every other person transacting business on behalf of any such company, who circulates or uses any application, policy, circular or advertisement on which the words "Assessment System" are not printed as required by Part II of this Act;

shall, on summary conviction before any two justices of the peace, or any magistrate having the powers of two justices of the peace, for a first offence, be liable to a penalty not exceeding fifty dollars and costs, and not less than twenty dollars and costs, and in default of payment, to imprisonment with or without hard labour for a term not exceeding three months and not less than one month; and for a second or any subsequent offence, to imprisonment with hard labour for a term not exceeding six months and not less than three months.

71. All informations or complaints for any of the aforesaid offences shall be made or laid in writing within one year after the commission of the offence.

72. Every assessment life insurance company which neglects to print the words "Assessment System" on any policy, application, circular or advertisement, as required by Part II of this Act, and

2. Every company which—

(a) carries on, without receiving the license required by Part IV. of this Act, any business of insurance for the carrying on of which a license is by Part IV. of this Act required; or

(b) carries on any such business after any such license received has been revoked,— shall, on summary conviction before any two justices of the peace, or any magistrate having the powers of two justices of the peace, for every offence be liable to a penalty not exceeding fifty dollars and costs and not less than twenty dollars and costs.

73. One-half of any pecuniary penalty specified in the preceding sections of this Act when recovered shall belong to His Majesty and the other half thereof to the informer.

74. Every assessment life insurance company, obtaining the exemption provided for by Part II. of this Act, which fails to make attested returns of its condition and affairs when called for by the Superintendent, as required by Part II. of this Act, and every officer of any such company whose duty it is to make such attested returns, shall, for each day during which such failure continues, be liable to a penalty of ten dollars.

75. Notwithstanding anything hereinbefore mentioned, in case of any contract entered into or any certificate of membership or policy of insurance issued before the twentieth day of July, one thousand eight hundred and eighty-five, by any assessment life insurance company, assessments may be made and collected, and claims paid, and all business connected therewith transacted without any penalty being incurred.

Voting by Proxy.

76. The provisions of this section shall extend and apply to every company other than a life insurance company having a capital stock, whether called by the name of capital stock, guarantee fund, or any other name, and also to every mutual insurance company within the legislative power of the Parliament of Canada.

2. The said provisions shall so extend and apply, notwithstanding anything to the contrary in any special Act relating to such companies or in any by-law or by-laws thereof.

3. At all meetings at which holders of shares in the capital stock or guarantee capital, policyholders, or members are entitled to vote, they may respectively vote by proxy and every proxy must be himself a shareholder, policyholder or member and entitled to vote.

Investments—Annual Report.

77. In his annual report prepared for the Minister under the provisions of paragraph (e) of section 38 of this Act, the Superintendent shall, after the first day of January, 1911, allow as assets only such of the investments of the several companies as are authorized by this Act, or by their Acts of incorporation, or by the general Acts applicable to such investments.

2. In his said report the Superintendent shall make all necessary corrections in the annual statements made by the companies as herein provided and shall be at liberty to increase or diminish the liabilities of such companies to the true and correct amounts thereof as ascertained by him in the examination of their affairs at the head office thereof in Canada, or otherwise.

3. An appeal shall lie in a summary manner from the ruling of the Superintendent as to the admissibility of any asset so disallowed by him, or

as to any item or amount so added to liabilities, or as to any correction or alteration made in any statement, or as to any other matter arising in the carrying out of the provisions of this Act, to the Exchequer Court of Canada, which court shall have power to make all necessary rules for the conduct of appeals under this section.

4. For the purposes of such appeal the Superintendent shall at the request of the company interested give a certificate in writing setting forth the ruling appealed from and the reasons therefor, which ruling shall, however, be binding upon the company unless the company shall within fifteen days after notice of such ruling serve upon the Superintendent notice of its intention to appeal therefrom, setting forth the grounds of appeal, and within fifteen days thereafter file its appeal with the registrar of the said court and with due diligence prosecute the same, in which case action on such ruling shall be suspended until the court has rendered judgment thereon.

Expiry of Charters.

78. Unless otherwise provided in any special Act passed by the Parliament of Canada after the twenty-eighth day of April (one thousand eight hundred and seventy-seven, incorporating any insurance company, such special Act and all Acts amending it shall expire and cease to be in force, except for the sole purpose of winding up such company's affairs, at the expiration of two years from the passing thereof, unless within such two years the company thereby incorporated obtains a license from the Minister under the provisions of this Act.

Reduction and Subsequent Increase of Capital.

79. The directors of any company which derives its corporate powers from an Act of the Parliament of Canada or which is subject to the legislative power of the said Parliament, may, subject to the proviso hereinafter contained, in the event of its paid-up capital being impaired, at any time and from time to time, after being duly authorized and empowered by a resolution approved by the votes of shareholders representing at least two-thirds of all the subscribed stock of the company at a special general meeting duly called for considering such resolution, pass a by-law for writing off the said paid-up capital any amount which they have been so authorized and empowered by the shareholders as aforesaid to write off such paid-up capital, but no part of its assets shall be distributed to its shareholders: Provided, however, that the paid-up capital shall not be reduced.—

(a) below the minimum amount fixed by the company's Act of incorporation as necessary to be paid up before the company can commence business, or,

(b) in case no such amount is fixed by such Act of incorporation, then below the amount fixed by this Act or by the Treasury Board in pursuance of section 141 of this Act as the company's deposit on obtaining a license.

2. The capital of a company shall be deemed to be impaired when its assets, exclusive of its paid-up capital, are less than its liabilities calculated according to the requirements of this Act.

3. Such by-law shall declare the par value of the shares of the stock so reduced and the capital stock

of the company shall be reduced by the amount of the reduction in the paid-up portion thereof.

4. The liability of the shareholders shall remain the same as if no reduction had been made in the paid-up capital stock of the company.

80. The directors may—

(a) from time to time out of that portion of the profits of the company which belongs to the shareholders, by declaring a stock dividend or bonus or otherwise, increase the paid-up capital thereof to an amount not exceeding the amount or amounts by which the same may have been reduced under the provisions of the last preceding section, and thereafter the paid-up capital and the capital stock and each share shall represent the aggregate of the amount to which it has been reduced and the amount of such increase so declared as aforesaid; or,

(b) issue new stock to an amount not exceeding the amount of such reduction, which stock shall be first offered at not less than par to the shareholders in proportion to the existing shares held by them; and such offer shall be made by notice specifying the number of shares of new stock to which each shareholder is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time, or on the receipt of an intimation from any shareholder to whom such notice is given that he declines to accept the shares offered, the directors may dispose of the same, at not less than par, in such manner as they think most beneficial to the company. The nominal value of the shares of new stock so issued shall be the same as the nominal value of the shares of the reduced paid-up capital stock.

81. Any company which is within the legislative power of the Parliament of Canada, being at the time this Act goes into effect licensed to carry on business in Canada pursuant to *The Insurance Act*, may upon being authorized by a by-law made by the directors and confirmed at a general meeting of the company duly called for that purpose and upon making such further deposit and complying with such terms and conditions as may be fixed and prescribed by the Treasury Board upon the report of the Superintendent, carry on such kind or kinds of insurance, within the limits set forth in section 8 of this Act, as may be authorized by the license to be from time to time issued to the company pursuant to the provisions herein contained.

82. An Act of incorporation of an insurance company in the form F in the schedule to this Act shall confer upon the company thereby incorporated all the powers, privileges and immunities and shall subject it to all the liabilities and provisions in this Act applicable thereto.

PART II.

LIFE INSURANCE.

Application of Part.

83. This Part applies only to life insurance companies, and to other insurance companies carrying on life and other insurance, in so far only as relates to the life insurance business of such companies.

84. From and after the first day of January, one thousand nine hundred and eleven, every policy

delivered in Canada by any life insurance company under the legislative jurisdiction of the Parliament of Canada or licensed to carry on the business of life insurance within Canada shall be deemed to contain the whole contract between the parties and no provision shall be incorporated therein by reference to rules, by-laws, application, or any other writing, unless they are endorsed upon or attached to the policy when issued.

2. This section shall not apply to the business of industrial insurance.

85. No officer, agent, employee or servant of such life insurance company nor any person soliciting insurance, whether an agent of the company or not, shall be deemed to be for any purpose whatever the agent of any person insured in respect of any question arising out of the contract of insurance between such person insured and the company.

86. After the first day of January, one thousand nine hundred and eleven, no such life insurance company, and no officer, director or agent thereof, shall issue or circulate, or cause or permit to be issued or circulated in Canada any estimate, illustration or statement of the dividends or shares of surplus expected to be received in respect of any policy issued by it.

87. No such life insurance company shall make or permit any distinction or discrimination in favour of individuals between the insured of the same class and equal expectation of life in the amount of premiums charged, or in the dividends payable on the policy, nor shall any agent of any such company assume to make any contract of insurance, or agreement as to such contract, whether in respect of the premium to be paid or otherwise, other than as plainly expressed in the policy issued; nor shall any such company or any officer, agent solicitor or representative thereof pay, allow or give, or offer to pay, allow or give, directly or indirectly, as inducement to insure, any rebate of premium payable on the policy, or any special favour or advantage in the dividends or other benefits to accrue thereon, or any advantage by way of local or advisory directorship where actual service is not *bonâ fide* performed, or any paid employment or contract for services of any kind, or any inducement whatever intended to be in the nature of a rebate of premium; nor shall any person knowingly receive as such inducement any such rebate of premium or other such special favour, advantage, benefit, consideration or inducement; nor shall any such company or any officer, agent, solicitor or representative thereof give, sell or purchase as such inducement, or in connection with such insurance, any stocks, bonds, or other securities of any insurance company or other corporation, association or partnership.

2. Each company shall deposit and keep deposited with the Superintendent a copy of its established rates for all plans of insurance, such rates in the ordinary branch, as distinguished from the industrial branch, being based upon an insurance of one thousand dollars, and shall be applicable to insurance for that amount and *pro rata* for greater amounts.

3. This section shall not apply to re-insurance contracts nor to acts done in pursuance of agreements made relative to policies issued prior to the passing of this Act.

88. Each and every person violating the provisions of the last preceding section shall for a first offence be liable to a penalty of double the amount of the annual premium on the application or policy in respect of which such violation took place, but in no case shall such penalty be less than one hundred dollars, and for a second or subsequent offence such person shall be liable to a penalty of double the amount of such annual premium, but in no case less than two hundred and fifty dollars.

2. Every director or manager or other officer of any life insurance company within the legislative jurisdiction of the Parliament of Canada or licensed under *The Insurance Act* to carry on the business of life insurance who violates or knowingly consents to or permits the violation of the provisions of the next preceding section by any agent, officer, employee or servant of the company shall be liable to a penalty of five hundred dollars.

3. The penalties provided for in this section shall be recoverable in any Court of competent civil jurisdiction at the suit of any person suing as well for His Majesty as for himself. One-half of any such penalty shall, when recovered, be applied towards payment of the expenses of the Department and the other half to the person suing.

4. No such director, manager, agent, officer, employee or other servant shall be indemnified either in whole or in part either in respect of the penalty or of any costs out of the funds of the company.

89. Except as provided in section 90 of this Act every such life insurance company, anything in its special Act or elsewhere to the contrary notwithstanding, shall provide in every participating policy issued or delivered within Canada on or after the first day of January, one thousand nine hundred and eleven, that the proportion of the surplus accruing upon such policy shall be ascertained and distributed at intervals not greater than quinquennially.

90. In the event of a company issuing, on and after the first day of January, one thousand nine hundred and eleven, policies which provide for the distribution of surplus or profits at less frequent intervals than quinquennially, and known as deferred dividend policies, such company shall, with respect to such policies, ascertain and apportion at least once in every five years, reckoning from the date of the policies, to each class thereof, the share in such surplus or profits to which such class is equitably entitled, and the total sum of the shares so ascertained and apportioned shall, like the reserve or reinsurance fund, be and constitute a liability of the company, and shall be charged and carried in its accounts accordingly until it has been actually distributed and paid to the policyholders entitled thereto.

91. Except in the case of a term or an industrial policy, the share of surplus allotted to any participating policy issued on or after the first day of January, one thousand nine hundred and eleven, shall, at the option of the holder of the policy, be payable in cash, or be applicable to the payment of any premium or premiums, or otherwise if the company grants other options, upon said policy or to purchase of a paid-up addition thereto; and, in the case of a term policy shall, at the holder's option, be payable in cash, or be applicable to the payment of premiums: Provided, however, that

the option of the holder of a policy once exercised shall, except with the consent of the company, remain in force during the whole of the existence of the policy.

92. Such company shall, in all cases where the insured has not elected in his application or otherwise in writing in which manner the said dividends shall be applied, mail a written notice to him, at his last known residence, of the amount of the said dividends and the options available as aforesaid; and in case the holder fails to notify the company in writing of his election within three months after the date of the mailing of said notice, the surplus shall be applied by the company in the case of a term or industrial policy in payment of any premium or premiums upon the policy, and in the case of other policies to the purchase of a paid-up addition to the sum insured.

2. Sections 91 and 92 shall not apply to deferred dividend policies.

93. From and after the first day of January, one thousand nine hundred and eleven, every such company shall, in respect of all participating policies issued and in force in Canada on the said first day of January, one thousand nine hundred and eleven, which provide for the distribution of surplus or profits at less frequent intervals than quinquennially and known as deferred dividend policies, ascertain and contingently apportion at least once in every five years reckoning from the date of the policies, to each class thereof, the share in such surplus or profits to which such class is contingently entitled. The total sum of the shares so ascertained and contingently apportioned shall be carried into the accounts and shall be kept separate and distinct from the undivided or unapportioned surplus and so shown.

94. Any suit, action or proceeding deemed necessary in the interest of the policyholders of any company licensed under this Act, or of any class of such policyholders, may with the consent of the Superintendent be instituted in any court of competent jurisdiction on behalf of such policyholders, by the Attorney General of Canada, against the company or the directors, trustees or other officers thereof, and any judgment recovered in any such suit, action or proceeding whether for an accounting or for any sum of money, shall enure and be applied for the benefit of such policyholders, or class thereof.

2. Proceedings may at the request or with the consent of the Superintendent be instituted by the Attorney-General of Canada under *The Winding-up Act*—

(a) against any Canadian company licensed under this Act, for the making of a winding-up order under said Act, to wind up the business of such company, or

(b) against any company other than a Canadian company licensed under this Act, for an order for the winding-up of its Canadian affairs and the distribution of the Canadian assets of such company pursuant to said Act.

3. The proceedings mentioned in the preceding subsection may be instituted during the continuance of the license of the company upon any ground upon which such an order may be made under the provisions of *The Winding-up Act*, other than Part III thereof, or, after the company has become

subject to the provisions of *The Winding-up Act*, pursuant to section 161 of the said Part III.

95. On and after the first day of January, one thousand nine hundred and eleven, no policy of life insurance shall be delivered in Canada by any company licensed under this Act until a copy of the form of such policy has been mailed by prepaid registered letter to the Superintendent; and unless it contains in substance the following provisions:—

(a) That the insured is entitled to a grace of thirty days within which the payment of any premium other than that of the first year may be made, subject to the option of the company to an interest charge not in excess of six per cent. per annum for the number of days of grace elapsing before the payment of the premium, during which period of grace the policy shall continue in full force; but in the event of the policy becoming a claim during the said period of grace and before the overdue premiums or the deferred premiums, if any, of the current policy year are paid, the amount of such premiums with interest on any overdue premium may in settlement of the claim be deducted from the sum insured;

(b) That the insured may, without the consent of the company, engage in the active service of the militia of Canada, notice thereof, however, to be given by or on behalf of the insured to the company within ninety days after the date of his so engaging in such service and such extra premium to be paid during the continuance of such service as the company shall fix in pursuance of the terms of the policy;

(c) That, subject to the provisions of paragraph (e) of this subsection, the policy shall be incontestable after not later than two years from its date except for fraud, non-payment of premiums, or for violation of the conditions of the policy relating to engaging in military service (other than such as mentioned in the next preceding paragraph) or naval service in time of war without the consent in writing of a duly authorized officer of the company;

(d) That the policy and the endorsement thereon shall constitute the entire contract between the parties and that all statements made by the insured shall, in the absence of fraud, be deemed representations and not warranties and that no such statement shall be used in defence to a claim under the policy unless it is contained in a written application and a copy of such application or such parts thereof as are material to the contract shall be endorsed upon or attached to the policy when issued;

(e) That if the age of the insured has been understated the amount payable under the policy shall be such as the premiums would have purchased at the correct age;

(f) The options as to surrender values, or paid up insurance or extended insurance to which the policyholder is entitled in the event of default in a premium payable after three full annual premiums have been paid;

(g) That after three full annual premiums or their equivalent half-yearly or quarterly premiums have been paid on a policy the company shall loan on the sole security thereof at a rate of interest not exceeding seven per cent. per annum a sum not

exceeding ninety-five per cent. of the surrender value of such policy less any indebtedness to the company in respect thereof; such policy being first deposited with and assigned to the company by an assignment executed by all proper parties and in the form G in the schedule to this Act, or in such other form as may be approved of by the Superintendent: Provided, however, that such loan may at the option of the company be deferred for a period not exceeding three months from the time the policyholder applies therefor;

(h) A table showing in figures the surrender and loan values, and the options available under the policy each year upon default in premium payments, until the end of the twentieth year at least of the policy, beginning with the year in which such values and options first become available; the surrender and loan values may be shown on the basis of one thousand dollars of insurance, and the loan values may be shown as a percentage of the surrender values;

(i) In case the proceeds of a policy are payable in instalments or as an annuity, a table showing the amounts of the instalment and annuity payments;

(j) A provision that the holder of a policy shall be entitled to have the policy reinstated at any time within two years from date of lapse, unless the cash value has been duly paid, paid-up insurance granted, or the extension period expired, upon the production of evidence of insurability satisfactory to the company and the payment of all overdue premiums and any other indebtedness to the company upon said policy with interest at the rate of not exceeding six per cent. per annum, compounded annually from the date of lapse.

Any of the foregoing provisions or portions thereof not applicable to single premium or non-participating or term or annuity policies shall to that extent not be incorporated therein.

2. This section shall not, except as relates to the filing with the Superintendent of copies of forms of policies, apply to assessment companies, nor to policies of industrial insurance.

96. All such life insurance companies, notwithstanding any thing to the contrary in any special Act or elsewhere, shall, after the first day of January, one thousand nine hundred and eleven, keep separate and distinct accounts of participating and non-participating business.

97. Every policy issued by any company incorporated or legally formed elsewhere than in Canada in favour of a resident of Canada shall have a clause embodied therein or endorsed thereon to the effect that an action to enforce the obligations of such policy may be validly taken in any court of competent jurisdiction in the province where the policyholder resides or last resided before his decease and said policy shall not contain any provision inconsistent with such clause.

98. The provisions of this section shall extend and apply to every licensed life insurance company having a capital stock, whether called by the name of capital stock, guarantee fund, or any other name, within the legislative power of the Parliament of Canada.

2. The said provisions shall so extend and apply, notwithstanding anything to the contrary in any

special Act relating to such life insurance company or in any by-law or by laws thereof.

3. Every such company shall, by by-law passed prior to the first day of October, one thousand nine hundred and ten, determine the number of directors to be elected by the shareholders and by the participating policyholders, respectively, as hereinafter provided, and the number of policyholders' directors so determined shall be at least one-third of the total number so to be elected. The company may, by the said by law, provide that all the directors, of both classes, shall be elected for one, two or three years. If the by-law provides for a two years' or three years' term of office, it may also provide either, (a) that the term of office shall be continuous for all directors of both classes, or (b) that a certain proportion, not less than one-third, of each class, shall retire annually. At the annual meeting held in one thousand nine hundred and eleven, and at each subsequent annual meeting, there shall be elected a board as determined by by-law aforesaid, but such board shall consist of not less than nine nor more than fifty directors all of whom shall be eligible for re-election. The shareholders directors shall be elected by the shareholders and the policyholders' directors shall be elected by the participating policyholders.

4. The manager of the company may be a director of the company, but no agent or paid officer other than the manager shall be eligible to be elected as a director. The words "paid officer" in this subsection do not include the president and vice-president, or the president and the first vice-president if more than one, elected under the provisions of subsection 9 of this section.

5. No person shall be a shareholders' director unless he holds in his own name and for his own use shares of the capital stock of the company to an amount of at least two thousand five hundred dollars, and has paid all calls due thereon and all liabilities incurred by him to the company.

6. At all general meetings of the company each shareholder present in person or represented by proxy who has paid all calls due upon his shares in the capital stock and all liabilities incurred by him to the company shall have one vote for each share held by him.

7. Every person whose life is insured under a participating policy or participating policies of the company for two thousand dollars or upwards, upon which no premiums are due, whether such person is a shareholder of the company or not, hereinafter called a participating policyholder, shall be a member of the company and be entitled to attend at all general meetings of the company, but participating policyholders as such shall not be entitled to vote for the election of shareholders' directors: Provided, however, that in case of liquidation of the company, the policyholder as such member shall not be entitled to share in the distribution of the assets or be liable to be placed on the list of contributories. Every holder of a participating policy or policies of the company for four thousand dollars or upwards, exclusive of bonus additions, upon which no premiums are due, who is not a shareholder, and who has paid premiums on such policy or policies for at least three full years, shall be eligible for election as a policyholders' director.

8. The policyholders' directors shall meet with the shareholders' directors and shall have a vote on all business matters.

9. The directors shall elect from among themselves a president and one vice-president or more.

10. At all meetings of directors for the transaction of business a majority shall be a quorum.

11. The company shall have a fixed time in each year for its annual meeting and such time shall be printed in prominent type on each renewal receipt issued by the company, and due notice also given at least fifteen days before in two or more daily newspapers published at or near the head office of the company.

12. At the annual meeting no shareholder shall vote for more than the number of shareholders' directors to be elected, and no policyholder shall vote for more than the number of policyholders' directors to be elected.

13. Every proxy representing a shareholder must be himself a shareholder and entitled to vote, and an instrument of proxy shall not be valid unless executed within three months of the date of the meeting at which it is to be used, and unless filed with the secretary at least ten days before such meeting, and shall be used only at such meeting or any adjournment thereof, and may be revoked at any time prior to such meeting.

Forfeiture and Renewal of Licenses.

99. Whenever satisfactory proof has been furnished to the Minister of any undisputed claim upon a company, arising on any policy of life insurance in Canada, remaining unpaid for the space of sixty days after becoming due, or of a disputed claim remaining unpaid after final judgment in regular course of law and tender of a legal valid discharge made to the agent of such company, the Minister may withdraw the license of such company.

100. Such license may be renewed if, within thirty days after such withdrawal, such undisputed claim or final judgment upon or against the company is paid and satisfied.

101. When the license of a company carrying on the business of life insurance has been withdrawn by the Minister under any of the foregoing sections of this Act, such license may be renewed, if, within thirty days after such withdrawal, the company complies with the requirements of this Act to the satisfaction of the Minister.

Companies ceasing to do business and Release of Deposits.

102. In the case of any company which, previously to the twenty-eighth day of April, one thousand eight hundred and seventy-seven, was licensed to transact the business of life insurance in Canada, and which ceased to transact such business before the thirty-first day of March (one thousand eight hundred and seventy-eight, having before that date given written notice to that effect to the Minister, the premiums due or to become due on policies actually issued before the last mentioned date may continue to be collected, and the claims arising thereon may be paid, and all business appertaining thereto may be transacted, and all proceedings appertaining thereto, either at law or in equity, may be continued or commenced and prosecuted.

2. The deposit in the hands of the Minister in such case shall be dealt with under the law as it existed previously to the first mentioned date, as if this Act had not been passed.

103. When any company licensed under this Act desires to discontinue business and to have its assets in Canada released, and gives written notice to that effect to the Minister, it may, with the consent of the policyholders, procure the transfer of its outstanding policies in Canada to some company or companies licensed under this Act in Canada, or may obtain the surrender of the policies, as far as practicable.

2. The trustees holding securities for such company may employ any portion of the assets vested in them for the purpose of effecting such transfer or surrender.

3. Such company shall file with the Minister a list of all Canadian policyholders whose policies have been so transferred or have been surrendered, and also a list of those which have not been transferred or surrendered.

4. The company shall, at the same time, publish in *The Canada Gazette* a notice that it will apply to the Minister for the release of its assets and securities on a certain day, not less than three months after the date of the notice, and calling upon its Canadian policyholders opposing such release to file their opposition with the Minister on or before the day so named.

104. After the day so named, upon the application for release being made, if the Minister, with the concurrence of the Treasury Board, is satisfied that such transfer or surrender has been effected, he may direct that a portion of the assets held by the trustees, or securities held by the Minister, shall be retained, sufficient in amount to cover the full equitable net surrender value of such policies, including bonus additions and accrued profits, as have not been transferred or surrendered, or in respect to which opposition has been filed; and may order the remaining assets or securities aforesaid to be released and transferred or paid over to the company.

2. The portion retained shall be tendered in the manner hereinafter described to the aforesaid policyholders *pro rata*, according to the aforesaid values of their respective policies; and on the acceptance of the amount so tendered, such policies shall thereby be deemed to be cancelled.

3. If such tender is refused by any policyholder, the amount so tendered may be paid over to the company, and the policy shall continue in force, and such policyholder shall not be barred from any recourse he has, either at law or in equity, against the company to compel the fulfilment of its contract under such policy.

105. The tender referred to in the last preceding section shall be made in the following manner:—

(a) A list and notice in the form D in the schedule to this Act, or to the like effect, shall be published in *The Canada Gazette* for at least thirty days previously to the day named in such notice;

(b) The company shall also cause the said list and notice to be published in such newspapers in Canada and for such length of time as the Minister determines;

(c) A notice in the form E in the schedule to this Act, or to the like effect, shall be sent by mail, post-paid or franked, from the Department to each of the policyholders named in the said list, whose address

is known to the Superintendent; and such notice shall be deposited in some post office in Canada at least thirty days previously to the day named therein, which shall be the same day as that named in the list and notice in form D.

2. Any policyholder who does not signify in writing to the Superintendent his acceptance of the amount so tendered, on or before the day named in the said notice, shall be deemed to have refused the same: Provided that the Minister may, at any time prior to the payment over to the company of the amount so refused, allow any policyholder to signify his acceptance of such amount, and such acceptance, so allowed, shall have the same effect as if made on or before the day named in the said notice.

106. The surrender values to cover which a portion of assets is retained as aforesaid shall be determined by the Superintendent on the basis provided in subsection 2 of section 42 of this Act for the valuation once in every five years, or oftener at the discretion of the Minister, of policies of life insurance; and he shall collect from the company the expenses of such valuation at the rate of three cents for each policy or bonus addition, and shall pay the same to the Minister before the latter shall hand over the securities.

107. Nothing herein contained shall prevent any policyholder from making special arrangements with the company whereby his policy may be continued in force.

2. On proof being given of such arrangement, such policy may be omitted or removed from the lists of policies filed with the Minister as aforesaid, and this Act shall thereafter not apply in respect of such policy.

108. When any company such as described in subsection 3 of section 3 of this Act, which has been licensed pursuant to said subsection to transact business throughout Canada, desires to discontinue business outside the province by the legislature of which it is incorporated, and to have its deposit with the Minister released, and gives notice to that effect to the Minister, the company may, with the consent of the policyholders resident outside such province, procure the transfer of the policies held by such policyholders to some company or companies licensed under this Act, or may obtain the surrender of such policies, in either of which cases upon proper and sufficient proof of such transfer or surrender being filed in the Department, the Minister may release and transfer such deposit to the treasurer of such province; or,

2. The company may, with the notice mentioned in the first subsection of this section, file in the Department a resolution of the shareholders of the company authorizing such discontinuance of business and the withdrawal of said deposit, such resolution also to be approved by the votes of four-fifths of the policyholders present in person or by proxy at a meeting of the policyholders duly called for the purpose of considering the same, and may cause the policies in favour of policyholders resident outside of such province to be reinsured with the approval of the Superintendent in some company or companies licensed under this Act or may procure the consent in writing of all such policyholders to such transfer, in which case also, upon proof being filed in the Department of the passing of such resolution and of its approval in manner aforesaid and of the reinsurance of such

policies or the written consent of such policyholders, the Minister may release and transfer said deposit to the Treasurer of such province.

3. The transfer of such deposit in manner aforesaid shall not in any way affect, alter, or diminish the rights of the policyholders with respect thereto, which shall remain in all respects the same as if no such transfer had been made.

109. In computing or estimating the reserve necessary to be held in order to cover the liability of Canadian companies on their policies, and the liability of companies other than Canadian companies on all Canadian policies, each company may,—

(a) as to policies issued on or after the first day of January, one thousand nine hundred, and bonus additions or profits declared in respect thereof, employ any of the standard tables of mortality as used by it in the construction of its tables, and any rate of interest not exceeding three and a half per cent. per annum;

(b) as to policies issued prior to the first day of January, one thousand nine hundred, and bonus additions or profits declared in respect thereof, until the first day of January, one thousand nine hundred and fifteen, employ any of such standard tables of mortality, and any rate of interest not exceeding four per cent. per annum; and on and after the first day of January, one thousand nine hundred and fifteen, employ any of such standard tables of mortality, and any rate of interest not exceeding three and one-half per cent. per annum.

2. If it appears to the Superintendent that such reserve falls below that computed on the basis provided in this Act, for the valuation once in every five years or oftener at the discretion of the Minister, of policies of life insurance, he shall so report to the Minister, who may thereupon direct the Superintendent to compute on the said basis or to procure to be computed under his supervision, the reserve aforesaid, and the amount so computed, if it differs materially from the return made by the company, may be substituted in the annual statement of assets and liabilities.

3. In such case the company shall furnish to the Superintendent, on application, the full particulars of each of its policies necessary for such computation, and shall pay to the Superintendent such an amount as he deems sufficient to compensate for the services rendered to the company not, however, to exceed three cents for each policy or bonus addition so computed, which amount he shall pay over to the Minister. In the event of its appearing from the particulars so furnished that the net premium calculated on the basis of the British Offices Life Tables, 1893, *Om* (5), and a rate of interest of three and one-half per cent. together with two and one-half per cent. loading for expenses is in excess of the premiums receivable in respect of any policies issued after January first, one thousand nine hundred and eleven, the company shall be charged as a separate liability with the value of an annuity the amount of which shall be equal to such excess.

4. Any company, instead of itself computing or estimating the reserve aforesaid, may require it to be computed by the Superintendent on the basis referred to in this section, on payment to him of three cents for each policy or bonus addition so computed, which amount the Superintendent shall pay over to the Minister.

Declaration of Profits in case of existing Companies.

110. In the case of companies heretofore incorporated which have a capital stock and which are within the legislative power of the Parliament of Canada, the directors may, from time to time, set apart such portion of the net profits as they shall deem safe and proper for distribution as dividends or bonuses to shareholders and holders of participating policies, ascertaining the part thereof which has been derived from participating policies and distinguishing such part from the profits derived from other sources; and the holders of participating policies shall be entitled to share in that portion of the profits so set apart which has been distinguished as having been derived from participating policies, (including a share of the profits arising from the sale of securities in the proportion of the reserve on the participating policies to the total reserve), to the extent of not less than ninety per cent. thereof; and before fixing or arriving at the amount of divisible profits, interest on the amount of unimpaired paid-up capital stock, but not including any premiums or bonuses paid thereon or in respect thereof, which have been expended in the establishment, prosecution or extension of the company's business or applied to making good any impairment of capital, and on any other sum or sums from time to time standing at the credit of the shareholders may be allowed or credited to such shareholders at the average net rate of interest earned in the preceding year, or other period under consideration, upon the mean invested funds of the company; such shareholders to be, however, charged with a fair proportion of all losses incurred upon investments or other losses of a similar character.

2. The provisions of subsection 1 of this section shall not interfere with the right of the participating policyholders of any such company to share in the profits realized from the nonparticipating branch of its business in any case in which such policyholders are so entitled under the Acts relating to such company in force at the time of the passing of this Act.

Assessment Life Insurance Companies.

111. Sections 112 to 126, both inclusive, of this Act apply to assessment life insurance companies only.

112. No company shall, without being licensed or registered under this Act, carry on within Canada any business of life insurance by promising to pay on the death of a member of such company, a sum of money solely from the proceeds of assessments or dues collected or to be collected from the members thereof for that purpose.

113. After the passing of this Act no company except such as is referred to in subsection 4 of section 3 of this Act, which carries on business of the nature described in the last preceding section, hereinafter referred to as assessment companies, shall be licensed or registered to carry on business thereunder, but licenses to such companies in force at the time of the passing of this Act may nevertheless be from time to time renewed.

114. Any such company now licensed, so long as its license continues in force by renewal or otherwise, shall be exempted from the foregoing provisions of this Act relating to the maintenance of the reserve in respect of its policies required of ordinary life insurance companies and from the provisions of sections 13, 42, 84 and 85 thereof.

115. The license of any such company shall cease to be valid on the thirty-first day of March in each year, but shall be renewable from year to year, in the discretion of the Minister.

116. Such companies shall make attested returns of their condition and affairs at such times and in such form, and attested in such manner, as are prescribed by the Minister, and the Superintendent shall include such returns in his annual report.

117. Death claims shall be a first charge on all moneys realized from assessments, by any assessment company to which this Act applies, and no deduction shall be made from any such death claims on any account whatsoever.

2. No portion of any moneys received from assessments by such companies for death claims shall be used for any expense whatever; and every notice of any assessment shall truly specify the cause and purpose thereof.

118. Every application, policy and certificate, issued or used—

(a) in Canada by any such company incorporated elsewhere than in Canada;

(b) by any such company incorporated or formed in Canada to which this Act applies;

shall have printed thereon, in a conspicuous place, in ink of a colour different from that of the ink used in the instrument, and in large sized type the words:—

"This association is not required by law to maintain the reserve which is required of ordinary life insurance companies."

119. Every policy issued or used in Canada by any company referred to in the last preceding section shall contain a promise to pay the whole amount therein mentioned out of the death fund of the association and out of any moneys realized from assessments to be made for that purpose, and every such association shall be bound, forthwith and from time to time, to make assessments to an amount adequate, with its other available funds, to pay all obligations created under any such certificate or policy without deduction or abatement.

2. The condition embodied in this section shall be inserted in every policy issued or delivered by any such company to any person insured in Canada.

120. Every policy issued by an assessment company incorporated or legally formed elsewhere than in Canada, in favour of a resident of Canada, shall have a clause embodied therein or endorsed thereon, to the effect that an action to enforce the obligation of such policy may be validly taken in any court of competent jurisdiction in the province wherein the policyholder resides or last resided before his decease, and such policy shall not contain any provision inconsistent with such clause.

121. No such company shall assure to any of its members a certain annuity, either immediate or deferred, whether for life or a term of years, or any endowment whatever.

122. The words "Assessment System" shall be printed in large type at the head of every policy and every application for a policy, and also in every circular and advertisement issued or used in Canada in connection with the business of an assessment company.

123. If any company licensed or registered under this Act to carry on the business of life insurance on

the assessment system, has filed in the office of the Superintendent notice of its intention, after the date mentioned in the said notice, to maintain in respect of all policies issued after the said date, in the case of a Canadian company, or in respect of all policies issued in Canada after the said date, in the case of a company other than a Canadian company, the reserve required by this Act to be maintained by ordinary life insurance companies upon contracts of life insurance with fixed and definite premiums, such company shall, with respect to all policies issued after the said date, if a Canadian company, and with respect to all policies issued in Canada after the said date, if a company other than a Canadian company, maintain for the security of the holders of the said policies the said reserve, and comply with all other provisions of this Act applicable thereto, as if it were licensed under this Act as an ordinary life insurance company.

2. Such company shall, as to such policies, be exempt from all special provisions and conditions imposed by this Act upon assessment life insurance companies, except it shall not assure to any of its members a certain annuity, either immediate or deferred, whether for life or for a term of years, or any endowment whatever.

124. The deposit of any such company in the hands of the Minister, at the date mentioned in the notice in the preceding section referred to, shall be applicable to the policies issued prior to the said date, and shall be dealt with in regard to such policies as if the said notice had not been given.

2. Any such company shall, at the time of the filing of such notice, make with the Minister such deposits, if any, in respect of the policies to be issued in pursuance of such notice, as the Treasury Board may fix and determine.

125. For the purpose of carrying out the provisions of the two last preceding sections, separate and distinct registers and books of account shall be opened and kept, showing, respectively, all policies issued and business transacted by such company after the date mentioned in the said notice, and all policies issued and business transacted before the said date.

2. Such books and registers shall show all assets, liabilities, moneys and securities belonging or appertaining to the said respective portions of such company's business; and the assets and the entire business of the said respective portions shall be kept absolutely separate and distinct.

3. The reserves or assets applicable to the policies issued by such company after the date mentioned in the said notice shall not be available in any way for any liability of such company arising out of any policy issued by it on the assessment plan.

126. The provisions of this Act applicable to assessment life insurance companies, other than the provisions contained in the three last preceding sections, shall be applicable to the policies of the company issued prior to the said date, in the same manner and to the same extent as if the provisions contained in the said sections had not been enacted.

PART III.

FIRE INSURANCE.

Application of Part.

127. This part applies only to fire insurance companies, and to other insurance companies carrying on

fire insurance, in so far only as relates to the fire insurance business of such companies.

Forfeiture and Renewal of Licenses.

128. Whenever any company fails to make the deposits under this Act at the time required, or whenever written notice has been served on the Minister of any undisputed claim, arising from loss insured against in Canada, remaining unpaid for the space of sixty days after it becomes due, or of a disputed claim remaining unpaid after final judgment in regular course of law and tender of a legal valid discharge, the license of such company may be withdrawn by the Minister.

129. Such license may be renewed, and the company may again transact business, if, within sixty days after notice to the Minister of the failure of the company to pay any undisputed claim or the amount of any final judgment, as provided in the last preceding section, all undisputed claims or final judgments upon or against the company in Canada are paid and satisfied.

Companies ceasing to do Business and Release of Deposits.

130. When any company has ceased to transact business in Canada, and has given written notice to that effect to the Minister, it shall insure, on behalf of its Canadian policyholders, all its outstanding risks in some company or companies licensed in Canada, or obtain the surrender of the policies.

2. The securities of such company shall not be delivered to the company until all its outstanding risks are insured to the satisfaction of the Minister.

131. Upon making application for its securities the company shall file with the Minister a list of all Canadian policyholders who have not been so reinsured, or who have not surrendered their policies; and it shall at the same time publish in *The Canada Gazette* a notice that it has applied to the Minister for the release of its securities on a certain day not less than three months after the date of the notice, and calling upon its Canadian policyholders opposing such release to file their opposition with the Minister on or before the day so named.

2. After that day if the Minister, with the concurrence of the Treasury Board is satisfied that the company has ample assets to meet its liabilities to Canadian policyholders, he may order that all the securities be released to it, or that a sufficient amount of them be retained to cover the value of all risks outstanding or respecting which opposition has been filed and that the remainder be released.

3. Thereafter from time to time as such risks lapse, or proof is adduced that they have been satisfied further amounts may be released on the authority aforesaid.

132. When a company has ceased to transact business in Canada after the notice by this Part required has been given, and its license has in consequence been withdrawn, such company may, nevertheless, pay the losses arising upon policies not reinsured or surrendered, as if such license had not been withdrawn.

Fire Policies.

133. No fire policy shall be issued for or extend over a longer period than three years.

Reserve Liability.

134. For the purposes of the annual statement required to be furnished to the Superintendent under

this Act by any company transacting fire or inland marine insurance, or both, the liability of the company if a Canadian company in respect of all its outstanding unmatured policies, or if a company other than a Canadian company in respect of its outstanding unmatured policies in Canada, shall be eighty per cent. of the unearned premiums computed *pro rata* as at the date of such statement: Provided, however, that for the purposes of section 19 and subsection 2 of section 20 of this Act reinsurance value of the outstanding unmatured Canadian policies of a company other than a Canadian company shall be the full unearned premiums computed *pro rata* as aforesaid.

2. In the case of any such company which transact a nonhazardous three year business on the premium note system or partly on the cash system and partly on the said premium note system, the liability of such company, for the purposes of such statement, in respect of its premium note business shall be eighty per cent. of the unearned portion of the cash received upon and of the balance usually collectable in respect of all outstanding premium notes held by the company computed *pro rata* as at the date of such statement, and the amount of such premium notes in excess of the amount so usually collectable thereon shall be regarded as a contingent asset only.

Impairment of Capital and Payment of Dividends.

135. Every Canadian company licensed to carry on the business of fire insurance or marine insurance, or both, shall at all times maintain assets, allowable as such under the provisions of this Act or of its Act of incorporation or under the general Act applicable to such company, at least equal in value to the total of the unearned premiums upon all its outstanding unmatured policies, calculated *pro rata* for the time unexpired, together with the amount of matured claims and all its other liabilities of every kind.

2. Subject to the provisions of subsection 4 of this section, no dividend shall be paid by any such company while its capital is impaired or while its assets are less than the amount required by the next preceding subsection, nor shall any dividend be paid which would reduce its assets below the said amount or impair its capital.

3. If it appears to the Superintendent that the assets of any such company fall below the requirements of subsection 1 of this section, he shall report the fact to the Treasury Board and shall in said report state whether or not the company appears to him to have failed to comply with the requirements of the next preceding subsection, and the Treasury Board after a full consideration of the matter and after a reasonable time has been given to the company to be heard by them, may:—

(a) forthwith withdraw the company's license; or

(b) upon such terms and conditions as they deem proper, limit a time within which such company shall make good the deficiency (the company's license being continued in the meantime) and upon the company's failure to make good such deficiency within the time so limited, its license shall be withdrawn:

Provided, however, that if the company's assets are less than the amount fixed by subsection 1 of this section by an amount equal to twenty per cent. or upwards of the said unearned premiums calculated as aforesaid, or if the company has failed to comply with the requirements of subsection 2 of this section, its license shall be withdrawn.

4. Where any such company has, prior to the passing of this Act, under the provisions of its Act of incorporation and any amendments thereto, created and issued part of its capital stock as preference stock, giving such preference stock the right to a fixed preferential dividend, the word "capital" in subsection 2 of this section shall be read and construed to mean as to such company its preferred capital exclusively in so far as regards the payment of such preferential dividends: Provided, however that in the case of any such company the reserve liability for the purposes of this section may, with the approval of the Treasury Board, be calculated until the first day of January, one thousand nine hundred and fifteen, on the basis of not less than sixty per cent. of the unearned premiums mentioned in the next preceding section.

136. In this section the word "surplus" means the excess of assets over the paid-up capital of the company and all the liabilities of the company, including the reserve for unearned premiums.

2. Subject to the payment of preferential dividends as provided in subsection 4 of section 135, until the surplus of a Canadian fire insurance company shall equal or exceed the reserve of unearned premiums computed as provided in section 134 on all outstanding unexpired policies in Canada not re-insured, such company shall at the end of each year, commencing with the year one thousand nine hundred and ten, appropriate towards the surplus of such company, at least twenty-five per cent. of the profits of the company for the year last past.

137. No agent, broker or other person representing or doing business in Canada for any fire insurance company licensed under this Act shall, in any way, directly or indirectly, divide, or offer to divide, his commission or other remuneration with, or give, or offer to give, any part of his commission or other remuneration, or any other matter or thing of value to any person whose property he may be insuring or seeking to insure, or to any person having or claiming or appearing to have any influence or control as to the placing of such insurance, as an inducement to insure with him or in or with a company employing him or represented by him.

138. Every person violating the provisions of the last preceding section shall, for a first offence, be liable to a penalty of double the amount of the premium on the application or policy in respect of which such violation took place, but in no case shall such penalty be less than one hundred dollars, and for a second or subsequent offence such person shall be liable to a penalty of double the amount of such premium, but in no case less than two hundred and fifty dollars.

2. Every director or manager or other officer of any fire insurance company within the legislative power of the Parliament of Canada or licensed under this Act to carry on the business of fire insurance, who violates or knowingly consents to or permits the violation of the next preceding section by any agent, officer, employee or servant of the company, shall be liable to a penalty of five hundred dollars.

3. The penalties provided for in this section shall be recoverable in any court of competent civil jurisdiction at the suit of any person suing as well for His Majesty as for himself. One-half of any such penalty shall, when recovered, be applied

towards payment of the expenses of the Department and the other half to the person suing.

4. No such director, manager, agent, officer, employee or other servant shall be indemnified either in whole or in part either in respect of the penalty or of any costs out of the funds of the company.

139. Notwithstanding anything in this Act contained, any person may insure any property situated in Canada with any British or foreign unlicensed insurance company or underwriters, and may also insure with persons who reciprocally insure for protection only and not for profit; and any property insured or to be insured under the provisions of this section may be inspected and any loss incurred in respect thereof adjusted: Provided such insurance is effected outside of Canada and without any solicitation whatsoever directly or indirectly on the part of such company, underwriters or persons by which or whom the insurance is made.

2. Every person so insuring property situated in Canada shall make a return to the Superintendent giving the location and a brief description of the property insured, the amount of the insurance, and whether insured in Lloyds, or some similar association, or in mutuals, reciprocal or other class of insurers, such return to be made by delivering or mailing it in a registered letter addressed to the Superintendent not later than the first day of March in each year for the year ending on the preceding thirty-first day of December.

3. Blank forms for such statements shall be supplied by the Superintendent.

4. Default in compliance with the requirements of paragraph 2 of this section by the insured shall subject him to a penalty of ten dollars for each day during which default continues recoverable and applicable in the manner prescribed in subsection 2 of section 69 of this Act.

PART IV.

INSURANCE OTHER THAN LIFE OR FIRE.

Licenses.

140. This part applies to companies carrying on business of insurance other than life or fire insurance.

141. No such company shall accept any risk or issue any policy of insurance or interim receipt or receive any premium in respect thereof or carry on any business of insurance in Canada without first obtaining a license from the Minister to carry on such business. The Treasury Board shall determine in each case what deposit shall be required to be made with the Minister.

142. The provisions of this Act applicable to fire insurance companies and the business of fire insurance other than the provisions contained in section 139 shall, *mutatis mutandis*, apply to every such company and its business as to all matters not otherwise provided for herein: Provided, however, that the provisions relating to the calculation of reserve liability shall not apply to companies licensed to carry on the business of title insurance.

143. The Treasury Board, upon the report of the Superintendent, may revoke any license issued under this Part if sufficient cause therefor is shown by such report.

PART V.

PROVISIONS APPLICABLE TO COMPANIES HEREAFTER
INCORPORATED BY PARLIAMENT.*Application of Part.*

144. The provisions of this Part shall apply to every insurance company incorporated by a special Act of the Parliament of Canada after the passing of this Act.

2. The provisions of this Part, other than those of section 145, shall also apply to every insurance company incorporated by a special Act of the said Parliament during the present session thereof, and in any respect in which such provisions are inconsistent with the provisions of the special Act so passed during the present session the former shall prevail.

3. The provisions of this Part, other than those of section 145, shall also apply to every insurance company incorporated by a special Act of the said Parliament before the passing of this Act, but which has not yet been licensed, and in any respect in which such provisions are inconsistent with the provisions of the special Act so passed prior to the passing of this Act the former shall prevail: Provided, however, that all things lawfully done and all proceedings lawfully taken under the provisions of such special Act prior to the passing of this Act for the organization of the company or otherwise shall be valid and effectual for the purposes intended.

145. Every special Act of the Parliament of Canada passed after the passing of this Act for the incorporation of an insurance company in the form F in the schedule to this Act shall be read as if it contained the provisions hereinafter in this section set forth, and shall be construed having regard thereto.

(1) The persons named as such in the special Act shall be the provisional directors of the company, a majority of whom shall be a quorum for the transaction of business. They shall remain in office until replaced by directors duly elected in their stead, and they may forthwith open stock books, procure subscriptions of stock for the undertaking, make calls on stock subscribed and secure payments thereon. They shall deposit in a chartered bank in Canada all moneys received by them on account of stock subscribed or otherwise received on account of the company and may withdraw the same for the purposes of the company only and may do generally what is necessary to organize the company.

(2) The directors may establish local advisory boards or agencies either within Canada or elsewhere at such times and in such manner as they deem expedient.

(3) The capital stock of the company shall be divided into shares of one hundred dollars each.

(4) The directors may, after the whole authorized capital stock of the company has been subscribed and fifty per cent. paid thereon in cash, increase the capital stock from time to time to an amount not exceeding the sum named for that purpose in the special Act; but the stock shall not be increased until a resolution of the board of directors authorizing such increase has been first submitted to and confirmed by two-thirds in value of the shareholders present or represented by proxy

at a special general meeting of the members of the company duly called for that purpose.

(5) As soon as the amount for that purpose mentioned in the special Act has been subscribed and ten per cent. of the said amount has been paid into some chartered bank in Canada the provisional directors shall call a general meeting of the shareholders at some place to be named in the municipality where the head office of the company is situated; at which meeting the shareholders present or represented by proxy who have paid not less than ten per cent. on the amount of shares subscribed for by them shall elect the shareholders' directors in the case of a life company, and the ordinary directors in the case of a company other than a life company, as set forth in the next following section.

(6) The shares of the capital stock subscribed for shall be paid by such instalments and at such times and places as the directors appoint; the first instalment shall not exceed twenty-five per cent. and no subsequent instalment shall exceed ten per cent., and not less than thirty days' notice of any call shall be given.

(7) The company shall not commence business until at least the amount of stock mentioned for that purpose in the special Act has been subscribed for nor until at least the sum named for that purpose in the said special Act has been paid in cash into the funds of the company to be appropriated only for the purposes of the company under the said special Act: Provided that stock upon which less than ten per cent. has been paid in cash by the subscriber shall not be reckoned as part of the stock mentioned in the special Act as necessary to be subscribed, nor shall any sum paid by any shareholder upon the shares subscribed for by him which is less than ten per cent. of the amount subscribed for by such shareholder be reckoned as part of the sum required to be paid thereon as in such special Act provided.

(8) A general meeting of the company shall be called at its head office once in each year after the organization of the company and the commencement of business, and at such meeting a statement of the affairs of the company shall be submitted, and special general or extraordinary meetings may at any time be called by any three of the directors or by requisition of any twenty-five shareholders, specifying in the notice the object of the meeting.

(9) The company may cause itself to be re-insured against any risk undertaken by it, and may re-insure any other company carrying on the same class of business as this company against any risk undertaken by such other company.

Directors, their election, duties and powers.

146. (a) There shall be in the case of life insurance companies having a capital stock, whether called by the name of capital stock, guarantee fund or any other name, two classes of directors, viz.: directors elected by the shareholders, hereinafter called shareholders directors, and directors elected by the policyholders, hereinafter called the policyholders' directors; but in the case of companies other than life companies, having a capital stock, there shall be only one class of directors, namely: directors elected by the shareholders, hereinafter called ordinary directors.

(b) No person shall be elected a shareholders' director of a life company or an ordinary director

of a company other than a life company, unless he is a shareholder owning shares in a capital stock or guarantee capital, as the case may be, absolutely in his own right and not in arrears in respect of any calls thereon and the majority of directors so elected shall at all times be persons resident in Canada and subjects of His Majesty by birth or naturalization.

(c) In the case of a company other than a life company there shall be elected at the first annual meeting and at each subsequent annual meeting a board of not less than nine nor more than fifteen directors, who shall hold office for one year but shall be eligible for re-election.

(d) In the case of a life company there shall be elected at the first and second annual meetings not less than five nor more than nine shareholders' directors, who shall hold office for one year but shall be eligible for re-election.

(e) Every life company shall, by by-law passed not less than three months prior to the holding of its third annual meeting after the issue of a license to it under this Act, determine the number of directors to be elected at said annual meeting by the shareholders and participating policyholders respectively, as herein provided, and the number of policyholders' directors so determined shall be at least one-third of the total number to be so elected. The company may, by the said by-law, provide that all the directors, of both classes, shall be elected for one, two or three years. If the by-law provides for a two years' or three years' term of office, it may also provide either, (a) that the term of office shall be continuous for all directors of both classes, or (b) that a certain proportion, not less than one-third, of each class, shall retire annually. At the said annual meeting and each subsequent annual meeting there shall be elected a board as determined by by-law as aforesaid, but such board shall consist of not less than nine nor more than fifteen directors, all of whom shall be eligible for re-election. The shareholders' directors shall be elected by the shareholders and the policyholders' directors by the participating policyholders.

(f) The manager of a company may be a director, but no agent or paid officer, other than the manager, shall be eligible to be elected as a director. The words "paid officer" in this paragraph do not include the president and vice-president, or the president and first vice-president if there is more than one vice-president elected under the provisions of paragraph (k) of this section.

(g) No person shall be eligible to become a shareholders' director of a life company or an ordinary director of any other company unless he holds in his own name and for his own use shares of the capital stock of the company to the amount of at least two thousand five hundred dollars and has paid in cash all calls due thereon and all liabilities incurred by him to the company.

(h) At all general meetings of a company each shareholder present in person or represented by proxy who has paid in cash all calls due upon his shares and all liability incurred by him to the company shall have one vote for each share held by him.

(i) In the case of a life company every person whose life is insured under a participating policy

or participating policies of the company for two thousand dollars or upwards upon which no premiums are due, whether such person is a shareholder of the company or not, herein called a participating policyholder, shall be a member of the company and be entitled to attend and vote at all general meetings of the company; but participating policyholders, as such, shall not be entitled to vote for the election of shareholders' directors: Provided, however, that in case of liquidation of the company, the policyholder as such member shall not be entitled to share in the distribution of the assets or be liable to be placed on the list of contributories. Every holder of a participating policy or policies of the company for four thousand dollars or upwards, exclusive of bonus additions, upon which no premiums are due, who is not a shareholder, and who has paid premiums on such policy or policies for at least three full years shall be eligible for election as a policyholders' director. The policyholders' directors shall meet with the shareholders' directors and shall have a vote on all business matters.

(j) The election of directors shall be by ballot.

(k) The directors shall elect from among themselves a president and one vice-president or more.

(l) At all meetings of directors for the transaction of business a majority of the board shall be a quorum.

(m) The company shall have a fixed time in each year for its annual meeting and such time shall be printed in prominent type on each renewal receipt issued by the company, and due notice also given at least fifteen days before in two or more daily newspapers published at or near the head office of the company.

(n) At the annual meeting no shareholder of a company other than a life company shall vote for more than the number of ordinary directors to be elected, and in the case of a life company no shareholder shall vote for more than the number of shareholders' directors to be elected, and no participating policyholder shall vote for more than the number of policyholders' directors to be elected.

(o) Every proxy representing a shareholder must be himself a shareholder and entitled to vote, and an instrument of proxy shall not be valid unless executed within three months of the date of the meeting at which it is to be used, and unless filed with the secretary of the company at least ten days before such meeting, and shall be used only at such meeting or any adjournment thereof, and may be revoked at any time prior to such meeting.

(p) Vacancies occurring in the board of directors may be filled for the remainder of the term by the directors from among the qualified shareholders or policyholders as the case may be.

(q) If at any time an election of directors is not made, or does not take effect at the proper time, the company shall not be held to be thereby dissolved, but such election may take place at any general meeting of the company duly called for that purpose, and the retiring directors shall continue in office until their successors are elected.

147. The directors may, in all things administer the affairs of the company, and may make or cause to be made for the company any description of contract which the company may, by law, enter into.

By-laws.

148. The directors may make by-laws not contrary to law or to the Special Act, or to this Act, for—

(a) the regulating of the allotment of stock, the making of calls thereon, the payment thereof, the issue and registration of certificates of stock, the forfeiture of stock for non-payment, the disposal of forfeited stock and of the proceeds thereof, and the transfer of stock;

(b) the declaration and payment of dividends;

(c) the appointment, functions, duties and removal of all agents, officers and servants of the company, the security to be given by them to the company and their remuneration;

(d) the time and place for the holding of the annual meeting of the company, the calling of meetings, regular and special of the directors and of the company, the requirements as to proxies, and the procedure in all things at such meetings;

(e) the imposition and recovery of all penalties and forfeitures admitting of regulation by by-law; and,

(f) the conduct, in all other particulars, of the affairs of the company.

149. The directors may, from time to time, repeal, amend, or re-enact any such by-law: Provided that every such by-law, repeal, amendment or re-enactment unless in the meantime confirmed at a general meeting of the company duly called for that purpose shall only have force until the next annual meeting of the company and in default of confirmation thereat shall from the time of such default cease to have force or effect.

Capital Stock, Calls, and Increase of Capital.

150. The stock of the company shall be personal estate, and shall be transferable in such manner only, and subject to such conditions and restrictions as are prescribed by this Part, or by the Special Act or the by-laws of the company.

151. If the Special Act makes no other definite provision, the stock of the company shall be allotted at such times and in such manner as the directors, by by-law or otherwise, prescribe.

152. The directors of the company may call in and demand from the shareholders thereof respectively, all sums of money by them subscribed at such times and places and in such payments or instalments as the Special Act or this Act requires or allows.

2. Interest shall accrue and fall due at the rate of *five* per cent. per annum, upon the amount of any unpaid call, from the day appointed for payment of such call.

153. If, after such demand or notice as by the Special Act or the by-laws of the company is prescribed, any call made upon any share or shares is not paid within such time as by such Special Act or by-laws is limited in that behalf, the directors, in their discretion, by resolution to that effect, reciting the facts and duly recorded in their minutes, may summarily declare forfeited any shares whereon such payment is not made.

2. Such shares shall thereupon become the property of the company, and shall be disposed of as the directors by by-law or otherwise prescribe.

154. No share shall be transferable, until all previous calls thereon have been fully paid, or until it is declared forfeited for non-payment of a call or calls thereon.

155. No salary, compensation or emolument shall be paid to any director of a Canadian life insurance company for his services as such director unless authorized by a vote of the members in the case of a mutual company, and by a vote of the shareholders and other members, if any, in the case of a company having capital stock. No salary, compensation or emolument shall be paid to any officer or trustee of any such company unless authorized by a vote of the directors, nor shall any salary, compensation or emolument amounting in any year to more than five thousand dollars be paid to any agent or employee unless the contract under which such amount becomes payable has been approved by the board of directors.

Books of the Company.

156. The company shall cause a book or books to be kept by the secretary, or by some other officer specially charged with that duty, wherein shall be kept recorded—

(a) the names, alphabetically arranged, of all persons who are or have been shareholders;

(b) the address and calling of every such person, while such shareholder;

(c) the number of shares of stock held by each shareholder;

(d) the amounts paid in, and remaining unpaid, respectively, on the stock of each shareholder;

(e) all transfers of stock, in their order as presented to the company for entry, with the date and other particulars of each transfer, and the date of the entry thereof; and,

(f) the names, addresses and calling of all persons who are or have been directors of the company, with the several dates at which each became or ceased to be such director, and distinguishing in the case of a life company between shareholders' directors and policyholders' directors.

157. The directors may allow or refuse to allow the entry in any such book or books, of any transfer of stock whereof the whole amount has not been paid.

158. No transfer of stock, unless made by sale under execution or under the decree, order or judgment of a court of competent jurisdiction, shall be valid for any purpose whatsoever until entry thereof has been duly made in such book or books, except for the purpose of exhibiting the rights of the parties thereto towards each other, and of rendering the transferee liable, in the meantime, jointly and severally with the transferor, to the company and its creditors.

159. Such books shall, during reasonable business hours of every day, except Sundays and holidays, be kept open for the inspection of shareholders and creditors of the company, and their personal representatives, and in the case of life companies of the participating policyholders, at the head office or chief place of business of the company, and every shareholder, creditor or personal representative and participating policyholder may make extracts therefrom.

Offences and Penalties.

160. Every director, officer or servant of the company who knowingly makes or assists in making any untrue entry in any book required by this Part to be kept by such company, or who refuses or wilfully neglects to make any proper entry

therein, or to exhibit the same, or to allow the same to be inspected and extracts to be taken therefrom, is guilty of an indictable offence, and liable to imprisonment for any term not exceeding two years.

161. Every company which neglects to keep open for inspection, as required by the Part, any book or books required by this Part, to be kept by such company shall forfeit its corporate rights.

Shareholders' Liability.

162. Every shareholder shall, until the whole amount of his stock has been paid up, be individually liable to the creditors of the company to an amount equal to that not paid up thereon; but shall not be liable to an action therefor by any creditor until an execution against the company at the suit of such creditor has been returned unsatisfied in whole or in part.

2. The amount due on such execution, not exceeding the amount unpaid by the shareholder on his stock, shall be the amount recoverable with costs from such shareholder.

163. The shareholders of the company shall not, as such, be held responsible for any act, default or liability whatsoever, of the company, or for any engagement, claim, payment, loss, injury, transaction, matter or thing whatsoever, relating to or connected with the company, beyond the amount of their respective shares in the capital stock thereof.

164. No person holding stock in the company as an executor, administrator, tutor, curator, guardian or trustee shall be personally subject to liability as a shareholder; but the estate and funds in the hands of such person shall be liable in like manner and to the same extent as the testator, or intestate if living, or the minor, ward or interdicted person or the person interested in such trust fund if competent to act and holding such stock in his own name, would be liable.

2. No person holding stock in the company as collateral security shall be personally subject to liability as a shareholder; but the person pledging such stock shall be considered as holding the same and shall be liable as a shareholder accordingly.

Meetings and Voting.

165. In the absence of other provisions in that behalf in the Special Act or in the by-laws of the company or in this Act, notice of the time and place for holding general meetings of the company shall be given at least ten days previously thereto, in some newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, then in the newspaper published nearest thereto.

166. No shareholder who is in arrear in respect of any call shall vote at any meeting of the company.

2. In the absence of other provisions, in manner aforesaid, every shareholder shall be entitled to as many votes at all general meetings of the company as he owns shares in the company, and may vote by proxy.

167. Every executor, administrator, tutor, curator, guardian or trustee shall represent the stock in his possession in his fiduciary capacity at all meetings of the company, and may vote as a shareholder; and every person who pledges his stock may, notwithstanding such pledge, represent the said stock at all such meetings, and vote as a shareholder.

168. Shareholders who hold one-fourth part in value of the subscribed stock of the company may at any time by written requisition signed by them call a special general meeting of the company for the transaction of any business specified in such requisition, and in the notice made and given for the purpose of calling such meeting.

Contracts.

169. Every contract, agreement, engagement or bargain made, and every bill of exchange drawn, accepted or endorsed, and every promissory note and cheque made, drawn or endorsed on behalf of the company, by any agent, officer or servant of the company, in general accordance with his powers as such under the by-laws of the company, shall be binding upon the company.

2. In no case shall it be necessary to have the seal of the company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque, or to prove that the same was made, drawn, accepted or endorsed, as the case may be, in pursuance of any by-law or special vote or order.

3. The person so acting as agent, officer or servant of the company, shall not be thereby subjected individually to any liability whatsoever to any third person therefor.

Trusts.

170. The company shall not be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any share.

2. The receipt of the shareholder in whose name and share stands in the books of the company, shall be a valid and binding discharge to the company for any dividend or money payable in respect of such share, and whether or not notice of such trust has been given to the company.

3. The company shall not be bound to see to the application of the money paid upon such receipt.

Liability of Directors.

171. If the directors of the company declare and pay any dividend when the company is insolvent, or any dividend, the payment of which renders the company insolvent, or diminishes the capital stock thereof, they shall be jointly and severally liable, as well to the company as to the individual shareholders and creditors thereof, and, in the case of a life company, to the participating policyholders, for all the debts of the company then existing, and for all thereafter contracted during their continuance in office respectively: Provided that if any director present when such dividend is declared does forthwith, or if any director then absent does, within five days after he becomes aware of such dividend being declared and is able so to do, enter on the minutes of the board of directors his protest against the same, and within eight days thereafter publishes such protest it at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, in the newspaper published nearest thereto, such director may thereof and not otherwise, exonerate himself from such liability.

172. Whenever entry is made in the company's book of any transfer of stock not fully paid up, to a person who is not apparently of sufficient means, the directors shall be jointly and severally liable to the

shareholders and creditors of the company, and, in the case of a life company, to the participating policyholders thereof, in the same manner and to the same extent as the transferring shareholder, except for such entry, would have been liable: Provided that if any director present when such entry is allowed does forthwith, or if any director then absent does within five days after he becomes aware of such entry, and is able so to do, enter on the minute book of the board of directors, his protest against such transfer, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper published nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability.

173. If any loan is made by the company to any director or officer of the company in violation of the provisions of this Part, all directors and other officers of the company who make the same or assent thereto shall be jointly and severally liable to the company for the amount of such loan, and also to third persons to the extent of such loan, with lawful interest, for all debts of the company contracted from the time of the making of such loan to that of the repayment thereof.

174. The directors of the company shall be jointly and severally liable to the clerks and servants thereof, for all debts, not exceeding one year's wages, due for services performed for the company whilst they are such directors respectively: Provided that no director shall be liable to an action therefore, unless the company is sued therefor within one year after the debt became due, nor unless such director is sued therefor within one year from the time when he ceased to be such director, nor unless an execution against the company at the suit of such clerk or servant is returned unsatisfied in whole or in part.

2. The amount unsatisfied on such execution shall be the amount recoverable with costs from the directors.

Use of Funds.

175. The company shall not loan any of its funds to any director or officer thereof, except that a life insurance company may lend to any director or officer thereof on the security of the company's own policies.

Procedure.

176. The company may enforce payment of all calls and interest thereon, by action in any court of competent jurisdiction.

177. In such action it shall not be necessary to set forth the special matter, but it shall be sufficient to declare that the defendant is a holder of one share or more, stating the number of shares, and is indebted to the company in the sum of money to which the calls in arrear amount, in respect of one call or more, upon one share or more, stating the number of calls and the amount of each call, whereby an action has accrued to the company under this Part.

178. Service of any process or notice upon the company may be made by leaving a copy thereof at the head office or chief place of business of the company, with any adult person in charge thereof, or elsewhere with the president or secretary of the company.

2. If the company has no known office or chief place of business, and has no known president or secretary, the court may order such publication as it

deems requisite to be made in the premises, for at least one month, in at least one newspaper, and such publication shall be deemed to be due service upon the company.

179. Any description of action may be prosecuted and maintained between the company and any shareholder thereof.

180. The company shall be subject to the provisions of any general Act for the winding-up of joint stock companies.

Evidence.

181. A copy of any by-law of the company, under its seal, and purporting to be signed by any officer of the company, shall be received as *prima facie* evidence of such by-law in all courts in Canada.

182. All books required by this Part to be kept by the secretary or by any other officer of the company charged with that duty shall, in any suit or proceeding brought against the company or against any shareholder, be received as *prima facie* evidence of all facts purporting to be therein stated.

183. In any action by any company to enforce payment of any call or interest thereon, a certificate under the seal of the company and purporting to be signed by any officer of the company to the effect that the defendant is a shareholder, that the call or calls have been made, to enforce payment of which or of any interest thereon such action has been brought, and that so much is due by him and unpaid thereon, shall be received in all courts as *prima facie* evidence.

Cost of Incorporation.

184. The entire cost of procuring the incorporation and subscriptions for stock shall be charged directly to the account of the shareholders and the amount thereof fixed by percentage on the capital stock or fixed in bulk and shown on the face of the form of the stock subscription contract, and shall not form a charge upon or be paid out of the paid-up capital nor from the insurance funds, nor be in any way chargeable directly or indirectly against the policyholders.

Declaration of Profits.

185. In the case of life companies having a capital stock, whether called by the name of guarantee fund or any other name, the directors may from time to time set apart such portion of the net profits as they shall deem safe and proper for distribution as dividends or bonuses to shareholders and holders of participating policies, ascertaining the part thereof which has been derived from participating policies and distinguishing such part from the profits derived from other sources; and the holders of participating policies shall be entitled to share in that portion of the profits so set apart which has been distinguished as having been derived from participating policies (including a share of the profits arising from the sale of securities in the proportion of the reserve on the participating policies to the total reserve), to the extent of not less than ninety per cent. thereof; and, before fixing or arriving at the amount of divisible profits, interest on the amount of unimpaired paid-up capital stock, but not including any premiums or bonuses paid thereon or in respect thereof which have been expended in the establishment, prosecution or extension of the company's business or applied to making good any impairment of capital, and on any other sum or sums from time to time standing at the credit of the shareholders, may be allowed or credited to such shareholders.

holders at the average net rate of interest earned in the preceding year or other period under consideration upon the mean invested funds of the company, such shareholders to be however charged with a fair proportion of all losses incurred upon investments or other losses of a similar character.

186. In the case of life companies, whenever any holder of a policy other than a term or natural premium policy has paid three or more annual premiums thereon or their equivalent half-yearly or quarterly premiums and fails to pay any further premium or desires to surrender the policy, the premiums paid shall not be forfeited, but he shall be entitled to receive a paid-up and commuted policy for such sum as the directors ascertain and determine, or to be paid in cash such sum as the directors fix as the surrender value of the policy; such sum in either case to be ascertained upon principles to be adopted by by-law applicable generally to all such cases as occur, or extended insurance under the policy for a period proportionate to such cash surrender value.

2. The sums so ascertained and the duration for which insurance may be extended, based upon the assumption that the policy is not subject to any lien by way of loan or otherwise, shall be inserted in the policy and form a part of the contract between the company and the insured.

3. In the event of the policy being subject to any such lien when default is made in payment of a premium as aforesaid, such lien shall be taken into account in fixing the cash surrender value and the paid-up or commuted policy herein referred to.

4. Until the policyholder elects to accept such cash surrender value or such paid-up or commuted policy, such cash surrender value shall be applied by the company to maintain the policy in force at its full face value until the whole of the surrender value under the policy is exhausted.

PART VI.

PENALTIES FOR OFFENCES NOT OTHERWISE PROVIDED FOR.

187. Any company which, or person who, does, causes or permits to be done any matter, act or thing contrary to any provision of this Act, or to the orders or directions of the Governor in Council, or of the Minister, or of the Superintendent, made under this Act, or omits to do any matter, act or thing by this Act required to be done by or on the part of such company or person, shall, if no other penalty for such act or omission is provided in this Act, be liable for each such offence to a penalty of not less than twenty dollars and not more than five thousand dollars in the discretion of the court before which such penalty is recoverable.

2. Such company or person shall also, in addition to such penalty, be liable to any person injured by such matter, act or thing, or by such omission, for all damages sustained thereby.

3. All such penalties shall be recoverable and enforceable, with costs at the suit of His Majesty, instituted by the Attorney General of Canada, and shall when recovered be applied towards payment of the expenses of the Department.

PART VII.—REPEAL.

188. *The Insurance Act*, chapter 34 of *The Revised Statutes*, 1906, except sections 49, 51, 52 and 71

thereof is hereby repealed on the day of the passing of this Act.

2. The said sections 49, 51, 52 and 71 are hereby repealed on the first day of January, 1911.

3. All other Acts and parts of Acts passed by the Parliament of Canada which relate to companies within the legislative power of the said Parliament, and are inconsistent with the provisions of this Act, are hereby repealed on the day of the passing of this Act, except such as relate specifically to the following corporations, namely:—

The Supreme Court of the Independent Order of Foresters;

The Grand Council of the Catholic Mutual Benefit Association of Canada;

The Canadian Order of the Woodmen of the World.

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