

The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY



Vol. XXXIX. No. 21.

MONTREAL, MAY 30, 1919

Single Copy 10c
Annual Subscription \$3.00

THE GENERAL FINANCIAL SITUATION.

The developments of the week in the labor situation up to the time of writing are the reverse of re-assuring. The maintenance of the Winnipeg strike, the spread of the strike movement to various other Western centres and the threat of serious developments in the East make a chapter of events which naturally cause the business community to regard the outlook for the immediate future with a certain amount of anxiety. One of the phases of the present movement which makes it considerably more serious than preceding labor troubles is the fact that the existing strikes are being joined in by those who are responsible for absolutely essential public services. In Winnipeg, for instance, since the very start of the strike, the water pressure has been below normal, and any outbreak of fire has had to be dealt with as best as could be by amateurs. What this means in the way of possible loss when there are in question congested districts comprising property of enormous values, only the fire insurance companies can properly appreciate. The business community has had at least one source of encouragement this week in the apparently increased willingness of the authorities to stiffen their backbones, and show the striking employees that if the latter have their rights, they also have their obligations. If a little more of this quality of firmness had been displayed at the outset of the trouble, it would probably not have attained such large proportions. There seems little doubt that in Winnipeg at all events, the present movement, whatever the occasion for its development, is something more than a mere stand for better conditions on the part of wage-earners, and that back of it, there have been some shrewd minds trying to develop an open defiance of constituted authority. So far as this aspect of the matter is concerned, it may be said that while there is a willingness on the part of every reasonable man to improve the conditions of labor, there is a very firm idea that a so-called labor tyranny is as bad as any other kind of tyranny, and those who are rash enough to endeavour to develop any movement which, like the Winnipeg movement, looks like becoming a tyranny pure and simple, will find cause, sooner or later to rue it.

The address delivered by Sir Charles Gordon before the Montreal Board of Trade the other day, focussed a thought which has naturally been much

in the minds of economic students during recent months, that of the reciprocal trade between Canada and the Mother Country. Everyone is aware that since the armistice, in in fact for several months before it, there has been an eager movement on the part of British manufacturers to build up a fresh and extend their overseas trade. At present, through various causes, shortage of raw materials, labour and shipping, military requirements and the like, that trade is seriously handicapped, and it seems by all accounts that hardly before 1920 will the British manufacturers be in a position to care for overseas trade on a really large scale. However, the producing and financial plans necessary for its development are going ahead.

In Canada there is the same desire and willingness to build up an export trade, which will not, perhaps (at least for some years), attaining the enormous dimensions of our purely war-time exports, will have the desirable element of permanency that was impossible in the latter. In both countries also there is the sentiment and desire for "Imperial preference"—more accurately, the furtherance of trade between the various constituent parts of the widely-scattered British Commonwealth. The point which Sir Charles Gordon made is that this "Imperial preference" cannot be one-sided, that if there is to be in the British market a definite preference of practical value, from Canadian products of various kinds, there must be similarly a development of the market for British-made goods in Canada.

It is scarcely unfair to suggest that in the minds of most Canadians, who think at all about "Imperial preference," this aspect of the matter is apt to be overlooked. What happened in the period of Canada's development prior to the war is well-known. We borrowed hundreds of millions of dollars in the London market and used those borrowed funds for the purchase of commodities in the United States, these funds being in turn utilized by the United States to discharge its obligations to Great Britain for shipping and insurance services, tourists' expenditures and the like. At that time there was very little co-operation between British finance and British industry; the latter had all the markets it cared to have and the occasional voices

(Continued on page 537)

BANK OF MONTREAL

ESTABLISHED OVER 100 YEARS (1817-1919)

Capital Paid up, \$20,000,000

Res., \$20,000,000

Undivided Profits, \$1,661,614

Total Assets - - \$489,271,197

BOARD OF DIRECTORS:

Sir Vincent Meredith, Bart., President
 Sir Charles Gordon, G.B.E., Vice-President
 R. B. Angus, Esq. Wm. McMaster, Esq.
 Lord Shaughnessy, K.V.O. Lieut.-Col. Molson, M.C.
 C. R. Hosmer, Esq. Harold Kennedy, Esq.
 H. R. Drummond, Esq. H. W. Beauclerk, Esq.
 D. Forbes Angus, Esq. G. B. Fraser, Esq.
 Colonel Henry Cockshutt J. H. Ashdown, Esq.
 E. W. Beatty, Esq., K.C.

Head Office: MONTREAL

Sir Frederick Williams-Taylor—General Manager

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

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

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

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

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

PRINCIPAL BRANCHES OUTSIDE OF CANADA:

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

G. C. CASSELS, Manager.

Sub-Agency: 9 Waterloo Place

Pall Mall, S.W.

Trafalgar Square Branch

In the United States:—

NEW YORK. CHICAGO. SPOKANE.
 SAN FRANCISCO—British American Bank
 (owned and controlled by Bank of Montreal)
 and at MEXICO CITY

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

THE CANADIAN BANK OF COMMERCE

Established 1867 Head Office: TORONTO

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

Reserve - - - - 15,000,000

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

SIR JOHN AIRD, General Manager.

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

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

Great Britain—London. Mexico—Mexico City.

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

Newfoundland—St. John's.

Agents and Correspondents throughout the World

The Molsons Bank

Incorporated by Act of Parliament 1855

Paid-up Capital - \$4,000,000

Reserve Fund - 4,800,000

HEAD OFFICE - - MONTREAL

Besides over 100 Branches in Canada, the
 Molsons Bank has agencies or representa-
 tives in almost all the large cities in the
 different countries of the world, offering its
 clients every facility for promptly transact-
 ing business in every quarter of the globe.

EDWARD C. PRATT

General Manager

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY.

F. WILSON-SMITH, *Proprietor and Managing Editor.*
Office:

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

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

MONTREAL, FRIDAY, MAY 30th, 1919

THE GENERAL FINANCIAL SITUATION.

(Continued from Page 533)

among leading London financiers which advocated the tying of a string to borrowings from abroad in Great Britain in the interests of British exporters received scant attention. The war has changed that state of affairs considerably. There is now abundant evidence of a desire for close co-operation between British trade and finance, and even, astonishing as it may seem to some of us who knew the ways of the British manufacturer in the old days, of a willingness on his part to meet the requirements of the customer and get away from the "take it or leave it" attitude, which has been his characteristic for generations. The whole question raised by Sir Charles Gordon is obviously beset with difficulties. There is no doubt that by reason of its geographical situation, and its facilities for constant communication the United States possesses an enormous advantage in the Canadian market and in many lines American standards have definitely become Canadian standards. But it is also certainly true that "we must not think that it is possible for British statesmen to encourage a preferred policy in regard to Canada, unless we are prepared to reciprocate." How it will be possible to work out this problem remains to be seen, and the fact should not be overlooked that there are possibilities of friction in endeavouring to arrive at a solution.

The trade returns for the month of April which appear in a new and considerably improved form, indicate unmistakably the development of the process of re-adjustment from war to peace conditions. In both exports and imports, the figures show a decided falling-off from recent months, exports showing the lightest total for any April since 1916 while imports are the lowest since February, 1918. In regard to imports, it may be noted that these, as well as exports are markedly affected by the cessation of the munitions industry, since very large aggregates of our imports in the last year or two have represented raw materials and finished parts used in that industry. Exports at \$64,489,159 compare with

\$71,161,652 in April, 1918, and \$91,152,361 in March, 1919, while April imports were \$54,255,219 against \$78,623,941 in April, 1918, and \$71,749,569 in March, 1919. As regards the character of our trade, there is a decided falling off in our exports of agricultural products, these being \$23,004,124 compared with \$31,180,400 in April, 1918. The decrease in this item, which has been notably in evidence for several months, is, of course, to be accounted for by the lessened pressure for food-stuffs abroad as a result of the war. Animal products (which include leather), are on the other hand much higher than a year ago being \$15,838,677 compared with \$8,359,173. Of the other classifications of our exports, the most interesting feature is iron and steel which is reported at \$6,388,243 compared with \$3,227,523. This, it may be hoped represents a developing trade. With regard to imports, apart from the downward drop in iron and steel products, due to the cessation of the munitions industry, there was during April a large decrease in the import of films, textiles and textile products. This is probably to be attributed to the difficulty in securing these materials and not to any lack of demand. It is well known in trade circles, for instance, that British woollens are exceedingly difficult to get at the present time.

PROSPEROUS YEAR FOR SAVINGS BANKS IN NEW YORK.

Speaking at the annual meeting and luncheon of the State Savings Banks' Association of New York in the Hotel Biltmore, Samuel H. Beach, president of the Association, who is also the president of the Rome (N. Y.) Savings Bank, declared that the savings banks were never so prosperous in their history.

He said that since December 1, 1917, money simply flowed into the institutions from all sources, but particularly from laboring men and thousands of women workers. He said that the people had been taught the lesson of thrift by the Government, and this was clearly shown in the constant increase of deposits.

The speaker added that wages had been raised in most industries, with the result that workers had more funds to put away in the banks. He emphasized the fact that despite the increased cost of living there was tendency among the people to save their money, although they did not show a desire to stint themselves and purchased luxuries as well as necessities. He said this was a good sign and augured well for the future.

Mr. Beach said that there was an actual net gain of \$55,000,000 over deposits in banks this year in comparison to a year ago. There is on deposit in various savings banks in New York at the present time \$2,000,000,000.

"The aggregate deposits on January 1, 1919, passed the two billion dollar mark, an actual net gain of \$55,000,000 over last year."

J. W. HARRIMAN ON THE SERIOUS PROBLEM OF TAXATION.

With the war over, the public will now have time to digest and assimilate some of the things that it learned during the war. We have learned, for one thing, what taxes mean and now we must learn to meet them. In fact, the taxation problem is a very present one, and should command the attention of every thinking person.

The present problem of taxation is a very serious one. Before the present generation has passed away, it will have paid for the total cost of the war. In short, we are assuming a portion of the debt which should be borne by our grandchildren and great grandchildren.

The only way we can get a real survey of the taxation problem is by means of a National Budget, which we have never had in this country. The objections to a national budget along the lines followed in Great Britain, come chiefly from the politicians, since such a system interferes materially with the "Pork Barrel." In fact, appropriation is another name for extravagance, scandal, and pork.—J. W. Harriman in *The Magazine of Wall Street*.

SOCIAL INSURANCE SYSTEM A FAILURE BASED ON UNSOUND METHODS.

The United States "Monthly Labor Review" in its current issue publishes the following excerpts from an article in the "Kölnische Zeitung" by Professor P. Moldenhauer:

"It is doubtful whether in years to come the German social insurance system will be able to discharge its obligations. The sickness, invalidity, old age and survivors' insurance system have suffered heavily from the loss of contributions, on the one hand, and from an increase in the morbidity, invalidity and mortality rates, etc., on the other hand. And they are in danger because high proportions of their funds have been invested in the State's war loans.

"Even more unfavourable is the situation of the accident insurance system, because it has been maintained on the unsound 'current cost' method. Consequently the expenditures are increasing from year to year, the burden of one generation being lessened at the cost of the succeeding generation. This system would be unobjectionable if a favourable economic development in the future could be expected with certainty, but in case of unfavourable economic conditions the system will surely fail. Thus the result is: Unfavourable development of the actuarial bases of social insurance on the one hand and cessation of favourable economic conditions on the other. Therefore Germans ought to wake up from dreams of extending their social insurance and frankly face the fact of probable failure."

Commenting on the above, the Workmen's Compensation Publicity Bureau says: "The foregoing reference to the accident (compensation) in-

surance is important. Although all our State funds claim to be operated with full reserves, yet their tendency is to degenerate to the 'current cost' method. In many of the monopolistic fund acts—e. g., Ontario, Nova Scotia and Ohio—the 'current cost' method is either expressly or implicitly permitted, and the original proponents of State insurance in this country advocated that method. Therefore it would be well to call general attention to this article."

THE RETURN OF INFLUENZA.

In speaking of the return of influenza, it is not to be implied that this obstinate and fatal disease, mysterious in many ways, has gone. Such is, unfortunately, not the case, for it is present in many parts of Canada at the present time, though not in epidemic form. The germs of influenza are still present with us, and it is impossible to say how long the disease may linger, or what circumstances conduce to its removal.

Both the medical profession and the public must work together to prevent the spread of this scourge, the former along the lines of prevention and treatment, and the latter to avoid as far as possible the spread of the disease by a system of domestic inspection by which prompt medical care is obtained. It is only by team work on the part of the provincial and local health authorities, the medical profession, and public and private authorities that this end can be accomplished. The provision of competent nursing is a most important factor in turning the scale in the patient's favour, and measures taken in this direction are amply justified by past experiences.

As the epidemic of 1889-90 was followed by two others in the next two years, and the second was the most severe of the three, it is not too much to expect that there may at least be outbreaks more or less limited in their extent. The public should be warned and urged to give to the medical men their intelligent co-operation.

TRAFFIC RETURNS

		Canadian Pacific Railway			
		1917	1918	1919	Increase
Year to date					
April 30.....		\$42,501,000	\$45,161,000	\$48,550,000	\$3,389,000
Week ending			1918	1919	Increase
May 7.....		3,065,000	3,033,000	2,856,000	*177,000
" 14.....		3,123,000	3,109,000	2,959,000	*150,000
" 21.....		3,074,000	2,847,000	2,957,000	110,000
		Grand Trunk Railway			
		1917	1918	1919	Increase
Year to date					
April 30.....		\$18,417,842	\$14,046,123	\$19,361,387	\$5,315,264
Week ending			1918	1919	Increase
May 7.....		1,135,091	1,069,998	1,130,352	60,354
" 14.....		1,356,646	1,118,634	1,181,138	62,504
" 21.....		1,425,554	1,167,270	2,144,465	47,195
		Canadian National Railways			
		1917	1918	1919	Increase
Year to date					
April 30.....		\$22,015,621	\$22,481,483	\$26,481,483	\$4,465,862
Week ending			1918	1919	Increase
May 7.....		1,393,791	1,543,413	1,543,413	149,622
" 14.....		1,463,167	1,727,076	1,727,076	263,909
" 21.....		1,543,062	1,770,271	1,770,271	227,209

*Decrease.

THE CANADIAN BANK ACT.**(4th Article.)**

Another point in which it has been sought by some to induce Canada to follow in the footsteps of the United States is in the matter of Government inspection of banks. It is probable enough that this subject will be brought up at Ottawa again sooner or later as there are always a certain number in favour of it. It is highly desirable, therefore, that the fallacy of bank inspection by Government be pointed out. Even in the United States where the system of branch banks does not exist, inspection has not been a success. It has not prevented insolvency of banks following on a bad state of their discounts. However, it would not be an act of wisdom to place in the hands of an inspector, of one man, the right to value a bank's assets which have already been valued by the board of direction. But this is a minor point compared with the difficulty which the Government would have in endeavoring to get to the bottom of the affairs of a bank with many branches. A recent defalcation in one of the Canadian banks is an example of what tricks might and could be played. The clerk was considerably behind at his branch, and was transferred to another branch, the bank not being aware of the defalcation at the time. He managed by methods which need not be described, to transfer his shortage from the branch he was leaving to the branch he was being sent. The branch to which he had been assigned had just been inspected, and was not visited for some time, while at the former bank his accounts were correct. The public will understand, with this hint, how little use there would be in Government inspection. A bank by manipulations between its branches could conceal its true position without difficulty, and only a general pouncing upon every branch on the one day by an army of inspectors could detect its tricks.

It will be said, of course, again the responsibility which the Government would morally assume regarding the solvency of every bank, would be embarrassing in the event of a bank failure, and out of all proportion to the security afforded against solvency. Further, it has been found by long experience that a bank's business relations with its customers' needs be as sacred as the relations of a physician or a priest. There are many occasions when a breath of publicity would work incalculable harm to quite legitimate ventures, and a pessimistic or ignorant inspector might easily bring out the very troubles his office would be designed to avert. Nor has it always been found that political considerations failed to outweigh a just and proper estimate of a bank's position.

Taking into consideration the difficulties which Government inspection of banks would have to overcome, and the evils that might follow, it seems to us that the adoption of official inspection would not be wise. So far as the Government is concerned, it is called upon chiefly, if not altogether to protect those who are innocent

of any special intention of doing business with a certain bank, that is the note-holders. Depositors and others cannot expect Government to preserve them from the effects of a misplaced confidence. Statements are called for from banks, they are duly made public, and if wilfully false the law provides for punishment of the offenders, and makes them personally liable for the losses they may have imposed upon their customers. Further than that it would not be wise, and certainly is not necessary that the Government should go.

At any rate time and again, the proposal to appoint Government inspectors for banks has been brought before Parliament and defeated. If the spirit of the Canadian banking system is to be followed, any such proposal again would share the same fate. But with this we shall deal more fully in our article upon desirable amendments to the new Act.

Among other proposals to amend the Bank Act has been one to do away with the double liability clause. The arguments in favour of doing away with double liability are based upon the fact that it does not reach all shareholders equally. It is difficult of application, for example, to foreign shareholders, and it cannot reach those who have embarked their entire fortune in the bank. To be logical, this clause should carry with it a provision that every bank shareholder should be able to show at least an equal amount of assets outside of his bank stock. Again it is difficult, in view of the prolonged period which the liquidation of a bank requires to prevent shareholders from disposing of their property in one way or another, and in fact, the double liability attached to a defunct bank has never realized anything like its face value. In view of the many safeguards now surrounding the note circulation, it is an open question whether it would not be advantageous to do away with the double liability altogether, as the benefit to be derived therefrom does not at all equal the restrictions which it places upon investments in bank stock, or the hardship in which it involves innocent stockholders, who, while nominally partners in the bank, are in effect not much better than creditors.

Another proposal made many years ago is still of some interest. It was that the branches which a bank might establish, should be restricted in proportion to the capital. The proposal of the time was that no bank should be permitted more than one branch for every \$250,000 of capital. This is much too conservative, any rule of this kind would do much to restrict that over-competition in small places of which the complaint is occasionally made at the present time, on the other hand such a rule would tend to restrict banking facilities to the public.

It is to be understood that we are not in this article recommending the proposals touched upon, but merely indicating their nature, and whether they would be harmful or not.

The Trust and Loan Co.

OF CANADA

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

MONEY TO LOAN ON REAL ESTATE

30 St. James Street, Montreal

Prudential Trust Company

LIMITED

Head Office 9 St. John St., Montreal	Trustee for Bondholders	Transfer Agent & Registrar	Safely Deposit Vaults
	Administrator		
	Liquidator	Guardian	Assignee
	Trustee	Custodian	Terms Ex-
	Real Estate and Insurance Departments	Insurance of every kind placed at lowest possible rates.	ceptionally moderate.
			Correspondence invited

B. HAL. BROWN, President and Gen. Manager

WHY MUTUAL POLICIES ARE EASY TO SELL

FIRST: Because of the co-operative and democratic principle on which the Company is founded: The Mutual Life Assurance Company of Canada is a company consisting of policy holders maintained by policy holders, exclusively for policy holders.

SECOND: Because the purpose for which the Company was established is now generally understood: The Company since its establishment in 1869 has consistently followed one aim—that of furnishing the largest amount of protection for the least possible outlay.

THIRD: Because the company's day-by-day activities advertise it: The Mutual of Canada since its organization has paid to policy-holders or their beneficiaries or holds as a trust to guarantee future payments, over sixty millions of dollars.

"BE A MUTUALIST."

The Mutual Life Assurance Co. of Canada
 WATERLOO, ONTARIO

The LIFE AGENTS' MANUAL
 THE CHRONICLE - - MONTREAL

BONDS

During the progress of the Great War our Bonds were freely purchased by experienced and prudent investors, including Fire and Life Insurance Companies, Fraternal and Benevolent Associations, etc

We issue them in sums of One Hundred Dollars and upwards for terms of one or more years. They are transferable and bear a very attractive rate of interest, for which Coupons payable half-yearly are attached.

The Corporation's large Capital (fully paid-up) and Surplus protect, beyond question, the funds of its Bondholders.

We welcome enquiries and will gladly furnish a copy of our last Annual Report and any further information desired on request.

Capital (Paid-up) and Surplus \$11,672,509.77
 Investments \$31,461,387.24

Canada Permanent Mortgage Corporation

Toronto Street - - - Toronto.
 Established 1855.

Western

Assurance Company

Incorporated in 1851

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

ASSETS over \$7,000,000.00

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

DIRECTORS

W. B. MEIKLE, President

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

W. B. MEIKLE, Pres. and Gen. Man.

C. S. WAINWRIGHT, Secretary

JOHN SIME, Asst. Gen. Man.

A. E. PRINGLE, Asst. Secretary

HEAD OFFICE - TORONTO

A BRITISH COMPANY

Union Insurance Society of Canton, Limited

ESTABLISHED 1835

Head Office: HONGKONG

Assets over \$18,000,000

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

FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 36 Toronto Street, TORONTO

General Agent Montreal, JOSEPH ROWAT

Manager for Canada, C. R. DRAYTON

IMPORTANCE OF INSURANCE EDUCATIONAL WORK IN CASUALTY BUSINESS.

The following extract from the proceedings of the Casualty Actuarial and Statistical Society of America is of interest:

"This society has decided that its educational committee shall co-operate with the Insurance Society of New York in giving a series of lectures on casualty insurance in the fall of 1919, for the benefit of men who are preparing for the examinations of both organizations."

The Chronicle feels that in Montreal in the past Insurance Education has been left to take care of itself with the exception of a few lectures on Fire Insurance given under the auspices of the "Blue Goose." The Insurance Fraternity in Montreal are not placed in such a favourable position from the point of view of acquiring the same standard of technical training that is available in Great Britain and the United States. This education has been looked upon as of importance in connection with efficient underwriting.

Insurance educational work has been carried on very successfully in Great Britain for many years, and from press indications the United States would appear to be following Great Britain. We do not think that a progressive country like Canada, should be behind in matters of such importance.

We consider that a city of the importance of Montreal ought to have an active insurance institute. Such institutes are in operation in all the large centres in Great Britain, also in South Africa and in Australia. There is also an institute in Toronto. Montreal, as the Metropolitan City of Canada, and as the centre of the large majority of head offices of insurance companies operating in Canada, might reasonably be expected to be prominent in matters pertaining to the betterment of insurance generally.

DEATH OF MR. GEORGE J. PYKE.

We regret to record the death of Mr. George J. Pyke on the 22nd instant, at his residence, 1246 King St., Toronto, at the age of 84 years. Many years ago the late Mr. Pyke, who was a fluent writer, was identified with The Chronicle as its correspondent at Toronto, and some of our readers will remember some of those letters signed "Ariel," published some twenty years ago in our columns, always interesting and useful, though sometimes containing pretty sharp criticism, which was occasionally very embarrassing to those concerned. Mr. Pyke was greatly respected in fire insurance circles in Toronto, though very retiring of recent years. He was agent of the old Quebec Fire and London & Lancashire Fire for many years. The late Mr. Pyke entered the service of the Liverpool & London & Globe sixty-five years ago in Montreal, shortly after the company entered Canada. He left the company's service in 1875

to assume the management of the Stadacona Fire Insurance Company at Quebec, where he remained until that company's retirement in 1880, when he removed to Toronto. The deceased gentleman was educated at Bishops College, P.Q. He was buried in Mount Royal Cemetery, Montreal on the 24th instant.

NORTHERN ASSURANCE COMPANY.

Mr. John Robertson, joint general manager of the Northern Assurance Company, paid his first visit to Canada last week. He was accompanied by Mrs. Robertson, also Mr. Roberts, of the Marine Underwriters' department and Mrs. Roberts. After spending a few days in Montreal, visiting the Canadian head office, and seeing a little of the Metropolitan City of Canada Mr. Robertson, who was much impressed with what might be called his first glimpse of the Dominion, left for Toronto and the West, accompanied by Mr. G. E. Moberly, in addition to his own party. Before returning to the other side of the water, Mr. Robertson proposes to make an extended tour of the country across the border. He is expected to visit Montreal again before sailing for home.

MR. A. G. DENT.

Mr. Alfred G. Dent, general manager of the Liverpool and London and Globe, who recently arrived in New York and left for the Pacific Coast, accompanied by Mr. A. Duncan Reid, president of the Globe Indemnity is expected to arrive in Montreal next week.

WORKMEN'S COMPENSATION LOSSES AND METHOD OF SETTLING IN N. Y. STATE.

The change in the method of settling workmen's compensation losses in New York State, due to the abolition of the plan of direct settlements, by a recent amendment to the law, does not meet with the approval of the underwriters. It seems to be the opinion in underwriting circles that the settlement of claims through the medium of the industrial Commission, may tend to produce undue liberality in the settlements, and may even increase the number and extent of unwarranted claims. This is no reflection upon the Industrial Commission, but, after all, it is the money of the insurance companies which is to be expended for claims, and it would seem proper, therefore, that the companies should have a voice in the adjustment leading to vast disbursements from their funds. It might be proper to have the industrial Commission act as an arbitrator in the cases of disputed claims, but the system which has heretofore been in use seems to have worked satisfactorily, in the main, even though there may have been instances in which it may be asserted that claimants were not granted as liberal settlements as they should have been.—Spectator.

ATLAS ASSURANCE COMPANY.

Dating back to 1808, in the reign of King George the Third, the venerable and progressive Atlas Assurance Company can lay claim to being, as its name implies, one of the best known insurance companies in the world. In its long annals, 1918 is calculated to stand out prominently, so far as its fire department is concerned, the total results of this branch of insurance for the year under review, being the most satisfactory in the history of the Atlas.

The experience of the fire department shows net premiums of \$8,203,030, as compared with \$6,963,490 in 1917, a growth of no less than \$1,239,540. This extensive expansion is accompanied by a loss ratio of 43.72 per cent, recorded as being the most favourable since the "Atlas" was founded. The reserve for unexpired risks was further strengthened by the addition of \$495,815, being 40 per cent of the increase in premium income. After charging commission, expenses and Foreign State and Municipal Taxes, the underwriting profit of the fire department amounted to the large sum of \$1,482,660, to which might be added the sum of \$312,594 received for interest in this department, making a total of \$1,795,254 net profit from the fire business, as compared with \$1,095,235 in 1917, an increase of \$700,019. As the chairman said at the annual meeting: "These are remarkable figures, and reflect great credit on the skill and judgment of the management and staff wherever the company operates."

The fire funds have been increased from \$7,479,675 to \$8,500,000, which includes a 40 per cent reserve for unexpired risks amounting to \$3,281,215. Thus most ample security for the policyholders of the "Atlas" is altogether apart from the large capital subscribed of \$11,000,000 of which \$1,320,000 is paid up.

While the Atlas confines its operations in Canada to fire insurance, the extensive business it transacts in various other branches of insurance in other parts of the world is indicated by the following statement of its funds as at 31st December, 1918:

Fire Fund	\$ 8,500,000
Life Funds	11,569,495
Employers' Liability Accident and General Insurance funds	569,570
Sinking fund and capital—Redemption fund	501,700
Contingency fund	110,745
Investment Reserve funds	2,255,980
Profit and Loss balance	717,695
	<hr/>
	\$24,225,185

The Atlas has again increased its holdings of British Government securities which now amount to \$6,042,000. Its total assets amount to \$31,200,425 as compared with \$28,532,400 the preceding year, invested in unexcelled securities.

The announcement made by the chairman that Mr. S. J. Pipkin (who retired in July last from the

position of general manager) had been appointed a director of the Atlas, was received with a good deal of enthusiasm.

Transacting a fire business in Canada for the past 32 years, under the management of such a well known and respected underwriter as Mr. M. C. Hinshaw, the Atlas holds, in the esteem of its Canadian policy-holders, a position commensurate with its high financial standing and honourable and liberal service to its clients. Last year net fire premiums received in Canada totalled \$560,056, a substantial growth of nearly \$50,000 over 1917, while the loss ratio at 51.36 per cent was more favourable than the preceding year.

DESTRUCTION OF HUMAN INDUSTRY BY FIRE.

One cause of this criminal destruction, and probably by far the greatest, is carelessness. We are careless with fire in our homes; dangerous conditions are allowed to continue until a fire results. All fires are the same size at the start, and only lack of favourable conditions prevents each outbreak from becoming either a huge individual loss or a conflagration. Our heaviest losses, of course, are chiefly confined to the larger properties, such as factories, warehouses, or other commercial properties, but the very large number of smaller losses make up a total of which, were the latter to include all our fires, Canada need not be proud.

The same carelessness which exists in the home is carried by the workmen to their work places. In a very small number of cases is the employer responsible. He has everything to lose—when his plant shuts down his income ceases, and the market for his output passes to competitors. It requires but a few of these larger fires to make up their share of the total fire loss, and consequently the need for greater care and protection of the industrial risks.

Education, with efficient legislation strictly enforced, is required to bring home to the people of Canada what their carelessness and neglect of fire means.

Further, many of our fire departments can do much more than they are at present doing in the way of inspection to prevent fire. The visit of a uniformed fireman to the home leaves an impression that is lasting, and, under the new amendment to the Criminal Code, his recommendations must be carried out. That these inspections shall be carefully and efficiently made and the recommendations for alterations or improvement of conditions may be practical, it is essential that courses of instruction for firemen be established to qualify them for inspection work. To secure the effective co-operation of the public it is necessary to establish a feeling of confidence in the inspection staff, and only a recognition of the fact that special training is provided for those carrying on the work will inspire that confidence.

ATLAS ASSURANCE COMPANY LIMITED

OF LONDON, ENGLAND

ESTABLISHED 1868

Extracts from the report for the year Ending 31st December, 1918

FIRE DEPARTMENT

THE NET PREMIUMS were \$8,203,030 and the LOSSES \$3,383,875. The underwriting profit of the account after increasing the reserve for unexpired risks by \$495,815 amounts to \$1,482,660, which has been transferred to Profit and Loss Account.

FIRE INSURANCE ACCOUNT

Amount of Fire Insurance Fund at the beginning of the year:—	
Reserve for unexpired risks, being 40% of premium income for the year 1917.....	\$2,785,395
Additional reserve.....	4,694,280
	\$ 7,479,675
Premiums.....	8,203,030
Interest, dividends, and rents.....	\$332,610
Less income tax thereon.....	20,015
	312,595
Transfer from Profit and Loss Account.....	524,510
	<u>\$16,519,810</u>

Claims under policies paid and outstanding.....	\$3,335,325
Contributions to Fire Brigades.....	48,550
	3,383,375
Commission.....	1,528,280
Expenses of management.....	1,113,130
State and Municipal Taxes (Foreign).....	199,270
Transfers to Profit and Loss Account, viz:—	
Profit.....	\$1,482,660
Interest.....	312,530
	1,795,250
Amount of Fire Insurance at the end of the year:—	
Reserve for unexpired risks, being 40% of premium income for the year 1918.....	3,281,215
Additional reserve.....	5,218,785
	8,500,000
	<u>\$16,519,810</u>

BALANCE SHEET, 31st DECEMBER, 1918

LIABILITIES

CAPITAL SUBSCRIBED:—\$11,000,000 in 220,000 Shares of \$50 each, \$6 paid.....	\$ 1,320,000
"Essex & Suffolk" 4% Debenture Stock.....	478,020
Life Assurance and Annuity Funds.....	11,569,495
Investment Reserve Funds.....	2,255,980
Fire Insurance Fund.....	8,500,000
Employers' Liability, Accident and General Insurance Funds.....	569,570
Sinking Fund and Capital Redemption Insurance Fund.....	501,700
Contingency Fund.....	110,745
Provision for completion of Dividend for the year (1918) payable 30th April, 1919....	495,000
Profit and Loss Balance.....	717,695
	26,518,205
CLAIMS ADMITTED OR INTIMATED BUT NOT PAID:—	
Life Assurance.....	277,085
Fire Insurance.....	991,725
Due to other Offices for reinsurances.....	2,201,130
Sundry unclaimed Dividends and Debenture Stock Interest.....	9,565
Outstanding commission and other accounts.....	539,105
Bills Payable.....	38,610
Loan from the Company's Bankers against Security.....	625,000

(\$5 taken as equivalent of £1 stg.)

\$31,200,425

ASSETS

Mortgages on property within the U. K.....	\$1,343,350
Mortgages on property out of the U. K.....	152,500
Loans on parochial and other public rates.....	609,575
“ “ Life interests.....	308,000
“ “ Reversions.....	29,500
“ “ Co's policies within their surrender values.....	555,110
“ “ Policies in other Offices.....	7,750
“ “ Personal Security.....	20,000
“ “ Company's Policies coupled with 5% War Stock.....	210,900
“ “ Company's Policies coupled with 5% National War Bonds.....	1,500,750
“ “ Security of Rents.....	5,035
INVESTMENTS:—	
Deposits with the High Court, viz:—	
London County Council 3 per cent. stock.....	100,000
British Government securities.....	6,042,000
Municipal and county securities, U. K.....	149,580
Indian and Colonial Government securities.....	2,733,845
“ “ “ provincial securities.....	459,440
“ “ “ municipal securities.....	633,550
Foreign Government Securities.....	2,660,125
“ “ provincial securities.....	412,015
“ “ municipal securities.....	816,185
Railway and other debenture and debenture stocks—Home and Foreign.....	4,007,910
Railway & other preference and guar. stocks.....	1,038,685
Railway ordinary stocks.....	465,170
Stocks & shares (other than railway stocks).....	527,600
Copyhold ground rents.....	52,480
House and Landed property.....	1,382,890
Life interests.....	27,795
Reversions.....	2,585
	26,276,525
Branch and Agent's balances.....	2,772,400
Due by other Offices for reinsurances.....	159,440
Outstanding premiums.....	316,010
“ commissions and other accounts.....	121,060
“ interest, dividends, and rents.....	11,085
Interests, divs. and rents accrued but not payable.....	216,665
Bills receivable.....	3,190
CASH:—	
On deposit.....	511,795
In hand and on current account.....	812,255
	<u>\$31,200,425</u>



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

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

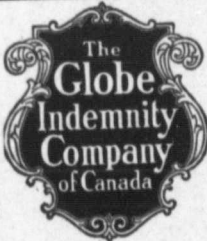


**THE LIVERPOOL - MANITOBA
ASSURANCE COMPANY**

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

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

FIRE INSURANCE



**The Globe Indemnity Company
of Canada**

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

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

== FIRE INSURANCE ==

John Erno Secretary and General Manager
Lewis Laing Fire Manager
J. D. Simpson - Assistant Fire Manager

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

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

THE OLDEST AMERICAN STOCK FIRE INSURANCE COMPANY

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

ROBERT HAMPSON & SON, LIMITED GENERAL AGENTS FOR CANADA MONTREAL

**LONDON & LANCASHIRE LIFE
AND GENERAL ASSURANCE ASSOCIATION
LIMITED**
of LONDON, ENGLAND

ESTABLISHED IN CANADA, 1863

ASSETS EXCEED \$24,500,000

DIRECTORS FOR CANADA:
A. J. DAWKIN, Esq. H. R. MACKENZIE, Esq.
E. F. HERRIN, Esq. E. C. PRATT, Esq.
Manager for Canada: ALEX. BISSETT

BRANCHES THROUGHOUT THE DOMINION

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

GENERAL

ACCIDENT FIRE AND LIFE
ASSURANCE CORPORATION LIMITED
OF PERTH, SCOTLAND.

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

PELEG HOWLAND Esq.
Chairman Advisory Board.

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

**THE LIFE AGENT'S MANUAL
PUBLISHED BY THE CHRONICLE, MONTREAL**

EAGLE STAR AND BRITISH DOMINIONS.

The annual statement of the Eagle Star and British Dominions for 1918 presented to the shareholders by the chairman, Sir Edward Mountain, denoted most satisfactory progress in every department. Among important offices which have been taken-over, two notable additions were made in the year under review, viz. the English and Scottish Law Life, and the British Crown. The figures of both companies, as well as those of the Commonwealth Insurance Company (another acquisition of the Eagle Star and British Dominions) are included in the accounts for the year ending 31st December, 1918, and the effect as might be expected is very pronounced in the total results. The development disclosed in the results of the operations of the company, constitutes a remarkable record and is characteristic of the enterprise and energy of Sir Edward.

The total assets of the Eagle Star and British Dominions have increased from \$66,618,775 to \$83,517,344 indicating the very large growth of \$16,898,569. As will be noted by the balance sheet the Reserve Fund shows a growth of 100 per cent, having advanced from \$1,250,000 to \$2,500,000. The fire and general insurance fund now stands at \$2,633,130, as compared with \$1,259,527, an increase of \$1,373,603. The fire and general revenue account has grown from \$2,465,215 to \$4,546,205 for the year under review. Of course this remarkable stride forward was largely anticipated in these departments in view of the assistance expected from the amalgamated companies. The loss ratio experienced was more than satisfactory, figuring at 37.58 per cent. After providing for expenses, commissions, excess profits duty, and providing 40 per cent for unexpired liability, the satisfactory balance of \$814,647 was shown, which the directors decided to leave as an additional reserve. In the marine department net premiums of \$8,379,540 were received, and a substantial profit was made; after transferring \$500,000 to the cost of the business acquired, and \$1,250,000 to reserve fund, the marine fund stood at (after deduction of dividends) \$5,318,390.

The great financial strength of the Eagle Star and British Dominions, represented by the possession of assets (already referred to) totalling the huge amount of \$83,517,344, coupled with the company's liberal dealings with its policy-holders, will no doubt be a guarantee that the continual development of its business is assured both in Canada and elsewhere.

The head office for Canada of the Eagle Star and British Dominions was removed to Toronto from Montreal last year, when it was placed under the management of Mr. J. H. Riddell, assisted by Mr. E. G. Johnson. The large and influential firm of Dale & Company, Limited, Montreal, are general agents for the company both for the city of Montreal and Ontario in the fire department, in addition to having charge of the marine department for Canada. As Canadian manager of the

Eagle Star and British Dominions, Mr. Riddell is also well known as manager of the British Crown, a subsidiary of the former. His fine record for the latter company was continued last year, as evidenced by net fire premiums of \$319,035, compared with \$237,110 in 1917, a growth of \$81,925. This substantial expansion was accompanied by a loss ratio of 50.90 per cent. Mr. E. G. Johnson is also associated with Mr. Riddell as assistant manager of the British Crown.

A REINSTATED POLICY.

A court decision upon a point in connection with a life insurance policy which, it is believed, is unique was recently rendered in a Texas court. It appears that the insured took out a policy for \$25,000, which contained a clause providing that the policy should be incontestable after one year. After carrying this policy for several years the insured failed to pay a premium promptly, but later took advantage of the reinstatement clause contained in the policy, satisfying the company of his insurability, and was notified that the policy had been reinstated according to its original terms and conditions. Within a year thereafter the insured died, and the company claimed that he had committed suicide. It also developed that the application for reinstatement carried a printed clause to the effect that if the insured died by self-destruction within one year from the date of his reinstatement, whether sane or insane, the beneficiary would be entitled to recover only the reserve on the policy, amounting to about \$4,000, instead of the face of the policy, \$25,000. The company, therefore, considered that it was only liable, upon the insured's death, to the extent of \$4000. The court, however, in construing the policy contract, held that as the insured had furnished evidence of insurability satisfactory to the company and paid all arrears of premiums with interest and reinstated his indebtedness on the policy, or loan on the policy, as required by the policy, the insurance company could not require, in addition to furnishing this evidence of insurability, etc., an additional promise that if he committed suicide within one year thereafter his beneficiary would receive only the reserve on the policy. The court also upheld the contention of the plaintiff that such additional agreement as to suicide, inserted in the application for reinstatement, was without consideration and beyond the contract right given in the policy for reinstatement, and that the company could not ingraft such additional promise and agreement in the policy. Decision was further given in favor of the plaintiff for the face of the policy, 12 per cent. statutory penalties, and attorneys' fees. It is expected that the insurance company will appeal the case to a higher court. It is believed that no previous court decision has covered just the situation involved in this proceeding, and its ultimate disposal in the higher courts will be awaited with much interest.

EAGLE STAR & BRITISH DOMINIONS INSURANCE COMPANY, LIMITED

BALANCE SHEET, 31st DECEMBER, 1918

Liabilities

CAPITAL—Authorized 1,000,000 Shares of £3 each.....		\$15,000,000	
Subscribed—			
40,667 Preference Shares.....	\$ 610,005		
559,558 Preferred Ordinary Shares.....	8,393,370		
284,250 Ordinary Shares.....	4,263,750		
			\$13,267,125
Paid up.....			\$3,739,482
UNCLAIMED DIVIDENDS.....			5,359
RESERVE FUND.....			2,500,000
INVESTMENT RESERVE FUND.....			462,500
FIRE & GENERAL INSURANCE FUND.....			2,633,130
RESERVE FOR FIRE & GENERAL CLAIMS, admitted or intimated.....			497,602
MARINE INSURANCE FUND.....		\$5,682,974	
Loss Dividend on Preference Shares.....	36,600		
“ “ Pref. Ord. Shares.....	92,327		
“ “ Ordinary Shares.....	235,657		
		364,584	
			5,318,390
			15,156,463
			68,360,880
Life Department Funds and outstanding Liabilities, as per separate Balance Sheet.....			

\$83,517,343

Assets

Investments at cost.....		\$8,687,770
Freehold Property at cost.....		637,289
Mortgages on real Estate and Loans.....		1,789,956
Cash at Bankers, in hand, and on deposit.....		1,463,963
Balances due to the Company for Premiums and Agents' Balances, after deducting Reinsurances, Returns and Creditors.....		1,300,668
Cost of Businesses acquired plus Extraordinary Expenses.....	\$1,235,408	
Balance brought forward from 1917.....	1,253,302	
		2,488,710
Less written off—		
Premium on Issue of Shares.....	\$ 824,810	
Transfer from Marine Account.....	500,000	
		1,324,810
		1,163,900
Interest accrued less Tax.....		85,787
Policy Stamps.....		27,130
E. M. MOUNTAIN, Chairman.		
J. DOUGLAS WATSON, Deputy Chairman.		
A. G. MACKENZIE, Director.		15,156,463
J. GARDINER, Secretary.		68,360,880
Life Department Assets, as per separate Balance Sheet.....		

\$83,517,343

\$5 taken as equivalent of £1 stg.

Head Office for Canada
TORONTO

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

LONDON & LANCASHIRE FIRE INSURANCE COMPANY.

The fifty-seventh annual statement of the London & Lancashire Fire Insurance Company reveals a very satisfactory record. The net fire premiums amounted to \$12,186,115 as compared with \$10,567,800 in 1917, a growth of \$1,618,315. With this expansion is recorded the very low loss ratio percentage of 39.4 per cent, to premium income, following a loss ratio of 43.42 per cent in 1917, and 48.09 per cent for 1916, such results are a strong indication of the quality of the business on the books of this prominent and distinguished institution. It would be superfluous to attempt to eulogize its management. After increasing the fire funds from \$6,227,500 to \$6,875,000 and making full provision for commissions, management and general expenses, and taxes, there is a surplus to underwriting of \$2,573,242 as compared with \$2,174,515 in 1917.

In the accident department net premiums amounted to \$4,522,582, a substantial growth of \$360,014 over 1917. The net losses paid and outstanding together with expenses totalled \$3,835,748 (including foreign and Colonial taxes of \$42,728), after providing for increased reserve on unexpired risks amounting to \$140,000, the sum of \$676,357 was transferred to profit and loss account. The London & Lancashire Fire now transacts one of the largest, if not the largest marine business of any company, having now the advantage of the dual efforts of "the Marine" of London, and the "Standard" of Liverpool. Referring to this branch, the chairman said at the annual meeting: "In 1918 the fates were propitious and both the premium income and the profit were accentuated by the plethora of war risks. That war business accounts for part of our prosperity in 1918 but this of course was a passing and special factor. The net marine premiums amounted to \$14,553,602 the losses and expenses totalled \$7,826,600 and after providing for the reserve for unexpired risks and increasing the additional reserve by \$250,000 the sum of \$2,181,845 was transferred to profit and loss account.

The financial strength of the London & Lancashire Fire was never greater than it is to-day at any previous time in its long history of successful trading, and each succeeding year will likely see this mighty undertaking rising to still higher ranges of eminence and success. Its total funds now amount to \$26,263,310 (altogether apart from the large subscribed capital of which \$1,567,737 is paid up). Its total assets have advanced to \$53,577,274.

The Company in Canada.

The London & Lancashire Fire has been operating in Canada for some forty years, where its high reputation is well known. During 1918 the company's Canadian net fire premiums amounted to \$890,344, a growth of nearly \$100,000 over 1917. The very favourable loss ratio of 48.31 per

cent was experienced, following a loss ratio of 44.62 per cent in 1917. The average loss ratio since 1912, inclusive, has been well under 50 per cent.

Accident business is transacted in Canada through the London & Lancashire Guarantee & Accident Company, controlled by the London & Lancashire Fire. Its head office is in Toronto under the experienced management of Mr. A. Maclean, organized in 1908; the company has become an important factor in the Canadian field.

Mr. Alfred Wright, Toronto, manager and chief agent of the London & Lancashire Fire is one of the oldest members of the Canadian fire underwriters association, as he is also one of the most respected. In Montreal, the interests of both the London & Lancashire Fire, and the London Guarantee & Accident have been well conserved for some years under the successful management of Mr. Colin E. Sword.

DID EXPLOSION CAUSE FIRE OR VICE VERSA?

The explosion in the Douglas Starch Works at Cedar Rapids, Iowa, which killed a score of people and started a fire which caused nearly \$3,000,000 damage will revive the old controversy of liability under the insurance policies for explosion losses. There have been several similar explosions in starch works at Waukegan and Cedar Rapids, and the owners have always tried to claim that the explosion was due to a fire instead of the fire being due to explosion. In case it can be shown that the fire did not start until after the explosion the companies are not liable under their policies, except for special policies covering against explosion. The plant was only partially sprinkled, the 36 per cent which was equipped being of mill construction, while the unsprinkled portion was of fire-proof construction. One sprinkler equipment was wrecked by the explosion, thus destroying the protection.

The compensation loss will be very heavy as nearly a score of people were killed and more than 100 injured. It is understood that this risk was written in the Employers Mutual Casualty of Des Moines with a policy limiting the loss in any one accident to \$10,000. Under the Iowa law the liability for death is \$4,000.

PERSONALS.

Mr. J. A. Macdonald, son of Mr. J. R. Macdonald, joint manager of the Mount Royal Assurance Co., has left for London, England, to assume his duties in an important position with the Sterling Fire offices in that city. Mr. Macdonald received his appointment on the recent occasion of the visit to Montreal of Mr. A. Rendtorf, managing director of the Sterling offices.

LONDON AND LANCASHIRE FIRE INSURANCE COMPANY, LIMITED



Results of 1918 Business

	Premiums	Losses and Expenses	Surplus
FIRE - - -	\$12,186,115	\$ 9,289,982	\$ 2,896,133
ACCIDENT - -	4,522,582	3,835,748	686,834
MARINE - - -	14,553,602	7,826,600	6,727,002
	<u>\$31,262,299</u>	<u>\$20,952,330</u>	<u>\$10,309,969</u>
		Interest	1,179,395
			<u>\$11,489,364</u>
Less Provision for Income and Excess Profits Tax		\$2,000,000	
Less Provision for Cost of Businesses Acquired		2,500,000	\$4,500,000
			<u>\$6,989,364</u>
FUNDS - - - - -		\$27,831,045	
UNCALLED CAPITAL - - - - -		14,109,640	
SECURITY TO POLICY-HOLDERS - - - - -		<u>\$41,940,685</u>	

ALFRED WRIGHT, Branch Manager and Chief Agent for Canada
14 RICHMOND STREET EAST, TORONTO

A. E. BLOGG, Branch Secretary

MONTREAL
Colin E. Sword, Manager
164 St. James Street

VANCOUVER
William Thompson, Manager
Winch Building

WINNIPEG
A. W. Blake, Branch Manager
290 Garry Street

MOTHERHOOD ENDOWMENT.

Our esteemed contemporary "Insurance," Cape-town, South Africa, publishes the following novel departure in connection with life insurance :—

There are various plans of insurance making provision on the death of children of all ages, also for endowing them with a sum payable at a certain age for education, dowry or other purpose, but hitherto we have heard of no scheme anywhere providing an endowment for a child (born in wedlock, of course) when only one month old, a further endowment when one year old, which also makes a third payment at the age of 15, and, moreover, provides, at the time, payment for medical expenses incurred at birth. This, however, is a brief outline of the plan evolved by The African Motherhood Endowment Society (Cape) Limited, which has been registered at Cape Town, and has fully complied with Government requirements

by depositing security and obtaining its license. Indeed, we understand that the Society, being thus equipped, has already commenced business in the Cape Province, having, while in search of more permanent head offices, secured temporary accommodation in Curtis Chambers, 132 St. George's Street, Cape Town.

And here it may be remarked that the benefits enumerated will accrue to the policy-holder after the payment of only three annual premiums moderate in amount and subject to certain further dues which do not appear to be heavy.

In our next issue we expect to be in a position to publish full particulars of a proposition which, so far as we are yet able to judge, is feasible, and one that, coming forward at the present moment when any endeavour which encourages full realization of the fact that an increased birthrate is of national importance, ought on the face of it to meet with a good reception.

Sixty-Fifth Annual Statement
Firemen's Underwriters'
Department

— of —

Firemen's Insurance Company
of NEWARK, N.J.

January 1, 1919

ASSETS

Bonds, Stocks and Mortgages.....	\$6,346,203.34
Real Estate.....	1,079,577.65
Cash on hand and in Bank.....	220,722.49
Agents Balances.....	763,753.31
Interest and Rents due and accrued.....	49,907.41
Re-Insurance due on Paid losses and all other claims.....	95,882.09
	\$8,556,046.29

LIABILITIES

Capital Stock.....	\$1,250,000.00
Reserve Re-Insurance Fund.....	4,142,143.67
Reserve for Unpaid Losses and other Liabilities.....	892,691.82
Excess deposits.....	25,066.73
Net Surplus.....	2,246,144.07
	\$8,556,046.29

Surplus to Policy-Holders..... **\$3,496,144.07**

M. J. Walsh & Son, General Agents
for Montreal.

CANADIAN FIRE RECORD.

Fire at Quebec—On the 22nd instant, a fire occurred in the Chateau Frontenac. Loss about \$1,000.

Fire at Guelph—On the 24th instant a fire destroyed the stables of Mr. Harry Devlin, London Road, also some valuable horses, rigs, feed, etc. Loss about \$2,500.

Fire at Montreal—On the 24th inst., a fire broke out in an apartment house at the corner of St. Denis and Lagachetiere streets. Loss about \$7,500.

Fire at Collingwood—On the 25th inst., a fire broke out in the Imperial Steel & Wire Company, destroying the building, plant and Stock Insurance as follows:

On Building and Machinery.

Nat'l of Hartford \$ 5,000	Canada Accident \$ 4,500
Westchester..... 5,000	Brit. Dom. Unions 7,500
Winnipeg Fire..... 7,000	Aetna..... 5,000
St. Paul..... 7,000	National Union.. 5,000
Minnesota Und. . . 5,000	North Empire... 5,000
Montreal Und. . . 10,000	Fidelity Und..... 5,000
North America.. 5,000	Royal..... 5,000
Continental..... 12,000	London Mutual.. 10,000
Guardian..... 23,000	Canadian Fire... 5,000
Norwich Union.. 5,000	Sun..... 10,000
Mount Royal.... 5,000	Liverpool & Lon. & Globe..... 5,000
Pacific Coast... 3,000	State of Peni... 5,000
Brit. & Can., Und. 10,000	Stratheona..... 5,000
London & Lan.	Century..... 10,000
Fire..... 35,000	Ocean..... 15,500
Palatine..... 10,000	
	Total \$250,000

On Stock.

Nat'l of Hartford \$ 5,000	British Crown. ..\$10,000
Imperial Und. . . 7,500	Royal Exchange.. 5,000
Sun..... 10,000	British Dominions 5,000
Hand-in-Hand... 10,000	Atlas..... 5,000
Prov. Washington 10,000	Yorkshire..... 10,000
North America.. 15,000	North Brit. & Mer 7,500
	Total \$100,000

Use and Occupancy.

Rochester Und. . . \$10,000	Mercantile..... \$25,000
North Empire... 5,000	London Assurance 10,000
British Traders.. 10,000	Prov. Wash..... 5,000
	Total \$65,000

On Keg Mill.

Alliance of London \$ 1,300	Fidelity Und.... \$ 2,000
London Mutual . 1,500	London Guarantee 1,000
North Brit. & Mer. 1,500	Sun..... 1,000
	Total \$ 8,300

On Stable and Contents, Westchester..... \$1,000

Canadian Banking Practice

On Sale by The Chronicle, Montreal



EVERY AGENT WANTS

to represent a Company whose name is his introduction. One whose policies are unexcelled. Liberal dividends. Strength and security unsurpassed.

The figures for 1918 emphasize these points in the North American Life.

Business in Force	over ..	\$70,900,000
Assets	" ..	18,100,000
Net Surplus	" ..	2,750,000
Payments to Policyholders	" ..	1,700,000

These are reasons why the Company is known as "Solid as the Continent."
Correspond with E. J. Harvey, Supervisor of Agencies.

NORTH AMERICAN LIFE ASSURANCE COMPANY
HEAD OFFICE - - TORONTO, CAN.

SIZE, STRENGTH, LIBERALITY

The Sun Life Assurance Company of Canada, with over \$340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over \$97,000,000 and surplus of over \$8,000,000 it has decided strength and safety.

Its policy conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

For information as to contracts, communicate with the nearest Division Office, or with the Company's Head Office in Montreal.

SUN LIFE ASSURANCE COMPANY OF CANADA
Head Office: Montreal. T. B. Macaulay, President.

COMMENCED BUSINESS 1901
RECEIVED DOMINION CHARTER 17th JUNE 1906
Capital Stock Authorized and Subscribed \$500,000.00
Capital Stock Paid up \$174,762.70

The OCCIDENTAL FIRE
INSURANCE COMPANY
Under the control of the North British & Mercantile Insurance Company

RANDALL DAVIDSON, President
C. A. RICHARDSON, Vice-President and Secretary.

DIRECTORS
S. E. RICHARDS W. A. T. SWATMAN S. G. DOBSON

Head Office - - WINNIPEG, MAN.
AGENTS REQUIRED AT UNREPRESENTED POINTS

ESTABLISHED 1860
Total Funds Exceed \$109,798,258.00
Canadian Investments Over \$9,000,000.00
Capital Authorized \$29,200,000.00
Amount Subscribed for \$1,000,000.00
Amount Paid-Up in Cash \$1,902,500.00

FIRE AND LIFE
NORTH BRITISH AND MERCANTILE
INSURANCE COMPANY

DIRECTORS
Wm. McMASTER, Esq. G. N. MORSE, Esq. E. L. FRANK, Esq.
Head Office for the Dominion:
80 St. Francois Xavier Street - MONTREAL
Agents in all the principal Towns in Canada.
RANDALL DAVIDSON, Manager.
HENRY N. BOYD, Manager, Life Dept.

The Imperial Guarantee
And Accident Insurance Co. of Canada

Head Office, 46 King St. W., TORONTO, Ont.

A Strong Canadian Company

Accident and Sickness Insurance
Guarantee Bonds
Plate Glass & Automobile Insurance

E. WILLANS, General Manager FRANK W. COX, Secretary

METROPOLITAN LIFE
INSURANCE COMPANY OF NEW YORK

PAID FOR NEW BUSINESS IN CANADA DURING YEAR 1918

Ordinary	\$34,919,551
	Industrial
Total	\$60,485,282

Largest amount ever issued in Canada by any Company.

Amount of Insurance in force in Canada December 31, 1918,

Largest amount in force in Canada in any company.	\$267,950,900
---------------------------------------------------	---------------

Number of METROPOLITAN policies held by Canadians December 31, 1918,

Largest number in force in any company in Canada.	1,385,534
---------------------------------------------------	-----------

Investments in Canada exceed \$50,000,000
Subscriptions to Victory Loans \$19,134,100

The Company had nearly 1,500 employees in Canada at the end of 1918.

Home Office, 1 Madison Ave., New York City

THE LIFE AGENTS' MANUAL
THE CHRONICLE - - MONTREAL

SOME DIFFICULTIES IN THE RATING OF AUTOMOBILES.

In the course of a discussion of "Casualty Insurance for Automobile Owners," G. F. Michelbacher, actuary of the National Workmen's Compensation Service Bureau, New York, pointed out some of the difficulties in rate making. On this topic he said in part:

"Mileage is one of the most important factors in determining the public liability hazards of automobiles of the private pleasure type. Still it is impracticable as a basis for insurance rate making for the reason that up to the present time no effective device has been perfected which will guarantee the measurement of mileage and at the same time prevent anyone with fraudulent intentions from falsifying the record.

"The measurement of the hazards of environment requires some method of establishing rates for geographical territories. At present this is accomplished by a zone system which does not produce entire satisfaction because it inevitably results in a series of sharp lines of demarcation with consequent abrupt changes in rates * * * * It is obvious that these inequities will persist until a simple workable plan of shading the picture is devised which will recognize centres of high and low hazard and at the same time grade rates so that instead of hard and fast zones there will be gradual changes with no shock of breaking points.

"So far commercial automobiles have been classified and rated for public liability and property damage coverage on the basis of use alone; that is to say, any car in the service of a baker takes a certain rate; any car in the service of a brick mason, another rate, etc. Undoubtedly from a

theoretical point of view, use is not a complete criterion of hazard. Weight, speed, motive power and numerous other factors are vitally important but to recognize and measure them without complicating the underwriting procedure beyond all reason, is a problem which still remains unsolved.

"These are random examples of the many problems which face underwriters in connection with the determination of rates. Many of these problems will be solved as reliable statistical information becomes available in greater volume because the solution depends entirely upon statistical analysis. Others probably never will receive a thoroughly satisfactory solution because of the inherent impossibility of obtaining correct measurement of hazards which at the same time is consistent with underwriting principles. In other words, automobile insurance rate making is not unique. It suffers from all the ills of insurance rate making in general. The theoretically perfect method of procedure is often impossible of application because practical underwriting demands a scheme of rates that can easily be applied, and that limits the possibility of fraudulent manipulation to a minimum. Where practice conflicts with theory, practice dictates the answer to the problem."

AUTOMOBILE ACCIDENTS.

Cranking causes the largest number of automobile claims, and collisions next. The latter are responsible for over half of the total of claims paid. Skidding and ditching are responsible for nearly a fourth. Such was the 1918 experience of the Travelers.



She's Daddy's Girl-

The very sunshine of his life. He's planning great things for her--if he lives.

And if he dies--well, he's proud of the fact that she will then receive--regularly--each month--as long as she lives--a cheque from The Imperial Life to provide for her every need.

You can provide in this way for *your* little girl. Our free booklet tells all about it. Write for a copy. Address--

THE IMPERIAL LIFE
Assurance Company of Canada
HEAD OFFICE - TORONTO



Security - - \$36,000,000
ONTARIO AND NORTH WEST BRANCH
 14 Richmond Street, East, TORONTO
PROVINCE OF QUEBEC BRANCH
 184 St. James St., Cor. St. John St., MONTREAL.



PERSONAL ACCIDENT
SICKNESS
FIDELITY GUARANTEE
PLATE GLASS
AUTOMOBILE
GENERAL LIABILITY

Head Office, **TORONTO**
 Montreal, 164 St. James Street. Quebec, 51 St. Peter Street.

Mount Royal Assurance Company

SURPLUS AND RESERVES, \$1,214,457

TOTAL FUNDS, \$1,436,842

TOTAL LOSSES PAID, \$2,692,201

Applications for Agencies Invited

HEAD OFFICE - - - MONTREAL

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

Established in Canada in 1821

1819 **AETNA (FIRE)** 1919

MADE IN U.S.A.

LOSSES PAID IN 100 YEARS OVER **\$174,000,000**

J. B. HUGHES, Special Agent, WATERLOO, ONTARIO
 J. B. STEWART, Special Agent, 26 Toronto Street, TORONTO, ONT.
 B. LONG, Special Agent, 215 Yorkville Blvd., VANCOUVER, B.C.

Union Assurance Society, Ltd.

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

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

Agencies throughout the Dominion

EXCELSIOR

INSURANCE LIFE COMPANY
 A Strong Canadian Company

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

The Law Union & Rock

INSURANCE CO. LIMITED, LONDON. Founded in 1806

Assets Exceed - - \$50,000,000.00

Over \$10,000,000 invested in Canada
FIRE and ACCIDENT RISKS accepted.
 Canadian Head Office: 277 Beaver Hall Hill,
 MONTREAL

Agents wanted in unrepresented towns in Canada.
 W. D. AIKEN, Superintendent, { J. E. E. DICKSON
 Accident Dept. { Canadian Manager.

LIFE AGENTS WANTED FOR CITY OF MONTREAL

If you are a productive worker, ambitious, and available for a good steady position in Montreal, with a progressive Company, who meets you more than half way, write (or call upon) stating experience, etc.,

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

THE CONTINENTAL LIFE INSURANCE CO.

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

Great American Insurance Company New York

INCORPORATED - 1872

PAID FOR LOSSES

\$105,437,708.58

STATEMENT JANUARY 1, 1919
CAPITAL

AUTHORIZED, SUBSCRIBED AND PAID-UP

\$5,000,000.00

RESERVE FOR ALL OTHER LIABILITIES

15,231,512.92

NET SURPLUS

10,619,509.09

ASSETS

30,851,022.01*

*Includes \$134,574.96 Excess Deposit in Canada

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

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

Home Office, One Liberty Street
New York City

Agencies Throughout the United States and Canada

ESINHART & EVANS, Agents
39 Sacramento Street
Montreal, Quebec

MURPHY, LOVE, HAMILTON
& BASCOM, Agents
Dominion Bank Building
Toronto, Ontario

WILLIAM ROBINS, Superintendent of Agencies
Dominion Bank Building, Toronto, Ontario

GLOBE INDEMNITY COMPANY NEW APPOINTMENT.

Mr. John Pinkerton, for the past eleven years Accident Superintendent of the Liverpool & London & Globe Ins. Company at Sydney, Australia, has been appointed assistant manager for Canada of the Globe Indemnity Company of Canada. Mr. Pinkerton, who has assumed his new duties, has most valuable experience in the business of casualty insurance, having been connected with the business for the past twenty years, both at head offices and elsewhere, the knowledge he has gained will be of much benefit in the Canadian field.

WANTED

Young man with insurance training by leading American insurance company, preferably speaking French and having knowledge of automobile insurance. Must be qualified. Apply, stating experience, qualifications and salary expected to

R. G. C.,
c/o The Chronicle.
Montreal.

WANTED

A leading Fire Insurance Company requires a bright young French-Canadian as Inspector for Montreal and the Province of Quebec. Apply, stating age, experience and salary required, to

F. E.,
c/o The Chronicle,
Montreal.

WANTED

An experienced man to take charge of Accident and Sickness Department of large Casualty Company at Toronto.—Apply stating age and qualifications to:

J. A.,
c/o The Chronicle.
Montreal.

CANADIAN

BANKING PRACTICE

ON SALE BY

THE CHRONICLE, - MONTREAL



W. E. BALDWIN, Manager.

FIDELITY (FIRE) UNDERWRITERS

OF NEW YORK

HENRY EVANS, President

Policies assumed half by the Fidelity-Phenix Fire Insurance Company and half by the Continental Insurance Company

COMBINED ASSETS EXCEED FIFTY EIGHT MILLION DOLLARS
FIRE. HAIL. TORNADO. MARINE

AGENTS WANTED

HEAD OFFICE for CANADA and NEWFOUNDLAND: 17 ST. JOHN ST. MONTREAL

Commercial Union

ASSURANCE COMPANY LIMITED
of LONDON, England

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

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

Palatine

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December, 1917)

Capital Fully Paid.....	\$1,000,000
Fire Premiums 1917, Net.....	\$2,896,395
Interest, Net.....	142,180
Total Income.....	\$3,038,525
Funds.....	\$5,476,985
Deposit with Dominion Gov't....	\$318,267

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

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH
COMMERCIAL UNION BUILDING, 232-236 St. James Street, MONTREAL
W. S. JOPLING, Assistant Manager

Head Office
for Canada;
TORONTO



Assets
Exceed
\$80,000,000

Eagle Star

AND
**British Dominions
Insurance Company Limited**

Of London, England
J. H. RIDDEL, Manager E. C. G. JOHNSON, Asst. Manager

DALE & COMPANY, LIMITED
GENERAL AGENTS
MONTREAL AND TORONTO

Head Office
for Canada
TORONTO



Security
over
\$65,000,000

The
BRITISH CROWN

ASSURANCE CORPORATION LIMITED
Of Glasgow, Scotland

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

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

JOSEPH ROWAT, General Agent
LEWIS BUILDING - - - - MONTREAL

JOHNSON—JENNINGS, Inc.

AGENTS ——— INSURANCE ——— BROKERS

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

11 ST. SACRAMENT STREET
MONTREAL, P.Q.

THE
FIRE INSURANCE COMPANY OF CANADA

MONTREAL

Authorized Capital, \$1,000,000

Subscribed Capital, \$250,000

Paid Up Capital, \$100,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

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