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Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

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MONTREAL, JULY 18, 1919

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THE GENERAL FINANCIAL SITUATION.

Probably the most important event of the economic week, although at first sight it may not appear so, is the lifting of the blockade on trade with Germany. With conditions as they are at the present time, the resumption of trading relations with former enemy countries will be necessarily a gradual process. It is clear that in the initial stages at least, credits will have to be given, but it is by no means certain what security can be offered for those credits. On the other hand, there are said to be indications that Germany's industrial structure, her old-time industrial "efficiency," has in a large measure survived war and revolution and is ready to get under way. Since goods can only be paid for ultimately by other goods and services, should this be the case, it would indicate that Germany's demands for goods from abroad are likely to be very large, particularly, perhaps, in such staples as foodstuffs and clothing materials, of which she is notoriously short. Her buying on a large scale will, of course, have the effect of keeping up prices, and, in fact, it seems useless to anticipate any pronounced reaction in this connection, so far as staple commodities are concerned, for many months until production has been increased the world over to something like the pre-war standard, and the supply of shipping marks a decline in freight rates. Legislative action may correct abuses here and there, but it is as clear as noon-day that nothing less than production and saving will result in any marked decline in existing price levels.

As the summer progresses, the outlook for the year's Western wheat crop becomes a subject of increasing interest. The latest reports available at the time of writing are, on the whole, reassuring. Those of us who are not Westerners are sometimes apt to forget that the area under grain in the Prairie Provinces is now so large as to be subject to the most diverse climatic conditions, and where one district reports failure, another is rejoicing with bumper crops. It seems that this year, a record crop is expected in Manitoba, owing to an increased acreage on much freshly broken land, and also as a result of copious rains received during June. In Northern Saskatchewan and Northern Alberta, the crops are, generally speaking, rather promising, but in South-Western Saskatchewan and Southern Alberta, drying winds, torrid temperatures and a scarcity of moisture,

produced a crop that was all but utter failure until recent rains. The difficulty in estimating the size of the crop at this date is stated to be greater than usual. However, the larger area sown, chiefly in Manitoba and Alberta, has led to an expectation of a bigger harvest than that produced in 1918.

Considerable importance has been attached by the business community to the announcement of a new contract between the Dominion Government and the Dominion Steel Corporation for the supply of ship plates. A contract entered into last year called for the delivery within a five-year period of 250,000 tons of these plates, at the price of \$4.15 per 100 pounds. This price has been modified in the new contract to \$3.65 per 100 pounds, which is said to be satisfactory to both parties. This contract is viewed as of particular importance as tending to stabilise the steel industry of Canada at a time when the outlook is uncertain, while its effect upon the development of the ship-building industry needs no emphasis. With regard to the general outlook for steel, it is noted in the United States that the export trade shows a considerable improvement, owing to an easing off of freight rates. That the position in this respect will continue to better is generally believed, and such improvement should gradually extend to the Canadian steel plants, which are now in excellent shape to care for additional business.

The action of President Wilson in vetoing the repeal of the Daylight Saving Act in the States is of considerable interest here, in view of the fact that any action taken by the States in this connection must necessarily be followed by Canada in view of the close relations between the two countries. Daylight saving in Canada has been appreciated by the business community here, not merely as an additional opportunity for golf or gardening, as the case may be, but because it makes a real contribution to economy in business and industry. It is certain that any re-action towards the old state of things would now be widely regarded in business and industrial circles as a retrograde step involving needless waste. It is to be hoped that next spring we shall not have in Canada a repetition of the farcical proceedings which marked the legislative attitude at Ottawa towards daylight saving last Spring, but it is certain that whatever

(Continued on page 733)

BANK OF MONTREAL

ESTABLISHED OVER 100 YEARS (1817-1919)

Capital Paid up, \$20,000,000

Rest, \$20,000,000

Undivided Profits, \$1,661,614

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Established 1867 Head Office: TORONTO

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

Rest - - - 15,000,000

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The tremendous credit business which is done these days could not be accomplished without the assistance of the banks. If you require a line of credit and have good grounds to base it on, The Molsons Bank will be glad to advise and assist you as far as it can. Have a talk with the Manager.

E. C. PRATT, General Manager.

The Chronicle

Banking, Insurance and Finance

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MONTREAL, FRIDAY, JULY 18th, 1919

THE GENERAL FINANCIAL SITUATION.

(Continued from Page 729)

happens in this respect the business centres will see to it that they do not lose the advantage now gained.

While there are numerous problems of great importance at present before the Government for solution, it may be said that none is of greater moment than the appointment of the new Finance Minister in succession to Sir Thomas White, whose resignation is a matter for unfeigned regret. Enormous as have been the financial tasks with which the retiring Minister has had to grapple, they do not transcend in magnitude the problems with which his successor will be faced during the next two or three critical years. The revision of the tariff, the various problems of taxation, the domestic and other financing which will have to be arranged for by loan issues, and half a dozen other first-class problems, will call for administrative and executive ability of no mean order. Not the least of the new Minister's tasks will be to discriminate between a policy of parsimony and one of true economy, to restrict relentlessly useless expenditures, to encourage wisely useful ones. The best that the business community can hope is that the new appointee to the office will be one who will be able to secure the confidence and esteem in the same high degree that Sir Thomas White enjoys. The retiring Minister, no doubt, feels amply repaid by that confidence and esteem, and by the sense of national duty admirably done, for the personal financial sacrifices which he has undoubtedly made during his eight years' term of office.

CANADIAN FINANCIERS AND BANKERS ASKED TO ACT.

That Canadian banks and financial interests should now undertake to finance those European countries which have heavy reconstruction problems, and the Canadian public should give whole-hearted support to this new enterprise, is the message given by Lloyd Harris, chairman of the Canadian Mission in London, on his departure for England at the close of his six weeks' visit.

"I have had a strenuous time," he said in an interview, "in which I have been more and more convinced that our public requires educating in the

tremendous power of trade with Europe. I am not in favor of granting further Government credits, as I think our banking and financial interests with Government co operation could do the work more more efficiently. These have the machinery and need only employ it.

"I believe a central organization could be formed which would make the necessary advances. They would take in return the securities from foreign Governments and in this way the public could participate. Such a method of procedure would have the direct effect of stimulating exports through the natural interest which would be aroused, and, secondly, through interesting our producers to markets which our banks had extended credits.

"Such a union of banking and financial interests is being formed on a huge scale in the United States. I consider," said Mr. Harris, "that a capital of \$300,000,000, if raised in this manner in Canada, would enable us to do trade up to perhaps five times this amount, if it was used as a kind of circulating credit. Some of the European countries are bare of the necessaries of life and must have credit. It is for the bankers, producers and manufacturers to get together.

"There are other things which Canada must do, especially the keeping up of the wartime standard, if possible, in exports of raw material and food-stuffs, but I want to impress on the Canadian people the importance of non-Government credit. It is, I believe, the most urgent thing to be taken in hand if we are to retain and extend our facilities for international trade, on which the future prosperity must largely depend."

Canadian manufacturers intend to make a strong bid for the much talked of Balkan trade, which those who are acquainted with that part of the world say is bound to come with the after-the-war expansion. The endeavours of Lloyd-Harris, of the Canadian Trade Mission, to interest Canadian business men has apparently borne fruit, for it is announced at the headquarters of the Canadian Manufacturers' Association that products of industrial Canada will be placed on exhibit at the fair at Athens, which commences on October 13. Owing to the great distance the exhibits will not be large, but will be so selected as to give the best impression and secure the introduction of Canadian goods into that market.

BANK OF NOVA SCOTIA NEW DIRECTORS.

At a special general meeting of the Bank of Nova Scotia held in Halifax on July 8th, the directors of the former bank of Ottawa were added to the Nova Scotia board. These are: Hon. George Bryson, Fort Coulonge, Que.; John B. Fraser, Ottawa, Ont.; Fussell Blackburn, Ottawa; Sir George Burn, Ottawa; Sir Henry K. Egan, Ottawa; Alexander Maclaren, Buckingham; Hon. Sir George H. Perley, London.

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

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30 St. James Street, Montreal

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The Bonds we are now issuing bear a specially attractive rate of interest for which coupons payable half-yearly are attached. They are made payable on any date desired by the investor and will be paid at par at maturity. They are not affected by the fluctuations of the money market.

We will gladly send specimen Bond, copy of Annual Report and any further information desired on request.

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TORONTO STREET - - - - - TORONTO

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Why the "Mutual Life of Canada" is so Popular

The Mutual placed upon its books in the first five months of 1919, 100% more business than in the corresponding months of 1918. The wonderful War record of the Mutual Life and the prompt payment of the many unexpected claims during the recent epidemic—these have proved the value of the institution. The Mutual, moreover, is in a peculiar sense a people's Company being in its control democratic, in its economy strictly co-operative. This means that the system is in line with the spirit of the age and so the people naturally turn to the Mutual. The record of the Company for nearly half a century has been one of increasing beneficence, and an ever-growing number of gratified policyholders help on the good work of the agents. As a result there probably is not more prosperous group of workers in Canada today than the representatives of our Company.

"BE A MUTUALIST"

The Mutual Life Assurance Co. of Canada
WATERLOO, ONTARIO

The LIFE AGENTS' MANUAL

THE CHRONICLE - - MONTREAL

A BRITISH COMPANY

Union Insurance Society of Canton, Limited

ESTABLISHED 1825

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

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

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Head Office for Canada, 36 Toronto Street, TORONTO

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CANADA'S MERCANTILE MARINE.

Few people realize the significance of the Canadian Government Merchant Marine in connection with the favorable aspects of the country's immediate future. The country's venture, as a state, into the carrying trade by water is a little different from the expansion of transport by rail. However, the two services are complementary, and worked out with an eye glued to the best interests of the people at large, will undoubtedly prove, together, in the development of the country, a factor, the importance of which can scarcely be exaggerated. In the meantime Canadian workmen in shipyards, Halifax to Vancouver, are finding constant and lucrative employment on the construction of the 45 vessels making up the fleet, and tradesmen and manufacturers affected are being kept busy over a trying period of readjustment.

The ships of the Canadian Government Mercantile Marine, are being built in three types—one, two and three deckers—and in 7 sizes. There are two vessels of 2800 tons each; 4 of 3400; 5 of 3750; 8 of 4300; 8 of 5100; 16 of 8100, and 2 of 10,500.

These are being built in Halifax, New Glasgow, Levis, Three Rivers, Montreal, Kingston, Welland, Collingwood, Port Arthur, Prince Rupert, Vancouver and Victoria. The cost of the ships has been calculated to be more than 52 million dollars. Six vessels have already been delivered, 30 more are scheduled for delivery during the year, and those remaining are to be completed before the close of 1920. The total dead weight tonnage is about 265,000 tons, so that the addition to Canada's status as a mercantile nation, will be considerable.

Mr. R. B. Teakle, a Canadian, and a man of wide experience in steamship business, has been selected as manager of the fleet, and his headquarters will be established at Montreal, as that city is the point where lake and ocean traffic in Canada meet. He is building up a staff quite competent to maintain the managing services and he will report direct to the President's office of Canadian National Railways in Toronto.

Already the ships of Canada's mercantile marine have commenced their work. A service has been established between Canada and various ports in the West Indies, and there is now a direct service between Canada and South America. Several vessels have already loaded at Montreal and Halifax carrying general merchandise to ports in the West Indies, returning with sugar from those of the Empire's domains in the tropics.

One of the largest vessels has already established a direct service between Canada and the Argentine Republic. It was loaded in Canada with general merchandise, including cement, agricultural implements and steel goods, and cleared for Buenos Ayres.

These services to open up desirable trade routes for the benefit of Canadian trade generally will assuredly be maintained as long as there is a possibility of tonnage at all. But probably the

most significant services the ships of Canada's own mercantile marine will be performing during the next few years, at any rate, will be the carrying of foodstuffs to the United Kingdom and other countries in Europe. In this connection it may be said that full cargoes have already been booked for Liverpool and the chances are that these ships of the Canadian Government Merchant Marine, operating in connection with the trains of Canadian National Railways, should prove to be of most material assistance to the producers all over Canada. This is especially true of the Grain Growers on the western plains, in that there is the prospect of an abundance of cargo space for the exporting of his products to the countries which will be the biggest buyers during the next few years.

The venture by the Canadian people into the business of carriage by water is only in its infancy. The present fleet should be the nucleus of a larger fleet of state-owned vessels carrying Canadian goods from every Canadian port to every point reached by water capable of purchasing Canadian products and furnishing to Canada in return those articles and materials utilized by Canada in the daily business and life of the people.

PROSPERITY IN MONCTON, N.B.

The Maritime Merchant says :—The real boom city of New Brunswick to-day is Moncton. Every visitor to that centre comes away enthusiastic in praise of its progress and the energy of its people. Perhaps the word "boom" is not the right one to apply, for this growth of Moncton is along solid lines. The population is steadily increasing. More houses are being built because they must be built. To them are added some imposing business structures, and the first sod has just been turned for one of the finest public school buildings in the provinces. Money is being expended liberally for street improvement, and whatever promises to benefit the city is taken up in a practical business way by the citizens.

TRAFFIC RETURNS

Canadian Pacific Railway				
Year to date	1917	1918	1919	Increase
May 31.....	\$56,569,000	\$58,185,000	\$61,827,000	\$3,642,000
Week ending	1917	1918	1919	Increase
June 7.....	2,927,000	2,846,000	2,957,000	111,000
" 14.....	3,165,000	2,914,000	3,062,000	148,000
" 21.....	2,939,000	2,849,000	3,024,000	175,000
" 30.....	3,975,000	3,419,000	3,977,000	558,000
July 7.....	3,101,000	2,787,000	3,120,000	333,000
Grand Trunk Railway				
Year to date	1917	1918	1919	Increase
May 31.....	\$24,274,445	\$17,909,748	\$23,633,477	\$5,723,699
Week ending	1917	1918	1919	Increase
June 7.....	1,333,194	1,012,481	1,119,297	106,816
" 14.....	1,348,185	1,113,729	1,169,373	55,644
" 21.....	1,441,424	1,164,354	1,170,444	6,090
" 30.....	2,104,316	1,771,842	1,488,681	Dec. 283,161
July 7.....	1,297,003	1,093,462	1,048,962	Dec. 44,500
Canadian National Railways				
Year to date	1917	1918	1919	Increase
May 31.....	\$28,596,366	\$33,999,727	\$5,403,361	
Week ending	1917	1918	1919	Increase
June 7.....	1,417,767	1,328,547	Dec. 89,220	
" 14.....	1,562,519	1,595,470	32,951	
" 21.....	1,574,307	1,354,798	Dec. 219,509	
" 30.....	2,294,272	1,731,043	" 563,223	
July 7.....	1,424,684	1,653,564	228,880	



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INSURANCE COMPANY LIMITED
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CASUALTY Insurance including Accident, Sickness, Guarantee, Burglary
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WE MAINTAIN A DEPARTMENT TO ASSIST AGENTS IN SECURING LOCAL RISKS CONTROLLED OUTSIDE. IF THERE ARE ANY
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AND GENERAL ASSURANCE ASSOCIATION
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of LONDON, ENGLAND**

ESTABLISHED IN CANADA, 1853

ASSETS EXCEED \$24,500,000

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ACCIDENT AND LIFE
 ASSURANCE CORPORATION LIMITED
 OF PERTH, SCOTLAND.

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

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

THE GUARDIAN ASSURANCE COMPANY LIMITED.

Established in 1821, and now approaching its Centennial, the Guardian Assurance Company has had a long and illustrious past, and has given striking evidence of the alertness and skill with which its affairs are directed. Extending, as the ramifications of its business do, to almost every part of the world, with the exception of the United States, the management of the company can be cordially congratulated upon the outcome of their efforts during 1918. The annual statement under review makes in every respect favourable comparison with that for the year preceding, which in its turn exceeded the ordinary standard of excellence usually enjoyed by the Guardian.

Fire Department.

The fire premiums after deducting re-insurances totalled nearly \$4,000,000, indicating a substantial increase over 1917 accompanied by the most favourable loss ratio in recent years. The amount absorbed by losses figuring at \$1,701,390 (a ratio of 42.94 per cent of the premiums) as compared with 43.41 per cent in 1917, 48.87 per cent in 1916, and 55.3 per cent in 1915. Including commission and contributions to fire brigades the working expenses came to \$1,357,110 or 34.25 per cent of the premiums, compared with 35.42 per cent in 1917 and 36.78 per cent in 1916. After making up the reserve for unexpired risks the fire account shows a trading profit of \$828,868, to which interest adds \$176,295, making the total surplus in the fire account \$1,005,155.

After making liberal provision for writing down securities, bad debts and increasing the general reserve fund to \$2,745,505, a balance of \$825,060 is transferred to profit and loss, and the total fire funds stand at \$4,727,240, in addition to the large paid-up capital of \$5,000,000 and profit and loss account of \$1,279,760, making a total security for policy holders of no less than \$11,107,000. The total assets have been increased from \$43,873,135 to \$46,679,985.

Accident Department.

The accident, burglary and general assurance departments made very commendable progress last year, the premium receipts amounting to \$1,590,145, an increase of nearly \$200,000, as compared with 1917. Losses were a trifle higher at \$638,299, or 40.14 of the premiums, compared with 37.31 per cent in 1917, and after charging expenses bad debts and making up the additional premium reserve, a net trading profit of \$187,590 was shown, to which interest adds \$57,150, making the total surplus on the year's operations of \$244,590. The total fund in this department has been increased to \$1,311,790.

Marine business is quite a new feature in the reports of the Guardian Assurance, the first account appearing in 1917 upon the acquisition of the Reliance Marine Insurance Company, and the

results of this department have given cause for complete satisfaction.

The Guardian in Canada.

Operating in Canada for half a Century the Guardian's high prestige and popularity throughout the Dominion is backed up by its strong financial position. The Canadian department, under the management of Mr. Hugh M. Lambert, has become the company's most important branch, as indicated by the remarkable expansion in the large volume of business written. In point of fire premium income the company's position has been advanced to the front rank in Canada. Net cash received for fire premiums in Canada in 1918 amounted to \$1,339,834, a growth of over \$168,000, as compared with 1917. Net losses incurred figuring the favourable ratio of 51.41 per cent to premiums.

The Guardian Insurance Company of Canada owned and controlled by the Guardian Assurance Co., has been transacting an important casualty business throughout the Dominion for some years and has recently been licensed to transact fire insurance in addition to casualty insurance.

INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA.

Mr. Harry W. Stephenson, vice-president of the Insurance Company of the State of Pennsylvania, who spent some days in Montreal last week, informs us that he has appointed the Montreal Agencies Limited, general agents for the Province of Quebec. The Pennsylvania has been operating in Canada under a Dominion charter since 1912, but has previously confined its operations to Ontario and the West. The company is this year celebrating its 125th anniversary and is well known as the second oldest stock fire insurance company in the United States. The company has a paid-up capital of \$1,000,000 on Dec. 31st, 1917, the company's total assets were \$4,442,613. Its surplus on that date including paid-up capital totalled \$1,236,208. The company's underwriting operations in 1916 and 1917 were unprofitable. Its loss paying record in general is excellent and its investments are gilt edge. Mr. Stephenson is thoroughly acquainted with the Canadian field, being a Canadian by birth, born in Toronto and a resident of Montreal for many years, he has many friends throughout the Dominion. The appointment just made in Montreal will no doubt be in the interests of all concerned. The Montreal Agencies is financially strong, with most influential connections.

A returned soldier had scarcely greeted his wife on his return from France, when she asked eagerly: "And dearie, did you bring me a lot of souvenirs?" "Only this little bullet the doctor took out of my side," he answered gravely. "Aw, gee," sighed wifey, "I wish it had been a German helmet."

Commercial Union

ASSURANCE COMPANY LIMITED
of LONDON, England

The largest general Insurance Company in the world
(As at 31st December, 1915)

Capital Fully Subscribed.....	\$14,750,000
Capital Paid Up.....	4,425,000
Life Fund, and Special Trust Funds.....	75,578,630
Total Annual Income exceeds.....	64,000,000
Total Funds exceed.....	172,000,000
Total Fire Losses Paid.....	215,897,380
Deposit with Dominion Government.....	1,401,333

Palatine

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December, 1915)

Capital Fully Paid.....	\$1,000,000
Fire Premiums 1915,	\$3,305,020
Interest, Net.....	157,495
Total Income.....	\$3,462,515
Funds.....	\$6,062,500
Deposit with Dominion Gov't....	\$358,266

N.B.—In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$172,000,000.

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 \$80,000,000

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

AETNA 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



LONDON & LANCASHIRE FIRE
INSURANCE COMPANY LIMITED

Security - - \$42,000,000

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

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



LONDON & LANCASHIRE GUARANTEE & ACCIDENT CO.

PERSONAL ACCIDENT SICKNESS FIDELITY GUARANTEE

PLATE GLASS AUTOMOBILE GENERAL LIABILITY

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

Mount Royal Assurance Company

SURPLUS AND RESERVES, \$1,214,457 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

AETNA (FIRE)

HARTFORD, CONN., U.S.A.

LOSSES PAID IN 90 YEARS OVER \$174,000,000

J. D. HUGHES, Special Agent, WATERLOO, ONTARIO
 E. B. STEWART, Special Agent, 36 Toronto Street, TORONTO, ONT.
 W. LONG, Special Agent, 515 Yorkshire Bldg., 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

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

FIRE LOSSES IN CANADA 1919.

The fire losses in Canada for the first six months of 1919 will probably amount to about \$8,500,000 (estimated) or about \$2,000,000 less than for the same period in 1918. From a fire insurance point of view the figures are far from satisfactory, as while the value of property burned is less, the premium income is considerably smaller than last year. In addition to paying heavy losses, fire insurance companies are, owing to continuation of war conditions forced to operate under a higher expense ratio than heretofore, and this tendency appears to be increasing.

The June losses amounting to about \$2,000,000 (estimated), is slightly more than the losses recorded for June, 1918. Most of the principal fires for June, 1919, were as follows :

June 4th A. & R. Loggie, near Chatham N. B.	\$ 60,000
7th Campbellton, N.B. Lumber.	200,000
8th Globe Steam Laundry, Halifax, N.S.	17,500
8th Garage, Chinook, Alta.	20,000
9th Residence at Welland, Ont.	20,000
9th Cold Storage at St. Catharines, Ont.	20,000
4th Sayre & Halley, Chipman, N.B.	25,000
9th Saskatoon Quaker Oats Co.	140,000
9th Blairmore, Alta., 5 buildings.	25,000
9th Chaleurs Bay Mills, Restigouche, P.Q.	425,000
9th Sinclair Lumber Co., Newcastle, N.B.	60,000
13th Nelson B.C.	15,000
16th Plant of Briggs & Turivas, Trenton, Ont.	45,000
18th C. P. R. bldgs., Hochelaga P.Q.	17,000
18th Garage etc., Unity, Sask.	25,000
21st McIven Bros., Stokes' Bay	12,000
22nd Terroux & Racine, Quebec	237,500
22nd Jos. Cote, Quebec	9,000
19th High Grade Oil Co., Toronto	30,000
23rd Gillies Bros., Braeside, Ont.	212,000
25th Ville Montel, P. Q.	20,000
	<hr/>
	\$1,735,000
Add 10 p.c. for unreported losses and losses under \$10,000	\$ 173,500
	<hr/>
	\$1,908,500

EFFECT OF HIGH PRICES.

The belief that prices would fall after the war was moderately justified by facts, and then there came a reaction which is now in full swing. That it will keep on and that there will be no backward movement of prices is now the belief of many economists and financiers. The business community generally throughout the country has been busily readjusting itself to the new level of prices for many months past. It will not be willing to

return to the old basis because that would involve a return readjustment. Maintenance of present high prices, however, is only laying up trouble for the future, because it will be impossible, with things as they are, to get back to specie redemption, liquid bank condition and sound financial management. All these changes must, nevertheless, eventually be realized, and when they are, the level of prices will be forced downward. If business has then definitely adjusted itself to the new conditions, serious trouble will naturally be encountered in working back to the old level of prices, and the usual problems familiar on former occasions will be in evidence. If at that time there should be a large stock of unsold staple goods on hand the difficulty might be considerable.

The relation of these conditions to the stock market is a direct one. High prices for stocks and large loans to keep them up have usually been an element in periods of rapid expansion and overprosperity on many former occasions and the effect of an expanded stock situation has been twofold; it has called for fluid capital to maintain it, thus drawing such capital away from industrial pursuits, while industrial enterprises have had to work at fever heat to keep up their sales to a point that would at all warrant the selling values attained by their shares or securities. Whatever change in the situation may eventually grow out of these conditions is, however, no doubt distant. No modification of the present situation is now foreseen.

FIRE INSURANCE UP ON HIGH.

While the expression is commonly used under certain circumstances that Mr. So-and-So has his office in his hat, in future a more startling expression can be applied with more semblance of truth, that a certain insurance man's office can be occasionally located in the clouds, where various stunts can be performed over the heads of other insurance men, unless a drop too much is taken, which is unlikely, in the Province of Ontario, where Mr. John S. Dowling, of Brantford, operating an important fire insurance business, is now the owner of an aeroplane which he states, under the guidance of a qualified pilot, will be used for commercial purposes in addition to pleasure. In connection with the latter Mr. Dowling has very kindly extended an invitation to the Editor of The Chronicle to take a "fly" so that he could view the country from on high, where probably Ontario would not look so dry as it does down below. In any case, Mr. Dowling assures Mr. Editor that he would let him down easy. While not doubting the latter, we understand that the Editor, who has a small wife and a large family, has postponed the trip until such time as insurance is carried to include passengers.

It is hoped that fire insurance will not have as many ups and downs as Mr. John S. Dowling is likely to enjoy through his future peregrinations over all.

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1853

Fire, Marine, Hail and Automobile

HEAD OFFICE: TORONTO

Old	Reliable	Progressive
Assets over		\$4,000,000.00
Losses paid since organization over		\$45,000,000.00

DIRECTORS:

W. B. MEKLE, President

SIR JOHN AIRD	D. B. HANNA
ROBT. BICKERDIKE, Montreal	A. 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. FREDERIC NICHOLLS
H. C. COX	BRIE.-GEN. SIR HENRY PELLATT, C.V.O.
JOHN H. FULTON, New York	E. R. WOOD
E. HAY	
JOHN HOSKIN, K.C., LL.D.	

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

THOMAS F. DOBBIN, Resident Manager MONTREAL

THE LONDON MUTUAL FIRE

INSURANCE COMPANY
ESTABLISHED 1859

Assets	-----	\$639,691.53
Surplus to Policyholders	-----	164,317.87



DIRECTORS:

A. H. C. CARBON, Toronto	-----	President
F. D. WILLIAMS	-----	Vice-President
A. C. McMASTEE, K.C.		W. T. KERRAHAN
S. G. M. NESBITT		H. N. COWAN
		W. H. HUNTER

HEAD OFFICE - 33 SCOTT ST., TORONTO

QUEBEC BRANCH OFFICE

W. J. CLEARY,
BRANCH MANAGER.

17 St. John Street, - MONTREAL

NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST

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

AGENTS WANTED FOR THE ACCIDENT BRANCH.

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

FOUNDED A. D. 1819

THE PHENIX FIRE INSURANCE COMPANY OF PARIS, FRANCE

SURPLUS TO POLICYHOLDERS, \$5,878,800

THOMAS F. DOBBIN, Manager for Canada.
EDMUND FOSTER, Assistant Manager.

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

The Travellers Life Assurance Company

of Canada

HEAD OFFICE: MONTREAL

Hon. GEO. F. GRAHAM, President

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

ESTABLISHED 1864.

New York Underwriters Agency

A. & J. H. STODDART
REGISTERED

100 William Street - New York

Provincial Agents

MURPHY, LOVE, HAMILTON & BARCOM, Toronto, Ont.	JOHN WM. MOLSON & ROBERT Y. HUNTER, Montreal, Que.
OSLER, HAMMOND & NANTON, Winnipeg, Man.	WHITE & CALKIN, St. John, N.B.
ALFRED J. BELL & Co., Halifax, N.S.	AYRE & SONS, LTD., St. John's, Nfld.

T. D. RICHARDSON, Supt. for Canada TORONTO

Founded A. D. 1710

SUN INSURANCE OFFICE

Head Office: Threadneedle St., London, Eng.

THE OLDEST INSURANCE OFFICE IN THE WORLD

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

LYMAN ROOT
Manager

AUTOMOBILE INSURANCE.

We notice that managers of all companies writing automobile insurance in the West are invited to meet in Chicago next week, at a conference. It is stated that some of the companies are not living up to rates and rules. In connection with this grave charge it seems to The Chronicle that the welfare of this business will be dependent largely on the ability of the Underwriters directing it, co-operating with each other. The whole standard of the business will take its lead from those in control, and those underwriters who take an unfair advantage, and violate their tariff pledges, are not only demoralizing the business, but are making it more difficult for men of integrity and ability to produce satisfactory results. Wide-awake agents will quite naturally prefer to represent a Company whose management can be relied upon to fulfil its obligations in connection with all its transactions as they apply to the business.

Chartered Institute of Secretaries of Joint Stock Companies and Other Public Bodies to Establish a Canadian Branch.

Mr. Wm. Watkins, F.C.I.S., of London, England, Past President of the Chartered Institute of Secretaries, who was a visitor to Montreal last week has left for a business trip to the Coast.

While in Montreal Mr. Watkins interviewed the Montreal Committee organizing the Canadian Branch in order that final arrangements might be made for the formation of the branch on his return to Montreal in September.

The examinations for professional membership of the Institute are held at McGill University under the supervision of Dr. Nicholson, the Registrar at McGill. The next examination will take place in December, 1919.

MONOPOLISTIC STATE FUND MAKES SERFS OF WORKMEN.

At the recent annual meeting of the Chamber of the United States at St. Louis, President John T. Stone, of the Maryland Casualty, delivered an address on workmen's compensation and State insurance which is well worthy of extended publicity. Mr. Stone said in part:

A monopolistic state fund makes serfs of workmen. They are compelled to accept what the state fund interprets their claims to be, and there is no healthful check such as competition always puts into effect. In a free country the workman can take or leave employment according as his interests prompt him. In a slave country he must stay on the land that is the property of his owner, and must work for that owner alone. Under a monopolistic state insurance fund he is in the same management, according as political control may pass to another party or remain in one party. If the control changes, a new and inexperienced set of officials administers the state fund, and the old set, with whatever training they may have ac-

quired, is ousted. If political control continues in one party, the deadening effect as to inefficient service to the workman and the baleful effect as to partisan machine political power increases.

The state fund has no capital, no surplus, and is not subject to such control as will compel adequate reserves. Most of the laws creating state funds give them the right to assess their contributors or policyholders, if the premiums charged prove to be inadequate. If there is no right to assess, then there is nothing between the possible exhaustion of the fund and the consequent deprivation of benefits to the injured and to the dependents of those killed. In some cases assessments are levied by classes or groups of cognate industries; in others they are levied on individual risks. As an offset to the risk of being thus assessed the state fund is given the right to make a distribution of dividends, if there seems to be an excess of income over outgo. These conditions raise the question at once as to whether there is any real insurance obtained by the contributor or policyholder, who is the employer, and this, again, raises the basic question—what is insurance?

The essence of insurance is that the policyholder pays a rate of premium, which is agreed upon in advance between him and the insurer as the fixed measure of the price to be paid to the insurer for complete protection under the terms of the policy. The insurer in the very nature of the transaction, lifts all of the uncertainty, both as to the result of an accident, from the shoulders of the policyholder and assumes that burden itself. If the rate agreed upon produces a profit, it belongs to the insurer. If it produces a loss, the insurer stands it.

It is, indeed, fortunate that our recent experiments in governmental transaction of business have so clearly demonstrated their undesirability. Every American who thinks regarding public questions is convinced that the samples we have had of government control are not such as to encourage us in continuing that control or in extending it into other fields. The chaos in the railroads; the extravagances in shipbuilding, the wastefulness of the Housing Commission; the practical dismantling, so far as good service is concerned, of the telegraph lines; the inequities of price-fixing; the accumulations of vast unused quantities of food and fuel in certain quarters, and the scarcity and even utter lack of them in other quarters, are some of the evidences that when the business of the country is controlled by public officials everything suffers and nothing goes with that measure and quality of effectiveness which are absolutely essential in business.

With these overwhelming evidences of the superiority of the private conduct of business, why should any state of this union seek to transact through public officials the insurance required under workmen's compensation laws, rather than to leave it to those who by every consideration are so much better able to transact it?

"The Oldest Life Company in America"

Issued its First Policy in 1843

Three leadership achievements of the **Mutual Life**:—The American Experience Table of Mortality, the cornerstone of modern life insurance. The "contribution plan" of surplus distribution, used almost universally by American companies. The Continuous Instalment policy, the basic form of all Life Income contracts.

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

For terms to producing Agents address

The Mutual Life Insurance Company
OF NEW YORK
34 Nassau Street, New York City

THE London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1790

CAPITAL PAID UP - - - - - \$ 3,741,375
TOTAL ASSETS EXCEED - - - - - 42,500,000

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

Automobile Insurance

FIRE:-TRANSPORTATION:-THEFT:

The **Provident Assurance Company** insures your Automobile against loss or damage resulting from **Fire**, from whatever cause arising, including Explosions, Spontaneous Combustion or Lightning: from accidents happening to the Railway Car or Steamboat used in the transportation of your car: from Burglary or Theft committed by any person not an employee of the assured.

For further particulars and rates apply to

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

ATLAS ASSURANCE COMPANY LIMITED

Founded in the Reign of George III

Subscribed Capital - - - \$ 11,000,000
Capital Paid Up - - - - - 1,320,000
Additional Funds - - - - - 25,198,205

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

Head Office for Canada:

260 St. James St., MONTREAL
MATTHEW C. HINSHAW, Branch Manager

Established 1886

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

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

Agents Wanted in Unrepresented Districts.

Managers for Canada:

Montreal Agencies Limited, Montreal



Assets:
\$30,389,461.55
Surplus:
\$8,824,000.31

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

L'UNION

FIRE INSURANCE COMPANY, Limited

Established 1828 Head Office: PARIS, France.

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

Fire and General Reserve Funds 5,949,000.00
Available Balance from Profit

and Loss Account 113,266.84

Net Premiums in 1917 6,136,055.28

Total Losses paid to 31 Dec.,

1917 104,117,000.00

Canadian Branch:

LEWIS BUILDING, 17 St. John St, MONTREAL

Manager for Canada: MAURICE FERRAND.

GIVING NOTICE OF LOSS.

When a fire occurs and the assured fails to notify the Company as required by the policy, and the Company resists payment on that ground, some important legal questions arise, and, in this connection the case of *Prairie City Oil Company vs. Standard Mutual Fire Company*, decided by the Supreme Court of Canada in 1910, is worthy of serious consideration.

This case was decided under the Manitoba "Fire Insurance Policy Act," which provides that "where by reason of necessity, accident or mistake, the conditions of any contract of fire insurance on property in this province as to the proof to be given to the insurance company after the occurrence of a fire have not been strictly complied with or where from any other reason the court or judge before whom a question relating to such insurance is tried or inquired into considers it inequitable that the insurance should be deemed void or forfeited by reason of imperfect compliance with such conditions," the informality may be dispensed with.

By the same act the assured is "forthwith after loss to give notice in writing to the Company."

It appeared from the evidence that while the insured himself did not give notice of the loss in writing, the general agents notified the Company by telegram, and the Court held that, under the circumstances, a written notice from the assured was not necessary in view of the Manitoba law quoted above.

"The Company's officers had," said Judge Anglin, "through the telegram from its own agents, all the benefit which they could derive from a notice in writing given personally by the insured. They so conducted themselves that the insured may well have been lulled into the belief that the company would accept its agent's notification as a compliance with clause (a) of the 13th condition. The omission of the insured to give the notice in writing was obviously due to accident or mistake. This is, therefore, in my opinion, eminently a case in which it would be inequitable that the insurance should be deemed void or forfeited by reason of imperfect compliance with the condition as to immediate notice in writing."

The *Prairie City Oil Company* case was followed by the Supreme Court of Canada in the case of *Bell Bros. vs. Hudson Bay Insurance Company*, decided a few months later, and both cases were followed by the Supreme Court of New Brunswick in a case recently decided,—*Wetmore vs. British & Canadian Underwriters*.

In New Brunswick the Insurance Act under which the *Wetmore* case was decided provides that the assured "is forthwith, after loss, to give notice in writing to the insurer," with a further proviso in the following words:

"7 In any of the following cases:—

(a) Where, by reason of necessity, accident or mistake, the conditions of any contract of fire

insurance on property in this province as to the proof to be given to the insurer after the occurrences of a fire, have not been strictly complied with; or,

(b) Where, after a statement or proof of loss has been given in good faith by or on behalf of the assured in pursuance of any proviso or condition of such contract, the insurer, through its agent or otherwise, objects to the loss upon other grounds than for imperfect compliance with such conditions or does not, within a reasonable time after receiving such statement or proof, notify the assured in writing that such statement or proof is objected to, and what are the particulars in which the same is alleged to be defective, and so from time to time; or,

(c) Where, for any other reason, the court or judge before whom a question relating to such insurance is tried or inquired into, considers it inequitable that the insurance should be deemed void or forfeited by reason of imperfect compliance with such conditions, no objection to the sufficiency of such statement or proof or amended or supplemental statements or proof (as the case may be) shall, in any such cases, be allowed as a discharge of the liability of the company on such contract of insurance wherever entered into."

In the *Wetmore* case the insured verbally notified the agent, the latter notifying the company in writing, and the Court held that the insured could recover, on the ground that there had been a substantial compliance with the requirement of notice in writing.

"From all this," said Judge Grimer, "I think the proper inference is that *Wetmore* assumed what he had done and what the agent stated he would do to be a sufficient compliance with the conditions of the policy, either as having been done on his behalf by the agent or as being within the terms of the conditions themselves. *Wetmore* allowed his interests to become the particular case of the Company, and left the same entirely in its hands, and it will be encroaching closely upon the domain of fraud to permit the acts of the agent or Company to deprive *Wetmore* of the benefits of the policy and the objects for which the insurance was placed. It seems almost certain the Company, probably acting upon some information from their adjuster, made objection to the payment of the loss on other grounds than for improper compliance with the statutory conditions as to notice and proofs, and the fact that they had prompt notice from their own agent of the loss and could have suffered no prejudice from the omission of the assured also to give them notice, and the further fact that the agent who placed the insurance told *Wetmore* he had so notified the company (from which the inference is patent that *Wetmore* concluded personal notice from himself was not required necessary) that he would attend to the papers and forms, etc., and would fix the loss up, brings the case, in my opin-

(Continued on page 747)

**THE
CENTURY INSURANCE CO.
LIMITED**

of Edinburgh, Scotland.
ESTABLISHED 1805

Assets
\$11,000,000.00
Allied Companies,
Over \$30,000,000.00

HEAD OFFICE - VANCOUVER, B.C.
GEO. W. PACAUD,
General Agent
80 St. Francois Xavier Street
MONTREAL

"The Oldest Scottish Fire Office"

**The Caledonian
Insurance Co. of Edinburgh**

Founded 1805.

*Head Office for Canada,
Dominion Express Building
Montreal*

JOHN G. BORTHWICK,
Canadian Manager.

**THE MOTOR UNION
INSURANCE COMPANY LIMITED**
(INCORPORATED IN ENGLAND)

**THE BEST IN
AUTOMOBILE INSURANCE**



B E C A U S E attractive premiums are quoted for first class risks.

The protection against "Claims by the Public" is up to \$20,000.

Bonuses are allowed for no claims.

Policies are simple and straightforward.

A G E N T S will like our concise "at a glance" rating system.

WRITE TO
CHIEF OFFICE FOR CANADA
59 Yonge Street - - - Toronto

Assets exceed \$8,000,000

Premium income exceeds \$7,500,000

NIAGARA FIRE INSURANCE COMPANY

HEAD OFFICE, NEW YORK

INCORPORATED 1850

Cash Capital
\$1,000,000.00

Net Surplus 31st Dec., 1918
\$3,117,106.53

CANADIAN DEPARTMENT 22 ST. JOHN STREET, MONTREAL
W. E. FINDLAY, Manager **AGENTS REQUIRED**

SCOTTISH METROPOLITAN ASSURANCE COMPANY LIMITED,
Of Edinburgh, Scotland

Owned and Operated by the London & Lancashire Life & General Assurance Association, Limited.

ACCIDENT AND SICKNESS
Most Liberal and Up-to-date Policies

GUARANTEE BONDS

ELEVATOR AND GENERAL LIABILITY



**TOTAL SECURITY TO POLICYHOLDERS
OVER \$24,500,000**

AUTOMOBILE LIABILITY AND FIRE
Individual or Combined Policies

**EMPLOYERS LIABILITY
PUBLIC AND TEAMS LIABILITY**

HEAD OFFICE FOR CANADA - - - 164 ST. JAMES STREET, MONTREAL
***APPLICATIONS FOR AGENCIES INVITED**

GIVING NOTICE OF LOSS.

(Continued from page 745)

ion, clearly within the decision in Prairie City Oil Co. v. Standard Mutual Fire Ins. Co., supra, which as well as the later decision Bell Bros. v. Hudson Bay Insurance Co. (1911) 44 Can. S. C. R. 419, is binding upon this court, and Wetmore must get the full benefit of the remedial qualities of the conditions of the policy, which are spoken of by a judge in one of the above cases as the absolution which the law sanctions.

GERMAN SOCIAL INSURANCE BANKRUPT.

The following from the pen of Professor P. Moldenhauer is very instructive :

"It is doubtful whether in the years to come the German social insurance system will be able to discharge its obligations.

"The sickness, invalidity, old age, and survivors' insurance systems 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 favorable economic development in the future could be expected with certainty, but in case of unfavorable economic conditions the system will surely fail."

"Thus the result is: Unfavorable development of the actuarial bases of social insurance on the one hand, and cessation of favorable 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."

The foregoing reference to the accident (compensation) insurance 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 funds 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 is well to call general attention to the German professor's admission of failure.

PERSONALS.

General Manager Alfred G. Dent, of the Liverpool & London & Globe, sailed for home per S. S. Baltic on the 12th instant. We understand Mr. Dent was accompanied by the chief accountant, Mr. G. W. Ormandy.

Mr. James A. Macfadden, Toronto, passed away last week after a lingering illness. The deceased gentleman had been general agent of the New York Life in the Queen City for past twenty years.

Mr. John Robertson, joint general manager of the Northern Assurance Company, who is at present visiting Canada, has been elected a member of the Executive Council of the Association of Chambers of Commerce of the United Kingdom.

ONE HUNDREDTH ANNIVERSARY
1819 1919

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QUEBEC WORKMEN'S COMPENSATION ACT.

We promised in our last issue that we would have something to say regarding Mr. Lafleur's very interesting article on the above subject in a Montreal newspaper.

After almost ten years' trial of the Workmen's Compensation system in the Province of Quebec, and the payment of millions of dollars to injured employees and their dependents, it is opportune that a lawyer of Mr. Lafleur's ability should make suggestions for the simpler working of the system, and it is hoped to see some action taken to follow up the question. Needless to say, we heartily concur with Mr. Lafleur in his warning that drastic changes will only lead to confusion. Owing to the difficulty of judging the value of such changes until after years of experience, employers and employees alike would again be in the position that they did not know how they stood. It therefore seems necessary to examine the present law for weak points and put these right by amending, in such a way, that nothing will be lost in the matter of experience or precedents already built up.

One of the important features to be kept in view is, that the law should give the same benefit to every employee proportionate, of course, to his earnings. It is in this feature that most of the laws have broken down in the past, and so-called State Insurance has entirely broken down. This is the verdict of keen observers who have been watching the operation of these laws very closely. Assuming that a Compensation Act nominally gives a fixed indemnity to each employee, it is beyond the ability of any human being to draft the language of the Act in such a way so as to avoid disputes at the boundary line between those who are covered and those who are not. After these laws have been enacted by law-makers, it is generally found by the courts, when actual cases come up, that there are many conditions in human life which the law-makers did not have in view and did not provide for. There is, therefore, a constant process of interpretation by the courts, and all these unfortunate but deserving cases which the wording of the Act cannot possibly provide for in a few pages of printed matter are gradually taken care of.

Under the State Insurance system there is no appeal to, and no assistance possible from the law courts. The Compensation Board has as much power as the former King of Prussia, and in settling all these questions has only got its own interests to consider. The workman is not entitled to have his side of the story put forward by proper legal process.

Under the present Quebec system, thousands of questions have arisen in cases where the law-makers have not made the wording of the Act clear, and many unfortunate claimants upon discovering that they were not entitled to compensation because of a peculiarity in the wording of the Act, have recourse to the courts of justice, and in

the majority of cases a ruling is given by the court favorable to the workman.

The latter system is the British system and is the one adopted in the majority of Countries and States to-day; but on the subject of Quebec law it has been observed that although the system is apparently an ideal one, it has not worked out right in many cases where we would expect it to do so. That is to say, it has been found that many deserving workers engaged in work, apparently not covered by the law, have let the matter drop simply because they were good fellows, but later on found that some other workman, who was not a good fellow to the same extent and possibly not as deserving, brought suit, gained his compensation and set the law for the future. Naturally this has created a certain amount of resentment on the part of the employees who were the good fellows in the past. The reason for this is clear. No man who is well disposed wants to stir up litigation and will not do so unless he is put to it. Many men will take what comes to them first, rather than try and establish new legal procedure. The lawyers are no doubt to blame for this attitude inasmuch as they have firmly fixed in the minds of the public, that to get in the hands of the law and the lawyers is positively a losing game to everybody concerned, and the only man who is safe to get in the hands of a lawyer is the man who has nothing to lose. Is it not, therefore, time that this condition should be put right as far as possible by the lawyers themselves? With the main object in view of securing absolutely free treatment for every compensation claimant, nothing would be more appropriate than the summary method of trial suggested by Mr. Lafleur. It is expected that this system of modified charges to apply to cases which are "Registered" would enable every employee to take advantage of the registration system. It is also a most important thing that the law problem should be faced by the lawyers not so much as a question of litigation but a question of assisting in the disposal of, and compromising of disputes in the quickest and most convenient way. The great majority of men do not want to be forced into litigation with their employers, and if they felt assured that a lawyer could adjust the matter in a most friendly way and they had the opportunity of going right back to work, feeling that nothing was owing on either side, a much better state of affairs would prevail and the lawyer would be much more popular. Such a condition can be brought about by Mr. Lafleur's suggestion of the Registration of all serious cases in court. The system has been adopted in England and we are told that it has placed employers and employees on a very friendly basis. While this is a simple legal process, both are aware that they still have the protection of the courts behind them; but it is only when questions of law are opened that these cases do require to go further.

Another weak point upon which Mr. Lafleur lays his finger is the present system whereby each

side employs his own Doctor to bear out his contention. There should be no disputes at all on the question of what the injury is, and what it is worth in compensation. It is undoubtedly most important that a Medical Referee or Board of Referees should be named in every important center to deal with all claims. In this way, each case will receive the same treatment; and let the Board be broad-minded and give fair treatment to all cases.

In the past one man with a broken arm sometimes got four times as much as another with the same injury, because he did not happen to have the same Doctor or the same lawyer. The first man probably got too little, because his Doctor had no experience in claims of this kind, and did not use the right argument; the second man got too much because his medical evidence was entirely exaggerated with a view to boosting the claim, and in the end a considerable portion of what the man received went to pay these Doctors. A system of medical referees would do away with this system and establish a fair benefit for everybody, and the Medical Board would of course follow a definite standard in fixing the amount. It is a very desirable thing that a scale should be drawn up covering every more or less common injury, and fixing a specific amount payable therefor; for example, a broken arm should be worth, say, ten weeks' compensation or more, according to the behaviour of the majority of cases. Let the term be liberal and let every man be entitled to that amount, even if he should be ready to return to work at an earlier date. The fact that he does return to work at an earlier date, would be an advantage to the community at large. Malingering and bad habits on the part of an injured employee, are always liable to cause increased disability, but if the employee is aware that he will get a stipulated benefit, and no more, for a particular injury, it will induce him to take better care and discourage malingering.

In considering any amendments to the Quebec law, it would be well to take the British System for a model as far as possible. Although legislators of different Countries and States have been experimenting with the subject for many years, a perfect system of compensation has not yet been found anywhere. The British system has probably been more lasting than any other, but it is not surprising that British legislators who were able to bring about revolutionary changes such as unemployment insurance, should be equally able to create a compensation system satisfactory alike to workmen and employer.

However, we might go to the length of saying that the Quebec Law is better and fairer than the British Law in the clauses granting the right to increased compensation, in the event of gross negligence on the part of the employer. It should always be borne in mind that every workman has the individual right under the principles of Common Law to recover reparation, damages or com-

ensation from one who causes the injury by carelessness. There is no reason why that right should be taken away as regards claims against his employer. Compensation laws are only intended to cover "professional risks," or risks incidental to the employment in which he is engaged. It was the old doctrine of Common Law that the workman assumed the risk of his trade, but this did not mean that he assumed the risk of carelessness on the part of his employer. He was therefore entitled to recover damages if the employer was careless but not when the accident was due purely to professional risks. The purpose of the Compensation Law was to grant the injured man indemnity for accidents arising out of these professional risks, but some laws were drafted in such a way that in addition to giving this benefit, they took away from the man the right to claim damages when there was negligence on the part of the employer.

This error was not made in the Quebec Law which preserves to the workman the right to increased compensation in the event of gross negligence, and Mr. Lafleur aptly points out that this feature should be preserved.

(This article will be continued in our next issue.)

CANADIAN FIRE RECORD.

Fire at Winnipeg.—On the 11th instant a fire destroyed the building occupied by the Hudson Auction Company. The building was used for many years as the Granite Curling Rink, and was of frame construction. Loss about \$75,000. Partly covered.

Fire at Rock Island, P.Q.—On the 15th instant a fire destroyed the factory of the Telford Garment Company. Insurance as follows: North America, \$1,500; Mississiquo T. R., \$1,500; Liverpool & London & Globe, \$3,000; Royal, \$2,000; Queen, \$2,000; Norwich Union, \$2,000; Caledonian, \$2,000; Employers, \$1,500; Guardian, \$1,200. Total, \$16,700. Loss total.

Fire at Niagara-on-the-Lake.—On the 10th instant a fire destroyed the Niagara, St. Catharines & Toronto Ry. Co.'s freight shed. Loss about \$2,000. The Dominion Canning Factory adjacent had a narrow escape.

Fire at Toronto.—On the 11th instant a fire broke out in the shoe store of Mr. H. R. Bullock, 1252 Bloor Street West. Loss about \$5,000.

Fire at Finch.—On the 8th instant a fire destroyed four dwellings and one garage. Loss about \$20,000. Partly covered.

BANK OF HAMILTON PROMOTIONS.

Mr. M. C. Hart, manager at Toronto of the Bank of Hamilton, has been promoted to be assistant general manager at the Head Office, Hamilton. Mr. M. W. Martin, manager at Regina, has been promoted to the position of pro-assistant general manager at Hamilton. Lieut.-Colonel D. O. Hooper, D.S.O., has been appointed assistant manager in the main office at Hamilton.

ALBERTA INDUSTRIAL DEVELOPMENT ASSOCIATION.

The demand for a foreign trade commission to represent the Western Provinces of Canada, exclusively, originated by the Alberta, Canada, Industrial Development Association and urged by the president of that organization from ocean to ocean in many special addresses before public bodies, seems now to be certain of ultimate fulfillment, if one may judge by advices received at the headquarters of the Canadian Industrial Congress, August 11-16, from many sources.

Advices to this effect are received from Winnipeg, from Vancouver, and even from Ottawa, and it is now apparent that many of the members of the Dominion Government look with favor on the idea.

The proposal for a foreign trade commission for the West was originated by Mayor M. A. Brown, of Medicine Hat, president of the Alberta Industrial Association. It is based on the belief that only by a proper investigation of the foreign markets for Western Canadian products can the West build up industry to its maximum. Such an investigation, it is explained by Mayor Brown, would deal specifically with those possible markets for Canadian products lying on and adjacent to Pacific Ocean routes of traffic and the vast undeveloped Oriental marts.

Mayor Brown holds to the belief that eventually Western Canada will some day be manufacturing on a larger scale than Eastern Canada because of the great potentialities in this connection in China and Japan as well as along the western coast of South America and in Australia.

"The world does not realize," Mr. Brown points out, "that one-seventh of the population of the globe is living and striving and working along the banks of one river alone in China. The possibility of the development of this wonderful market is just one aspect of the great trade which Western Canada and the western portion of the United States will have the great opportunity to deal with.

"Great economists of the day, men with vision, see the development of the Pacific regions as the most striking aspect of the future of our continent. We may add that by Pacific regions we include those inland empires such as our own, Alberta, Canada.

Strong support is being given the project for a Western foreign trade commission, especially in Vancouver, B.C., Victoria, B.C., Seattle, Portland, and other western cities more easterly, such as Winnipeg, Regina and Saskatoon. All these cities will be represented by good delegations at the forthcoming Industrial Congress, to be held in Alberta in August. The principal or "educational" sessions of this congress will be held at Calgary, Canada, August 13 and 14. The industrial men of the continent are being asked to participate.

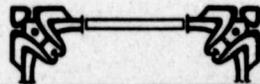
TREND OF BRAZIL'S TRADE.

The United States during the last five years has become the chief factor in Brazil's import trade. In 1918, when Brazil's total imports aggregated \$247,000,000, the United States supplied commodities valued at \$89,000,000. British shipments to Brazil amounted to \$50,000,000; Argentine, \$47,000,000, and French, \$12,000,000.

In 1913 the United Kingdom led in exports to Brazil, supplying her with goods valued at \$80,000,000 out of total imports of \$326,000,000. Germany sent goods amounting to \$57,000,000; the United States, \$51,000,000; France, \$32,000,000, and Argentina, \$24,000,000.

The lawyer looked serious, and his client gloomy. It was a clear case of breach of promise, and the only question was how much the young man would have to pay. The lawyer felt it his duty to speak a few words of warning. "Oh, I know all that," interrupted his client, angrily. "Same old saying: 'Do right, and fear nothing.'" "No," corrected the man of law. "In this case I should have added, 'Don't write, and fear nothing.'"—Journal of Commerce.

Mrs. Clark came running hurriedly into her husband's office one morning. "Oh, Dick," she cried, as she gasped for breath, "I dropped my diamond ring off my finger and I can't find it anywhere." "It's all right, Bess," replied Mr. Clark, "I came across it in my trousers pocket."



CANADIAN BANKING PRACTICE

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