

# The Chronicle

Banking, Insurance and Finance

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## THE GENERAL FINANCIAL SITUATION

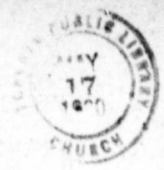
The question of deflation, of a reaction in commercial and industrial enterprise, and a consequent decline in prices, becomes more insistent. The idea that prices are about reaching their maximum is certainly gaining ground, or perhaps, to put the case more accurately, the public mind is gradually waking up to the elementary fact that prices do not always move in one direction, and that there is in fact that inevitable swing of the pendulum, which is one of the elementary axioms of economic service. The imagination of the general public, which is not touched by phenomena like tight money or restriction of credits, has been effectively reached by such action as that of John Wanamaker in cutting the price of all the goods in his enormous stores by 20 per cent. Mr. Wanamaker is a particularly astute merchant, and his action in this connection, is of course, not philanthropy by any manner of means. He knows exactly where he will "get off at" by way of profits, and incidentally he is getting the biggest advertisement, free, gratis and for nothing, his stores have ever had in their entire career.

Such action as this, and such freak developments as the "overalls" movement, which is merely a fad and not an attempt at true economy, produce an effect on the public mind out of all proportion to their importance. Their effect is to induce a feeling of uncertainty, and that feeling of uncertainty is without doubt gradually making headway. Its progress may be slow at present, the great majority may go on spending just as foolishly and thoughtlessly as at any time during the last five years, but there are a certain number of people, and their number is probably increasing, who are holding off their purchases in the expectation of lower prices. In this expectation they may be disappointed. While there are many good judges who believe that the period of deflation is imminent, there are others, whose opinion are equally entitled to respect who regard any decline as still some distance away and as possibly to be preceded by yet further inflation and higher wages. The statement recently made by the British Food Controller that he could see no sign that the world's food shortage was likely materially to improve and that prices are un-

likely to fall, favors the latter view. Food prices, and particularly wheat prices, are a vitally important basic factor in determining the trend of prices generally.

Under such circumstances as the present it is the very natural hope of the average consumer that the fall in prices may be sudden and rapid. But from the point of view of the general welfare of the whole community, it must be borne in mind, any rapid and sudden fall in prices will merely bring disaster, financially and commercially, and in the train of that disaster, we believe the greatest social disturbances. What it is to be hoped will take place, as Lord Shaughnessy insisted in his illuminating New York interview the other day, is that deflation will be a slow and gradual process. Only by such a process can panic and disaster be avoided. Whether this panic and disaster will be avoided remains to be seen. The danger period, as we see it, is next fall. It is now generally recognized that severe monetary stringency must be expected, not only in Canada, but practically all over the world all through the current year. Restriction of credit facilities must affect speculators in commodities and merchandise exactly as it has affected speculators in stocks. The same restriction is bound to affect the extravagant individual spenders, and the later months of the year are traditionally the time when a money stringency will reach its climax.

The address given by the Commissioner of Taxation to members of the House of Commons last week regarding the working of the Income Tax, contained a number of points of distinct interest. At the time when the idea of an Income Tax was first mooted in the early years of the war, it was argued in this Journal that in a country such as Canada, it would take five years to get the administration of this impost working satisfactorily. That prophecy is now borne out by the statement of the Commissioner. The gradual speeding up of the machinery and tightening of the screws of administration is however, apparent, as witness the intimation recently made that the month's extension of time for the filing of Income Tax returns, will be followed by the strict enforcement of the penalty for non-filing at due date. The demand



# BANK OF MONTREAL

Established Over 100 Years

Capital Paid Up, \$20,000,000

Rest. 20,000,000

Undivided Profits, 1,812,854

Total Assets

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Every effort is being put forth to foster and increase trade between Canada and Australasia. The correspondents of this Bank include the principal banks of both Australia and New Zealand, and on the Pacific coast of both Canada and the United States it has branches in all the principal seaports. With many years' experience gained in transacting a foreign business its services are at the disposal of Canadian exporters and importers.

## The Canadian Bank of Commerce

Capital Paid Up \$15,000,000 Reserve Fund \$15,000,000

# THE MOLSONS BANK

Incorporated in 1855

CAPITAL AND RESERVE \$9,000,000

Over 120 Branches

Every business man needs a banking service that is rapid and efficient and affords him reasonable credit for ordinary requirements or special commitments.

Our Managers invite confidential interviews.

HEAD OFFICE: - MONTREAL

E. C. PRATT General Manager

# The Chronicle

## Banking, Insurance and Finance

Established 1881.

Published Every Friday

F. WILSON-SMITH, Proprietor and Managing Editor  
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10 St. John Street, Montreal.

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MONTREAL, FRIDAY, MAY 14th, 1920

### THE GENERAL FINANCIAL SITUATION

(Continued from front Page)

for publicity regarding the amount of Income Tax paid is natural, but additionally to the enormous task of publication, there is the point that the information published might be misinterpreted, since the amount of taxation paid depends not only upon the character of the income to some extent, but also particularly in 1917 and 1918 to what is done with it in the way of patriotic contributions.

The further marking down of the Victory Loan issues by the special committee which is in charge of the trading in them, however, disconcerting it may be to holders who desire to realize, is a healthy sign. There were some fears, when the trading in these issues, was for a second time turned over to the committee, that the step meant the maintenance of purely artificial prices for these issues. But this is evidently not the case. The prices of the various issues are being raised and lowered in accordance with the developments of the monetary situation, and while possibly a certain amount of artificiality is maintained, there is an evident desire to reduce this to a minimum, while protecting the bonds, to some extent, from the untoward developments which might be caused by a panic. These various Victory issues are probably not yet at their lowest point, but they remain the best possible purchase for the investor in high class bonds.

On the local Stock Exchange this week, Brazilian has shown some sign of recovery from its recent low around 41. The position of the stock is a peculiar one. The Company's earnings are excellent, and what is remarkable for a traction company in these days, its net earnings reach approximately 50 per cent. of gross—something which is unapproachable in North America. But as a result of the heavily adverse exchange against Brazil, funds earned by the company can only be made available for dividends at the cost of a heavy loss in exchange. This loss in exchange was the sole reason for the Company's discontinuance of dividends, and not any inability of earnings to justify them. Since the dividends were discontinued, considerable amounts of earnings, which under other circumstances would

have been distributed, have been put back into the property—thus avoiding new financing at a difficult time, and increasing the equity behind the common stock. Brazilian was one of the principal sufferers by the heavy London selling of securities of Canadian origin, which developed a few months ago, and was continued up to the time of the voluntary "embargo," and London selling, leaking through this measure, is said to be largely responsible for the recent weakness in the stock. That it has been depreciated unreasonably, there seems no manner of doubt. Some time ago, it was understood that dividend payments were likely to be resumed this summer, but even if these are deferred for a period, the stock remains a very promising speculative for a long pull, with prospects of considerable profit as exchange gets more towards normal.

### NO QUESTION OF ITS VALUE

The president of the American Bankers Association, Richard S. Hawes, was asked by President Singleton of the Missouri State Life for his opinion of the value of business life insurance.

Here is his reply:

"The question is not whether business life insurance is a good thing. The big question is *how much* is adequate to indemnify against the loss of brain power involved?"

"Complete coverage of man power of valuable executives is more important in many cases than adequate fire insurance to cover the physical assets. Certainly a loan on property would not be considered until it was covered by a fire insurance policy."

"It has become an established custom by credit men of banks to make inquiry as to amount of insurance carried by the guiding spirits of corporations, payable to such corporations, and it has decided weight upon the extension of accommodation."

"Personally, I have believed for many years that corporation officials would be wise in considering the taking out of liberal lines of life insurance, payable to their companies, as a protection against the loss of their executive management."

### FIRE LOSSES FOR APRIL

The losses by fire in the United States and Canada during the month of April, as compiled from the daily records of The Journal of Commerce, aggregated \$22,108,750. This compares favorably with the March figures, which were \$27,597,700, but are much more serious than the April last year's record of \$15,484,750. The first four months of 1920 present an exceptionally heavy record as to property destroyed by fire, the total reaching \$113,350,700, as compared with \$98,586,135 for the same months last year and \$94,024,925 in 1918.



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

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**THE LIVERPOOL - MANITOBA  
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Liability Guaranteed by THE LIVERPOOL and LONDON and GLOBE Insurance Company Limited  
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FIRE AND MARINE



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

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

**INSURANCE COMPANY OF NORTH AMERICA**

CAPITAL - - - \$5,000,000

ASSETS IN EXCESS OF \$36,000,000

Issues specially desirable forms of Use and Occupancy, Rental and Leasehold Insurance  
Agents in all the principal Cities of Canada and the United States

**ROBERT HAMPSON & SON, LIMITED**

General Agents for Canada - - - - 1 ST. JOHN STREET, MONTREAL

**THE BRITISH GENERAL INSURANCE CO. LIMITED**  
OF LONDON, ENGLAND

**FIRE INSURANCE**

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11 ST. SACRAMENT STREET  
MONTREAL, P.Q.



## CONTRACTION IN GOVERNMENT EXPENDITURES

The contraction in government expenditures from \$900,000,000 for the fiscal year ending 31st March last, to \$537,000,000 for the current year, will have far-reaching effects upon business. This reduction is due to the practical completion of demobilization, for which \$350,000,000 was provided last year, whereas for the present year \$38,000,000 only is required. Any supplementary provision for further expenditure is not likely to be on a generous scale, if the evident paring of ordinary appropriations may be taken as evidence of Parliament's determination to keep as far as possible within the limits of the revenue from taxation and other ordinary resources.

Further public borrowing for purposes that do not actually increase the nation's capacity for effective production will add to the burden of the annual tax-bill, which must be substantially increased if ordinary expenditure is to be met by current revenue. The estimated expenditures for the current year, amounting to \$537,000,000, include fixed charges of \$159,743,511, of which \$142,281,000 is required for charges on the public debt, as compared with \$14,000,000 for the fiscal year ending in 1914. Last year's borrowings added \$35,000,000 to fixed charges, in the form of interest. For government services \$281,000,000 is required and for capital expenditures \$97,000,000. Excluding capital expenditures, the sum of \$440,000,000 will be required, or \$82,000,000 more than the estimated revenue for the current year, and to meet capital expenditures the government will again have to resort to borrowing on a considerable scale.

During this year and next it is quite obvious that the distribution of government moneys within the Dominion will be on a rapidly diminishing scale. During the war and since its close, in order to meet the resulting obligations, it was necessary that the government should make large demands on the public in the form of loans and taxes, and the distribution of these moneys has created and sustained a phenomenal demand for goods, which cannot be expected to continue unless the resulting purchasing power is replaced by funds derived from trade and production. Perforce the large borrowings of the government had to be made in Canada and this is a fortunate circumstance, as the major portion of the present year's interest bill will be paid to Canadians, and this will add to the funds available for re-investment. The advancing rates of interest which capital now commands will not only encourage re-investment, but will tend to restrict borrowing to sound commercial purposes and to necessary public ones. This latter tendency

is now evident and provinces, municipalities and industries are all wholesomely cautious in entering upon capital expenditures.

## RETIREMENT OF MR. ROGER OWEN

We are officially informed that Mr. E. Roger Owen, after a long business career, has expressed a desire to retire from the position of general manager of the Commercial Union Assurance Co., Ltd.

Mr. Owen will become a member of the board, and will act as chairman for the year commencing July 1 next.

He will be succeeded by Mr. T. M. E. Armstrong, now manager of the Ocean Accident and Guarantee Corporation, and Mr. Joseph Powell, now deputy-manager of the "Commercial Union," who will act jointly as general manager, with Mr. Henry Mann as deputy-general manager.

Mr. Dewhirst, now assistant secretary of the "Ocean," will be appointed in Mr. Mann's place as secretary.

*The Review*, London England.

## NATIONAL LIFE ASSURANCE CO.

Mr. A. J. Ralston Becomes President.

At a meeting of the Board of Directors held on the 6th inst., Mr. Albert J. Ralston was elected President of The National Life Assurance Company of Canada, succeeding the late President, Mr. Elias Rogers, whose death occurred recently.

Mr. Ralston assumed the office of General Manager of the Company sixteen years ago. Two years later he became Managing Director, and on the death of the Hon. J. J. Foy, who has then First Vice-President, Mr. Ralston still retains the Managing Directorship of the Company.

Mr. George W. Beardmore, who has been a Director of the Company since its inception and for the past few years Second Vice-President, has been elected First Vice-President, succeeding Mr. Ralston in that office.

Under Mr. Ralston's direction The National Life has grown to be one of the leading Canadian life insurance companies having at the present time nearly \$30,000,000.00 of insurance in force.

The vacancy on the Board of Directors of The National Life has been filled by the election of Mr. A. H. Beaton.

Mr. Frederick Sparling, who has been Secretary of the Company for the past twenty-two years has been appointed Assistant General Manager and Secretary, and Mr. Wm. C. Wait, for eighteen years, accountant of The National Life has been appointed Assistant Secretary.

# Commercial Union Assurance Company Limited

of London, England

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

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

# Palatine Insurance Company Limited

of London, England

as at 31st Dec., 1918.

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

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

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

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

W. S. JOPLING, Manager

# THE CANADA

ACCIDENT & FIRE  
ASSURANCE COMPANY

Head Office, - - - MONTREAL

T. H. HUDSON, Manager, Fire Department.

H. F. RODEN, Manager, Casualty Department

Policies Guaranteed by  
Commercial Union Assurance  
Company Limited

Local General Agents, (Fire)

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

FIRE - MARINE - HAIL  
AUTOMOBILE

ASSETS EXCEED  
\$80,000,000



# EAGLE STAR AND BRITISH DOMINIONS INSURANCE COMPANY LIMITED

J. H. RIDDEL, Manager for Canada OF LONDON, ENGLAND E. C. G. JOHNSON, Assistant Manager  
HEAD OFFICE FOR CANADA - TORONTO

DALE & COMPANY, LIMITED - GENERAL AGENTS - MONTREAL AND TORONTO

# THE FIRE INSURANCE COMPANY OF CANADA MONTREAL

Authorized Capital, \$1,000,000 Subscribed Capital, \$500,000 Paid Up Capital, \$200,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND Vice-President and Managing Director: J. E. CLEMENT

### EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED

The annual statement for 1919 of the Employers Liability Assurance Corporation, is as usual one of the first British reports to appear, and the statement published on another page indicates, that the business of the Corporation continues to expand at a most remarkable rate. Its figures for the year under review, reveals a business of impressive dimensions. The expansion now chronicled has resulted in carrying the net premium revenue to the large total of \$28,278,805, indicating a growth of nearly \$3,000,000 as compared with the preceding year. In a clear and concise manner the gigantic results attained are set forth in the accounts. The payments under policies, including medical and legal expenses in connection therewith, totalled \$13,357,975, figuring a ratio of 47.24 per cent. After payment of commissions, expenses of management, etc., the insurance fund was increased from \$17,879,624 to \$21,096,230, a growth of \$3,186,606.

In connection with the payment of dividends, the Corporation has followed its usual policy of confining its dividends to interest earnings, etc. The dividends now payable free of income tax are more than covered by net interest receipts, etc., which total \$1,002,365. This conservative policy is also some indication of a financial position of commanding strength. Details of the balance sheet, show total assets of \$39,346,735, compared with \$30,710,362 in 1918, and \$21,379,580 in 1917. The increase in two years of nearly 100 per cent. in assets is a remarkable feature of the Corporations present position coupled with the notable expansion which of recent years has been so strongly marked an outcome of the Corporations activities, conducted with unabated vigour on both sides of the Atlantic, and elsewhere throughout the world. Total reserves aggregate the huge sum of \$30,955,920, a growth of \$4,906,209, as compared with the preceding year. Investments in the highest class of securities total \$30,123,665.

As already announced in order to keep pace with the remarkable expansion of the Corporation's business, the directors recently decided to increase its capital (paid-up) from \$1,000,000 to \$2,500,000 with an authorized capital of \$10,000,000.

#### *The Corporation in Canada*

Ranking in point of premium income as one of the largest operating in Canada, more particularly of the offices identified with casualty insurance, although its operations now cover practically all branches of insurance enterprise, other than life. The Employers has been operating in the Dominion for more than a quarter of a century, and notwithstanding the inroads in Workmens Compensation business by some of the Provincial Governments, the premium income of the Employers

continues to expand, the total premiums for the year under review aggregating nearly \$2,000,000.

The premiums written in Canada during 1919, are divided amongst the different classes as follows: Fire \$703,173; Accident \$138,630; Automobile \$311,837; Burglary \$4,629; Liability \$538,419; Explosion \$450; Guarantee \$81,148; Hail \$105,665; Sickness \$83,775. It may be noted that the Corporation only recently commenced operations in Burglary, Explosion and Hail insurance. It is also licensed to operate Boiler and Plate Glass insurance.

The general results of the years operations in Canada were satisfactory, and particularly so in the fire branch, the loss ratio in the latter being 41.60 per cent., as compared with 46.11 per cent. in 1918. The premium income of the fire branch has grown to important dimensions under the management of Mr. John Jenkins, and the Corporations experience in Canada in this department covering a period of nine years, has been most satisfactory.

In the various Casualty lines including automobile insurance a strong organization has been built up in Canada by the Employers. Mr. C. W. I. Woodland, Toronto, general manager of the Corporation for Canada and Newfoundland, is one of the best known and most capable Casualty Underwriters in the Dominion.

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### RE SUPPLIES

The following circular has been addressed to the agents of a leading life insurance company from its supply department:

"During the last two years the costs of all printing, including forms, literature and blotters, has increased enormously. Not only is paper stock dear, but is almost impossible to obtain, and printers' wages, cost of inks, etc., have risen by leaps and bounds.

We have always been most liberal in supplying our Agents with printed matter; more liberal than most Companies, we believe, and we have noticed that some agencies are in the habit of ordering several times the quantity of some forms that can possibly be used. The only inference is that such excess supply would be either wasted or unused. Take for instance, application forms; each form costs us 2½ cents. Just figure up how many lost or misused applications you know of.

We, therefore, make a request to all agents and agencies when ordering supplies, to see that only sufficient forms are ordered for your requirements. Do not anticipate too far ahead for if you do the supplies will most likely be wasted, unless you have dust-proof cabinets for your forms. Have a definite date for ordering supplies, say once a month."

## Prudential Trust Company

LIMITED

<p>Head Office 9 St. John St. Montreal</p>	<p>Trustee for Bondholders Transfer Agent &amp; Registrar Administrator Executor Liquidator Guardian Trustee Real Estate and Insurance Custodian Department Insurance of every kind placed at lowest possible rates</p>	<p>Safety Deposit Vaults Terms Ex- ceptionally moderate. Correspond- ence invited.</p>
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B. HAL. BROWN, President and Gen. Manager

## The Standard Life Assurance Co.

Established 1825 Incorporated 1910  
Accumulated Funds - - \$68,000,000  
Over \$10,000 paid daily in claims.

## 1870 - Our Golden Jubilee - 1920

### THEY PUT ON MORE INSURANCE!

Mutual Life Policyholders last year increased the amount of their protection taking out additional policies to the amount of more than ten million dollars. They were alert business men, who realized the necessity for increasing their Life Insurance because of the increase in the value of the necessities of life. In proportion as money loses its purchasing power we require more and more of it to maintain the same protection. Have you increased your insurance since prices went up? The smaller the value of the dollar the more dollars we need. As a company, The Mutual does not advocate an excessive amount of insurance. At the same time every reasonable effort should be made to increase the insurance in times of inflated prices. Follow the example of the 3139 Mutualists who increased their insurance last year. Put on more insurance.

## The Mutual Life Assurance Co. of Canada

WATERLOO, - - ONTARIO  
Hume Crenyn, M.P., Pres. Charles Ruby, Gen.-Man.

## The Travellers Life Assurance

Company of Canada

HEAD OFFICE: MONTREAL

Non. GEO. P. GRAHAM, President

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

First British Insurance Company Established in Canada

A.D. 1864

## Phoenix Assurance Co. Limited

OF LONDON, ENGLAND (Founded 1782)

FIRE LIFE MARINE

TOTAL RESOURCES, over . . . . . \$97,000,000.00  
CLAIMS PAID EXCEED . . . . . \$60,000,000.00  
DEPOSITS with Federal Government and  
Investments in Canada, for security of  
Canadian policyholders only, exceed . . . . . \$2,000,000.00

AGENTS WANTED IN BOTH BRANCHES. Apply to

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

100 Francois Xavier Street - MONTREAL

# WESTERN

Assurance Company

Incorporated in 1851

HEAD OFFICE, - TORONTO, Ont.

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

ASSETS - over - \$8,000,000.00

Losses paid since organization  
of Company . . . over \$77,000,000.00

DIRECTORS:

W. B. MEIKLE, President

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

W. B. MEIKLE, Pres. and Gen. Man. C. S. WAINWRIGHT, Secretary

A. R. PRINGLE, Canadian Fire Manager

ROBERT BICKERDIKE  
Branch Manager for Province of Quebec  
MONTREAL

## A BRITISH COMPANY

# Union Insurance Society of Canton, Limited

ESTABLISHED 1835

Head Office: HONGKONG

Assets over \$24,000,000

A combination of AGE, MAGNITUDE and EXPERIENCE

**FIRE, MARINE AND AUTOMOBILE**

Head Office for Canada, 36 Toronto Street, TORONTO

General Agent Montreal, JOSEPH ROWAT

Manager for Canada, C. R. DRAYTON



## HERE IS INSURANCE

What is described as "the insurance feature" of the proposed optional bonus measure for soldiers in the United States now pending in Congress, is calculated to injure the business of life insurance. The theme as described is to issue to all soldiers who choose it a certificate of paid up insurance in varying sums according to length of service and pay. The average certificate it is estimated would be \$1,857. It is to become a cash endowment payable to him, at the end of twenty years, or to his beneficiaries upon the event of his previous death. The most astonishing feature is that at the close of the third year of issue, the certificate will have a cash loan value of \$551. This is only the average or mean of the "insurance," plan, from which the benefit grades up or down according to length of service and pay. Our contemporary *The Insurance Field*, says:—

A certificate of this nature issued by the government is of course "insurance" in the sense that it insures the carrying out of the obligation under its terms. The Liberty and other war bonds are just as surely "insurance." But neither can properly be called insurance and the giving of such a name to the certificates providing for sliding benefits to be conferred but not to be paid for in money is a distinct injury to the legitimate business known as Life Insurance. It will give to four millions of men the idea—vaguely, maybe—that if the government can furnish insurance without premiums and in such sums, then the premiums for ordinary commercial life insurance of all kinds must be excessive.

With the name "insurance" tagged to such certificates there would instantly be instituted outrageous comparisons with the commercial insurance contracts that would tend to arouse unfair prejudices without the slightest foundation to support them. It would be asked why, if the government could loan \$551 on an \$1,875 policy in three years, companies could not do so out of their large accumulations and the premiums collected? The answer is obvious to every insurance man and to every experienced business man, of course. But there will be several millions of these young men without much business experience, whose knowledge of life insurance is to be gained from the gradual efforts of life insurance agents to whom the answer will NOT be obvious. They will get the idea that government can by some miraculous hocus-pocus do easily what private enterprise cannot do. It will feed the socialistic idea of turning to and depending upon the government to do everything and so subordinate individual initiative to official dry rot.

Such comparisons would not stop there. Much could and undoubtedly would be said in criticism of the government plan that would arouse prejudices against the government among holders of the cer-

tificates. Since the certificates are not to be assignable or transferable, as real insurance is, then prejudice could be aroused against the plan as a government trick.

We are not criticising the plan itself but the name of it. The government may well perhaps offer some such plan of deferred bonuses with guaranteed values and protection so as to spread the payments over longer terms and thus relieve the tax situation—but it is not insurance as insurance is universally understood. It should not be called insurance. One of the committee proposed has already declared that it is "a misnomer" and "misleading." So it is, and to give the plan that name is to load it with trouble.

## The False Economy of "Saving the Broker's Commission"

We quote from the "Policy" the following examples illustrating the fact that where insurances are effected direct with the Company the assured does not really benefit. In the first case the insurances refer to a large retail shop. "Fire insurances have been effected at different times, there being fire policies for an amount at risk of £32,000. There are two instances of exactly duplicate policies in amount and date; two for £5,000 each and two for £6,000 each, and all with the same company. Examining the policies, it is revealed that the item for fixtures, fittings, etc., is about one-fifth of the actual value, while the item for stock is about double the amount at risk. There is no item for rent in these policies, nor do the divisions refer to any machinery and plant, of which there is a certain amount. Consequential loss has not been covered. The employers' liability risk policy dates back twelve years, and the premium charged is to put it mildly, quite enough. There are several risks which have not been covered in connection with this particular business, and altogether the insurances are far from being in a satisfactory order."

Another case is quoted. "Curiously, this is another instance of over-insurance in one kind of risk, and no protection in others. Consequential loss, burglary, fidelity, and third-party risks had not been effected, to say nothing of riot and civil commotion, water damage, and others. This firm at two periods of the year for about one month carries a stock of about £30,000. For the rest of the year the stocks are never over £10,000. Yet the premiums are paid for the full year on the higher amount. The chief partner thinks he pays quite enough in insurance premiums without going in for any others; so he does—he is paying—or rather was—about £76 more than he need. For this sum they will get cover for the other risks in the future."



**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**  
C

<b>PERSONAL ACCIDENT</b>	<b>PLATE GLASS</b>
<b>SICKNESS</b>	<b>AUTOMOBILE</b>
<b>FIDELITY GUARANTEE</b>	<b>GENERAL LIABILITY</b>

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

## Mount Royal Assurance Company

**SURPLUS and RESERVES, \$1,416,740.57      TOTAL FUNDS, \$1,708,120.67**

**TOTAL LOSSES PAID, \$3,180,308.63**

Application for Agencies Invited

**Head Office - - - MONTREAL**

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

Established in Canada in 1821

1819 **AETNA (FIRE)** 1920

HARTFORD, CONN., U. S. A.

**Losses Paid over \$183,000,000**

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

### Union Assurance Society, Ltd.

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

CANADA BRANCH, MONTREAL  
T. L. ROBERTS, District Manager.

NORTH WEST BRANCH, WINNIPEG  
THOS. BRIDGES, Branch Manager.

**Agencies throughout the Dominion**

## EXCELSIOR

INSURANCE      LIFE      COMPANY

**A Strong Canadian Company**

FOR PROTECTION OR INVESTMENT  
BUY EXCELSIOR POLICIES

**J. J. Robichaud, Prov. Man., Montreal**

## The Law Union & Rock

INSURANCE CO. LIMITED, LONDON.      Founded in 1806

**Assets Exceed - - - \$50,000,000.00**

Over \$10,000,000 invested in Canada  
FIRE and ACCIDENT RISKS accepted.

Canadian Head Office: 277 Beaver Hall Hill.  
MONTREAL

Agents wanted in unrepresented towns in Canada.  
W. D. AIKEN, Superintendent,      COLIN E. SWORD  
Accident Dept.      Canadian Manager.

### SUCCESS IN SELLING LIFE INSURANCE

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

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

## THE CONTINENTAL LIFE INSURANCE CO.

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

### Business in 1919 of Life Insurance Companies of the United States

Great gains are noticeable in the volume of business transacted during 1919 by life insurance companies in the United States, as compared with the preceding year. The new ordinary business written in 1919 amounting to \$7,410,826,004, represents an increase of over \$2,700,000,000, as compared with 1918, and the new industrial business \$1,252,833,336, is over \$176,000,000 larger than in the year before. Commenting on the depletion of surplus funds because of the ravages of influenza; the *Spectator* of New York says:

In the last two years the life insurance companies as a whole suffered some depletion in their surplus funds because of the ravages of influenza and kindred diseases. However, the record shows that there was a relatively small increase in the

aggregate surplus last year, so that it is likely, in the absence of a further setback, that the companies will in the near future make up the lost surplus.

The vast increase in business written last year was accompanied by an increase of over \$215,000,000 in premium income, the latter having exceeded \$1,209,000,000 last year; payments to policyholders, \$741,507,787, increased a little more than \$31,000,000 as compared with 1918. The total income in 1919, \$1,555,000,000, exceeded the outgo, \$1,095,000,000, by about \$460,000,000. The record shown by this table indicates the tremendous proportions which have been reached by the life insurance business, and the rapidity with which the business has grown during the last few years.

The business for 1919 of the following Companies, all actively competing for business in Canada, form an interesting exhibit.

	Premium Income	Business Paid for	Surplus	Assets
Aetna . . . . .	\$23,571,406	\$377,815,347	\$19,805,750	\$163,097,712
Equitable . . . . .	81,495,879	609,946,205	88,714,577	599,423,919
Mutual of New York . . . . .	77,917,267	354,422,133	88,005,322	662,390,275
Metropolitan . . . . .	182,489,933	c910,091,088	36,771,400	864,821,825
New York Life . . . . .	124,729,476	b508,590,405	164,101,708	961,022,120
Prudential, N. J. . . . .	149,061,365	548,485,078	42,355,375	598,092,626
Travelers (Hartford) . . . . .	27,303,656	c450,273,143	15,727,646	170,579,918
		b439,671,321		
		514,542,869		

### THE NEW ONTARIO CORPORATIONS TAX ACT

An inaccurate source of information led The Chronicle last week into error in its comments on the proposed new legislation in Ontario as regards taxation on insurance companies. Mr. V. Evan Gray, the very able superintendent of insurance of the province, has now sent us a copy of the proposed Act, from which it appears that by the new legislation, the rate of taxation on life insurance premiums will be reduced from 1 3/4 per cent. to 1 1/4 per cent., while the rate of taxation on fire insurance premiums is retained at the former figure of one per cent.

The life insurance premiums subject to tax are defined to be the gross premiums less the cash value of dividends to policy holders.

Mr. Gray writes:—

The increased revenue expected from this source is due only to the removal of the maximum limit of taxation of \$30,000, which formerly existed. This removal of the maximum secures an equitable incidence of the taxation, and it happens that this provision affects only one Canadian Company. For all other Canadian life insurance companies, the total of the premium tax, as well as the rate is substantially decreased.

"The proposals recognize in a substantial manner the principle for which your paper has long claimed recognition, and they have met with the approval of the insurance men in the Province."

The Chronicle is very glad to have this explanation from Mr. Gray, and hopes that the substantial recognition of the principles regarding the taxation of life insurance companies, for which it has contended for many years, will be copied elsewhere.

### LIFE INSURANCE IN INDIA

The Indian Government Blue Book, giving the returns of life assurance companies for 1918., states that there were 74 companies transacting life assurance business in British India at the close of 1918. Sums assured and in force increased during that year, reaching a record of over 25 crores of rupees. War influences were marked chiefly in the falling off of "new business" and depreciation of investments, rather than in death claims. A point brought out by the Government Actuary is the practice of charging income tax on profits, compared with the payment of tax in the United Kingdom on interest income after deducting expenses. Indian life offices, according to the actuary, are fortunate that they have this "generous treatment."

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

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

For terms to producing Agents address

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

84 Nassau Street, New York City

**ATLAS ASSURANCE COMPANY LIMITED**

Founded in the Reign of George III

Subscribed Capital - - - \$ 11,000,000  
Capital Paid Up - - - - - 1,320,000  
Additional Funds - - - - - 25,193,205

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

Head Office for Canada:  
**260 St. James St., MONTREAL**  
MATTHEW C. HINSHAW, Branch Manager

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

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

FERGUSON HOWLAND Hon. Chairman Advisory Board  
T. H. HALL Manager for Canada. JUDSON G. LEE General Agent Montreal.

Established 1886

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

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

Agents Wanted in Unrepresented Districts.


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

**THE London Assurance CORPORATION**  
OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1793

CAPITAL PAID UP - - - - - \$ 2,761,875  
TOTAL ASSETS EXCEED - - - - - 42,500,000

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



Assets: **\$33,687,274.25**

Surplus: **\$10,846,031.00**

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

**Fidelity Insurance**

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

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

**The Provident Assurance Company**  
180 St. James Street, Montreal. Tel. Main 1636-7.  
J. C. Gagne, Managing Director.

**L'UNION**  
FIRE INSURANCE COMPANY, Limited

Established 1828 Head Office: PARIS, France.  
Capital fully subscribed. . . \$2,000,000.00  
25 p.c. paid-up

Fire and General Reserve Funds 6,792,000.00  
Available Balance from Profit and Loss Account. . . . . 118,405.00  
Net Premiums in 1918. . . . . 7,105,053.00  
Total Losses paid to 31 Dec., 1918. . . . . 106,718,000.00

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



# THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED

## LONDON, ENGLAND

### EXTRACTS FROM THE DIRECTORS' REPORT

The Directors submit to the Shareholders their Thirty-ninth Annual Report, together with the Audited Accounts to 31st December, 1919.  
 The premiums for the year are **\$28,278,805**, against **\$25,476,509** for the year 1918.

### REVENUE ACCOUNT, 1st January, 1919 to 31st December, 1919

(\$5-£1 Sterling)

<b>January 1st—</b>	
Amount of Insurance Fund at the Beginning of the Year:—	
Reserve for Unexpired Risks	\$10,422,091 00
Total Estimated Liability in respect of Outstanding Losses	7,457,530 00
	\$17,879,624 00
<b>December 31st—</b>	
Premiums	\$28,278,805 00
Fire	\$1,624,298 00
Marine	2,221,560 00
Accident	24,432,947 00
	\$28,278,805 00
Adjustment of Exchange	176,390 00
Transfer Fees	829 00
	\$177,219 00
	\$46,335,648 00

<b>December 31st—</b>	
Payments under Policies including Medical and Legal Expenses in connection therewith	
Fire	\$ 637,623 00
Marine	1,330,118 00
Accident	11,390,234 00
	\$13,357,975 00
Commission	6,113,560 00
Expenses of Management	2,012,303 00
Contributions to Fire Brigades	6,251 00
Bad Debts	49,596 00
	\$8,181,710 00
	\$21,539,685 00
Amount of Insurance Fund at the End of the Year:—	
Reserve for Unexpired Risks	\$11,649,770 00
Total Estimated Liability in respect of Outstanding Losses	9,446,460 00
	21,696,230 00
Balance transferred to Profit and Loss Account	3,749,733 00
	\$46,335,648 00

### BALANCE SHEET, 31st December, 1919

<b>Dr.</b>	
	<b>LIABILITIES</b>
Shareholders' Capital	
100,000 Shares, \$50 each	\$5,000,000 00
To Capital—100,000 Shares, \$10 paid	\$1,000,000 00
" Amounts due to other Companies and Agents	2,259,190 00
" Unclaimed Dividends	1,102 00
" Outstanding Commission	1,596,079 00
" Outstanding Expenses	10,344 00
" Loan Account	2,624,100 00
	6,490,815 00
" Provisions in Profit and Loss Account for Final Dividend, 1919	650,000 00
" Profit and Loss Balance	250,000 00
Reserves—	
For Unexpired Risks	11,619,770 00
" Outstanding Losses	9,446,460 00
Investment Reserve	1,655,286 00
Special Reserve for Taxes and Excess Profits Duty	1,074,913 00
General Reserve Fund	7,161,491 00
	30,955,920 00
	\$39,346,735 00

	<b>ASSETS</b>
By Mortgages on Property within the United Kingdom	\$ 13,200 00
Investments—	
British Government Securities	4,079,235 00
Bank of England Stock	57,722 00
Indian and Colonial Government Securities	687,295 00
Indian and Colonial Provincial Securities	174,729 00
Indian and Colonial Municipal Securities	360,308 00
U. S. & Foreign Government Securities	6,152,090 00
U. S. & Provincial Securities	529,069 00
U. S. & Foreign Municipal Securities	9,115,433 00
Railway and other Debentures and Debenture Stock—Home and Foreign	5,338,679 00
Railway and other Preference and Guaranteed Stocks	27,529 00
Railway and other Ordinary Stocks	39,708 00
House Property	441,136 00
Shares of Merchants Marine Ins. Co., Ltd. at cost	3,749,100 00
Mortgages on Property out of the United Kingdom	359,722 00
	\$30,123,665 00
" Branch and Agency Balances	6,091,329 00
" Interest and Rents accrued	359,214 00
" Cash—In hand and on Current Account	892,833 00
" Amounts due from other Companies	879,694 00
	\$39,346,735 00

**CANADA BRANCH:- OFFICES MONTREAL and TORONTO**

**C. W. I. WOODLAND, General Manager** for Canada and Newfoundland

**JOHN JENKINS, Fire Manager**



# THE EMPLOYER'S

Liability Assurance Corporation, Limited  
of London England

*Transacts*  
**AUTOMOBILE INSURANCE**, covering ACCIDENT, PROPERTY DAMAGE, COLLISION,  
 FIRE, THEFT and TRANSPORTATION  
 Personal Accident, Sickness, Passenger and Freight Elevator,  
 Burglary, H.I. Boiler, Plate Glass, Explosion and Fire  
 Insurance, Fidelity Guarantee and Contract Bonds.

OFFICES:

Temple Building, Toronto. Lewis Building Montreal

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

John Jenkins,  
 Fire Manager

Applications for Agencies Invited

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

**Stands First**

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



**TRANSACTS:**

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

302 St. James Street, MONTREAL

ROBERT WELCH, General Manager

\* Applications for direct Agencies Invited.

## The Ocean Accident & Guarantee Corporation Limited

**AUTOMOBILE INSURANCE**

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

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

Branch Office:

MERCHANTS BANK BLDG,  
 MONTREAL

JOHN W. WETHORE,

Superintendent.

W. T. FERRY,

Manager for Canada

Canadian Head Office: Ocean Insurance Building, TORONTO

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

**The Oldest and  
 Strongest Canadian  
 Casualty Company**

**ACCIDENT  
 BURGLARY  
 GUARANTEE BONDS**

TRANSACTS:

**SICKNESS                  PLATE GLASS  
 AUTOMOBILE INSURANCE  
 FIRE INSURANCE**

**E. ROBERTS, Manager**  
 101, LEWIS BUILDING, MONTREAL

**G. A. WITHERS, General Manager**  
 TORONTO

Branches: WINNIPEG    CALGARY    VANCOUVER

## REMOVAL NOTICE

The Law Union & Rock (fire department) and the London & Lancashire (fire department) are now domiciled at 146 Notre Dame Street W. and the Law Union & Rock Accident and London & Lancashire Guarantee & Accident departments are at 164 St. James St. The phone number for all offices is Main 3487. The above branches are all under the management of Mr. Colin E. Sword, Montreal.

## CANADIAN FIRE RECORD

*Fire at Toronto.*—On the 10th instant a fire destroyed four garages at the rear of 106 Lee Ave. Loss about \$3,000, several cars were burned.

*Fire at Newmarket, Ont.*—On the 6th instant, a fire damaged home of Robert Stewart. Insurance \$4,000.

*Fire at Halifax, N.S.*—On the 8th instant a fire destroyed seven large huts on the North Common, the property of Fried Bros., Glace Bay. Loss about \$25,000.

*Fire near Russell, Ont.*—On the 10th instant a fire destroyed the valuable brick residence of David Kirkade near Russell Village. Loss about \$8,000, insurance \$600.

*Fire at Kitchener, Ont.*—On the 6th instant the barn and 16 head of cattle, owned by Wm. Shantz, Petersburg road, were destroyed by fire. Loss about \$10,000.

*Fire at Montreal.*—On the 10th instant a fire broke out in the three storey building, 182 St.

Denis St., considerable damage was done on the lower floor, occupied by B. L. Lafrance & Co., ladies tailor.

*Fire at Brantford, Ont.*—On the 6th instant a fire broke out on the premises of the Buck Stove Co. Loss about \$50,000.

## PERSONALS

Mr. Lewis Laing, Assistant Manager for Canada of the Liverpool & London & Globe sailed this week per Empress of France for England. Mr. Laing is taking a well earned holiday after six years hard work in Canada. During his stay in England Mr. Laing proposes to visit several centres in that country where he was previously well known.

Mr. H. N. DeWitt of Armstrong DeWitt & Crossin, Toronto returned this week from a visit to England, France, and Ireland. Although Mr. DeWitt's visit to the latter country was necessarily a hurried one, he was nevertheless able to see many scenes familiar to his childhood days, notably the Lakes of Killarney, the Giants Causeway and the Seven Churches at Glendalough.

Mr. R. J. Dale of Dale & Co. Limited, Montreal sailed this week for the old country, where he will spend a few weeks holiday.

Mr. L. Goldman, President, North American Life, accompanied by Mr. C. W. Strathy, Treasurer of the Company are at present visiting Western Agencies on a tour of inspection. Mr. Goldman is most popular with his field men.

## BARNEY OLDFIELD

Speed demon and tire manufacturer would make a fine automobile insurance agent, wouldn't he? He'd have a ready-made list of prospects and connections.

We realize that all our representatives can't be Oldfields, so we roll up our sleeves and help them to get business. We open to them new avenues of advancement and profits through the intensive methods of our agency development, promotion and publicity departments. In turn we receive their loyal adherence backed by their sound conviction that

IT PAYS TO REPRESENT THE

# Fidelity (Fire) Underwriters

OF NEW YORK.

HENRY EVANS, President.

Policies assumed half by the Continental Insurance Co. and half by the Fidelity-Phenix Fire Insurance Co. of New York.

**FIRE TORNADO AUTOMOBILE HAIL PROFITS**

W. E. BALDWIN, Manager

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

≡ THE ≡  
**NORTH BRITISH AND  
MERCANTILE INSURANCE  
COMPANY**

Established 1809

Entered Canada 1862

---

Total Assets Exceed **\$115,000,000**  
Canadian Investments Exceed **\$5,000,000**  
Investments West of the Great Lakes  
Exceed **\$1,000,000**

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**HEAD OFFICE**  
**80 St. Francois Xavier St., Montreal, P.Q.**  
Randall Davidson, Manager

---

North Western Branch  
909-911 Paris Building, WINNIPEG  
C. A. Richardson, Branch Manager



**London Guarantee & Accident Co. Ltd.  
New Appointment**

Hedley C. Wright has resigned his appointment as Assistant Manager and Secretary of The General Accident Assurance Co. of Canada, to assist the General Manager for Canada of the London Guarantee and Accident Co. Ltd. Mr. Wright was with the "General Accident" for the past two and a half years previous to which he held various positions in London, England, Toronto, Halifax and Calgary with the "London Guarantee" to whom he has now returned.

**DEATH OF MR. G. S. MINTY**

The death occurred on the 7th instant of Mr. G. S. Minty, superintendent of the Union Insurance Society of Canton, Toronto. Mr. Minty was in Montreal a few days previous to his death, and attended the meeting of the Canadian Fire Underwriters' Association, on which occasion he also visited The Chronicle office. Mr. Minty was associated with the Union of Canton since it entered Canada and was greatly esteemed by the management, and a large circle of friends. His health had been the cause of much anxiety to his friends for some time.

**NEW YORK STOCK BROKERS ORGANIZE  
OWN SURETY CO.**

The Association of Stock Exchange Firms of New York has announced its intention to organize a surety company of its own for the purpose of writing blanket bonds for member brokers, safeguarding them against loss through theft of securities. This company, which will be incorporated in a few days, will have a capital of \$300,000 and a surplus of the same amount. The original intention of the association was to start with a larger capital and surplus to permit the writing of bonds of \$100,000, but the smaller capital was decided upon so that the company might begin operations immediately, with the understanding that the capital would probably shortly be increased.

In its statement issued last week, the association declared that it had long tried to avoid the organization of the company, realizing the trouble and responsibility which its management will entail upon those willing to undertake it, but that "in view of the constantly rising rates being charged by fidelity companies, with the constantly diminishing protection furnished, no other course seems to be left open."

The American company has announced that it will not continue to assume liability for losses due to mysterious, unexplained disappearance of securities, nor for trading losses, by which is meant

losses occasioned by employees who use the office machinery of their employers to conduct speculative accounts for themselves, usually in fictitious names.

"It is our confident belief," the American Surety remarks in its announcement, "that trading losses of this character and losses due to mysterious disappearance are uninsurable hazards at any obtainable premium, and that brokers can only safeguard themselves against such losses by vigilance and the adoption of sound office methods. Our new bond will afford brokers abundant protection against losses by theft of every kind and will be written by us at a greatly reduced premium rate."

*Losses Due to Brokers' Laxity.*

Vice-President Joel Rathbone of the National Surety said last week that more than 45 per cent. of the losses have been "losses of securities in transit"—these defections by messengers and others having been the largest single item of loss. Another important element, according to Mr. Rathbone, has been unauthorized trading in fictitious accounts by employes in their own offices. "That probably is a hazard that is going to be scrutinized very carefully by surety companies in the future," he said. "I know of one case of a clerk in a broker's office who induced his brother-in-law to open what was a legitimate account. The margin clerk did not report losses in the account to the supervising partner, and by the time the auditor got there there was a loss of \$100,000.

"Surety companies are beginning to think that losses of that sort do not constitute an insurable hazard, that they are rather a question of office management, bookkeeping, auditing and the like, which ought to be controlled by the office system. Losses of that sort grow so rapidly, particularly in a falling market, that we feel it devolves upon the offices themselves to prevent them."

**TRAFFIC RETURNS**

Canadian Pacific Railway				
Year to date	1918	1919	1920	Increase
April 30 . . . . .	\$45,161,000	\$48,570,000	\$57,972,000	\$9,402,000
Week ending	1918	1919	1920	Increase
May 7 . . . . .	\$3,033,000	\$2,856,000	\$3,521,000	\$664,000
Grand Trunk Railway				
Year to date	1918	1919	1920	Increase
April 30 . . . . .	\$19,002,937	\$19,361,387	\$20,949,326	\$1,587,939
Week ending	1918	1919	1920	Increase
May 7 . . . . .	\$1,334,727	.....	.....	.....
Canadian National Railways				
Year to date	1918	1919	1920	Increase
April 30 . . . . .	.....	\$27,159,550	\$29,492,425	\$2,332,875
Week ending	1918	1919	1920	Increase
May 7 . . . . .	.....	\$1,364,679	\$1,806,301	\$231,622



**INSURANCE THAT INSURES**  
**PROTECTION THAT PROTECTS**  
**THE EQUITABLE**  
**LIFE ASSURANCE SOCIETY OF THE U. S.**  
 120 Broadway New York  
**W. A. DAY, President**

**VULCAN**  
**Fire Insurance Company**  
 of Oakland, California

ASSETS OVER \$1,500,000.00

Canadian Head Office :  
**VANCOUVER, B. C.**

**G. U. PRICE & CO., LIMITED**

General Agents for Quebec  
 Bank of Toronto Building, **MONTREAL**

**LONDON & SCOTTISH ASSURANCE CORPORATION**  
**LIMITED, OF LONDON, ENGLAND**

Formerly LONDON & LANCASHIRE LIFE & GENERAL ASSURANCE ASSOCIATION, LIMITED  
 ESTABLISHED IN CANADA 1863

Directors for Canada :

A. J. Dawes, Esq. E. C. Pratt, Esq.  
 H. B. Mackenzie, Esq. D. C. Macarow, Esq.

**ALL CLASSES OF LIFE ASSURANCE TRANSACTED**

**SCOTTISH METROPOLITAN ASSURANCE COMPANY**  
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FIRE and MARINE  
 ACCIDENT and SICKNESS  
 GUARANTEE BONDS  
 ELEVATOR and GENERAL LIABILITY

AUTOMOBILE LIABILITY and FIRE  
 Individual or Combined Policies  
 EMPLOYERS' LIABILITY  
 PUBLIC and TEAMS' LIABILITY

**Head Offices for Canada: LONDON & SCOTTISH BUILDING, MONTREAL**

**Total Funds and Assets Exceed \$25,500,000**

Fire Manager, C.E. CORBOLD Casualty Manager, J. UPTON FLETCHER Secretary and Actuary, W.H.R. EMMERSON

Manager for Canada, **ALEXANDER BISSETT**

**APPLICATIONS FOR AGENCIES INVITED**

## OUTLOOK FOR AUTOMOBILE BUSINESS

The insurance agent who is not "getting his" in some one or all of the fifty-seven varieties of automobile insurance is losing more than he thinks he is. He hasn't made a start and in the insurance business the start counts. There everything goes by the good old primal rule of business.

"That they should take who have the power  
And they should keep who can."

It is easier to keep it than to take it and so those who have started and have got automobile business are laying the foundations for keeping it by the simple rule of service. Those who render the service will keep easily what they have taken, adding much as they go.

Makers of automobiles, in order to make that business move more readily, had to invent "self starters" to get around the delay and danger of cranking. It was a strong and tremendous boost to the business. Insurance should invent a self starter for those agents who have not yet got a move on. Automobile insurance, important as it is productive as it has been in premiums and in the protection it affords, is still to a great extent a virgin field. In 1888 the combined premium receipts of all the fire insurance companies reporting to the National Board was about \$100,000,000. After thirty years they amounted in 1918 to \$495,000,000. The increase was practically four-fold. There was not that much proportionate increase in the value of the property—not nearly. The increase in premiums came from the efforts of agents who saw the values unprotected and went after them—and got them in. The whole fabric of insurance is the work of agents.

Automobile insurance is of recent date. Automobiles themselves are creations of yesterday. According to the census classifications of age more than three-fourths of all living Americans can remember when they had never seen one. There are eight millions of them in daily familiar use in the United States now—more than twice as many as in the rest of the world combined. They are increasing in number at the rate of more than 2,000,000 a year. They represent a property value alone of more than eight billions. They represent an insurable value as against fire, theft, collision, property damage and liability infinitely greater than \$8,000,000,000—probably estimated at as large a value as that written in fire insurance or about \$90,000,000,000! Yet in 1918 the total premiums reported on all the automobile insurance was only \$72,000,000. But it was in striking distance of fire insurance in 1888! The infant has already grown lusty.

What are the prospects? Experts estimate that three-fourths of all the automobiles are uninsured

or underinsured or not adequately protected against the various hazards. In other words there were \$288,000,000 of premiums "visible" where only \$72,000,000 were brought in. Is this a "side line" or is it the mother lode? At the rate at which automobile property is multiplying these values increase incredibly every year. They will soon displace the lead of fire insurance.

It is time for the insurance agent everywhere to press his self starter. There are few indeed who have no opportunities right around them. Automobile ownership and all the hazards attaching are their own visible distributors among farms, villages, towns and cities. The agent who takes into his office companies that supply all the cover lines can get the business as he gets fire insurance. But he must get it in the same way—go after it and preach the gospel of protection. If he doesn't somebody else will and the new agent in his vicinity will not likely be satisfied with automobile business alone. There are already casualty agents that regard fire insurance as a side line. Companies are waiting, the prospects are enlarging, the field is open.

There are pessimists who will tell you that the automobile is a fad that will give way to something newer. Not a chance of it! This is the age of machinery and the miracles of physics. No chance in the world to take from men this miracle of rapid movement by which they come and go as on wishing carpets and do in an hour what formerly required the whole day. They are largely superseding railroads and street cars. But do you hear of railroads and street cars passing away? No, they are still busy, though in their time they were considered fads and dangerous ones at that.

There are even persons who insist that automobile development will be limited by the supply of rubber and gasoline and they see the early exhaustion of both. Sure thing! Just like grandmothers are going to give out because they are old and die so much faster than their grandchildren. When the rubber supply has been stretched to its most tenuous extent and the oil fields are being pumped instead of spouting, the automobile will be running just as rapidly, smoothly and luxuriously as now.

As to fuel—it is universal. Railroad locomotives did not vanish when the early supply of cord wood gave out, nor will they when coal gets scarce and oil evaporates. There is still in reserve the electrical power of streams for easy distribution. There is the electricity that is caught and directed for wireless—who knows from whence? Then there is the mystery of ever moving, never decreasing radium, from the very bowels of illimitable space.

Young E. Allison.





**WANTED**

By a leading Fire Insurance office in Ottawa, young man about 24 or 25, with Head Office training, and with two or three years field experience preferred. French and English necessary. A splendid opportunity for young ambitious insurance man. Address,

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Care The Chronicle,  
Montreal.

**WANTED**

Assistant Mapping Clerk for British Fire Office. State salary required. Address,

Mapping Clerk,  
Care The Chronicle, Montreal.

**WANTED**

Insurance Position, 10 years experience Home Office leading Co., London, England, as Foreign Accountant. Entire Charge Branch, Agency, Re-Insurance, Guarantee, Treaty Accounts. Also annual Statistics, Experience. Moderate salary to commence.

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**WANTED**

General Agency for City of Toronto and vicinity for strong Company writing Accident, Liability and Automobile Insurance. Splendid opportunity awaits first class Company. Apply in first instance to,

GENERAL AGENCY,  
Care The Chronicle,  
Montreal.

**WANTED**

A desirable position is vacant for a young man in an Insurance Office. Must be a typist. One having knowledge of Casualty insurance preferred. Apply to,

R. G.,  
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**Canadian Banking Practice  
On Sale  
By The Chronicle**

**NOTICE**

NOTICE is hereby given that L'Abeille Société D'Assurance Contre la Grêle (The Bee Hail Insurance Company), has been granted License No. 868, by the Government of the Dominion of Canada, to transact the business of Hail Insurance.

J. E. CLEMENT,  
Manager.

**NOTICE**

The Alliance Insurance Company of Philadelphia has received Dominion of Canada License No. 865, under the Insurance Act of 1917, for the transaction of Inland Transportation.

ROBERT HAMPSON & SON,  
Chief Agents for Canada.  
Montreal.

**NOTICE**

NOTICE is hereby given, the deposit having been made, license No. 867 has been issued to the British Crown Assurance Corporation Limited, authorizing it to transact in Canada the business of fire insurance, hail insurance and automobile insurance, (excluding the insurance against loss by reason of bodily injury to the person).

J. H. RIDDEL,  
Manager for Canada.

**NOTICE**

NOTICE is hereby given that The Home Insurance Co. of New York, has received a License from the Government of the Dominion of Canada, to transact the business of Burglary and Property Damage Insurance in Canada, in addition to the classes for which it is already licensed.

FRED W. EVANS,  
Chief Agent for Canada.

## BUSINESS INSURANCE

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

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

### CANADA LIFE ASSURANCE COMPANY

Home Office - TORONTO

## G. U. PRICE & CO., Limited INSURANCE

Bank of Toronto Building, MONTREAL

### GENERAL AGENCIES

#### FIRE

Canada Accident and Fire  
Insurance Co.  
Vulcan Fire Insurance Co.

#### MARINE

Washington Marine Insurance  
Co.  
Continental Insurance Co.

## NIAGARA FIRE INSURANCE COMPANY

HEAD OFFICE, NEW YORK

INCORPORATED 1850

Cash Capital

**\$1,000,000.00**

Net Surplus 31st Dec., 1919

**\$3,393,907.58**

CANADIAN DEPARTMENT - - 22 ST. JOHN STREET, MONTREAL

W. E. FINDLAY, MANAGER

AGENTS WANTED

"THE OLDEST SCOTTISH FIRE OFFICE"

## Caledonian Insurance Company

OF EDINBURGH

FOUNDED 1805

## Caledonian-American Insurance Company

OF NEW YORK

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JOHN G. BORTHWICK, Canadian Manager