

The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

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THE GENERAL FINANCIAL SITUATION

The victories won by the Allies in France continue to exert a favorable effect upon the financial markets in America and in London and Paris. They have had to take cognizance of the fact that the military situation has undergone a great transformation in the course of a short two weeks. With the launching of Foch's great counter offensive the war has taken on an entirely new aspect. Instead of waiting passively for the Germans to strike when it became convenient for them to do so, the Allies, temporarily at least, have taken the initiative, and as a result the German high command have been hard put to it to save the army of their crown prince from disaster. In the recent operations it appears that the Allies out-generalled and out-fought the enemy; and while it is not yet by any means clear that we are in sight of a decisive victory, it is quite plain to all that considering their great losses of men and material and the disorganization of their units and plans, the Germans will not be in condition to undertake another of their gigantic offensives for several months. By that time the number of Americans in France will have so increased as to make it practically impossible for the Germans to achieve anything from an offensive on a large scale. Hence the observing financiers and business men have arrived at the conclusion that the crisis of the war is past. The enemy is still strong; he is still capable of striking heavily, but Paris is now definitely out of danger and there is no chance of the Germans driving a wedge between the British in the north and the French and Americans in the south. From the financial point of view that is a most important consideration. It means relief from vague fears of disasters or calamities that would set back the Allied plans for months and prolong by so much the great strain under which the financial community labors in regard to flotation of successive new war loans, steady and rapid increase of taxation, governmental interference with the regular course of trade, etc., etc.

The securities markets in New York responded to the new state of affairs rather more enthusiastically than did our own markets. The reason is well understood here. The American money markets, though tight, are not quite so closely held against loans for speculative purposes. It would be difficult to get loans from the banks here for the purpose of buying stocks extensively on mar-

gin—as the funds of the banks are largely taken up by the special credits to the Dominion Government. However, if the Allied operations result in further great successes, we may reasonably expect that our markets will eventually make a satisfactory response.

Money rates here are unchanged, and apparently the situation as regards the discounting of commercial paper is satisfactory. Bank rate in London holds at 5 per cent. In the open market call money is $2\frac{3}{4}$ per cent.; and the discount rate applying to both short and three months' bills, 3 17-32 per cent.

The money market at New York is very firm—call loans have held at 6 per cent. Time loans too have been strong at 6 per cent. for all maturities. Six per cent. is the rate quoted also for prime mercantile paper. Dispatches from the American centre intimate that the call money market was subject at times to spasms of demand, which but for the action of the official Money Committee in putting out funds at critical times, would have caused a rise above the 6 per cent. level. Where lenders considered that there was too much industrial collateral, the rate frequently has been fixed at $6\frac{1}{2}$ per cent. Thus it will be seen that money rates as quoted in New York are regulated to a certain extent—the Money Pool takes action whenever a rise above 6 per cent is threatened. So some New York authorities consider that these quoted rates do not reflect the real situation of the market. They say that the state of affairs is portrayed more faithfully by the rates of interest paid by leading American industrial concerns in connection with short term notes recently issued by them. In case of these issues, investors secured yields ranging from 7 to above $7\frac{3}{4}$ per cent; and it may be assumed that the cost of the money to the issuing corporations was higher than the figures quoted.

Clearing house banks in New York were able to show in their Saturday statement a gain of \$18,000,000 in excess reserves. Heavy decreases in loans and deposits were largely responsible for the improvement of position. Loans decreased \$178,000,000; cash in vaults decreased \$5,800,000; reserves in the Federal Reserve Bank increased \$4,400,000; net demand deposits decreased \$104,000,000. The outstanding feature of the statement of the Federal Reserve Bank of New York was a gain of \$117,000,000 in gold reserve.

(Continued on Page 781)



BANK OF MONTREAL

ESTABLISHED 100 YEARS (1817-1917)

Capital Paid up, \$16,000,000

Rest, \$16,000,000

Undivided Profits, \$1,784,970

Total Assets - - \$426,322,096

BOARD OF DIRECTORS:

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Head Office: MONTREAL

General Manager—Sir Frederick Williams-Taylor

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

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

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

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

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

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

G. C. CASSELS, Manager.

Sub-Agency: 9 Waterloo Place

Pall Mall, S.W.

Trafalgar Square Branch

CHICAGO: 108 South La Salle Street.

NEW YORK: 64 Wall Street

R. Y. HEBDEN

W. A. BOG

A. T. SMITH

Agents

SPOKANE: Washington.

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

THE CANADIAN BANK OF COMMERCE

Established 1867

Head Office: TORONTO

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

Rest - - - - 13,500,000

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

President

SIR JOHN AIRD, General Manager.

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

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

Great Britain—London. Mexico—Mexico City.

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

Newfoundland—St. John's.

Agents and Correspondents throughout the World

The Molsons Bank

Incorporated by Act of Parliament 1855

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

Reserve Fund - - 4,800,000

HEAD OFFICE - - MONTREAL

Besides its 97 Branches in Canada, the Molsons Bank has agencies or representatives in almost all the large cities in the different countries of the world, offering its clients every facility for promptly transacting business in every quarter of the globe.

EDWARD C. PRATT

General Manager

THE BANK OF BRITISH NORTH AMERICA

Established in 1836 Incorporated by Royal Charter in 1840

Paid-up Capital - \$4,866,666
Reserve Fund, - 3,017,333

Head Office:

3 GRACECHURCH STREET, LONDON, E.C. 3

Capt. JACKSON DODDS W. S. GOLDBY
 Secretary Manager

Court of Directors

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 J. H. Brodie J. H. Mayne Campbell E. A. Hoare
 Lieut. E. Geoffrey Hoare, R.N.V.R.
 Frederic Lubbock Major C. W. Tomkinson
 G. D. Whatman Hon. A. R. Mills, M.P.

Head Office in Canada:

ST. JAMES STREET, MONTREAL

Advisory Committee in Montreal:

SIR HERBERT B. AMES, M.P.
 W. R. MILLER W. R. MACINNES

H. B. MACKENZIE, General Manager

J. ANDERSON, Superintendent of Branches.
 O. R. ROWLEY, Superintendent of Eastern Branches, Montreal.
 J. McEACHERN, Superintendent of Central Branches, Winnipeg.
 A. S. HALL, Inspector of Branch Returns.
 J. H. GILLARD and N. V. R. HUUS, Inspectors, Montreal.

This Bank has Branches in all the principal Cities of Canada, including Dawson (Y.T.), and Agencies at New York and San Francisco in the United States.

Agents and Correspondents in every part of the world.

COLLECTIONS MADE AT LOWEST RATES

Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued, Negotiable anywhere.

Agents in Canada for Colonial Bank, London and West Indies

G. B. GERRARD, Manager, Montreal Branch

The MERCHANTS BANK OF CANADA

HEAD OFFICE - MONTREAL

Capital Paid-up - \$7,000,000
Reserve and Undivided Profits 7,437,973
Total Deposits (May, 1918) 113,000,000
Total Assets (May 1918) - 144,000,000

BOARD OF DIRECTORS:

SIR H. MONTAGU ALLAN, C.V.O., President
 K. W. BLACKWELL, Vice-President
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 F. ORR LEWIS A. J. DAWES Lt.-Col. J. R. MOODIE
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 E. F. HEBDEN, Managing Director
 D. C. MACAROW, General Manager
 T. E. MERRETT, Supt. of Branches and Chief Inspector

How we can serve Corporations & Business Houses



Besides guarding their money while in our care, we can help them
 With information on financial questions.
 By buying their Drafts and other negotiable paper.
 By issuing Bank Money Orders, Travellers' Cheques and Letters of Credit.
 By making collections in every section of Canada and abroad.
 In short, by giving them a Banking Service that is modern and complete in every detail.

236 BRANCHES CANADA

Extending from the Atlantic to the Pacific

New York Agency: 63 & 65 Wall Street

ESTABLISHED - 1875

IMPERIAL BANK OF CANADA

DIVIDEND No. 112

NOTICE is hereby given that a dividend at the rate of TWELVE PER CENT. (12 p.c.) per annum upon the paid-up capital Stock of this institution has been declared for the three months ending 31st July, 1918, and that the same will be payable at the Head Office and Branches on and after Wednesday the 1st day of August next.

The transfer books will be closed from the 17th to the 31st August, 1918, both days inclusive.

By order of the Board,

E. HAY,

General Manager.

Toronto, 19th June, 1918.

THE ROYAL BANK OF CANADA

Incorporated 1869

Capital Paid Up, \$14,000,000

Reserves, \$15,000,000 Assets, \$360,000,000

Head Office, Montreal

520 BRANCHES IN CANADA

Newfoundland, Cuba, Porto Rico, Dominican Republic,
Costa Rica, Venezuela

BRITISH WEST INDIES

In Antigua, Bahamas, Barbados, Dominica, Grenada,
Jamaica, Montserrat, Nevis, St. Kitts,
Tobago, Trinidad, British Guiana and British Honduras
Spain, Barcelona, Plaza de Catalina 6

London, Eng.
Princes Street, E.C.

New York
Cor. William & Cedar Sts.

SAVINGS
DEPARTMENT

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

Victory Loan Securities

Will be accepted for safekeeping from
subscribers for moderate amounts for one
year free of charge.

A special Savings Department has re-
cently been opened. Deposits of \$1 and
upwards received.

THE DOMINION BANK

160 St. James Street, MONTREAL

M. S. ROBERT, Manager

THE BANK OF TORONTO

DIVIDEND No. 148

NOTICE is hereby given that a **DIVIDEND of Two and Three-
quarters per cent.** for the current quarter, being at the rate of **Eleven per cent.
per annum**, upon the paid-up capital stock of the Bank, has this day been
declared, and that the same will be payable at the Bank and its Branches on and
after the 3rd day of September next, to Shareholders of record at the close of Business
on the 14th day of August next.

By Order of the Board,

THOS. F. HOW,

General Manager.

THE BANK OF TORONTO, TORONTO,
July 17th, 1918.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832

Capital - - - \$6,500,000.00
Reserve Fund - - - 12,000,000.00
Total Assets over - - - 130,000,000.00

Head Office - - HALIFAX, N.S.

CHARLES ARCHIBALD, President

Genl. Manager's Office, TORONTO, Ont.

H. A. RICHARDSON, General Manager

Branches throughout every Province in Canada,
and in Newfoundland, Jamaica and Cuba

BOSTON CHICAGO NEW YORK

THE BANK OF OTTAWA

ESTABLISHED 1874

Capital Paid-Up
\$4,000,000

Reserve **\$4,750,000**

94 Branches in Canada

The Home Bank of Canada

Original Charter 1854

Branches and Connections
throughout Canada

MONTREAL OFFICES:
Transportation Bldg., St. James Street

Hochebaga Branch:
Cor. Davidson and Ontario Streets

Verdun Branch:
1318 Wellington Street



There is a universal call for
saving now.

Start a Savings Account at
any branch with a
dollar or more.

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY.

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

Office:

406-408 LAKE OF THE WOODS BUILDING,

10 ST. JOHN STREET, MONTREAL.

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

MONTREAL, FRIDAY, JULY 26, 1918

THE GENERAL FINANCIAL SITUATION.

(Continued from Front Page)

The market for New York funds in Montreal and Toronto has been a little easier—the quotations falling below the 2 per cent. level. Perhaps the shipments of Canadian cheese and butter have provided the bankers with an increased amount of exchange—it will be remembered that a \$40,000,000 credit was arranged in New York some time ago to cover these exports. It is well known that one of the causes of the high exchange rate was the drop in our exports during April, May and June. This drop in exports is said to have been due, in part, to the withdrawal of shipping from our routes for transport service. After the Germans commenced their great offensive campaign on March 21 this year, there was an urgent call on the United States for reinforcements. The Americans responded magnificently to this call; and to enable them to send the maximum number of men, the Allies were obliged to make arrangements for providing a considerable number of additional ships. So doubtless some of the ships which prior to April were engaged in carrying out our products, have since then been participating in the great work of moving American armies to France. It may be the case that some of our deferred exports are going out now, along with the new products of 1918; and if so there might be an increased supply of bills offered in the exchange market.

BRITISH BANKING MERGERS

In a review of the annual statement of Lloyds Bank, published in these columns a few weeks ago, it was pointed out that the nucleus and basis of this great British banking institution lay in the centralization of no fewer than 48 banks and private banking firms, at intervals between 1865 and 1914. All these amalgamations are now put into the shade by the announcement that Lloyds Bank has received the approval of the British Treasury for the absorption of the Capital and Counties Bank, an institution with a capital of \$8,750,000, and total deposits of \$300,000,000. This amalgamation will give Lloyds Bank a capital of \$45,000,000, reserves of a like amount and deposits of no less than \$1,200,000,000. The bank will have 1350 branches. Lloyds Bank is also following up its recent invasion of the Continental banking field by a union of interests with the

National Bank of Scotland and the London and River Plate Bank. Stock purchases have been made in these cases, the institutions named retaining their separate identity.

Recent amalgamations have reduced the great London joint stock banks in number from eleven to five, of which Lloyds is the second largest. The other institutions with deposits of \$1,000,000,000 or over in amount are the London, City and Joint Stock, \$1,435,000,000; London, County and Westminster, \$1,065,000,000; Barclay's, approximately \$1,000,000,000. The creation of a community of interests between Lloyds and Scottish and South American banks suggest interesting possibilities in the activities of the British banks in the near future in preparation for after-the-war conditions. In view of what has taken place, it would perhaps not be surprising if steps were taken by one or other of the big London banks to strengthen their connections with Canada by the creation, in one way or another, of a community of interest, not at present existing.

BANKING AND FINANCE.

The Finance Minister has been in conference recently with bankers and bond dealers discussing plans for another war loan but no official statement has been made as to the amount to be issued or as to other details. It is understood, however, that the terms will be similar to those of the previous loan, unless in the meantime abnormal conditions arise. Quite recently there has been an unusual absorption of new bond issues at a price that yields the investors a return slightly lower than the average of a year ago. These were permitted on the ground of exceptional urgency, but it is expected that from now on, or at least until the government loan is taken up, few issues will be allowed.

The bank statement for May indicated a stronger demand for loans in Canada. At the end of the month these loans amounted to \$962,653,779 or \$12,000,000 more than in April and \$70,000,000 more than a year ago, this is largely due to the increasing cost of raw material. Circulation also tends to expand as a result doubtless of the increased manufacturing activity which calls for more currency to meet higher payrolls.

Bank clearings which are not now inflated by speculations of any kind still remain at a higher level than in previous years. Railway earnings, another measure of business activity, are higher than last year; this is due to higher rates, the tonnage transported being about the same.

Loans to municipalities reached \$57,000,000, this is an exceptional amount and is due to special financing by some of the large cities. The general tendency to expansion in this item is to some extent due to the higher rates for the permanent funding of capital expenditures. Municipal credits are generally arranged early in the spring and liquidated by the taxes, which however do not begin to come in until the middle of the year.

Public deposits were slightly lower than in the previous month and showed some shifting of funds from current to savings accounts. The aggregate is \$147,000,000 in excess of the total of a year ago.—Canadian Bank of Commerce Monthly Financial Letter.



THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY LIMITED

CANADIAN BRANCH HEAD OFFICE - MONTREAL

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



THE LIVERPOOL - MANITOBA ASSURANCE COMPANY

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

DIRECTORS:
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The Globe Indemnity Company of Canada

Liability Guaranteed by THE LIVERPOOL and LONDON and GLOBE Insurance Company Limited
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CASUALTY Insurance including Accident, Sickness, Guarantee, Burglary
 Employers' Liability and Automobile

== FIRE INSURANCE ==

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 Robt. Welch Assistant Manager
 Lewis Laing Fire Manager
 J. D. Simpson Assistant Fire Manager

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

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

THE OLDEST AMERICAN STOCK FIRE INSURANCE COMPANY

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

ROBERT HAMPSON & SON, LIMITED GENERAL AGENTS FOR CANADA MONTREAL

LONDON & LANCASHIRE LIFE AND GENERAL ASSURANCE ASSOCIATION LIMITED

of LONDON, ENGLAND

ESTABLISHED IN CANADA, 1868

ASSETS EXCEED \$22,000,000

DIRECTORS FOR CANADA:
 A. J. DAWES, Esq. H. B. MACKENZIE, Esq.
 E. F. HERRICK, Esq. E. C. FRATE, Esq.
 Manager for Canada: ALEX. BISSETT

BRANCHES THROUGHOUT THE DOMINION

HEAD OFFICE FOR CANADA:

LONDON AND LANCASHIRE LIFE BUILDING
 164 St. James Street, Montreal, P.Q.

Take Your Choice

We have several good openings for General Agents, both in urban and rural districts. Keen, energetic men, looking for advancement, will find it to their interest to connect themselves with a progressive Company like The Manufacturers Life which stands foursquare on the principles of sound Life Insurance.

THE MANUFACTURERS LIFE
INSURANCE COMPANY

TORONTO - - - CANADA

TRAFFIC RETURNS.

Canadian Pacific Railway.

Year to date	1916	1917	1918	Increase
June 30 ...	\$61,252,000	\$69,575,000	\$70,213,000	\$638,000
Week ending	1916	1917	1918	Increase
July 7 ...	\$ 2,616,000	\$ 3,101,000	\$ 2,787,000	*314,000
" 14	2,728,000	2,867,000	2,688,000	*179,000

Grand Trunk Railway.

Year to date	1916	1917	1918	Increase
June 30 ...	\$17,271,848	\$30,501,564	\$32,518,724	\$2,017,160
Week ending	1916	1917	1918	Increase
July 7 ...	\$ 1,155,029	\$ 1,297,003	\$ 1,500,596	\$ 203,593
" 14	1,211,303	1,379,293	1,515,442	136,149

Canadian Northern Railway.

Year to date	1916	1917	1918	Increase
June 30 ...	\$16,073,400	\$19,621,200	\$20,591,800	\$ 970,600
Week ending	1916	1917	1918	Increase
July 7 ...	\$ 885,100	\$ 902,300	\$ 821,700	\$ *80,600
" 14	874,900	935,600	854,100	*81,500

*—Decrease.

ROYAL BANK

The condensed statement of the Royal Bank of Canada for the month of June shows deposits at a new high record of \$284,478,522, a gain of about 3½ millions for the month, following gains of about 4 to 10½ millions in the earlier months of the year. At the end of June there was a net increase of about 32 millions in the bank's deposits as compared with November last, when the 1917 fiscal year closed, and total assets crossed the 350 million mark for the first time.

The June figures of the Royal Bank indicate no let up in the strong demand for money for commercial purposes. Loans and discounts rose 2½ millions to \$167,126,730, the largest figures yet reported by the bank under this head. Other changes except in circulation, up about two millions, were comparatively slight.

With the July statement, the Northern Crown Bank's figures will be merged in those of the Royal, so the present statement is the last for the Royal in its present form.

On the whole the June figures of the Royal Bank of Canada are moderately favorable as an index to the general banking situation.

The better trade return for June, with the substantial increase in Canadian exports, suggested that the banking figures would show some liquidation in business discounts. That liquidation may have oc-

curred, despite the increase reported by the Royal, for that Bank's foreign business is now of large proportions, and there may well have been an increase in discounts abroad with a decrease at home.

Moderately favorable deductions are possible, however, from the continued rise in deposits, accompanied by a somewhat smaller increase in discounts. When "moderately favorable" is applied in a description of the changes, the viewpoint is not that of the banks in a selfish way. Larger discounts based on larger deposits is profitable expansion for a bank. But the bank's ability to finance the special requirements arising from the war continues to depend to some extent on opening up a wider gap between deposits on the one hand and discounts on the other than recent bank statements have been showing.

ESTABLISHED 1873

Standard Bank

of CANADA

ESTABLISHED 1873.

**QUARTERLY DIVIDEND NOTICE,
No. 111.**

NOTICE is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st July, 1918, and that the same will be payable at Head Office in this City, and at its branches on and after Thursday, the 1st day of August, to Shareholders of record the 22nd July, 1918.

By Order of the Board,

**C. H. EASSON,
General Manager.**

Toronto, June 22nd, 1918.

AUSTRALIA and NEW ZEALAND BANK OF NEW SOUTH WALES

(ESTABLISHED 1817)

Paid-up Capital	- - - - -	\$19,524,300.00
Reserve Fund	- - - - -	14,375,000.00
Reserve Liability of Proprietors	- - - - -	19,524,300.00
		\$53,423,600.00
Aggregate Assets 30th Sept., 1917	- - - - -	\$285,767,140.00



J. RUSSELL FRENCH, General Manager.

334 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea), and London
The Bank transacts every description of Australian Banking Business. Wool and other Produce Credits arranged

Head Office: **GEORGE STREET, SYDNEY.** Agents: Bank of Montreal, Royal Bank of Canada, Bank of British North America. London Office: **29, THREADNEEDLE STREET, E.C.**

Commercial Union

ASSURANCE COMPANY LIMITED
of LONDON, England

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

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

Palatine

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December, 1917)

Capital Fully Paid.....	\$1,000,000
Fire Premiums 1917, Net.....	\$2,896,395
Interest, Net.....	142,130
Total Income.....	\$3,038,525
Funds.....	\$5,476,985
Deposit with Dominion Gov't....	\$318,267

N.B.—In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$169,000,000.

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

COMMERCIAL UNION BUILDING, - 232-236 St. James Street, - MONTREAL

J. McGREGOR, Manager

W. S. JOPLING, Assistant Manager



THE Continental Insurance Company

OF NEW YORK

HENRY EVANS, - - - President

"THE BIG COMPANY"

TORNADO FIRE - MARINE

ASSETS EXCEED \$35,866,635

W. E. BALDWIN
Manager

Head Office for Canada and Newfoundland:
17 ST. JOHN ST., MONTREAL

F. K. RIDGE
Agency Supt.

A Fire Insurance Policy does not cover

Loss or Damage resulting from Explosion, War, Invasion, Insurrection, Riot, Civil War, Civil Commotion, Military or Usurped Power. Protection against these hazards is provided by a special policy issued by

NOVA-SCOTIA-FIRE
UNDERWRITERS AGENCY

PREMIUM RATES MAY BE HAD FROM

McBEAN & HILL, GENERAL AGENTS, Lewis Building, 17 St. John Street, Montreal, Que.

C. R. G. JOHNSON, POIRIER & 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.

PHOENIX ASSURANCE COMPANY LIMITED OF LONDON, ENGLAND

The annual general meeting of the Phoenix of England, held last month in its palatial head-office building, London, England, the Right Hon. Lord George Hamilton, P.C., G.C.S.I., presiding, was an occasion calling for especial congratulations in its long and conspicuously successful career, notwithstanding the shadow of the war. The growth and expansion of this great British composite office (judging by the unmistakable evidence of general prosperity which permeate the statement) has scarcely ever been surpassed, in any twelve months of the company's operations. An interesting incident in connection with the annual report was the statement that Sir Gerald Ryan had just completed 25 years of service as chief officer. The Phoenix is well known as one of the most powerful factors in the insurance world, embracing the various branches of insurance enterprise and operating over a world-wide area.

The Fire Department.

As one of the oldest of the fire insurance offices the main features of the fire business in the past year, as briefly stated by the chairman, are a lower loss ratio, a diminished expenditure, and an enhanced profit. Net premiums received were \$8,546,605, compared with \$7,659,365 in the preceding year, a growth of \$887,240. Net losses paid \$4,066,140, figuring a ratio of 47.6 per cent. to premiums, as compared with 48.9 per cent. for 1916. This is the lowest proportion of losses to premiums which has been reported by the company for the past eleven years. Expenses, including contributions to fire brigades, and commissions absorbed \$3,243,430, a proportion to premiums of 38 per cent. as against 39 per cent. in 1916. This is a distinctly gratifying feature in view of the enlarged taxation and the inevitable present tendency to increase in management expenses owing to the war. After providing for the unexpired liability reserve on a 40 per cent. basis, a net trading profit of \$882,030 is recorded. The sum of \$295,150 was derived from interest on investments, making a total of \$1,177,180 transferred to profit and loss from the fire account, as compared with \$944,370 for 1916. The fire funds have been increased by \$355,000 to a total of \$10,355,000.

The Life Department.

Notwithstanding the fact that life assurance companies have naturally suffered most during the war (mortality has been heavy, working expenses generally have become heavier, and a slump in the class of securities required for the reserves by this class of business), yet the life department of the Phoenix has shown excellent results and is above the total of the preceding year. During the year 2047 life policies were issued, assuring \$6,386,370, with new premiums of \$396,520. The total income of the department was \$5,983,310 and the outgo \$5,311,405.

At the close of the year the life assurance funds totalled \$54,581,110. The chairman stated that he had been greatly impressed by the universal testimony to the undue hardship which life offices have to bear in regard to the method by which they are assessed for income tax, which is levied on the interest received on the company's funds, instead of the more equitable basis of being assessed for income tax on profits.

In the marine field the company's revenue increased from \$6,500,000 to the large amount of \$12,000,000. The writing of war risks was not only

necessary for the protection of business but has been of immense service to the commercial community. The large increase was largely the natural outcome of the necessities of the abnormal situation. After payment of claims and expenses the sum of \$1,123,860 was transferred to profit and loss account.

The magnitude of the Company's business is seen in the fact that the total income last year exceeded \$27,000,000, an advance of nearly \$6,000,000 over 1916, while its total assets have increased from \$86,872,445 to \$95,205,330 as at 31st December, 1917.

The Canadian Branch.

While it has become a matter of "Ancient History" that the Phoenix has been operating in Canada considerably more than one hundred years, and it may be said that this record, of itself, should not be unduly lauded, there is, however, combined with this, a record of high and honorable dealings, by its management, with the company's policy-holders, to which may fairly be ascribed to a large extent the high prestige the Phoenix of England enjoys throughout Canada, as it does throughout the world. The company transacts both fire and life business throughout the Dominion under the management of Messrs. R. MacD. Patterson and James B. Patterson (the latter has been serving the Empire in France since the war commenced). In the fire branch last year a continuance of the very favorable results, which have prevailed for some years, is recorded. Net fire premiums of nearly \$1,000,000 with a loss ratio of 49.77 per cent. to premiums, as compared with premiums of \$904,766 and a loss ratio of 48.63 per cent. for 1916, may be well considered satisfactory under existing conditions. The results of the life department were also satisfactory.

GRESHAM LIFE ASSURANCE SOCIETY, LIMITED.

The 69th annual report for the year 1917 of the Gresham Life Assurance Society, shows a very gratifying improvement over the figures of the preceding year, notwithstanding the disadvantageous conditions under which a business particularly cosmopolitan in character was carried on. The results are a strong testimony to skilful management, and efficient labours of a staff with depleted ranks. The old Gresham has unflinchingly met the test of exceedingly trying circumstances. The popularity of the Society throughout Canada is well known, where it has large amounts of its funds invested for over a quarter of a century, many years before it commenced active operations throughout the Dominion.

During the twelve months ending 31st December last, 2876 policies were issued, assuring the sum of \$7,550,290, an increase of \$1,280,000 over the preceding year. A gratifying advance in view of the fact that the Gresham's operations are largely restricted since the war commenced.

The premiums for new assurance amounted to \$335,975, as compared with \$244,860 in 1916. The total revenue of the Society derived from premiums, interest and rents amounted to \$6,115,395. The death claims amounted to \$1,876,135 as compared with \$2,076,835 in 1916. The claims on matured endowments amounted to \$2,861,400 slightly less than the matured endowments in 1916. The assets have increased from \$55,745,710 to \$56,739,015.

The Trust and Loan Co.

OF CANADA

Capital Subscribed \$14,000,000.00
 Paid-up Capital 2,920,000.00
 Reserve Funds 2,783,996.38

MONEY TO LOAN ON REAL ESTATE

30 St. James Street, Montreal

Prudential Trust Company

LIMITED

Head Office 8 St. John St., Montreal	Trustee for Bondholders	Safety Deposit Vaults
	Transfer Agent & Registrar	
	Administrator Receiver Executor	Terms Ex- ceptionally moderate.
	Liquidator Guardian Assignee	
	Trustee Custodian	Correspond- ence invited
	Real Estate and Insurance Departments	
	Insurance of every kind placed at lowest possible rates.	

B. HAL. BROWN, President and Gen. Manager

Monthly Income Policies a Necessity

A legacy of life insurance amounting to \$100,000 was completely dissipated in seven years by faulty investments and expensive living; in another case a beneficiary squandered the proceeds of a life insurance policy amounting to \$50,000 in a single year. To protect the beneficiary against inexperience in making investments and against extravagance, the monthly income policy has been introduced, providing an automatic, safe and profitable investment of life insurance funds. Supplement your existing insurance with a monthly income policy. It can be written on the life, limited life, or endowment plan. Such a policy with our disability clause incorporated is without an equal in furnishing ideal household protection. We will gladly furnish full particulars and illustrations.

The Mutual Life Assurance Co. of Canada
 WATERLOO, ONTARIO

CHARLES RUBY, Gen. Mgr. E. P. CLEMENT, K.C., Pres.

The LIFE AGENTS' MANUAL
 THE CHRONICLE - - MONTREAL

Western

Assurance Company

Incorporated in 1851

FIRE, MARINE, EXPLOSION AND
 AUTOMOBILE INSURANCE

ASSETS over \$6,000,000.00

LOSSES paid since organization
of Company . . . over \$70,000,000.00

DIRECTORS

W. B. MEIKLE, President and General Manager
 Sir John Aird Z. A. Lash, K.C., LL.D.
 Robt. Bickerdike, Geo. A. Morrow, O.B.E.
 Alfred Cooper Lt. Col. The Hon.
 H. C. Cox Frederick Nicholls
 D. B. Hanna Brig.-General Sir
 E. Hay Henry Pellatt, C.V.O.
 John Hoskin, K.C., LL.D. E. R. Wood

HEAD OFFICE - TORONTO

THE PROVIDENT ASSURANCE COMPANY

All lines of

Accidents, Sickness,
 Liability, Guarantee and
 Automobile Insurance

Head Office

189 St. James St. - - Montreal

REPRESENTATIVES WANTED FOR ONTARIO AND
MARITIME PROVINCES

A BRITISH COMPANY

Union Insurance Society of Canton, Limited

ESTABLISHED 1855

Head Office: HONGKONG

Assets over \$17,000,000

FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 36 Toronto Street, TORONTO

General Agent Montreal, JOSEPH ROWAT

Manager for Canada, C. R. DRAYTON

INDIVIDUAL RESPONSIBILITY FOR FIRE LOSSES.

While admittedly legislation of a stringent character is necessary in order that careless individuals may be held responsible in the courts for the results in fire losses of their carelessness, the fact is not perhaps generally appreciated that at least in the Province of Quebec, the Courts are giving decisions, which have the effect of such a law. This matter has been discussed in The Chronicle previously, but in view of the wide interest attaching to it, not only throughout Canada, but also in the United States, it may be useful to summarise the whole matter again, including a new decision given at Quebec during the last few weeks.

The facts suggest that in one province at least, the law deals with this matter in a reasonably adequate fashion, and they contain a certain amount of encouragement for those who are working elsewhere towards the enactment of stringent ordinances which would put an effective curb upon carelessness.

The recent decision at Quebec referred to above was that of the Appeal Court, in the case of Louis Collard, Joseph Villeneuve and the Factories Insurance Company, plaintiff, versus Elie Gagne, which decision confirmed a finding of the Superior Court. Gagne was a homesteader, and the judgment compelled him to pay all damages resulting from a forest fire which he caused. Collard was awarded \$5,879.28 with interest and costs, Villeneuve \$834.60, and the Factories Insurance Company, \$1600 as re-imbusement of insurance paid. After such a sharp lesson as this, Mr. Gagne, we imagine, will not hastily offend again in this particular direction. This decision is particularly important, since careless settlers and homesteaders notoriously originate a very considerable proportion of the annual crop of forest fires. Whether similar action would lie in other provinces, we do not know, but it is to be hoped that in the province of Quebec at least, the Government forest service, will give wide publicity to this decision as a warning to other careless folk in the woods. Apart from its useful local effects, the decision is of importance as showing that a heavy financial penalty can be effectively imposed upon the person whose carelessness or disregard of approved precautions, results in fire loss.

Tenants' Responsibility.

Two other decisions in recent years in the Montreal Courts, deal more particularly with the question of tenants' responsibility for fire loss. In the case of the Gentlemen of St. Sulpice vs. Frothingham and Workman, which came before the Court of Review in November, 1916, defendants appealed from a judgment of the lower court condemning them to pay plaintiffs \$12,063.42, the difference between the amount plaintiffs received as owners of the building from the insurance companies, and the actual loss by a fire. It was established that the fire was caused through carelessness in the use of a gasoline lamp by an inexperienced employee, to thaw out frozen pipes. The Court of Review held that defendants were responsible if, in the exercise of their right to thaw

out waterpipes, they used a dangerous method instead of a safe one.

"The use of a gasoline lamp," said the Court, "is not a safe manner to thaw out a waterpipe. Hot cloths or other appliances that are safe may be used. They were not used in this case, possibly because the method is so slow. Well, if a party wishes to expedite matters, the risk is his own." This decision was not further appealed from.

Another case, Appleton vs. Reynolds, decided by the Montreal Superior Court in February, 1916, was based on Article 1629 of the Civil Code of the province of Quebec, which provides "... when loss by fire occurs in the premises leased, there is a legal presumption in favor of the lessor that it was caused by the fault of the lessee, or of the person for whom he is responsible, and unless he proves the contrary, he is responsible to the lessor for such loss." The fire started at a place where defendant had been in the habit of putting hot cinders into a wooden box, placed near the trellis work and the rear verandah. Judgment was for the lessor.

THE WOOD SHINGLE ROOF MUST GO

North Carolina lost, according to the last annual report issued by the National Fire Underwriters, \$143,533 from fires that started from sparks on roofs, whereas, the proportion that the State should have lost in comparison with the country-wide fire losses from this cause was only \$95,615, a showing that this State is burdened with defective and inflammable roofs to the extent that the State has about fifty per cent. more fire losses from sparks on roofs than would probably be the case if there were even a country-wide average attention to the use of non-inflammable roofing material.

The State Insurance Department has for some time been pressing upon the people of the State the necessity for the use of non-inflammable roofing, and asking the cities and towns to enact and enforce anti-shingle roof ordinances. And while much progress has been made, conditions show the most pressing necessity for redoubled effort in this direction. Insurance Commissioner Young, who is the State Fire Marshall, is pleading that there is no reasonable excuse for this State, while zealously pressing all the conservation measures for food and other resources to help win the war, to be having fifty per cent. more fire losses from this class of fires than the average of the States of the Union. He wants to bring every class of fire waste to a minimum rather than have the present condition of having the aggregate conservation effort the country over scarcely more than equal the total fire waste, really negating the conservation effort.

Shingle or inflammable roofs are the principal conflagration hazard in causing spread of fires and the general use of the non-inflammable roofing materials, especially in cities and towns, is of utmost importance to reduce fire waste, besides materially reducing fire insurance rates wherever used.

EQUITABLE LIFE ASSURANCE SOCIETY.

Miss E. Constance Richardson, of the New York staff of the Equitable Life, has closed the largest case ever written by a woman agent of the society. This feat was accomplished at the first interview, by the insuring the life of a woman to cover the inheritance tax for a policy of \$200,000.

Phoenix Assurance Company

LIMITED

Report of the Directors for the Year Ending 31st December, 1917

The Directors have the pleasure of submitting their Report on the business of the Company for the year ending 31st December, 1917, the 136th year of the Company's existence, together with the Accounts duly audited.

FIRE DEPARTMENT.

The net premiums amounted to **\$8,546,605** and the net losses to **\$4,066,140** or 47.6 per cent. of the premiums. The expenses and commission together amounted to **\$3,243,430** being 38 per cent. of the premiums. The Fire funds have been increased by **\$355,000** to a total of **\$10,355,000**. A sum of **\$1,177,180** consisting of **\$882,030** profit and **\$295,150** interest has been transferred to Profit and Loss Account.

LIFE DEPARTMENT.

During the year, 2,047 Life policies were issued, assuring **\$6,386,370**, with new premiums of **\$396,520**. Re-assurances were effected with other companies for **\$768,815** at premiums of **\$38,630**. The net new assurances were thus **\$5,617,555**, and the net new premium income **\$357,890**, including **\$59,150** of single premiums.

Ninety-six immediate annuities were granted for **\$33,645** per annum, the consideration money received being **\$332,910**. Twelve deferred annuities for **\$2,765** per annum at premiums of **\$3,455** were also granted.

Claims for the aggregate sum of **\$3,158,780** arose by the death of 721 persons assured under 868 policies. This included **\$372,650** due to the War, but notwithstanding this exceptional strain upon the funds the total amount paid was within the normal expectation. A further sum of **\$788,080** was paid in respect of endowment assurances matured. Sixty-three annuitants, in receipt of **\$28,195** per annum, died during the year.

The income of this department for the year was **\$5,988,310** and the outgoings were **\$5,311,405**. The Life Assurance funds at the close of the year stood at **\$54,581,110**. The rate of interest calculated upon the average funds of the year was **3.92** per cent. after deduction of income-tax.

PROFIT AND LOSS ACCOUNT.

By the operations of the year a trading profit from Fire, Accident and Marine accounts of **\$1,897,055** has been passed to Profit and Loss, in addition to **\$807,970** for interest.

After payment of dividends and the interest on the Debenture Stocks, together amounting to **\$837,870**, the Directors have applied **\$700,000** in writing down the securities in the Fire, Accident, Marine and Shareholders' accounts to the estimated market price at 31st December, 1917. Provision amounting to **\$1,150,750** has been made for Income Tax, Excess Profits, Duty and other Taxes. A balance of **\$1,316,330** remains to be carried to the credit of next year's account.

It having been found necessary to postpone the Annual General Meeting in consequence of the non-receipt of certain accounts from abroad, a further interim dividend of **\$1.25** per share (in addition to the interim dividend of **85 cents** per share in November last) was paid on the 1st May to avoid the inconvenience of changing the customary dividend date. The dividend in each of the last five years has been **\$2** per share. The Directors now recommend that a total payment of **\$2.25** per share be made in respect of the 1917 Account and that payment of the balance of **12 cents** per share as a final dividend be made in November next by way of an increase to such interim dividend as may then be declared. All dividends are subject to deduction of income tax.

Funds of the Company on the 31st December, 1917

Fire Funds (including General Reserve)	\$10,355,000
Life and Capital Redemption Funds	56,730,510
Marine Funds	8,467,220
Accident Funds	571,860
Profit and Loss Account	1,316,330
Capital paid up	2,114,275
Debenture Stock Funds	6,389,750
	<hr/>
	\$85,944,945
Provision for Outstanding Claims and Accounts	9,260,385
	<hr/>
Total Assets as per Balance Sheet	\$95,205,330

General Balance Sheet on the 31st December, 1917

LIABILITIES	ASSETS
CAPITAL (fully subscribed) \$16,053,250	Mortgages on Property within the United Kingdom \$2,239,515
In 309,755 \$50 Shares, \$5 paid \$1,548,775	Mortgages on Property out of the United Kingdom 18,555
In 113,100 \$5 Shares, fully-paid ("Pelican" Shares) 565,500	Loans on Life Interests 447,865
	Loans on Reversions 12,800
Fire Insurance Funds 10,355,000	Loans on Stocks and Shares 262,750
Marine Insurance Funds 8,467,220	INVESTMENTS (at Book Values):—
Accident Insurance Funds 571,860	British Government Securities 4,652,490
Profit and Loss Account 1,316,330	Municipal and County Securities, United Kingdom 103,165
	Indian and Colonial Government Securities 810,815
	Indian and Colonial Provincial Securities 195,825
4% Debenture Stock (Law Life) \$5,000,000	Indian and Colonial Municipal Securities 771,315
Do. (1911) 1,389,750	Foreign Government Securities 2,926,945
	Foreign Provincial Securities 757,735
Interest on Debenture Stocks accrued but not due 31,950	Foreign Municipal Securities 2,009,410
Claims admitted or intimated but not paid (Fire) 1,128,780	Railway and other Debentures and Debenture Stocks, Home and Foreign 5,200,025
Outstanding Accounts—	Railway and other Preference and Guaranteed Stocks 784,630
Fire Department 1,765,950	Railway and other Ordinary Stocks 485,595
Accident Departments 53,285	Freehold Ground Rents 100,000
Marine Department 3,315,465	House Property and Land 3,001,640
Dividends 1,740	Salvage Corps Premises (Company's Share) 97,135
Debenture Stock Interest 755	Life Interests 35,585
Bills payable 20,000	Reversions 18,625
	Agents' Balances 4,709,125
	Outstanding Premiums 3,337,440
Life Department Funds and Outstanding Liabilities as per separate Balance Sheet 59,673,005	Outstanding Interest, Dividends and Rents (less Income Tax) 24,520
	Interest accrued but not payable (less Income Tax) 208,575
\$5 taken as equivalent of £1 sterling.	Bills receivable 99,685
	CASH—On deposit 393,585
	In hand and on current account 1,726,975
	<hr/>
	\$35,532,325
	Life Department Assets, as per separate Balance Sheet 59,673,005
	<hr/>
	\$95,205,330

Head Office for Canada: 100 St. Francois Xavier Street, Montreal
R. MacD. PATERSON and J. B. PATERSON, Joint Managers

PHOENIX ASSURANCE COMPANY LIMITED

The ANNUAL GENERAL MEETING of the shareholders of this company was held on the 12th inst. at Phoenix House, King William street, the RIGHT HON. LORD GEORGE HAMILTON, P.C., G.C.S.I. (the Chairman), presiding.

Sir GERALD H. RYAN (the General Manager) read the notice convening the meeting and the auditor's report.

The CHAIRMAN said—Gentlemen, it is probably a unique incident in the history of the Phoenix that the annual meeting, which has always been held shortly before the date fixed for our dividend payment, has had to be postponed this year, because certain important accounts were in the sea when they ought to have been in the hands of our auditors. And yet this incident has not aroused any special comment or criticism. When your board had the position laid before them three months ago, the alternative was to postpone the presentation of the accounts or to ask the auditors to act upon a series of cabled results, and they decided, and I feel sure you will agree, that it was better to wait until accurate figures were received and the accounts could be made up in the usual fashion.

INSURANCE BUSINESS DURING THE WAR

One incidental consequence of the postponement of our meeting is that whereas I am usually in the position of addressing you among the earliest of the chairmen of the large insurance offices, this time I can survey the results generally of insurance business as exemplified in the accounts of our leading friendly competitors. Instead of opening the debate or taking an early part in it, I can now sum up. It is a position I do not expect to occupy again and it affords me an opportunity of a more extensive view of insurance operations. Let me first say that from the results produced by insurance companies as a whole, I draw the conclusion that this important branch of commercial affairs has well maintained its position under the trying conditions brought about by the colossal struggle in which we have been engaged for nearly four years. Though here and there, owing to a great calamity like the Salonika fire, some of the leading offices have encountered misfortune in their fire business and shown results below their normal standard of success, taken as a whole the fire companies, ourselves happily included in the number, have done fully as well as usual. Marine companies have done remarkably well, and the life offices have shown, as a class, great vitality, though the financial effect of war conditions has temporarily influenced their profits. The accident branches, of which we are at present not a very imposing unit, have also prospered. It seems to follow from this brief survey, that the business of insurance has been soundly established, well watched, and well guided, and can face the serious complications of these anxious times without misgivings. This is a high tribute to the skill and judgment of those responsible for the conduct of the insurance business of the country.

THE FIRE DEPARTMENT

Passing briefly in review the working of the several branches, the main features of the fire business in the past year are a lower loss ratio, a diminished expenditure, and an enhanced profit. In each detail the Phoenix has shared in the common good fortune. Our premiums have been increased by the satisfactory sum of £177,448, our loss ratio has declined from 48.9 to 47.6 per cent., our expenses from 39 to 38 per cent. of the premiums, and our profit has grown from £135,000 to £176,000. The increase in the fire premiums is largely due to the higher values of commodities and a wise recognition of the enhanced cost of reinstatement. A very large number of our insured have augmented the amounts of their insurances to keep pace with these changes, but even now our advisers are of opinion that very many people have neglected to revise their policies and are consequently under-insured to a material extent. My recommendation to them is that they should lose no time in satisfying themselves of the adequacy of their protection—which can be secured at a very trifling outlay—so as to obviate the loss and disappointment which, if this precaution be not adopted, may occur in case of trouble.

THE GROWTH OF MARINE BUSINESS

In the marine field, a phenomenal growth is shown in the premium income of the chief companies. Our own revenue from this source has risen from £1,300,000 to £2,400,000. Before the war a marine income of one million

sterling was practically unknown in this country in the case of any individual company. Several companies have now exceeded this total, and a few, including the Phoenix, have passed the two million standard. The writing of war risks was not only necessary for the protection of our business but has been of immense service to the commercial community and has enabled the trade of this country to be carried on without undue disturbance. The larger portion of the increase of our premium income was therefore the natural outcome of the necessities of the abnormal situation. This additional business must be regarded as a necessary temporary inflation, but even while the war lasts there will probably be a falling off in our premium receipts due to the more successful counteraction of the submarine peril. In the ordinary marine business the premium income is also considerably increased, partly owing to the great rise in the value of ships and cargoes, but also to the fact that in many instances the rates of premium have of necessity been raised to meet the serious extension of marine perils, abnormal in character or extent, arising from the necessity of navigating without lights and deviating from the regular course, as well as to provide for the increased cost of repairs of ships, which is in many cases three or four times what it was before the war.

COMPETITION AFTER THE WAR

The companies as a whole have done exceptionally well, and our own profit of £185,000 is one of the best results. As to the future, a multitude of new companies has lately been established to participate in the common prosperity, and there may be room for many if not all of them while the huge account, both of war risks and ordinary marine risks, based upon unprecedented values of cargoes and shipping, continue to be written. But after the war the situation will become much more difficult. The business of many companies will shrink by at least one-half, and the competition for what remains will be carried on with great intensity by an unnecessarily large number of competitors. Our experts are, however, well aware of the troubles ahead, and we have confidence that the skill and judgment which Mr. Sandeman Allen and his lieutenants have shown in surmounting the difficulties of the past will be successfully applied to the solution of the new set of difficulties which will arise after the termination of the war.

LIFE ASSURANCE ACCOUNT

I need not dwell specially upon the accident figures, but, passing on to our life assurance account, our new business, like that of many other leading offices, has shown excellent results, and it is above the total of the preceding year. This is surprising when we bear in mind the enormous number of men, within the usual insurable ages, withdrawn from civil life for patriotic duty, whose circumstances are not favorable to the effecting of life policies, and the temporary withdrawal of a host of inspectors and agents whose energies are ordinarily spent in introducing new applicants. But life assurance appeals to every section of the community and there are scarcely any conditions of human affairs imaginable where the need of this form of protection will not exist. Apart from new business, however, life assurance companies have not enjoyed a very prosperous time. Death claims arising from the war, which have fallen most heavily upon young lives, have practically wiped out the profit which in normal times we anticipate receiving from favorable mortality. Since the outbreak of war the company has paid war claims in respect of 287 policy-holders killed, the sum assured under the policies amounting to £265,000. Last year the amount paid was £70,530, that being about £20,000 less than in 1916. Two other forces have adversely affected the financial position of life offices. The value of their assets has had a continuous fall, and the pressure of increased income-tax has been seriously felt. The fall in the value of securities we can only submit to, like all capitalist bodies and private investors. It is the common lot. But I have been greatly impressed by the universal testimony to the undue hardship which life offices have to bear in regard to the method by which they are assessed for income-tax. The tax is, as you know, levied on the interest received on their funds, and this is not, in our judgment, an equitable basis, as we contend the proper measure of our liability should be our profits, instead of interest.

Continued on page 791

PHOENIX INSURANCE CO., LIMITED.

Continued from page 790

FEATURES OF PROFIT AND LOSS ACCOUNT

I now pass on to our profit and loss account, which shows some noteworthy features. You will first observe that our free interest amounted to £161,000, and almost met the charges for dividend and debenture interest, totalling £167,000, without any draft upon our trading profits. Next, it is worthy of record that our trading profits amounted to £379,000, and reached the highest sum we have ever attained. But on turning to the other side of the account, it is seen that practically the whole of this large amount was absorbed by taxes and depreciation; so that we have to forego those considerable additions to reserve which have been customary items in our accounts. This is, of course, regrettable, though beyond the control of the directors. But I do not regard the year's account as implying that we have merely "marked time." On the contrary, it must be the source of the utmost congratulation that we should have been able, as a result of our successful administration of the company's affairs, to contribute so large a sum as £230,000 out of profits to the financial support of the Government in the prosecution of the war. This sum is increased by the income-tax paid upon our interest receipts to £400,000. This is a very large sum for a company like the Phoenix to provide in a single year, and without such fortunate aid from the insurance offices to the national purse it is surely a true thing to say that the burden of taxation must have fallen all the heavier on the general community. Hence we may conclude and congratulate ourselves that we have laboured for the common good. With regard to depreciation, we have again had to provide a substantial amount to cover the fall in the value of securities. The major portion of the £140,000 written off arises upon bonds in the United States, where prices are lower in consequence of the large issues of War Loan securities in that country. Until America entered the war their securities were well maintained in value, but, of course, the United States market is subject to the same influences as our markets at home. In view of this heavy depreciation the United States Government have authorized, for the purpose of returns by insurance companies, the adoption of values considerably in excess of current market prices. We have, however, considered it prudent to adopt the actual market quotations for the purpose of our balance-sheet, and thus enable the auditors to give, without qualification, the certificate at the foot of the balance-sheet.

SATISFACTORY PROGRESS—THE DIVIDEND

Reverting, finally, to the position of our own company, I think I may fairly assert that whether we look back or look forward the conclusion we arrive at is equally satisfactory. In the last ten years our assets have increased from £7,360,767 to £19,041,065, our total income from £2,206,156 to £5,641,332, and our profits from £267,556 to £379,411. Few companies can show a like progress in the same short space of time. As to the future, in spite of much uncertainty as to the course and duration of the desperate struggle between groups of nations with such different ideals and ambitions, I think we can contemplate with unqualified equanimity our solid position and favorable prospects. I have unbounded confidence in the continued prosperity and progress of our company, be the conditions what they may.

With this belief in the future of the company and with the results of the year's working before them the board recommend a dividend of 9s. per share in respect of the 1917 account, which compares with 8s. per share paid in each of the last five years. Of the increase of 1s. per share 6d. was included in the further interim dividend of 5s. which was paid on May 1 last, and it is proposed that the remaining 6d. should be paid next November along with any interim dividend then declared. As already mentioned, the underwriting profit, £379,000, has on this occasion been nearly absorbed by provision for taxes and depreciation of securities, but as regards the latter the amount written off is not a realized loss, and it may be hoped that prices will recover to some extent, and in the meantime the interest receipts from the securities are not, of course, affected by the operation. Taking into account the excellent trading results and the large amount of our interest income, which is nearly sufficient in itself to provide the debenture interest and dividend, the board are unanimously of opinion that the increased dividend now recommended is fully justified.

THE STAFF AND THE WAR

Last year I made some reference to the company's employees engaged on war service and to the losses we had

incurred up to that date. I much regret to have to report that since then we have to mourn the loss of a further 12 of our servants, making a total of 45 killed and four missing since the commencement of the war. Three hundred and thirty-six are still serving. Our men have won many distinctions in the field, 10 having been decorated with the Military Cross or Military Medal (two of whom received the Bar), and at least as many have been mentioned in despatches. Our West-end director, General Wiloughby, has been awarded the C.B. and C.M.G., a D.S.O. has been conferred upon our colleague Colonel Bouverie, and a similar distinction on Colonel Robertson, our life secretary at Glasgow, and on Major Hughes, a member of our head office staff.

Of all the assets that we possess I think the most valuable are the ability and loyalty of our staff and employees. Only those who are in daily touch with the work and difficulties of a great insurance office like the Phoenix fully realise the ever-changing nature of the duties and responsibilities which the war, in addition to the normal work, imposes upon Sir Gerald Ryan and his colleagues. Their staffs have been depleted, their outside agencies placed, whilst Government requirements and necessities are perpetually evolving fresh problems to be surmounted. The new employees, including our women clerks, have done well, but the work of supervising and controlling a comparatively raw staff has thrown an exceptionally heavy strain upon our old staff. All have responded well to the heavy additional calls upon them.

A TOUCHING INCIDENT

As illustrating the high moral tone of our employees and their loyalty to the office employing them, may I be permitted to narrate the following touching incident? One of our employees who enlisted early had, in common with others who were thus called up, an allowance made to him by the Phoenix which brought up his military pay, plus the allowance thus made him, to his old salary. After he had been some time at the front he wrote to the Phoenix stating that he thought he could not honourably continue to receive this allowance, as he looked upon it as a retaining fee, and the charm of outdoor life and work had so attracted him that he did not propose, after the war was over, to return to the service of the Phoenix. He therefore felt he was receiving, under false pretences, money which partook somewhat of the nature of a retainer. A few days after the receipt of this letter this young fellow was killed in the trenches, and it appeared that shortly before his death he drew up a will in the trenches by which he requested that all the money he had received from the Phoenix as an allowance whilst serving should after his death be returned to them, as he had no intention of going back to their service. When the parents of this young man made the Phoenix acquainted with the terms of his will the directors naturally declined to accept the sum thus left them and requested the parents to make the best use they could of it to perpetuate the memory of their loyal and high-minded son. (Hear, hear.)

THE MILITARY OPERATIONS

Although during the past 12 months many notable and successful feats have been achieved by our Navy and our Army—of which, perhaps, the most startling and unprecedented were the successful raids upon Zeebrugge and Ostend—still, I am afraid all these successes have been overshadowed by the total collapse of Russia as a military power. This military collapse does not stand by itself; it is associated with a cataclysm of social disorder extending to a gigantic territory containing a population of 180 million persons. This has created a social, economic and financial gap in the structure of the world, the effect of which is difficult at the present moment either to gauge or foresee. I am, however, hopeful that affairs are mending in that country, and that the great Russian people have touched the bottom of their misfortunes; but their collapse has thrown a heavy additional military burden upon France and England, and at the present moment our joint Armies in France are practically standing the whole brunt of the attack of the accumulated forces of the Central Powers of Europe. Well and gallantly has that onslaught been sustained, and although the time is one of great anxiety, still I think and I hope that we have passed successfully through the worst of the ordeal.

The American people are utilising every iota of their gigantic resources to hasten to our help, their troops are pouring in weekly by thousands to the scene of action, and their natural aptitude and splendid physique will quickly qualify them to bear their share in the great conflict of the day. Those who have been brought to the front have

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PHOENIX INSURANCE CO., LIMITED.

Continued from page 791

fought superbly well. In a war of these dimensions fluctuations must occur, reverse and success will be alternating, but I have sufficient belief in the omnipotence of right over wrong, of justice and civilisation over brutality and savagery to be confident that the conclusion of this terrific struggle will be the restoration of peace to the civilised world on a permanent and satisfactory basis. (Cheers.)

THE DIVIDEND RESOLUTION

I now move, "That the report be adopted, and that a final dividend of 6d. per share, subject to income-tax, be declared in respect of the year 1917, making, with the two interim dividends, a total distribution of 9s. per share for the year; and that such final dividend be payable in November next, with the interim dividend for 1918, to members on the register on October 31."

Mr. BRISTOW BOVILL (the Deputy Chairman), seconded the resolution.

Mr. JOHN COLES said that he had listened to the speech of the chairman with the greatest possible interest, and he heartily congratulated the board and the general manager on the results of the past year's operations. The accounts before them were the best which they had had for a long time. He said that he was asked quite recently his opinion of the Phoenix accounts, and it might interest those present if he told them exactly his reply. He said that a company that could pay its dividend out of its free interest and carry some of its trading profits to increase the reserve was one in which he should continue to hold shares. (Hear, hear.)

The resolution was carried unanimously.

Mr. COLES then proposed: "That as from the commencement of the current year the aggregate amount of the remuneration of the directors be increased by a sum equal to the amount by which the maximum sum authorised by the resolution of June 20, 1911, has under the provisions of Article 72 been reduced below such maximum." He said that the effect of this resolution would be to give the directors an extra £100 per annum each, and he thought the shareholders would all agree that it was well deserved. From figures which had been put before them they learned that in 1911 the company's income was £3,300,000, whereas to-day it was £5,600,000. It was quite clear, therefore, that they were rising from the ashes of the past, and were striding towards immortality. (Laughter). The future to his mind, was brighter than he had ever known of it before.

Sir JOHN RUNTZ, in seconding the resolution, said he also agreed that the figures relating to the business which had been given them by the chairman amply justified the proposed increase in the directors' remuneration. He congratulated the board on the fire fund having reached £2,000,000. It was a magnificent sum, and would afford confidence to the outside public, and enable the company to face any large conflagration.

The resolution was unanimously agreed to.

Mr. R. DILLON LOWE proposed:—"That the retiring directors—namely, Sir Helenus R. Robertson, Mr. R. Kirkman Hodgson, and Mr. Bristow Bovill, be re-elected directors of the company," and this having been seconded by Mr. SAMUEL WATSON was unanimously passed.

On the motion of Mr. J. MILNE GREIG, seconded by Mr. J. E. ROUCH, the auditors, Messrs. Chatteris, Nichols and Co., and Messrs. Spain Brothers and Co., were re-appointed for the year ending December 31, 1918, at a fee of 350 guineas in each case.

NOTE OF THANKS—SIR GERALD RYAN'S REPLY.

Mr. GEORGE E. COCKRAM moved:—"That the thanks of the meeting be given to the directors, officers, and agents of the company, for their services during the past year, and to the Right Hon. Lord George Hamilton for his services in the chair on the present occasion." He observed that the chairman's review of the activities of insurance companies must have been of great interest to all of them, as it was to himself. (Hear, hear.) He had often wondered what the country would have done without the assistance both in men and money, given by insurance companies. He ventured to say that the nation would not have been in the position it was to-day, without that aid, and it must not be forgotten that Government Departments had obtained great help from insurance officials, who had been lent to them for special work. He wished to congratulate the chairman on the great knowledge of men and affairs which he had placed at the service of this company, and also to say how much they appreciated the work of Sir Gerald

Ryan, whose outstanding abilities were known to them all. (Hear, hear.)

Mr. SAMUEL WALKER seconded the motion, and it was unanimously carried.

Sir GERALD RYAN, in acknowledging the vote, said:—"Mr. Chairman and gentlemen,—It is perhaps unnecessary for me to tell you how very grateful the staff are for the compliment which had just been paid them by the resolution. It would be ungracious if we were not to express our deep appreciation of the remarks which you, Sir, made on the subject of the staff in your speech, and of the generous recognition which the proprietors have given us to-day. I therefore ask you to accept our earnest thanks for the resolution which you have passed. It is an annual recurring mark of your approval and satisfaction which every member of the staff highly values. The results which have been shown in the various departments testify to the skill and judgment with which my colleagues in the management have administered affairs in their respective departments, and I am quite sure they well deserve all the congratulations which have been passed upon them. But to-day I should like to reserve a special word of praise for the rank and file of the staff—male and female—who have carried on the work of the company under conditions of extraordinary pressure, and often at the sacrifice of comfort, leisure, and considerations of health.

A PERIOD OF AMAZING GROWTH IN INSURANCE BUSINESS

Now with regard to myself, perhaps you will pardon me if I mention one matter, not of very great interest, but of passing interest, and that is, I find I have just now completed 25 years of service as chief officer of one of the component units of the Phoenix Company. (Hear, hear.) The time has passed so quickly and so pleasantly that I can scarcely believe it true, but yet the evidence cannot be rebutted. Of course, it is a long time in any man's life and not an inconsiderable fraction of the existence of the Phoenix Company itself, and looking back I cannot but think that this period has shown a most amazing growth, both in the magnitude of insurance business and in its importance and influence as part of our commercial system. Incidentally also, it has shown the growth and expansion of the great composite companies. It will surprise you to know that 25 years ago there was no company transacting the class of business we do which had a premium income half as big as our premium income to-day, and only one company which showed assets in hand of more than half of our total assets. Now we are not the biggest—perhaps we are fifth or sixth in scale of magnitude—but those figures will show what extraordinary growth and development has taken place in the business of insurance in the time of which I have spoken. As my mind goes back over those long years and I think, not only of the progress of our company but of the friendly and close relations I have always had with the board and the staff, I feel that I ought to be proud and thankful for having passed my official life under such happy and successful conditions. (Cheers.)

THE CHAIRMAN.—I should not like the meeting to close without saying a personal word on behalf of myself and my brother directors to thank you for the kindly reception you have given to our report and statement of what we have done during the past year. You have further emphasised that by making a change in the remuneration which the directors receive. I think we were all reluctant to have any question raised regarding our remuneration, but I may say that what has been done has been to put the remuneration of the board back to where it stood in 1911, and that does not seem an unreasonable proposal when, in the interval, the business transacted has doubled itself in volume. (Hear, hear.) I thank the shareholders for their generous acknowledgment of the work we have done as shown by their ready acceptance of the proposal submitted to them.

The proceedings then terminated.

ATLAS ASSURANCE COMPANY.

Following the retirement of Mr. S. J. Pipkin as General Manager of the Atlas, the appointment of Mr. Hugh Falloon, as his successor, is announced. The Chairman in his remarks about the new General Manager, said: Mr. Falloon has had many years experience of the Company's fire business at home, and in the Far East, and it is because of the ability and judgment shown, that he has been retained to fill his present responsible position.

FIRE INSURANCE ASSETS.

Assets in Canada of fire insurance companies fall under two headings, those maintained by the companies in respect of their Canadian business, developing chiefly as a result of that business, and those which are in the nature of investments of other funds than those accumulating from Canadian sources—funds sent into the country for investment purposes by fire insurance companies abroad, principally it is generally believed, by British companies. The official returns take cognizance of these two classes of assets (both of which are available for the protection of Canadian policyholders), but do not separate them.

As regards the second class of assets, it is to be remembered that these assets are subject to the same conditions as any other investment funds sent from abroad, to withdrawal from the Dominion if circumstances or the policy of the lender justify such a step. This fact needs to be carefully borne in mind in any consideration of fire insurance assets in relation to the Dominion's economic development.

British Companies' Invested Assets.

In the attached table, fire insurance assets in Canada are shown for three years, 1913, the last complete year before the war, 1916 and 1917, and some interesting facts emerge from the comparison.

In the case of the British companies, which have the largest assets in Canada of the three classifications of companies by nationality, it is shown that in the three years between December 1913 and December, 1916, their invested assets in Canada were reduced by some \$3,800,000 from \$26,946,401 at the earlier date to \$23,181,192 after 2¼ years of war. But during 1917, their invested assets in Canada were raised by over \$9,200,000 to \$32,405,368. Presumably, the decline in the earlier years was due to some withdrawals of assets in Canada coming under the second heading above referred to, that of funds invested in Canada but not originating from the companies' trading operations in the Dominion. Such withdrawals followed upon the necessity of concentration of capital at home for war purposes and were part of the movement that has developed during the war as a result of which ownership of a large amount of Canadian securities formerly held in England has been transferred to this side of the Atlantic. Bonds and debentures however, still show a considerable net gain for the three years, approximating \$3,800,000, but under other circumstances, this would have been doubtless much greater. The most marked falling-off in this period is in mortgages, which were somewhat more than halved in the three years, being brought down from \$12,673,949 to \$5,321,817. As regards this movement, it is to be remarked that there was a great falling-off in the demand for mortgages following 1913, conditions became very unfavourable to lenders, and many other lenders on mortgages besides fire insurance companies reduced considerably the amount of their funds employed in Canada in this direction.

With reference to the notable increase of over

\$9,200,000 in the Canadian invested assets of the British fire companies last year, this is partly explained by the fact that the assets in Canada of a number of companies, which prior to the passing of the new Insurance Act, had been transacting business in Canada under provincial licenses appear in the Dominion records for the first time, these companies being now compelled to take out a Dominion license. Apart from this accretion, the year's increase in invested assets would be due solely to the development of the companies' Canadian business, since under present conditions the investment of new British capital is practically impossible.

The American, French and Canadian Companies.

As already indicated, it is generally understood that the invested assets of the American and French fire companies in Canada represent almost wholly assets created because of, or as a consequence of, their transaction of fire insurance business in Canada. Those companies have not sent investment funds to Canada proportionately to the same extent as have the British companies. However, with the development of their Canadian business, and the entrance of many newcomers into the Canadian field, the invested assets of these companies in Canada have steadily progressed in recent years, from \$6,840,822 at the end of 1913, to \$9,255,183 at the end of 1916, and \$10,351,777, twelve months later. Almost the whole of the invested assets of these companies in Canada are represented by bonds and debentures.

In the case of the Canadian companies, also, there has been a considerable increment in invested assets during the period under consideration, a showing of \$13,308,586 at the end of 1913, comparing with \$15,424,427, three years later, and \$16,663,294 at the close of December, 1917.

As regards other assets than invested assets, the showing made by agents' balances and premiums outstanding in the two years, 1916 and 1917, is interesting. On reference to the table, it will be seen that the increase in this item for 1917 over that of 1916, is very small, particularly in the cases of the British and of the American and French companies, in view of the marked increase in premiums last year. Collections obviously showed considerable improvement as a result of the existing prosperity. On the other hand, the cash held by all the companies was at the end of last year, proportionately large, some of this being doubtless a temporary holding in anticipation of payments early in January for Victory Bonds.

The Companies' Investment Service to Canada.

Taking the whole of the companies, the record shows an increase in total assets from \$56,819,782 at the end of 1913 to \$79,200,438 at the close of 1917, the growth in invested assets for the same period being from \$47,095,809 to \$59,420,439. Even after allowance for the British and other companies formerly under provincial license, but now brought into the record for 1917, the figures of invested assets show that the fire insurance companies are by no means a negligible factor

(Continued on Page 795.)

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1833

**Fire, Marine, Hail and
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HEAD OFFICE: TORONTO

Old	Reliable	Progressive
Assets over	-	\$3,500,000.00
Losses paid since organization	over	\$43,000,000.00

DIRECTORS:

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AGENTS WANTED FOR THE ACCIDENT BRANCH.

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FOUNDED A. D. 1819

THE GENERAL FIRE INSURANCE COMPANY OF PARIS, FRANCE

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Applications for Agencies invited.

THE NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE

SUBSCRIBED CAPITAL	\$2,000,000
TOTAL FUNDS	7,491,300
NET SURPLUS	1,887,100

J. E. Clement, General Manager

J. A. Blondeau, Asst. Manager L. C. Valle, Inspector

First British Insurance Office Established in Canada, 1864

INTENDING ASSURERS

Should read the "THREE MINUTES" Leaflet

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Copies of this and full information regarding the Company's system, its equitable principles and liberal policies, may be obtained at the Head Office,

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The Company offers to the Public every advantage which

LIFE ASSURANCE

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At the BONUS DIVISION for the five years ending 31st DECEMBER, 1915 -

A UNIFORM ADDITION of \$75 per \$1,000 was declared on all classes of Full-Bonus Policies, at the rate of \$15 per \$1,000 assured in respect of each full annual premium paid since 1st January, 1911. This bonus applies to new as well as existing policies.

R. MacD. PATERSON, } Joint
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New York Underwriters Agency

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WHITE & CALKIN
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TORONTO

Founded
A. D.
1710

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**THE OLDEST INSURANCE
OFFICE IN THE WORLD**

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

LYMAN ROOT
Manager

FIRE INSURANCE ASSETS.

(Continued from Page 793.)

in the Canadian investment field. From the very nature of their business, they do not make so weighty a showing as the life insurance companies, but their purchasing power constitutes a reasonably important factor, particularly in the market for Canadian high-grade securities. Although Canadian securities are not compulsory for the deposits which must be made at Ottawa, for the sole protection of Canadian policyholders, by the British, American and French companies transacting fire business in Canada under Dominion license, the great bulk of such deposits consist of Canadian Government, municipal, school and railway bonds, together with a substantial amount of the debentures issued by the leading loan and mortgage corporations. Thus, through their deposits, which, as already shown, are by no means a complete catalogue of the companies' Canadian security holdings, the companies provide a very substantial amount of funds for Canadian borrowers. In this respect, as in others, the service rendered by the regularly-entered fire companies to the economic welfare of the Dominion, stands in favorable contrast to the entire lack of such service by the unlicensed companies.

In addition to the invested assets in Canada, which have been referred to, the British companies, during say, the ten or fifteen years prior to the war, furnished an enormous amount of funds for Canadian development through their purchases of Canadian issues in sterling made in the London market, which investment holdings are, of course, not included in the above figures. During the war these holdings have undoubtedly been largely reduced, a great volume of securities having been lent to the British Government or sold at its request, in connection with the maintenance of American exchange in the period prior to the entry of the United States into the war. But in spite of enormous income taxes and other drawbacks, the great British fire companies are going on extending their business operations and increasing their resources. For the present, increased resources are mostly reserved for British war loans. But when the pressing necessity of these loans has been removed, the restrictions upon the movement of capital withdrawn, and capital is allowed to flow once more freely into accustomed channels, it appears reasonable to anticipate that Canada may again look for substantial supplies of capital from this source.

Fire Insurance Assets in Canada.

	1913	1916	1917
CANADIAN COMPANIES:—			
Real Estate.....	\$ 890,805	\$ 1,295,400	\$ 1,423,963
Mortgage Loans.....	3,041,389	3,343,750	3,185,685
Stocks, bonds & debentures.....	9,376,392	10,785,277	12,053,646
Total invested assets.....	\$ 13,308,586	\$ 15,424,427	\$ 16,663,294
Agents' balances and premiums outstanding.....	1,893,507	2,718,065	3,415,171
Cash.....	1,737,687	2,271,752	3,742,910
Interest and Rents.....	159,258	292,548	364,890
Other Assets.....	681,761	471,452	505,039
	\$ 17,780,799	\$ 21,178,244	\$ 24,691,305

	1913	1916	1917
BRITISH COMPANIES:—			
Real Estate.....	\$ 2,589,350	\$ 2,371,456	\$ 2,396,830
Mortgages.....	12,673,949	5,321,817	12,709,933
Stocks, bonds and debentures.....	11,683,102	15,487,919	17,298,605
Total invested assets in Canada.....	\$ 26,946,401	\$ 23,181,192	\$ 32,405,368
Agents' balances and premiums outstanding.....	1,583,009	2,275,667	2,714,528
Cash.....	1,509,870	2,848,486	4,471,043
Interest and rents.....	421,358	205,650	527,996
Other assets in Canada.....	156,585	219,340	217,360
Total assets in Canada.....	\$ 30,617,223	\$ 28,720,800	\$ 40,336,295
AMERICAN AND FRENCH COMPANIES:—			
Mortgages.....			\$ 7,000
Stocks, bonds and debentures.....	\$ 6,840,822	\$ 9,285,183	\$ 10,344,777
Agents' balances and premiums outstanding.....	1,264,185	1,485,304	1,565,881
Cash.....	221,340	1,196,765	2,060,979
Interest and rents.....	67,767	62,558	145,927
Other assets in Canada.....	67,767	42,167	48,275
Total assets in Canada.....	\$ 8,421,760	\$ 12,133,779	\$ 14,172,840
ALL COMPANIES:—			
Real Estate.....	\$ 3,480,155	\$ 3,657,321	\$ 3,820,793
Mortgages.....	15,715,338	8,665,567	15,902,618
Stocks, bonds and debentures.....	27,900,316	35,558,379	39,697,028
Total invested assets.....	\$ 47,095,809	\$ 47,881,267	\$ 59,420,439
Agents' balances and premiums outstanding.....	4,740,701	6,479,036	7,695,580
Cash.....	3,468,897	6,317,003	10,274,932
Interest and rents.....	648,383	622,558	1,038,813
Other assets.....	865,992	732,950	770,674
Total assets in Canada.....	\$ 56,819,782	\$ 62,032,823	\$ 79,200,438

CANADIAN FIRE RECORD.

Fire at Toronto.—On the 22nd instant a fire destroyed the coal shed owned by the Connell Coal Company, Limited, Toronto. The shed was two hundred feet long and one hundred and fifty feet wide. The loss is estimated at \$12,000, which includes a motor and the coal elevating machinery.

Fire at Thorold, Ont.—By the fire which occurred on the 21st instant on the premises of the Peerless Pulp & Paper Company, Thorold, Ont., the following companies are interested: On pulpwood, Union of Canton, \$6,000; Guardian, \$2,500; Home, \$5,000; Aetna, \$5,000; Liverpool & London & Globe, \$5,000; Atlas, \$2,500; Canadian, \$4,500; Mount Royal, \$6,000; St. Paul, \$4,000. Total, \$40,500. Loss about 10 per cent. On mill, Canadian, \$2,500; Hartford, \$5,000; Atlas, \$5,000; Guardian, \$5,000; Rochester German, \$5,000; Home, \$5,000; Western, \$5,000; Fidelity Phenix, \$5,000; General of Perth, \$2,500; London & Lancashire, \$5,000; Continental, \$5,000; Sun, \$5,000; British America, \$5,000. Total, \$60,000. Loss about 50 per cent.; 90 per cent. Co-Insurance Clause.

Fire at Toronto.—By the fire which occurred on the 15th instant in the plant of the Sanderson & Percy Co., Toronto, reported in last issue, the following companies are interested on building:—Commercial Union, \$10,000; Aetna, \$2,500; Home, \$2,500; Royal, \$5,000. Total, \$20,000. Loss, total.



The Northern Assurance Co. Limited

Of England

ACCUMULATED FUNDS, 1917 - \$48,384,320.00
 Including Paid up Capital Amount \$1,460,000.00

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 G. E. MOBERLY, Manager

Railway Passengers Assurance Company

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Transacts: ACCIDENT, HEALTH, EMPLOYERS' AND PUBLIC LIABILITY, MOTOR CAR,
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Montreal Branch: 702 Lewis Building, 17 St. John Street

THE ST. PAUL FIRE AND MARINE INSURANCE COMPANY

INCORPORATED 1865

REPRESENTED IN TORONTO BY

ASSETS OVER \$13,000,000

McADAM, SHERRITT & COMPANY
 General Agents

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36 Toronto Street

BRITISH TRADERS' INSURANCE COMPANY, LIMITED

ESTABLISHED 1865

Head Office: HONG KONG

Head Office for Canada: TORONTO

FIRE & MARINE INSURANCE

LOSSES PAID SINCE ORGANIZATION OVER \$50,000,000

C. R. G. JOHNSON, POIRIER & JENNINGS, Inc., General Agents,
 MONTREAL

Manager for Canada, C. R. DRAYTON

The Canada National Fire Insurance Company

HEAD OFFICE: WINNIPEG, MAN.

Total Assets - - - - - \$2,387,634.14

A Canadian Company investing its Funds in Canada

APPLICATIONS FOR AGENCIES INVITED

THE STRATHCONA FIRE INSURANCE COMPANY

HEAD OFFICE, 90 St. James Street, MONTREAL

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RETIREMENT OF MR. S. J. PIPKIN.

The retirement of Mr. S. J. Pipkin, general manager of the Atlas Assurance Company for the past 34 years, was recently announced. Probably no official of any other British fire office operating in Canada, was better known or more highly respected on this side of the Atlantic than Mr. Pipkin. He not only made friends during his frequent visits to the Dominion, but also became thoroughly conversant, through the efficient organization of the Canadian branch, with the important business of the Atlas in Canada.

We quote the following from our esteemed contemporary, The Policy Holder, of Manchester:

The retirement of Mr. S. J. Pipkin from the control of the Atlas Assurance Company, calls for more than a mere notification of the event; for Mr. Pipkin is certainly one of the outstanding figures of the profession. He has been chief officer of the Atlas for 34 years, and has been in the service of the Company for nearly 40, but apart from his work for the Atlas he has taken the leading part in the formation of the Insurance Clerks' Orphanage and done much work in connection with the Salvage Corps.

His energies and ideals have had a far wider horizon than those accorded by a managerial chair and no one commands a more general regard and esteem—no one will be more missed in insurance circles than Mr. Pipkin. His ready sympathy for all schemes aiming at the improvement of the business itself and the position of the rank and file of those who conduct the business has secured this for him.

Anyone who wishes to know Mr. Pipkin should read a paper which he delivered before the Insurance Institute of London in December, 1916, entitled "Fifty Years' Reminiscences in the City." In it he told the story of a youth who left his country home to seek his fortune in London; how he started as an invoice clerk at £1 per week; how the failure of Overend Gurney, in 1866, affected the City; how he joined the staff of the Commercial Union Assurance Company, and,

after that, how he became an "Atlas" man. A picture of Mr. Pipkin's personality is to be found in the following paragraph, culled from the paper to which we have referred:—

"It is no secret that the Atlas Company 33 years ago had no power to transact foreign business, or rather to do certain things necessary to be done before a company can transact it in many parts of the world. The matter had to be advertised and, therefore, there is nothing improper in my mentioning it here. A very influential and important shareholder called upon me to discuss the matter and bluntly said, 'Well, my boy, I shall come to the meeting and oppose it.' I told him the matter had been very carefully considered by the directors and a special confidential report had been drawn up by me on the subject. He listened and then said in a softened mood, 'Yes, yes; that's all very well; if you were a man like my friend Robert Lewis I should have confidence.' I boldly replied, 'All right, I will ask Mr. Lewis to read my report and tell you what he thinks of it. If he approves, or does not condemn, will you then come and support?' Mr. Robert Lewis, on being told the incident, received my report. Whether he ever wrote to the shareholder or not I never knew, and do not know—but he wrote me a letter in which certainly there was no condemnation. I took it to my shareholder friend, for he was and is my friend. His conclusion was this, 'I shall not come and oppose, and if I feel I cannot support, I shall stay away.' He did stay away—the resolutions were passed, and he has received better dividends ever since. I swallowed my pride in taking this course, but it averted opposition and my ends were gained. As both the shareholder and Mr. Lewis were my senior by 10 or 12 years, it was not so difficult a matter for me to act as I did. Youngsters should always pay respect to and have confidence in the judgment of their seniors, who, according to my experience, are ever ready to give the helping and guiding hand and are as anxious to see the 'coming on' men get and keep on the right track as they were themselves in their own younger days."

Mr. Pipkin, with his many interests, will not find time hang heavy on his hands after his retirement, and we can only say we trust that on many occasions he will join his insurance friends on those semi-public occasions, which will be far more numerous after the war than in these dark days. If ever there was a person to whom the words "men of joyous yesterdays and confident to-morrows" applied, that man is Mr. Pipkin, and we feel we cannot better conclude this brief appreciation of him than by quoting the final paragraph of his reminiscences:—

"And so my last reminiscence is told, I hope without pride or vain glory — My reminiscences must necessarily be connected with Me. I wish the 'I' could have been eliminated. There is, however, one abiding memory of these 50 years—that is, of the kindness showered upon me by directors, brother officials, and indeed all engaged in that business in which my lot has been cast. I have had good friends, I have met men I am proud to have known, and I am grateful; for surely the lines have fallen to me in pleasant places and I am indeed a 'lucky dog'."



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