

The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1861

PUBLISHED EVERY FRIDAY

Vol. XXXV. No. 52

MONTREAL, DECEMBER 31, 1915.

Single Copy 10c
Annual Subscription, \$5.00

1915-1916.

A year ago, it could hardly have been contemplated, even by the most perspicacious of financial critics, that at the close of 1915, Canada would occupy the relatively favorable economic position from which we take the turn into another year. As the immense financial cost of the war and the novel financial expedients that would have to be adopted, were not foreseen, so there was in Canada, twelve months ago, little idea of the momentous and astonishing developments which have arisen in the course of the year and will always make 1915 an outstanding period in the Dominion's financial history. These developments reached their height in the successful flotation of the domestic War Loan, and the granting of credits to the mother country. It may not unfairly be said that not only has Canada, as a result of the war, been spared a substantial amount of severe penance for economic sins of the recent past, but also that in less than 18 months, we have reached a position in relation to international finance that under normal circumstances it would probably have taken us many years to achieve.

* * *

Yet, in looking forward to 1916 with confidence as a result of the developments of 1915, the immensity of the task and problems which lie ahead must not be underrated. The major part of the industrial activity which has materially contributed to our economic improvement during the last year is temporary. Sooner or later the factories where machinery is now running day and night seven days a week to supply the Allies with munitions will find their business gone, and themselves obliged to turn to their normal occupations. The transition period following immediately upon a declaration of peace will be an anxious time for many industrial executives in Canada, and it is not at all clear at present that the factories will find at once a demand for their normal energies, though it may fairly be hoped that gradually, and after not too long an interval from the cessation of war activities, the demand will come. Again, there are still many weak spots left in the financial fabric—corporations capitalised out of all reason in comparison with their earning power, individuals hopelessly involved in real estate speculations. The unwise legislation

passed by some of the Western provinces has had the effect of preventing a clearing-up of the real estate situation there, and the chapter of losses following the unbridled real estate speculation of a few years ago has yet to be closed. There are also looming up problems of taxation to meet the Dominion's war expenditures, and Sir George Foster gave a very broad hint the other day that the loan demands of the Canadian Government from its own people will be, before the war is over, probably of proportions that it will take all our energies to supply.

* * *

How are these various problems to be met—taxes borne, loans raised, real estate losses neutralised, an industrial transformation safely made and about \$180 millions a year provided in interest on the capital we have borrowed abroad. In the first place by the use of foresight—by an adequate appreciation of the seriousness of the problems and tasks that lie ahead, and then, by energetic and continued production of the ordinary necessities of life, backed up by true thrift, which means good management and not merely being parsimonious. Only by continued production and continued thrift can real wealth be accumulated, and the awkward financial corners of 1916 and the following years safely negotiated. We do not believe that the task will be over-burdensome. Nationally we have produced largely and practised thrift during 1915—and we now begin to see the results. If we go on in the same way during the coming year we shall be able to meet in a spirit of sober confidence any financial problem that 1916 brings us.

* * *

To inspire us, there is the knowledge that in growing wheat, in turning the wheels of industry and in abstaining from waste or unnecessary expenditure (and only a hard common-sense will enable each to decide for himself what expenditures may individually and legitimately be curtailed), we are each "doing our bit"—helping forward the great cause of liberty, decency in international affairs and a civilisation better than any we have hitherto known, just as truly, though with little of their sacrifice, as those who are watching through the winter nights in Flanders and are giving their utmost for country and Empire.

BANK OF MONTREAL

Capital Paid Up, \$16,000,000

ESTABLISHED 1817
 Rest, \$16,000,000
 Total Assets, \$302,980,554

Undivided Profits, \$1,293,952

BOARD OF DIRECTORS

R. B. ANGUS, Esq.
 ROY. MONT. MACRAY.
 A. BAUMGARTEN, Esq.
 D. FORBES ANGUS, Esq.

H. V. MEREDITH, Esq., *President.*
 E. B. GREENSHIELDS, Esq.
 SIR THOMAS SHAUGHNESSY, K.C.V.O.
 C. B. GORDON, Esq.

SIR WILLIAM MACDONALD
 C. R. HOSMER, Esq.
 H. R. DRUMMOND, Esq.
 W. R. MCMASTER, Esq.

Head Office: MONTREAL

General Manager, SIR FREDERICK WILLIAMS-TAYLOR, LL.D.

Assistant General Manager, A. D. BRAITHWAITE, Esq.

BRANCHES IN CANADA

In all the important Cities and Towns in the following Provinces:

- PROVINCE OF ONTARIO.
- PROVINCE OF QUEBEC.
- PROVINCE OF NEW BRUNSWICK
- PROVINCE OF PRINCE EDWARD ISLAND.
- PROVINCE OF BRITISH COLUMBIA.
- PROVINCE OF NOVA SCOTIA.
- PROVINCE OF MANITOBA.
- PROVINCE OF SASKATCHEWAN
- PROVINCE OF ALBERTA

BRANCHES OUTSIDE OF CANADA:

- LONDON, England, 47 Threadneedle Street. E. C., G. C. CAMMELL, Manager.
- NEW YORK, N.Y., 64 Wall Street, R. V. HEDDEN, W. A. BOG.
- CHICAGO, Illinois, 108 South La Salle Street
- ST. JOHN'S, Newfoundland.
- CURLING, Newfoundland.
- MEXICO CITY, Mexico, D. F.
- Sub-Agency, 9 Waterloo Place, Pall Mall, S.W.
- J. T. MOLINEUX, Agents.
- SPOKANE, State of Washington.
- GRAND FALLS, Newfoundland

BANKERS IN GREAT BRITAIN

- LONDON, The Bank of England.
- The Union of London and Smith's Bank, Limited.
- London County and Westminster Bank, Limited.
- The National Provincial Bank of England, Limited
- LIVERPOOL, The Bank of Liverpool.
- SCOTLAND, The British Linen Bank and Branches

BANKERS IN THE UNITED STATES

- NEW YORK The National City Bank
- National Bank of Commerce
- National Park Bank
- Fourth Street National Bank
- PHILADELPHIA The Mechanics-American National Bank
- ST. LOUIS The Merchants National Bank
- BOSTON The First National Bank of Cleveland
- CLEVELAND The Bank of Pittsburgh, N.A.
- PITTSBURG
- DETROIT The First and Old Detroit National Bank
- BUFFALO The Manufacturers' and Traders' National Bank
- SAN FRANCISCO First National Bank of San Francisco
- MINNEAPOLIS The Anglo and London-Paris National Bank
- SEATTLE Northwestern National Bank
- ST. PAUL Seattle National Bank
- St. Paul. First National Bank

Savings Department connected with each Canadian Branch, and interest allowed at current rates.
 Collections at all points of the world undertaken at most favourable 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.

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

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

Branches of the Bank in Canada are distributed geographically as follows:

Alberta	-	-	-	51	Ontario	-	-	-	88
British Columbia	-	-	-	42	Prince Edward Island	-	-	-	5
Manitoba	-	-	-	23	Quebec	-	-	-	81
New Brunswick	-	-	-	4	Saskatchewan	-	-	-	59
Nova Scotia	-	-	-	13	Yukon Territory	-	-	-	2

Branches and Agencies of the Bank outside Canada:

- Newfoundland—St. John's.
- United States—New York, Portland, Ore., San Francisco, Cal., Seattle, Wash.
- Great Britain—London. Mexico—Mexico City.

Collections effected promptly and at Reasonable Rates.

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 96 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

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881.
F. WILSON-SMITH,
Proprietor.

PUBLISHED EVERY FRIDAY.
ARTHUR H. ROWLAND,
Editor.

Office:

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

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

MONTREAL, FRIDAY, DECEMBER 31, 1915.

THE NOVEMBER BANK STATEMENT

A further substantial increase in public deposits is the principal feature of the November bank statement. Demand deposits increased by \$14,692,978 to \$406,735,171 and notice deposits by \$12,782,436 to the new record level of \$714,219,286. At the end of the month, these deposits were respectively \$55,851,018 and \$48,224,434 in advance of the totals reported at the corresponding date in 1914, an increase in all of \$104,075,452. At the close of November, of course, the War Loan had not begun to affect the deposits by the public. It was only on the last day of the month that the lists closed, and cheques covering the application money would not have been presented and their face credited to the Dominion Government until the early days of the present month, when the allotments were made. The Dominion Government's balances in the present return, it may be noted, are at a normal level. Foreign deposits during November increased largely by nearly \$21 millions. Special deposits made on account of purchases of war munitions and supplies probably helped considerably to swell this total.

RISE IN CANADIAN CALL LOANS.

In the loan accounts, a possible effect of the War Loan is to be seen in the sharp rise in Canadian call loans which are up by \$8,629,517 to \$83,203,787, at which figure they are nearly \$14 millions higher than they were a year ago. The stock exchange activity during the month would scarcely account for the whole of this increase which it seems not unlikely is in part caused by bank loans on collateral to various institutions which were arranging for applications for the War Loan. In this matter the sharp rise in non-interest bearing deposits above referred to is to be recollected. If the suggestion here made is a correct one, the rises in Canadian call loans and non-interest bearing deposits are directly connected. Call loans in New York and London were

again substantially increased by nearly \$15 millions to \$135,530,562, the increase of the banks' resources through our exports of wheat, munitions and army supplies being also revealed in the substantial rise in bank balances abroad which at \$66,854,497 (net) show a gain for the month of fully \$14 millions. In connection with this rise in liquid assets may be noted the realization of securities held, apparently in preparation for the War Loan. The November liquidation of railway and miscellaneous securities was over \$7 millions.

Changes in current loans and discounts are of a routine character. Canadian loans and discounts are down by \$3,623,191 to \$777,162,563, which total is \$17,106,657 lower than at the corresponding date of 1914. The decrease in these loans for November is almost exactly counterbalanced by a similar rise in the foreign loans and discounts to \$53,240,955. Circulation shows a gain of \$1,371,452, and is \$9,386,459 higher than a year ago.

The increase in the banks' resources consequent upon the reception of the proceeds of the sale of our exports is reflected in a sharp rise in their reserves, which at the end of November were in a particularly high proportion. Immediately available reserves of specie and Dominion notes, deposits in the Central Gold Reserve and to secure the note issues, net bank balances abroad and foreign call loans at the end of October were in the proportion of 30.8 per cent. to the note circulation and deposits of all kinds. The end of October figures were 28.8 per cent.

MORE WAR LOANS.

It has been understood for some time past that the recent domestic War Loan was not an effort of the first and final sort, but that the Government will in the future issue further loans, in amount according to their needs and the capacity of the country to absorb the loans. Obviously, however, no further issue will be made until the payments on the recent loan have been completed, which will not be until May. Sir George Foster's warning as to the possible extent of the Government's needs—some hundreds of millions—was doubtless intended as a reminder of the serious nature of the task of war financing which lies ahead of us, and of the necessity of careful and adequate preparation for it by a pruning of any tendencies to extravagance, and the practise of economy. The time to begin preparing for the successful flotation of future war loans is now.

C. P. R.'s gross earnings for November were \$13,351,283 against \$8,057,358 in October, an increase of \$5,293,925, and net earnings \$6,354,413 against \$2,644,072, an increase of \$3,710,341 or 140 per cent. The net earnings for the month are second only to those of October in the history of the company.

The Bank of British North America

Established in 1836.

Incorporated by Royal Charter in 1840

Paid-up Capital, \$4,866,666.66
Reserve Fund, - 3,017,333.33

Head Office: _____

5 GRACECHURCH STREET, LONDON, E.C.

J. DODDS, Secretary W. S. GOLDBY, Manager

COURT OF DIRECTORS

F. R. S. Balfour	E. Geoffrey Hoare
J. H. Brodie	Frederic Lubbock
J. H. Mayne Campbell	C. W. Tomkinson
E. A. Hoare	G. D. Whatman

Head Office in Canada: **ST. JAMES ST., MONTREAL**

H. B. MACKENZIE, General Manager

J. ANDERSON, Superintendent of Branches.
H. A. HARVEY, Superintendent of Eastern Branches,
Montreal.
J. McEACHERN, Superintendent of Central Branches,
Winnipeg.
O. R. ROWLEY, Chief Inspector.
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 City (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 India.

G. B. GERRARD, Manager,

MONTREAL BRANCH

The Merchants' Bank of Canada

Head Office - MONTREAL

Capital Paid-up - - - - - \$7,000,000
Reserve Fund and Undivided Profits - 7,245,140

BOARD OF DIRECTORS:

SIR H. MONTAGU ALLAN, C.V.O., President

K. W. BLACKWELL, Vice-President

THOS. LONG	ANDREW A. ALLAN	F. ROBERTSON
ALEX. BARNET	C. C. BALLANTYNE	G. L. CAINS
F. ORR LEWIS	F. HOWARD WILSON	A. B. EVANS
	A. J. DAWES	

E. F. HEDDEN, General Manager

T. E. MERRETT, Superintendent of Branches and Chief Inspector

A GENERAL BANKING BUSINESS TRANSACTED

206 BRANCHES AND AGENCIES IN CANADA

Extending from the Atlantic to the Pacific

SAVINGS DEPARTMENT AT ALL BRANCHES

Deposits received and interest
allowed at best current rates

New York Agency: 63 and 65 WALL ST.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832.

CAPITAL	\$6,500,000.00
RESERVE FUND	12,000,000.00
TOTAL ASSETS over	95,000,000.00

Head Office - - - HALIFAX, N.S.

JOHN Y. PAYZANT, President.

Gen'l 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

HOME BANK OF CANADA

ORIGINAL CHARTER
1854

Branches and Connections throughout Canada.

JAMES MASON - General Manager

MONTREAL OFFICES

Main Office: Transportation Building, St. James St.

Bonaventure Branch, 523 St. James St.

Noelholaga Branch, Cor. Cuvillier and Ontario Sts.

Mount Royal Branch, Cor. Mount Royal & Papineau Av.

COMPARATIVE ABSTRACT OF THE BANK STATEMENT, NOVEMBER, 1915.

(Compiled by The Chronicle).

	Nov. 30, 1915.	Oct. 31, 1915.	Nov. 30, 1914.	Month's Movement 1915.	Month's Movement 1914.	Year's Movement.
Specie	\$ 71,359,656	\$ 61,724,773	\$ 66,679,498	+\$ 9,634,882	+\$ 4,451,008	\$ 4,680,158
Dominion Notes	140,751,333	136,223,275	135,510,849	+ 4,528,058	+ 14,587,749	+ 5,240,484
Deposit in Central Gold Reserve	15,100,000	11,750,000	10,800,000	+ 3,350,000	+ 2,200,000	+ 4,300,000
Notes of other Banks	14,141,447	14,213,516	14,213,135	- 72,069	- 1,105,316	- 71,688
Cheques on other Banks	56,103,946	57,016,990	45,759,479	+ 913,044	+ 936,403	+ 10,344,467
Deposit to secure Note issues	6,770,645	6,770,645	6,727,699	-	- 20,500	+ 42,946
Deposits with and balances due other Banks in Canada	12,011,010	10,856,960	8,376,263	+ 1,154,050	- 42,138	+ 3,634,747
Due from Banks, etc., in U.K.	31,741,522	27,068,942	15,155,784	+ 4,672,580	+ 401,067	+ 16,585,738
Due from Banks, etc., elsewhere	55,431,455	45,335,594	37,078,413	+ 10,095,861	+ 2,845,428	+ 18,353,042
Dom. and Prov. Securities	15,407,594	14,214,331	11,247,264	+ 1,193,263	- 241,584	+ 4,160,330
Can. Mun. For. Pub. Securities	39,264,585	38,985,386	21,777,065	+ 279,199	- 789,383	+ 17,487,520
Rlwy. and other Bonds and Stocks	67,281,719	74,406,850	70,363,599	- 7,125,131	+ 455,303	- 3,081,880
Total Securities held	121,953,898	127,606,567	103,387,928	+ 5,652,669	+ 575,664	+ 18,565,970
Call Loans in Canada	83,203,787	74,574,270	69,394,407	+ 8,629,517	+ 807,532	+ 13,809,380
Call Loans outside Canada	135,530,562	120,681,624	74,459,643	+ 14,848,938	+ 6,742,028	+ 61,070,919
Total Call and Short Loans	218,734,349	195,255,894	143,853,050	+ 23,478,455	+ 7,550,660	+ 74,881,299
Current Loans and Discounts in Canada	777,162,563	780,785,754	794,269,220	- 3,623,191	- 22,354,632	- 17,106,657
Current Loans and Discounts outside	53,240,955	49,612,985	42,966,275	+ 3,627,970	+ 925,559	+ 10,274,680
Total Current Loans and Dis- counts	830,403,518	830,398,739	837,235,495	+ 4,779	- 21,429,073	- 6,831,977
Loans to Dominion Government	5,000,000	5,000,000	5,000,000	-	-	-
Loans to Provincial Governments	4,633,472	4,853,520	11,391,698	- 220,048	+ 2,065,212	+ 6,758,226
Loans to Cities, Towns, etc.	41,064,550	45,682,230	44,706,055	+ 4,617,680	+ 2,638,396	+ 3,641,505
Bank Premises	47,988,002	48,082,670	45,960,495	+ 1,094,668	+ 137,612	+ 2,027,507
TOTAL ASSETS	1,702,194,396	1,657,256,962	1,561,458,119	+ 44,937,434	- 16,460,950	+ 140,736,277
<i>Liabilities.</i>						
Notes in Circulation	\$ 124,153,685	\$ 122,782,233	\$ 114,767,226	+\$ 1,371,452	+\$ 8,977,456	+\$ 9,386,459
Due to Dominion Government	14,896,968	12,563,525	17,892,066	+ 2,333,443	- 3,957,596	- 2,995,098
Due to Provincial Governments	21,104,580	23,129,277	20,362,116	- 2,024,697	+ 2,581,040	+ 742,464
Deposits in Canada, payable on demand	406,735,171	392,042,193	350,884,153	+ 14,692,978	+ 2,151,323	+ 55,851,018
Deposits in Canada, payable after notice	714,219,286	701,336,850	665,994,852	+ 12,872,436	+ 6,188,170	+ 48,224,434
Total Deposits of Public in Can- ada	1,120,954,457	1,093,379,043	1,016,879,005	+ 27,575,414	+ 8,339,493	+ 104,075,452
Deposits elsewhere than in Canada	132,029,108	111,236,345	91,278,495	+ 20,792,763	+ 411,601	+ 40,750,613
Total deposits, other than Govt. Deposits and Bal., other Can. Banks	1,252,983,565	1,204,615,388	1,108,157,500	+ 48,368,177	+ 8,751,094	+ 44,826,065
Due to Banks and Correspts. in U.K.	15,444,932	13,909,983	10,140,757	+ 1,534,949	- 280,071	+ 5,304,175
Due to Banks and Correspts. elsewhere	4,873,548	5,643,033	15,851,764	- 769,485	- 1,000,983	- 10,978,216
TOTAL LIABILITIES	1,463,200,922	1,413,362,832	1,320,307,465	+ 49,838,090	- 18,546,555	+ 142,893,457
<i>Capital, etc.</i>						
Capital paid up	\$ 113,987,275	\$ 113,986,106	\$ 113,909,750	+ 1,169	- 942,895	+ 77,525
Reserve Fund	112,718,473	112,752,333	113,165,307	- 33,860	- 227,067	- 553,167
Liability of Directors and their firms	8,491,413	8,321,233	8,788,724	+ 170,180	- 339,267	- 297,311
Greatest Circulation in Month.	130,400,298	123,204,784	124,620,870	+ 7,195,514	+ 169,555	+ 5,779,428

BANQUE D'HOCHELAGA.

The Banque d'Hochelaga reports for the year ended November 30 profits of \$530,237, equal to 6.9 per cent. on the combined paid-up capital and rest. This figure compares with \$566,614 in 1914. A balance of \$43,175 brought forward makes the total available on profit and loss account \$573,412, which is allocated as follows:—\$360,000 to pay the 9 per cent. dividend; \$120,000 for depreciation of securities; \$28,800 for war tax on note circulation; \$18,990 to writing down the premises account and \$5,000 to pension fund, a balance of \$40,622 on profit and loss account being carried forward.

The balance sheet shows that while non-interest

bearing deposits have fallen off slightly from \$4,138,781 in 1914 to \$3,926,681 at the present time, interest-bearing deposits have increased by \$1,800,000 from \$17,154,701 to \$18,997,225. Circulation on the liabilities side and cash holdings among the assets are at practically the same levels as last year. Current loans have decreased from \$23,572,496 to \$22,810,051, but call loans are up from \$340,077 to \$1,684,600.

Total assets are \$34,515,873 against \$33,323,300, of which liquid assets are \$9,815,070 against \$8,312,159. Liquid assets are in a proportion of 37.8 per cent. to liabilities to the public (\$26,681,551) compared with 32.6 per cent. in 1914, when liabilities to the public were \$25,487,504.

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid up \$11,560,000 Reserves \$13,174,062
Assets \$179,404,054

HEAD OFFICE - MONTREAL.

340 BRANCHES THROUGHOUT CANADA

28 Branches in Cuba, Porto Rico and Dominican Republic

Kingston, Jamaica. Bridgetown, Barbados.

Nassau, Bahamas. St. George's, Grenada.

Port of Spain and San Fernando, Trinidad.

Georgetown and New Amsterdam, British Guiana.

San Pedro, British Honduras.

LONDON, Eng.
Princes St. E. C.

NEW YORK,
Cor. William & Cedar Sts.

SAVINGS
DEPARTMENT

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

The Dominion Bank

SIR EDMUND B. OSLER, M.P., President

W. D. MATTHEWS, Vice-President

C. A. BOGERT, General Manager

TRUST FUNDS SHOULD BE DEPOSITED

in a Savings Account in The Dominion Bank. Such funds are safely protected, and earn interest at highest current rates.

When payments are made, particulars of each transaction may be noted on the cheque issued which in turn becomes a receipt or voucher when cancelled by the bank.

Head Office, Toronto

THE BANK OF TORONTO

Incorporated 1866.

Head Office: TORONTO, Canada.

PAID UP CAPITAL	.....	\$5,000,000
RESERVED FUNDS	.....	\$6,439,382
ASSETS	.....	\$66,000,000

Directors

DUNCAN COULSON, President; W. G. GOODERHAM, Vice-Pres.; J. HENDERSON, 2nd Vice-Pres.; HON. C. S. HYMAN, WILLIAM STONE, JOHN MACDONALD, LT. COL. A. E. GOODERHAM, BRIGADIER-GENERAL F. S. BIGHEN, J. L. ENGLEHART, WILLIAM I. GEAR, THOS. F. HOW, General Manager. J. R. LAMB, Supt. of Branches
T. A. BIRD, Chief Inspector
Bankers

NEW YORK—National Bank of Commerce.

CHICAGO—First National Bank.

LONDON, Eng.—London City and Midland Bank, Limited.

BANKING BUSINESS INVITED

We invite the banking accounts of merchants, manufacturers, societies and individuals.

We offer the modern Banking Service of a progressive Bank, possessing ample resources, extensive connections and complete facilities.

All customers of the Bank of Toronto are assured every courtesy and attention.

The Trust and Loan Co.

OF CANADA

Capital Subscribed.	.....	\$14,600,000.00
Paid-up Capital.	.....	2,920,000.00
Reserve Funds.	.....	2,732,205.06

MONEY TO LOAN ON REAL ESTATE

30 St. James St., Montreal

The Bank of Ottawa

Established 1874

Head Office - - - OTTAWA, Canada

Paid-up Capital	- - -	\$4,000,000
Rest and Undivided Profits	- - -	4,996,304
Total Assets, over	- - -	55,000,000

BOARD OF DIRECTORS

HON. GEORGE BRYSON, President.
JOHN B. FRASER, Vice-President.

SIR HENRY N. BATE, DAVID MACLAREN
RUSSELL BLACKBURN, DENIS MURPHY,
SIR HENRY K. EGAN, HON. SIR GEORGE H. PERLEY
E. C. WHITNEY.

GEORGE BURN, D. M. FINNIE,
General Manager. Assistant General Manager
W. DUTHIE, Chief Inspector.

PRUDENTIAL TRUST COMPANY LIMITED

HEAD OFFICE
9 ST. JOHN
STREET
MONTREAL.

Trustee for Bondholders
Transfer Agent & Registrar
Administrator Executor
Liquidator Guardian Ad Litem
Trustee Custodian

Real Estate and Insurance Departments
Insurance of every kind placed at lowest possible rates.

Safety
Deposit Vault
Terms exceptionally moderate.
Correspondence invited.

B. HAL. BROWN, President and Gen. Manager

CANADA AS CREDITOR.

Under this heading, the London Economist, in its issue to hand by this week's mails, gives considerable space to discussion of the decision of the Canadian Government to devote \$50 millions of the enlarged War Loan to the establishment of a credit for the Imperial Treasury. The Economist, which is evidently much impressed by this decision, remarks that this event constitutes a sufficiently dramatic change in the financial relations between Canada and the Mother Country, even for these days when so many economic landmarks have been swept away by the avalanche of war. While in the first half of the current year, colonial governments went to the London market for £15,405,000, Australasia, New Zealand and India, as well as Canada have lately raised internal loans and it may be expected, says the Economist, that if the war goes on and these countries continue to earn large profits by selling to the mother country their produce at high prices, others are likely to follow the Canadian example now set. In other words, the mother country will be lent by Canada and the other countries, goods needed for the war.

The Economist proceeds to make some very interesting and weighty observations in regard to the present innovation, which we quote in full as follows:—

FINANCE, THE HANDMAID OF TRADE AND PRODUCTION.

"It is a very interesting turn in the wheel of financial fortune to find the young countries, whom we have so lavishly helped in the past with our capital, now ready, at the hour of our need, to return the compliment, and lend some of it back to us in the shape of the goods which our past top-dressing has enabled them to produce. Until the war we and France were the great markets for capital whither all the young communities, in need of the sinews of production, used to repair. Now we and France have need of all the capital that we can raise at home and more, and we are already to borrow some in America and Canada, and we may fairly expect to add to the list of our creditors if the war drags on. There is nothing magical about this change in our position and theirs. It is very easily accounted for if we remember that finance is only the handmaid of trade and production, and that no nation can lend to others unless it has a store of goods and services available, in the shape of which the borrower can take the money; also that those who wish to sell goods to nations which have good credit and prospects, but a slender stock of goods to export, can only do so if they lend them the money to pay for the goods with. Before the war we had goods and services ready which we wanted to sell abroad in countries which were less developed, and so we lent them money which they took in the form of our goods and services. America, South America, Japan, Egypt, Russia, China, Scandinavia, and all our dependencies bought goods and services from us, and owed us the money. The more we lent the more we exported, because the loans were taken, not in gold, but in commodities and services. Now the trade balance is on the other side of the ledger, and so the loan balance follows it. Our power to export is reduced, and our need to import is increased. The countries to whom we used to lend goods still need them for internal development, but owing to the high prices

produced by the war, they prefer to let internal development wait, and to put all their energy into turning out stuff that we need. So we reap where we have sown, and the big profits that our debtors are making give them a balance that some are already beginning to lend us.

FINANCE AND PRODUCTIVE POWER.

"It is an instructive example of the manner in which finance follows or accompanies trade, and useful in these times when too many people seem to think that finance is a kind of magical jugglery that can make money out of nothing. No one can finance others unless he has stuff or services to put down, either his own or other people's, on which he has a claim. Accommodation paper with nothing behind it may pass current for a day but soon finds its way to the dustbin. War has raised the price of goods, and those who can turn out goods are the financiers, and those who need goods are the borrowers. The fact that one of our colonies is already able to lend to us merely means that her productive power, helped by the high prices that war has placed on her products, gives her a surplus for export, and enables her to lend it to us. The fact is of good augury for our financial staying power in the war, but we shall do well to be cautious in relying on it. There are limits beyond which it will not be wise to prove the process, and it is very expensive, as we found in America. Those who borrow in young countries must pay the price for capital that rules in them, and that price is always relatively high."

ESTABLISHED 1873

The
Standard Bank
 of CANADA
Head Office, TORONTO

124 BRANCHES THROUGHOUT THE DOMINION



IT IS an advantage sometimes to keep a bank account in the names of two persons, so that either one may make withdrawals. Such an account is called a "joint account." We shall be pleased to furnish particulars.



Montreal Branch: 136 ST. JAMES STREET
E. C. GREEN, Manager.

IMPERIAL BANK

OF CANADA

Head Office, - Toronto

Capital Paid Up - - - \$7,000,000
Reserve Fund - - - - \$7,000,000

PELEG HOWLAND,
President

E. HAY,
General Manager



Drafts, Money Orders and Letters of Credit issued available throughout the World.

Dealers in Government and Municipal Securities. Dealers in Foreign and Domestic Exchange.

Savings Departments at all Branches.

Interest Credited Half-yearly at Current Rates. General Banking Business Transacted.

126 BRANCHES IN CANADA

National Trust Co.,

LIMITED

CAPITAL - - - - \$1,500,000
RESERVE - - - - 1,500,000

Acts as executor and trustee under will. Administers real estate. Allows interest on savings deposits.

MONTRÉAL DIRECTORS

H. B. WALKER, F. W. MOLSON,
H. J. FULLER, T. B. MACAULAY
W. M. BIRKS

MONTRÉAL OFFICE:

153 St. James Street

PERCIVAL MOLSON, Manager.

The Royal Trust Co.

Capital Fully Paid - - - \$1,000,000
Reserve Fund - - - - 1,000,000

EXECUTORS AND TRUSTEES

BOARD OF DIRECTORS:

H.V. Meredith, President Sir H. Montagu Allan, C.V.O., Vice-President

R. B. ANGUS	E. B. GREENSHIELDS
A. BAUMGARTEN	C. R. HOMER
A. D. BRATHWAITE	SIR W. C. MACDONALD
E. J. CHAMBERLIN	HON. R. MACKAY
H. R. DRUMMOND	HERBERT MOLSON
C. B. GORDON	SIR T. G. SHAUGHNESSY
HON. SIR LEONER GOUIN,	K.C.V.O.
K.C.M.G.	SIR FREDERICK WILLIAMS-TAYLOR, LL.D.

A. E. HOLT, Manager

OFFICE AND SAFETY DEPOSIT VAULTS:
107 St. James St., MONTREAL.

BRANCHES: Calgary, Edmonton, Ottawa, Quebec, Regina, St. John, N. B., St. John's, Nfld., Toronto, Vancouver, Victoria, Winnipeg.

WESTERN

Assurance Company

Incorporated in 1851

FIRE AND MARINE

ASSETS over \$3,700,000.00

LOSSES paid since organization of Company over \$61,000,000

DIRECTORS

W. R. BROCK, President.

W. B. MEIKLE, Vice-President and General Manager.

ROBT. BICKERDIKE, M.P.	Z. A. LASH, K.C., LL.D.
H. C. COX	GEO. A. MORROW
D. B. HANNA	LT. COL. FREDERIC NICHOLLS
JOHN HOSKIN, K.C., LL.D.	COL. SIR HENRY PELLATT C.V.O.
AUGUSTUS MYERS	E. R. WOOD
JAMES KERR OSBORNE	

HEAD OFFICE . TORONTO

LLOYDS BANK LIMITED,

HEAD OFFICE:—

71, LOMBARD ST., LONDON, E.C.

Subscribed Capital - - \$156,521,000
Capital Paid up - - - 25,043,360
Reserve Fund - - - 18,000,000
Deposit & Current Accounts 590,869,295

Cash in hand, &c. - - \$173,534,130
Bills of Exchange - - 67,100,965
Investments - - - 80,667,610
Advances, &c. - - - 297,198,235

THIS BANK HAS OVER 880 OFFICES IN ENGLAND AND WALES.

Colonial and Foreign Department: 17, Cornhill, London, E.C.
London Agency of the IMPERIAL BANK OF CANADA.

Paris Auxiliary: LLOYDS BANK (FRANCE) LIMITED, 26, Avenue de l'Opéra.
AN ENGLISH BANK CONDUCTED ON ENGLISH LINES. Branches at BORDEAUX, BIARRITZ and NAYRE.

PROPOSED SUN LIFE-MANUFACTURERS' AMALGAMATION AGAINST PUBLIC INTEREST

As previously announced in *THE CHRONICLE*, a tentative agreement has been made between the directors of the Sun Life of Montreal and the directors of the Manufacturers' Life of Toronto, whereby the former company will absorb the latter. The agreement is subject to the provisions of the Insurance Act of 1910, which provides in the case of amalgamations:—

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

As stated in our issue of the 17th instant, the transaction was made possible by the fact that Mr. M. R. Gooderham, who held a controlling interest, was desirous of selling his stock. His reason for doing so is stated to be that he has felt it his duty to volunteer for the front, as so many other young Canadians have done. But as it is well known that Mr. Gooderham's profession is the law and not life insurance, this excuse is insufficient, as the Manufacturers' Life is well equipped from a managerial standpoint and Mr. Gooderham's interests as a shareholder, even though absent, would be perfectly safe.

The following figures will show the standing of the Manufacturers' Life as at 31st December, 1914:—

Assets	\$19,184,388
Surplus over all liabilities	1,852,322
Assurance in force	80,610,684
Total income	4,228,442
Now business (paid for)	12,465,813

In advocating an unqualified opposition to the proposed deal, which means the disappearance of the Manufacturers' Life, *THE CHRONICLE* has no fault to find with the terms agreed upon, although it may be assumed that any benefit which the policyholders of the Manufacturers' Life may derive from the amalgamation is more or less incidental to the handsome returns the Manufacturers' stockholders will get for their holdings. Both institutions concerned in the deal are in the front rank of insurance companies, and the Sun Life takes a leading place among Canadian financial institutions. The president (Mr. T. B. Macaulay) holds the highest reputation both as an actuary and as an administrator, his gifts in the latter connection having been clearly demonstrated by the important part he has taken for many years in the direction of the institution of which he is now the head.

The Manufacturers' Life, which commenced business in 1887, had for its first president the late Sir

John A. Macdonald, upon whose death in 1891 the presidency devolved upon the late Mr. George Gooderham. The Manufacturers' Life has consistently made steady progress and at present it occupies a leading position among the strong Canadian life companies. *If, when granting the Company a license at its organization, the Dominion Government felt there was some excuse for its existence, how much greater that excuse has since grown as the Company has become a power in Canadian life insurance, numbering among its policyholders so many of our Canadian people.*

GROUNDS OF PUBLIC POLICY.

THE CHRONICLE's opposition to the proposed deal is based solely upon grounds of public policy and interest. A few months ago, the Minister of Finance, acting under the powers given him at the last revision of the Bank Act, forbade the proposed absorption of the Bank of Hamilton by the Royal Bank, as not being in the public interest. The present position of the life insurance companies in Canada is not unlike that of the banks. The Canadian field is well occupied by a certain number—though not an excessive number—of strong, favorably-known and adequately equipped life companies, and it is a matter of some difficulty to get a new company thoroughly on its feet. The companies compete actively among themselves for business. The public undoubtedly benefits from their competition and to the extent to which competition is neutralised by amalgamation or otherwise, the public interest suffers. In this way, the withdrawal of the Manufacturers' Life is clearly against the public interest. The case is altered where the company to be absorbed is a weak one, which it is necessary should be taken over at the earliest possible time, in order that the rights of the policyholders may not be prejudiced. But in the case of the Manufacturers' Life, no reason of this kind for the amalgamation can possibly be alleged. The company is well established on sound foundations; it has been heretofore an active and successful competitor for business, and its policyholders have been thoroughly satisfied with their position and outlook. The absorption of a life company of this standing and prestige by a competitor can only be regarded as distinctly against the interests of the public through the withdrawal of competition in service to which the public is legitimately entitled.

AGAINST LIFE INSURANCE INTERESTS.

This amalgamation also, must, in our opinion be considered as tending to prejudice the interests of life insurance in Canada as a whole. Recent Canadian banking history is illuminating in this connection. During the last few years, a number

An AUTHORIZED TRUSTEE INVESTMENT

The Debentures issued by this Corporation are a security in which Executors and Trustees are authorized to invest Trust Funds.

They are issued in sums of one hundred dollars and upwards, as may be desired by the investor, and for terms of one or more years.

They bear interest at a special rate, varying according to the term for which the Debenture is issued.

Interest is computed from the date on which the money is received, and is payable half yearly.

They have long been a favorite investment of Benevolent and Fraternal Institutions, and of British and Canadian Fire and Life Assurance Companies, largely for deposit with the Canadian Government, being held by such institutions to the amount of more than ONE AND ONE-HALF MILLION DOLLARS.

A miniature Specimen Debenture, with interest Coupons attached, copy of Annual Report, and all particulars will be forwarded on application.

CANADA PERMANENT MORTGAGE CORPORATION, - Toronto Street
ESTABLISHED 1855 TORONTO.

Representing

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

You will make money.

The great strength, big dividends and incomparable benefits of the "oldest company in America" mean certain success for you.

FOR TERMS TO PRODUCING AGENTS, ADDRESS:

George T. Dexter

2nd VICE PRESIDENT

34 Nassau Street New York, N.Y.

Atlas Assurance Co., Limited of LONDON, ENGLAND

The Company commenced business in the REIGN OF GEORGE III and the following figures show its record—

	At the Accession of	Income	Funds
KING GEORGE IV.	\$ 387,065	\$ 800,605	
KING WILLIAM IV.	657,115	3,038,380	
QUEEN VICTORIA	789,865	4,575,410	
KING EDWARD VII.	3,500,670	11,185,405	
KING GEORGE V.	6,846,895	15,186,090	
and at			
31st DECEMBER, 1914	7,489,145	19,064,425	

In addition the Company has a Subscribed Capital of Eleven Million Dollars (of which \$1,320,000 is paid up).

Agents wanted in unrepresented districts.

Head Office for Canada:

179 St. James St., MONTREAL

MATTHEW C. HINSHAW, Branch Manager



Assets:
\$8,966,071.46

Surplus to
Policyholders:
\$4,019,694.66

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

A STRONG TARIFF OFFICE, NOW ENTERING CANADA

FOUNDED A.D. 1819

THE PHENIX FIRE INSURANCE COMPANY OF PARIS, FRANCE

EDMUND FOSTER, Supt. of Agencies.

THOMAS F. DOBBIN, Manager for Canada.

LEWIS BUILDING,

ST. JOHN STREET, MONTREAL.

Applications for agencies invited

of amalgamations have taken place, which, however desirable from the point of view of those bringing them about, were certainly not essential to the soundness of the Canadian banking fabric. In more than one case the motive for amalgamation was stated to be the desire—a perfectly legitimate one—on the part of the absorbing bank, to increase its connections in some province or district where it had been hitherto weakly represented. The gratification of this perfectly legitimate desire has been distinctly shown to be unwise, since the banking amalgamation movement in recent years has been accompanied by a steady rise in the public mind of a feeling of antagonism to the banks. Admittedly a good deal of the sentiment antagonistic to the banks is of a very ill-informed type, but that unfortunately does not make it less dangerous.

The managements of the insurance companies will be well advised to profit by this experience of the banks. The companies are not so strongly entrenched in the affections of the taxing authorities that they can afford to pursue a policy which would tend to raise (sooner or later) an anti-corporation agitation against them, and they would be foolish to lay themselves open to further and vexatious legislative regulation. But a policy of continued concentration by the insurance companies would most probably eventuate in the companies finding themselves confronted with a steadily-rising tide of public sentiment directed against them as financial institutions.

For our own part, we can conceive nothing more disastrous to the true interests of life insurance in the Dominion than the development of a condition of affairs in which the ideal of mere size possessed the insurance companies.

Life insurance in the Dominion will be in the future on a much firmer basis in its relations with the public and in a much stronger position to combat legislative and taxing vexations if, instead of being concentrated in half a dozen big companies in Montreal or Toronto, it is carried on by companies located throughout the Dominion, whose number is only limited by the capacity of the field and the ability of new companies to establish themselves on a sound basis. Moreover, the prospects of healthy, natural growth of the Canadian life companies' business within, say, the lifetime of those who are now middle-aged, should be sufficient to satisfy the reasonable ambitions of any insurance management.

LONDON GUARANTEE AND ACCIDENT.

The London Guarantee & Accident having made the necessary arrangements, is now transacting a fire business in Canada as a tariff company.

A good deal of comment has been caused by the appointment as fire manager of a young insurance man who previously occupied a junior position in a Toronto non-tariff office. Perhaps the London Guarantee has decided not to waste money in large salaries.

CANADIAN INSURANCE BUSINESS IN 1915.

FIRE.

We understand that the experience of the fire companies operating in Canada during the year just closing goes to indicate an average loss ratio of from 50 to 55 per cent. As may be remembered, the year 1914 was not a profitable one for many companies, the average loss ratio being about 58 per cent. The premium income for 1915 will show a slight decrease from 1914.

LIFE.

Information received regarding the experience of life companies in Canada during 1915, shows there is every indication that final results will exhibit an increase in the volume of business written as a whole, more especially among companies which have been active and aggressive.

CASUALTY.

As must have been generally anticipated, the companies transacting casualty business in Canada for 1915 will report a decrease of from 30 to 35 per cent. in income as a result of State insurance, depression in building and general contracting, and other unfavourable conditions consequent upon the war.

CASUALTY INSURANCE MANAGERS ASSOCIATION.

The first meeting of the Casualty Insurance Managers' Association of Canada was held in the office of the Secretary on Tuesday, the 28th December.

This association is composed of all the managers of the casualty companies of Canada, for the purpose of the betterment of business. Mr. John Emo, General Manager and Secretary of the Globe Indemnity Company of Canada, was unanimously elected as first President of the association. Mr. Lightbourne, of the Maryland Casualty Company, Toronto, and Mr. Dale of the North American Accident Company of Montreal were elected Vice-Presidents.

The Association is deserving of every success as the managers have worked hard together and left nothing undone to develop the Association in the interests of all concerned.

Provincial associations throughout the Dominion will be rendered every assistance and encouragement when required by the Managers' Association.

EASTERN AUTOMOBILE ASSOCIATION AND THE EASTERN LIABILITY ASSOCIATION.

The Montreal Managers are in advance of the other Provinces by having an Automobile Association in operation for several months, which has done excellent work in the Province of Quebec and the Eastern Maritime Provinces. The Eastern Liability Association goes into effect on 1st January. The Montreal Managers are to be congratulated on the excellent work they have performed on behalf of both the insurance community and the public. The conditions of their new Association are the most modern and up-to-date, giving careful attention to the wants of the insured as well as conserving the interests of the companies. The officers of the Association are Mr. John Emo, President, and Mr. F. F. Parkins, Vice-President.



CANADA BRANCH HEAD OFFICE, MONTREAL.

DIRECTORS

M. Chevalier, Esq. T. J. Drummond, Esq. Sir Alexandre Lacoste
 William Molson Macpherson, Esq. Sir Frederick Williams-Taylor, LL.D.
 J. Gardner Thompson, Manager. Lewis Laing, Assistant Manager.



Head Office : Cor. Dorchester Street West and Union Avenue.
 MONTREAL

DIRECTORS

J. Gardner Thompson, *President and Managing Director*,
 Lewis Laing, *Vice-President and Secretary*,
 M. Chevalier, Esq. A. G. Dent, Esq. T. J. Drummond, Esq.,
 John Emo, Esq. Sir Alexandre Lacoste Wm. Molson Macpherson, Esq.,
 J. C. Rimmer, Esq. Sir Frederick Williams-Taylor, LL.D.

LICENSED BY THE DOMINION GOVERNMENT

FIDELITY-PHENIX FIRE INSURANCE COMPANY
 of NEW YORK

HENRY EVANS, President

FIRE

AUTHORISED, SUBSCRIBED and
 PAID UP CAPITAL

\$2,500,000

Home Office:
 80 Maiden Lane - New York

W. E. BALDWIN,
 Agency Superintendent Eastern Canada



TORNADO

TOTAL ASSETS EXCEED
\$16,000,000

MONTREAL BRANCH OFFICE
 Lewis Building, St. John Street
 MONTREAL

JOSEPH ROWAT, Resident Manager.

ABSOLUTE PROTECTION FOR CANADIAN PROPERTY HOLDERS

SPECIAL AGENTS WANTED FOR MONTREAL



The Northern Assurance Co. Limited

"Strong as the Strongest"

Accumulated Funds 1914, \$41,615,000

HEAD OFFICE FOR CANADA,
 88 NOTRE DAME STREET WEST,
 MONTREAL.

G. E. MOBERLY, Supt. of Agencies.

ROBERT W. TYRE, Manager.

OPPORTUNITIES

in Life Insurance are many.

FOR AN AGENCY, ADDRESS

GRESHAM LIFE ASSURANCE SOCIETY, LTD.

Established 1848. Funds \$50,000,000
 GRESHAM BUILDING - - - MONTREAL

LIFE AGENTS.

A connection with the **Continental Life Insurance Co., of Toronto**, would be to your advantage.
 For Eastern Ontario or Quebec Province, write

T. R. BROWNLEE,
 102 Bank Street Chambers,
 Ottawa, Ont.

GEO. B. WOODS, CHARLES H. FULLER,
 President. H. A. KENTY, Secretary.
 Superintendent of Agencies.

THE CANADIAN BANK OF COMMERCE

It is clear that during the coming year, the Canadian banks will be asked to undertake important operations in several directions. The movement of the present year's crops is by no means finished. It has been stated indeed on good authority, that this movement will not only continue through the winter, but that it is unlikely to be completed before next summer. In addition, the domestic war loan and the credit arrangements to Great Britain in connection with the purchase here of munitions and war supplies, will make extensive demands upon banking resources. These latter arrangements are only possible because of the strong position in which the banks are at present placed. Liquid assets, which in the past year or 18 months, have been most carefully husbanded and added to will probably during 1916 amply justify their existence. Obviously, the banks are likely to pursue a policy of caution while international monetary conditions remain abnormal; at the same time the extent of their resources will certainly enable them to undertake considerable transactions along the lines alluded to.

A STRONG POSITION.

The newly-published annual statement of the Canadian Bank of Commerce—the first above the signature of Mr. John Aird as general manager—indicates that this institution is in an admirable position in this connection. The following are the leading figures of the present balance sheet in comparison with those of the two previous years:—

	1915.	1914.	1913.
	\$	\$	\$
Capital Stock	15,000,000	15,000,000	15,000,000
Reserve	13,500,000	13,500,000	13,500,000
Circulation	16,397,908	14,942,558	15,642,923
Deposits (not bearing interest)	52,964,795	41,690,512	52,798,206
Deposits (bearing interest)	141,558,283	139,818,297	140,015,509
Total Liabilities to Public	220,932,234	215,218,904	230,618,524
Specie and Legals	39,901,993	30,337,215	30,415,656
Bank Balances			
Abroad	6,319,808	5,782,386	6,884,653
Call Loans Abroad	18,534,329	18,750,527	16,154,361
Total of Quick Assets	101,173,358	92,983,653	97,308,316
Current loans and discounts	140,920,867	142,588,076	154,576,890
Total Assets	250,421,840	245,364,399	260,030,721

It will be seen from this statement that the Bank of Commerce shared satisfactorily in the general rise in the banks' deposits. After a falling-off during 1914, these have now returned to the level of 1913 and aggregate \$194,523,078. The principal increase is in the non-interest bearing deposits which are up by \$11½ millions, possibly in part as a result of special balances incidental to the purchase of war supplies by the Allies. The interest-bearing deposits mark an advance of \$1,750,000 to \$141,558,283—a record figure for these deposits. The important part played by the Bank in connection with the crop movement is indicated by the high figure of circulation, which at \$16,397,908, approaches an excess of \$1½ millions over last year.

SUBSTANTIAL GAIN IN LIQUIDITY.

On the other side of the account, the holdings of specie and legals show a gain of nearly \$10 millions, about \$1,400,000 of this gain being in specie and the remainder in Dominion notes. Call loans abroad at \$18,534,329, are slightly less than a year ago,

but there has been a substantial gain in foreign bank balances, from \$5,782,386 to \$6,319,808, this movement being accompanied by a sharp reduction in liabilities to foreign banks from \$11,163,569 to \$6,300,030. Canadian call loans are up from \$8,926,860 to \$12,847,521. As a result the Bank's quick assets, including Canadian call loans, have been increased from \$92,983,653 to \$101,173,358, a proportion to liabilities to the public of 45.9 per cent. as compared with 43.2 per cent. in 1914.

The decrease in holdings of securities is somewhat remarkable. Their total in the present balance sheet is only \$13,256,014 against \$21,191,247 a year ago. The reduction is in part in government securities, and may thus be due to some extent at least to the necessity of writing down, and, more notably, in railway and miscellaneous securities, which are down from \$16,104,764 in 1914 to \$9,613,179 this year.

Current loans show a surprisingly small decrease considering the conditions ruling during the Bank's financial year. At \$140,920,867, they are only some \$1,700,000 lower than a year ago.

PROFIT AND LOSS ACCOUNT.

The year's profits, after providing for all bad and doubtful debts, are reported as \$2,352,036, equal to 8.3 per cent. upon the combined paid-up capital and reserve and comparing with \$2,668,233 (9.4 per cent.) in 1914. A balance of \$1,117,763 brought forward on profit and loss account makes the total available \$3,469,799. Of this total, the 10 per cent. dividend and 2 per cent. bonus absorbs \$1,800,000; war-tax on note circulation, \$122,907; the annual contribution to the pension fund, \$80,000; subscription to British Red Cross Society \$5,000. As a measure of precaution against further depreciation in securities held, a million dollars is set aside, and a balance carried forward of \$461,892.

Shareholders of the Canadian Bank of Commerce certainly have reason to be satisfied with the financial results of a most trying year, and the conservative dealing of the management with the profit and loss account will be noted generally with gratification. The annual meeting of the Bank is fixed for January 11th.

MOBILISING CANADIAN SECURITIES.

An official statement now issued in London, makes clear what Canadian securities will be utilised in connection with the British Government's scheme of mobilising American and Canadian securities. Canadian Government, provincial and municipal bonds and Canadian railway securities will be accepted by the Government under this scheme, but only when their denominations are in Canadian currency, or if in sterling, convertible into currency at the holders' option. Purely sterling securities will not be accepted. All securities tendered must be supported by a statement of a banker or other responsible party that they have remained in the physical possession of the holder in the United Kingdom since September 30, 1914. British holders of trans-Atlantic securities are also reminded that if they do not avail themselves of the invitation they can still contribute materially to the object sought by selling their securities in the open market and re-investing the proceeds in British Government securities.

COMMERCIAL UNION

ASSURANCE COMPANY LIMITED
of LONDON, England

The largest general insurance Company in the world
(As at 31st December 1914)

Capital Fully Subscribed . . .	\$14,750,000
Capital Paid Up	1,475,000
Life Fund, and Special Trust Funds,	72,629,385
Total Annual Income exceeds	45,000,000
Total Funds exceed	133,500,000
Total Fire Losses Paid	174,226,575
Deposit with Dominion Government	1,208,433

APPLICATIONS FOR AGENCIES SOLICITED
IN UNREPRESENTED DISTRICTS.

Head Office: Canadian Branch:—

**Commercial Union Building,
MONTREAL**

J. McGREGOR,
Manager

W. S. JOPLING,
Assistant Manager

PALATINE

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December 1914)

Capital Fully Paid	\$1,000,000
Fire Premiums 1914, Net	\$2,605,775
Interest, Net	136,735
Total Income	\$2,742,510
Funds	\$5,525,540
Deposit with Dominion Govt	\$238,400

In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$133,500,000

APPLICATIONS FOR AGENCIES SOLICITED
IN UNREPRESENTED DISTRICTS.

Head Office: Canadian Branch:—

**Commercial Union Building,
MONTREAL**

J. McGREGOR,
Manager

W. S. JOPLING,
Assistant Manager

COMMENCED BUSINESS 1901
RECEIVED DOMINION CHARTER 17th JUNE 1908

Capital Stock Subscribed	Capital Stock Paid up
\$500,000.00	\$174,762.70

The Occidental Fire
INSURANCE COMPANY
Under the control of the North British & Mercantile Insurance Company

RANDALL DAVIDSON, *President*
C. A. RICHARDSON, *Vice President and Secretary*
DIRECTORS
S. E. RICHARDS W. A. T. SWEATMAN N. T. HILLARY
Head Office - **WINNIPEG, MAN.**
Agents Required at Unrepresented Points

ESTABLISHED 1809

Total Funds Exceed	Canadian Investments Over
\$109,798,258.00	\$9,000,000.00

FIRE AND LIFE
North British and Mercantile
INSURANCE COMPANY

DIRECTORS
WM. MCMASTER, Esq. G. N. MONCEL, Esq.
E. L. PHARR, Esq.
Head Office for the Dominion:
80 St. Francois Xavier Street - MONTREAL.
Agents in all the principal Towns in Canada.
RANDALL DAVIDSON, Manager.

SUN INSURANCE OFFICE

FOUNDED A.D. 1710

Head Office:
Threadneedle Street, LONDON, ENGLAND

THE OLDEST INSURANCE OFFICE IN THE WORLD.

Canadian Branch:
15 Wellington Street East, Toronto, Ont.
H. M. BLACKBURN. LYMAN ROOT,

Union Assurance Society Ltd.

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

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

Agencies throughout the Dominion

THE CANADA NATIONAL FIRE INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, MAN.

A Canadian Company Investing its Funds in Canada

THE ROYAL BANK'S STATEMENT

The statement of the Royal Bank of Canada for the year ended November 30 is notable at the present time in showing an actual, if slight increase in profits over the previous financial year. The increase is \$19,334, the profits now reported being \$1,905,576 against \$1,886,142 in 1914. It may be presumed that the extensive connections of the Royal Bank in the West Indies have been a contributory factor in producing this result. Since the outbreak of war, the West Indies are reported to have enjoyed a period of considerable prosperity, owing to the high prices of sugar and other causes. A bank so strongly represented throughout the Islands as is the Royal Bank would naturally be in good position to share in this prosperity.

A STRONG POSITION MAINTAINED.

While profits have thus been more than maintained, the Bank now presents a statement showing a position of increased liquidity in comparison with a year ago. The following figures show the leading items of the Bank's present balance sheet compared with 1914 and 1913:—

	1915.	1914.	1913.
	\$	\$	\$
Capital Paid up.....	11,560,000	11,560,000	11,560,000
Reserve.....	12,560,000	12,560,000	12,560,000
Circulation.....	14,224,866	13,505,255	13,176,635
Deposits (not bearing interest).....	37,456,997	31,224,130	35,276,872
Deposits (bearing interest).....	117,519,331	104,827,079	101,900,791
Total Liabilities to Public.....	173,148,928	154,319,273	154,761,440
Specie.....	15,946,290	12,995,484	7,802,068
Dominion Notes.....	12,977,391	12,688,371	11,664,142
Central Gold Reserve.....	3,000,000	2,000,000	2,000,000
Bank Balances Abroad.....	5,235,607	3,144,502	3,603,452
Call Loans in Canada.....	9,136,510	8,574,058	9,002,193
Call Loans Abroad.....	9,815,950	6,080,847	10,817,497
Total of Quick Assets.....	84,894,462	71,244,678	72,385,792
Current Loans and Discounts.....	106,552,334	99,588,461	72,385,792
Total Assets.....	198,299,123	179,404,054	180,246,786

The considerable gain in deposits is stated to be solely the result of general business and not to be accounted for by special deposits. Interest-bearing deposits have advanced from \$104,827,079 in 1914 to \$117,519,331, a gain of \$12,700,000, while non-interest bearing deposits are up by over six millions from \$31,224,130 to \$37,456,997. Circulation is also higher than last year, by over \$700,000 at \$14,224,866, the excess circulation above the paid-up capital of \$11,560,000 being more than covered by the deposit in the Central Gold Reserve.

GAIN IN SPECIE HOLDINGS.

While the Bank's holdings of Dominion notes show only a trifling change from 1914, substantial gains in specie holdings have again been made, following a notable advance in 1914. Holdings of specie are now reported as \$15,946,290 against \$12,995,484 reported last year. Additionally, the Bank has enlarged its deposit in the Central Gold Reserve by a million. The effect of these various changes is to raise the proportion of cash holdings to total liabilities to the public from 17.9 per cent. to 18.4 per cent. Bank balances abroad and call loans abroad both show substantial advances, the former from \$3,144,502 to \$5,235,607 and the latter from \$6,080,847 to \$9,815,950. Call loans in Canada are over \$500,000 higher at \$9,136,510. Security holdings show a moderate increase of \$1,700,000 to \$18,629,042. Total quick assets are \$13,-

600,000 higher than in 1914 at \$84,894,462 and in a proportion of 49.0 per cent. to liabilities to the public, (these latter increased by nearly \$19 millions to \$173,148,928), compared with a proportion of 46.2 per cent. last year.

While Canadian current loans and discounts have contracted from \$84,585,973 to \$82,004,872, current loans abroad have expanded in very substantial proportion from \$15,002,488 to \$24,547,763. These figures bear out the suggestion that the West Indies business of the Bank has been particularly active.

PROFIT AND LOSS ACCOUNT.

With profits, as already noted of \$1,905,576 (equal to 7.9 per cent. on the capital and rest combined), and a balance brought forward from 1914 of \$614,062, the total available on profit and loss account is \$2,519,639. The 12 per cent. dividend absorbs \$1,387,200; \$100,000 is transferred to the officers' pension fund; \$250,000 written off bank premises; \$105,967 absorbed by the war tax on note circulation and the increased balance of \$676,472 is carried forward. It will be noticed that no allowance for depreciation in investments has been found necessary; in 1914 \$500,000 was devoted to this purpose.

The whole statement is a decidedly satisfactory one, and doubtless at the annual meeting, which is fixed for January 13, Mr. Edson L. Pease, the Bank's vice-president and general manager, will be warmly congratulated upon the results achieved.

MUNITIONS ON CREDIT.

Hon. W. T. White, Minister of Finance, in a recent speech before the Toronto Board of Trade, made the important suggestion that the manufacturers of war munitions should accept British Exchequer bonds in part payment, the maturity of these bonds being sufficiently far ahead to clear the war. Mr. White said an arrangement of this kind would materially assist Great Britain in financing war purchases in Canada and eliminate to a large extent the adverse exchange situation. He expressed the opinion that, if carried into effect, it would greatly facilitate the placing of additional war orders in Canada.

Doubtless, Mr. White's address on this occasion was intended as a "feeler" of the sentiments of the manufacturers. The main difficulty at present in regard to an arrangement of this kind is probably that a good many of the firms who have taken up actively the manufacture of munitions lack cash and are dependent upon the banks for their financing. This difficulty should, however, gradually be removed as contracts are finished and payments received and the companies make an accumulation of cash. Obviously, in cases where cash accumulations become more than sufficient for purposes of working capital, a proportion of payments on future contracts in Exchequer bonds would give the munition companies an investment of the highest class and at a remunerative rate, for a reserve fund. If, also, the resources of the banks continue steadily to increase through a rise in deposits, they would probably be able to facilitate arrangements of this kind by lending to the munition companies on collateral of these Exchequer Bonds. The present difficulties are certainly by no means unsurmountable, and it would seem highly desirable, both as a matter of patriotism and good business that arrangements of this kind should be made.



ONTARIO AND NORTH WEST BRANCH
 8 Richmond Street, East, TORONTO
PROVINCE OF QUEBEC BRANCH
 164 St. James St., Cor. St. John St., MONTREAL



PERSONAL ACCIDENT
SICKNESS
FIDELITY GUARANTEE

PLATE GLASS
AUTOMOBILE
GENERAL LIABILITY

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

THE YORKSHIRE INSURANCE COMPANY, LIMITED

ESTBD. 1824 **YORK, ENGLAND** **ASSETS EXCEED \$23,000,000**

FIRE Every description of property insured. Large Limits.
LIVE STOCK The Yorkshire is the FIRST COMPANY, licensed by the FEDERAL GOVERNMENT, to transact Live Stock Insurance in Canada.
ACCIDENT Personal Accident, Employers', Automobile, Teams, General Liability, and Plate Glass

CANADIAN DIRECTORS Hon. C. J. Doherty
 Hon. Alphonse Racine,
 G. M. Bosworth, Esq. Alex. L. MacLaurin, Esq. Canadian Manager,
 P. M. WICKHAM, Montreal

APPLICATIONS FOR AGENCIES are invited from responsible persons.

ROYAL EXCHANGE ASSURANCE

Founded A. D. 1720

Losses paid exceed \$235,000,000

Head Office for Canada

Royal Exchange Building
 MONTREAL

ARTHUR BARRY, Manager



Head Office: Royal Exchange, London

Correspondence invited from responsible gentlemen in unrepresented districts re fire and casualty agencies

INSURANCE COMPANY OF NORTH AMERICA

FOUNDED 1792.
 PHILADELPHIA, PA.

CAPITAL,	\$4,000,000.00
SURPLUS TO POLICY HOLDERS	8,844,871.95
ASSETS	17,816,188.57
LOSSES PAID EXCEED	159,000,000.00

ROBERT HAMPSON & SON, LIMITED
 GENERAL AGENTS FOR CANADA MONTREAL

THE LAW UNION & ROCK

INSURANCE CO. LIMITED, LONDON. **Founded in 1806**
Assets Exceed - \$48,500,000.00

Over \$12,500,000 invested in Canada.
FIRE and ACCIDENT RISKS accepted.
 Canadian Head Office: 57 Beaver Hall Hill,
 MONTREAL.

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

THE LIFE AGENTS' MANUAL - \$3.00
 Published by The Chronicle, Montreal

C. R. G. JOHNSON, POIRIER & JENNINGS, INC.

AGENTS — INSURANCE — BROKERS

ETNA INSURANCE CO. OF HARTFORD
 ST. PAUL FIRE & MARINE INS. CO.

11 ST. SACRAMENT STREET
 MONTREAL, P.Q.

CANADIAN FIRE RECORD

Specially compiled by The Chronicle.

HEAVY STORE LOSS AT ST. JOHN, N.B.

By the fire which occurred on the 22nd inst. in the six storey wholesale and retail store of W. H. Thorne & Co., St. John, N.B., the following companies are interested:—

	Bldg.	Stock	Fixtures.
Norwich Union		\$10,000	
German-American		500	
Palatine	\$4,000	5,000	
Yorkshire	5,000	2,500	
Liv. & Lon. & Globe	4,000	12,000	
Commercial Union		12,000	
Fidelity-Phenix		8,000	
Royal	8,000	10,000	
Scottish Union & National	17,000	4,000	
Union		5,000	
Liverpool-Manitoba		2,500	
Northern		15,000	\$2,000
Sun		5,000	
Fireman's Fund		5,000	
Glens Falls	2,500	5,000	
Westchester	2,500	5,000	
Caledonian		4,000	
Boston		5,000	
Connecticut		7,500	
Acadia		2,500	2,500
London Mutual		2,500	
Queen	6,000		3,000
British Crown		2,500	
Hartford	5,000	2,500	
Aetna		2,500	
North British	6,000	5,000	
London Assurance		6,000	
Phenix of London		5,000	
Atlas		4,000	
New York Underwriters		3,000	
Ontario		5,000	
Quebec		6,000	
British America		5,000	
Protection		2,000	
Home		7,500	
Springfield		5,000	
		\$60,000	\$189,000
			\$7,500

Loss about 75 per cent.

BOX FACTORY FIRE AT TORONTO.

By the fire which occurred on the 24th instant on the premises of the Martin Corrugated Box Company, Toronto, the following companies are interested:—

ON BUILDING.

Providence-Washington, \$3,000; North West, \$2,000; Royal, \$5,000; Duquesne Underwriters, \$2,500; North Empire, \$1,500; Hudson Bay, \$1,000. Total, \$15,000.

ON STOCK.

St. Paul Fire & Marine, \$2,000; Niagara, \$1,000; Hudson Bay, \$1,000; Fireman's, \$1,000; Home, \$3,000; Providence-Washington, \$3,000. Total, \$11,000.

ON MACHINERY.

Waterloo, \$2,000.

SCHEDULE ON MACHINERY, FURNITURE AND FIXTURES, HORSES, VEHICLES, STABLE, ETC.

Home, \$2,700; Niagara, \$1,000; Aetna, \$3,200; Montreal Underwriters, \$1,300; British Colonial, \$1,500; Insurance Co. of North America, \$2,800; Minnesota Underwriters, \$6,000; Occidental, \$2,000. Total, \$20,500.

Loss stated to be total.

MILTON, ONT.—Fire destroyed premises as follows, December 19:—Bell's flour and feed store on Main Street, Hume's garage, moving picture theatre and Earl's tin shop. Estimated loss, \$20,000. Origin unknown.

THE ST. GEORGE'S, BEAUCE, LOSS.

The following is a detailed list of losses by the recent conflagration at the village of St. George's East, Beauce, P.Q.:—

Liv. & Lon. & Globe	\$8,250.00	Stratheona	\$6,300.00
Royal	13,317.94	Provinciale	2,000.00
Nationale of Paris	7,579.95	N. Y. Underwriters	3,500.00
London Mutual	5,422.48	Phenix of Paris	1,400.00
Guardian	11,512.58	Mutuelle du Com.	7,515.00
Mercantile	3,179.16	Queen	2,000.00
British Colonial	2,710.00	North America	3,500.00
Mount Royal	12,747.44	Lon. & Lancashire	1,500.00
North Brit. & Mer.	145.00	Union of Paris	1,500.00
Phenix of London	13,327.58	Union of London	4,669.00
Norwich Union	5,743.86		
Western	3,400.00	Total	\$114,019.89
Stanstead & Sherbrooke	2,800.00		

CHRISTMAS DAY LOSS AT TORONTO.

The premises of the Arlington Company of Canada, 54-56 Fraser Avenue, Toronto, were damaged on December 25th. Insurance as follows:—

Monarch	\$2,500	Home	5,000
Equitable	5,000	Nat. of Hartford	17,500
Providence-Wash.	5,500	Nova Scotia	7,500
North America	5,000	Norwich Union	5,000
Protectors	5,000	Minnesota	17,000
Northwest	5,000	Occidental	15,000
British Colonial	5,000		
Employers	5,000		
Phenix	5,000		
			\$110,000

Loss about 3 per cent.

PORT ERIE, ONT.—Three buildings on Niagara Street destroyed December 19. Losses as follows: C. E. Harris, owner of buildings occupied by Wesley Kee as bakery and residence, barber shop and postoffice building, \$5,000; Edward Hawkins owner of house occupied by William Reed and store occupied by M. J. Everingham, loss \$5,000; Fort Erie Club, \$1,500; Kee's barber shop and bakery, \$1,500; M. J. Everingham's grocery, \$500. All carried insurance.

ST. BONIFACE, MAN.—By the fire which occurred on the 14th instant on the premises of L. J. Collins' grocery store, St. Boniface, so far as we can learn the following companies are interested:—Commercial Union, \$4,500; Guardian, \$4,300; Liverpool & London & Globe, \$1,000; Northern, \$1,500; total, \$10,800. Total loss, Gareau's outfitting, in same building; Northern, \$1,500.

PARRY SOUND, ONT.—Logan block destroyed with bakery of A. E. Atkinson, furniture and undertaking establishment of Mr. Alex. Logan, and the Indian office with books and records. Total loss, \$21,000.

SAULT STE. MARIE, ONT.—Frame block on Main Street comprising Lyceum Theatre, Wade & Liddle's implement store and dwelling, destroyed December 19.

MONTREAL, QUE.—Home of M. Lessard, 61b Bourbonniere street, Maisonneuve, considerably damaged December 21. Fire originated in bedroom.

GUELPH, ONT.—Biological Building at Ontario Agricultural College damaged to extent of \$1,000 December 26. Origin, gas jet caught window frame.

SASKATOON, SASK.—Northern Storage Company's building filled with furniture stored by private individuals destroyed December 26. Loss \$60,000.

PRINCETOWN, ONT.—Flour mill of Maycock & Harris destroyed with three carloads of wheat, December 27. Loss \$20,000. Origin, unknown.



THE CANADIAN BANK OF COMMERCE

Statement of the result of the business of the Bank for the year ending 30th November, 1915

Balance at credit of Profit and Loss Account, brought forward from last year	\$ 1,117,763.27
Net profits for the year ending 30th November, after providing for all bad and doubtful debts	2,352,035.95
	\$ 3,469,799.22

This has been appropriated as follows:—

Dividends Nos. 112, 113, 114 and 115 at ten per cent. per annum	\$ 1,500,000.00
Bonus of one per cent. payable 1st June	150,000.00
Bonus of one per cent. payable 1st December	1,000,000.00
Reserved against further depreciation in value of securities held by the Bank	122,906.97
War tax on bank-note circulation to 30th November	80,000.00
Transferred to Pension Fund (annual contribution)	5,000.00
Subscription to British Red Cross Society	461,892.25
Balance carried forward	\$ 3,469,799.22

GENERAL STATEMENT 30th NOVEMBER, 1915 LIABILITIES

TO THE PUBLIC:—		\$ 16,397,907.68
Notes of the Bank in circulation	\$ 52,964,795.51	
Deposits not bearing interest	141,558,283.05	
Deposits bearing interest, including interest accrued to date		194,523,078.56
Balances due to other Banks in Canada		751,376.67
Balances due to Banks and Banking Correspondents elsewhere than in Canada		6,300,029.77
Bills payable		1,501,442.90
Acceptances under Letters of Credit		1,458,398.64
		\$220,932,234.22
TO THE SHAREHOLDERS:—		\$ 2,713.55
Dividends unpaid		525,000.00
Dividend No. 115 and bonus payable 1st December	\$ 15,000,000.00	
Capital paid up	13,500,000.00	
Reserve Account	461,892.25	
Balance of profits as per Profit and Loss Account		28,961,892.25
		\$250,421,840.02

ASSETS

Current Coin	\$ 18,363,031.97	
Dominion Notes	21,538,961.50	\$ 39,901,993.47
	\$ 1,676,137.00	
Notes of other Banks	7,854,036.29	
Cheques on other Banks	58.19	
Balances due by other Banks in Canada	6,319,807.98	
Balances due by Banks and Banking Correspondents elsewhere than in Canada		\$ 15,850,039.46
Dominion and Provincial Government Securities, not exceeding market value		1,923,576.27
British, Foreign and Colonial Public Securities and Canadian Municipal Securities		1,719,258.60
Railway and other Bonds, Debentures and Stocks, not exceeding market value		9,613,178.80
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks		12,847,521.37
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada		18,534,329.37
Deposit with Minister of Finance for the purposes of the Circulation Fund		783,460.60
		\$101,173,357.94
Other Current Loans and Discounts in Canada (less rebate of interest)		130,893,064.62
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)		10,027,802.39
Liabilities of Customers under Letters of Credit, as per contra		1,458,398.64
Overdue Debts (estimated loss provided for)		508,515.56
Real Estate other than Bank Premises (including the unsold balance of former premises of the Eastern Townships Bank)	\$ 1,264,083.21	
Less mortgage assumed	100,000.00	
		1,164,083.21
Mortgages on Real Estate sold by the Bank	\$ 5,039,623.55	
Bank Premises at cost less amounts written off	300,000.00	
Less mortgage assumed on property purchased		389,534.21
		\$ 4,739,623.55
Other Assets not included in the foregoing		67,459.90
		\$250,421,840.02

B. E. WALKER, President.

JOHN AIRD, General Manager.

THE CANADIAN BANK OF COMMERCE—Continued

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE CANADIAN BANK OF COMMERCE.

In accordance with the provisions of sub-sections 19 and 20 of Section 56 of the Bank Act, 1913, we report as follows :—

We have audited the above Balance Sheet and compared it with the books and vouchers at Head Office and with the certified returns from the branches. We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than, and in addition to, the verification at 30th November, 1915, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, C.A.
of Webb, Read, Hegan, Callingham & Co. }
JAMES MARWICK, C. A. } Auditors.
of Marwick, Mitchell, Peat & Co.

THE BANK OF TORONTO.

The annual report of the Bank of Toronto for the year ended November 30th shows profits of \$663,074, equivalent to 6 per cent. upon the paid-up capital and reserve, compared with \$829,539 (7.5 per cent.) in 1914. With the balance brought forward on profit and loss account of \$402,811, the total amount available on this account is \$1,065,885. Of this amount \$550,000 is appropriated for the eleven per cent. dividend (the additional bonus which has been paid for several years having been dropped), nine months' war tax on circulation absorbs \$30,503; \$25,000 is transferred to the officers' pension fund; \$21,000 to patriotic and philanthropic subscriptions and the increased balance of \$439,383 is carried forward. No appropriation is this year made for depreciation in investments, to which purpose \$100,000 was devoted a year ago.

The following are the leading items of the bank's general statement in comparison with 1914:—

	1914.	1915.
Capital paid up.	\$ 5,000,000	\$ 5,000,000
Res.	6,000,000	6,000,000
Circulation.	\$5,504,704	4,687,332
Deposits (not bearing interest).	10,529,073	7,377,060
Deposits (bearing interest).	38,240,694	37,547,920
Total Liabilities to Public.	55,327,821	50,526,552
Specie and Legals.	8,651,036	8,162,624
Call and Short Loans in Canada.	2,607,125	2,171,419
Total of Quick Assets.	20,653,995	15,485,645
Current loans and discounts	41,954,495	42,658,735
Total Assets	66,767,203	61,929,263

It will be seen that circulation shows the substantial advance of \$800,000 upon 1914, and the Bank also tells the familiar tale of an increase in deposits. Non-interest bearing deposits are up by well over \$3 millions from \$7,377,060 to \$10,529,073 and interest-bearing deposits show a gain of about \$700,000 from \$37,547,920 to \$38,240,694.

In current loans and discounts, there is a decrease of about \$700,000 from \$42,658,735 to \$41,954,495, but this decrease is in part offset by the gain in Canadian call and short loans from \$2,171,419 to \$2,607,125. Total assets at \$66,767,203 are nearly five millions higher than a year ago, the whole of this gain being in quick assets. These (including Canadian call loans) amount to \$20,653,995, against \$15,485,645 in 1914 and equal to 37.3 per cent. of liabilities to the public against 30.6 per cent. last

year. In view of the circumstances of the year, the statement is certainly a satisfactory one. The annual meeting of stockholders is fixed for January 12th.

NORTHERN CROWN BANK.

At the recent annual meeting of the Northern Crown Bank, a brief statement was made by the President (Sir D. H. McMillan), that "in view of certain propositions recently made to the directors looking to the future welfare of the Bank, it is desirable to give the Board time to consider the same before reporting to the shareholders." The annual meeting was accordingly adjourned until January 18th.

The annual statement for the year ended November 30th shows deposits of \$13,907,216 against \$12,794,000 a year ago. Liabilities to the public are \$17,267,106 and quick assets (including Canadian call loans), \$8,780,475, a proportion of 51.0 per cent. Current loans are \$9,286,882. Total assets are \$20,298,847.

The auditor (Mr. D. Dewar, of the firm of Marwick, Mitchell, Peat & Co.) states that in his opinion "provision should be made for possible loss on certain loans which are not readily realisable and in reduction of the investment in properties."

It has previously been noted that last year profits were only \$100,789 compared with \$201,289 in the year. Some six months ago the Bank intimated the discontinuance of its dividend. Of the present profits, \$60,000 are allocated to contingent account, \$15,000 for depreciation in stocks and bonds and \$18,952 for war tax on circulation, the carry-forward on profit and loss account being increased from \$14,793 to \$21,630.

What is needed is not to educate the public at large in the idea that fires are accidents, without individual responsibility, and that after the fire insurance companies have paid the loss, there remains nothing more to be said; but that in a majority of cases fires are due to acts or omissions of individuals who are responsible for the costs they inflict upon the community at large, and this responsibility should be brought home to them through the application of the law.—*Insurance Press.*

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1833

FIRE, MARINE and HAIL

HEAD OFFICE: TORONTO

Old Reliable Progressive
 Assets over - - \$2,000,000.00
 Losses paid since organization
 over - - \$38,000,000.00

DIRECTOR-

W. R. BROCK, President

W. B. MEIKLE, Vice-President

ROBT. BICKERDIKE, M.P.

H. C. COX

JOHN HOBKIN, K.C., LL.D.

D. B. HANNA

Z. A. LASH, K.C., LL.D.

GEO. A. MORROW

AUGUSTUS MYERS

LT. COL. FREDERIC NICHOLLS

JAMES KERR OSBOENE

COL. SIR HENRY PELLATT

K. R. WOOD.

W. B. MEIKLE,

General Manager

E. F. GARROW,

Secretary

THOMAS F. DOBBIN, Resident Manager

MONTREAL

NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST

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

Agents wanted for the Accident Branch.

Head Office for Canada - - TORONTO
 Head Office for Province of Quebec, MONTREAL

JOHN MacEWEN, Superintendent for Quebec.

THE LIFE AGENTS' MANUAL, \$3.00

Published by The Chronicle, Montreal

First British Insurance Company Established in Canada
 A. D. 1804

Phoenix Assurance Co. Ltd.

OF LONDON, ENGLAND. (Founded 1782)

FIRE LIFE

TOTAL RESOURCES, over - - \$78,500,000.00

FIRE LOSSES PAID - - 425,000,000.00

DEPOSITS with Federal Government and

Investments in Canada, for security

of Canadian policyholders only, exceed 2,500,000.00

AGENTS WANTED IN BOTH BRANCHES. Apply to

R. MacD. Paterson, } Managers.

J. B. Paterson, }

100 St. Francois Xavier St. - Montreal

Established 1864.

New York Underwriters Agency.

A. & J. H. STODDART REGISTERED

100 William Street, NEW YORK

PROVINCIAL AGENTS.

MURPHY, LOVE, HAMILTON

& BASCOM,

TORONTO, Ont.

OSLER, HAMMOND & NANTON,

Winnipeg, Man.

ALFRED J. BELL & Co.

Halifax, N.S.

JOHN Wm. MOLSON

& ROBERT Y. HUNTER

Montreal, Que.

WHITE & CALKIN,

St. John, N.B.

AYRE & SONS, LTD.,

St. John's, Nfld.

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

L'UNION FIRE INSURANCE COMPANY, Limited

Head Office: PARIS, France.

Established 1828

Capital fully subscribed . . \$ 2,000,000.00

Net Premiums in 1913 . . 5,561,441.00

Total Losses paid to 31st Dec., 1913 90,120,000.00

Canadian Branch:

LEWIS BUILDING 17 ST. JOHN STREET, MONTREAL

Manager for Canada:

MAURICE FERRAND

BRITISH COLONIAL FIRE INSURANCE COMPANY

2 PLACE D'ARMES, MONTREAL

Agents Wanted in Unrepresented Districts

THE CANADIAN INSURANCE ACT: IMPORTANT CONSTITUTIONAL ISSUE

There is now before the Judicial Committee of the Privy Council, the important appeal by the Dominion Government from the judgment of the Supreme Court of Canada in the matter of a reference of certain questions relating to the Insurance Act of 1910. The questions raise a constitutional issue which is of great practical importance to the insurance companies transacting business in Canada.

The following were the questions submitted by the Dominion Government to the Supreme Court with a view to determining whether the Federal Parliament has the right of insurance jurisdiction in insurance matters in Canada or whether the British North America Act places the jurisdiction over insurance matters with the provinces:—

"1. Are Sections 4 and 70 of the Insurance Act, 1910, or any or what part or parts of the said Sections *ultra vires* of the Parliament of Canada?"

"2. Does Section 4 of the Insurance Act, 1910, operate to prohibit an Insurance Company incorporated by a Foreign State from carrying on the business of Insurance within Canada if such Company do not hold a License from the Minister under the said Act, and if such carrying on of the business is confined to a single Province?"

Section 4 of the Act reads as follows:

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

Section 70 imposes certain penalties for offences under Section 4 and otherwise, and the Supreme Court of Canada, by a majority, decided that the two Sections were *ultra vires*. To the second question the majority answered:—"It would do so if *intra vires*."

THE LEGAL ARGUMENTS.

The appeal before the Judicial Committee of the Privy Council was opened on December 8th. A large number, both of Canadian and English counsel represented respectively, the Dominion Government; all the provinces except, apparently Manitoba and Prince Edward Island; the Canadian Manufacturers' Association; the All-Canada Fire Insurance Federation, and other parties. For the Insurance Federation, Mr. Upjohn, K.C. (of the English bar), Mr. R. B. Bennett, K.C., and Mr. Charles Gaudet, K.C., appeared.

From the law reports in the London Times, now to hand, we make the following summary of the arguments submitted:—

Mr. Newcombe, K.C., for the Dominion of Canada, argued that the business of insurance was a "trade," and in reply to Lord Haldane, said his contention was that under the British North America Act, the Dominion had power to regulate the whole business of insurance, but made an exception in the case of provincial companies. The provinces could not license for the purposes of regulation.

Mr. Upjohn, K.C., for the All-Canada Fire Insurance Federation, drew attention to the limited character of the points of reference. The substance of the reference was whether it was within the power of the Dominion to make a general regulation respecting the business of insurance. Such an enactment was a regulation of trade and commerce. As to the question whether insurance business was "a trade," there were scores of decisions. Insurance, moreover, was a trade within the Bankruptcy Act, and a century ago it was held that to insure enemy goods was to trade with the enemy. Mr. Upjohn said that the insurance business had reached such dimensions that it was properly a matter of Dominion concern and came within section 91 of the Act.

For the provinces, Sir Robert Finlay, K.C. contended that the fact that insurance, unlike banking, was not treated by itself in the British North America Act was decisive against the meaning now sought to be put upon the words of the statute. A conclusion in favor of the Dominion could not be arrived at without upsetting and over-ruling the authorities.

Mr. Geoffrion, K.C. for the provinces, said that the Dominion Parliament could put on restrictions but could not impose conditions which conflicted with the law of insurance in any province. Each province had full control of the property in civil rights within its own limits.

The arguments were concluded on December 14th.

MR. A. G. RAMSAY.

Mr. Alexander Gillespie Ramsay, formerly president of the Canada Life Assurance Company, passed away at his home in Toronto on December 20th at the advanced age of 85 years.

Since his resignation of the presidency of the Canada Life in 1899, Mr. Ramsay had been living in retirement and his work and personality were but little known to the younger insurance men of the Dominion. But to those of an older generation his death severs a remarkable link with the past of Canadian life insurance.

Mr. Ramsay may be described as one of the great pioneers of life insurance in Canada. Born in Scotland in 1830, in early life he was secretary of the Scottish Amicable Life of Glasgow and in 1859 came to Canada, where he became associated with the Canada Life as manager. In 1875 he was appointed president and managing director of the Company, a position which he continued to hold until his retirement in 1899, he being succeeded in the presidency by the late Senator Cox. Thus the whole of Mr. Ramsay's 40 years of active business life in Canada were devoted primarily to the one Company. Mr. Ramsay was always held in the highest respect and esteem by policyholders and enjoyed the genuine affection of everyone associated with the life business throughout the Dominion.

An agent lost a client because he would not prove beyond a reasonable doubt that, if he lived, he would realize six per cent. compound interest on his investment. Thus there are men who will not protect even their families unless they can have a big profit on it.—*Canada Life*.

FORTY-SIXTH ANNUAL STATEMENT of The Royal Bank of Canada

GENERAL STATEMENT

30th November, 1915

LIABILITIES

TO THE PUBLIC:		
Deposits not bearing interest	\$ 37,456,997.10	
Deposits bearing interest, including interest accrued to date of statement	117,519,330.87	\$154,976,327.97
Notes of the Bank in Circulation		14,224,866.29
Balances due to other Banks in Canada	\$ 381,748.82	
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries	3,137,093.46	3,518,842.28
Bills Payable		323,073.76
Acceptances under Letters of Credit		105,817.29
		\$173,148,927.59
TO THE SHAREHOLDERS:		
Capital Stock Paid in		11,560,000.00
Reserve Fund	\$ 12,560,000.00	
Balance of Profits carried forward	676,472.16	13,236,472.16
Dividend No. 113 (at 12 per cent. per annum), payable December 1st, 1915	\$ 346,800.00	
Dividends Unclaimed	6,923.64	353,723.64
		\$198,299,123.39

ASSETS

Current Coin	\$ 15,946,289.65	
Dominion Notes	12,977,390.75	
	\$ 28,923,680.40	
Deposit in the Central Gold Reserves	3,000,000.00	
Deposit with the Minister for the purposes of the Circulation Fund	578,000.00	
Notes of other Banks	3,057,650.64	
Cheques on other Banks	6,516,759.06	
Balances due by other Banks in Canada	1,264.21	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	5,235,606.58	
Dominion and Provincial Government Securities, not exceeding market value	1,361,105.95	
Canadian Municipal Securities and British and Foreign and Colonial Public Securities other than Canadian, not exceeding market value	3,184,333.53	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	14,083,602.09	
Call Loans in Canada, on Bonds, Debentures and Stocks	9,136,509.96	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada	9,815,950.01	\$ 84,894,462.43
Other Current Loans and Discounts in Canada (less rebate of interest)	\$ 82,004,872.15	
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	24,547,762.77	
Overdue Debts (estimated loss provided for)	517,865.05	
		107,070,499.97
Real Estate other than Bank Premises		1,026,233.46
Bank Premises, at not more than cost, less amounts written off		5,077,835.61
Liabilities of Customers under Letters of Credit, as per contra		105,817.29
Other Assets not included in the foregoing		124,274.63
		\$198,299,123.39

H. S. HOLT,
President.

EDSON L. PEASE,
General Manager.

AUDITORS' CERTIFICATE:

WE REPORT TO THE SHAREHOLDERS OF THE ROYAL BANK OF CANADA:
That in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

That we have checked the cash and verified the securities of the Bank at the Chief Office at 30th November, 1915, as well as at another time, as required by Section 56 of the Bank Act, and that we found they agreed with the entries in the books in regard thereto. We also during the year checked the cash and verified the securities at the principal branches.

That the above Balance Sheet has been compared by us with the books at the Chief Office and with the certified returns from the Branches, and in our opinion is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank.

That we have obtained all the information and explanations required by us.

JAMES MARWICK, C.A. }
S. ROGER MITCHELL, C.A. } Auditors.

Montreal, Canada, December 18th, 1915.

Members of the Firm of Marwick, Mitchell, Peat & Co.

THE ROYAL BANK OF CANADA—Continued

Profit and Loss Account

Balance of Profit and Loss Account, 30th November, 1914.....	\$ 614,062.25	
Profits for the year, after deducting charges of management and all other expenses, accrued interest on deposits, full provision for all bad and doubtful debts and rebate of interest on unmatured bills.....	1,905,576.57	\$2,519,638.82
APPROPRIATED AS FOLLOWS:—		
Dividends Nos. 110, 111, 112 and 113, at 12 per cent. per annum.....	\$ 1,387,200.00	
Transferred to Officers' Pension Fund.....	100,000.00	
Written off Bank Premises Account.....	250,000.00	
War Tax on Bank Note Circulation.....	105,966.66	
Balance of Profit and Loss carried forward.....	676,472.16	\$2,519,638.82

H. S. HOLT,
President.

Montreal, 18th December, 1915.

EDSON L. PEASE,
General Manager.

BRITISH OFFICES' 1915 EXPERIENCE.

In regard to the 1915 experience of the British fire companies, it was remarked by the Policyholder in a recent issue that present circumstances emphasise the advantage of a company having several strings to its bow. While life and accident business is under a cloud, fires up to the beginning of the present month had been much lighter than usual, compensating for a reduction in premium receipts and a rise in management expenses. The mortality experience of some life offices has lately been particularly heavy owing to the war. In more than one case, it is said, the extra mortality due to the war is equal to 25 per cent. of the total surplus disclosed when the last valuation was made.

A GOOD YEAR IN THE STATES.

Unless some large conflagration should occur before 1915 draws to its close, says the N. Y. Journal of Commerce, it will be the best year the fire insurance companies have experienced for a long time past. Those companies having an unusually large share of hail business will have suffered quite a heavy loss in that class, but only in few cases will the hail losses wipe out the fire profits.

ROYAL EXCHANGE ASSURANCE

One realizes the antiquity of the Royal Exchange Assurance Corporation when the eye lights upon the following paragraphs extracted from a newspaper published over one hundred years ago:

ROYAL EXCHANGE ASSURANCE OFFICE, November 29, 1815.—The Court of Directors of the Royal Exchange Assurance, do hereby give notice, that their TRANSFER BOOKS will be SHUT, from Monday, the 18th of December next, to Tuesday, the 9th of January following, and the Annual General Court, appointed by their Charter, will be holden at their Office, on the Royal Exchange, on Wednesday, the 20th of December next, at 11 o'clock in the forenoon, and that a Dividend will be considered of at the said Court.

SAMUEL FENNING, jun., Sec.

Attendance is given daily at the said Office, and at their Office in Pall-Mall, for the Assurance of Buildings, Goods, Merchandize, and Ships, in Harbour, in Dock, or while building, from Loss or Damage by Fire, and also for the Assurance of, and Granting Annuities on Lives.

—Insurance Observer.

COST OF SAFE CONSTRUCTION.

Fireproof construction of buildings as a whole has been so reduced in cost in recent times that the difference between the price of such a building, and that of the ordinary inflammable kind is far from being so serious as it formerly was. But without going to that expense, the risk of fire can be reduced to an almost insignificant fraction of what it now is. The great thing to be aimed at is the isolation of the fire, the prevention of its spread from the point at which it originates. This can be accomplished as regards the cellar furnace and its neighborhood, by fireproof floor construction separating the cellar from the first story. A concrete or steel and tile floor can be easily put in at an increase of cost over ordinary wooden joist construction that would hardly be noticeable in the total cost of a large building. In addition to this, and especially in places where the services of a fire department cannot be promptly obtained the installation of some simple system of automatic sprinklers or fire extinguishers in basement near the heating apparatus and also in kitchens and laundries, commends itself as an obvious safeguard and offers no great difficulty in the way of expense.

The construction of a fire proof division wall as a means of preventing the spread of fire is recommended by some men who have specialized in fire prevention work. Such a wall may be built of brick or concrete, running right through the house from cellar to roof. Concealed metal sliding doors are furnished at all openings and can be entirely hidden within partitions.—*Safety Engineering.*

OCCIDENTAL FIRE INSURANCE CO.

In publishing the list of insurance companies' subscriptions to the Dominion Government War Loan, the sum of \$25,000 subscribed by the Occidental Fire Insurance of Winnipeg, Man., was inadvertently omitted.

An American life company on the Pacific Coast is issuing a new life contract whereby for the payment of an additional premium of \$1.75 per \$1,000 the company will pay double the face of the policy in case of death by accident.



The Employers' Liability

Assurance Corporation Limited

" " " OF LONDON, ENGLAND " " "

TRANSACTS:

Personal Accident, Health, Liability,
Fidelity Guarantee and Fire Insurance.

Most Liberal Policies Issued

Offices: MONTREAL, TORONTO

CHARLES W. I. WOODLAND,

General Manager for Canada and Newfoundland.

JOHN JENKINS, Fire Manager.

Canadian

Government

Deposit over

\$1,340,000

STANDS FIRST

in the liberality of its Policy Contracts, in financial strength, and in the liberality of its loss settlements



Transacts:

PERSONAL ACCIDENT FIDELITY GUARANTEE
SICKNESS BURGLARY and
LIABILITY (all kinds) LOSS OF MERCHANDISE and
AUTOMOBILE PACKAGES THROUGH THE MAIL
INSURANCE

Applications for direct Agencies invited.

ELECTRICAL BANK and STORE PROTECTION
SPRINKLER SUPERVISORY SERVICE
NIGHT WATCHMEN'S SIGNAL and FIRE ALARM SYSTEMS

Head Office, GRESHAM BUILDING MONTREAL
302 ST. JAMES STREET

F. J. J. STARK, General Manager.



Founded 1871

BUSINESS TRANSACTED

PERSONAL ACCIDENT	ELEVATOR LIABILITY
HEALTH	AUTOMOBILE LIABILITY
EMPLOYERS' LIABILITY	PLATE GLASS
PUBLIC LIABILITY	GUARANTEE BONDS
TEAMS LIABILITY	FIRE INSURANCE

Canadian Head Office - TORONTO

CHARLES H. NEELY, General Manager.

WHY NOT HAVE THE BEST ?

The Globe Indemnity Company of Canada

Head Office, MONTREAL.

formerly--The Canadian Railway Accident Insurance Company.

DIRECTORS --J. Gardner Thompson, President. Lewis Lalng, Vice-President. A. G. Dent, W. Molson MacPherson.
T. J. Drummond, Sir Alexandre Lacoste, Martial Chevalier, Sir Frederick Williams-Taylor.

JOHN EMO, General Manager & Secretary.

ROBERT WELCH, Assistant Manager.

Transacts ACCIDENT INSURANCE, SICKNESS INSURANCE, LIABILITY INSURANCE IN ALL ITS BRANCHES,
AUTOMOBILE INSURANCE IN ALL ITS BRANCHES, BURGLARY INSURANCE, GUARANTEE INSURANCE.

Policies issued by this Company are the most liberal and up-to-date issued in Canada, free from unnecessary restrictions and conditions.

All policies guaranteed by the Liverpool & London & Globe Insurance Co., Ltd., assets over Sixty-Five Million Dollars (\$65,000,000.00).

THE PROBLEM OF LAPSES.

(B. W. N. Grigg, B.A., *Mutual Life of Canada*,
Before Insurance Institute of Toronto.)
(Continued from p. 1437.)

We do not sufficiently realize that we have a duty in this connection. To eliminate this waste is a moral obligation. Corporations are said to have no souls, but it is untrue. Every corporation has a soul. It is a matter of quality. The soul of a corporation is its chief asset. A corporation without a soul cannot live any more than a human body can survive without a soul. The more healthful it is morally, the longer the corporation will survive and flourish.

GAIN AND LOSS EXHIBIT.

There is a certain advantage to the company and also to the agent in concentrating thought and energy on securing new business rather than upon retaining the existing in force. But too much may be sacrificed. When the contract is made, the client becomes, so to speak, a ward of the company, and as such is entitled to the best service we can render him. We must consider this relationship. If we gain rapidly in new business, meanwhile losing from neglect of the old, the business advances at too great an expense. Being in a great measure neglectful of lapses, etc., makes the growth of a business very costly, and the prospect of good dividends more remote. Yet that is practically the principle upon which Canadian offices are proceeding to-day.

THE RAGE FOR BIGNESS.

The third cause of lapses is a desire to outclass other companies in the amount of business in force. The fundamental cause of lapses is the ambition for rapid expansion. This leads to the payment of extravagant commissions for first premiums and comparatively meagre remuneration for renewals. Naturally, the average agent makes new business his especial care, and renewals are left to look out for themselves to a large extent. While human nature remains as it is and our scales of commission remain what they are, we will, of course, have the lapse evil to contend with in an exaggerated form. It is only just that a larger commission should be paid for the first premiums, but it is excessive at the present time and puts a premium upon the neglect of renewals. The attitude of the companies is something like this: they say to the agents, "Take care of renewals, certainly, but remember that the thing is new business. We wish to develop our company as fast as possible. If this can be best done by letting a lot of old business go by the board, while taking on a still larger amount, well and good, but get big we must."

COMMISSIONS.

As a result of the unreasoning chase after new business, extraordinary inducements are offered to agents to secure business on the chance that it will be permanent. Absurd commissions are being paid on first premiums and negligible commissions on renewals. The result is obvious; the reason manifest. In my judgment, our commission system is contrary to the public interest, and if the companies and their agents will not voluntarily remedy the evil, there should be legislation to compel them to do so. It would be a legitimate subject for the life officers to discuss. It is necessary that they should

discuss it together because no company can act alone without results injurious to itself. Unless there is a fixed agreement among the companies, there is bound to be competition in commissions, each company aiming to secure the best man by paying the largest remuneration for collecting the initial premium. Sometimes the entire premium goes in commissions—which is absurd. The Canadian Life Officers should agree upon a uniform scale that would recognize the difficulty experienced in writing the application, and at the same time would value adequately the agents' work in securing renewals. If the present system continues, the agent who makes a specialty of holding old business rather than writing new should be encouraged in every legitimate way.

DRIFTING AGENTS.

Our present commission system injures the agent; and so hurts the companies. Competition in commission paying causes agents to drift from one company to another for the additional loaves and fishes. This makes them soldiers of fortune and destroys loyalty. Moreover, the agent loses the prospect of a permanent income from renewals, he loses the confidence of the client, who, at his solicitation, parted with his good money; last, and worst of all, he loses respect for himself as a professional insurance man. The agent who, after the manner of the old-time spell-binder, grabs a few big commissions and then "hikes out," is no credit to his company or to his business. An agent in signing up with a company should look forward to spending his life in its service, and only exceptional circumstances should justify him in making a change. A large lapse rate is fatal to a lasting connection, because the agent who has such a record loses the confidence of his employers and the valuable good-will of the holders of the lapsed policies, who become his opponents.

REBATING.

This is an evil that has lain at the root of much deplorable lapsation. It is still responsible for a goodly amount of it. We touch a delicate matter here, but we have the evidence of agents of unimpeachable character that in competition they still meet the rebater, in spite of the laws that have been enacted, and which aimed at the elimination of this evil. The most drastic measures should be taken to stamp out what remains of the scandalous iniquity of rebating. It leads straight to lapsation.

WANT OF MONEY.

The fourth source of lapses is the lack of funds. It will occasionally happen that circumstances will deprive a policyholder of a part or the whole of his income, in which case he cannot carry his policy. He may then borrow on it to pay the premium or he may carry a smaller amount on a cheaper plan in place of what he now finds too burdensome. The ingenuity of the agent will often suggest some modification of the contract that will prevent it from wholly lapsing. If the worst comes to the worst, which seldom happens, the policy must be cancelled, and no one is to blame.

LOANS.

The fifth source of lapsation is the abuse of the loan privilege. The privilege of borrowing has appealed strongly to the public, and has won many a policyholder. It is a privilege, but often it has



RAILWAY PASSENGERS ASSURANCE COMPANY

OF LONDON, ENGLAND

*All kinds of Personal Accident and Sickness Insurance
Employers and Public Liability
Burglary, Plate Glass and Fidelity Guarantee*

HEAD OFFICE FOR CANADA
AND NEWFOUNDLAND

TORONTO, ONTARIO

F. H. RUSSELL, *General Manager.*

**Oldest Accident
Office**

MONTREAL BRANCH

201 LAKE OF THE WOODS BUILDING, 10 St. John Street

THE CANADA ACCIDENT ASSURANCE COMPANY

HEAD OFFICE: Commercial Union Building, MONTREAL

CAPITAL \$500,000.00

Personal Accident, Sickness, Plate-Glass, Guarantee and Liability Insurance.

Board of Directors:

S. H. EWING, *President* J. S. N. DOUGALL, *Vice-President*
HON. N. CURRY, JAMES MCGREGOR, J. K. OSBORNE, T. H. HUDSON
T. H. HUDSON, J. WM. MCKENZIE, *Joint Managers.*

COMMENCE THE NEW YEAR RIGHT!

A REDISTRIBUTION OF TERRITORY as from January First 1916 offers excellent opportunities in several districts to men who can produce.

LIBERAL CONTRACTS AND HEARTY SUPPORT TO THE RIGHT MEN.

If you are looking for a GOOD COMPANY, A GOOD CONTRACT and an ATTRACTIVE SELLING PROPOSITION, write to-day for particulars, direct to:

THE NATIONAL LIFE ASSURANCE COMPANY OF CANADA

Head Office - 25 TORONTO STREET, TORONTO, ONT.

MOUNT ROYAL ASSURANCE COMPANY

The NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE.

PAID UP CAPITAL	\$250,000.00
TOTAL FUNDS	729,967.36
NET SURPLUS	202,041.02

SUBSCRIBED CAPITAL	\$2,000,000
TOTAL FUNDS	7,491,390
NET SURPLUS	1,867,190

AGENTS WANTED IN UNREPRESENTED DISTRICTS.

HEAD OFFICE FOR CANADA

MONTREAL.

J. E. CLEMENT, *General Manager.*

H. H. YORK, *Inspector for Ontario*

L. C. VALLE, *Inspector for Quebec*

proven to be the lure which has led to lapsing. Borrowing on the security of a policy reduces the amount of protection, thereby increasing the cost of the protection. Naturally the assured finds the contract less attractive. He finds himself paying the same old premium for less protection and also paying interest on his loan. He is easily persuaded under those conditions to forfeit his policy. The company should issue warnings on this subject, and the warnings should be echoed by the agent. Only a dire extremity should justify a loan. Loans lead straight to lapses or the surrender of the policies.

RECAPITULATION.

Lapses, including many early surrenders, constitute a gigantic evil that should be abated by vigorous effort on the part of our Companies and their agents.

The causes are many. The chief are as follows:

1. Faults in salesmanship leading to
 - (a) Misfit Contracts,
 - (b) Over Insurance,
 - (c) Misunderstanding of the Contract and
 - (d) Failing to "keep in touch."
2. Failure to realize our moral obligation.
3. An insane desire for rapid expansion in the volume of business, resulting in
 - (a) Excessive 1st year Commissions,
 - (b) Drifting Agents and
 - (c) Rebating.
4. Want of money.
5. The abuse of the Loan Privilege.

The remedy has been indicated in the treatment of each case.

"NOT TAKENS."

It has been said in defence of not taken policies that it is a good thing to get a prospect's name on the application whether he pays his first premium or not. It is argued that when once his name is signed that the agent has a moral grip on his man, and if he (the agent) is adroit enough, he will be able to collect the premium. This is a slippery way to get new business, and if by clever talk the agent does collect the first premium, it is ten chances to one he will not collect the second. Thus there is an intimate connection between "not takens" and lapses. One of the biggest not taken records last year has 89 per cent. of its new business offset by lapses and "not takens"—nearly 60 per cent. by lapse alone. This is developing business by a most wasteful method, and such salesmanship should not be tolerated, leave alone encouraged. Not taken policies cost about one hundred thousand dollars yearly, the only gainer being the medical examiner. The proportion of not taken policies to new business written in 1914 ranges all the way from 6 per cent. to 38½ per cent. That a policy of rapid expansion does not necessarily involve a large proportion of not taken policies is shown by the fact that the two most aggressive business getters among Canadian companies had only about 12 per cent. of their new business offset by not taken business. The agents should be fined for not taken policies, and the fines should be enforced, not written off, as is evidently the custom in some quarters.

The staff of the Canada Life now has a troop of its own, 40 strong, in the Mississauga Horse. President H. C. Cox is honorary colonel of this regiment.

METHODS OF A STATE LIFE FUND.

A scathing report on the methods of the State life fund, originated in the State of Wisconsin several years ago, has now, following political changes in that State, been presented to the Insurance Department by Mr. L. A. Anderson, actuary of the department. The facts cited should certainly be borne in mind by life insurance men. Mr. Anderson states that salaried officers who secured applications did not turn the fees into the State treasury, as the law requires, but that he is informed that they generally rebated them to the assured. He says the income of the life fund and the general funds of the State were so mixed that it is impossible to calculate the interest earnings of the life fund accurately. The growth of the life fund is found to have been very slow. Mr. Anderson states that the interest earned on life fund assets was approximately 2 1-4 per cent., not enough to meet reserve requirements. Improper calculation of reserves in annual statements, he says, led to the payment of dividends in 1914 larger than the fund had earned. He holds that a circular comparing net costs in the fund and in private companies is a misrepresentation and should be withdrawn.

The cost of new business in the first six months of 1915, Mr. Anderson states, was 53 per cent. in excess of the loadings; the methods and practices are crude and impractical as well as expensive; the book-keeping system is such that it is virtually impossible to draw off a financial statement in the usual way.

WANTED

Experienced Reinsurance and General Fire Insurance CLERK, desires early engagement. Address K.T., c/o The Chronicle, Box 1502, MONTREAL.

WANTED

A large Life INSURANCE COMPANY, established over half a century, proposes to extend its AGENCY ORGANIZATION. Excellent opportunities for promotion. For particulars address in confidence

L. G., c/o The Chronicle, Box 1502, MONTREAL.

"THE OLDEST SCOTTISH FIRE OFFICE"

THE CALEDONIAN

INSURANCE CO. OF EDINBURGH.

Founded 1805.

Head Office for Canada,
DOMINION EXPRESS BUILDING
Montreal

JOHN G. BORTHWICK
Canadian Manager.

THE PRUDENTIAL

40th ANNIVERSARY, OCTOBER 13, 1915



**Mutualized
Benefits Increased
A Policyholders'
Company**

THE PRUDENTIAL INSURANCE CO. OF AMERICA
FORREST F. DRYDEN, President. Home Office, NEWARK, N.J.
Incorporated under the laws of the State of New Jersey

... THE ...

London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A.D. 1720

CAPITAL PAID UP \$2,241,375
TOTAL CASH ASSETS 22,457,415

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

The Imperial Guarantee

AND ACCIDENT INSURANCE CO., OF CANADA

Head Office: 46 King Street W.,

TORONTO, Ont.

A Strong Canadian Company.

ACCIDENT AND SICKNESS INSURANCE
GUARANTEE BONDS

PLATE GLASS AND AUTOMOBILE INSURANCE
E. WILLANS, FRANK W. COX,

General Manager.

Secretary.

The London Mutual Fire

INSURANCE COMPANY
Established 1859

Head Office - - TORONTO

Assets - - - - \$863,554.52
Surplus to Policyholders - 433,061.40
Losses Paid - - over \$8,000,000.00

PROVINCE OF QUEBEC BRANCH

W. J. CLEARY, R. de GRANDPRE,
Provincial Manager Inspector
17 St. John Street, MONTREAL

THE ASCENDENCY OF THE MUTUAL SYSTEM

Mutual Life Insurance Companies issue seventy-five per cent of all the policies written on this continent.

The most progressive companies in the whole world were either mutual from the beginning or have afterward been mutualized.

Therefore The Mutual Life of Canada sells the most modern and the most popular type of life insurance contract.

You have not secured THE BEST in life insurance unless your policy is a MUTUAL policy.

Mutual Companies are democratic. The entire assets are the property of the policyholders and the control of the Company belongs to them.

The Mutual Life Assurance Co. Of Canada,

WATERLOO - - - ONTARIO
CANADA'S ONLY MUTUAL.

ANGLO-AMERICAN

FIRE INSURANCE COMPANY

MONTREAL-CANADA

FIRE INSURANCE COMPANY

Established 1859

J. W. RUTHERFORD, A. B. DUFRESNE,
General Manager. Provincial Agent.

ROOM 21, DULUTH BUILDING,
Head Office Cor. Notre Dame and St. Sulpice St.

GET OUR PRICES FOR FIRST CLASS WORK

Orders Filled on Dates Promised

JOHN LOVELL & SON, LTD.
PRINTERS & BOOKBINDERS

23 St. Nicholas Street - - MONTREAL



**Abbey's
Effervescent Salt**

Keeps the blood cool, sends the busy man to the office with an active brain and the mental and physical power to grasp every problem

Two Sizes 25c. and 60c.

CARING FOR THE RETURNED SOLDIER.

The establishment of the Soldiers' Aid Commission for Ontario is the first result of the report recently issued by the Hospitals Commission, and the forerunner of others.

The care of the soldier who has returned to Canada, mutilated or weakened as a result of active service, is the prime duty of Canadians. For some months the Canadian Patriotic Fund has been endeavouring to ensure that the men already back from Europe should suffer no want. This work has been voluntarily undertaken by local committees of the Fund, although in most instances their time is fully occupied with the task of making provision for the families of soldiers.

Each soldier is interviewed at Quebec by a representative of the Fund and a confidential report sent by the latter to the patriotic committee of the town to which the soldier is going. This serves the two-fold purpose of protecting the Fund against the greedy or unscrupulous and of giving the local committee information that is helpful in finding employment for the deserving. Not every man who returns to Canada wearing His Majesty's uniform is included in the latter category, but the great majority have done their duty in the fullest degree. To the latter it has been the privilege of the Fund to present a small badge bearing the words, "For service at the Front." The men who are wearing these badges are the worthiest citizens that we can acknowledge. Like charity, that badge should be allowed to cover a multitude of sins.

The work that the Canadian Patriotic Fund can do for returned soldiers, however, is limited by Act of Parliament, and it has been specifically enacted that no assistance can be given by the Fund to "any person who is in receipt of any gratuity, pension or allowance paid by His Majesty or by any foreign government in consequence of incapacity or death occurring as aforesaid." Partly on this account and largely because the pensions and gratuities paid to incapacitated men are oft-times admittedly inadequate, it has been necessary to establish a Hospitals Commission and Disablement Fund. The officials of the latter, in their report to the Federal Government, recommended among other measures, that provincial commissions be formed for the purpose of supplementing these pensions either by monetary grants or by free training in various trades. Manufacturers and others will be asked to lend their aid in discharging a great national duty and the banks, insurance companies and financial organisations generally will, we hope, lend a hand in order that the traditional tragedy of the returned soldier may be avoided.

MR. E. P. HEATON BECOMES PROVINCIAL FIRE MARSHAL.

Mr. E. P. Heaton, well known in fire insurance circles throughout Canada, has been appointed Provincial Fire Marshal for Ontario at a salary of \$4,000 a year. Mr. Heaton's last executive appointment was as manager of the Central Canada Manufacturers' Mutual, a position he resigned in 1913.

Toronto has expended \$533,000 to date in the insurance of soldiers going to the Front.

INFORMATION FOR THE ENEMY: A WARNING TO INSURANCE COMPANIES.

The Secretary of the British Admiralty has made the following announcement:—

"Considerable misapprehension appears to exist in regard to the permissibility of British insurance companies communicating particulars of risks on Government work to persons other than British companies or British subjects with whom they may have been in the habit of effecting re-insurances.

"In order to remove this misapprehension, it is hereby notified that any person or company so communicating any information that may be of value to the enemy, either by re-insurance or otherwise, in connection with insurance upon such work, to any firm or person other than a registered British company or British subject, is liable to prosecution for enabling important information to reach the enemy in regard to works and materials in this country existing or in preparation for the conduct of the war.

"Such prosecution may also be instituted in the case of any such particulars being passed out of this country to countries other than those comprised within the British Empire, whether to branch establishments of registered British companies or otherwise.

"This notice is to be read as applying to all work or material in preparation or in stock for any Government Department or Government contractor.

"It should be observed that it has already been found necessary to remove the name of more than one insurance company from the list of companies who may participate in Government insurance on account of failure to take due precautions in regard to the secrecy of particulars of Government work."

TRADE RETURNS CONTINUE SATISFACTORY.

The Canadian trade returns for November continue the satisfactory figures noted in recent months. Exports totalled \$92,000,000, made up principally of agricultural products, \$54,000,000; manufactured goods, \$13,000,000; animals and meats, \$12,000,000; minerals, \$6,500,000; lumber, etc., \$4,500,000, and fisheries, \$2,000,000. All these show a substantial increase over the corresponding month for 1914: agricultural products jumping from \$18,000,000 to \$54,000,000; manufactured goods from \$6,000,000 to \$13,000,000, and animals, etc., from \$8,000,000 to \$12,000,000. The export of minerals is also exactly double that of November, 1914.

The feature of the imports, totalling \$45,000,000, is the large increase in the value of free goods imported during November last, these totalling \$19,000,000, as against \$12,000,000 for November, 1914. Materials for use in the manufacture of munitions probably account to some extent for this increase.

Imports for the eight months of the year, were \$298,000,000, a decrease of \$20,000,000 for the corresponding period of 1914.

The domestic exports for the eight months of the present fiscal year were \$419,000,000, as against \$269,000,000 for the same period last year.

Mr. O. E. Lane, assistant manager in the United States of the Yorkshire Insurance Company since June, 1912, has been appointed vice-president of the Niagara Fire, to take office on the re-organisation of the official staff in accordance with the plans recently notified.

