

# The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

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MONTREAL, OCTOBER 29th, 1920

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## THE GENERAL FINANCIAL SITUATION

The governments decision to abide by a policy of non-inteference for the present, in case of both the sugar and the wheat situation is a logical one, and has commended itself to all sections of the business community, except, of course, those directly interested. The view is that while the necessities of war-time may be justified, in fact undoubtedly did justify, policies of Government control in marketing and price fixing, that the necessity has now come to an end, and that the sooner all markets are absolutely free and mainly dependent for their fluctuations upon the operation of the old law of supply and demand, the better. From the point of view of economics, the view is undoubtedly sound, although it is not to be expected that the transition from a controlled to a free market can be accomplished without a certain amount of financial painfulness to those concerned. In regard to the control of wheat, the demand of the western farmers for this would have had more weight, if last year a large section of them had not strenuously opposed control when they discerned an apparent opportunity of getting more for their products without control. The fact that the farmers only want something which enable them to get maximum prices for their products for themselves, no matter what world-wide conditions may be, was too transparent to permit their arguments to be taken seriously by any one outside their ranks. In the case of the sugar refiners, which aroused public feeling to an extraordinary extent, those primarily concerned; conceding even that they were relying on a promise of protection in a declining market, made the serious tactical error of confining themselves to generalities in their arguments, instead of submitting full facts and figures of their profits during recent years and prospective losses. The impression is very widely spread, that the profits of the refiners have been very large indeed during recent years, amply sufficient to take care of any losses which they may now have to face. If that impression is incorrect and admittedly the general public is apt to get into its head highly exaggerated

notions on questions of this sort, the refiners have done nothing to correct the erroneous, and from their point of view, very damaging impression. Presumably, the representations which they are now making to the Government include evidence of this kind, as business men, they can hardly expect any action until the full facts are available for judgment.

The September trade figures continue the unsatisfactory story of recent months, imports which exceeded the imports of the corresponding month of 1919 by almost \$30,000,000 again showing a large excess over exports. With September the figures for one-half of the fiscal year become available, and they do not make cheerful reading. In the 1919 half-year, Canada's exports reached a total value of \$579,443,000, and imports, \$451,760,000, the favourable balance of trade being thus \$127,683,000. In the corresponding six months this year, exports have dropped to \$548,780,000, or by over \$30,000,000 and coincidentally imports totalled \$713,012,000, a growth of nearly \$262,000,000, the excess of imports for the six months approximating \$165,000,000. In other words, the trade balance has switched round adversely by \$292,000,000 in comparison with 1919.

It is possible that in the remaining six months of the fiscal year, which normally are Canada's heavy exporting months, the course of trade will serve to reduce the adverse balance of \$165,000,000, which stood on record at 30th September. It is to be hoped that such will be the case, although it is to be noted that European buyers are holding off on other of our commodities besides wheat. The recent fall in the local price of butter, for instance, is due to the fact that British buyers will not pay more than 47 cents, and in consequence very little of our butter is being exported. In any case, the present position is not a pleasant one. It is a condition which is reflected in the tightness of credit, and the high rate of exchange upon New York, and the only certain method of correcting it, since less reliance than in recent years can be placed on our export trade, is by a reduction of imports. The

# BANK OF MONTREAL

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CAPITAL PAID UP, \$22,000,000

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We welcome the small account and by encouragement and guidance in careful financing, help a quick and normal growth.

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**EDWARD C. PRATT, General Manager**

# The Chronicle

**Banking, Insurance and Finance**

Established 1881.

Published Every Friday

F. WILSON-SMITH, Proprietor and Managing Editor

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MONTREAL, FRIDAY, OCTOBER 29th, 1920

(Continued from front Page)

completion and delivery of old orders, which has been an outstanding factor in this connection, should apparently have some effect shortly, since it is hardly likely that our manufacturers and wholesalers have been ordering very freely during recent months, in view of the trend of commodity prices, and of the tendency to trade re-action which has been accumulating for some months.

With regard to the outlook for the immediate future in Canada, it should be borne in mind that one of the most important factors in recent liquidation and lowered prices, has been the failure of new accumulations of capital to keep pace with demands for capital, and accordingly it is to be expected that business expansion will not be resumed until funds have been made available for such expansion through further liquidation and lowering of prices. Obviously, in this connection in Canada, an important factor is the speed with which the exportable surplus of the grain crop is got out of the country. If it were to be removed out fairly quickly, the probabilities are that next spring would see a considerable amount of funds available for new business expansion in one way and another; if slowly, a resumption of trade activity may be longer deferred. There seems, however, no good reason for doubting the soundness of the widely held view that the period of trade contraction in Canada is likely to be relatively short.

The sliding-down of securities on the local Stock Exchanges to lower levels is, of course, a discounting of the effects of trade re-action; accentuated by the lack of funds for carrying speculative commitments and sundry auxiliary considerations. As regards the pulp and paper stocks, these are technically in a weak position owing to the large floating supply, which has been much added to as a result of the various re-capitalisation schemes of recent months, and is also a result of the enormous scale of the speculation which has taken place during the last year or so in these stocks. So far as the earning power of the various companies is concerned, this is for the

present unimpaired, and while the effect of a pronounced trade re-action in the United States and elsewhere, would probably be to lower the demand for the companies products, with consequent reaction in prices obtained, the fact seems to be clear that the old-established companies at all events, could go on earning pretty good profits with the price of their products, considerably lower than at present. In brief, this group of companies appears to be in a better position than any other local group, to withstand the effects of trade re-action. In view of general conditions, however, the probabilities seem to point to a quiet winter of relatively lower prices in local securities. No pronounced activity, except in isolated cases of special stocks, is apparently likely to be seen until funds become freely available for Stock Exchange purposes.

At the time of writing, there appears to be fair prospects of the miners strike in Great Britain being settled at a comparatively early date. The major consequences of this strike should not be overlooked. A prolonged strike, with its tendency to aggravate the economic situation on the Continent, would undoubtedly give a considerable impetus to Bolshevism, while if the strikers are successful in obtaining their demands, industrial unrest is likely to be everywhere increased, including this side of the Atlantic. A London correspondent puts a little talked of and yet vitally important view of the matter thus: "The cardinal difficulty of the situation lies in the fact, that wage earners have become accustomed to standards of comfort and hours of leisure inconsistent with the ability of the country to support them. At least a temporary economy is essential for solvency, yet it is difficult to perceive how the period of economising and distress will be discounted without serious trouble."

## Canalization of the St. Lawrence

The International Joint High Commission to enquire into the canalization of the St. Lawrence, held its third session in the Chamber of Commerce, New York on the 22nd instant.

On that occasion a speaker from Philadelphia, who talked about the proposed canal becoming a source of danger in a case of war with a bordering nation, and who called upon Canada to pay the cost of the project, was brought up sharply by a Canadian member of the Commission, who said that Canada had not asked for this Canal, it had originated in the United States, and that Canada always undertook, as a citizen of the world, to take care of its own affairs. The Philadelphia speaker ended by apologizing for his remarks.





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## Royal Bank Declares 2 per cent. Bonus

The announcement this week that the directors of the Royal Bank of Canada had decided to again distribute among the shareholders of the institution a special bonus of 2 per cent. was favorably commented upon in financial circles here. According to popular conception, the action meant that the general economic situation of the Dominion was regarded at least with equanimity, if not with satisfaction.

Last November the Royal paid the same bonus, the action being taken in commemoration of the fiftieth anniversary of the big institution, and similar generosity this year would seem to be the forerunner of an excellent report for the bank's fiscal period which ends with next month. The president, Sir Herbert Holt, in fact, is quoted as making a definite statement in this respect.

Canadian bankers are traditionally conservative and bonuses are not usually declared when the financial horizon is overcast.

## THE BRITISH COAL STRIKE

Should the British coal strike continue for more than a very short period it will necessarily go far toward paralyzing the industrial activity not only of England but of the whole of Europe.

Leaders of opinion in Great Britain do right to view the situation with courage, believing in the essential conservation of their own people. They are right also in the view that since the issue must be drawn at some time it is perhaps as well to meet it definitely as it is now presented and to decide once and for all the attitude of the community toward continued production of an essential commodity.

## TRAFFIC RETURNS

### Canadian Pacific Railway

Year to date	1918	1919	1920	Increase
Sept. 30 ..	\$108,138,000	\$121,186,000	\$114,203,000	\$23,017,000
Week ending	1918	1919	1920	Increase
Oct. 7 .....	\$3,458,000	\$3,965,000	\$5,356,000	\$1,391,000
Oct. 14 .....	3,594,000	4,099,000	5,689,000	1,660,000
Oct. 21 .....	3,509,000	4,241,000	5,983,000	1,742,000

### Grand Trunk Railway

Year to date	1918	1919	1920	Increase
August 31 ..	\$34,408,555	\$50,384,474	\$58,814,039	\$8,429,565
Week ending	1918	1919	1920	Increase
Sept. 7 .....	\$1,346,506	\$1,949,914	\$2,473,270	\$523,356
Sept. 14 .....	1,415,000	2,178,855	2,689,730	501,865
Sept. 21 .....	1,456,812	2,163,619	2,483,460	320,841
Sept. 30 .....	2,426,177	.....	.....	.....
Oct. 7 .....	1,469,788	.....	.....	.....
Oct. 14 .....	1,433,788	2,148,124	2,557,273	409,149
Oct. 21 .....	1,296,165	2,101,885	2,666,086	564,201

### Canadian National Railways

Year to date	1918	1919	1920	Increase
Sept. 30 ..	\$56,492,833	\$66,642,628	\$74,207,168	\$75,646,540
Week ending	1918	1919	1920	Increase
Oct. 7 .....	\$1,789,180	\$2,140,414	\$2,657,913	\$517,499
Oct. 14 .....	1,745,665	2,012,883	2,901,802	888,919
Oct. 21 .....	1,915,656	2,167,313	2,917,348	750,035

## Employees in Textile Mills Undertake to Bear a Share of Business Readjustment

Employees in the Fall River textile mills, according to current dispatches, have undertaken to divide with their employers the burden of business readjustment growing out of price changes. It is stated that they are ready to submit to a cut of 20 per cent. in wages to take effect on October 25, their purpose being to prevent the closing of the mills. The management accepts the proposed plan and announces that it will be able accordingly not only to continue but also to cut some prices still further.

Commenting on the above the *New York Journal of Commerce* say:—

It has long been evident that there was no escape from the inevitable in the process of reconstruction, and that manufacturers who found themselves beset by high costs of production would be obliged to accept the alternative of shutting down their plants or reducing costs in some way. Reduction of costs necessarily meant getting greater output or else reducing money payments to employees. It would seem that textile mill employes prefer a cut in money return to longer hours or more intensive work during their present hours, and if they do the choice is logical. It should result in rendering possible a closer adjustment of supply to demand and a better meeting of market conditions. The mill, if it is wise, will give the benefit of its lessened costs to the public so far as conditions will permit it to do so without loss.

What is now holding up the completion of the readjustment process is in no small degree the failure to pass on to the consumer the benefit of lower prices made by mills or wholesalers. Retailers are in many cases the obstacle. In others some intervening middleman, anxious to get out of the situation without loss, is the active cause of the suspension. Whatever may be the reason in any given case, the consequence of such a barrier to complete settlement is evident. It prevents demand from reviving and to that extent it hinders final attainment of new price basis. If such a price basis could be reached without friction it would mean giving to the various elements in the community about the same relative return which they now get, and would accordingly leave them as well off as they now are. It is an unwise and unfair situation which calls upon any element in the nation's industrial organization to bear the burden of readjustment which should be shared with others. The sooner price reductions are passed on to the public, as price advances have been during the past few years, the better for all concerned.

# Prudential Trust Company

LIMITED

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9 St. John St.,	Transfer Agent & Registrar	Vaults
Montreal	Administrator Receiver	Terms Ex-
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	Insurance of every kind placed	
	at lowest possible rates	

B. HAL. BROWN, President and Gen. Manager

# The Standard Life Assurance Co.

Established 1825 Incorporated 1910

Accumulated Funds - - \$68,000,000

Over \$10,000 paid daily in claims.

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One Hundred Per Cent. Increase in Five Years

The Mutual Life of Canada is celebrating its jubilee year by "Rounding" the two hundred million dollar mark, having doubled the amount of assurances in force since the year 1915. This 100% increase in five years is without doubt due to the unswerving record for fair, liberal and equitable dealing with its policyholders, and in the second place to the increasing popularity of the mutual principle in life insurance. The Mutual is becoming generally recognized as the most economical, the most democratic and the most equitable system of life insurance. The greatest and most powerful life insurance organizations in the world are mutual, and the Mutual of Canada organized on that basis is meeting with a similar success. The assets of the Mutual are a source of satisfaction, amounting at present to approximately \$40,000,000 guaranteeing every contract and providing a substantial surplus.

— BE A MUTUALIST —

## THE MUTUAL LIFE ASSURANCE CO. OF CANADA

WATERLOO, - - ONTARIO

# The Travellers Life Assurance

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HEAD OFFICE: MONTREAL

Hon. G. P. GRAMAM, President

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

First British Insurance Company Established in Canada

A.D. 1804

# Phoenix Assurance Co. Limited

OF LONDON, ENGLAND (Founded 1782)

FIRE LIFE MARINE

TOTAL RESOURCES, over . . . . . \$24,000,000.00

CLAIMS PAID EXCEED. . . . . \$60,000,000.00

DEPOSITS with Federal Government and Investments in Canada, for security of Canadian policyholders only, exceed . \$2,000,000.00

AGENTS WANTED IN BOTH BRANCHES. Apply to

R. MacD. PATERSON } Joint Managers  
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100 Francois Xavier Street - MONTREAL

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Assurance Company

Incorporated in 1851

HEAD OFFICE, - TORONTO, Ont.

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

ASSETS - over - \$8,000,000.00

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

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MONTREAL

A BRITISH COMPANY

# Union Insurance Society of Canton, Limited

ESTABLISHED 1835

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Assets over \$24,000,000

A combination of AGE, MAGNITUDE and EXPERIENCE

**FIRE, MARINE AND AUTOMOBILE**

Head Office for Canada, 36 Toronto Street, TORONTO

General Agent Montreal, JOSEPH ROWAT

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**Mr. A. W. Wamsley (Royal Exchange)  
Addresses Casualty Managers on  
High Acquisition Costs**

Mr. A. W. Wamsley, manager of the Accident department of the Royal Exchange Assurance arrived in Montreal last week from England, and addressed a meeting of casualty managers on the 22nd instant, specially convened for the occasion, his subject being the acquisition costs in casualty business.

At the outset, Mr. Wamsley informed the meeting, that before coming to Canada, he had been requested by some of the British managers, to express their views as well as his own, on the present acquisition costs of casualty business in Canada, which in his opinion were entirely too high. He stated that any steps taken to bring about a reduction of expenses in the acquiring of business, would receive the support of managers in Great Britain.

While Mr. Wamsley was listened to with a great deal of attention, it would seem impossible for either Mr. Wamsley, or any other British manager, to fully appreciate the difference in the system of production unless considerable personal experience was had in the two systems.

In the old country there are few professional insurance producers, whereas the American system is followed in Canada, and offices are maintained by agents and brokers, whose entire business is that of the development of Insurance premiums. Many of the general agencies, and large brokerage offices at a very heavy expense maintain inspectors and solicitors, and develop lines which are profitable to their companies, and upon which but a nominal commission is paid, and produce premiums, which companies unassisted by these agencies would not otherwise receive.

**Fire Losses in Ontario for September**

Mr. E. P. Heaton, Fire Marshal, Ontario, reports that the chief cause of fires during September in that Province was lightning which was responsible for no less than 175 fires aggregating \$171,365.

The chief classes from which the September fires came were:—Farm barns 162 fires, loss \$299,222. Dwellings 390 fires, loss \$178,723. Mercantile stores 78 fires, loss \$110,175. Manufacturing plant 39 fires, loss \$129,062.

Loss for 9 months of 1920 compared with the corresponding period of 1919.

	1920	1919
No of fires	7052	7251
Aggregate loss. . .	\$8,263,094	\$8,284,419
Insurance loss. . .	5,947,167	5,439,784
Loss not covered by		
Insurance. . . . .	2,315,927	2,844,635

**Merchants Marine Insurance Co., Limited  
To Enter Canada for Fire Business**

The Merchants Marine Insurance Company, Limited of London, England, will enter Canada in the near future for transaction of fire Insurance.

The Merchants Marine is one of the subsidiaries of the Employers' Liability Assurance Corporation, Limited, and is now in its 50th year, having been founded in 1871. It has total Assets of about \$7,000,000, and an annual premium income of \$2,500,000.

**DINNER TO MR. GEORGE CHAPPELL  
BY COMPANY OFFICIALS**

On the 21st instant at the Plaza Hotel, New York, a dinner was given to Mr. George Chappell, General Manager of the Royal Insurance Company, by officers of the Royal, the Royal Indemnity, the Queen, and Newark Fire, and the British & Foreign Marine, five of the companies in the Royal group. About thirty officers and managers of departments were present.

Walter Carter, United States general attorney of the Royal, presided, and speeches were made by George W. Law, manager of the Western department of the Royal, Mr. Chappell and Frederick W. Day, manager of the New York department. After the speaking A. R. Monroe, president of the Newark Fire, presided at the piano and the whole party sang old favorite songs. In addition to the New York and Newark men present were Rolla V. Walt, manager of the Pacific Coast department; Milton Dargan, manager of the Southern department, and Mr. Law.

Mr. Chappell who has been visiting the United States and Canada for past few weeks sailed for home on the 23rd instant. He was accompanied by Mr. Holland, President of the Royal Indemnity and Mr. Carter. The latter gentlemen expect to return from England in about six weeks.

**STATE ASSURANCE CO. OF LIVERPOOL**

Mr. John H. Vreeland, recently appointed manager for the United States and Canada of the Scottish Union, has also been appointed manager for the State Assurance Co. of Liverpool, for the United States in succession to the late J. H. Brewster who was manager of both Companies at Hartford for many years.

Mr. Albert H. Heal, general manager of the State Assurance, has placed with the United States trustees a large block of government securities, a remittance from the general funds of his company, which will be added to the working funds of the United States branch.

This transaction is intended to provide further for reserves and surplus, which will be made necessary by a more aggressive policy contemplated by the new management.



# Commercial Union Assurance Company Limited

of London, England

as at 31st Dec., 1919.

Capital Fully Subscribed. . . . .	\$14,750,000	Total Annual Income exceeds. . . . .	\$75,000,000
Capital Paid Up. . . . .	7,375,000	Life Fund, Etc. . . . .	99,147,565
Deposit with Dominion Gov't. . . . .	1,416,333	Total Funds exceed. . . . .	209,000,000

# Palatine Insurance Company Limited

of London, England

as at 31st Dec., 1919.

Capital Fully Paid . . . . .	\$1,000,000	Total Income . . . . .	\$4,145,585
Fire Premiums 1919. . . . .	3,957,650	Funds. . . . .	6,826,795
Interest Net . . . . .	187,935	Deposit with Dominion Gov't. . . . .	365,567

N.B.--In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$209,000,000.

**Applications for Agencies Solicited in Unrepresented Districts**

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W. S. JOPLING, Manager.

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ACCIDENT & FIRE ASSURANCE COMPANY

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H. F. RODEN, Manager, Casualty Department

Policies Guaranteed by  
Commercial Union Assurance  
Company Limited

Local General Agents, (Five)  
**G. U. PRICE & CO., LIMITED**  
Bank of Toronto Bldg., Montreal

GUARANTEED BY EAGLE STAR AND BRITISH DOMINIONS INSURANCE COMPANY LIMITED, OF LONDON, ENGLAND

SECURITY OVER  
\$93,000,000

FIRE  
AUTOMOBILE

THE

# BRITISH CROWN



ASSURANCE CORPORATION LIMITED

J. H. RIDDEL,

OF GLASGOW, SCOTLAND

E. C. G. JOHNSON,

Manager

HEAD OFFICE FOR CANADA - - TORONTO

Asst. Manager

JOSEPH ROWAT - GENERAL AGENT - MONTREAL

# THE FIRE INSURANCE COMPANY OF CANADA

MONTREAL

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

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

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

**IS FIRE INSURANCE OVER-EXPENSIVE?**

The assertion is frequently made that the expense of fire insurance to the insured is largely the result of two causes, one, the method of remuneration of agents and brokers, second the moral risk of undesirable insured, resulting in numerous claims that are not strictly honest claims, or if not actually dishonest, result from avoidable carelessness.

A vast amount of ex-cathedra theory is propounded on these two questions from time to time, and it is worth while to submit the theory to examination. The other day, we heard a speaker advance the idea that agents and brokers should be compensated for their services, not as at present, but on the basis of the results of the business which they bring to the companies. Payment by results is an extremely attractive theory superficially, but is it possible or would it be fair in practice? If every fire insurance risk were strictly isolated, and there were no such things as external hazards and the conflagration hazard, there might be something in it. But would it be fair to penalize an agent or broker because a conflagration which starts half a mile away makes a total loss of his risk? Or again take the case of a rented building, where the building may be in the hands of one broker, and the various stocks of tenants in the hands of half a dozen others. A dishonest and hard-up tenant starts a fire which damages other stocks and the building. Are the brokers interested in the building and other stocks to be penalized for what is no fault of theirs? If instead of a mere general theory that brokers and agents should be paid by results, some detailed practical scheme were put forward, we might get somewhere, but as it is, there is a vast amount of theoretical talk which gets nowhere.

With reference to the second point, we came across the following statement recently:—"From the standpoint of the insured, the business of fire insurance as now carried on is needlessly expen-

sive . . . while the great majority of agents and employees may be admitted to be honest, there are too many exceptions, where, under temptations, one agent or company will take a very doubtful risk refused by another or where a soliciting agent acts in collusions with a dishonest applicant in order to pocket a commission. For the losses incurred in the manifold transactions of this sort, honest insured persons have to pay to the tune of millions of dollars."

Why not "scores of millions" or "hundreds of millions?" The one phrase is just as meaningless as the others, and is as incapable of proof. No evidence is offered in support of a mere wild statement, which is in fact absolutely valueless. If it were possible to remove all dishonesty, carelessness and incompetence from the world, it would no doubt be possible to reduce the cost of fire insurance considerably, just as it would be possible to reduce the cost of living generally considerably. But anyone reasonably familiar with the business of fire insurance is aware, that heavy losses do not come about in the main through sheer dishonesty, but through sheer carelessness, not in many cases the carelessness of the insured, but the carelessness of 99 per cent. of the whole population of the Dominion. The one per cent careful necessarily suffer from the 99 per cent. careless, not in matters of fire insurance only, and until human nature is radically changed, they will necessarily continue to suffer.

It is obvious, however, that those who are most energetic in the fire prevention movement pay too little attention to such elementary facts as climatic considerations, and the prevalence of wooden construction throughout the Dominion. These basic considerations destroy half the value of the elaborate comparisons of fire losses in Canada with countries whose circumstances in these respects are different. As regards the improvement in the fire loss ratio of the last two or three years, that, we suggest, is due less to fire prevention activities than to the elementary fact of the rise in prices. When

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

# British Northwestern Fire Insurance Company

**HON. EDWARD BROWN**  
President.

**J. H. RIDDEL**  
Managing Director.

**E. C. G. JOHNSON**  
Secretary.

**LEWIS, APEDAILE & HANSON, Inc., Lewis Building, MONTREAL**  
GENERAL AGENTS. PROVINCE OF QUEBEC.

**THE MOTOR UNION**  
INSURANCE COMPANY LIMITED

(INCORPORATED IN ENGLAND)



**THE BEST IN**  
**AUTOMOBILE INSURANCE**

□ □ □

It is the service that counts! No technical quibbles in dealing with claims. Broad Protection; Quick Service; and a Square Deal every time.

We satisfy our clients and so help the Agents to retain and extend their connections.

Write, Phone or Call

Chief Office | 59 Yonge Street | MAIN  
for Canada | TORONTO | 5369

Assets exceed \$13,000,000

Premium income exceeds \$8,500,000

**Canadian Banking Practice**

ON SALE

BY THE CHRONICLE

**BUSINESS**  
**INSURANCE**

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

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

**CANADA LIFE ASSURANCE COMPANY**

Home Office - TORONTO

**Great American**  
**Insurance Company**  
**New York**

INCORPORATED - 1872

PAID FOR LOSSES

**\$112,397,573.17**

STATEMENT JANUARY 1, 1920

CAPITAL  
AUTHORIZED, SUBSCRIBED AND PAID-UP

**\$5,000,000.00**

RESERVE FOR ALL OTHER LIABILITIES

**17,191,302.37**

NET SURPLUS

**11,010,376.51**

ASSETS

**33,201,678.88**

THE SECURITIES OF THE COMPANY ARE BASED UPON ACTUAL VALUES ON DECEMBER 31st, 1919

Since January 1st the authorized, subscribed and paid-up Capital Stock of the Company has been increased to \$10,000,000.

The Company now owns \$10,000,000 U. S. Government Liberty Loan Bonds, and \$340,000 Canadian Victory Loan Bonds.

Home Office, One Liberty Street,  
New York City

Agencies Throughout the United States and Canada  
ESINHART & EVANS, Agents MURPHY, LOVE, HAMILTON & BASCOM, Agents  
39 Sacramento Street Dominion Bank Building  
Montreal, Quebec Toronto, Ontario  
WILLIAM ROBINS, Superintendent of Agencies  
Dominion Bank Building, Toronto, Ontario



trade is good and stocks are readily realisable, there is less temptation to dishonesty, while premiums have necessarily increased to an extraordinary degree with the rise in values. In the absence of an immense conflagration, we do not see how any fire insurance company, decently conducted, could help having a low ratio in a year like 1919. If with a reaction in values, and consequent steadiness or reaction of premium income, the fire companies continue to show a low loss ratio, then the fire prevention folk will have some reason for congratulating themselves that their propaganda is beginning to have an effect upon the national habit of carelessness.

Back of all these theories regarding the over-expensiveness of fire insurance remain two solid facts. The first is that the policyholder obtain full value for his fire premium in the protection which he secures, no matter whether he ever has a fire or not. The second is that under present conditions, the fire insurance companies are not making excessive profits. In the fifty-one years since Confederation, the fire companies doing business in Canada have an average loss ratio of 58.19 per cent.—and it is as low as this merely through the fact of several years' experience, preceding the war having been fairly favourable, and the war rise in premiums referred to above. This loss ratio plus 35 per cent. for expenses, and provision for the overlasting conflagration risks and increase in liabilities does not suggest a very heavy margin of underwriting profit. In the United States, the results are similar, the principal companies show a margin of underwriting profit for the two years ended in 1919, of only 3.93 per cent. Moreover the companies have not only been active supporters of the fire prevention campaign, but for years before fire prevention was ever thought of as a shibboleth, they were doing this work through their inspection systems. Those who hold that fire insurance is over expensive may surely be asked for some practical methods, instead of wild theoretical statements, how its cost may be fairly reduced.

### EDUCATIONAL WORK OF THE INSURANCE INSTITUTE

Mr. J. B. McKechnie, general manager of the Manufacturers Life Insurance Company, and President of the Toronto Insurance Institute, gave a most interesting address on the 21st instant, on the occasion of the opening meeting of the Institute.

Mr. McKechnie pointed out the Institute had now completed twenty-one years of work, during all of which regular meetings had been held, and one of the primary objects, the diffusion of insur-

ance knowledge, had thus been attained. Dealing with the training and education of employees, he said:—

"The business of insurance is a peculiar one. The merchant receives from his customer a sum of money for which he gives an article worth approximately what is paid for it. The bond dealer delivers to his client a bond which is supposed to be worth approximately what it is sold for, and the value of which on the average will not vary much from its original price. You deposit money with a bank and in return receive its guarantee to repay this amount, increased possibly with interest. An insurance company, however, will receive say \$100, for which it may undertake to pay \$10,000 on the happening of a certain event.

#### *Technical Knowledge Necessary.*

"It is this divergence between what the company receives and what it becomes liable to pay to the assured that not only makes the business of insurance so interesting, but which also requires wise judgment and technical knowledge, if the companies are to be soundly administered.

"Then again, more and more do we hear of certain undertakings being referred to as public corporations.' Whether the various branches of insurance come under this heading or not, most of us like to feel that our companies will be administered in such a manner that our policyholders will be given their insurance protection in the most efficient manner possible and at the lowest cost compatible with safety and a widespread diffusion of the benefits of insurance. To do this our companies must have efficient organizations, both in the field and in the head office, and this is impossible unless the individuals in these organizations have a sound theoretical as well as practical knowledge of their business.

"I do not wish to be understood as thinking that technical education is everything in the insurance business. There are outstanding examples, not only in insurance, but in other branches of human activity, where men, thoroughly trained theoretically, have lacked the judgment and practical business capacity for success. Again, there are men in the field organizations of our companies, who, without much theoretical knowledge of the business, have made good because they possessed the quality of salesmanship. These exceptions, to my mind, however, prove very little. The former have failed in spite of their knowledge, and the latter have succeeded in spite of their lack of knowledge. I believe that the companies more and more recognize that a theoretical knowledge of the business is an asset to any man, whether he be employed in the head office, the branch office or the field."



# THE EMPLOYER'S

Liability Assurance Corporation, Limited  
of London England

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

**OFFICES:**  
 Temple Building, Toronto. Lewis Building Montreal

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

John Jenkins,  
 Fire Manager

Applications for Agencies Invited

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

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



**TRANSACTS :**

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

**302 St. James Street, MONTREAL**

ROBERT WELCH, General manager

APPLICATIONS FOR DIRECT AGENCIES INVITED.

## The Ocean Accident & Guarantee Corporation Limited

### AUTOMOBILE INSURANCE

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

The "OCEAN" can meet these requirements under one contract

Branch Office:  
 MERCHANTS BANK BLDG.,  
 MONTREAL

JOHN W. WETMORE,  
 Superintendent.

W. T. PERRY,  
 Manager for Canada

**Canadian Head Office : Ocean Insurance Bldg., TORONTO**

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

**The Oldest and  
 Strongest Canadian  
 Casualty Company**

**TRANSACTS:**

ACCIDENT      SICKNESS      PLATE GLASS  
 BURGLARY      AUTOMOBILE INSURANCE  
 GUARANTEE BONDS      FIRE INSURANCE

E. ROBERTS, Manager  
 706, Lewis Building, MONTREAL

C. A. WITHERS, General Manager  
 TORONTO

Branches: WINNIPEG      CALGARY      VANCOUVER

**Experience of Casualty Companies  
in the United States**

The *Spectator*, New York, in a recent issue, published a comprehensive table embracing information as to the underwriting and investment transactions, of the more prominent casualty, fidelity, surety, plate glass, and other miscellaneous insurance companies, doing business in the United States in the ten-year period, 1910 to 1919, inclusive.

In its excellent analytical Editorial dealing with the Table, *The Spector*, says:—

The general result shows that upon underwriting income earned in the last ten years by the ninety-three companies tabulated, which amounted to \$1,524,108,409, there was an underwriting profit of but seven-tenths of one per cent.

In the same period, however, the investments of the companies yielded over \$59,000,000, which amount was sufficient to pay the dividends of the American companies and the net remittances of foreign companies (\$37,000,000), provide for a net increase in contingent funds, special reserves, etc., of over \$6,000,000, and enable the companies to add \$16,000,000 to net surplus, also permitting the addition of the entire underwriting profit to surplus.

Sixty-seven distinctively casualty companies lost over \$1,700,000 on their underwriting operations, or more than one-tenth of one per cent. upon \$1,195,000,000 of underwriting income earned. In this group, the greatest percentage of profit for an individual company was 44.4 per cent., while the greatest loss was 653.9 per cent., which was the experience of a company which was organized in 1919.

The twelve fidelity and surety companies made an aggregate profit of 4.1 per cent., with ratios ranging from a profit of 32.2 per cent. to a loss of 41.7 per cent.

The four companies writing principally plate-glass insurance made a net loss upon their underwriting transactions of 7 per cent., their individual experiences ranging from a profit of 8 per cent. to a loss of 2.6 per cent.

In the fourth group are embraced a credit company, which made a profit of 6.2 per cent. on its underwriting; six live stock insurance companies, which all experienced underwriting losses, ranging from 4 per cent. to 64.6 per cent.; a steam boiler insurance company, which made a profit of 5.9 per cent.; a physician's defense company, whose profit was 5.1 per cent., and a title insurance company, which made 11.3 per cent. upon its transactions.

A condensed summary of the aggregate results shown in the main table is presented herewith:  
Underwriting income or premiums

earned . . . . .	\$1,524,108,409
Investment income and accretion . . . . .	59,315,540
<hr/>	
Total . . . . .	\$1,583,423,949
Losses and underwriting expenses . . . . .	\$1,513,615,222
Dividends and foreign companies' remittances . . . . .	37,061,319
Increase in contingent funds, etc . . . . .	6,040,316
Increase in net surplus . . . . .	26,707,092
<hr/>	
Total . . . . .	1,583,423,349

In looking over the main table, it is noted that fifty-two of the ninety-three companies made underwriting losses in the periods covered by their statistics as shown. The companies tabulated in 1917 showed an underwriting profit of nine-tenths of one per cent. In the decade ending with 1917, the profits declined to seven-tenths of one per cent., and to six-tenths of one per cent. in the decade ending with 1918, while in the ten-year period which closed with 1919 the profit was seven-tenths of one per cent. A percentage of profit on such tremendous transactions, which naturally involve enormous risks, amounting to considerably less than one per cent. of the turnover, cannot give much satisfaction to the stockholders, whose money invested in the business, nor does it stimulate the investment of new capital.

The general casualty companies show rather badly in the table, and the several catastrophes in the last few years which have affected the plate-glass companies have produced bad results for that class of companies.

The companies whose experience is set forth supply indemnity which is much needed, and would be greatly missed by many millions of our citizens, and which is a necessity for the business community. This is proved, of course, by the vast volume of business transacted, and which is increasing from year to year. That the companies as a whole have transacted their business for less than one per cent. on premiums, indicates that they have not been sufficiently remunerated for the risk assumed.

Policyholders must realize that if the companies are to continue to bear the burdens which cannot well be carried by individuals, and to pay claims as promptly as they arise, they must receive sufficient premiums to enable them to do this, to provide the legal reserves required, and to afford some reasonable compensation to the stockholders. It is also desirable, from the viewpoint of policyholders, that surplus funds should be steadily increased, in order to qualify the companies to meet such an emergency as arose recently during the epidemic of influenza.





**FIRE** **CASUALTY**  
**The Northern Assurance Co. Limited**  
 Of England

**ASSETS - - - \$79,801,255.00**

Including Paid up Capital of \$4,010,100.00

Head Office for Canada: Lewis Building, 17 St. John Street, Montreal

**ALEX. HURRY, Manager Casualty Department**

**G. E. MOBERLY, Manager**

**FIRE**

**THE**

**FIRE**



**Royal Scottish**

**INSURANCE COMPANY LIMITED**

of Glasgow, Scotland

HEAD OFFICE FOR CANADA  
 17 ST. JOHN STREET  
 MONTREAL

**G. E. MOBERLY,**  
MANAGER

This Company's contracts are guaranteed by  
 The Northern Assurance Company Limited, of England

**THE ST. PAUL FIRE AND MARINE INSURANCE COMPANY**

INCORPORATED 1865

ASSETS OVER \$10,000,000

REPRESENTED IN TORONTO BY

**McADAM, SHERRITT & COMPANY**

General Agents

EXCELSIOR LIFE BUILDING

36 TORONTO STREET

**BRITISH TRADERS' INSURANCE COMPANY, LIMITED**

ESTABLISHED 1865

HEAD OFFICE: HONG KONG

HEAD OFFICE FOR CANADA: TORONTO

**FIRE & MARINE INSURANCE**

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

JOHNSON—JENNINGS, Inc., General Agents,  
 MONTREAL.

Manager for Canada, C. B. DRAYTON

**THE STRATHCONA**

**FIRE INSURANCE COMPANY**

HEAD OFFICE: MONTREAL.  
 90 ST. JAMES ST.

"For ten years the STRATHCONA has pursued a safe and steady course and is now beginning to gather the fruits of its wise and sound policy."

**Beaver Fire Insurance Company**

The announcement is made this week that the Beaver Fire Insurance Company of Winnipeg are entering Montreal, and have appointed the well known firm of Dale & Co. as general agents in this City. This Company was formed some years ago, largely, to write preferred business only through its mortgage connections in the West, but latterly, has decided to extend its business in the East. The Beaver has had a good record under excellent management since its inception six years ago. The board of directors is composed of wealthy and influential business men. Among the officers of the Company being Mr. W. J. Christie, President, a well known capitalist in Winnipeg. Mr. G. W. Allan, K.C., M.P., Vice-President, is also a director of the Canadian Bank of Commerce, Mr. J. Galt, Director, is President of the Union Bank and Mr. F. Morton Morse is a well known and influential Winnipeg merchant. The Company has been under the management of Mr. A. DeJardin since its inception, who is largely responsible for the Company's strong financial standing.

**PERSONALS**

Mr. C. R. Drayton, manager for Canada of the Union Insurance Society of Canton was in Montreal this week on his return from Newfoundland. He reports conditions in the latter place are not quite as good as they might be. He found business men, however, very optimistic about the future. Mr. Drayton states that there is a great deal of feeling existing between different parties, as to whether the Government should control the price of fish or not.

**CANADIAN FIRE RECORD**

*Fire at Brandon, Man.*—On the 21st instant a fire occurred in the Oatmeal Plant of the Western Canada Flour Mills, cause stated to be spontaneous combustion. Loss about \$12,000.

*Fire at Bell River, Ont.*—On the 19th instant a fire destroyed 15 stacks of flax, and did other damage. Estimated at \$40,000, cause stated to be lightning.

*Fire Arnprior, Ont.*—On the 24th instant a fire occurred in the planing mill and lumber piles of S. R. Rudd & Co. Loss about \$12,500.

*Fire at Stanislas, P.Q.*—On the 24th instant a fire destroyed some ten buildings, including the hotel, five dwellings, one restaurant, one blacksmiths shop and two stores, entailing a loss of about \$30,000. The buildings are mostly insured in Provincial Mutuals.

*Fire at Montreal.*—On the 23rd instant a fire damaged the premises and stock of the Globe Waterproof Clothing Co., 356 Notre Dame Street West, extending to the provision store of W. George, 358 Notre Dame Street West. The loss is estimated at about \$12,000.

*Fire at Montreal.*—On the 24th instant a fire broke out in the premises of the Dodd-Simpson Press Ltd., and caused considerable damage to stock of paper in storeroom to which the fire was confined.

**COLUMBIA**  
INSURANCE COMPANY OF NEW JERSEY

**Annual Statement as of December 31st, 1920**

ASSETS	
Government and Municipal Bonds . . . . .	\$ 790,488.00
Railroad and Miscellaneous Bonds . . . . .	563,890.00
Cash in Banks . . . . .	175,145.60
Premiums in course of Collection and other Assets . . . . .	267,431.48
	<hr/>
	<b>\$1,796,955.08</b>

LIABILITIES	
Cash Capital . . . . .	\$ 400,000.00
Unearned Premium Reserve . . . . .	390,134.38
Losses in process of adjustment . . . . .	105,426.82
All other claims . . . . .	88,000.00
	<hr/>
Surplus over all Liabilities . . . . .	983,561.20
	<b>813,393.86</b>
	<hr/>
	<b>\$1,796,955.08</b>

Head Office for Canada  
Montreal

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

**A. McBEAN & CO.**  
GENERAL AGENTS FOR MONTREAL  
LEWIS BUILDING, MONTREAL

### Improved Disability Provision

Claim may be made as soon as disability occurs—no probationary period.

Payments begin immediately on approval of claim—no probationary period.

Monthly payments, lifelong, conditioned on permanence of disability.

Immediate waiver of future premiums—no waiting until next anniversary.

Full amount of insurance paid when insured dies, without deduction for disability payments or for premiums waived.

This new disability provision brings the service of America's oldest legal reserve life insurance company still closer to the needs of the insuring public.

For terms to producing Agents address

## The Mutual Life Insurance Company OF NEW YORK

31 NASSAU STREET, NEW YORK

## GENERAL

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

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

PELEG HOWLAND, Esq.

Chairman Advisory Board

T. H. HALL

Manager for Canada.

JUDSON G. LEE

General Agent Montreal.

THE

## London Assurance CORPORATION

OF ENGLAND

INCORPORATED BY ROYAL CHARTER A.D. 1720

CAPITAL PAID UP - \$ 3,741,375

TOTAL ASSETS EXCEED 12,500,000

Head Office for Canada, MONTREAL.

W. KENNEDY, W. B. COLLEY, Joint Managers.

## Automobile Insurance

**FIRE—TRANSPORTATION—THEFT:**

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

For further particulars and rates apply to

### The Provident Assurance Company

159 St. James Street, Montreal. Tel. Main 1626-7.  
J. C. Gagne, Managing Director

# ATLAS

## ASSURANCE COMPANY LIMITED

Founded in the Reign of George III

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

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

Head Office for Canada:

260 St. James Street, MONTREAL

R. R. MARTIN . . . . . Manager

Established 1884

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

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

Agents Wanted in Unrepresented Districts

Managers for Canada:

**Montreal Agencies Limited, Montreal**



Assets:

**\$33,687,274.25**

Surplus:

**\$10,846,031.00**

Canadian Head Office:

**MONTREAL**

J. W. BINNIE, Manager

## L'UNION

### FIRE INSURANCE COMPANY, Limited

Established 1828 Head Office: PARIS, France.

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

50 per cent. paid-up.

Fire and General Reserve Funds 8,270,000.00

Available Balance from Profit

and Loss Account. . . . . 55,891.00

Net Premiums in 1919. . . . . 8,648,669.00

Total Losses paid to 31 Dec.,

1919. . . . . 104,500,000.00

Canadian Branch:

**LEWIS BUILDING, 17 St. John St. Montreal**

Manager for Canada: MAURICE FERRAND



### Justifying Agents Commissions

An occasional prospect vents the grievance that his interviewer would receive a sizable commission on the policy offered. Tell him that you receive no salary, that you rely on your industry and ability for an income and that the earnings of the average life insurance agent are no larger than the earnings of the average salesman in any other average line. Tell him also that the commissions which an agent receives are paid out of the entire expense fund of the company and bear only a negligible relation to the cost of the insurance under the individual policy. And remind him that if you were receiving a salary instead of commissions your salary would be, as the commission is, a part of the general expense of the company. The salaries paid to bank officials and other bank employes are elements in the rate of discount his bank charges and he finds no fault with that; nor would he criticise if such officials and other employes were paid commissions instead of salaries, if that were banking custom. The test is, does the remuneration, whether commissions or salary, bear a proper relation to the cost of the service? Insurance departments, in the case of a life insurance agent, have defined the limits of insurance costs for the express purpose of protecting policyholders. Sponge out his grievance by tactfully giving this view of commission payments.

(Mutual Life "Points.")

### WHEN IS OLD AGE?

The experience of the world is multiplying to prove that 65 is too early to be taken as a probable retiring age. The vast majority of men at 65 are not too old to work and don't want to stop working. The old-age provisions made by England and Germany for the whole people, and those of the Pennsylvania Railroad, New York Central, Chicago and Northwestern, and a long list of corporations, fix 70 as the age when pensions may begin. Most of them don't require that men shall retire then, but leave it optional with each. The President of the United States the other day declared that the old civil service retirement law, naming age 65 should not be declared compulsory, but voluntary and optional.

Golf and other exercises, dancing and other pastimes, better hygiene and many other causes are beginning to make men more fit when they are old men than they used to be. More than ever men are realizing that it is wholesome to work as long as they can.

### Fire Insurance Rates and Fire Losses

Looking the country over as a whole we may observe a curious reaction in human nature. Those who make a profession, or the stepping-stone to

the profession, of "raising hell with fire insurance," invariably do it about fire insurance rates. You never hear them thunder against the vast property and life loss from fires that could be prevented. They never arraign the Government for not adopting and enforcing laws for honest building construction to reduce the susceptibility of fires. They never demand that personal responsibility for fires by carelessness and neglect be visited by personal liability for the result of it.

Not at all! But they keep up a thunderous clamour against the mere insurance rate. The fire loss is always far greater than any insurance can possibly indemnify for by distribution and in addition the whole sum—insurance money and all—is a dead and total loss to the community, yet the hue and cry is raised against the only thing that ameliorates the misfortune of the individual and not a whisper against the high rates of carelessness and neglect that make the insurance rate a simple matter of mathematics.

### Litigation Over Capital Call of First National Reinsurance of London

The First National Reinsurance Company of London, which was organized last year, appears to be having some difficulty in collecting the second call on the subscriptions to its shares. In a case recently tried in London, where the subscriber to fifty shares of the stock of the company resisted the call for the second 5s per share, the defendant stated that, unfortunately, he was silly enough to pay the amount of the call, as he would never see his money back, but he disputed the claim in respect of interest and also costs. The defendant testified: "The company is more or less practically a swindle. I cannot sell the shares at any price. They are worth nothing." He lost out on the case, however, and was ordered to pay the amount of the call, with interest and costs.

An Agent's and Broker's Company, writing all Lines of Casualty Insurance and Guarantee

**ROYAL  
INDEMNITY  
COMPANY**

**CHARLES H. HOLLAND, President**

**CANADIAN OFFICES:**

**MONTREAL**  
Royal Insurance Bldg.  
**RICHARD J. BOND,**  
Supt. for Canada

**TORONTO**  
Royal Insurance Bldg.  
**JULIAN H. FERGUSON**  
Supt. for Ontario

IN ALL **INSURANCE** BRANCHES  
**STRENGTH**      **REPUTATION**      **SERVICE**  
 The **Montreal Securities Corporation** Limited

Dominion Express Building - MONTREAL

GENERAL AGENTS FOR

The **GLOBE INDEMNITY COMPANY** of Canada

The **CANADIAN FIRE INSURANCE COMPANY**

Applications for Agencies Solicited

**NIAGARA FIRE INSURANCE COMPANY**

HEAD OFFICE, NEW YORK

INCORPORATED 1850

Cash Capital

**\$1,000,000.00**

Net Surplus 31st Dec., 1919

**\$3,393,907.58**

**CANADIAN DEPARTMENT - - 22 ST. JOHN STREET, MONTREAL**

W. E. FINDLAY, MANAGER

AGENTS WANTED

"THE OLDEST SCOTTISH FIRE OFFICE"

**Caledonian Insurance Company**

OF EDINBURGH

FOUNDED 1805

**Caledonian-American Insurance Company**

OF NEW YORK

Head Offices for Canada: - **DOMINION EXPRESS BUILDING, - MONTREAL**

JOHN G. BORTHWICK, Canadian Manager

**LONDON & SCOTTISH**

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

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

Directors for Canada:

A. J. Dawes, Esq.

E. C. Pratt, Esq.

H. B. Mackenzie, Esq.

D. C. Macarow, Esq.

**ALL CLASSES OF LIFE ASSURANCE TRANSACTED**

**SCOTTISH METROPOLITAN**

**ASSURANCE COMPANY LIMITED**

FIRE and MARINE

AUTOMOBILE LIABILITY and FIRE

ACCIDENT and SICKNESS

Individual or Combined Policies

GUARANTEE BONDS

EMPLOYERS' LIABILITY

ELEVATOR and GENERAL LIABILITY

PUBLIC and TEAMS' LIABILITY

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

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

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

Manager for Canada, **ALEXANDER BISSETT**

**APPLICATIONS FOR AGENCIES INVITED**

## Effect of Falling Prices on Life Insurance

By R. W. STEVENS.

We have had many inquiries during the past month as to our opinion of the effect the tendency toward reduced prices of food stuffs, clothing, merchandise, etc., would have on our new business; and now that the long predicted decline in prices seems to have substantially begun it seems advisable to set forth our views as to the probable effect on new life insurance writings.

The manufacturer, wholesaler and retailer are the ones who will be adversely affected by the decline in prices and they only until stocks on hand produced or bought at higher costs than they can now be duplicated have been liquidated. So long as the public was willing to buy extravagantly, the manufacturer was not deeply concerned about his cost of production; the wholesaler and the retailer did not worry about overhead and were liberal in applying the "expense loading," because they knew that "Jones would pay the freight," and because of Jones' come easy, go easy willingness to pay, prices kept on climbing.

But—Jones is rapidly sobering up. He not only refuses to pay the freight, but he is not buying anything that he can possibly get along without. Result—stagnant stocks in the hands of the manufacturer, wholesaler and retailer, which have got to be moved and they won't be moved until Jones is satisfied that the price at which they are offered is fair and reasonable.

We are now beginning to see the difference between Jones drunk and Jones sober; and his sober condition augurs well for Jones as well as for all engaged in legitimate lines of business.

Jones is earning as much money now as he was six months ago when he started his spending spree, but he is not buying "wine for the boys" who are more accustomed to beer. He has thoroughly

learned that the higher the percentage the greater the headache and if, as we sincerely hope and believe, Jones is going to stay sober, this country of ours will soon make a safe landing on the Shore of Sound Finance where everybody will have a full day's pay for a full day's work. There will be no wage reduction in the case of those who are efficient; the worker, the producer and the retailer will all save more money than they have ever saved before, and the Joneses will surely put a large part of their savings into life insurance.

So our opinion is that while the easy days of life insurance selling are almost over; the days of real prosperity for the real life insurance writer are just about to begin.

### MR. ROSEN'S BANNER YEAR

Harry B. Roson told Manhattan Life agents recently that he wrote \$30,000,000 of new insurance in the first 6 months of 1920, all personal business. This included 11 individual million dollar policies. March was Mr. Rosen's best month, with \$11,000,000 written in 31 days. The life insurance companies with which Mr. Rosen does business paid him \$560,000 in commissions and renewals in the first 6 months of this year.

In speaking of aids to salesmanship, Mr. Rosen said, "I have not carried a rate book in 10 years and I never carried literature. My business is done on personality and knowledge of human nature. A prospect becomes confused by too much talk about reserves and dividends. It isn't necessary. You can't sell life insurance if you don't believe in it."

The speaker went on to say that "more men fail through ignorance of their own strength than through knowledge of their weakness. An agent must be successful or he becomes a poison in the business."

**Insure in one of Canada's Oldest and Strongest Fire Insurance Companies  
Organized in 1862**

## The Acadia Fire Insurance Company

OF HALIFAX

LIABILITY UNDER ALL ACADIA POLICIES GUARANTEED BY  
**PHOENIX ASSURANCE COMPANY, LIMITED**  
OF LONDON

**WHOSE ASSETS EXCEED \$98,000,000**

**MONTREAL AGENCIES, LIMITED**  
**GENERAL AGENTS**

**MONTREAL TRUST BUILDING, MONTREAL**

JAS. D. CHERRY, Manager





**Security - - \$46,500,000**  
**ONTARIO AND NORTH WEST BRANCH**  
 14 Richmond Street, East, TORONTO  
**PROVINCE OF QUEBEC BRANCH**  
 146 Notre Dame Street West, MONTREAL



**PERSONAL ACCIDENT**      **PLATE GLASS**  
**SICKNESS**                      **AUTOMOBILE**  
**FIDELITY GUARANTEE**      **GENERAL LIABILITY**

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

# Mount Royal Assurance Company

**SURPLUS and RESERVES, \$1,415,740.57      TOTAL FUNDS, \$1,708,120.67**  
**TOTAL LOSSES PAID, \$3,180,308.63**

Application for Agencies Invited

Head Office - - - MONTREAL

P. J. PERRIN - - - - - Manager

Established in Canada in 1821  
 1819 **AETNA (FIRE)** 1920  
 HARTFORD, CONN., U. S. A.  
**Losses Paid over \$183,000,000**

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

**Union Assurance Society, Ltd**  
 OF LONDON, ENGLAND  
 (Fire Insurance since A.D. 1714)

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

Agencies Throughout the Dominion

**EXCELSIOR**  
 INSURANCE LIFE COMPANY

**A Strong Canadian Company**  
 FOR PROTECTION OR INVESTMENT  
 BUY EXCELSIOR POLICIES  
**J. J. Robichaud, Prov. Man., Montreal**

**The Law Union & Rock**  
 INSURANCE CO. LIMITED, LONDON.      Founded in 1890

Assets Exceed - - - - - \$50,000,000.00  
 Over \$10,000,000 invested in Canada  
 FIRE and ACCIDENT RISKS accepted.  
 Canadian Head Office: 277 Beaver Hall Hill.  
 MONTREAL  
 Agents wanted in unrepresented towns in Canada.  
 W. D. AIKEN, Superintendent,      COLIN E. SWORD  
 Accident Dept.      Canadian Manager.

**POSITIONS FOR LIFE INSURANCE MEN.** We have a few vacancies, with bright prospects, for live insurance salesmen of good record and proven ability. Every assistance given to enable hard workers to make good. Correspondence confidential. If you want a good position as Agent or District Manager with a progressive Company, apply stating experience and references, to **W. R. BROWNLEE, Provincial Manager, 180 St. James St., MONTREAL, P.Q.**

**THE CONTINENTAL LIFE INSURANCE CO.**  
**GEORGE B. WOODS, President      TORONTO, Ont.      CHAS. H. FULLER, Secretary**

**STRIKE INSURANCE**

It is of considerable importance that due emphasis be given now to what is sometimes considered an innovation in insurance coverage—namely, insurance against loss on account of strikes. This form of coverage has been advocated at various intervals in past years, and at least one company attempted the experiment as it seemed to be then. The demand at that time was evidently not considered by underwriters sufficiently nor the situation so serious as to warrant advocating the formation of companies to handle specifically such hazards. The situation has assumed a very important aspect the last few years; employers no longer control labor. As an outcome to the abuse of that power exercised by some employers radical labor is menacing not only employers' interests, but their own cause as well, with a continuous strike program. As a matter of fact, the risk for the past year, at least, has been greater than that of fire. Conditions resulting to industry from fire and from strikes are analogous—both paralyze it—both result in a financial loss. Strikes are allowed to spread without any lasting preventative measures.

To-day there is an imperative need for protection against loss occasioned by strikes and a plan which will work as a safeguard to employee as well as employer should receive united support and find a ready field for operation. A practical and intelligent plan of assistance is needed now to succeed to the preliminary work done through moral agencies. It would appear to be an opportune time for insurance companies to show what benefit they can be in keeping industry secure, when all other means have failed.

The Employers Mutual Insurance and Service Company of Baltimore has appeared with qualifications that would seem to meet the need. This company has been formed by manufacturers to protect themselves against loss from strikes, and will transact business on the mutual plan. The initial subscriptions amounted to some \$30,000,000 of insurance on which the premium was over \$500,000. Excess reinsurance has been provided for in the Excess Insurance Company of London and in London Lloyds. The limit of liability on any one risk assumed by the Employers is \$750,000. The assessment is limited to once times the annual premium. Rates vary according to industry and range from 55 cents to \$2.80 per \$100, and were arrived at after some years of

(Continued on page 1184)

**NOTICE**

NOTICE is hereby given that the Northern Assurance Company Limited of London, England has been granted Dominion License No. 904 dated 6th October, 1920, to transact in Canada the business of Burglary Insurance, in addition to the classes for which it is already licensed namely Fire, Accident, Sickness, Automobile, Guarantee and Plate Glass Insurance.

**INDIA—EAST AFRICA**—A large and important firm of **MERCHANTS**, with valuable connections in **BOMBAY, UNITED PROVINCES** and other parts of India, and also established in East Africa, is prepared to take up a representative **AGENCY** for first-class Insurance Companies, transacting **FIRE, ACCIDENT, LIFE and MARINE** business. The firm is extending its Insurance Department in Bombay, and is in a position to offer valuable facilities to anyone desirous of increasing its business in India and East Africa. Write, Box 9900, Post Magazine Office, 9 St. Andrew Street, Holborn Circus, E.C.4, London, England.

**WANTED**

Young men for fire insurance inspection work. Apply, stating experience, etc., to Northwestern Mutual Fire Association,

Hamilton, Ont.

**WANTED**

An old established Insurance Agency, operating in the City of Vancouver, which has a premium income from select business of \$30,000 per annum, desires to obtain the General Agency of a good, strong, non-tariff company for the Province of British Columbia. Address,

General Agency,

Care The Chronicle, Montreal.

**WANTED**

**CHIEF CLERK** wanted immediately by a large American Fire Insurance Company to take full charge of office, one having a thorough knowledge of all branches of Fire and Automobile insurance and capable of reading and writing French. Apply, stating experience and salary required, to

Chief Clerk,

Care The Chronicle, Montreal.

**WANTED**

**FIRE INSURANCE MAN** with eleven years experience as Agent, Inspector and Assistant Manager seeks new connection. Speaks and writes both languages. Would start in any capacity offering good prospects for advancement. Apply, to

F. I. M.,

Care The Chronicle, Montreal.



# Reinsurance

Advice on reinsurance matters given in connection with Life, Fire and General Casualty business.  
Reinsurances placed with British and Foreign Companies.  
Excess Covers.

## STERLING OFFICES LIMITED

A. F. PEARSON & COY.  
ESTD. 1863 1877

Insurance Managers and Re-Insurance Advisers

25, Birchin Lane, London, E. C. 3

Manager—B. M. MACLAREN,  
Secretary—ROBERT W. REID.

Underwriters—Wm. J. FOX,  
Manager, Treaty Dept.—W. S. BLAIR.

Directors:

A. RENDTORFF. FRED SMITH

BANKERS:

LONDON—London Joint City & Midland Bank,  
National Bank of Scotland.

LONDON—Head Office, 25, Birchin Lane, E.C. 3

LIVERPOOL—London Joint City and Midland Bank.

LIVERPOOL—25, Exchange Street East.

NEW YORK—National City Bank.

NEW YORK—2, South William Street.

Cable Address—“OSTERLINGA, LONDON”

Toronto Office, 67, Yonge Street.

Telephone: MAIN 5037.

Telegrams: OSTERLINGA, TORONTO.

## The UNITED STATES LIFE Insurance Company in the City of New York

Organized 1850. Non-Participating Policies only. Over Forty-Five Million Dollars Paid to Policyholders.

JOHN P. MUNN, M.D., *President.*

Good territory open for high class, personal producers, under direct contracts with the Company. Address Home Office, 277 Broadway, New York City.

## SCOTTISH UNION AND NATIONAL

INSURANCE COMPANY, OF EDINBURGH, SCOTLAND  
ESTABLISHED 1824

Capital, - - - - -	830,000,000
Total Assets, - - - - -	75,658,734
Deposited with Dominion Gov't, - - - - -	391,883
Invested Assets in Canada, - - - - -	7,695,336
NORTH AMERICAN DEPT. HARTFORD, CONN., U.A.S.	
JAMES H. BREWSTER, Manager	
ESINHART & EVANS, Resident Agents, - - - - -	Montreal
MEDLAND & SON, - - - - -	Toronto
ALLAN, KILLAM & McKAY, LTD., - - - - -	Winnipeg

## The WATERLOO Mutual Fire Insurance Co.

ESTABLISHED IN 1863

Head Office - - - - Waterloo, Ont.

TOTAL ASSETS 31st DEC., 1918, Over \$1,000,000

Policies in Force in Western Ontario Over 30,000

GEO. DIEBEL,

President

ALLAN BOWMAN,

Vice-President

L. W. SHUH,  
Manager

study of strike statistics and are considered actuarially sound. In collating the data on which the calculation was made, the relation to strikes of locality as well as industry was studied. The contract is the ordinary use and occupancy policy used for fire coverage.

This kind of protection serves its greatest purpose in counteracting that financial loss which employers are bound to suffer when acceding to strike demands. We would not advocate, however, for the present, that such a company extend its functions beyond that of the legitimate insurance company and attempt to act as mediator in strike controversies. We are of the opinion that in following its legitimate purposes it is bound to act as a prevention factor and its usefulness in curtailing labor disturbances is thereby further conserved. As the real purposes of the company are recognized by industry as practical, these additional lines of service will develop of themselves as a natural consequence, extending to questions of industrial relations and conditions, the main object being, of course, to effect settlement satisfactory to all concerned.—*Insurance Age.*