

# Monetary Times

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## Life Insurance Attracts Increasing Interest

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FRED. W. FIELD  
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A. E. JENNINGS  
Assistant General Manager

## Modern Problems of Life Insurance

**R**ECKLESS *Taxation of People's Insurance Savings Should Have  
People's Attention—The Value of the World-wide and Uncondi-  
tional Policy—Progress in the Benefits of Life Insurance to Policyholders.*

By R. W. BARTON, A.I.A.

**I**N spite of the shadow of the Great War, wider benefits were extended to life policyholders during the generation immediately preceding it than in the whole previous history of life assurance. Some of the more important of these benefits were the introduction of guaranteed loan and surrender values, certain disability benefits such as cessation of premiums during total incapacity due to accident or disease, and the removal of restrictions as to residence, travel and occupation.

The guarantee of loan and surrender values is noteworthy because it was the assumption by life assurance institutions of some functions hitherto peculiar to banks. Although the practice met with some criticism on this account, it supplied a public want and life assurance so greatly increased in public favor owing to it that in spite of objectors there is little probability of the withdrawal of these popular features.

The liability under disability benefits until the outbreak of the war was less than had been expected. There are no figures as yet available as to the effect produced by the war, but so far as can be gathered the claims are not unduly heavy.

The removal of restrictions as to residence, travel and occupation produced the "world-wide and unconditional" policy, so-called because when once issued the person whose life was assured was at liberty to travel and reside in any part of the world and to engage in any occupation however hazardous, without addition to the original premium. This was a great advance towards the ideal policy. Indeed, it was only when the war caused its withdrawal that the public really appreciated the full value of these concessions. That the suspension of this form of policy is only until the destruction of Prussian militarism is complete, may be safely assumed.

There are other problems affecting life assurance to which the war has given added prominence. Perhaps the most important is the provision of wider facilities for the assurance of sub-standard or under-average lives. That is, those who either from hazardous occupation, from hereditary taint, or personal defect, cannot be regarded as ordinary or standard risks.

Such persons have as great, if not greater, need for life assurance than normal lives and to this already large class, the war is daily adding those who are especially

entitled to every aid that humanity can give them, in whose defence they have sacrificed so much.

W. J. Graham, Fellow of the Actuarial Society of America, wrote: "The service of bringing life insurance by a scientific measure of risks to *all* classes . . . is the final achievement of scientific research in commercial dealing with human life."

Something has been done in this respect both in Europe and America and with gratifying results, but much remains to be done and the need is immediate. Especially is this so in Canada, where domestic life assurance institutions have not yet provided even the limited facilities offered in Great Britain and the United States to this deserving class.

The question of sub-standard lives has, however, a wider aspect and that is as to how far life assurance institutions can prevent deterioration in the health of their policyholders. One or two prominent companies have gone so far as to offer to their policyholders a free medical examination once a year; while one American industrial life assurance company provides sanatoria for those of its members suffering from tuberculosis. These actions are not prompted by philanthropic motives but are the practical attempts of far-seeing men to eliminate a source of waste in the ordinary course of business. It is only the extension of the practice of fire insurance corporations, which have from the earliest history of fire insurance contributed to organizations for the prevention and extinguishment of fire. In fact, it is so obvious that it seems strange that life assurance administrators have not long since done more in this direction, but we confidently look for developments in this respect in future.

A problem also of urgent importance to all policyholders is the reckless taxation to which life insurance companies are being subjected. Most of this taxation is as much a direct tax upon the savings of the people as would be a tax upon all savings accounts deposited with the chartered banks of Canada.

If the companies could get together and arrange an educational propaganda by means of leaflets to be issued with renewal receipts, annual reports, etc., sent periodically to policyholders, a great body of public opinion might be influenced in time to forestall the growing danger which already threatens the savings of the thriftiest class of the community.

Another problem, as old as insurance itself, is whether proprietary or mutual companies are the better in the interests of policyholders. By the recent mutualization of one great American company and the almost completed arrangements for the mutualization of another, a tendency in favor of mutualization is marked in the United States. The question was prominently before the public in Canada about two years ago and is not unlikely to be so again after the war, when it is to be hoped that

Canadian life policyholders will give very careful thought before yielding the tried security and progress of proprietary companies for the comparative obscurity of mutualization.

Communitistic as is the basic idea of life assurance, only to a very limited extent can its government in the past be called democratic, while there are many and cogent reasons, too long to set out here, that its best development lies in continued individualistic control.

## LIFE UNDERWRITERS' CODE OF ETHICS

### Minneapolis Insurance Men Have a Good One—Qualifications of an Underwriter

The Minneapolis Association of Life Underwriters has adopted a code of ethics which is said to be the first of its kind in the United States. By setting forth clearly the principles for which it stands and the rules of conduct which govern its members, it establishes a high standard of life insurance morals which will necessarily increase the public confidence in life underwriting.

"The most important truth about the vocation of life underwriting is its professional character," says the code. "In the last analysis it embraces the essential elements of all the great professions. The actuary's tables of mortality are based upon the physician's knowledge of the laws of health and the science of life. For the necessity of clear and precise language in its policy contracts and for its ideal confidential relationship between agent and client it draws upon the genius and ethics of the legal profession. It solves its fiduciary and investment problems by utilizing only the soundest practices of the trust companies and banking houses.

#### Accepts no Financial Profit.

"Life insurance in its purest form accepts no financial profit for itself, but propagates its work of persuading men to conserve their moral and financial resources for the common good by altruistic co-operation with their fellow men; and, therefore, upon this unselfish service life insurance bases its right to be classed as a profession of the highest character.

"The constitution of the Minneapolis Association of Life Underwriters defines an acceptable company as 'one that is incorporated, operated and supervised under legal reserve laws; one that does not indulge in any special scheme or device as inducement to take insurance; one that does not make use of extravagant methods or depleted policy valuations and one that for a satisfactory period has maintained a reputable history as measured by the standard herein defined. The life underwriter, in moral fibre, intelligence, address and understanding of business problems, should compare favorably in all these attributes with leading professional and business men in other high-class vocations.

"The agent should be trained for his work just as individuals are trained for other professions. It is not sufficient that the agent be actuated by honorable motives alone, but, coupled with his high purposes, he must have such a thorough understanding of the science of life insurance as will enable him to show its relation to other business and economic problems. Only those who are in this business from an earnest conviction that it affords them the best opportunity to render their greatest service to humanity can claim to have the true professional spirit.

#### Duties of Managers and General Agents.

"It shall be the duty of all agents intrusted with the management of companies: To create and maintain the professional atmosphere in the conduct of the business. To engage as regular sales agents only those who are specially fitted in moral and mental equipment to bring intelligent, efficient and conscientious service to the profession. To refuse to hire agents who are already engaged with other life companies before they shall have been honorably released from such employment. To refuse to contract with or to accept business from any person, making him an intermediary, when such person has no serious intention of becoming a life insurance agent in good faith. To observe strictly the advanced idea of 'Truth in Advertising,' to discountenance the

use of misleading and unfair comparisons by their agents and to forbid them from speaking disparagingly of any sound life company. To co-operate with the state insurance commissioner: in preventing all unworthy persons from being licensed to write life insurance; in securing adequate legislation governing the prerogatives and conduct of life insurance companies, and in the strict enforcement of such law.

#### Duties of the Agent to his Fellow Agents.

"In his attitude toward his fellow agents, as toward all mankind, the agent should endeavor to follow the golden rule: 'Therefore, all things whatsoever ye would men should do to you, do ye even so to them, for this is the law.'

"The agent worthy of respect and confidence will never make unfair criticisms or untruthful statements regarding a fellow agent or his company. On the contrary, he will respect all worthy competitors and will cultivate a friendly relationship with them. Competition should always cease when the application is signed in good faith and when the applicant feels morally obliged to complete the transaction. The fact that the applicant has made a settlement for the premium shall be conclusive evidence of his moral obligation. If the applicant has been given the privilege to accept or reject any policy issued upon his application, the case is open to competition.

#### Duties of the Agent to his Client.

"The true relationship between the agent and the buyer of life insurance is that of adviser and client. The profession of life underwriting is a service to humanity, and reward or financial gain must always be a secondary consideration in the mind of the conscientious agent. He should not be influenced by any calculation of commissions, but, after thoughtful analysis of the particular circumstances of each case, he should recommend that policy which he considers best suited to his client's needs.

"The agent who is actuated by such motives may rightly expect to win the confidence of the public. This conscientious service, together with an intimate knowledge of life insurance and its social and economic value to society entitles the agent to the complete confidence of his client, and such a relationship must be established before intelligent service can be rendered. The agent should feel the responsibility of such confidence placed in him and he should not under any circumstances divulge any information thus entrusted to him.

#### Necessity for Adequate Legislation.

"Human interests of vast magnitude are inseparably connected with the destinies of life insurance. Enormous sums of money representing the savings and faith of millions of people are annually deposited with life insurance companies to be invested in sound securities and to be returned after a period of years either to the insured himself or to his beneficiary. The trust relationship thus created may extend over a period of a hundred years or more. Since nothing so disturbs the healthy growth of life insurance as breaking faith with the public, it is a matter of the utmost importance that this institution, organized upon a scientifically sound basis, should be protected by law against the possibility of becoming corrupt or insolvent. Of equal importance with the need of legislation governing the organization of life insurance companies is the necessity for adequate laws regulating the conduct of the agents.

"In support of this necessary legislation the association is unalterably opposed to the practice of licensing as part-time agents individuals who do not sincerely intend to become, within a reasonable period, full-time regular agents. The constitution of this association provides that those who are not 'engaged specifically in the business of legal reserve life insurance in connection with an acceptable company,' are not eligible to membership in this association.

"Self-styled life insurance 'auditors' and 'experts' by insinuations and manipulation of figures are inducing policyholders to surrender for their cash values policies which are partially or fully paid up and are advising them to buy new insurance in companies they represent. This 'twisting' of policies, as it is commonly designated, results in a financial loss to the insured, is the grossest kind of malpractice, and is, therefore, prohibited by the state insurance law.

"This association is committed to the practice of advising policyholders to complete all standard forms of contracts in accordance with the original terms thereof. This applies to policies in the company in which they have been placed as well as to those in competing companies. A loan against a policy is of the same nature as a loan secured by any other form of collateral, and does not justify the substitution of a new policy at an increased age and cost. Policyholders should notify the commissioner of insurance regarding malpractice of this character. State laws prohibit life insurance companies or their representatives from offering, making or permitting any advantage or distinction in favor of any individual, with respect to the amount of the premium to be paid on any policy of insurance. Within the meaning of the law, any reduction of the premium or any valuable inducement not specified in the policy, or any offer to give, sell, or purchase, as inducement to insure, any stocks or bonds or other securities of any corporation, association, partnership or individual, or the exchange of merchandise or other commodity for a policy of insurance constitutes a rebate.

"The person giving or offering a rebate and the person accepting a rebate are equally guilty and liable under the statute. Policyholders are hereby warned that the acceptance of a rebate not only makes them liable under the statute, but that it may place a cloud on the title to their insurance.

#### Duty of the Public to Discriminate.

"It is the duty of the public to use the same keen, analytical discretion in the selection of its life underwriters which it employs in choosing its lawyers and its physicians. Buyers of life insurance are morally obligated to co-operate with the association in eliminating from the profession those agents who are unfitted for the work. Standardization will progress more rapidly if the public refuses to recognize or favor with patronage the untrained or the unreliable agent.

"Such discrimination on the part of the public will result in better service than is otherwise possible. Every profession has its own duties, which must be understood and obeyed if its ideal achievements are to be attained. The life underwriter who subscribes to this code of ethics thereby breathes into it the living spirit of the profession. He makes it more than a mere abstract statement of the ideal, he adopts it as the atmosphere of his life's behavior.

"Having deliberately subscribed to these rules of conduct, it shall be the duty of every member of the Minneapolis Association of Life Underwriters to expose without fear or favor every violation of these rules, and any member of this association who shall wilfully depart from the spirit of these obligations shall be dealt with as provided in the constitution and by-laws of this association."

#### NATIONAL STEEL CAR COMPANY

Interests close to the management of the National Steel Car Company, says a Hamilton despatch, state that that company has recently received substantial orders from the French and United States governments. The French orders are chiefly for regulation army wagons and trucks, a very large number of which are required for immediate delivery, though part of the order is spread over a considerable time. The United States orders include freight cars as well as other army supplies. The new orders are regarded by the management as quite good business, the prices contracted for being satisfactory in every respect.

Negotiations with the French government for readjustment of prices on the large delivery of cars made several months ago are expected to be soon completed. Profits for last year depend largely upon this adjustment, so it is unlikely that the financial statement will be forthcoming for some little time.

As exclusively stated in *The Monetary Times* last week, Mr. J. E. McAllister, a Toronto consulting engineer, has been appointed general manager and vice-president of the company.

## RAILROAD COMPANIES' FINANCIAL POSITION

### Statements of Canadian Northern and Grand Trunk Pacific Railways

The following are statements tabled in the House of Commons at Ottawa regarding the financial position of the Canadian Northern Railway Company and the Grand Trunk Pacific Railway Company. The government proposes to obtain control of the former company and to loan \$7,500,000 to the latter company:—

#### Canadian Northern Railway.

The total assets of the Canadian Northern Railway system are placed at \$581,084,678, and the surplus of assets over liabilities is given as \$37,494,870, as on April 30th last. The land account shows that the Canadian Northern Railway Company holds 843,127 acres of land in Manitoba and Saskatchewan, 2,000,000 acres in Ontario, and 402,860 acres in Quebec. The land in Saskatchewan is valued at \$15 an acre and that in Ontario and Quebec at \$3 an acre. The estimated total value of unsold lands is \$19,855,485; deferred payments receivable amount to \$7,140,996.59, and cash in hand from lands aggregated \$2,408,683.67. The total of land assets of the company is thus \$29,405,165.16, against which there are mortgages outstanding to the amount of \$21,251,073.33.

The estimated cost of completing lines and terminals under construction is given as \$4,188,099 and to meet this cost there is cash in trust accounts to the amount of \$3,683,831 together with government guaranteed securities to the value of \$217,160 and the Canadian Northern debentures stock to the value of \$287,108. It is pointed out that the contemplated expenditure does not represent the complete construction programme of the company, but only that portion of the same which it is desirable to proceed with before the end of the war. On construction account the company owes \$999,566.

The estimated amounts required for betterments and rolling stock are stated to be \$6,590,000 for 1918; \$8,355,000 for 1919 and \$8,317,500 for 1920.

Up to date the government has advanced \$2,634,500 to the Canadian Northern Railway interest account under the legislation of 1914 granting a guarantee of \$45,000,000 of the company's bonds. The advances were made during 1916 and 1917.

#### Grand Trunk Pacific Railway.

The net cash requirements of the Grand Trunk Pacific Railway Company to meet interest charges between July 1st, 1917, and June 30th, 1918, and to provide necessary betterments and rolling stock, amount to \$7,494,760.78. The total of interest due in the period is \$7,684,177.74. Of this sum, however, \$1,189,416.96 is to be paid out of the balance of the loan of \$8,000,000 made to the company by the government last year. The estimated cost of needed betterments and rolling stock is placed at \$2,000,000; operating loss of the Grand Trunk Pacific Coast Steamship Company at \$100,000, and surplus from the operation of the Grand Trunk Pacific system including Grand Trunk Pacific branch lines at \$1,100,000.

The par value of bonds authorized for the Grand Trunk Pacific Railway and Grand Trunk Pacific branch lines is \$229,434,896. Of the total, bonds to the par value of \$202,494,151.35 have been issued. Of these issues the net proceeds to the companies were \$193,300,001. Issued debentures to the amount of \$76,480,848 are guaranteed by the Dominion and \$11,892,366 represent the proceeds to date of loans made by the government to the company.

The proceeds of bonds guaranteed by the province of Saskatchewan total \$13,230,088, and those guaranteed by the province of Alberta total \$3,589,596. Bond issues guaranteed by the Grand Trunk Railway Company amount to \$97,301,252.

The Dominion government will make a demand loan to the company of \$7,500,000, with interest at six per cent., secured by mortgage, to be availed of for the purpose of paying interest on underlying securities, making necessary expenditures for betterment, rolling stock and any deficit on operations.

## CANADIAN NORTHERN RAILWAY

**Minority Commissioner A. H. Smith Said Railroad Could Work Its Way Out in Reasonable Time**

The reference to the Canadian Northern Railway, by Mr. A. H. Smith, president of the New York Central Railway, who signed the minority report of the Railway Inquiry Commission, is as follows:—

The lines of the Canadian Northern, particularly in the prairie provinces, appear to be advantageously located in view of traffic conditions. Inspection of the property brings out the fact that this road was built with proper regard for economy, and the creation of a permanent public service utility.

In some instances, the system has extended its lines where it should have obtained a traffic interchange agreement or the joint use of facilities instead, at least until the traffic had grown enough to justify further expansion. A public policy intended to develop and serve the country as a whole, at the lowest cost, would have enforced arrangements which would have obviated the needless duplication of facilities.

The line from Yellowhead Pass to Vancouver, in part at least, may be unnecessary, but it is there by the joint action of government and the company. The character and capacity of this line through the Fraser River canyon, where it is alongside the Canadian Pacific for about 200 miles, would suggest that no more money should be spent for double-tracking or revising grades on either of the railroads for years to come. From Yellowhead Pass to Edmonton, the proximity of the Grand Trunk Pacific places two lines where one affords abundant capacity.

**Invasion of East Unwise.**

The invasion of the east by the Canadian Northern now appears to have been unwise, but condemnation thereof must be tempered with a knowledge of the conditions which forced this extension. There was a public demand for railroads. All Canada was enthusiastic over the prospects of a rapid growth in wealth and population. Railroads were on a competitive basis, and the public stood ready to back any new railroad enterprise, since that meant a rival carrier, and, incidentally, a new business in construction. There was no regulation which enforced co-operation among rival lines. The Canadian Northern, seeking to expand and become a profit earner, quite naturally desired to get all the traffic it could, and to hold all it got for as long a haul as possible. As a result, it undertook to do what appeared to be necessary under the conditions then existing—that is, to extend its line to both oceans.

An inspection of this company's property shows that generally it is of a type of construction well suited to its needs, and that the builders have installed it at a cost which, by comparison, seems small. Nowhere was there evidence of waste in the construction work itself. It is true that the company had some construction under way, or planned, that appeared wasteful because unnecessary, but this is due, I understand, to the unregulated competitive system, or to bargains with public authorities.

**Example of Duplication.**

The building of expensive terminals in cities already supplied with adequate facilities affords an example of duplication for which the public must eventually pay. However, in the absence of restraint and regulation by consistent public authority, it is difficult to determine how the company could have avoided this.

The precarious financial situation of the Canadian Northern is due, in part, to its uncompleted condition, and to the fact that needed capital cannot be obtained on its own resources, especially during the period when capital is so greatly in demand by powerful governments. This system is not at present able to earn all of its fixed charges. As important parts of the system have but recently emerged from the construction period, it would be truly remarkable if it were able to do so. It does earn a very large proportion of such charges, and probably could earn all of them but for the burden of eastern extensions and duplications that have been placed upon it. Practically all commercial enterprises, and particularly railroads, must go through a development period.

The Canadian Northern is short of equipment. With the return to normal conditions, and provided with the capital necessary for equipment and for additional local facilities, this road can, in my judgment, work its way out in a reasonable time.

## HOW TO GET INSURANCE APPLICATIONS

**Some Good Advice to Life Underwriters in the Days of 1870**

The following article is reprinted from *The Monetary Times* of May 26th, 1871. Life insurance agents will find in it much counsel of value, as undoubtedly did the comparatively few underwriters who were selling life insurance in Canada fifty years ago:—

It is safe to assert that life assurance has not been overdone in the sense of glutting the market, or of having insured all who desire or can pay for policies, but it cannot be so confidently asserted that the business that has been obtained was properly done, or that the methods in vogue during the past seven or eight years and still existing, are either the most effective for obtaining business or retaining it.

The day has gone by when policies are taken without a question of solvency or dividend returns, when opportunity and importunity are the open sesame to success. Men do not insure to get dividends, or regard life policies per se as a good investment. An idea, though a somewhat nebulous one at present, is prevalent that there is no way to make a profit out of a policy except to make it a claim during its earlier years, and if the assured neither dies nor makes bad investments, the money appropriated to this purpose might, as far as dividends proper are concerned, be more rapidly accumulated in a tin savings bank.

**Insurance for Its Own Sake.**

The legitimate object of life insurance is to provide for the family during the earlier and productive years in which a competence is, or is sought to be made; it is life insurance for the sake of life insurance, and any modification of policy which proffers to do more is a relic of the speculative era of life business and a perversion of its beneficent purpose.

Life assurance has prospered and grown in spite of the wrongs which have been grafted upon it; policies have been persistently kept in force long after every parole promise upon the faith of which they were applied for and taken has been broken and falsified, and it is time that this abiding faith and trust deserves to be met by the agent, and the company also, with a corresponding frankness and a clearer exposition of the principles which underlie his contract. The more thoroughly the assured comprehends the nature of this contract, the more perfect the confidence between the assured and the assurer.

**Ignorance and Misapprehension.**

The assertions may be safely ventured that upon no subject of equal importance and magnitude does so much ignorance and misapprehension exist—and that this is due not to a disinclination to acquire information, not even to the absence of an eagerness to do so, but to the want of a lucid and comprehensible analysis of the processes of a computation, and a translation of its seeming mysteries into the common arithmetic and vernacular of the assured.

The assured is, at least in the mutual companies, which comprise nine-tenths of the competitors for patronage, solicited to become a partner and a stockholder. A part of the incentive to invest in them is the privilege of participation in the profits and benefits as an equivalent for the liabilities and duties assumed by him. He would certainly not invest in any other business or partnership for a whole lifetime (except, perhaps, in matrimony) without inquiring minutely into the duties, liabilities, immunities, privileges and profits to be assumed or enjoyed; and that he is willing to make an exception of life assurance, of which he has been taught in general little more than the process of getting in, and less than nothing of the method of getting out again, will ever remain a riddle unsolvable upon any other hypothesis than that the assurance is of such inestimable value, of such prime and indispensable necessity as to be accessible upon any terms.

Less than 4 per cent. of the aggregate annual income of the people of the United States and Canada is invested in life insurance premiums; 87½ per cent. of all estates left for administration consist only of life insurance. Of the people who die 66 per cent. leave nothing, 25 per cent. leave estates (average) of \$1,292, 9 per cent. leave estates of \$5,000 and upwards.



# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

Address: Corner Church and Court Streets, Toronto, Ontario, Canada.  
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Winnipeg Office: 1208 McArthur Building. Telephone Main 2663.  
G. W. Goodall, Western Manager.

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The Monetary Times was established in 1867, the year of Confederation. It absorbed in 1869 The Intercolonial Journal of Commerce, of Montreal; in 1870, The Trade Review, of Montreal; and the Toronto Journal of Commerce.

The Monetary Times does not necessarily endorse the statements and opinions of its correspondents, nor does it hold itself responsible therefor.

The Monetary Times invites information from its readers to aid in excluding from its columns fraudulent and objectionable advertisements. All information will be treated confidentially.

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When changing your mailing instructions, be sure to state fully both your old and your new address.

All mailed papers are sent direct to Friday evening trains. Any subscriber who receives his paper late will confer a favor by complaining to the circulation department.

## FIFTY YEARS AGO

Fifty years ago this month, on August 15th, 1867, the first issue of *The Monetary Times*, containing eight small pages of reading matter, was published. During the next four years the size of the paper was increased to twenty four pages. Since then, regular issues have had as many as eighty and ninety pages, while our annual numbers have exceeded three hundred pages. Looking back over the old files of the paper, one is impressed by the growth of life insurance since that date. In those early days only one Canadian life insurance company was doing business here, the Canada Life. In 1869, it issued 831 policies representing \$1,156,855 of insurance, a record which many individual agents now make in less than a year. The company's business in force at the end of 1869 was \$5,476,000, an amount which many companies now write in less than two months.

Reviewing in August, 1870, the work of this paper during its first three years career, it was said: "We take some credit for having excited greater interest in the beneficent cause of life insurance, and for contributing to its spread among all causes. As an Insurance Chronicle this journal has become a vade mecum with the life agents—a most deserving and benevolent class, whose efforts prevent a world of misery every day, whose persistency very often secures the bread and butter, home comforts, friends, all, to many a household in the hour of saddest bereavement."

Then, as now, we put in many a good word for life insurance as a necessity, as an investment. In our issue of October 7th, 1870, for example, appeared the following: "This method of family provision is becoming daily more popular in this country, and there can be no greater evidence of the good sense, the prudence, and the stability of a people than life insurance. It is a trait in the national character which is indicative of mental advance, for, as a habit, life insurance is never adopted except where civilization is far advanced towards perfection. Persons with moderate incomes, whose tardy accumula-

tions from the savings from their annual stipend, have generally abandoned this mode of ultimate provision for their families, and have resorted to life insurance, which secures to them, at any period after the policy is once effected, that support in case of death which would occupy many years of careful hoarding to effect."

Again, in our issue of April 12th, 1871, this reference was printed: "The principles of life insurance are sound, and a fair and just appreciation of the scheme depends only upon a correct understanding of it. Let not the importunity of some pertinacious canvasser make life insurance so offensive as to induce you to forego its consideration and repudiate its claims. Take a book and quietly investigate its merits. Some men undoubtedly are in this as in other matters, injudicious in their action and by overloading themselves, become embarrassed. Treat it in a cool, business-like manner, and no reproaches will succeed, but rather hearty commendation. Changed circumstances in life have often suddenly made enthusiastic converts, who have deeply regretted and severely chided their delay in this important matter. Act in the living present. 'Be wise to-day, 'tis madness to defer.'"

## BUYING MORE INSURANCE

The increasing demand for life insurance is normal. It is based upon the growing appreciation by the Canadian people (who are, generally speaking, greatly uninsured) of the necessity and benefits of life insurance. Over 80 per cent. of the estates left in the United States consist solely of life insurance. In Canada, many estates would be of little or no value were it not for life insurance policies. The past year was the greatest in the history of life insurance in the United States as regards the amount of new business written. In Canada also, the new issues exceeded the 1915 totals and approached closely to the largest life insurance year the Dominion has known. In the two countries \$4,500,000,000 of new business was written, about \$4,270,000,000 in the United States and \$231,000,000 in Canada.

So far in 1917 the demand for life insurance has been beyond all precedent. Reports to The Insurance Press of New York and to *The Monetary Times* from a number of companies, including the largest corporations, show increased business of 30.96 per cent. during the first five months of the year. Reports from the same companies show that the new life insurance written in May, 1917, was 32.39 per cent. greater than in May, 1916. If a ratio of gain of 31 per cent. holds good during the remaining seven months of the year as an average for all companies, new business for 1917 will probably be the largest on record. The Canadian companies whose salesmen will meet in convention at Winnipeg next week are getting a vast amount of good business. Many of our companies already have in sight the breaking of their excellent records made last year in respect to the volume of business. In the United States, the popularity of group insurance plans has increased, many notable transactions being recorded in large industrial plants. This form of insurance has yet to be written in Canada. Monthly income insurance is appealing to an increasing number of insureds who prefer to leave monthly incomes to their beneficiaries rather than lump sums. Business insurance is being written for large amounts to protect firms and corporations against money loss by the death of partners or corporate officers. Both monthly income

and business insurance are making rapid strides in this country. The placing of \$1,500,000 policy on the life of Sir Mortimer Davis, president of the Imperial Tobacco Company, Montreal, (as exclusively reported in *The Monetary Times*), is an example which will be followed by many other captains of industry in the Dominion for larger or smaller amounts.

### OUR NEXT WAR LOAN

As the Canadian government's recent short-term loan in the United States was for only \$100,000,000, it is probable that another domestic war loan cannot be postponed longer than the end of 1917. There may be ways and means of financing our heavy war expenditures for the remaining five months of the current year and for a month or so next year, but at present it looks as though the fourth domestic war loan would have to be issued soon after fall, possibly December, when the greater part of the crop movement financing has been accomplished. The experience with the marketing, to the ultimate investor, of the third war loan particularly, makes it imperative that much more effective arrangements should be made to insure the success of the next domestic loan. This is not a reflection upon the excellent work of the finance minister and his staff. It is a reminder that a much bigger task is ahead.

A greater number of subscribers to the next loan must be obtained than the 40,000 who subscribed to the third loan. To do this, considerably more organization work will prove necessary during the months preceding the issue. The United States sold \$2,000,000,000 of 3½ per cent. bonds to 4,000,000 people. That was the first war loan and paid a rate of interest 1½ per cent. less than the Canadian loan and at least that much less than the average man could get on his funds, with a reasonable amount of safety. In other words, without any previous education in domestic war loans and at a rate of interest which was far below normal for the ordinary American, the government reached 4 per cent. of the population. To have secured equally wide distribution the last Canadian war loan should have been sold to 280,000 people. Instead, it reached only 40,000. While the Liberty Loan subscription lists were open, the appeal to patriotic necessity and self-interest was proclaimed in every newspaper, on every bill board, in every window, at the movies, in the theatres, on the street corners, throughout the length and breadth of the land. As Mr. R. D. Bell, Montreal, stated in an exceptionally interesting contribution to *The Monetary Times* the other week, "no man, whether he was a capitalist or a laborer, could go through a day's work without having the Liberty Loan impressed upon him, not once, but twenty times. Every inducement was offered to the people at large to subscribe. The facilities of the periodical payment plan, whereby the bonds could be paid for on easy payments out of income were advertised energetically by practically every bank and security house in the United States. In Canada only those who habitually read the financial page of the newspapers came in contact with the war loan advertising; in fact we know of one firm which had great difficulty in persuading one of our leading newspapers to allow them the use of the first page. Only one house actively brought to the attention of the public the fact that they could buy the war loan on easy payments out of income. The security houses did most of the work of actually distributing the loan, but the work was confined largely to the restricted

clientele that always buys bonds. So far in this war we have lost a splendid opportunity to make this country a nation of bondholders. Certainly our war loans are attractive enough and our people are prosperous enough."

The finance minister and his colleagues will undoubtedly make effective plans to endeavor to double the number of subscribers to our next war loan. The effort will cost money and considerable labor by the finance department and by various organizations throughout the country. If effectively planned and carried out, these efforts should make a great many more citizens bondholders as well as taxpayers.

### BANKING AND LIFE INSURANCE

In many of its functions and purposes life insurance is similar to banking. It collects the savings of thousands into a common fund which can be loaned for the development of industries and the improvement of municipal enterprises. It places within the reach of the man of small means a safe investment and a plan of saving which nets a comparatively low but certain rate of interest. In its co-operative and semi-public character it is closely allied to banking.

Life insurance is becoming more popular in Canada but the Canadian people are still greatly under-insured. The amount of insurance carried in this country is large in sum total, but it is small in proportion to life values. The United States carries one-eighteenth of the amount needed to be fully insured, and here the proportion needed is probably still greater. The banks and the life insurance companies are co-operating in their work to some extent because one of the reasons frequently given by the prospect to the insurance salesman is that he cannot afford life insurance. Thrift and economy are good things for the individual, for banking institutions, for life insurance companies and for the country generally. As the *New York Bankers' Magazine* recently pointed out, the man who says he cannot afford adequate life insurance may be right, but it happens in most instances that the reason he cannot is that he does not live within his income. Consequently, when the agent presents a plan of life insurance to him he cannot see where the money is to come from to pay the premium. That is sufficient basis for the statement of the up-to-date banker to the insurance agent, that "adequate life insurance protection rests primarily upon intelligent preparation for the payment of premiums."

### LIFE INSURANCE AND MOVING PICTURES

Can the moving picture be used successfully to encourage the sale of life insurance? This question will be considered in a practical way by over four hundred Canadian life insurance salesmen who will meet in Winnipeg next week. Four moving pictures, having for their moral the necessity of buying life insurance, have been prepared by a film company in the United States. These pictures will be shown at the Life Underwriters' Convention at Winnipeg, and the opinion of the underwriters as to their value as an advertising and educational medium, will be of considerable interest. Here is a brief synopsis of the stories of the four films:—

(1) Scene opens with a man, woman and child looking at a beautiful cottage. The man says: "A few more years and I'll have it paid for." As they look at the house, the man fades out and the dress on the woman changes into black (mourning) with the child clinging to

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Capital Paid up	- - - -	\$16,000,000
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Undivided Profits		\$1,557,034
Total Assets	- - -	\$386,806,887

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her dress. A large hand enters the picture and spreads its fingers over the house. The hand is entitled "mortgage." This wording follows: "You have a mortgage on your home, perhaps? Protecting the family and the home is one of the big things legal reserve life insurance does."

(2) Scene opens showing black screen. In the centre, there is introduced a want advertisement reading: "Widow with three small children, willing to do any kind of work for money, food or clothing. Address Box 432, this paper." This scene changes to a woman sewing on a machine. Three small children are seated around. The woman's features show a haggard and weary look. Across this scene the following words appear in large letters, "Some man is to blame—He intended to—But he put it off too late." Final the words appear, "Do you wish your widow to seek employment after your death? A life insurance policy will prevent this. Consult any agent of one of the representative life insurance companies."

(3) Scene opens showing the interior of an office. Business man is seated on the right of the picture at his desk and another on the left side of the screen. Both are seen working over papers, etc. The man on the right fades out and his desk is closed. The man on the left of the picture turns in his chair with a troubled look on his face and says, "Poor John. It seems as if I have lost my right arm." This wording fades in across the bottom of the screen: "Your partner means money to your business. Make sure you do not lose that money even though you lose him." This advertisement follows: "Ask any agent of a representative life insurance company what it will cost to carry business insurance."

(4) Scene opens showing a scroll diagonally across the screen. Neatly within the scroll at the upper right-hand corner is shown a loaf of bread with knife lying across a slice as if it had been cut from the loaf. At the lower left-hand corner with the scroll a man is shown at work over a table, laying out plans, maps, etc. (representing a draftsman). He fades out and in his place appears a young woman, dressed in black with two small children. This picture gives place to a large question mark with the wording: "Who earns the bread and butter when you are gone?" This advertisement follows: "Secure a monthly income for your wife. Ask any agent of a representative life insurance company what it would cost for an income of \$100 a month."

The moving picture has taken the greater part of the audiences of the theatre; it has found also a new audience. As yet, it has been used chiefly for amusement purposes. Its greatest value will be found in its use as an aid to education, as the nation's advertising agent, and as the magnet of capital. The Ontario government has already established a motion picture bureau and through it instruction will be given in agriculture, fruit growing, road construction, and so on. The resources of the province will also be advertised. The Canadian Manufacturers' Association is considering the advertising of Canadian industries through the medium of moving pictures. That such pictures could be made of material value in educating the public to the necessity of life insurance, may be taken for granted. It is absolutely necessary, however, that the scenarios be well conceived and written. A mediocre exhibition and in only second-rate picture houses, would prove a poor advertisement for Canadian life insurance. The life insurance salesmen of Canada should prove good judges as to whether or not the pictures to be shown in Winnipeg are suitable as a beginning.

## INVESTMENTS AND THE MARKET

### News and Notes of Active Companies—Their Financing, Operations, Developments, Extensions, Dividends and Future Plans

**Dome Mines Company.**—In view of the large amount required to carry on development work as planned, the directors have decided not to pay the dividend at present.

**The Hudson Bay Company.**—The company is now able to recommend a further dividend of 20 per cent. on its ordinary capital for the year to May 31st last, making 30 per cent. for the year. Of this distribution 15 per cent. is in respect of the receipts of the land department; payable free of income tax. The remaining 15 per cent. is in respect of the profits of trade, being the same rate as last year, of which 10 per cent. has already been distributed.

**Canadian Pacific Railway.**—At a meeting of the directors the following dividends were declared on Monday: On preference stock, 2 per cent. for half year ended June 30th last. On common stock, 2½ per cent. for quarter ended June 30th last, being at the rate of 7 per cent. per annum from revenue and 3 per cent. per annum from special income account. Both dividends are payable 1st October next to shareholders of record 1 p.m. on September 1st next.

**Ontario Steel Products Company, Limited.**—The annual report submitted to the shareholders shows assets \$2,430,075, liabilities \$77,266. The figures are:—

Fixed assets—Real estate, plant, power rights and goodwill, \$1,816,717. Current assets—Cash, \$98,182; bills and accounts receivable, \$168,663; inventories, \$338,060; securities, \$6,202. Deferred charges to operations—Unexpired insurance, etc., \$2,249. Current liabilities—Bills and accounts payable, \$59,716; bond interest due July 2nd, 1917, \$17,550.

Reserves—For depreciation, etc., \$54,698; for sinking fund, \$24,900; for business profit tax—Reserve provided, 1916, \$2,500; balance due on adjustment, 1916, \$1,701; current year, \$10,410.

First mortgage 6 per cent. bonds—Due July 2nd, 1943, \$600,000; less bond redemption fund, \$24,900. Capital stock authorized and issued—7 per cent. cumulative preferred shares, \$750,000; ordinary shares, \$750,000.

Profit and loss account—Net profit for year, after providing for depreciation, business profits tax, etc., \$182,295; balance brought forward July 1st, 1916, \$123,076; less—bond interest, \$36,000; preferred dividend for year at 7 per cent., \$52,500; provision for 1¼ per cent. on arrears of preferred dividend payable August 15th, 1917, \$9,375; amount transferred to bond redemption fund—July 1st, 1916, \$12,000; July 1st, 1917, \$12,000.

President W. Wallace Jones said in his annual report: The sales for the year, both in tonnage and value, are the largest in the company's history, and much larger than the combined sales of all subsidiary companies in their best year prior to the formation of Ontario Steel Products Company, Limited. During the year, owing mainly to the adverse conditions of British exchange, war orders for the company have been negligible, but the directors are pleased to report that the foreign export business for commercial products has largely increased, and the management is hopeful of retaining a large portion of this newly developed trade after the war is over. During the past year the directors have declared the full regular dividend of 7 per cent. on the preferred shares of the company, and have also declared a dividend of 1¼ per cent. payable on August 15th, 1917, on account of arrears, thus reducing these arrears of dividends to preferred shareholders to 6 per cent. Further payment on account of deferred dividends may be made from time to time, if conditions warrant, but in view of the increased working capital necessary, owing to the enormously enhanced price of all raw materials, the directors have decided that it will be prudent to reasonably conserve the liquid and cash resources of the company until the business outlook can be more accurately gauged. Net quick assets over liabilities, after payment of bond interest and sinking fund, due July 3rd, 1917, and after making provision for the 3 per cent. dividend on preferred shares, payable on August 15th, 1917; also provision for the business profits tax for the fiscal year ended June 30th, 1917, amount approximately to \$520,000, as against \$450,000 last year.



## INSURANCE FOR BUSINESS MEN

### How Policies Have Helped Canadian Captains of Industry

BY WILLIAM LEWIS EDMONDS.

When the multiplicity of advantages that accrue from commercial life insurance are taken into consideration, it is rather surprising that it is only during the last decade, it has received much attention from the business men of the country.

One of the outstanding features in modern business practice is the increasing attention which is being given to the subject of life insurance for business purposes. That is the practice of placing life insurance on heads of firms or on men filling positions of responsibility, the policy being payable to the firm or company as the case may be.

Many years ago there were men in Canada who recognized the advantage of this kind of insurance and governed themselves accordingly. The late Senator Fulford was one of the pioneers in this respect, with the result that when he died several years ago a check for the snug little sum of two hundred thousand dollars came into the treasury of his company as compensation for the loss of his personality and influence.

And even in this day and generation, notwithstanding the increasing attention which is being given to it, it is not yet receiving the attention that its utility demands. It is, however, significant that the practice of taking out commercial life insurance is more common among those engaged in large business enterprises than among any other class.

That the practice of carrying commercial life insurance is destined in time to become as general as commercial fire insurance there can be little doubt. When one considers objects possible of attainment through the medium of commercial life insurance one cannot well come to any other conclusion.

#### Insurance Against Financial Loss.

Take, for example, insurance against financial loss through the death of either the head of a one-man concern, a member of a partnership, or the executive head of an incorporated company. True, there is an old theory to the effect that when one man passes away there is always another somewhere who can fill his place just as well. But theories are sometimes platitudes which do not in practice work out according to schedule. And this is one of that kind. Given time the desired man might probably be found to fill each and every vacant position. But the loss of time usually means to the business enterprise loss of money. Where commercial life insurance is carried compensation against financial loss is provided, either in part or to the full extent.

"Look at the position I would be in if my partner died," recently remarked a well-known business man. "I could probably in time replace him. But because of his peculiar fitness for the department in which he is in charge, it might take me a year to find his equal in efficiency and capacity. In order to protect ourselves against such an eventuality we carry commercial life insurance."

#### Obviates Necessity for Liquidation.

There is a certain manufacturing concern which does a large business both at home and abroad. But it is practically a one-man concern. The head of it being its centre and circumference, his death would undoubtedly be a serious loss to the business, but although the firm is a wealthy one its head some time ago took out commercial life insurance policies to the aggregate amount of half a million dollars. Every one connected with the firm now sleeps easily.

It frequently happens in the case of the death of a partner that his heirs desire to withdraw the investment which the deceased had in the business. As every business man knows, this is not always easily accomplished without serious impairment of capital. And instances are not wanting where insistence has resulted in the business being forced into liquidation. It is possible through commercial life insurance to both meet the wishes of the heirs and obviate the necessity for liquidation.

Another use to which commercial life insurance is being put by some firms is protection against loss through the death of valued travelling salesmen and resident representa-

tives. One Toronto firm which did this in regard to a representative had reason a couple of years ago to thank its stars that it had done so. The particular representative on whose life the policy had been taken out had charge of the company's European business and resided in England. He was particularly fitted for the position he filled, and feeling that his death might entail a serious loss the company took out a fifteen-year endowment policy for a hundred thousand dollars on his life. Early in 1915 the policy fell due and the company received a check for the full amount entailed. And the fortunate thing about it was that the hundred thousand came into the company's treasury at a time when the country was still suffering from the financial stringency which had been accentuated by the war, and, furthermore, when the company needed funds for contemplated expansion, which, through the ordinary sources might at that time have been difficult to obtain.

#### Create a Reserve Fund for Future Contingencies.

The object some firms have in taking out commercial life insurance policies is the creation of a reserve fund for the purpose of providing for future contingencies or possible expansions in business. One Toronto manufacturing concern that has gone extensively into commercial life insurance for the purpose of creating a strong reserve fund has within the last few years paid out over fifty thousand dollars in premiums. From what the writer can gather from conversation with business men this is a phase of commercial life insurance of whose potentiality comparatively few have contemplated. Those, however, who have given some thought to it are of the opinion that it is one of the most useful purposes to which it can be put. Its utility for the purpose of creating a fund for the retirement of mortgage, bond and other forms of indebtedness is, of course, pretty widely recognized.

One significant feature in connection with commercial life insurance is the increasing favor it is meeting with in the auditing profession. In many instances they insist upon their clients taking out policies of this kind. And it is the direct result of this insistence that many of the munition firms are taking out policies on the life of managers and superintendents, and particularly on those who are possessed of a high degree of efficiency in industries of this kind, and consequently would be difficult to replace.

Naturally the carrying of a relatively substantial commercial life insurance policy greatly strengthens the credit standing of a firm. That explains, in turn, why the banks are such strong advocates of the practice. In fact this is often the only condition upon which desired accommodation can be obtained. There probably isn't a bank in the country that does not preach this doctrine to its customers. A commercial life insurance policy being classed among the best of securities it is not surprising that the banks should be found among its strongest advocates.

#### Policy Taken Out Depends Upon Object in View.

The character of the commercial life insurance policy taken out depends, of course, upon the object in view. If protection against loss by death of a member of the firm is the desired object the ordinary whole life plan with profits is the best. But if in addition to protection it is desired to build up a reserve fund to be drawn upon in cases of emergency the endowment plan is preferable.

Some years ago, on the death of the head of the firm, it was agreed that each of the surviving partners of a large wholesale dry goods house in Canada should insure his life in the interest of the company. Each of the partners was below middle age, and under the policy accepted payment was to be made as each reached the age of sixty-five. The immediate effect of this was the strengthening of the company's credit with its bank, which would otherwise have been impaired by the death of its senior partner, while to-day the aggregate value of the policies is estimated at \$125,000.

In view of the prosperity which obtains, the present is a particularly opportune time for business men to consider the advisability of investing some of their surplus profits in commercial life insurance policies.

It cost 9.3 cents a pound for Granby Consolidated to deliver its copper in New York during June, this including expense of every kind from mining the ore to refining and selling the product.

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

W. D. MATTHEWS,  
Vice-President

C. A. BOGERT, GENERAL MANAGER

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INCORPORATED 1869

Capital Authorized ..... \$ 25,000,000  
Capital Paid-up ..... 12,911,700  
Reserve and Undivided Profits.... 14,324,000  
Total Assets ..... 295,000,000

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Capital (Authorized by Act of Parliament) ..... \$5,000,000.00  
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W. F. COWAN, President. W. FRANCIS, K.C., Vice-President.  
W. F. Allen, F. W. Cowan, H. Langlois, T. H. McMillan,  
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AUSTRALIA

PAID UP CAPITAL - . . . . .	\$ 18,526,600.00
RESERVE FUND - . . . . .	13,625,000.00
RESERVE LIABILITY OF PROPRIETORS - . . . . .	18,526,600.00
	<hr/>
	\$ 50,678,200.00
	<hr/>
AGGREGATE ASSETS 30th SEPT., 1916	\$277,488,871.00



J. RUSSELL FRENCH, General Manager

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## PERSONAL NOTES

MR. A. E. HAM, superintendent of insurance in Manitoba, who will address the Life Underwriters' Convention at Winnipeg next week, is a capable government official, and well posted on the business of insurance. He has occupied his present position for many years, and will address the underwriters on the advantages of the licensing of insurance agents, dealing particularly with the Manitoba act.

THE LATE MR. G. P. SCHOLFIELD, former general manager of the Standard Bank of Canada, who died on May 8th, left an estate of \$50,468, half of which consisted of stock in the Standard Bank. The remaining half comprised shares in the following Ontario companies: Trusts and Guarantee Corporation, Dominion Telegraph Company, Canada Permanent Mortgage, Great West Land Company, and Steel and Radiation.

MR. A. E. FISHER, superintendent of insurance, Saskatchewan, will be one of the speakers at the Life Underwriters' Convention, Winnipeg, next week. He is well known by the insurance fraternity both in eastern and western Canada. With the other western insurance superintendents, Mr. Fisher has worked incessantly for uniform insurance laws in Canada, and he will have something to say on this important subject at the convention.

MR. C. C. BALLANTYNE has declined to accept the position as one of the five members to represent Montreal on the Food Control Council. Mr. Ballantyne gives as his reason that he was not consulted on the matter. The other members are Ald. Weldon, Z. Hebert (president of the board of trade), J. McKergow (mayor of Westmount) and C. Burke. Mr. Ballantyne is vice-president and managing director of the Sherwin-Williams Company.

MR. CHAS. HALE WHITE, who is a prominent member of the Canadian Manufacturers' Association and the London Board of Trade, started his business career with the London Bolt and Hinge Company in 1888, later becoming manager of the Guelph Iron and Steel Company in 1899, of which he formed a joint stock company which took over the business, removing the plant to London in 1902. Mr. White is manager of the London Rolling Mills Company, London, Ont.

MR. MEDERIC MARTIN, mayor of Montreal, according to a Montreal Gazette statistician, made a path of ink one-third of a mile long in signing last week-end at his country home, at Laval des Rapides, 1,400 loan certificates for \$1,000 each. These are the certificates for the last city loan floated. In driving his pen this distance, Mayor Martin will be undertaking a task comparatively easy as compared with some of the bond signing campaigns he has undertaken in New York on one or more occasions when the city had floated a loan there.

MR. ALVO VON ALVENSLIBEN, reputed head of a German spy system in the west and alleged financial agent of Germany in Canada, is in the internment camp at Fort Douglas, according to a Salt Lake City dispatch this week. He was brought to that city on Monday in custody of department of justice agents. Alvensleben is said to have declared that he had lost a fortune of several million dollars in Canada and the United States since the outbreak of the war. *The Monetary Times* criticised his enterprises in Western Canada some years ago, and by a curious coincidence, much of the information which *The Monetary Times* obtained regarding Alvensleben's operations, came from another German banker in Canada, who many months ago, left the country. Alvensleben was reputed to have represented the Kaiser in making Canadian investments, but this story has always been taken with a grain of salt.

SIR WILLIAM MORTIMER CLARK, Lieutenant-Governor of Ontario from 1903 to 1908, died suddenly last week at Prout's Neck, Maine. Sir Mortimer was one of Toronto's most respected citizens, and a popular public man. Born in Aberdeen, Scotland, on May 24th, 1836. He did not come to this country until he was 23 years old. His keen business instincts and commercial acumen were no doubt inherited from his father, the late John Clark, who, although he died at the early age of 28, had achieved a commanding position in the Scottish insurance world. He had also founded the Caledonian Bank. Up to the time of his death, he was still head of the legal firm of Clark, Gray & Baird, although he had not

attended to any legal duties for some years, preferring to devote much of his attention to his business and commercial interests. During his career he served in several important offices in the gift of the Law Society and legal associations. The late Sir Mortimer Clark was president of the Toronto Mortgage Company, trustee of the Hospital for Incurables, member of the Board of the Belmont Home, director of the Consumers' Gas Company and the Canadian General Electric Company, as well as several other organizations.

SIR THOMAS WHITE, on behalf of Canada, has just received one of the biggest cheques ever issued through the New York Clearing House,—one for \$96,111,111.11, the proceeds of our recent loan in the United States. The biggest cheque previously cleared through New York was drawn by J. P. Morgan & Company on the National Bank of Commerce on April 3rd, 1916, for over \$72,000,000, and was made payable to the agent of the Bank of Montreal. That cheque was in payment for the Canadian government 5, 10 and 15-year 5 per cent. notes, aggregating \$75,000,000, placed here last year. Previous to that transaction, a cheque for \$62,075,000 was drawn June 1st, 1915, by Kuhn, Loeb & Company, on account of the Pennsylvania bond issue. On February 17th, 1916, another Pennsylvania bond issued called for a cheque of \$49,000,000 by the same banking house. On March 16th, 1916, Lee, Higginson & Company drew a cheque on the Guaranty Trust Company calling for the payment of \$43,538,141. This payment was for the issue of Midvale Steel convertible 5 per cent. bonds, sold by a syndicate headed by Lee, Higginson & Company, the Guaranty Trust Company and the National City Bank. Sir Thomas has not yet made an announcement in the House at Ottawa, regarding the issue of this loan.

MR. EDWARD A. WOODS, of Pittsburg, gave an interesting address on salesmanship to the Toronto Underwriters' Association three weeks ago. He advised life insurance salesmen not to emphasize the cost of a policy too early in the interview. One man he knew had a good method of treating the question of cost. He talked the points of the policy to his man, who kept asking, "How much would that cost?" He did not tell him, but continued to explain his proposals. "Well, that is the policy I want, but what will it cost me?" said the prospect. "Now, do you know, I am almost ashamed to tell you how little that policy will cost you. Do you know (taking a couple of cigars out of a box he spied near at hand), that policy will only cost you two of these cigars a day." There are five reasons, said Mr. Woods, why people buy anything. These are (1) for profit; (2) for use; (3) for satisfaction of pride; (4) for emotional reasons; (5) because they cannot say "No"—weakness. Omitting the last, we have four main motives. The big problem in the art of influencing men is to classify a man and judge correctly from which motive he buys. Mr. Woods was a speaker at the Life Underwriters' convention at Hamilton last year. He is head of the Pittsburg agency of the Equitable Life Insurance Company, an agency which probably produces more new insurance business than any other life agency in the world.

SIR RICHARD MCBRIDE, K.C.M.G., former premier of British Columbia, died in London, England, recently. Born in New Westminster, B.C., December 15, 1870, Sir Richard McBride was a son of the west. He was educated at the public and high schools of his native city, completing his training at Dalhousie University, Halifax, N.S., taking the degree of Bachelor of Laws. He was admitted to the Bar of British Columbia at New Westminster in 1892, and became K.C. in 1905. In 1896 he unsuccessfully contested New Westminster in the Dominion general election. He was returned as member of British Columbia legislature for Dewdney riding at the general election of 1898. In 1900 he entered the provincial cabinet (B.C.) as minister of mines, but owing to a difference on a matter of policy he resigned from the government the following year. In 1902 he was chosen leader of the opposition in the legislature, and became premier June 1, 1903, at the youthful age of thirty-three. He was returned to power at the general elections in 1907, 1909 and 1912. He was senior member for the city of Victoria, and also held the portfolio of minister of mines. In politics he was a Conservative. Sir Richard McBride was married in September, 1896, to Margaret McGillivray. He was created K.C.M.G. in the birthday honors in 1912, and was invested with the insignia by H.R.H. the Duke of Connaught, Governor-General, at Victoria, B.C., in October, 1912. With the death of Sir Richard, Canada has lost one of its formerly prominent political figures. Sir Richard was an occasional contributor to *The Monetary Times*.









panies increased 168 per cent., but the insurance per capita increased only 44 per cent.

The investments shown above are divided into 14 classes. Class 5 includes only bonds of "railroads," so-called and recorded by the Interstate Commerce Commission, which are nearly all steam roads, while Class 7 includes bonds of street railroads and inter-urban electric lines. The electrification of portions of some of the steam roads and the increasing amount of freight and express business handled by the inter-urban lines make it increasingly difficult and somewhat arbitrary to make two classifications of them. In Class 7 are also included bonds of all gas, electric light, power, water supply, telephone and telegraph and other companies which have come to be pretty generally known as public service corporations.

Class 6 includes national and state bonds as well as bonds of every minor civil division, such as county, municipal, levee and drainage districts, school districts, etc.

Class 9 includes the stocks of companies of the same character as Class 5, while Class 10 includes the stocks of the same description of corporations as Class 7.

#### Mortgage Loans are Largest Investment.

An examination of this table in detail will show that, aside from mortgage loans, which constitute the largest class of life insurance investments and show the greatest increase in amount though not in rate of growth, Class 4—policy loans—shows the greatest rate of increase and, next to mortgage loans, the greatest increase in amount. The problems connected with this class of investment, the increase in which is not under the control of the investment officials of the companies, but is dictated by the policyholders of the companies. The ratio of loans to reserve, which was 16.03 per cent. in 1912, had risen to 17.79 per cent. in 1914 and 17.86 per cent. in 1915.

Coming now to Class 5—railroad bonds—it will be noted that the proportion of admitted assets invested decreased from 30.16 per cent. in 1904 to 26 per cent. in 1914. The total investments, however, increased over half a billion dollars or 67.32 per cent. This investment, however, large as it is, has fallen short of keeping up with the increase in the total amount of railroad bonds in the country, which increased during the period 68.28 per cent.

The proportion of the total bonded indebtedness of the railroads of the country held by life insurance companies has fallen a trifle, as in 1904 they held 10.92 per cent. of the total outstanding bonded indebtedness, while in 1914 they held 10.86 per cent.

The investments of life insurance companies in railroad stocks have shown a marked decline, not only in relation to other investments but in actual amount. They have decreased more than twelve and a-half million dollars, and in 1914 were only .68 of 1 per cent. of their total assets as compared with 1.83 per cent. in 1904.

The influences which have affected insurance companies' investments in railroad bonds have evidently prevailed in the same degree with regard to public service bonds, as there has been a similar reduction in the proportion of such securities held—i. e., 4.47 per cent. in 1904 to 3.81 per cent. in 1914, while the total amount invested increased nearly \$75,000,000, or 67.11 per cent.

#### Increase in State and Municipals.

Perhaps the most notable item in the whole statement is Class 6—state, county and municipal bonds. This class shows the highest rate of increase of any over which the companies have control, the total investments having increased from \$163,000,000 in 1904 to \$534,600,000 in 1914, or 227½ per cent. Only policy loans show a more rapid rate of growth. As the amount of money invested by life insurance companies in national and state bonds is comparatively small, the great bulk of this increase has been in municipal bonds. During the period from 1902 to 1913, according to the estimate given out by the census bureau, the total amount of such municipal indebtedness in the United States increased \$1,845,000,000, or at the rate of about 113 per cent., while the life insurance companies increased their investments at nearly double that rate and have taken more than one-fifth of the total increase in such bonds of the country.

In striking contrast to the reduction in the proportion of railroad securities held by life insurance companies and the great increase in municipal securities is the change which has taken place in the savings banks' investments in these

classes of securities. These institutions, according to the report of the comptroller of the currency, held only \$291,078,655 in railroad stocks and bonds combined in 1904, while in 1914 their investments had grown to \$878,266,864, an increase of \$586,288,209 in amount and about 200 per cent., or over three times the rate of growth of the insurance companies' investments in railroad stocks and bonds. During the same period, the investments of savings banks in state, county, municipal and all other bonds, show a decrease of \$69,288,852, or nearly 6 per cent., as compared with the increase of \$371,000,000, or 227 per cent. in the case of life insurance companies. While "all other bonds" are included with municipal bonds in the savings bank figures, because in some states the reports do not show a separation, the amount of "all other bonds" is in no case over 20 per cent., and probably not over 15 per cent. of the total of the class.

Of the 14 classes of assets it is significant and perhaps surprising to find that seven classes—viz., real estate, collateral loans, railroad stocks, public service stocks, stocks of banks and financial institutions, all other stocks and cash on hand, each show a decrease amounting collectively to \$93,452,000, while non-ledger assets show a decrease of \$43,300,000.

#### Armstrong Laws' Effect.

While the Armstrong laws are perhaps responsible for most of the \$50,000,000 reduction in stocks which has occurred in ten years, yet it appears that in addition to the New York companies, eight other companies—from Connecticut, Massachusetts, Pennsylvania and Maryland—show reductions in railroad stocks and 17 companies from nine other states show reductions in stocks of banks and financial institutions. The largest reduction, both in amount and percentage (over 50 per cent.), was in stocks of banks and other financial institutions, railroads coming second and public service stocks third.

#### COBALT ORE SHIPMENTS

The following are the shipments of ore, in pounds, from Cobalt Station for the week ended August 10th, 1917:—

McKinley-Darragh-Savage Mines, 88,522; La Rose Mine, 87,885; Temiskaming Mine, 76,203; Coniagas Mines, 59,507; Dominion Reduction Company, 88,000; Nipissing Mining Company, 262,965. Total, 657,082 pounds, or 328,541 tons.

The total shipments since January 1st, 1917, now amount to 17,956,788 pounds or 89,783.94 tons.

#### HUMBLE CITIZENS ALSO NEED LIFE INSURANCE

Many life insurance men make the mistake of thinking that only people of a certain income are good prospects—that it would only be a waste of their time to solicit those in humbler circumstances.

As a matter of fact, the main question is not whether in the agent's judgment a man can afford to take out a policy—rather is it a question of whether or not you are enough of a salesman to make him want it, and want it badly. If you can do that the prospect will insure, and will in some way or other, by special effort, meet each premium as it falls due. This is a point to which the Mutual Life Insurance Company, of New York, recently has directed attention.

Merchants who have popularized high-priced articles and luxuries through advertising campaigns have established this selling truth time and again. They have stocked the homes of the poorer classes with articles not needed nearly so much as the necessities of life. If the heads of these families can find money somewhere and somehow to purchase expensive pictures, sets of books, musical instruments, etc., they can and will pay for a life insurance policy if the agent will make them see the advantage and need of protection.

Remember in your search for new policyholders that every person is a prospect if not uninsurable or wholly incompetent. Not only are the poorer people good prospects, but because in the majority of cases they are improvident they need insurance more than any other class. Once arouse their desire and ambition to possess something not out of their reach and the cost becomes a secondary matter.



## IMPORTANT DECISION IN BOND CASE

### New Brunswick Judgment is of Especial Interest to Municipalities and Bond Houses

BY M. L. HAYWARD, B.C.L.

The case of *Grimmer vs. the County of Gloucester, N.B.*, decided by the Supreme Court of Canada arose out of a rather interesting state of facts and lays down some important principles governing the liability of municipalities on bonds issued under their corporate seal.

In this case the New Brunswick legislature had passed an act authorizing the county council of the county of Gloucester to appoint three residents of the parish of Bathurst, in the said county, to be "The Almshouse Commissioners of the Parish of Bathurst"; these commissioners were authorized to acquire land and buildings not exceeding \$3,000 in value in the parish for the purpose of an almshouse and workhouse; and the act further provided that "the County Council of the said municipality are hereby *authorized and required* to order the said sum to be assessed on the said Parish of Bathurst."

The act also provided that the county council "may cause bonds to be issued by the municipality, entitled 'Almshouse Bonds,' Parish of Bathurst, which bonds shall be wholly chargeable on said Parish, and shall be signed by the Warden and Secretary-Treasurer, and have the corporate seal affixed thereto, and be placed in the hands of the Secretary-Treasurer of the municipality to be disposed of; and the proceeds to be placed to the credit of the said Commissioners."

#### Authorized County to Levy.

Another section of the act authorized the county council to levy and assess the inhabitants of the parish of Bathurst for the interest and principal falling due on the bonds.

Then the county council of the county of Gloucester passed a resolution authorizing the issue of the bonds for \$3,000, according to the provisions of the above act, and the bonds were issued and sold in the following form:—

\$1,000. Almshouse Bonds, Parish of Bathurst. No. 1.

This certifies that the Parish of Bathurst, in the County of Gloucester, Province of New Brunswick, is indebted to George S. Grimmer, in the sum of one thousand dollars, current money of the Province of New Brunswick, which is payable to George S. Grimmer, or order, on or before the sixth day of April, one thousand eight hundred and eighty-four, together with interest at the rate of seven per centum per annum, payable half-yearly, at the Bank of New Brunswick, St. John, on presentation of the proper coupons for the same, as hereunto annexed, pursuant to an Act of Assembly made and passed in the forty-first year of the reign of Her Majesty Queen Victoria entitled "An Act to provide for the erection of an Almshouse and Workhouse in the Parish of Bathurst, Gloucester County."

In witness whereof, the County Council, at the instance of the almshouse commissioners of the Parish of Bathurst, have caused the seal of the Municipality of Gloucester to be affixed hereunto, under the hand of the warden and secretary-treasurer, this tenth day of April, one thousand eight hundred and seventy-nine.

John Sivewright,  
Secretary-Treasurer.

John Young,  
Warden.

#### Claim that Bond had been Forged.

The first and second bonds were duly paid by Sivewright, the Secretary-Treasurer, but when the above bond was presented the County Council claimed that it had been forged by Sivewright and also raised the point that the bond did not create any indebtedness on the part of the county.

The question for the Court then was whether the act in question and the bond sued on did or did not render the county liable to the bondholder for the amount thereof.

The decision of the Court was that the bond was a binding obligation on the county.

The following quotations from the judgment of the Court lay down some important rules governing this class of cases:—

"Now I understand a bond to be a written instrument under seal whereby the person executing it makes a promise

or incurs a personal liability to another. Now here, the statute referring to these bonds speaks of them as 'bonds to be issued by the municipality' as 'bonds of indebtedness,' and instruments to be 'signed by the warden and secretary-treasurer and have the corporate seal affixed thereto,' as bonds which are to 'be placed in the hands of the secretary-treasurer to be disposed of' (that is sold), by him as bonds the proceeds of which, having first been received by the secretary-treasurer as an officer of the municipality, should be by him, as such officer, placed to the credit of (i.e. paid over to) the body entitled to receive them.

"I can hardly conceive words stronger than these to express the intention of the legislature that the bonds issued under the act were to be the immediate and direct obligations of the municipality to the bondholder. If that was not the intention, who was to be the sponsor of or liable for them? Not the parish of Bathurst, it was incapable of making a promise; and certainly not the almshouse commissioners, whether corporate or not, inasmuch as that liability was not imposed on them. Can it be imagined that no one was to be responsible? Besides, this is the common way by which legislatures authorize municipalities to borrow money for the purpose of carrying out local improvements.

#### Machinery to Collect.

"The county having greater credit can borrow at a lesser rate of interest than the parish—the improvement though for the special benefit of the parish is as well for the general benefit of the county. But more important than all, if money is to be borrowed for the benefit of the parish, it has no machinery to collect money to refund it. No assessors or collectors or treasurers, and the county machinery is most appropriately used therefor. And even this, too, adds force to the view of corporate liability. It is upon the county council alone that the duty is cast of raising funds to pay interest and the bonds themselves as they mature. Section 3 particularly provides for this. The money necessary is to be assessed collected by whom? By the same officers as assess and collect the general rates. And this money is to be paid by whom? By the secretary-treasurer. And to whom? To the persons entitled to the interest and principal. And this consideration appears to me conclusive. The secretary-treasurer (the money being collected) was bound to pay the interest and principal to the bondholders and to them alone. That is as clear and explicit a statement of the county's liability as words can make.

"I entirely agree with so much of Mr. Justice Gregory's judgment, on this part of the case, as in my view it is an admirable exposition of the meaning and design of the act.

#### Bond was Clumsy Instrument.

"I now turn to the bond itself. It is most certainly a clumsy, imperfect and obscure instrument. Its form is not a credit to the commissioners by whom it was, under the statute, drafted. But that is not the question. We have to determine whether in such a form there is an obligation on the part of the municipality to pay the bond.

Now, as I view it, the most important statement in the instrument, executed as it was by the municipality, is that it is issued in pursuance of the act. We therefore have to refer to the act and construe them both together. We read the act into the bond and then proceed to ascertain whether there is or is not a municipal promise or obligation. So that when we read in the certificate that the parish of Bathurst is indebted to George S. Grimmer (an extraordinary statement to make if the parish is not an entity capable of being indebted to anybody), we turn to the statute for relief and instruction and we there find that the parish is, in a certain sense, the debtor of Grimmer inasmuch as it will be from the ratepayers of the parish that the money to pay the present loan will eventually come, the bonds authorized by the statute to be issued by the municipality being 'wholly chargeable on the parish.' And, inasmuch as we are bound to give some meaning to the words of a contract unless they are in fact meaningless, we conclude that it was in that sense the words were used. That granted, as there is no express statement as to *who* would pay Grimmer, only a statement that the thousand dollars 'is payable to Grimmer,' we look to the statute and we find that it is payable by the secretary-treasurer of the municipality out of the special fund to be raised from the Bathurst taxpayers. That is sufficient authority therefore, to read into the bond after the words 'which is payable,' the other words 'by the Municipality of Gloucester.'

The Hamilton Provident and Loan Society

Capital Subscribed	.. ..	\$2,000,000.00
Capital Paid-up	.. ..	1,200,000.00
Reserve and Surplus Funds	.. ..	1,091,062.50
Total Assets	.. ..	4,662,881.00

Debentures of this Society are a legal investment for Trust Funds and carry highest current rate of interest. Savings Department. Interest allowed on daily balance. Withdrawable by cheque.

MONEY TO LOAN. CORRESPONDENCE INVITED. Head Office, King Street, HAMILTON, Ont. GEORGE HOPE, President D. M. CAMERON, Treasurer

Experience in Investment

Those who can least afford to lose their money frequently are those who have had the least opportunity for acquiring the knowledge necessary to enable them to invest it safely. Their first consideration should be the safety of their investment. Trustees and Executors are hedged about by legal limitations in the investment of trust funds. They are, however, expressly authorized by law to invest these moneys in the Bonds of the Canada Permanent Mortgage Corporation. These Bonds are, therefore, a most satisfactory security for those who should invest only where their money will be absolutely safe. These Bonds are available for the smallest as well as the largest investments, as they are issued for one hundred dollars and upwards. Canada Permanent Mortgage Corporation. Paid-up Capital and Reserve Fund, \$11,000,000.00. Toronto Street - - - Toronto. Established 1855.

"Older than the Dominion of Canada."

THE HURON AND ERIE MORTGAGE CORPORATION

INCORPORATED 1864. Head Offices - London, Canada. T. G. MERBETH, K.C., President. HUME CRONYN, General Manager.

The impartiality of the acts of a TRUST COMPANY and its freedom from improper influences are some of the advantages offered in

The Management of Estates

We will gladly discuss this matter with you. CAPITAL, ISSUED AND SUBSCRIBED ...\$1,171,700.00. PAID-UP CAPITAL AND RESERVE ..... 860,225.00. The Imperial Canadian Trust Co. Executor, Administrator, Assignee, Trustee, Etc. HEAD OFFICE: WINNIPEG, CAN. BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA.

Provident Savings Bank and Trust Co. and Breed Elliott & Harrison

Cincinnati Chicago Indianapolis New York. Dealers in High Grade CANADIAN MUNICIPAL AND GOVERNMENT BONDS. WE BUY AND SELL. W. JENNINGS O'NEILL, Agent, Electric Railway Chambers, Winnipeg, Man.

THE DOMINION SAVINGS AND INVESTMENT SOCIETY

Masonic Temple Building, London, Canada. Interest at 4 per cent. payable half-yearly on Debentures. T. H. PURDOM, K.C., President. NATHANIEL MILLS, Manager.

THE TORONTO MORTGAGE COMPANY

Office, No. 13 Toronto Street. Capital Account, \$724,550.00. Reserve Fund, \$560,000.00. Total Assets, \$3,244,596.44. President, SIR WM. MORTIMER CLARK, LL.D., W.S., K.C. Vice-Pres., WELLINGTON FRANCIS, K.C. Debentures issued to pay 5%, a Legal Investment for Trust Funds. Deposits received at 4% interest, withdrawable by cheque. Loans made on improved Real Estate on favorable terms. WALTER GILLESPIE, Manager.

Investments by Experts to yield 5%

The care and consideration given by the Company as an expert in the selection of security forms in itself a guarantee of safety for moneys invested with it on its Guaranteed Trust Investment plan. The report on the security offered is made by experts in property values, who are salaried officers of the Company, not paid by commission. From their reports the Executive decides the amount to be loaned—seldom more than 50 per cent. of a conservative valuation. The investment of its client's money, thus made by the Company, is then further safeguarded by the Company's direct guarantee of both principal and income, the latter at the rate of 5 per cent. per annum.

These measures constitute an investment incomparably more secure than can be obtained by the ordinary investor who wishes to loan money on mortgage. Booklet, "Guaranteed Trust Investments," on request.

National Trust Company Limited

Capital Paid-up, \$1,500,000. Reserve, \$1,500,000. 18-22 King Street East, Toronto.

And thus we have an absolute covenant for payment on the part of the municipality.

"If the act authorizes the contract and is to be read into it, then there is presented to us such an instrument as the legislature, in my view, most certainly intended, as expressed in its language, an instrument, which otherwise would be a mockery and snare, converted into one of honest intent and legal force—its ambiguities removed and its obscurities made plain.

"But suppose the interpretation, I have ventured with great deference to give the bond, is erroneous. There is another ground upon which the county's liability may be rested.

"Take the abbreviated words of the bond; 'This certifies that the Parish is indebted to Grimmer in the sum of \$1,000, payable to Grimmer with interest on April 6th, 1884.' What do these words 'this certifies' mean? Give them any meaning at all and they are synonymous or equivalents of such phrases as these: 'We promise,' or 'we contract,' or 'we guarantee,' or 'we declare it to be the truth.' In other words, 'we, having borrowed from you \$1,000, promise that the Parish of Bathurst will repay you with interest.' There is then a contract by the municipality that a third party will pay. It has not paid; the breach has happened, and the municipality must make good its promise.

"It may be said that the statute does not authorize such a contract, but we must look to the substance rather than to the form. The statute authorized the municipal bond as security for the municipal loan. The form of this obligation was left to the municipality's appointees. Giving effect to this contract so formed gives effect likewise to the legislative intent and the bondholder gets his debt from the municipality."

#### INCOME TAX AND THE LIFE COMPANIES

Under the provisions of the proposed Dominion income tax bill, the fraternal and mutual insurance societies are exempt from such taxation. Stock life insurance companies are also exempt, except as regards the amount credited to the shareholders' account.

## The Monetary Times Press

Is thoroughly equipped  
for the production of  
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MONETARY TIMES PRESS

### CROP IS BELOW GENERAL AVERAGE

#### Wheat in the West—Coarse Grains Poor—Manitoba Needs Rain Badly

It is a matter of regret, says The Manitoba Free Press, that this, the fifth, report for the season of 1917 is the most discouraging so far published, but facts are stubborn things, and the crop of 1917 is below the general average for wheat, while coarse grains are, to a considerable extent, a failure.

In the report of July 17th it was pointed out that, with immediate and plentiful rains, there was time for material recovery. The rains did not come immediately, but very hot and windy weather came instead, so that the hoped-for improvement has not taken place. There have been considerable rains, but they appear to have been largely confined to localities. There has been no general soaking rain during the past three weeks. Rains that have fallen have materially helped wheat to fill, but they have not been sufficient, nor did they come soon enough, to help to make a crop of the wheat on stubble nor of the coarse grains.

It may be said briefly that the percentage of damage from thrip and saw fly, hail and rust, in the three provinces, is very small indeed, hardly worth considering if the crop were a normal one.

#### Manitoba Needs Rain Badly.

Taking the reports by provinces, 78 points in Manitoba have been heard from; all but one have had some rain since last report; 20 points still want rain badly, a number stating that if they are to cut oats at all they must have more rain at once; 28 points, in addition to the 20, need more rain; and 17 points state they can finish without more rain. Yields of wheat are estimated at all the way from 4 to 40 bushels. Putting the acreages of the districts over against the estimated yields, it looks as if Manitoba might count on a crop of 12 to 15 bushels, or possibly a little better, and the sample will be plump and good.

Oat yields run all the way from 8 to 90 bushels, and will probably average 35 bushels on the acreage cut, but this will not be the acreage seeded, as a number of points report that 50 to 75 per cent. of acreage seeded to oats will either not be cut at all or cut only for feed. Barley is much better than oats, and estimates indicate a yield round 30 bushels. The lowest estimate is 8 and the highest 35.

#### Saskatchewan Oats are a Failure.

Out of 100 points heard from in Saskatchewan, 25 have had no rain since last report; 27 points report very little rain or "a light shower"; 56 points report need of rain badly; and 27 rain needed; while one point in the province reported that no rain was needed.

Wheat yields are estimated from 6 to 25 bushels; 20 points place the yield at 10 bushels and lower, but the indication is for a general average of round 12 or 13 bushels. The crop is too irregular for any definite estimate, and nearly every point makes a distinction between summer fallow and stubble or spring ploughed crop of from 5 to 7 bushels; while there are a number of points that state part of stubble crop has been ploughed down. All agree, however, that the crop is filling well and the sample will be good. As to oats, 7 points report them a complete failure; many points report it impossible to estimate and the estimates made run all the way from 8 to 50 bushels. Yorkton, one of the biggest oat areas, reports an average of 40 bushels. A number of points state that a big percentage of the area seeded to oats will be cut for bundle feed only. Barley estimates run from 8 to 30 bushels.

Out of 27 points heard from in Alberta, 4 have had no rain since last report; 4 points state the need of rain urgent; and 9 points want rain. Wheat yield estimates run from 5 to 30 bushels, but indicate, on the whole, an average of around 20 bushels. Where estimates are as low as 5, it is portions of a crop only in a district. Oat estimates run from 20 to 60. Barley estimates are the best in the three provinces.

As already indicated, the report is a discouraging one, but there is this possibility—that sometimes a short strawed crop, light on the ground, ultimately threshes better than the straw indicates. Also a crop like the one of the present year is cheaper to handle. Probably the most serious feature of the crop is the indicated shortage of feed grains.



# International Nickel and British-America Nickel

Strong Competition from New Company, Says Boston; Cannot Scare International Shareholders, Says New York; "Not Interested in Stock Market, and Will be Producing Within Two Years," Says Mathewson.

**Boston, August 8th.**

"Although the European war has brought with it record earnings for the International Nickel Company, another and probably more far-reaching factor has developed from the same cause in the new and strong competition through the British-America Nickel Corporation, in which the British government has control. The International Company has had a practical monopoly of the nickel industry of the world, there being comparatively little competition. Earnings have been large and in them stockholders have shared liberally through cash and stock dividends. Although its raw material comes from Canada, the International Company has refined the product in this country, having a large refinery in New Jersey.

"The war brought about a change, with the result that the International Company started the erection of a new \$5,000,000 refinery in Canada wherein to treat all nickel intended for either the Canadian or the British government in their war needs. This, when completed toward the end of the year, will have capacity for producing about 20,000,000 pounds per annum, in addition to the 80,000,000 pounds refined in the United States.

"Canada has large nickel-bearing ore deposits aside from the enormous reserves controlled by the International Company and the British-America Company, which plans spending from \$12,000,000 to \$16,000,000, will have ample mineral ground from which to draw its raw supplies. E. P. Mathewson left a good job with the Anaconda Copper Mining Company to take charge of the new project, the entire output of which will undergo a long-term contract to the British government."

**New York, August 9th.**

"The old-time bugaboo employed to frighten shareholders of the International Nickel Company has made its appearance again in the last few weeks. That is the old-young British-America Nickel Company which is to create 'new and strong competition' for the International.

"As yet the sole means the British-America has of competing with the International is the possession of some land near Sudbury, Ont. It has neither smelter nor refinery. Under these circumstances it is difficult to see where the International should worry. It would probably take two years to develop the property alone to a producing basis, while the construction of smelter and refinery would occupy about the same length of time. As an instance of what time means in such matters, it is only necessary to draw attention to the fact that the International began the construction of a refinery in Canada last year which will not be ready before January next. That is, something like sixteen months will have been required for that one task alone.

"In the matter of ore values International Nickel has a long lead over any competitor. The British-America is expected to produce its metal from ore running less than 3 per cent. nickel. International's lowest grade property runs around 3½ per cent. or 3¾ per cent., and it has not been operated for many months, although so great has been the demand for nickel that all mines would be expected to be operated that had ore worth while.

"Interest of the British government in the embryo company continues quite shrouded in mist. It is worth noting that

*(Continued on page 27.)*

**Toronto, August 10th.**

Asked by *The Monetary Times* as to these dispatches, Mr. E. P. Mathewson, general manager of the British-America Nickel Corporation, said:—

"We are not interested in statements put out by stockbrokers. We are going ahead with our business just as usual, and all we want to do is to go ahead. We have no interest in stocks or in the stock market or in this dispute. We will be producing nickel within two years. We do not propose to help brokers bear or bull the market."

The following appeared in *The Toronto News* of August 10th:—

"The British-America Nickel Corporation will be producing nickel at Sudbury for the British government within two years. This is the answer of General Manager Mathewson to the New York report that it will be a long time before the corporation is able to produce nickel, and intimating that it will be well over three years.

"Mr. Mathewson states that his company, which is really the British government, is carrying on the development of the Murray mine and has begun the construction of the smelter and refinery near Sudbury. 'We will be producing nickel two years from this date,' he said. At the present time the corporation has 200 men at work on their plant at Sudbury and construction is proceeding.

## INSURANCE REBATING FORBIDDEN

Agents Guilty of Practice, Subject to Heavy Penalties—  
Bill Given Third Reading

Agents of provincial insurance companies who have hitherto been able to make rebates in order to get business are in future to be subject to the same penalties for rebating as are the agents of Dominion incorporated companies. Hon. C. J. Doherty, in the Commons, last week endorsed an amendment to the Criminal Code making it an indictable offence for any insurance agent to give rebates or to make any special conditions not set out in the policy.

### Penalties Will be Heavy.

The minister of justice explained that these unfair methods of securing business were prohibited under the Dominion Insurance Act, but that the jurisdiction of that measure only covered Dominion companies or foreign companies licensed under the act. Provincial companies were not bound by it. By making rebates and special terms an offence under the Criminal Code, the penalties provided would apply to all companies doing business in Canada. The penalties, he stated, were: For a first offence double the

amount of the annual premium, but not less than \$100; for the second offence, double the annual premium but not less than \$200, and for the third offence double the annual premium and not less than \$500.

### Carvell Says, "Why Not Rebate?"

F. B. Carvell, of Carleton, agreed that the law should be a general one, but he had never been able to see any reason for it anyway. He did not see why a man doing business had not a right to sell as cheaply as he wanted to. "I do not know where we are drifting," he said. "I do not know whether it is socialism or what—it seems as if these public ownership faddists have got in their work again." Mr. Carvell agreed that there should be no rebate on premiums, but the bill simply struck at the agent, who might be willing to cut his percentage a little to get business.

Hon. Mr. Doherty pointed out that the principle had been adopted in 1910, and the present bill was simply making it general. He agreed that there might be no great objection to an agent taking a little less to get business, if it went no further. As it had worked out, however, agents were encouraged by companies to give such rebates and the companies made it up to them. The net result was that some people paid less for their insurance than they should pay on a strict business basis, while others paid too much. The bill was put through committee and given third reading.

## MARINE UNDERWRITERS HAVE ORGANIZED

## General Conduct of the Business to Have Attention of New Association

There has recently been organized, as a branch of the Montreal Board of Trade, an association known as the Canadian Board of Marine Underwriters, whose special aim will be to secure beneficial interchange of views upon, and consideration of, matters pertaining to the general conduct of marine insurance. These matters, Mr. J. Stanley Cook, secretary of the new organization, tells *The Monetary Times* include the following:—

(1) The selection of correspondents in various parts of the world, for attention to wrecked and damaged property, and such protection thereof as may be duly authorized.

(2) Measures for procurement and use of early and accurate information of shipwreck or other disaster.

(3) To promote or oppose legislative and other measures affecting the interests of underwriters, and with a view thereto to petition parliament, and to appear before parliament or any other body or authority, administrative or judicial, by counsel or otherwise, and to take such other steps and proceedings as may be deemed expedient for giving effect to the views of the board.

## To Investigate and Prevent Frauds.

(4) To investigate and prevent frauds practised, or attempted to be practised, or supposed to have been practised, or to be intended with respect to ships, cargoes, freights, or other subjects of marine insurance, or in relation to insurance thereon, and affecting the interests of underwriters, and the wrongful converting or disposal of or dealing with derelict property, and, so far as legally may be, to take or pro-

ceedings for the punishment of persons concerned in such frauds or wrongful acts.

(5) The principles and rules of average adjustments, and provisions for arbitration of differences arising upon such adjustments.

(6) Approval and recommendation of standard forms of policies, or insurance agreements, with a view to such uniformity as may be consistent with the essential rights of underwriters and their assured to freely contract with each other.

(7) Rules for classification of vessels for the purpose of insurance, and recommendation of such rules to local surveyors or organizations whose employment or duty it may be to survey and rate vessels.

(8) Rules for loading vessels with grain, livestock, or other articles deemed suitable for special regulation.

(9) To promote, advance and protect the interests of underwriters generally.

(10) To do all such lawful acts as are or may be incidental or conducive to the attainment of the above-mentioned objects or any of them.

## Officers of the Board.

The officers of the Canadian Board of Marine Underwriters for the current year are as follow: President, Mr. W. B. Meikle (managing director, Western Assurance Company); vice-president, Mr. R. J. Dale (president, Dale and Company, Limited); treasurer, Mr. R. L. Charlton (Western Assurance Company); chairman of executive committee, Mr. J. L. McCulloch (vice-president, Dale and Company, Limited); executive, Mr. R. Bickerdike (Western Assurance Company), Mr. W. Cairns (Phoenix Assurance Company, Limited, of London). All the above officers constitute the executive committee.

An additional order for 10,000 cars is impending from the Russian government, which will be placed in Canada and the United States, but, it is understood, chiefly in Canada.

## Life Insurance in British Columbia for 1916

Abstract (Subject to Correction) of the Returns of Life Insurance Companies Transacting Business in the Province of British Columbia, 1916. (Prepared in Advance of the Provincial Annual Report.)

NAME OF COMPANY	Premiums for the Year.	Amount of Policies, new and taken up.	Net Amount in Force.	Net Amount of Policies become Claims.	Claims Paid, including Matured Endowments.	UNSETTLED CLAIMS.		AMOUNT INVESTED IN BRIT. COLUMBIA.	
						Not Resisted.	Re-sisted.	On Mortgages.	On other Securities.*
B. C. Life Assurance Co.	53,881.62	225,500.00	1,608,791.00	3,187.50	5,091.62	Nil.	Nil.	113,498.15	62,983.10
Canada Life Assurance Co.	168,439.31	702,062.00	5,409,827.00	37,562.80	50,562.80	9,000.00	Nil.	557,816.78	1,351,757.74
The Capital Life Assurance Co. of Canada	1,425.94	12,500.00	47,000.00	Nil.	1,000.00	Nil.	Nil.	Nil.	34,642.42
Confederation Life Association	119,780.99	823,934.00	4,191,102.00	78,716.00	74,914.00	11,000.00	Nil.	1,564,880.06	259,465.50
The Continental Life Insurance Co.	29,187.06	151,337.00	814,437.00	3,000.00	2,000.00	2,000.00	Nil.	3,000.00	83,189.28
The Crown Life Insurance Co.	66,937.43	483,540.00	2,398,852.00	24,960.00	20,585.00	13,375.00	Nil.	44,250.00	50,669.32
The Dominion Life Assurance Co.	11,018.08	66,500.00	471,000.00	23,885.00	20,345.00	3,040.00	Nil.	89,425.00	38,910.69
The Equitable Life Assurance Society	78,507.76	144,980.00	2,337,518.00	39,146.26	28,927.26	10,219.00	Nil.	396,000.00	327,482.00
The Excelsior Life Insurance Co.	30,498.88	264,416.00	875,888.00	7,519.70	4,719.70	3,000.00	Nil.	Nil.	Nil.
The Great West Life Assurance Co.	348,870.57	2,142,538.00	10,425,592.00	115,800.65	87,890.55	35,651.35	Nil.	561,740.50	11,703.07
Gresham Life Assurance Society	5,674.96	16,000.00	118,515.67	9,725.00	9,725.00	Nil.	Nil.	Nil.	808.34
Imperial Life Assurance Co. of Canada	108,665.66	564,014.00	3,162,034.00	26,217.25	27,755.05	5,462.20	Nil.	148,587.35	307,818.30
London Life Insurance Co.	9,964.74	73,000.00	371,350.00	7,348.50	2,262.50	5,086.00	Nil.	Nil.	206,456.85
London & Lancashire Life & General Assurance Association, Ltd.	30,916.15	221,231.00	.....	20,190.00	23,190.00	Nil.	Nil.	Nil.	136,440.00
The Manufacturers Life Insurance Co.	51,413.29	106,911.00	1,385,693.00	14,414.00	15,414.00	6,000.00	20,000	2,453.85	514,532.12
Metropolitan Life Insurance Co.   Ordinary	112,509.93	1,050,000.00	3,760,000.00	35,662.00	31,162.00	5,500.00	Nil.	.....	.....
Metropolitan Life Insurance Co.   Industrial	137,216.19	1,030,000.00	3,750,000.00	23,195.44	22,916.94	607.50	Nil.	7,795.00	1,077,521.05
The Monarch Life Assurance Co.	59,590.23	977,000.00	2,634,301.00	7,102.50	5,102.50	2,000.00	Nil.	14,706.00	19,145.70
Mutual Life Assurance Co. of Canada	274,285.25	644,414.00	7,423,570.00	59,000.00	53,500.00	14,500.00	50,000	851,793.36	440,311.25
Mutual Life Insurance Co. of New York	95,325.07	196,962.00	3,309,840.00	490,721.00	480,187.00	114,000.00	Nil.	Nil.	Nil.
National Life Assurance Co. of Canada	45,097.00	183,431.00	1,323,393.00	23,044.00	23,044.00	Nil.	Nil.	Nil.	Nil.
New York Life Insurance Co.	326,103.36	850,759.00	9,017,125.00	154,590.38	157,272.79	23,675.25	100,000	1,066,627.13	100,000.00
North American Life Assurance Co.	138,336.77	492,765.00	41,716.45	53,933.10	54,272.75	12,248.40	Nil.	565,597.46	740,436.54
Northern Life Assurance Co. of Canada	7,042.80	86,000.00	202,300.00	1,300.00	1,300.00	Nil.	Nil.	Nil.	85,510.03
Norwich Union Life Insurance Society	466.54	Nil.	9,35.00	Nil.	Nil.	Nil.	Nil.	157,500.00	33,846.67
Phoenix Assurance Co., Ltd.	10,221.38	30,000.00	402,268.50	4,705.00	4,705.00	Nil.	Nil.	Nil.	60,975.02
Prudential Insurance Co. of   Ordinary	58,818.44	722,401.00	2,232,406.00	17,600.00	13,100.00	7,500.00	Nil.	.....	.....
Prudential Insurance Co. of   Industrial	88,551.53	1,057,391.00	2,576,755.00	27,489.20	25,972.90	1,621.30	Nil.	Nil.	338,838.86
Royal Insurance Co., Ltd.	70,319.34	278,262.00	2,362,159.00	90,375.53	32,035.53	59,340.00	Nil.	290,000.00	207,321.05
Sovereign Life Assurance Co.	18,439.33	188,500.00	571,255.00	4,000.00	1,000.00	3,000.00	10,000	4,807.50	28,000.00
Standard Life Assurance Co.†	33,810.29	30,500.00	914,187.44	39,074.47	37,127.31	3,617.65	50,000	320,000.00	132,491.55
Sun Life Assurance Co. of Canada	280,888.42	843,663.00	8,662,554.00	146,080.57	101,504.82	70,982.72	Nil.	1,622,019.69	656,394.21
Travellers Insurance Co. of Hartford	10,602.38	16,000.00	345,590.00	2,000.00	2,000.00	Nil.	Nil.	Nil.	361,000.00
Travellers Life Assurance Co. of Canada	4,970.32	16,972.00	138,152.00	Nil.	Nil.	Nil.	Nil.	Nil.	1,054.71
Union Mutual Life Insurance Co.	18,144.82	12,000.00	559,000.00	15,500.00	14,000.00	2,500,000	Nil.	Nil.	129,966.67
	2,906,421.82	14,705,483.00	83,853,522.06	1,206,545.85	1,034,586.02	324,926.37	230,000	8,382,497.83	7,799,672.04
1915	2,761,258.38	15,474,951.88	83,204,991.45	981,250.44	1,021,605.58	153,950.55	230,500	8,630,515.52	7,597,785.26

\*Including loans on policies and also in some cases real estate owned. †Year ended 15th November, 1916. ‡Subject to correction.

MUNICIPAL BOND MARKET

The Monetary Times' Weekly Register of Municipal Activities and Financing

**Manitoba.**—An issue of \$8,000 7 per cent. 15-instalment school debenture bonds has been awarded to Messrs. C. H. Burgess and Company, Toronto.

**Bridgeburg, Ont.**—Tenders for \$30,000 5½ per cent. 30-year school debentures will be received up to August 27. R. A. Land, town clerk, Bridgeburg, Ont.

**Rossland, B.C.**—Tenders for \$30,000 6 per cent. 20-year school debentures were to be received until August 14. J. A. McLeod, city clerk, Rossland, B.C.

**Kenora, Ont.**—Tenders will be received for \$13,949.79 6 per cent. half-yearly 30-year consolidated debit debentures up to August 27. J. E. Currie, treasurer, Kenora, Ont.

**Edmonton, Alta.**—The following is a statement by Mr. A. G. Harrison, city commissioner, showing the surplus made by the various utilities of the city over and above operation and maintenance for the first six months of the year: Electric light and power, \$143,151.89; telephone, \$92,165.20; water-works, \$87,732; street railway, \$42,488.04; total, \$365,537.13.

**Hamilton, Ont.**—As noted in *The Monetary Times* last week, the issue of \$723,300 5 per cent. debentures was awarded to Brent, Noxon and Company, at 92.40. The remaining bids are as follows:—

Mulholland, Bird and Graham, Æmilus Jarvis and Company (joint account) .....	91.34
W. A. Mackenzie and Company, Canada Bond Corporation (joint account) .....	91.27
Wood, Gundy and Company, the Dominion Security Corporation, and A. E. Ames and Company (joint account) .....	91.00
Nesbitt, Thompson and Company, Harris, Forbes and Company (joint account) ..	90.85

**Saskatchewan.**—The following is a list of bond applications granted by the Local Government Board from July 30th to August 3rd:—

School Districts.—\*Sunny Valley, \$2,000 10-years not ex. 8 per cent. instalment. Geo. Brockhurst, Hanley; \*Sharon, \$1,800 10-years not ex. 8 per cent. annuity. E. H. Robbins, Heath; \*Querrin, \$2,000 10-years not ex. 8 per cent. annuity. L. B. Quinn, Querrin; \*Norden, \$800 10-years not ex. 8 per cent. instalment. A. Bergrud, Prestfoss; Upper Wakefield, \$350 5-years not ex. 8 per cent. instalment. Jas. Cregan, Montmartre; Kutawagan, \$1,800 10-years not ex. 8 per cent. annuity. Cole Dennis, Tate; Glen Elder, \$1,800 10-years not ex. 7 per cent. annuity. G. R. Curry, Glen Elder; Purple Hill, \$2,100 10-years not ex. 8 per cent. annuity. D. E. Miller, Oxbow.

Rural Telephone Companies.—Hillsborough, \$23,200 15-years 7¼ per cent. annuity. H. K. Carmichael, Old Wives; Montmartre, \$1,200 15-years not ex. 7 per cent. annuity. Jas. Cregan, Montmartre; South Pennant, \$10,800 15-years not ex. 8 per cent. annuity. S. Goodwin, Pennant; Warren, \$5,400 15-years not ex. 8 per cent. annuity. W. Termuende, Warren; Conger, \$3,600 15-years not ex. 8 per cent. annuity. E. J. Davis, Truax; Forgan, \$10,000 15-years not ex. 8 per cent. annuity. F. B. McNaughton, Forgan; Quinton, \$13,100 15-years not ex. 8 per cent. annuity. J. F. Rose, Quinton; Idaleen, \$1,800 10-years not ex. 8 per cent. annuity. John Lawson, Rosetown; Denzil, \$22,100 15-years not ex. 8 per cent. annuity. A. C. Robinson, Denzil; Eden Valley, \$1,000 15-years not ex. 8 per cent. annuity. E. Erickson, Broderick; Elbow, \$16,900 15-years not ex. 8 per cent. annuity. W. Humphreys, Dafoe; South LaFleche, \$37,600 15-years not ex. 8 per cent. annuity. A. E. Hastings, Maidstone.

Village of Dunblane, \$1,500 7-years not ex. 8 per cent. instalment. D. E. Miller, Oxbow.

The following is a list of bonds reported sold:—

School Districts.—Burke, \$1,800. Canada Landed and National Investment Company, Winnipeg; Marcellin, \$6,000. W. L. McKim and Company, Regina; Crocus Prairie, \$2,000. Goldman and Company, Regina; Beatty, \$2,000. Goldman and Company, Regina.

Rural Telephone Companies.—Plenty, \$26,000. J. A. Thompson, Winnipeg; Rockhaven, \$7,000. Mulholland, Bird

\*Being sold by the Local Government Board.

and Graham, Toronto; Pearl Creek, \$6,600. John A. Todd, Duluth; Narrow Lake, \$6,500. W. L. McKinnon and Company, Regina; Spears, \$22,000. Geo. Foley, Saskatoon; Talmage, \$1,800. Regina Public School Sinking Funds; New Imperial, \$12,100. Regina Public School Sinking Funds.

**Toronto, Ont.**—Commenting upon certain features of the tax collections, Mr. Bradshaw says in a recent report: "The collection of the first instalment in June instead of July, was attended with much success, and so far as is known, with practically no inconvenience to the taxpayers. As a result, the city, which of course means the taxpayer, saved approximately \$40,000 in interest charges on borrowings. It is hoped that next year's collection may be made in the month of May, which, if done, would effect a further saving in the borrowing charges of a like amount, and bring the time of the receipt of the city's revenue more in harmony with that of the expenditures.

"Considerable attention has been given to the securing of improvement in the collection of overdue taxes with the result that at present the only tax rolls outstanding in the collectors' hands, are those covering taxes due in the year 1916. Notwithstanding the special efforts put forth, the amount still unpaid, of taxes which fell due in 1916, and in previous years is no less than \$2,167,958. These large arrearages represent moneys which were appropriated for current expenditure in the estimates of 1916, and preceding years. Although not received, they have all long since been paid out, the city having had to borrow funds therefor at the current rate of interest. This condition emphasizes the necessity of still greater effort being put forth to secure the more prompt collection of the city's current revenue.

"In the past it has been the practice, during the tax collection period, to establish branches for the receipt of taxes in five different sections of the city. It was found that the amount paid in at these branches was less than 5 per cent. of the whole; and it required the whole time of seven collectors. In view of the almost negligible service rendered by these offices it was decided not to open them this year, but instead to provide that all taxes be payable, and the whole staff available, at the City Hall. The change has been helpful in affording increased facilities to taxpayers generally, and insuring greater efficiency and expedition in the collection.

"This year, for the first time, it was decided to collect the business and income tax with the first instalment. The plan has worked out so satisfactorily that it should be regarded as an established custom."

INTERNATIONAL NICKEL AND BRITISH-AMERICA NICKEL

(Continued from page 25.)

the Canadian government, which knows the nickel industry and has been most careful in its supervision of the International's business since the beginning of the war, is standing decidedly aloof from the proposed enterprise.

"For over two years the demand for nickel has been greatly in excess of anything known before, and those two years have been allowed to lapse without anything being done towards putting the British-America in condition to be a factor in the metal market. Obviously the situation is not such as to cause the stockholders of the International to lie awake nights worrying over competition.

"On the other hand they have the prospect of greatly increased earnings after the opening of 1918 from the operations of the new Canadian refinery which will be able to produce 20,000,000 pounds of metal a year. In addition, the company is charging higher prices for metal than ruled during the first thirty months or more of the war."

Ninety-five per cent. of people fail to provide either for their old-age or for their families. In the United States and Canada about 9,000,000 women must work to live; 95 per cent. of men engaged in business fail; 90 per cent. of men leave no estate when they die; over 96 per cent. of people have incomes of less than \$2,500 per annum; 90 per cent. of estates of over \$5,000 are entirely dissipated in seven years; less than 7 per cent. of the value of American and Canadian lives is covered by life insurance; life insurance has decreased pauperism more than 33 per cent. in 35 years.—Nalaco.

## UNAUTHORIZED INVESTMENTS OF COMPANIES

### How the Revised Insurance Act Will Treat Them— Position of Directors

The revised section of the Dominion Insurance Act (section 77) relating to the disposal of unauthorized investments of insurance companies and the liability of directors for such investments, was the subject of an interesting discussion when the bill was being considered in the House at Ottawa. Sir Wilfrid Laurier first asked whether the director who, within a certain time, protests against an unauthorized investment, relieved himself of any liability.

Sir Thomas White: A director who is present at a board meeting at which it is determined to make an unauthorized investment and who opposes that investment should not be held jointly liable with the directors who favor the investment. This case of the director who is overruled, came before the committee, and in order to meet this difficulty this proviso has been inserted. I think that the publication in a newspaper of the protest as here provided would be very rare, but it would be very effectual in preventing improper investments. Investments have been made, rarely, I am glad to say, which were quite unauthorized by the act and which have entailed heavy losses. I would move to amend the proviso by substituting for the word "made" the word "authorized." That would make it refer to the meeting at which such investment was "authorized"—an investment would not be "made" at the meeting.

#### Suppose all Directors Protest.

Mr. Pugsley: Suppose all the directors protest against it?

Sir Thomas White: Then they would not authorize it.

Mr. Pugsley: Why not? The investment is authorized. One director protests, and the others follow his example. I think that they should cease to be directors. A man ought not to be allowed to continue to be a member of the board and to exonerate himself from liability by making publication in a newspaper, where the investment is made contrary to the provisions of this statute. There ought to be some more stringent provision than that.

Sir Thomas White: Does my honorable friend seriously contend that, if a board authorized an investment and then protested against it, the court would relieve them of joint responsibility under this provision?

Mr. Pugsley: If the statute says so.

#### Directors Would be Careful.

Sir Thomas White: Would not the court look through the form to the intent and ascertain who, as a matter of fact, did protest in the proper sense of the term, and who, as a matter of fact, put forward sham protests in order to protect themselves under this act? In the companies act there is an almost identical provision, section 162, relating to the payment of dividends when a company is insolvent. That has been in the companies act for many years, and I believe is a useful safeguard against the payment of dividends when a company is insolvent. The practical effect of this provision would be to make boards of directors exceedingly careful with regard to the investments they make.

Mr. Pugsley: It is very important that some provision should be made. I have known two or three cases where very considerable losses occurred. Let me illustrate what might occur under this provision. There might be two wealthy men on a board of directors, both of whom would be absent from a meeting. They might desire to make investments in certain securities on which they looked with favor. Three directors, of little or no means, in the absence of the other two, might pass a resolution authorizing the investment. Those who were absent would publish a protest in the newspapers.

But they still remain directors, the illegal investments still remain, and the wealthy directors who would be able to respond are freed from liability. After three or four years, or longer, the company gets into difficulties. It may be discovered that its difficulties have arisen very largely, if not wholly, through the illegal investments which have been made. The wealthy directors, who are the only ones able to respond in damages to the stockholders or policyholders, are freed from liability because they have published a protest; yet they are still allowed to remain members of the board. It seems to me they should be compelled to take some

effectual means to have the securities disposed of and the funds restored to the company. They should not be allowed to escape liability merely by publishing a protest, they still remaining directors, and the illegal investment still allowed to continue.

#### Absent Directors Liable.

Sir Thomas White: I think that case is a very fanciful one, and not likely to occur in practical experience. In such a case, in which there would be collusion, the absent directors would be liable. But the real safeguard is publicity, which is the best safeguard in matters of this kind. An illegal investment is made; months afterwards, on an inspection it comes to the attention of the department that there is depreciation and loss and a certain amount of damage is done. This section will have the effect, so far as honest directors are concerned, of making them notify the superintendent of insurance, or publish this protest. If the inspector of insurance were made aware at once of the unlawful investment, there would be no loss, or very little loss, in most cases, because action would be taken at once to make them return the security to those who sold it, if it were a fraudulent transaction. I think it is a valuable safeguard in connection with the investments of these companies.

Mr. Pugsley: Yes, it is a safeguard, but it would be extremely more valuable if it were left as it stood in the original bill. The banking and commerce committee have emasculated the salutary provisions of the section to such an extent that they might be rendered nugatory. One of the difficulties with insurance companies, as with all companies, is that many directors do not give personal attention to the affairs of the company, and under this proviso they are only liable if, after they become aware of the illegal investment, they give notice. Investments might be made by the acting directors, by the small executive committee which companies often have, and the directors, really capable of responding in damages to the policyholders, might have no personal knowledge of the matter. It seems to me there would be no great hardship in leaving the section just as the minister had it in the original bill.

#### Two Conditions Necessary.

Mr. Murphy: As I gathered the sense of this amendment while the chairman was reading it, I understand there are two conditions to be complied with before a director can relieve himself of liability for an investment of which he disapproves, and which may have been authorized at a meeting at which he was present, or not present. One of these is that he shall have his protest entered on the minutes, and the other is that he shall later publish that protest. There is a similar provision in a section in the companies act, on which the proposed amendment is based. I did not hear the language.

Sir Thomas White: It is the same language.

Mr. Murphy: What are the words?

Sir Thomas White: The words are: "and is able to do so." The section is taken from the companies act.

Mr. Murphy: I am familiar with the section in the companies act.

Sir Thomas White: The committee felt—and one can quite understand the feeling—that a protesting director who desires to do his duty, but is overruled by his fellow-members of the board, should have some means of protecting himself against liability on a loss which might be very heavy. On the whole, I think it is a wise proviso.

#### Directors and Minutes.

Mr. Murphy: The minutes are usually in the custody of the secretary, and it is not always easy for a director to have access to them as would be necessary if he is to protect himself.

Mr. Pugsley: There are directors in these companies, residing in the various sections of the country, and upon the reputation and high standing of these directors the policyholders are induced to accept policies in the companies. Suppose the directors choose—as directors often do—to allow two or three of their number to carry on the business of the company, and that those so carrying on the business make illegal investments through which the company sustains loss. Suppose that the assets are largely dissipated through this illegal investment, the directors should not be allowed to plead that they did not know of these illegal investments being made. The directors ought to know of the investments of the company; they ought to know whether the money of the shareholders is being invested in duly authorized securities or not.

It seems to me that if the minister insists upon the amendment, it ought to be provided that an absent director should within thirty days after the investment has been authorized, publish his protest. He should not be allowed to escape liability—by saying, perhaps after a lapse of years, that he was not at the meeting, did not know of the investments which were being made, and had not the slightest idea they were illegal. This law will enable him to escape.

Sir Thomas White: I do not think so.

Mr. Pugsley: Yes, it will.

Sir Thomas White: No.

#### "I Was Not Present."

Mr. Pugsley: When the case comes before the court, he can say: I was not present when that investment was authorized; I did not know anything about it, and it was only when a suit was brought by the policyholder that I learned that this illegal investment had been made. It seems to me that thirty days would be long enough for an absent director to find out whether an illegal investment has been made or not. It is his duty to do so. He holds himself out to the shareholders and policyholders as taking an active interest in the management of the company and he should within thirty days, or say within three months, publish his protest. That would make it obligatory upon every director to keep himself in touch with the investments which are being made from time to time. I would allow reasonable time, because a director might be absent from the country; but he ought not to be allowed, after a lapse of many months or of years, to come before the court, as he is permitted to do under this proviso, and say he had no personal knowledge, and the investment therefore ought to be excused.

#### What Subsection Says.

Sir Thomas White: I think my honorable friend has misunderstood the effect of the subsection and the proviso. I need not tell my honorable friend, who is a lawyer, that there would be liability on the part of any director for negligence; that is to say, if this proviso did not exist at all, the general law of negligence would apply to the director he has spoken of. It would be for the court to determine whether, having regard to his duties and to all the circumstances of the case, the director was negligent in his duty towards the shareholders of the company. The subsection says:—

The superintendent may request any company to dispose of and realize any of its investments not authorized by this act, and the company shall within sixty days after receiving such request absolutely dispose of and realize the said investments, and if the amount realized therefrom falls below the amount paid by the company for the said investments, the directors of the company shall be jointly and severally liable for the payment to the company of the amount of the deficiency.

That is the law in the case of the superintendent taking the action mentioned. In order to protect a director who was present at the time the investment was authorized, and, though honestly desirous of doing his duty, was overruled by his fellow-directors, a proviso is inserted enabling him to escape from the liability imposed by the subsection. I do not think that the insertion of the proviso in any way relieves a director from his liability under the general law relating to negligence.

#### Helps Honest Director.

Sir Wilfrid Laurier: What is the use of it, then?

Sir Thomas White: It makes a specific instead of a general provision.

Mr. Pugsley: It helps the directors.

Sir Thomas White: It helps an honest director; that is what the proviso is intended to do.

Sir Wilfrid Laurier: But it injures an innocent policyholder. If a loss occurs to the company by reason of an illegal application of funds, the loss falls upon the policyholders. Somebody has to suffer for it; either the innocent policyholder, or the innocent director.

#### Neglect of Duty.

Sir Thomas White: If a director neglects his duty, he is liable under the general law of negligence. But this is a case in which an honest director attends a meeting at which an illegal investment is authorized. His objection to the investment is overruled by his fellow-directors, and, desiring to put himself right and avoid liability, he publishes his protest and has it entered upon the minutes of the meeting. If my right honorable friend (Sir Wilfrid Laurier) were a director of a company and was overruled by some fellow-directors, who had not as high a sense of duty as he had, with

regard to an investment upon which a loss was made, I do not think he should be held liable, provided he did everything possible to give notice of the improper transaction. That is the purpose of this proviso. The general law of negligence still applies. As I say, the precedent for this is found in the companies act.

Mr. Marcil: Is the publication of this protest intended to serve as notice to the shareholders of the company?

Sir Thomas White: It would have that effect.

#### If Protest Were Published.

Mr. Marcil: In the province of Quebec a man could publish a notice of that kind in an obscure paper and the great bulk of the people interested in the company would never see it. Thousands of English people in Quebec never read French papers, and vice versa. The common law of that province ought to be followed; publication of such notice should be at least in at least one paper in either language.

Sir Thomas White: If the protest were published in any paper of Canada against the action of directors of an insurance company, the rivals of that company would at once fasten upon it; it would become public property very soon.

Sir Wilfrid Laurier: I think it would be better if, under such circumstances, the director should at once notify the superintendent of insurance.

Sir Thomas White: I had that same idea in my mind when the matter was under consideration. There is a great deal of wisdom in that suggestion. I beg to move that all the words after the word "thereafter" be struck out, and that the following words be inserted in lieu thereof: "gives notice of his protest by registered letter to the superintendent."

#### Liable for Negligence.

Mr. Pugsley: This is the way a case of the kind referred to would work out: an illegal investment would be made by the manager. After the lapse of some months, the superintendent of insurance, during the course of an inspection, would discover the illegal investment. The thoroughly respectable directors who were merely figureheads on the directorate of the company, having learned that the superintendent of insurance had discovered the illegal investment, would proceed immediately to absolve themselves from liability under the act by giving notice as set forth in the proviso, or by notifying the superintendent of insurance. That is like locking the barn door after the horse is stolen.

Sir Thomas White: They are liable for negligence.

Mr. Pugsley: Not at all. I do not think it is negligence not to attend meetings.

Sir Thomas White: Not necessarily so.

Mr. Pugsley: I do not think it is even prima facie evidence. I think, therefore, the result would be as I have just stated. Under this proviso the shareholders or policyholders who have been transgressed against are freed from all liability. I think that is the way it would work out.

#### Can Notify Insurance Superintendent.

Sir Thomas White: My honorable friend knows that it is not possible to provide legislation covering all phases of fraud, but if this provision was not in the act, in a case such as my honorable friend has mentioned, it would be a question whether or not, according to the law of negligence, the directors were liable. We are not changing that, but are providing for the cases—and there have been many of them—in which the board of directors make an unauthorized investment and one of them objects to it but is overruled. We are giving him an opportunity of notifying the superintendent of insurance, so that prompt action may be taken. I think the proviso has been improved by the suggestion of my right honorable friend.

Mr. Pugsley: It expressly provides the means by which the director may exonerate himself from liability. Does not my honorable friend think that there ought to be a clause to the effect that nothing in the proviso shall be held to relieve the directors from liability for negligence?

Sir Thomas White: This would only apply to the specific case. I do not think the director would be relieved from the general law.

#### What Courts Would Say.

Mr. Pugsley: It would relieve him from any presumption of negligence by reason of his not attending the meetings and having some oversight over the investments. A court would say that parliament had made an express provision pointing out the means a director may take to relieve himself from liability. I think we ought not to take away the ordin-

any remedies which might exist against a director for negligence in not properly attending to the investments of the company.

Sir Thomas White: I follow my honorable friend's argument, but I would point out that the corresponding provision in the companies' act has stood and has not affected, so far as I am aware, the question of general liability for negligence on the part of a director. I would suggest that we pass this section, and in the meantime I will think over my honorable friend's suggestion. I might add that in deference to my honorable friend's request I consulted further with the deputy minister of justice on the point of our declaring by this act a foreign company to be a Canadian company after it has taken out a license, and the deputy minister of justice is of the opinion that we should not change the language of the act by inserting the words "for the purposes of this act" which my honorable friend suggested.

The section as amended was agreed to.

## SUCCESS IN LIFE INSURANCE; HOW ACHIEVED

### What Makes a Successful Life Insurance Agent Outlined by Expert

It must be conceded that the first step in the training of a salesman should be one which would lead him to acquire the right mental attitude towards the business in which he is about to engage—in other words, he must be taught to believe thoroughly in his business—he must have positive, enthusiastic faith before he can successfully sell. So stated Mr. George H. Hunt, superintendent of agencies, of the Imperial Life Assurance Company of Canada, when addressing the Life Agency Officers' Association, at Detroit.

How can the right mental attitude on the part of the salesman be induced? Canadians for a long time have been passing through a period that has brought death closely home, and in consequence has made a more thoughtful people. We can cite to the prospective life assurance salesman many instances where children are being fed and educated, where widows are being taken care of, from the proceeds of life assurance policies on the lives of men who have been killed in the great battles of the present war. We can point out to him the millions of dollars that the life assurance companies have subscribed to the war loans, and how in this way they have assisted the state very materially, etc. In these functions towards the home and the state we have been supported by several of the great companies in the United States.

If after going into the details with the prospective salesman along these lines he does not fully believe in, and become enthusiastic regarding the great business of life assurance, I am of the opinion that such a man will never become an outstanding success as a salesman and is therefore better left alone. One or two outstanding successes are of more value to themselves and to their company than half a dozen mediocre men. A life assurance salesman who does not become possessed of the highest degree of optimism as to his future development and the recognition he is going to demand in the business has a poor chance of ultimate success.

#### Belief in His Company.

Secondly, he must be taught to have supreme belief in the company he represents. How can this be brought about? Not by "knocking" any of his competitors, for if this be done you are teaching him a wrong principle right at the commencement—you are not only destroying in part his own belief in the institution of life assurance as a whole, but you are making him an instrument to weaken the faith of others.

Speak instead to the prospective salesman of the strength of the company—this can be readily shown in a few of the outstanding figures in the company's annual report.

Show him its peculiar ability to earn surplus, by directing his attention to the class of investments held by the company and the splendid interest return received thereon. For instance, in the case of a great many companies his particular attention can be directed to the splendid farm mortgages held and the remunerative rates of interest derived from this source.

Also direct his attention to the careful selection of standard risks—to the specially selected committee that deals with sub-standard risks, thus ensuring a low mortality. Do not

overlook emphasizing the fact that a proper and equitable premium must be charged.

Point out the fair treatment of all policyholders—old and new. All good companies are from time to time introducing new features into their policy contracts. These privileges, in most cases, have been extended to holders of old policies as well as new.

Show him the personnel of the company's board of directors—men who are respected throughout the country for their outstanding business ability in the different businesses in which they are engaged.

#### Service to Policyholders.

In short, make him so enthusiastic about your company that he will want to work for it rather than accept a higher commission from some other corporation.

Never talk commissions to a prospective life assurance salesman during the forepart of the interview. Talk about the company and endeavor to show the prospective salesman that he can sell the company's policies to the credit of all concerned and meet competition where necessary, although at the same time show him that the biggest men in our business sail right ahead and talk the merits of their "goods" so hard that they do not leave much room for competitors, and, therefore, have practically no competition.

The next point is service. A prospective life assurance salesman should be taught that service begins the moment he opens the interview with his prospect, first, by fitting the plan of assurance to take care of the peculiar circumstances surrounding the case of the individual, so that, as years go by the assured is satisfied and his future business is given to the same salesman, who will, in this way, make far more money for himself by getting future business than he would have done had he, in the first instance, sold a misfit policy for the sake of making a larger commission at that time.

Insuring for the right amount is a big factor in good service. The prompt and correct delivery of policies is now emphasized.

#### Work and System.

Numerous other ways of giving good service are explained and the necessity of giving good service on all occasions insisted upon. Next comes work and system.

In the larger towns and in cities, the life assurance salesman should be trained to have a certain number of interviews each day and to use prospect cards and keep these cards properly tabulated each day; then at the end of the week he should review his cards, preferably with his manager. In this way he creates a check on his work. If he has been making six calls per day, he should have 36 cards for the week. Some of these cards will represent business closed, for a certain average business is bound to follow systematic work of this nature. The cards will also show the class of people interviewed and in this way he has a chance to ask himself the question: Am I calling on the right class? and if not, to improve himself and get after better business.

## FALL WHEAT, HAY AND CLOVER, AND ALFALFA

The government's preliminary estimate of the average yield per acre of fall sown wheat for 1917 is 22 bushels as compared with 21½ bushels in 1916, 29.41 bushels in 1915 and 21.70 bushels, the average of the seven years 1910 to 1916. The total yield of fall wheat for 1917 is therefore now estimated at 17,816,000 bushels, from 809,250 harvested acres as compared with 20,060,000 bushels from 932,500 acres in 1916. In Ontario, the chief fall wheat province, the total yield is 14,515,000 bushels from 656,500 acres, as compared with 16,465,000 bushels from 774,800 acres in 1916, the average yields per acre being 22.11 bushels in 1917 and 21¼ bushels in 1916. Saskatchewan now ranks as the second fall wheat province with 2,220,000 bushels from 105,700 acres and Alberta is third with 836,000 bushels from 38,000 acres. The total yield of hay and clover is placed at 13,379,000 tons from 7,824,000 acres, as compared with 14,637,000 tons, the record crop from 7,892,900 acres in 1916. This year's total yield of hay and clover has only twice been exceeded—viz., last year and in 1911, when the yield was 13,989,000 tons. The average yield per acre this year is 1.70 tons as compared with 1.85 tons in 1916 and 1.62 tons in 1911. The yield from alfalfa is 152,200 tons from 86,500 acres as compared with 260,500 tons from 89,470 acres last year, the average yields per acre being 1.76 tons as compared with 2.91 tons.

**VALUE OF CANADIAN NORTHERN STOCK**

**Sir William Meredith Appointed as Arbitrator—Drayton-Acworth's Figures Inaccurate?**

Two important statements were made by Sir Thomas White in the House at Ottawa on Tuesday regarding the Canadian Northern proposals. Sir William Meredith, Chief Justice of Ontario, has consented to act as the representative of the government on the board of arbitration to fix the value of the stock to be acquired. Some of the figures of the Drayton-Acworth report are not accurate.

Sir Thomas White met opposition criticism to the arbitration proposal by asserting that the Drayton-Acworth report could not be accepted as the final word upon the value of the Canadian Northern system. The Royal Commission had not been appointed to place a value on the stock, and as a matter of fact the commissioners had not included a number of important assets of the company, including land, deferred payments for land and cash in hand and working capital. On the other hand, they had not considered certain liabilities. Sir Thomas reiterated his previous statement that arbitration did not presuppose a value for the stock.

In bringing down the bill he stated that he had given so full a statement with the original resolution as to the reasons actuating the government, in its decision to acquire the whole of the capital stock of the Canadian Northern, that now he proposed to confine himself to dealing with the various criticisms brought against that proposal.

First it had been suggested that instead of securing the stock the government should acquire the physical property, by expropriation, with all the subsidiary companies.

By its present course he replied, the government preserved the identity of the Canadian Northern Company. If they expropriated, the government would own the properties as they owned the Intercolonial and National Transcontinental, which would be directly against the Drayton-Acworth report and also the report of President Smith, of the New York Central.

**Advantage in Preserving Corporate Identity.**

There was a great advantage in preserving the corporate identity of the various companies, particularly in financing them. In addition to its fund debt the Canadian Northern had short-term loans and liabilities to the extent of about \$98,000,000. If the Dominion government expropriated it would have to provide the money for these, and if it failed to do so the creditors could appoint a receiver, with the result that the full indebtedness would at once become due, causing chaos to the financial system of the road. To take over the road and meet these floating short-term liabilities would be a serious matter in face of the government's enormous war expenditures. But taking the stock and thus acquiring the company while leaving its identity intact would enable the company to take care of its short-term obligations, or make new issues, so that the Dominion Government would not be called upon to pledge its credit to any great degree for the Canadian Northern.

The same would apply to financing the rolling stock.

Then it was stated that the Drayton-Acworth report showed there was no value in the stock which was proposed to be submitted to arbitration.

Quoting the Drayton-Acworth report Sir Thomas showed that they found \$270,000,000 the maximum possible cost of the system, but later found the present reproduction cost of \$402,794,663, while the outstanding liabilities were about \$400,000,000. Further they stated that as a going concern it was evident no company would buy the system for a sum equal to its present liabilities.

**Important Omissions in Report.**

Sir Thomas said there were some important omissions in the Drayton-Acworth report. Prof. Swayne in his valuation had overlooked the company's lands amounting to 3,000,000 acres of which there were 2,000,000 in Ontario, 400,000 acres in Quebec and 800,000 acres in the west. He had also overlooked deferred payments on lands sold amounting to \$7,000,000 and cash in the land sales trust account of \$2,400,000.

Then the Drayton-Acworth report overlooked Prof. Swayne's recommendation as to cash in hand and working capital, so that capital to the extent of \$25,000,000 and current account of \$8,700,000 were not included in the valuation. On the other hand, the commissioners had overlooked the in-

come charge convertible bonds, amounting to \$25,000,000 so that the finding of the Drayton-Acworth commission that the outstanding liabilities of the company exceed \$400,000,000 and that the assets were represented by \$402,000,000 was not accurate.

Sir Thomas said he did not mean to say that the common stock was worth the difference between the liabilities and assets of the company. The arbitrators must consider the value of the assets and liabilities, not as determining factors, but as an element. There would also be the question of the earnings, present and prospective. Further, there was the financial condition of the company at the present time, and the arbitrators taking this into consideration would reach an equitable conclusion as to the real value of the stock.

**Assets and Liabilities Overlooked.**

In closing his reference to the Drayton-Acworth report the finance minister stated that there was such a considerable amount of assets overlooked on one hand and such a considerable amount of liabilities on the other hand that the findings of the commission were not entitled to be regarded as accurate.

Taking up the argument that the value of the stock should be determined by the Exchequer Court Sir Thomas stated that the government had decided against that course because of the time that would be taken in liquidation of this kind before a court of record.

In closing, he pointed out that the Dominion by acquiring the Canadian Northern Railway stock was getting a system consisting of 9,500 miles of railway and telegraph, express, steamship systems, elevators, storage and other facilities. It would be necessary to provide for fixed charges, betterments and improvements, in order to give a proper service, but had the system of temporary aid been continued the problem would still be there and the government would have been compelled to go on for four or five years assisting the company.

**KAISER AND ANGLO-FRENCH LOAN**

The Kaiser's interest in the Anglo-French loan of \$500,000,000 is referred to in ex-Ambassador Gerard's interesting articles in the Philadelphia Public Ledger. Mr. Gerard, writing of an interview with the Kaiser, says:—

"The Emperor complained because a loan to England and France had been floated in America. I said that the first loan to a belligerent floated in America was a loan to Germany. The Emperor sent for some of his staff and immediately inquired into the matter. The member of the staff confirmed my statement."

The German loan was for about \$10,000,000 and the cost exceeded 10 per cent. It was a failure in the New York market, being taken entirely by German sympathizers there, and not with any great zest even by them.

**LIFE UNDERWRITERS AT WINNIPEG**

A number of articles in this issue of *The Monetary Times* of especial interest to life insurance men, are indexed on the front cover.

A full report of the Life Underwriters' Convention will appear in the August 31st issue of *The Monetary Times*. We shall be pleased to send you gratis, a copy of this issue. Kindly fill out and return the attached form to our head office, 62 Church Street, Toronto.

Winnipeg, August, 1917.

Kindly send me copy of *The Monetary Times* for August 31st, 1917, containing report of Winnipeg Convention of Life Underwriters' Association.

Name .....

Address .....

Company .....

Position .....

## RECENT FIRES

## The Monetary Times' Weekly Register of Fire Losses and Insurance

- Arran, Ont.**—August 12—Mr. Robert Porter's barn, containing several tons of hay, burned to the ground. Cause, lightning.
- Belledune, N.B.**—August 7—Railway station, freight shed and a number of cars containing lumber. Estimated loss, \$3,000.
- Brockville, Ont.**—August 11—Soperton cheese factory, owners, Davidson and Murray, totally destroyed. Loss, \$6,000.
- Delhi, Ont.**—August 7—Mr. G. Kingsbury's buildings completely destroyed.
- Delaware, Ont.**—August 10—Two barns, property of Mr. James and George Hays burned to the ground. Loss partly covered by insurance.
- Dunwich, Ont.**—August 13—Mr. D. McGugan and Mr. Ed. Clarke's barns destroyed. Cause, lightning.
- Edmonton, Alta.**—August 8—Mr. A. Bailey's paint shop, 9602 Norwood Boulevard. Damage covered by insurance.
- Edmonton, Alta.**—August 9—Hook Sign Company's paint shop, owner H. Getty. No insurance carried.
- Fingal, Ont.**—August 11—Mr. D. Lawrence's barn. Cause, spontaneous combustion.
- Gardiner Mines, N.S.**—August 4—Mr. R. Stubbert's house and contents destroyed.
- Hamilton, Ont.**—August 10—Kilgour Manufacturing Company's plant. Damage to boiler room. Loss about \$200.
- Humberstone Township, Ont.**—August 7—Traveller's Hotel and barn totally destroyed. Insurance carried, \$1,775. Cause, defective stove.
- Hastings, Ont.**—August 8—Shamrock cheese factory completely destroyed; also house near by, occupied by Mr. and Mrs. Wm. Stillman.
- Kirkland, Ont.**—August 6—Rock house of the Teck Hughes mine. Estimated damage, \$1,000.
- Mailardville, B.C.**—August 3—Lamont Brothers' shingle mill burned to the ground. Estimated loss, \$10,000. No insurance carried.
- Nairn, Ont.**—August 8—Mr. W. G. Northcott's general store, adjacent dwelling and two stables, completely destroyed; also \$300 in cash.
- Niagara Falls, Ont.**—August 9—Clifton House ice-making plant partially destroyed. Estimated loss, \$20,000. Cause, short circuit.
- Notre Dame des Anges, Que.**—August 8—Messrs. Frenette and Frere, P. Marcotte and Tel Royer lost three stables containing eight horses and vehicles. Estimated loss, \$8,000, with small insurance.
- Port Colborne, Ont.**—August 5—Mr. Augustine's planing mill destroyed, containing \$1,500 of plate glass and lumber. Insurance carried \$1,000.
- Qu'Appelle, Sask.**—August 8—Mr. B. Pringle's frame dwelling and contents destroyed. Covered by insurance.
- Quebec, Que.**—August 9—Mr. L. L. Paquet's store. Estimated damage, \$300.
- August 10—Pfeiffer's laundry on McMahon Street. Fire was confined to cellar. Estimated damage \$400. Cause, spontaneous combustion in coal pile.
- Raleigh Township, Ont.**—August 13—Mr. E. Jenner's dwelling-house destroyed. Cause, lightning.
- Sunbury County, Ont.**—August 4—Mr. Burton Smith's barn. No insurance carried. Cause, children playing with matches.
- Smith Township, Ont.**—August 7—Mr. W. L. Taylor's dwelling-house destroyed.
- St. Thomas, Ont.**—August 10—Mr. Lawrence's barn destroyed. Partly insured.
- Truro, N.S.**—August 8—Mr. L. Langille's dwelling-house. Some insurance carried.
- Winnipeg, Man.**—August 7—Burdett's stable damaged. Estimated loss, \$200.

## ADDITIONAL INFORMATION CONCERNING FIRES ALREADY REPORTED

- Deroche, B.C.**—July 18—Store and dwelling destroyed, owner, Mr. C. J. Cooper, occupant, Mr. W. Murray. Estimated damage to stock, \$7,500; to buildings, \$2,500. Insurance on stock, \$2,500. Total insurance, \$2,500, carried in the Srea, and the St. Lawrence Underwriters, agency of the Western Assurance Company.
- North Esk, N.B.**—August 2—Mr. John Keating's barn. Estimated damage to stock, \$500; to buildings, \$600; insurance on buildings, \$200; total insurance, \$200, carried in Acadia Insurance Company.
- Osnabruk, Ont.**—August 4—Town Hall, owner, municipality of Osnabruk. Estimated loss, \$2,300; insurance on buildings, \$1,600; total insurance, \$1,600, carried in Merchants Insurance, Limited.
- Springbank, Ont.**—August 8—Mr. C. G. Northcott's dwelling, store, oil house and barn destroyed. Estimated damage to stock, \$4,800; to buildings, \$2,500; insurance on stock, \$2,700; on building, \$1,700; total insurance, \$4,400, carried in the Perth and Mutual Insurance Company.
- Victoria, B.C.**—Fire Chief Davis reports the following fire losses for the month of July to *The Monetary Times*:—  
Loss on buildings, \$521.95; loss on contents, \$142.60; total loss, \$664.55; insurance on buildings, \$84,750; insurance on contents, \$6,750; total insurance, \$91,500; property at risk, \$253,450; total alarms received, 28.
- Vancouver, B.C.**—Fire Chief Carlisle reports the following July fire losses to *The Monetary Times*:—  
The fire department responded to 53 alarms during the month as follows: Fires where damage occurred, 20; fires where no loss resulted, 10; false alarms, 3; chimney fires (no loss), 3; bush fires (no loss), 7; smoke scares, 4; services not required, 5; and rescue work, 1. The estimated total damage resulting from fires for the month was \$8,629, of which \$7,486 was covered by insurance, leaving the property loss above insurance at \$1,143. The total value of the property involved was \$663,956. On July 10th, at 5:19 p.m., a fire occurred in the dry-kilns at the plant of the British Columbia Fir and Cedar Lumber Company, foot of Laurel Street, caused by a spark. The total amount of damage was fixed at \$5,100, fully covered by insurance. Another fire, resulting in a loss of \$1,415, occurred on July 14th, 1:54 p.m., in a fish-curing plant at the rear of 1041 Main Street, occupied by the Aberdeen Fish Curing Company, flying sparks setting fire to the roof of the building, spreading to a second-hand store adjoining, occupied by Mr. M. A. Dyer, also causing slight damage to a dwelling, 272 Lansdowne Avenue, E., owner, Mr. W. W. Blake; \$1,185 paid by insurance. The following list shows the causes of fires occurring during the month: Awning (cigarette thrown from window above), 1; bush fires, 7; children playing with matches, 3; chimney fires, 3; carelessness with cigarettes, 2; defective chimney, 2; electrical origin, 2; false alarms, 3; flying sparks, 14; gasoline left near stove, 1; overheated furnace pipe, 1; overheated range, 1; overheated stove, 1; overheated bearing, 1; rescue work, 1; services not required, 5; smoke scares, 4; and spontaneous combustion, 1.
- Yarmouth, Ont.**—August 7—Barn, containing 34 loads of hay, occupant, Mr. R. A. Miller, owner, Mr. R. W. Hepburn. Estimated damage on stock, \$250; on buildings, \$700; insurance on stock, \$150; on buildings, \$350; total, \$500, carried in the Yarmouth Mutual.

## "INNES, THE BAND MAN"

"Innes, the Band Man," who will head the musical programme this year at the Canadian National Exhibition, Toronto, with his famous band of soloists, is an Englishman, a graduate of the London Conservatory of Music, and the band of the Life Guards. Later he went to Paris, where he attracted the attention of the late Pat Gilmour, the greatest of all American leaders. He accompanied Gilmour to America, and has proved a worthy successor to the old master. Innes' band was acclaimed the finest of the many fine bands heard at the Panama Pacific Exposition. He it was, also, who planned and carried to success the remarkable series of festivals which made the Alaska Yukon Exposition notable among all other exhibitions for its musical programmes.



## PUBLIC OWNERSHIP IN ONTARIO

## Control of Industrial Undertakings Must Not Be Trusted to Irresponsible Commissions

Messrs. McCarthy and McCarthy, Toronto, solicitors for the petitioners in the case of the Electrical Development Company v. The Attorney-General of Ontario, before the Judicial Committee of the Privy Council, have prepared, for inclusion in the petitioners' brief, a "memorandum concerning recent provincial legislation and executive action in Canada, with special reference to the Niagara question in the Ontario legislature." The memorandum states with some fullness the economic as well as the legal and constitutional arguments against the legislation in question.

Among the general conclusions of the memorandum are the following:—

While the control and inspection of industrial undertakings may properly be entrusted to a public authority responsible to the people, such functions cannot with safety to the public interest be entrusted to irresponsible commissions.

It is still more disadvantageous to the public interest to endow irresponsible commissions with powers to expropriate private property and to conduct industrial enterprises.

## Public Ownership Abused.

Under the name of "public ownership" small groups of persons have been endowed by provincial legislatures, and in particular by the legislature of Ontario, with powers of an exclusive and monopolistic character, without adequate constitutional checks upon their proceedings. Such commissions have been rendered exempt from control by the legislature, and at the same time have been rendered immune from proceedings in the law courts.

The Ontario acts have placed many municipalities of Ontario wholly at the mercy of the commission in question, and have by so doing seriously infringed upon municipal autonomy. Experience has shown that, deprived as the governments and legislatures are of effective checks upon the commissions, these bodies have involved the provinces in financial obligations for which there was no parliamentary warrant. The embarkation of the province of Ontario in extensive engineering schemes, even if these were properly estimated and adequately investigated, is clearly inexpedient at the present critical time, when the resources of the province are already heavily engaged, and may ere long be still more heavily engaged in providing the means necessary for the conduct of the war and afterwards for the liquidation of its cost.

## International Waterways Treaty.

The schemes of the Ontario Hydro-Electric Commission cannot possibly be carried out without revision of the treaty between Great Britain and the United States respecting the international waterways.

The following practical suggestions may be added:—

1. That the attorney-general of Ontario should be strongly urged, on grounds of public policy, to grant a fiat or fiat in order that the legal questions connected with the development of power at Niagara may be thoroughly settled in the courts.
2. That the prime minister of Ontario be strongly urged, on grounds of public policy, to disclose without delay the terms of the report upon the Hydro-Electric affairs by Mr. Clarkson, C.A.
3. That at the present time no unnecessary public works should be undertaken.
4. That at the present crisis in international affairs no steps be taken which might involve Great Britain and the United States in renewed controversies over boundary waters.
5. That the legislation respecting the Hydro-Electric Commission in the years 1916 and 1917 be disallowed as contrary to public policy.

According to estimates made by Robert Lynn Cox, vice-president of the Metropolitan Life, \$3,000,000,000 of the total insurance of \$25,000,000,000 in force in the United States is held by persons subject to the selective draft.

## COMMISSIONS TO AGENTS NOT RESTRICTED

## Insurance Act Amendments in House at Ottawa—Uniformity of Legislation

Commissions to insurance agents are dealt with in section 53 of the proposed amendment to the insurance act. A brief discussion took place on this in the House at Ottawa recently. "Does the bill place no restriction on the amount of commission," asked Mr. Sinclair. Sir Thomas White replied: "We have not thought it necessary to restrict the amount. The time may come when we shall feel obliged to do so."

Mr. Sinclair: Why say at the end "unless it is determined in advance?"

Sir Thomas White: I do not see any object in these words. The superintendent of insurance informs me that the object of the section is to have an established rate of commission so that the rate will not vary unless determined in advance. This requires the company and its agents to enter into a contract.

The discussion then turned to uniformity in insurance legislation.

## Uniformity in Insurance.

Mr. Marzil: Has any move been made to bring about uniformity in insurance legislation between the Dominion and the provinces in order to protect policyholders, so that, for instance, a company before undertaking business would be required to make a deposit sufficiently high to guarantee its policyholders?

Sir Thomas White: By the act of 1910, the Dominion Parliament assumed to regulate provincially incorporated fire and other insurance companies doing business outside their own provinces. It has been held that the Dominion has no such power. We are now proposing to enable any provincially incorporated insurance company to take out a license and subject itself to the provisions of this act. But many companies will not do that, and they will still remain subject to provincial legislation and will carry on business subject only to the safeguards provided by the several provinces. We could not assume authority over such companies unless the British North America Act was amended or unless we could get the provinces to enact legislation similar to ours so as to bring about uniformity in insurance laws in the Dominion.

## Protection to the Public.

Personally, I think, that would be a highly desirable thing to do. We would be delighted if that were done, because protection would be afforded to the public, and that is what my hon. friend wants. Unfortunately, all the provinces would not take the same view of this matter as we do, and a considerable feeling of jealousy in regard to provincial rights enters into the question. A good way of dealing with it would be—if the time were opportune—for the Dominion to take the initiative—and get representatives of the several provinces to meet and take up the whole situation frankly. Public men generally look at public questions in the same way at a public conference, and I think a good deal might be done along that line. In the midst of the war it is difficult to find time for things like that, but I think my hon. friend's idea is a good one, and we might be able, at a conference, to agree upon uniform legislation, the object of which would be to protect the public. Of course, provincial legislatures are just as desirous, and the provinces are as anxious to protect the public as we are.

William Gibbons, of London, is said to have been the first man to have his life insured. On June 18th, 1853, he signed a contract with eight men by the terms of which he was to have his life insured for £283 for one year for 8 per cent. of this amount. In 1850 a resident of a Connecticut city was travelling in England and became interested in the workings of accident insurance for travellers. So he came home and promoted the first accident insurance company in this country. His first client was a resident of Hartford, whom he insured for \$5,000 against injury in his stroll from the post-office to his home. Marine insurance goes back to the early part of the fourteenth century and comes from Belgium.

## CHANGING THE BRITISH COINAGE

### Arguments For and Against Adoption of Decimal System

There have been many discussions in Great Britain lately regarding the adoption of a decimal system of coinage. The London Stock Exchange Gazette says: The vexed question of establishing in this country a decimal coinage and adopting the metric system of weights and measures continues to be keenly debated by various public and commercial bodies. Generally speaking, there would appear to be a strong current in favor of the proposed changes, which are advocated on the ground that they would greatly facilitate dealings with foreign customers unfamiliar, and never likely to become familiar, with our peculiar currency denominations and weights and measures. It is only fair, however, that the opponents of any alteration of our existing system should obtain a hearing, and that their objections to what is admittedly a revolutionary change should be carefully considered. They point out at the outset that the cost of the change to the nation would be enormous, and that the time necessary to bring into operation so far-reaching a revolution would be considerable. Our existing system of book-keeping would have to be scrapped, and everybody engaged in business, whether in the counting-house or the shop, would have to familiarize himself with what is, after all, a system of currency, weights and measures no less complicated than our own. We quite acknowledge the difficulties to be encountered on this score, and if the object in view can be obtained by any other method we should most certainly welcome it.

#### Simple Factor Device.

Mr. W. F. Scott Armstrong, F.C.I.S., is sponsor of such a method, which claims to get over all the difficulties arising from the enforcement by various countries of different monetary and metric systems. Under his plan our existing coinage, weights and measures would all be maintained, and by a simple device, involving no complicated calculations, British prices can be translated into any foreign currency, weight, or measure, or the reverse process of translating foreign prices into their British equivalents can be performed with equal facility. How the scheme works will be made clear if we cite some imaginary example of its operation. We will suppose a British merchant is prepared to sell cloth at so much per yard and anxious to quote his price in francs per metre to a potential French customer. Under the simple and ingenious method sponsored by Mr. Scott Armstrong, all he has to do is to multiply his price by a factor to be found in a book of tables shortly to be published, when he arrives at the desired quotation expressed in French measures and currency.

#### Tables Would be Invaluable.

The tables above referred to cover practically all known currencies and systems of weights and measures in use in the commercial countries of the world, great and small, and with their assistance it is possible by a brief sum in multiplication to convert into any foreign currency, weight or measure the English price of any marketable commodity. It goes without saying that such tables will be invaluable in preparing catalogues for the foreign market, and in quoting prices in familiar terms to customers, whether in, say, Chile, Russia, or the Straits Settlements. A most important feature of the system is that the foreign price can always be calculated at any desired rate of exchange, so that under this method a difficulty which is not provided for under any system of decimal coinage or metric weights and measures is automatically surmounted.

#### Opinion of "The Investors' Review."

Is it necessary for us to adopt the metric system in our weights and measures? This question is asked on several grounds, but most of all on the ground expressed in the further questions—whether the end sought would be attained by the change, and whether, if attained, it would recoup us for the expense? Let us look at the subject a little from these points of view. It is undeniable that our commerce with countries using this metric or decimal system might be made easier to conduct, but its adoption would not necessarily facilitate the conversion of their money into ours, not even if all the world used coins of identical value.

The same question applies to weights and measures. We have no prejudice in the matter; but it is necessary to point out considerations of this kind once again, and before it is too late. Moreover, our small change for the shilling represents a much greater divisibility of the coin than the decimal sub-divisions of a franc, mark, piastre, or any other decimal coin. Our poor, therefore, and this is well worth the consideration of bankers, stand to lose by a change or revolution which would render the fine shading of prices we now enjoy impossible, although there is not the same trouble arising through variation in the substances weights and measures dealt with as in the case of money. But there will always be the difficulty of persuading the people to use the new weights and measures.

#### Change Would Involve Expense.

It would be a most expensive change. The whole of our weights and measures would have to be altered, recast, the whole of our bookkeeping system remodelled, and all this would mean an outlay of a good many millions sterling at a time when we have no thousands even to spare for non-essentials.

These observations have been excited, in part, by what we have seen of a simple method recently worked out, by which the British standards of weights and measures and money can be readily converted into metric or decimal values, or vice versa, thus saving the trader or manufacturer from much distasteful work. This method is, like all great good things, so simple that the marvel now is how it should have been so long unthought of. We have no interest whatever in the thing save on one point. If this or any method can be utilized generally, then we should avail ourselves of its help to enable us to postpone any such revolutionary and costly change as the conversion of all our existing weights and measures and our denominations of money would involve.

## RESTRICT SHIPMENTS OF STEEL FROM STATES

The United States Department of Commerce, through the Exports License Division, makes the following announcement:—

"The attention of shippers to Canada is called to the presidential instructions given to the press on August 2nd concerning shipments of iron and steel products covered by the proclamation of July 9th, which instructions supersede all previous regulations. Up to the present, shipments of those iron and steel commodities into Canada have been facilitated through the granting of special licenses issued through the collectors of the ports. From this time on, special licenses will be required on all shipments of iron and steel products, in accordance with the President's instructions of August 2nd. Shippers will, therefore, save themselves annoyance and delay if they will apply for licenses before making shipments to Canada, as otherwise such shipments will be held up at the border."

## CANADIAN NORTHERN AND FOOD CONSERVATION

The Canadian Northern Railway has asked the co-operation of all travellers in helping to win the war by the conservation of food and elimination of waste. In a recent statement the company says: "We have been striving to meet this situation for the past twelve months having before us three essential facts: First, to conserve the food mostly needed for our soldiers and Allies; second, to reduce our selling prices to meet the pockets of all classes; and third, to reduce the portions accordingly, and thus eliminate waste. To reduce the consumption of flour, we propose serving one standard white bread, and would urge the free use of corn bread and corn muffins. Young veal, young lamb, young pork, squab chickens and turkeys will not be purchased or offered for sale on any of our dining cars. We would encourage the use of fish and all sea food, as the selection is sufficiently varied to meet almost any taste. Fowl, fresh vegetables and fresh fruits will be freely used. Potatoes will be served in various forms. Use potatoes wherever you can instead of bread, and thus save more wheat for the Allies. Do not be wasteful with sugar. To regulate the consumption of cream we are instituting again the individual creamer, as we find the use of the large cream jug leads to waste on account of contents left in same going sour."

# Safe and Remunerative Bonds

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TORONTO

LONDON, ENG.

## AMERICAN BANKERS DROVE HARD BARGAIN

**Our \$100,000,000 Loan, With Discounts and Expenses,  
Cost About \$4,750,000**

According to a New York dispatch on Friday last, a cheque for \$96,111,111.11, the largest ever recorded in the New York Clearing House, drawn by J. P. Morgan and Company, for the credit of the Minister of Finance and Receiver-General of Canada, in settlement of the \$100,000,000 loan recently floated for the Dominion by a syndicate headed by the Morgan house, was paid there on August 10th, by the Liberty National Bank. The largest previous cheque shown in the clearing-house records was more than \$26,000,000 less than the Canadian cheque.

While the reception of the Canadian 5 per cent. 2-year loan of \$100,000,000, in the United States was fairly satisfactory, the high price paid for the money will be a matter of concern to other borrowers. The issue was offered to the public at 98, yielding the investor 6.07 per cent. Sir Thomas White, finance minister, stated in the House at Ottawa on Monday that the net proceeds of the loan were \$96,250,000 and that commissions and other charges had amounted to about 1 3/4 per cent. This is a pretty high price to pay for money, having regard to the circumstances.

Messrs. J. P. Morgan and Company, with Brown Brothers and Company, and Harris, Forbes and Company, were the syndicate managers of the group (including the First National Bank, New York City, Guaranty Trust Company of New York, Wm. A. Read and Company, Bank of Montreal, National City Company, New York City, and Bankers Trust Company, New York City), who offered the two-year 5 per cent. gold notes. Last week, they sent out a notice to syndicate members stating that subscriptions had been received in sufficient volume to relieve entirely the syndicate members from liability as participants.

### Severe Test of Banks.

Bond experts and borrowers who are anxiously watching the money market, with the object of floating loans at the first favorable opportunity, view the reception of the Canadian loan and the price paid for the accommodation as rather ominous signs for future Canadian issues in the United States. Commenting on the price paid for the money, The Montreal Journal of Commerce says:—"The rate is the more startling when we remember that the United States government has floated its own big loan at 3 1/2 per cent., with no charges for commissions. Thus we are paying about double what our neighbors pay for war money. It is not a pleasing feature of the situation, but it is easier to point out the trouble than to provide a remedy for it. Canada needs the money and it is fair to assume that the terms, severe as they seem, are the best that could be obtained in the New York market.

"This transaction must tend to warn all concerned of the seriousness of the financial situation. We are approaching the harvest season, when our banks require a large volume of money for the moving of the crops and the handling of the general business of the country. The floating of another Canadian loan at home at this time might be possible, but its success would probably necessitate a material restriction of banking accommodation for ordinary business. Even with the help that has been obtained from the States the government will still need funds for which they must look to the banks for temporary accommodation. The ability of the banks to provide funds will thus be put to a severe test which can only be met by the curtailment of all operations not of a very urgent character."

### "Somewhat Hard Bargain."

The Montreal Chronicle takes a similar view. "The terms of the new issue," it says, "appear somewhat stiff, in view of the fact that Canada is the United States' second-best customer. However, present conditions are all in favor of the lender. The enormous credits being asked for at Washington apparently presage another early appeal by the United States government itself to American investors, although the immense Liberty loan has only just been subscribed, and the position in the United States in regard to foreign government issues is undoubtedly 'waterlogged.' That the entrance of the United States into the war would result in making Canadian financing more difficult and expensive was foreseen. After every allowance for present-day circumstances, however,

it will be difficult to disabuse the mind of the Canadian financial community of the impression that American bankers have used the opportunity to drive a somewhat hard bargain."

## COMPANY DIRECTORS AND COMMISSIONS

### How the Amended Insurance Act Reads—The Moral of the Union Life Collapse

The regulation of salaries and emoluments of insurance companies' directors was discussed in the House at Ottawa recently, when the proposed amendments to the act were under consideration. Section 56 of the act provides that a salary agreement should be for not more than five years. Here is the text of the discussion:—

Mr. Sinclair: I intended to ask the minister in regard to the policy of allowing directors to take commissions. The first provision of section 56 appears to imply that the directors of the company may be allowed to make a contract to secure business, and obtain a commission from the company on the business secured. Is it not rather unusual that that right should be extended to the directors who are representing the shareholders as well as the policyholders? If a director is allowed to decide the question of commissions for himself, he might be liberal. I want to know what the minister thinks of that section.

#### How the Section Reads.

Sir Thomas White: I think my hon. friend has misread the section. I direct his attention to section 55, which says:—

"No salary, compensation or emolument shall be paid to any director of a Canadian company carrying on the business of life insurance for his services as such director unless authorized by a vote of the members in the case of a mutual company, and by a vote of the shareholders and other members, if any, in the case of a company having capital stock."

Section 56 reads as follows:—

"No such company shall make any agreement with any of its directors, trustees, officers or agents, to pay for any services rendered or to be rendered, any salary, compensation or emolument, extending beyond a period of five years."

#### Would Prohibit Arrangement.

That would prohibit a company making an arrangement with a director for emolument for a period of ten years. The principal reason for this is that it was drawn to our attention that some most improvident contracts had been entered into, notably one in the case of the Union Life. There was a company called the National Agency Company which acted as agent for the Union Life and had an agreement with the Union Life extending over thirty years, whereby the National Agency Company was to receive a commission upon all business obtained for the Union Life. When we threw the Union Life into liquidation the claim of the National Agency Company became a very heavy one, for they were prepared to set up this as a contract worth several hundred thousand or a million dollars, because for thirty years they would be entitled to take commission upon all the business of this company. A claim like that, of course, is not allowed by the courts, but no doubt the sum that would be allowed, if the contract were held to be valid, would be a serious matter, as far as the rates of policyholders and the rights of other creditors were concerned. It was a most improvident contract, and we have inserted a provision in the insurance act, which limits the contract to a period of five years, with this limitation:—

"That the restriction shall not apply to agreements with agents in respect of insurance secured or to be secured by such agents, such insurance amounting in any year to less than twenty per cent. of the total insurance secured in that year by the company."

That is the explanation of that provision.

Calgary's association wool sale has closed with the highest record in prices ever paid any association. Bids were opened last week by E. L. Richardson at the exhibition office, and the highest prices reached 74 cents. Average for the 150,000 pounds was 60 cents. Last year's average was 29.2 cents, in 1915, 27.79, and in 1914, 19 cents. The lot went to Koshland and Company, Boston.

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## GOVERNMENT INSURANCE PLAN FOR SOLDIERS

### United States Will Try It Instead of Pensions—Outline of Scheme

Considerable interest has been taken by Canadian life underwriters in the United States government's proposal to establish a system of life and accident insurance to be carried by the government in lieu of pensions; and to provide additional insurance for soldiers and sailors at moderate rates.

By the act of congress approved September 7, 1916, provision was made for the compensation of all civilian employees of the United States and of the Panama Railroad Company in the event of disability or death incurred in the performance of duty, and more than three-fourths of the states have enacted workmen's compensation laws for a similar purpose. The beneficial effects and wisdom of such laws are almost universally recognized both by employers and employees, and the principle upon which they rest is now recognized as a valuable acquisition to public policy. It is thought that the soldiers and sailors should have not only the full benefit of this protective principle, but the greater hazard of their service, its vital importance, and their inability to buy insurance except at rates which in many cases would be prohibitive, emphasizes the duty of the government to make proper provision for them and their dependants.

The *Monetary Times* has received officially from Washington some details of the scheme as outlined by Mr. Edwin F. Sweet, United States assistant secretary of commerce. He says:—

"Before a definite, workable plan can be devised many details must be considered and an opportunity should be given to those engaged in the insurance business, to representatives of the army and navy, and others interested to fully express their views so that the subject may be carefully considered from every possible angle. Information has been requested as to what provisions along this line have been made by the other leading nations engaged in the war and this may be of service.

#### General Plan Outlined.

"It is, however, possible at this time to suggest the general outlines of a plan for consideration and constructive criticism. I believe there should be created, in connection with one of the existing executive departments of the governments, a soldiers' and sailors' indemnity bureau, with a competent man of insurance experience at its head; that the necessary actuarial and clerical assistance should be provided; that protection for a definite amount, not exceeding \$4,000, should be automatically furnished to every one in the military and naval service of the United States without regard to rank and without expense to the insured; that such insurance or protection should cover partial and total disability as well as death; that no medical examination should be required except that necessary for admission into the service; that all losses should be paid in regular instalments; that all adjustments should be made with the least possible delay; and that a limit, analogous to statutes of limitation, should be fixed for the correction of records and the presentation of claims.

"As concrete evidence of the government's obligation a certificate or policy might well be given to each soldier and sailor. This would materially add to its moral influence.

"In addition to the protection thus furnished to all engaged in war service, I think the same bureau should be authorized to furnish death and casualty benefits or protection to soldiers and sailors to the amount of \$6,000 to one individual, upon terms as favorable as in times of peace. From the experience of the bureau of war-risk insurance it is conceivable that this can be done by the government without material loss. The funds that a private corporation applies to commissions, medical examination fees, advertising, etc., would be available by the government for the payment of losses. But if loss should result, a proper recognition of the obligation conferred upon the general public, by the defenders of their country demands that it should be met by the government, and thus fall upon all who receive the benefit of the service rendered rather than upon those who render it.

"With admirable patriotism many life insurance companies, I am informed, have already notified their policyholders that policies issued prior to the entrance of the United

States into the war will continue in full force without the payment of additional premiums, even if the insured engage in the military or naval service outside of the United States. But prudence and a proper regard for their present policyholders forbid that insurance companies take on an additional indefinite number of risks subsequent to our entrance into the war without the payment of premiums commensurate with the greater hazard involved in war service. To determine this in advance with any degree of accuracy is impossible, and rates are suggested which are considered prohibitive.

"Men engaged in war service who wish to buy protection for their dependants and themselves beyond that freely furnished by the government ought not to be left powerless to do so. On the contrary, sound public policy dictates that the purchase of additional insurance should be encouraged. It means fewer dependants in the future. I therefore believe that both justice and self-interest demand that the government itself furnish such insurance. This has the further advantage of introducing an element of flexibility into the system which can not well be provided in the fixed amount of insurance to be furnished without expense to the insured, and adapts it to the varying needs of families which differ in the number of dependants or in the accustomed scale of living.

#### Some General Suggestions.

"The following suggestions have been made: 1. That the government bureau or the department of which it is a part be given authority to arrange with one or more insurance corporations for the transaction of this business if expense can be saved thereby.

"2. That at the close of the war impaired risks which have not become actual claims but which insurance associations would not accept, be continued by the government.

"3. That the amount of protection to be furnished without cost to the insured be in proportion to the number of dependants, even though the total may, in exceptional cases, exceed the suggested maximum of \$4,000.

"4. That discretion be given to the bureau for the payment of benefits in instalments of varying amount whenever it should be clearly shown that the interest of the beneficiaries requires it."

#### AVERAGE AGE AT DEATH BY OCCUPATIONS

The following table of the average ages at death according to occupations is the result of investigations made by Dr. Louis I. Dublin, statistician of the Metropolitan Life, into the mortality experience of the industrial branch of that company:—

Occupations.	Average age at death.
Bookkeepers and office assistants.....	36.5
Enginemen and trainmen (railway) .....	37.4
Plumbers, gasfitters and steamfitters .....	39.8
Compositors and printers .....	40.2
Teamsters, drivers and chauffeurs .....	42.2
Saloonkeepers and bartenders .....	42.6
Machinists .....	43.9
Longshoremen and stevedores .....	47.0
Textile mill workers .....	47.6
Iron moulders .....	48.0
Painters, paperhangers and varnishers.....	48.6
Cigarmakers and tobacco workers .....	49.5
Bakers .....	50.6
Railway track and yard workers .....	50.7
Coal miners .....	51.3
Laborers .....	52.8
Masons and bricklayers .....	55.0
Blacksmiths .....	55.4
Farmers and farm laborers .....	58.5
All occupations .....	47.9

Meetings of the eastern and western sections of the Bond Dealers' Association of Canada were held last Tuesday, the former section meeting at Montreal and the other in Toronto.

Montreal Cottons has declared its regular quarterly dividend of 1 per cent. on the common and of 1¾ per cent. on the preferred, both payable September 15th to holders of record September 5th.

## Service for Women

IN the management of property and the investment of money, women often find themselves handicapped by inexperience. Mistrusting their own judgment, they appeal to friends for financial guidance. Such a course is not safe nor businesslike.

Insure your property against mismanagement, and relieve yourself of worry by enlisting the services of this company. You will receive the benefit of experience gained in the management of many estates, both large and small.

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## WORKMEN'S COMPENSATION IN ONTARIO

### Report of the Board for the First Half Year—Nearly Sixteen Thousand Cases Dealt With

During the half-year ending June 30th, 1917, there were received by the Ontario Workmen's Compensation Board 15,954 reports of accidents, 13,243 of them being in Schedule 1 industries, 2,700 in Schedule 2, and 11 being Crown cases. The total number of accidents reported from January 1st, 1915, when the act went into force, to June 30th, 1917, was 55,024, 45,419 of them being in Schedule 1 industries, 9,567 in Schedule 2, and 38 being Crown cases. The number of fatal cases reported for the first half of 1917 was 242, 160 of them being in Schedule 1 industries and 82 in Schedule 2. The total number of fatal cases reported since January 1st, 1915, was 865, 636 of them being in Schedule 1 industries and 229 in Schedule 2.

#### Medical Aid Amendments.

The new medical aid provisions passed at the last session of the legislature went into effect on July 1st, 1917. Under these provisions workmen meeting with accidents on or after that date will be entitled to necessary medical and surgical aid and hospital and skilled nursing services for a period not exceeding one month. This will apply to all cases severe enough to require such services, notwithstanding that the workman may not be disabled long enough to entitle him to compensation.

Under subsection 10 of the new provisions employers are, where the number of workmen employed warrants it, to be required at their own expense to provide at their factory or plant first aid or emergency equipment. This will include antiseptic dressings, etc., with a view to avoiding blood-poisoning or other complications in minor accidents, and will give the necessary emergency first aid before a doctor can arrive in the more serious ones.

#### Employers' First Aid Compulsory.

A large number of employers have already been furnishing such first aid and it is considered desirable and a matter of justice to both workmen and employers generally that it should be made compulsory.

Apart from the first aid above mentioned, the doctor and hospital bills are, in Schedule 1 industries, to be rendered to and paid by the board in accordance with the provisions of the act. In Schedule 2 industries it is the duty of the employer individually to provide and pay for medical aid as well as first aid.

Employers are not in any case permitted to collect or retain from their workmen any contribution towards the one month's medical aid in accident cases which it is now provided the workmen are to have free of charge, nor are they to collect from their workmen for the first aid above mentioned.

## PAPER ACCOUNTANTS TO CONFER

The Canadian government has written the Federal Trade Commission of the United States, asking use of such figures obtained in the Federal Trade Commission's investigation into costs of news print as might aid Canadian officials now engaged in an investigation into news print costs in the Dominion.

The request came from Robert A. Pringle, K.C., commissioner in charge of the Canadian investigation. Accountants are now at work at Canadian mills preparing statements of costs. Such statements, it is understood, are to be submitted to the manufacturers when completed, following which a public hearing will be held at which all parties interested will discuss the statements.

Commissioner Pringle has suggested that Mr. Geoffrey Clarkson, at the head of the Canadian accountants, confer with the accountants who handled the news print investigation for the Federal Trade Commission and submit copies of the Canadian accountants' reports. Commissioner Pringle also has requested a meeting with Chairman Harris, of the commission, in Washington. The commission has replied that it would be glad to comply with Mr. Pringle's request at some future date, to be settled by agreement.

## PUT IT IN BANKING TERMS

"Mr. Smith, just forget for one moment that I am a life insurance agent, and imagine that I am a banker. I say to you: You pay me 2½ per cent. or 3 per cent. interest on a given sum, say, \$5,000, for the next twenty years. If you die at any time, either to-morrow or fifty years from now, I will place \$5,000 to your wife's credit in my bank. If you die before the twentieth year, all interest payments cease at your death, and if you live longer than twenty years, the interest payments cease at the twentieth year; if you are still alive twenty years from now, and care to discontinue the arrangement, I will pay you back all of your interest. If your banker should make you such a proposition you would take it at once, wouldn't you? Yes, indeed, you would. Well, that is all a twenty-payment life policy is."—Alfred Parker.

## WAGE-EARNERS AND INSURANCE

Insurance under which all wage-earners on small salaries are compelled to accumulate a reserve during their period of productive activity, which will, at least, in part defray the expenses during periods of disability, was advocated by Dr. Alex. G. Blackader, president of the Canadian Medical Association, and acting dean of the McGill Faculty of Medicine, in his presidential address to the Canadian Medical Association at Montreal. Experience would indicate, he said, that such insurance could be best carried out under government control, on what might be considered a socialistic basis. He urged upon the association the necessity of immediate action in this direction, and asked that a committee be appointed to consider the question and possibly draft a bill.

Insurance of this nature had been adopted in many countries. Before the outbreak of the war it was introduced in Great Britain by Lloyd George. Although condemned by the medical profession at the time, it has since proven acceptable to them, and by doing away with gratuitous services had considerably augmented their incomes.

## PRINCE RUPERT'S IDLE PLANT

The following is a plea from the Prince Rupert Daily News for the building of wooden ships at the plant in that port:—

"The largest and best-equipped shipbuilding plant on the British Pacific coast, says the paper, was ready for use when the war broke out. Both steel and wooden ships can be built at this plant more cheaply than anywhere else in British Columbia. The large floating drydock—the best on the Pacific coast, with a lifting capacity of 20,000 tons—has been ready for operation for the past two years, but no ships have been built and very little has been done, and that little was when the Admiralty requisitioned it. This plant has cost \$2,199,000. It was designed by William T. Donnelly and constructed by the Grand Trunk Pacific Railway Company. After the completion of the plant and acceptance, interest on the bonds at 3½ per cent. is guaranteed by the Dominion government. At the present time there is a question of tools and equipment, valued at \$3,438, before the government will accept it as complete—the merest trifle in a plant of this magnitude.

"They tell us that it costs too much to send steel to Prince Rupert, being so far from the source of supply. But Rupert has the same terminal rate as Vancouver. They also tell us that we have no fir here, and that the expense might be a little greater. We reply that we have much better than fir in yellow cedar, and that the cost of producing the same ship in Prince Rupert, even though we have to bring in the fir, is about 10 per cent. less than in any Vancouver plant. The British Empire needs ships, wood or steel. The Prince Rupert plant could have turned out twenty since the war started. It has been idle. This fact has been known to the government of Canada, and in the last analysis that government must be held responsible."







## LIFE INSURANCE AND CREDIT

It Furnishes the Best Collateral and is Excellent as a Reserve Fund

"An insurance policy is a clear bill of health certificate that is negotiable," says Mr. J. H. Baird, of the Aetna Life Insurance Company, Winnipeg, in a recent article appearing in the Credit Men's Journal, Winnipeg. "Can you conceive," he continues, "of a bank or business institution extending a line of credit to a man of doubtful character? Such a person is barred from their consideration. Would you care to extend credit to a customer if you knew that his heart was weak and a sudden shock might be followed by a complete collapse? Thus, in the last analysis, the heart of the man is the heart of the business. Whatever impairs the man, impairs the business. Your good health has a money value, and should be capitalized. The average man who seeks credit is far removed from the concern with which he does business, and, therefore, should be most persistent in analyzing all instruments that will contribute the slightest advantage towards the strengthening of his financial standing.

## Creditors and the Deceased.

"It has been said that our larger mercantile agencies, in some localities, send to all those who subscribe to their credit service a notice after the following: 'John Doe, Hardware Merchant, Winnipeg, died July 1st, 1917.' Just take this home to yourself and try and determine the state of mind of your creditors if they received such a notice regarding you, and again, would the effect be any different if the report stated that the deceased had \$10,000 life insurance payable to his business? The answer is clear. You must know at least one man who was doing a good business and was suddenly called by death, and whose creditors made quick work of his business. Not because they wished to work an injustice to his widow, but as a strictly business matter, they met and took immediate steps to wind up the business so as to satisfy all outstanding claims. Sales of this nature are very common, and, while these forced sales may satisfy the creditors, the owner's equity is frequently wiped out by such procedure. Now, business insurance is the great natural shock absorber. It is the only way whereby the shock that almost invariably wrecks a business, after the man-power that has been directing it is spent in death, can be taken up. Few men will continue their business in jeopardy when they perceive the great service offered them through the medium of business or corporation insurance. Just across the street from my office one of our leading banks sets forth in gold type on its front window the fact that they have seven millions of capital and seven millions of surplus. One might say that this surplus is in the nature of insurance to them. You would not do business with them if they could not show a surplus.

"The average business man," continues Mr. Baird, "cannot set aside a rest fund equal to his capital to take care of the uncertainty he is subject to, but he can, for a small sum of 1 per cent., get an insurance policy to do this for him. Do you know that every \$1,000 produced by your hand and brain represents the producing power of \$20,000 at 5 per

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cent.? Do you ever reflect that your death would destroy that producing power and take from your estate just that much capital? What sane business man would risk \$20,000 stock of goods in one building without fire insurance? Yet the same stock may never be destroyed. Is it prudent to carry that much risk upon a life that is certain of destruction in a few years, and may be destroyed to-morrow? Do you know that a life insurance policy costs less than a fire policy? On an average stock of goods you may pay a rate of from 1 per cent. to 2 per cent. per annum, and in case of fire your loss would probably not exceed one-half of the stock, while it may be but a trifle."

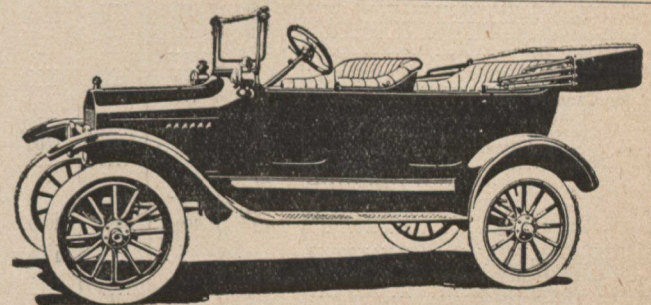
In conclusion, Mr. Baird gives seven good arguments for the wisdom of business insurance:—

1. Protects insured's estate—who will not be here to look after it.
2. Strengthens credit and furnishes the best collateral.
3. As a rest fund or reserve, it is better than actual cash, even though cash were available.
4. It becomes immediate cash upon death of insured, and immediate cash is more vital to a going concern or business than to an estate.
5. For covering all liabilities, either future or immediate.
6. For covering year's dividends or insuring good-will.
7. Last, but by no means least, your customers and the community, who are largely responsible for your success, are entitled to be protected to the point where their accounts will be dealt with in a normal manner.

Plans have been filed with the Canadian government by a Windsor law firm, acting for the Canadian Steel Corporation, for docks at Ojibway to cost \$250,000. The notice stated that the plans included a marine slip, harbor, docks and wharves. A canal running through the corporation's property for 2,500 feet, which will be 200 feet wide and 25 feet deep, will be dredged to accommodate boats.

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PERHAPS in no other purchase which a man can make are business and sentiment combined so essentially as in the taking out of a life insurance policy. There are instances—and in growing number—where insurance is taken out for strictly business reasons. There are others—and these are greatly in the majority—where sentiment is the compelling motive. But more and more it is coming to be recognized that these too are "good business" for the insured himself as well as exceedingly necessary from the viewpoint of his dependents.

The business instincts that prompted a multi-millionaire like J. P. Morgan to secure for his estate \$2,500,000 of ready funds, or which led a Winnipeg railroad contractor the other day to take out a \$250,000 policy, are no different in kind from those which should prompt, say, the Western farmer to make sure of a substantial nest egg in cash for those who must carry on his business in the event of death.

*From "Canadian Finance."*

The Canada Life issued a policy to J. Pierpont Morgan for \$200,000.

The other policy mentioned (\$250,000) was also issued by The Canada Life.

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 Liberal Contracts to Agents in Unrepresented Districts

**EQUITABLE ADVANTAGES**  
 The holder of an Equitable agency contract benefits not only by the impregnable strength and prestige of the Society, but also through being able to offer a variety of policies that meet with precision the requirements of the insuring public. Profitable openings at various points in Canada for men of character and ability, with or without experience in life insurance.  
**The Equitable Life Assurance Society of the U.S.**  
 120 Broadway, New York

**CALEDONIAN INSURANCE COMPANY**  
 The Oldest Scottish Fire Office  
**Head Office for Canada MONTREAL**  
 J. G. BORTHWICK, Manager  
**MUNTZ & BEATTY, Resident Agents**  
 Temple Bldg., Bay St., TORONTO Telephone Main 66 & 67

Orders for the new issue of H. M. P. Eckardt's  
**Manual of Canadian Banking**  
 are now being received - \$2.50  
 Postpaid anywhere  
**The Monetary Times Printing Company, Toronto, Ont.**

**The Northern Assurance Company, Ltd. of London, Eng.**  
 ACCUMULATED FUNDS, 1916 .....\$39,935,000.00  
 Including Paid up Capital Amount, \$1,460,000.00  
**Head Office for Canada, 88 Notre Dame Street West, Montreal**  
 G. E. MOBERLY, Manager







NEW INCORPORATIONS

Molybdenite Company with \$5,000,000 Authorized Capital Chartered at Ottawa

The largest companies incorporated last week were:—

Pacific Mining and Manufacturing Company, Limited, Vancouver .....	\$1,000,000
Dominion Molybdenite Company, Limited, Ottawa.	5,000,000
St. Luke's Oil and Gas Company, Limited, Toronto .....	2,000,000

The following is a partial list of charters granted during the past week in Canada. The head office of the company is situated in the town or city mentioned at the beginning of each paragraph. The amount named is the authorized capital and the persons named are provisional directors:—

- Victoria, B.C.**—S. S. Marmion, Limited, \$50,000.
- Duncan, B.C.**—Cowichan Producers, Limited, \$10,000.
- Kelowna, B.C.**—Elliott and Morrison, Limited, \$10,000.
- Kinsella, Alta.**—The Kinsella Threshers, Limited, \$10,000.
- Vernon, B.C.**—Vernon Lumber Company, Limited, \$10,000.
- Golden, B.C.**—Chinook Copper Company, Limited, \$25,000.
- Peachland, B.C.**—Independent Fruit Company, Limited, \$50,000.
- Stettler, Alta.**—The Van Benito Cigar Company, Limited, \$10,000.
- Barons, Alta.**—The Chew-Gunning Land Company, Limited, \$250,000.
- Banfield, B.C.**—The Banfield Marine Products Company, Limited, \$2,200.
- Medicine Hat, Alta.**—The Sage Creek Cattle Company, Limited, \$10,000.
- Lethbridge, Alta.**—The Patterson Ranching Company, Limited, \$20,000.
- Port Alberni, B.C.**—West Coast Transportation Company, Limited, \$10,000.
- Drumheller, Alta.**—The Northwestern Fuel Supply Company, Limited, \$5,000.
- Three Rivers, Que.**—Bellerive Towing Company, \$20,000. H. Mackay, E. G. Place, G. H. Rowell.
- St. Jovite, Que.**—Gray Rocks Inn, Limited, \$50,000. G. E. Wheeler, F. Haskell Wheeler, L. A. Wheeler.
- Maisonneuve, Que.**—The Lida Shoe Company, Limited, \$100,000. J. P. Cote, G. Surprenant, A. Chartrand.
- Ottawa, Ont.**—Dominion Molybdenite Company, Limited, \$5,000,000. S. G. Metcalfe, C. Murphy, A. C. Craig.
- Sherbrooke, Que.**—MacKinnon Steel Company, Limited, \$500,000. G. D. MacKinnon, A. MacKinnon, J. Nicol.
- Stratford, Ont.**—The Stratford Glove Makers, Limited, \$50,000. L. H. Ballantyne, D. M. Scott, D. M. McCallum.
- Eskott, Ont.**—The Tilley Cheese and Butter Company, Limited, \$4,000. H. O. C. Webster, W. H. O. Forey, O. C. Grier.
- Hamilton, Ont.**—The Hamilton Amusement and Athletic Association, Limited, \$40,000. H. J. McKenna, B. Greenwood, W. J. Lord.
- St. Catharines, Ont.**—The Columbus Club of St. Catharines, Limited, \$20,000. J. H. G. Horey, W. J. Loftus, W. S. McNamara.
- Alberta.**—The Spokane and Eastern Trust Company (Spokane), \$1,000,000; Roberts Filter Manufacturing Company (Darby, Penn.), \$300,000.
- Edmonton, Alta.**—The Western Collieries, Limited, \$150,000; Castor, Limited, \$10,000; Lines-Brake, Limited, \$5,000; Linnell-Keatley, Limited, \$30,000.
- Calgary, Alta.**—The Hamilton Coal Company, Limited, \$20,000; the Western Tank and Implement Company, Limited, \$20,000; the Nutcracker Publishing Company, Limited, \$10,000.
- Toronto, Ont.**—St. Luke's Oil and Gas Company, Limited, \$2,000,000. T. S. Hagan Giles, W. B. Sturup, J. S. Dugun; John Sloan and Company, Limited, \$500,000. J. C.

Thompson, G. R. Sproat, C. Carrick; King Specialties, Limited, \$40,000. W. T. King, A. E. King, T. Kenny.

**Montreal, Que.**—Glenbrooke, Limited, \$50,000. A. Holden, N. Dickson, H. Morin; Montreal Machine Shop, Limited, \$100,000. G. Mayrand, H. Hardy, L. Guilbault; Triangle Film Service, Limited, \$10,000. E. G. Bennett, A. R. Holden, A. Mathieu; Denis Advertising Signs, Limited, \$100,000. R. C. McMichael, G. A. Coughlin, F. G. Bush; S. and F. Motors Corporation, Limited, \$46,000. A. Sansoucy, M. Freund, A. N. Dufresne.

**Vancouver, B.C.**—Associated Industries of Japan, Limited, \$50,000. S. Ogawa, M. Kashiwa, R. Obakata; Pacific Mining and Manufacturing Company, Limited, \$1,000,000. A. A. Crowston, W. S. McClure, R. Tiffin; Helman & Sapers, Limited, \$10,000; United Water Power Companies, Limited, \$32,000; Independent Motor Company, Limited, \$10,000; Belmont Surf Inlet Mines, Limited, \$2,000,000; the Western Importing Company, Limited, \$10,000; R.H.L. Company, Limited, \$10,000; Draftite, Limited, \$25,000; Cedar Cottage Drug Company, Limited, \$10,000.

**Winnipeg, Man.**—The Music and Arts Company, Limited, \$10,000. G. S. Mathieson, L. T. S. Norris-Elye, J. Parton; Prairie Grove Farming Company, Limited, \$20,000. J. Block, S. Block, S. Block; Canadian Japanese Importing Company, Limited, \$40,000. E. D. Mitchell, J. Kasler, A. Mitchell; the Ogilvie Confectionery Company, Limited, \$20,000. J. N. Ogilvie, H. McKiernan, C. Marland; Laing Brothers, Limited, \$300,000. A. G. Laing, J. Laing, P. P. Laing; Consolidated Motors, Limited, \$50,000. F. M. Burbidge, D. L. Bastedo, L. T. S. Norris-Elye.

LIFE INSURANCE AGENTS' RECORD

Business Placed on the Company's Books—Lapse and Surrender Returns

Here is the record of Canada's field men and the actual amount of business placed on the companies' books last year. The following amounts were in force at the beginning and end of 1916:—

	Canadian companies.	British companies.	United States companies.
Amount in force January 1st .....	\$848,290,320	\$59,813,168	\$423,715,850
Gross amount in force December 31st ....	917,419,017	37,675,205	467,721,266

One British company's figures are not available for end of the year record, but it had \$23,000,000 in force on January 1st.

The following is an analysis of these figures compiled by *The Monetary Times*:—

	Canadian companies.	British companies.	United States companies.
New policies issued....	\$158,404,533	\$5,063,356	\$85,919,904
Old policies revived....	4,733,700	176,674	7,781,787
Old policies changed or increased .....	5,912,837	387,977	5,258,460
Policies terminated by death .....	9,058,116	750,509	5,549,162
Policies terminated by maturity .....	3,037,023	127,207	1,156,994
Policies terminated by expiry .....	2,668,606	164,500	3,782,895
Policies terminated by surrender .....	20,238,884	762,223	6,103,029
Policies terminated by lapse .....	44,883,346	1,923,014	27,085,276
Policies terminated by change, decrease or transfer .....	6,818,799	414,335	7,070,011
Not taken .....	13,217,599	270,271	4,207,368

While in this record there are many gratifying features, there are others which will cause serious thought to both head office and field man. Why were there \$27,000,000 of surrenders, \$73,000,000 of lapses, and \$17,000,000 of not taken? What percentage of such results can be obviated in future, and how?

**WESTERN** INCORPORATED 1851  
**Assurance Company**  
**FIRE, EXPLOSION, OCEAN MARINE & INLAND MARINE INSURANCE**

Assets ..... over \$5,000,000.00  
 Losses paid since organization " 66,000,000.00

**BOARD OF DIRECTORS:**

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 D. B. HANNA BRIG. GEN. SIR HENRY PELLATT, C.V.O.  
 E. HAY E. A. ROBERT (Montreal)  
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**Head Office: TORONTO, Ont.**

W. R. BROCK, President W. B. MEIKLE, Vice-President and General Manager C. C. FOSTER, Secretary

**ESTO PERPETUA.**  
  
**THE CONTINENTAL INSURANCE CO.**  
**OF NEW YORK**  
 "THE BIG COMPANY."  
 ASSETS EXCEED - \$34,000,000  
**Fire. Rent. Tornado.**  
 HEAD OFFICE FOR CANADA  
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 Special Agent  
 A. R. STELL.  
 31 Scott St., Toronto

W. E. BALDWIN, Manager

**British Northwestern Fire Insurance Company**

**Head Office .... WINNIPEG, Can.**

Subscribed Capital \$594,400 Capital Paid-up \$242,000  
 Security for Policyholders \$677,000

EDWARD BROWN, President E. E. HALL, Vice-President  
 F. K. FOSTER, Managing Director

**ATLAS**  
**Assurance Company 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, 1916 ...	7,980,685 ...	20,730,010

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

**THE DOMINION OF CANADA GUARANTEE & ACCIDENT INS. CO.**

Accident Insurance Sickness Insurance Plate Glass Insurance  
 Burglary Insurance Automobile Insurance Guarantee Bonds  
 The Oldest and Strongest Canadian Accident Insurance Company

Toronto Montreal Winnipeg Calgary Vancouver

**UNION ASSURANCE SOCIETY LIMITED**  
 (FIRE INSURANCE SINCE A.D. 1714)

**Canada Branch .... Montreal**  
 T. L. MORRISEY, Resident Manager

**North-West Branch .... Winnipeg**  
 THOS. BRUCE, Branch Manager

MARTIN N. MERRY, General Agent TORONTO  
 Agencies throughout the Dominion

**Waterloo Mutual Fire Insurance Company**  
 ESTABLISHED IN 1863  
**Head Office, Waterloo, Ont.**

Total Assets 31st December, 1915.....\$908,244.00  
 Policies in force in Western Ontario, over ..... 30,000.00

GEORGE DIBBEL, President. ALLAN BOWMAN, Vice-President.  
 L. W. SHUH, Manager. BYRON E. BECHTEL, Inspector.

**THE LAW UNION & ROCK INSURANCE CO., Limited**  
 OF LONDON Founded in 1806

Assets exceed \$48,000,000.00 Over \$12,500,000.00 invested in Canada  
 FIRE and ACCIDENT RISKS Accepted  
 Canadian Head Office: 57 Beaver Hall, Montreal  
 Agents wanted in unrepresented towns in Canada.

W. D. Aiken, Superintendent J. E. E. DICKSON, Canadian-Manager  
 Accident Department

**SUN FIRE** FOUNDED A.D. 1710  
 THE OLDEST INSURANCE CO. IN THE WORLD

**Canadian Branch ... Toronto**  
 LYMAN ROOT, Manager

**Economical Mutual Fire Ins. Co.**  
**HEAD OFFICE .... KITCHENER, ONTARIO**  
 CASH AND MUTUAL SYSTEMS

TOTAL ASSETS, \$800,000 AMOUNT OF RISK, \$28,000,000  
 GOVERNMENT DEPOSIT, \$50,000

JOHN FENNELL, President GEO. G. H. LANG, Vice-President W. H. SCHMALZ, Mgr.-Secretary

**The LONDON ASSURANCE**  
 Head Office, Canada Branch, MONTREAL  
 Total Funds exceed \$32,000,000

Established A.D. 1720. FIRE RISKS accepted at current rates  
 Toronto Agents .. S. Bruce Harman, 19 Wellington St. East

## MILITARY SERVICE AND INSURANCE

## Companies Must Keep in Position to Protect Policy-holders and Carry Out Contracts

The other day, Mr. Lemieux stated in the House at Ottawa that he had received several letters from young men who are liable to be called upon for military service, inquiring whether the government intends to amend the Insurance act with a view to fixing a maximum amount of premium, covering war risk, payable on their policies. The insurance companies charge a higher premium for war risks. There is a feeling among these young men that when they are called they will be unable to keep up their insurance policies because of the extra premium, he said. Mr. Lemieux asked if it were possible to devise a means by which the extra cost of the premium might be paid by the government, or if legislation should not be enacted fixing a maximum rate or obliging the insurance companies to maintain the present rates. He thought the government should take the matter in hand and either assume the excess rate of premium or amend the Insurance Act in such a way as to fix a maximum premium.

## Life Insurance Companies are Protectors.

Mr. G. P. Graham, who has had some practical experience in the life insurance business, pointed out that insurance companies are for the protection of a vast number of widows and orphans, and that they must keep faith with those who are insured, and must maintain themselves in a position to carry out their contracts. Most of the companies in Canada have for those who insured before the war a war clause in their contracts, and if they have gone to the front they have gone under the same conditions as existed before and do not pay any extra premiums. Since the war broke out every risk taken has a clause which says that if the insured goes to war the rates shall be war rates, and the amount is stated in the contract.

## Could Not Reasonably Ask Companies.

Mr. Graham continued: "The rates differ with different companies. Some companies, particularly the smaller ones, have practically placed themselves in the position that they do not care to take war risks, because they feel they cannot do it without impairing their financial stability. The increase is considerable. If the government wishes to take the responsibility of assuming the extra liability, I have no objection; but if the government were to pass an act saying that all companies must carry these war risks at a certain rate, notwithstanding the contract with the insured, they might as well ask many of the companies to give up their charters and go out of business. That would be altogether unfair to the insured, because life insurance is not like an ordinary business. A life insurance company is a protector, and it charges so much for the protection it offers. Its first duty is to protect the widows and orphans of the insured. I would protest against the passing of an act to compel insurance companies to carry these risks at a lower rate than they now carry them, because it would mean that many of the smaller companies might as well hand over their whole business to the government."

Sir Robert Borden agreed largely with Mr. Graham's views. "If anything of that kind were done," he said, "it could hardly be done by imposing on the insurance companies a liability which they were not willing to undertake, and which might result in ultimate disaster to persons interested in the companies as shareholders or as insured."

Sir Thomas White, finance minister, did not take kindly to the suggestion. "In the first place," he said, "hundreds of thousands of men have already enlisted and gone overseas; a question would rise at once with regard to their policies. Then you have some men who may be called to the colors under the Military Service Act who are insured for \$10,000, \$20,000, \$50,000, even \$100,000, while others have no insurance at all. There would be no means of establishing uniformity. The superintendent of insurance has been looking into the question of policies; in most cases I understand that the insurance involving war risk is allowed to run at an increased rate. If that rate is not paid, the face of the policy is, in some cases, put down to the amount of the reserve."

Mr. Nesbitt: To the extent that the amount of premium paid will permit, and in proportion to the increased rate demanded by the insurance company.

Sir Thomas White: My hon. friend referred me to the proposed action of the United States. I may point out that that action is proposed in lieu of pensions. The feature of our military service which has a bearing on this question is the pension system. When this bill is under consideration further my hon. friend will raise the question and I shall be prepared to discuss it further with him. It does not appear to us, however, that his suggestions are practicable. It would not be fair to ask the insurance companies, as pointed out by the member for South Renfrew (Mr. Graham) to assume heavily increased risks without heavily increased premiums. When you consider whether the additional premium should be assumed, you are confronted with all the difficulties that I have mentioned, not only with regard to the men who are now to be called, but in regard also to the men who have already gone overseas.

Mr. Nesbitt: Nearly all the policies provide that after two years no such question can be raised.

Sir Thomas White: I think that is true with regard to many policies. Policies taken out since the outbreak of the war contain a special clause with reference to military service. When you come to deal with the question of arranging to take care of the life insurance of thousands of men, having different amounts of insurance, some having no insurance at all, you are confronted with a very difficult question. One man puts his savings in life insurance; another man pays off the mortgage on his house; another places his savings in a bank. The only way to deal with them all uniformly is under a pension system, as we are now doing. That is all I can usefully say on the subject at this stage.

## BANK CLEARINGS

The following are the bank clearings for the weeks of August 10, 1916, and August 11, 1917, respectively, with changes:—

	Week ended		Changes.
	Aug. 11, '17.	Aug. 10, '16.	
Montreal	\$ 78,263,060	\$ 61,621,428	+ \$16,641,632
Toronto	51,029,187	35,312,051	+ 15,717,136
Winnipeg	32,240,304	43,371,729	— 11,131,365
Vancouver	7,904,553	5,658,449	+ 2,246,104
Ottawa	5,283,313	4,362,365	+ 920,948
Calgary	5,904,849	4,352,715	+ 1,552,134
Hamilton	3,685,155	2,977,947	+ 707,208
Quebec	3,808,295	3,713,904	+ 94,391
Edmonton	2,624,492	1,802,649	+ 821,843
Halifax	3,183,045	2,469,387	+ 713,658
London	2,018,638	1,889,005	+ 129,633
Regina	2,437,963	2,364,546	+ 73,417
St. John	2,171,875	2,143,691	+ 28,184
Victoria	1,668,738	1,635,641	+ 33,097
Saskatoon	1,844,470	1,477,528	+ 366,942
Moose Jaw	1,059,278	951,648	+ 107,630
Brandon	451,796	577,926	— 126,130
Brantford	753,653	542,437	+ 211,216
Fort William	559,122	442,852	+ 116,270
Lethbridge	1,015,356	742,453	+ 272,903
Medicine Hat	586,113	469,458	+ 116,655
New Westminster	301,421	293,173	+ 8,248
Peterboro	646,128	477,081	+ 169,047
Sherbrooke	585,058	473,616	+ 111,442
Kitchener	492,824	457,480	+ 35,344
Totals	\$210,518,746	\$180,581,159	+ \$29,937,587

Toronto bank clearings for the current week are \$53,742,774; for the similar period, 1916, \$42,975,867; and for 1915, \$33,503,589.

## MONEY MARKETS

Messrs. Glazebrook and Cronyn, Toronto, exchange and bond brokers, report exchange rates to *The Monetary Times* as follows:—

	Buyers.	Sellers.	Counter.
N.Y. funds	½ pm	5-32 pm	¼ to ⅜
Mont. funds	par	par	⅜ to ⅝
Sterling—			
Demand	\$4.76.10	\$4.76.30	\$4.78 ⅜
Cable transfers	\$4.77	\$4.77.20	\$4.79 ⅜
Rate in New York for sterling demand,	\$4.75 50-55.		
Bank of England rate,	5 per cent.		



**LONDON  
GUARANTEE AND  
ACCIDENT COY.  
Limited**

ESTABLISHED 1869

Head Office for Canada:  
**TORONTO**

Employer's Liability	Personal Accident	Sickness
Elevator	Fidelity Guarantee	Court Bonds
Contract	Internal Revenue	Teams and Automobile

**AND FIRE INSURANCE**

### You Look for Security

Whether with the intention of taking out insurance or associating yourself with some Company, you look for security. The latest figures emphasize the unexcelled financial position of this Company.

Business in Force over.....\$59,600,000  
Assets over..... 16,400,000  
Net Surplus..... 2,600,000

These are reasons why the Company is known as  
"SOLID AS THE CONTINENT"

**North American Life Assurance Co.**  
HEAD OFFICE - TORONTO, ONT.

### Ideal War-time Policies

Combining Savings, Investment and Protection Features

It's a question whether there is a more completely satisfied class of men anywhere than those Mutual Life policyholders who are to-day receiving settlements under maturing endowment policies. Year by year they have laid by in premiums sums that would otherwise probably have been dissipated; and now they find that for every \$100.00 so invested, from \$125.00 to \$210.00 have been received, depending on the length of the endowment term. Meanwhile their homes have been protected for the face value of the policies. Thus endowments in the Mutual of Canada combine an easy savings system with a gilt-edged investment and perfect home protection.

SECURE AN ENDOWMENT WITH  
**The Mutual Life Assurance Co. of Canada**  
Waterloo Ontario

### ACQUIRING AN ESTATE

Any man in good health and able to pay a small annual sum can by means of Life Insurance *immediately* possess an Estate impossible to acquire in any other way save by years of toil.

If you have the qualifications of good health—good habits—and ability to pay a small annual premium—write to The Great-West Life for particulars of the attractive policies that have—for ten successive years—secured for The Great-West the largest Canadian Business of all the Canadian Companies.

Write, stating age, to  
**The Great-West Life Assurance Co.**  
DEPT. "F"  
HEAD OFFICE : : WINNIPEG

### The Imperial Guarantee and Accident Insurance Company of Canada

Head Office: 46 KING ST. W., TORONTO, ONT.

IMPERIAL PROTECTION  
Guarantee Insurance, Accident Insurance, Sickness Insurance, Automobile Insurance, Plate Glass Insurance.

A STRONG CANADIAN COMPANY

Paid up Capital	-	-	\$200,000.00.
Authorized Capital	-	-	\$1,000,000.00.
Subscribed Capital	-	-	\$1,000,000.00.
Government Deposits	-	-	\$111,000.

### Guardian Assurance Company Limited

- - - Established 1821.

Assets exceed Thirty-Five Million Dollars  
Head Office for Canada, Guardian Bldg.,  
Montreal

H. M. LAMBERT, Manager. B. B. HARDS, Assistant Manager.

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### ACCOUNT BOOKS LOOSE LEAF LEDGERS BINDERS, SHEETS AND SPECIALTIES

Full Stock or Special Patterns made to order  
PAPER, STATIONERY, OFFICE  
SUPPLIES

All Kinds, Size and Quality, Real Value

**BROWN BROS., LTD.**  
Simcoe and Pearl Streets - TORONTO

### Merchants Casualty Co.


Head Office: Winnipeg, Man.

The most progressive company in Canada. Operating under the supervision of the Dominion and Provincial Insurance Departments. Embracing the entire Dominion of Canada.

**SALESMEN NOTE**  
Our accident and health policy is the most liberal protection ever offered for a premium of \$1.00 per month.

Covers over 2,500 different diseases.  
Pays for Five Years Accident Disability and Life Indemnity for illness.  
Pays for Accidental Death, Quarantine, Operations, Death of the Beneficiary and Children of the Insured.

**Good Openings for Live Agents**  
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Winnipeg, Man.





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 Sir Alexandre Lacoste.  
 Wm. Molson Macpherson,  
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 Sir Frederick Williams-  
 Taylor, LL.D.

J. Gardner Thompson,  
 Manager.  
 Lewis Laing,  
 Assistant Manager.  
 J. D. Simpson, Deputy  
 Assistant Manager.

## ROYAL EXCHANGE ASSURANCE

FOUNDED A. D.  
 Losses paid exceed \$235,000,000

HEAD OFFICE FOR CANADA  
 ROYAL EXCHANGE BUILDING,  
 MONTREAL

Canadian Directors  
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 H. B. MACKENZIE, ESQ. ... Montreal  
 J. S. HOUGH, ESQ., K.C. ... Winnipeg  
 B. A. WESTON, ESQ. ... Halifax, N.S.  
 SIR VINCENT MEREDITH, Bart.,  
 Chairman ... Montreal

J. A. JESSUP, Manager Casualty Dept.  
 ARTHUR BARRY, General Manager

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



Head Office:  
 Royal Exchange, London

## CONFEDERATION LIFE ASSOCIATION

Issues LIBERAL POLICY CONTRACTS  
 ON ALL APPROVED PLANS.

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 Vice-President  
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 Joseph Henderson, Esq. Peleg Howland, Esq.  
 Lt.-Col. A. E. Gooderham Lt.-Col. The Hon. Frederic Nicholls  
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Gen. Supt. of Agencies,  
 J. TOWER BOYD

Actuary, V. R. SMITH, A.A.S., A.I.A.  
 Secretary, J. A. MACDONALD.

Medical Director:  
 ARTHUR JUKES JOHNSON, M.D., M.R.C.S. (Eng.)

HEAD OFFICE .. .. TORONTO



Head Office—Corner of Dorchester St. West and Union Ave., MONTREAL

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

THE INCORPORATED 1875  
**MERCANTILE FIRE**  
 INSURANCE COMPANY

All Policies Guaranteed by the LONDON AND LANCASHIRE FIRE INSURANCE COMPANY OF LIVERPOOL.

## THE CANADA NATIONAL FIRE INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, MAN.

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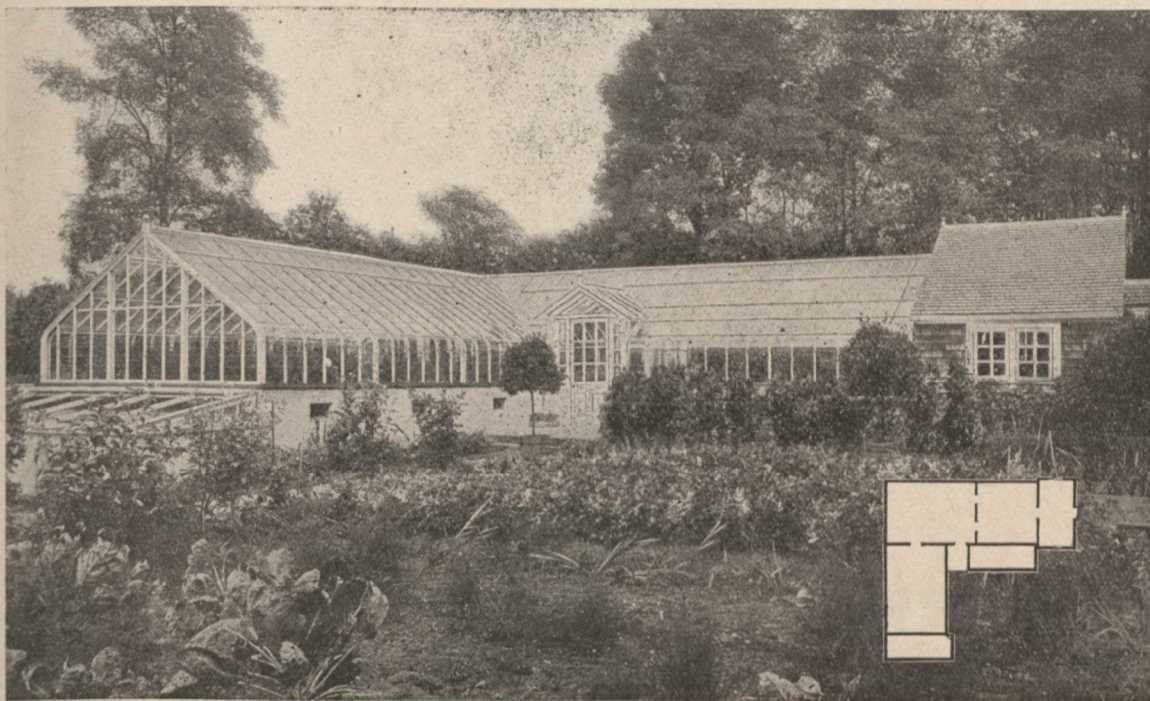
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