

# The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXX. No. 29

MONTREAL, JULY 23rd, 1920

Single Copy 20c  
Annual Subscription \$3.00

## THE GENERAL FINANCIAL SITUATION

Announcement was made from Ottawa at the beginning of this week of a discontinuance of the functions of the Wheat Board so far as the 1920 crop is concerned, and the permitting of the marketing of the coming crop in the normal manner. The fact that the United States has decontrolled the market in grains and flour, and that there is no longer in that country embargo upon imports of wheat or flour, appears to have been the prevailing influence in a decision which is of very great importance. In abolishing an artificial price for a basic commodity like wheat and leaving it to find its own level according to the laws of supply and demand, a step of the first importance has been taken in removing trade from the artificial basis upon which it was placed during the war to the natural and healthy conditions of peace. The importance of the step remains, whether the price of grain moves upward or downward from the artificial figure at which the 1919 grain crop has been marketed.

That the renewal of control should be disliked by the farmers of the West is not a matter of surprise. Nobody cares to have an assumed market at a high price for his product removed from him, and to have substituted in its place the changes and chances of ordinary trade. But apparently the farmers do not see that the attitude they are taking is the ultra-protectionist line which they so vigorously denounce in other folk. In short, they want high protection for their products; free trade in the goods they purchase. They may be able to persuade themselves of the logic of this attitude, but they certainly will not persuade anyone else. There is a very well defined suspicion, a suspicion that has indeed very considerable evidence to support it, that the farmer has benefited as much as any class of the community, except perhaps munition makers, as a result of the war, and the present desire to maintain an artificial price for wheat at other folks' expense, is scarcely likely to pass for anything else than it really is—an attempt to continue special privileges which may have been desirable under certain con-

ditions, but the desirability of which has now ceased.

As regards the outlook for the future price of wheat, it was pointed out in this column last week that the numerous circumstances suggest that the farmer of this continent is likely to get a fair reward for his toil. At the same time, it is to be borne in mind that the nations of Europe, however keenly they may desire to make additions to their wheat stocks, and to resume the full wheat loaf, cannot be expected to buy anywhere else than in the cheapest market, and that while exchange remains heavily against them, they are likely to restrict their purchases as much as possible. In this connection, it may be suggested that the fact that the pound sterling is worth considerably more in Montreal than it is in New York is likely to be of some advantage to Canada, although, of course, Canadian wheat will have to take its chance with American wheat in the open markets.

A small paragraph in the newspapers the other day informed the public that an application has been filed by the railways of Canada with the Railway Commission for a flat increase of freight rates in Canada to the extent of 30 per cent. In a general way the reasons for the application may be summarised as the vast increases in wages, materials, and operating expenses. It is safe to say that a good deal more will be heard of this matter before long, and that it will probably involve one of the biggest contests that has ever been in the Dominion on the subject of railway rates. The question is not merely one of rates, but it involves the whole subject of the principle upon which the nationally owned railways are to be run, whether in the future their deficits are to be made up as in the past by drafts upon the public exchequer or whether the railways are to be self-supporting. Some American financial observers are inclined to credit reports that Montreal interests have been accumulating considerable amounts of Canadian Pacific stock at its recent low levels in the expectation of a favourable outcome of application. This seems a rather far-fetched theory; if such accumulation has in fact taken place, it is more likely to be



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**Superintendent for Ontario**

# The Chronicle

## Banking, Insurance and Finance

Established 1881.

Published Every Friday

F. WILSON-SMITH, Proprietor and Managing Editor

OFFICE:

406-408 Lake of the Woods Building,  
10 St. John Street, Montreal.

Annual Subscription \$3.00    Single Copy, 20 cents.

MONTREAL, FRIDAY, JULY 23rd, 1920

(Continued from front Page)

a result of confidence in the future of the undertaking and a recognition of the fact that at recent low levels the stock has been selling way down below its value.

The local stock markets have been undergoing what is euphemistically termed a "healthy reaction." The pace of stocks at the beginning of last week was obviously too hot to last, and one or two developments in stocks which had been favorite subjects of "bull tips" lately were the occasion rather than the cause of a decided setback. It seems likely enough, however, that the present movement is only a temporary setback, and that it will be followed in due course by another forward movement in the recent speculative leaders, particularly the paper stocks. No one supposes that the present prosperity of the paper companies is likely to last for ever, but even the most conservative of observers have to admit that their outlook for a couple of years or so is rosy to a degree. The general body of speculators in any event remains thoroughly convinced of the possibility of much higher prices for these stocks and is acting accordingly. To some extent also there is evidence that those in the inner circle of the paper business are following the policy which is calculated to encourage speculative enthusiasm, of making hay while the sun shines, by means of recapitalisation and liberal dividends and bonuses. This remark does not apply to all the companies which are now following a conservative policy which have the best chance of continuing prosperous in the days which must eventually arrive, when prosperity is not secured so easily.

In the United States, financial observers are paying attention to possibilities of the outcome in a financial and industrial sense, of the congestion of

the railways and the menace of a deficient coal supply as a result of the freight jam. Results of this are already seen in a curtailment of manufacturing activities in some quarters, while there is distinct evidence that more men are looking for jobs, and that jobs are less plentiful. No wholesale and immediate reduction in wages is expected, of course, by anyone familiar with the strongly organized position of labour, but in many industries there has already been noted a disposition to turn out a better day's work for the wages given. In an ordinary year a large grain supply, such as is anticipated for the fall, has often been the incentive of rising prices on the stock market and for increased activity in general trade. That outlook is now qualified, however, in the opinion of some observers, by the slow movement of farm products over the railroads and by the strain imposed upon the banks by the necessity of carrying these products until they can be turned into cash.

### Banks as Advisers to Investors

The buyer of sound securities, not only receives his interest, and dividends, but he continues to save, and his example encourages others. There is a call for wise and experienced selection of securities and for their sale to small buyers all over Canada. Honest guidance of investment and stimulation of the practice of thrift and saving by opening to every one, who is interested, a participation in favorable opportunities is not only an aid to the individual but a public service of high character.

The best medium for wise investment assistance is probably the banker, both as to saving, and as to applying funds to practical use. The best protection to the investor, is not found in the law, but is seen in the co-operative choice of investment securities, the local saver or capitalist being guided and assisted by his banker.

It has long been known to careful observers of the situation that such aid on the part of the local banker was the best advertisement the latter could put out and that instead of reducing his custom or deposits it tended to increase them.

Hardly was the war over when the process of throwing over the accumulated Victory Bonds began. No one to-day knows how many of the holders are still left, but it is clear that they are far fewer than at the time of the armistice. It is also true that the bond buyers who were developed during the war are not likely, as things are going, in more than a small percentage of cases to continue to be such. Instead, in all countries there has set in a period of extravagance and at the same time of investment in doubtful speculative securities.

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INCORPORATED 1832

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Reserve Fund - - - - - \$18,000,000.00

Total Assets over - - - - - \$230,000,000.00

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CAPITAL SUBSCRIBED	- - -	\$294,392,000
CAPITAL PAID UP	- - -	47,102,720
RESERVE FUND	- - -	48,375,525
DEPOSITS, &c.	- - -	1,629,692,180
ADVANCES, &c.	- - -	678,817,955

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Colonial and Foreign Department: 17, CORNHILL, LONDON, E.C. 3. London Agency of the IMPERIAL BANK OF CANADA.  
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## CANADA'S INDUSTRIES

The Canadian Government reports the best crop conditions in the Dominion since 1904. Owing to shortage of labor, the acreage is not as large as usual, but heavy crops are expected. A considerable amount of last year's wheat is still in storage awaiting export.

A notable expansion has taken place in the Canadian pulp and paper trade during the last few years. Production of newsprint increased from 532,250 short tons in 1916 to 683,088 tons in 1918. For the first nine months of 1919, the output was 561,911 short tons. It is estimated that 150,000 tons of newsprint will be added to Canada's production this year, and that within the next ten years the annual output will be 2,000,000 tons.

The formation of the Great Eastern Paper Company was announced recently. The company owns 300,000 acres of timber land, a barking mill, a saw mill, a ground wood pulp mill, a hydro-electric power unit, and a railway from the plant to the St. Lawrence River.

A \$6,000,000 pulp and paper plant, to be erected near Port Arthur, will have an annual capacity of 37,500 tons of pulp and 33,000 tons of newsprint. The first unit is expected to be finished by December, 1920.

The reported discovery of potash on Vancouver Island will be of great importance to the Canadian fertilizer industry and to the country's agriculture in general if the deposits are in a form to be easily mined.

Canadian automobile factories manufactured 94,000 motor vehicles last year and sold more than \$100,000,000 worth. Automobiles registered in the Dominion numbered 325,000, compared with about 90,000 in 1915. The demand for motor trucks is increasing.

## CANADA'S SANE FINANCING

Canada has courageously adopted the "pay-as-you-go" policy. In preparing the 1920 Budget, the Minister of Finance was confronted with a very difficult task. Two courses were open to him,—to follow the line of least resistance by carrying on national financing by means of further loans, or to make Canada pay as she goes and strive where possible to improve her position. Wisely, he chose the latter course.

The effect of this policy upon our national standing is great indeed. With the knowledge that Canada has finished borrowing her Government bonds ranks higher than ever before. The Dominion is to be congratulated upon the course it has pledged itself to pursue.

## Prevalence of Unlicensed Automobile Insurance

The Chronicle is this week in receipt of a communication from Mr. G. D. Finlayson, Superintendent of Insurance, Ottawa, regarding unlicensed Automobile Insurance. There can be little doubt that the representations made to the Department are correct in this connection, and enquiries made by The Chronicle among various companies, would indicate that there is open solicitation by some Montreal brokers, on behalf of unlicensed Underwriters. The licensed Companies records are subject to rigid inspection by the Insurance Department, and there is no reason why (if the Department has the requisite powers) an inspection of the Insurance Broker's books, should not be made, or at least an affidavit obtained from each licensed broker testifying what proportion of his business was placed with unlicensed Companies or Underwriters.

The matter of stopping these malpractices is not insuperable, although difficult, and may be safely left in the hands of the very able and energetic Superintendent of Insurance. We propose to refer to this matter in future issues. There are some sixty licensed companies writing automobile insurance in Canada, and there is absolutely no occasion or argument for unlicensed automobile insurance. All brokers worthy of the name, must be aware of their obligations under the Insurance Act.

The following is a copy of Mr. G. D. Finlayson's communication above referred to:—

Department of Insurance.

Ottawa, July 20, 1920.

The Chronicle,  
Montreal.

It has been drawn to the attention of the Department that a considerable amount of insurance is being effected on automobiles in Canada in British or foreign companies or Underwriters not licensed under the Insurance Act.

Such insurance on automobiles is subject to the same requirements as insurance on real property in unlicensed insurance companies, and is permitted only if effected outside Canada and without any solicitation whatever, directly or indirectly on the part of the company or underwriters, otherwise any person inspecting the risk or adjusting the loss in Canada, is subject to the provisions of the Criminal Code.

Every person so insuring an automobile is required to make a return thereof to the Department, the form for which can be obtained on request.

(Sgd.) G. D. FINLAYSON,  
Superintendent of Insurance.

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**Succession  
Duty  
Bonds**

**POLICY LOANS OF THE CANADIAN LIFE COMPANIES**

The policy loan figures of the Canadian life companies for the year 1919 are decidedly interesting. Not only is the year's net increase in these loans by far the smallest of any year in the last fifteen, but the ratio of these loans at the end of 1919 to the companies' net reserves was the lowest figure since 1910. The former figure of net increase in these loans is the more satisfactory one. The former figure of net increase in these loans is the more satisfactory one. The decrease in ratio to net reserves in undoubtedly largely a result of the immense increase in the business placed upon the companies' books in the last year or two; the small actual increase in these loans, only about two thirds of their growth in 1918, is excellent evidence of the decline, in the necessities of policyholders to borrow upon their policies.

It is instructive to compare the experience of the companies in this matter of policy loans in the years preceding 1914 with that subsequently. It will be noted from the table below that while policy loans reached their apex of increase in 1914, there were quite heavy increases in 1911 and 1912, which were certainly prosperous years in Canada.

The explanation of these increases at that time is to be found in the fact that many policyholders then used their borrowing power for the purpose of financing speculations. In 1913 and 1914, the borrowing power was used in largely increased measure to hide those speculations, particularly in stocks and land, over a period of adversity. In the gloomy year, 1914, the increase in policy loans reached a pinnacle of \$5,329,108, nearly eight times the increase of 1919. In 1915, also a poor year in Canada, there was a further heavy increase in these loans, but since then the annual increases have dwindled very considerably. Not only have the actual cash resources of the Dominion been immensely increased since 1916, but with the development of the so-called "war prosperity," new means have arisen for the financing of speculations and expenditures which previously would have been financed by borrowings upon life policies. The various War Loans have provided the basis for an immense structure of credit, while expenditures upon "unnecessaries have in many cases doubtless been made through the sale of these bonds instead of by the time borrowed methods of a mortgage on the house, or a loan on the life insurance policy. For the time being, in fact, the privilege of easy borrowing upon their life insurance policies has become a much less important factor to the majority of policyholders than formerly.

This is very much to the good from the point of view of the general welfare of the life insurance

business, and it is to be hoped that the present state of affairs will continue. That depends, however, upon the general financial developments in Canada. Any decided check upon existing prosperity would doubtless again send these loans up with a rush, although for the reasons stated above, it seems somewhat doubtful if policy loans will resume in the future, proportionately their old timed importance. On the whole, it seems clear enough for a year or two at all events, the annual increase in policy loans is likely to be small and their proportion to the companies' net reserves a declining one.

The following table shows the loans and premium obligations upon policies of the Canadian life companies since 1905 and the proportion such loans and obligations bear to the companies' net reserves:

	Amount Dec. 31.	Year's Increase.	% of Reserves Dec. 31.
1905 . . . . .	\$ 9,679,244	\$ 867,215	10.6
1906 . . . . .	11,091,446	1,412,202	11.0
1907 . . . . .	14,057,512	2,966,066	12.7
1908 . . . . .	16,750,846	2,693,334	13.8
1909 . . . . .	18,409,651	1,658,805	13.8
1910 . . . . .	20,409,223	1,999,572	13.9
1911 . . . . .	22,960,040	2,550,817	14.2
1912 . . . . .	25,879,863	2,919,823	14.4
1913 . . . . .	30,875,309	4,995,446	15.7
1914 . . . . .	36,204,417	5,329,108	17.0
1915 . . . . .	39,303,673	3,099,256	17.3
1916 . . . . .	41,134,378	1,830,705	16.7
1917 . . . . .	42,749,481	1,615,103	16.0
1918 . . . . .	43,884,451	1,134,970	15.1
1919 . . . . .	44,611,927	727,476	13.9

**TRAFFIC RETURNS**

Canadian Pacific Railway				
Year to date	1918	1919	1920	Increase
June 30 . . . . .	\$70,213,000	\$74,867,000	\$90,030,000	\$15,193,000
Week ending	1918	1919	1920	Increase
July 7 . . . . .	\$2,787,000	\$3,120,000	\$3,373,000	653,000
July 14 . . . . .	2,688,000	3,325,000	3,854,000	529,000
Grand Trunk Railway				
Year to date	1918	1919	1920	Increase
June 30 . . . . .	\$22,972,154	\$33,464,248	\$37,051,295	\$3,587,047
Week ending	1918	1919	1920	Increase
July 7 . . . . .	\$1,063,462	1,688,850	2,158,945	430,005
July 14 . . . . .	1,300,800	1,688,850	2,158,945	430,005
Canadian National Railways				
Year to date	1918	1919	1920	Increase
June 30 . . . . .	\$35,445,231	\$41,495,872	\$45,674,824	\$4,178,952
Week ending	1918	1919	1920	Increase
July 7 . . . . .	\$1,424,684	\$1,713,404	\$1,932,961	\$219,557
July 14 . . . . .	1,506,147	1,659,083	2,000,993	341,910

IN ALL **INSURANCE** BRANCHES  
**STRENGTH**                      **REPUTATION**                      **SERVICE**

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Dominion Express Building - MONTREAL

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The **CANADIAN FIRE INSURANCE COMPANY**

Applications for Agencies Solicited

**NIAGARA FIRE INSURANCE COMPANY**

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INCORPORATED 1850

Cash Capital

**\$1,000,000.00**

Net Surplus 31st Dec., 1919

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FOUNDED 1805

**Caledonian-American Insurance Company**

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

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

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 ESTABLISHED IN CANADA 1863

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Manager for Canada, **ALEXANDER BISSETT**

**APPLICATIONS FOR AGENCIES INVITED**

## NATIONAL BENEFIT ASSURANCE COMPANY, LIMITED

Mr. Cathcart W. Jones, Foreign Fire Manager of the National Benefit Assurance Co., Ltd. arrived in Montreal this week from the West. Mr. Jones informs us that he has appointed the influential firm of Black & Armstrong, Winnipeg, Managers for Manitoba, Alberta, and Saskatchewan, and also the Province of British Columbia. The Company is represented in Ontario by Messrs. Reed, Shaw & McNaught, Toronto, while the Company's interests are represented in Montreal by the Prudential Trust Co., and in the Province of Nova Scotia, their interests are looked after by the old established firm of Jack & Son. Mr. Jones is spending a few days in Montreal, and will leave for England on the 28th instant. He appears to be much impressed with the business outlook generally throughout the Dominion.

## The Traders & General Insurance Association, Ltd., of London, Eng.

The Traders & General Insurance Association Ltd. of London, Eng., having made the necessary deposit at Ottawa, are now operating, the business of fire insurance throughout the Dominion under the management of Carson & Williams Bros., Limited, Toronto, who are general agents for Canada. The Company was established in 1907, and is in good standing in England, under excellent management. The Managing Director Mr. H. Muir Beddall is known as an insurance man of wide experience. The conduct of the company's business in Canada, will, we understand, be on similar lines to that of the London Mutual, which in recent years has been controlled and directed by the firm of Carson & Williams Bros., Limited, who have already made the following appointments:—Messrs. Hobson & Co., Ltd., Vancouver, General Agents for B.C.; W. J. Cleary, Lewis Building, Montreal, branch manager for Quebec Province. The Province of Ontario will be under the direction of the Head Office for Canada at 33 Scott Street, Toronto.

## TAKING NOTES FOR LIFE PREMIUMS

Life insurance salesmen, both from necessity and their eagerness to offer every possible inducement to the prospect to take insurance now, handle a great many notes.

Agents who secure uniformly good paper consider the taking of an applicant's note for the insurance premium just as carefully and thoroughly as though they were loaning the money out of their own pockets on the terms set forth in the note and never waive the interest. To waive interest is a violation of the antirebate laws.

When it comes to the extension of credit the person seeking credit must be either wholly good or wholly bad. There is no halfway stations in the work of a successful credit man. The debtor who is not good for the whole of his obligation is not good for, and neither will he pay, a part of his obligation.

Whenever you offer to take an applicant's note for an insurance premium or you are asked to take a premium note, consider the matter just as carefully as though you were a banker and in exchange for the obligation were going to hand over the amount of cash represented and unless it is your judgment that a cash loan to the amount of the premium would be a wise one do not under any circumstances accept the paper.

Applying this rule to the extension of credits may mean a decrease in your applications but a small business on a profitable basis is far better than a big business on a losing basis.

Lack of ability in the credit department is one of the chief causes of failure of mercantile establishments and inattention to the financial responsibility of applicants has ruined the career of many an able salesman of life insurance.

You should consider your applicants just as carefully from the financial standpoint as the medical director must consider them from the physical standpoint.—R. W. Stevens.

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

## The Acadia Fire Insurance Company

OF HALIFAX

LIABILITY UNDER ALL ACADIA POLICIES GUARANTEED BY  
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WHOSE ASSETS EXCEED \$98,000,000

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 Head Office, TORONTO  
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**SURPLUS and RESERVES, \$1,416,740.57**      **TOTAL FUNDS, \$1,708,120.67**  
**TOTAL LOSSES PAID, \$3,180,308.63**

Application for Agencies Invited

**Head Office - - - MONTREAL**

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Established in Canada in 1821  
 1819 **AETNA (FIRE)** 1920  
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(Incorporated under A. A. S. U. S. A.)

QUEBEC BRANCH, MONTREAL, **F. L. ROBERTSON**, District Manager.  
 MONTREAL BRANCH, MONTREAL, **THOS. BRIDGER**, Branch Manager.

**Agencies throughout the Dominion**

## EXCELSIOR INSURANCE LIFE COMPANY

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

## The Law Union & Rock

INSURANCE CO. LIMITED, LONDON. Founded in 1896  
**Assets Exceed - - - \$50,000,000**  
 Over \$10,000,000 invested in Canada  
**FIRE and ACCIDENT RISKS accepted.**  
 Canadian Head Office: 277 Beaver Hall Hill.  
**MONTREAL**  
 Agents wanted in unrepresented towns in Canada.  
**W. D. AIKEN**, Superintendent, **COLIN E. SWORD**, Canadian Manager.  
 Accident Dept.

**SUCCESS IN SELLING LIFE INSURANCE** Depends chiefly upon how hard Salesmen work, and the excellence of their service to clients. The more you put into it the more you will get out of it. Let "Greater Service to Policyholders" be your motto for 1920, and if you want a good position with a progressive Company, apply stating experience and references, to  
**M. D. McPHERSON**, Provincial Manager, 180 St. James Street, MONTREAL, P.Q.

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

### The Late W. P. Clirehugh, F.I.A., F.S.S

The late Mr. W. P. Clirehugh whose death occurred on June 28th, at Aston Hall, Derby, England, was well known in Canada for very many years through his frequent visits to this Country as General Manager of the London & Lancashire Life (now the London & Scottish Assurance Corporation). Mr. Clirehugh who had almost completed his 90th year, became in 1862 the first manager of the London & Lancashire Fire. The same year saw the formation of the London & Lancashire Life. Mr. Clirehugh becoming, in addition manager and actuary of that Company.

In 1867 he relinquished the managership of the London & Lancashire Fire on the removal of that Company's Head Office to Liverpool. In 1908 Mr. Clirehugh retired from the management of the London & Lancashire Life and was a director of the Company at the time of his death. This constitutes a record of 58 years service with one company, a length of service never equalled by any insurance manager.

### CANADIAN FIRE RECORD

*Fire at Winnipeg*—On the 15th instant a fire broke out in the McRea Block Building. Insurance as follows:—Law Union & Rock, \$23,500; Northern \$12,500; Western, \$5,000; New York Ind., \$5,000. Total \$46,000. Loss about \$27,000.

*Fire at St. John, N.B.*—On the 20th instant the Provincial Chemical Fertilizer Plant at East St. John, N.B. was destroyed by fire. The plant is owned by D. R. Patterson. Loss about \$75,000, partly covered.

*Fire at Maisonneuve, P.Q.*—On the 20th inst., the saw mill and lumber plant of the J. P. Abel, Fortin & Co., 383 Desjardins St. was destroyed by fire. Loss about \$20,000 partly covered.

*Fire near Belleville, Ont.*—On the 17th instant the frame residence of Chas. Munn, near Johnstons School on the 3rd concession of Sydney was destroyed by fire, one life was lost. Property damage about \$4,000.

### WANTED

By well known General Agency Office, young man with knowledge of Fire Insurance. Must be capable of supervising all inside work, a knowledge of book-keeping necessary. Address, Agency Office, Care The Chronicle, Montreal.

### WANTED

Old, strong and seasoned British Fire Insurance Company is prepared to grant a general agency for the City of Montreal, on liberal terms.

Facilities for handling business throughout Canada. Splendid opportunity for large established agency, or as a basis for partnership for two or more special agents.

Applications treated confidential. Address, General Agency, Care The Chronicle, Montreal.

*"The future is purchased by the present"*—JOHNSON

The wise agent purchases his future prosperity by representing a strong, up-to-date, service-giving Company. The CONTINENTAL, immeasurably strong in assets, up-to-date and aggressive in business methods, with service-to-agents-and-policy-holders its unvarying slogan, is an avenue to your future prosperity. Do not delay. Write our Service Department for particulars.

## The Continental Insurance Company

OF NEW YORK.

HENRY EVANS, President.

# FIRE      AUTOMOBILE      PROFITS

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

W. E. BALDWIN, Manager

# Commercial Union Assurance Company Limited

of London, England

as at 31st Dec., 1919.

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

# Palatine Insurance Company Limited

of London, England

as at 31st Dec., 1919.

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

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

**Applications for Agencies Solicited in Unrepresented Districts**

Head Office: CANADIAN BRANCH

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

W. S. JOPLING, Manager

# THE CANADA

ACCIDENT & FIRE ASSURANCE COMPANY

Head Office, - - MONTREAL

T. H. HUDSON, Manager, Fire Department.

H. F. RODEN, Manager, Casualty Department

Policies Guaranteed by  
Commercial Union Assurance  
Company Limited

Local General Agents, (Fire)

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

FIRE - MARINE - HAIL  
AUTOMOBILE

ASSETS EXCEED  
\$93,000,000



# EAGLE STAR AND BRITISH DOMINIONS

INSURANCE COMPANY LIMITED

J. H. RIDDEL, Manager for Canada

OF LONDON, ENGLAND

E. C. G. JOHNSON, Assistant Manager

HEAD OFFICE FOR CANADA - TORONTO

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

# THE FIRE INSURANCE COMPANY OF CANADA MONTREAL

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

**GENERAL FIRE INSURANCE BUSINESS TRANSACTED**

President: Hon. R. DANDURAND

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

## Large Volume of Life Insurance Written for First Six Months of 1920

From reports received at The Chronicle Office, the volume of life insurance written during the first six months of the present year, indicate that many companies operating in Canada show an increase, eclipsing the marvelous record of 1919, and some companies expect that the latter half of the year, will be even better than the first half. One cause for the present demand for life insurance is due to the prosperity of farmers, and the favourable outlook for an abundant crop. Some companies comment upon the factor of agency training in connection with maintaining an increased volume of business. There is a considerable volume of group insurance being written in Canada during 1920 whereas in 1919 there was practically none. In calculating the 1920 figures, allowance must be made for this fact. The prosperity reported concerning the business of life insurance is somewhat to be wondered at in view of the fact that the population is extravagant, frivolous and pleasure-seeking, to a degree never before noticeable. There is also an unscrupulous profiteering prevalent, and a tendency to do as little genuine work as possible, among some classes of the population.

## SALESMAN OR AGENT Which is Correct Title?

Mr. A. Callaway, Editor of *The Southland* has written an article in which he asserts that "life insurance is neither bought nor sold," and endeavors to demonstrate that the life insurance agent is not a salesman. He takes exception to the use of such words as "selling" and salesmanship" in connection with the solicitation of applications for insurance. As to the policyholder, Mr. Callaway contends that he has not bought insurance, but has been admitted to membership in the company.

Upon this general topic, William Alexander, secretary of the Equitable Life Assurance Society and Author of "How to Sell Insurance," says:

What then should be the title of the man who makes insurance field work his vocation. I prefer the old and well established title "agent." I agree with a prominent field man who once said to me, "I like to be called an agent. It suggests the diplomatic representation of the Government. To be referred to as an agent of the great institution with which I am connected gives me pride and satisfaction." But this title is less popular than it used to be, and we have begun to call the agent a "salesman." And while that title is not in all respects appropriate, it is very convenient, and has come to stay.

## SERVICE IN INSURANCE BUSINESS MUST BE COMPLETE

Service to be satisfactory must be prompt, circumspect, and complete in all its links. It is the first consideration the agent owes his company and his policyholders. Where the interests of both sides of a contract are placed unreservedly in his hands the utmost care is needed to meet the requirements. But the company also owes service and so does the policyholder and if either fails the agent, his position is rendered very precarious. For these reasons life insurance must be practiced with the accuracy of a profession.

A case reported from the Arkansas Supreme Court in *The Insurance Field* last week is full of curious interest. An agent with general powers sold a policy to a young man under draft for army service in 1917. It contained a war clause invalidating it for any sum except the reserve if the insured went out of the country to fight unless he had a permit from the company and paid an additional premium for it. It was all well understood by the parties and the brothers of the insured made due provision for the payment of any premiums as they fell due out of money left in the agent's hands for that purpose.

The insured was ordered abroad, notice that he must get the permit and pay the extra premium was sent him with a form for it that the agent devised. This seems to have not been received by the insured, or if he did receive it he did not return it signed. But he had before notified the agent of receiving orders to go abroad and wanted his insurance kept up. His brothers called to see the agent to have the permit issued and the extra premium paid. The agent told him he would look after it and "make it all right." But, for one reason or another, not involving anybody's good faith, the permit was not formally issued, an extra premium was not paid and in the midst of the delay the insured was killed. The company contested the claim but the Arkansas courts have held it liable on the ground that when the agent said he "would make it all right," he bound the company.

One point in the case received no attention in the opinion. When the company inserted its war clause in the policy it did not have printed forms for the application for permits and extra premium payments printed. When the agent wrote in for such blanks to be used in the case at bar the company still did not have any and did not send any until later, so that the agent was without formal blanks for the purpose.

It is quite apparent that all parties were in good faith and that in the exigencies of war time activity one link in service failed and produced litigation.

## Prudential Trust Company

LIMITED

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

Head Office  
9 St. John St.,  
Montreal

**B. HAL. BROWN, President and Gen. Manager**

## The Standard Life Assurance Co.

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

## 1870 - Our Golden Jubilee - 1920

**MUTUAL IN PRINCIPLE: MUTUAL IN PRACTICE**  
Prosperity has attended every step in the march of the Mutual from the opening of its long campaign in 1870 down to the present, and much of that success has been due to the practice of the principle of mutual-ity which has characterized all ranks of the ever-increasing army. Obstacles have been removed, difficulties overcome and a long succession of victories achieved by co-operation. The most vital force in the world. The objective of the **Mutual Life of Canada** since its organization in 1869 has been "to furnish the largest amount of genuine life insurance at the lowest possible net cost." This objective has been attained as actual results clearly show. The limited number of lapses indicates a membership of satisfied policyholders while the rapidly expanding business reveals the growing of the Company. Join our victorious march

—BE A MUTUALIST—

## THE MUTUAL LIFE ASSURANCE CO. OF CANADA

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

## The Travellers Life Assurance

Company of Canada

HEAD OFFICE: MONTREAL

Hon. GEO. P. GRAHAM, President

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

First British Insurance Company Established in Canada

A.D. 1804

## Phoenix Assurance Co. Limited

OF LONDON, ENGLAND (Founded 1782)

FIRE LIFE MARINE

TOTAL RESOURCES, over . . . . . \$97,000,000.00  
CLAIMS PAID EXCEED. . . . . 500,000,000.00  
DEPOSITS with Federal Government and  
Investments in Canada, for security of  
Canadian policyholders only, exceed . 2,000,000.00

AGENTS WANTED IN BOTH BRANCHES. Apply to

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

100 Francois Xavier Street - MONTREAL

## WESTERN

Assurance Company

Incorporated in 1851

HEAD OFFICE, - TORONTO, Ont.

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

ASSETS - over - \$8,000,000.00

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

DIRECTORS:

W. B. MEIKLE, President

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

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

A. R. PRINGLE, Canadian Fire Manager

ROBERT BICKERDIKE  
Branch Manager for Province of Quebec  
MONTREAL

## A BRITISH COMPANY

## Union Insurance Society of Canton, Limited

ESTABLISHED 1835

Head Office: HONGKONG

Assets over \$24,000,000

A combination of AGE, MAGNITUDE and EXPERIENCE

FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 36 Toronto Street, TORONTO

General Agent Montreal, JOSEPH ROWAT

Manager for Canada, C. R. DRAYTON

## PROSPECTS FOR SMALL FIRE COMPANIES

Our contemporary the *New York Journal of Commerce*, say:—

The opportunities and prospects for small fire insurance companies is a perennial subject for discussion. There are some who profess to believe that their day is past. These people are mistaken. There is and probably always will be a place for small companies as the beginnings of large ones. It is not so certain that there is a place for the small company which expects to remain small. With the closer supervision of rates by the States and the extension of the antidiscrimination principle there is not likely to be more than a very moderate margin of underwriting profit in the future and companies will have to depend more and more upon profit from investments. The opportunity of the small company lies in the direction of increasing its business as rapidly as is consistent with good underwriting and prudent expansion, with a view to getting a larger reinsurance reserve on which to earn interest.

### Guarantee Bonds under the Grain Act

The case of the King vs. London Guarantee and Accident Company decided by the Exchequer Court of Canada, dealt with the liability of a guarantee company on a guarantee bond under the Canada Grain Act.

It appeared that in the year 1916 one Gorbavitsky applied to the Board of Grain Commissioners of Canada under section 153 of the Canada Grain Act for licenses to operate two Country elevators in Saskatchewan, and also for a license to operate as a "track-buyer" of grain, and gave a bond of the Guarantee Company for \$6,600 in connection with each application, the condition of the bonds being that Gorbavitsky would comply with all the enactments and requirements of the Canada Grain Act any pay any penalties for which he might become liable thereunder.

Gorbavitsky operated the elevators under the licenses under which the usual warehouse receipts were given to parties storing grain therein as required by section 157 of the Grain Act. Gorbavitsky's license as a "track buyer" authorized him to buy in car lots on track, but after the grain had been stored in his elevators and warehouse receipts issued therefor, Gorbavitsky bought some of the stored grain from the owners, for which he failed to pay.

The question then was whether Gorbavitsky by issuing the storage receipts had complied with the

requirements of the Grain Act, in which case the guarantee company would not be liable on his subsequent cash purchases. Judge Audette held that when Gorbavitsky gave the storage receipts as required by the Grain Act he had discharged all the duties imposed upon him by the Act, that his license as a track buyer applied only to purchases on the track and not in the elevators, that when he afterwards bought the stored grain he was not acting under his license, but was exercising the ordinary right of buying and selling, that the bonds did not cover these purchases, and that the guarantee company could not be held liable.

"The operator of a country elevator after discharging his statutory duty as above mentioned, has always his common law rights subsisting to buy or sell, provided such rights are not in derogation of any of the provisions of the statute. Nothing short of legislation can take away these common law rights," said the court.

# Great American Insurance Company New York

INCORPORATED - 1872

PAID FOR LOSSES

**\$112,397,573.17**

STATEMENT JANUARY 1, 1920

CAPITAL  
AUTHORIZED, SUBSCRIBED AND PAID-UP

**\$5,000,000.00**

RESERVE FOR ALL OTHER LIABILITIES

**17,191,302.37**

NET SURPLUS

**11,010,376.51**

ASSETS

**33,201,678.88**

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

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

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

**Home Office, One Liberty Street,  
New York City**

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



## THE MOTOR UNION INSURANCE COMPANY LIMITED

(INCORPORATED IN ENGLAND)



### THE BEST IN AUTOMOBILE INSURANCE

□ □ □

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

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

Write, Phone or Call

Chief Office } 59 Yonge Street { MAIN  
for Canada } TORONTO { 5369

Assets exceed \$13,000,000

Premium income exceeds \$8,500,000



INSURANCE THAT INSURES  
PROTECTION THAT PROTECTS

THE **EQUITABLE**  
LIFE ASSURANCE SOCIETY OF THE U. S.  
120 Broadway New York

W. A. DAY, President

### BRITISH MARINE RESULTS

The Policyholder of London in giving a summary of the results of British Marine Underwriting for 1919 says:—

"It will be seen that on a turnover of £19,016,132 there was a surplus, after adjusting the unexpired liability reserve on a 40 per cent basis, of £1,343,193, or no less than 28 per cent. We are not blind to the fact that a 40 per cent reserve is probably inadequate for this class of business, and everyone will agree that it is inadequate in the case of a new office, but we have adopted this standard as it is the one which is regarded as sufficient in the case of fire and accident insurance business and it serves for comparative purposes. Particulars as to the amount of interest earned by the marine funds, are very incomplete, but it will be seen these funds, at the end of 1919, amounted to no less than £20,337,437, as compared with £19,947,030 at the end of 1918. In other

words, the companies have got over a year's income in hand today, whilst a year ago the funds were about £3,000,000 under 12 months' income. If we assume that the interest earnings amount to about £800,000 we shall not be very far wrong, and this will bring the earnings of this branch of the British companies' operations up to something like £6,000,000 sterling, a highly satisfactory record, but a record which we fear is not likely to be repeated in the near future.

The Northern leads the way as regards magnitude of turnover and also with a credit of £669,000. It is ahead of the London and Lancashire, which follows close upon its heels with a credit of £642,000. The London and Lancashire, however, has transferred £621,000 to profit and loss account, which is the record transfer of the year. As a whole it is certainly a tribute to the conservative finance of British underwriters and it is a record of brilliant trading.