

# The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXIX. No. 47

MONTREAL, DECEMBER 5, 1919

Single Copy 10c  
Annual Subscription \$3.00

## THE GENERAL FINANCIAL SITUATION.

The October bank statement, as usual, reflects very markedly the expansion of credit at this time of year consequent upon the movement of the crops. Thus the banks' current loans in Canada increased during the month by no less than \$46,367,958 to a new high level of \$1,104,940,160. Concurrently, and of course, largely in consequence, there was an expansion in demand deposits of \$54,537,226 to \$705,280,241. Also in consequence of seasonal demand, circulation increased during the month by \$10,569,482 to \$236,477,479. Notice deposits continued during the month their steady progress to new high levels creating a record of \$1,262,746,984. It will be interesting to see when the November statement appears, to what extent these deposits have been depleted by the flotation of the Victory Loan. Last year in similar circumstances, they were reduced by about \$137,000,000. If a similar reduction takes place this year, these notice deposits will still remain at the end of November at a level of well over \$1,100,000,000 or something like \$200,000,000 larger than at the end of November 1918.

The October rise in Canadian call loans of \$3,363,381 to \$100,549,390 is of special interest from the announcement made a few days ago, that the brokers have been in conference with the local Stock Exchange authorities in regard to the matter of current speculation in stocks. It is probable enough that the rise in these call loans in October is not wholly a reflection of the activity during the month on the Stock Exchange. It is likely to be in part accounted for by financing in connection with the Victory Loan campaign, which was already under way at the end of October. However, the formal announcement of the bankers to the effect noted above, scarcely comes as a surprise. That for some time past, local issues have been selling at prices which cannot be possibly justified by interest values, as a result, most probably, of rank manipulation is evident enough. And bankers are not in the habit of encouraging this kind of thing. The conference with the local Stock Exchange authorities suggests a desire to reach a *modus vivendi* which will correct the present position with a minimum of disturbance. Whatever may be done in this connection, the effect of the Bankers' action will doubtless be a considerable quieting of the tone of the stock exchanges in the immediate future at all events. Even in stocks of industries, whose trade outlook is of the

brightest, such as the papers stocks, existing quotations discount possibilities for some time to come and a breathing spell to enable companies' earning power to catch up somewhat with the quotations of their stocks will not be amiss. The stock exchange constantly discounts future possibilities, but at the same time it is to be recognized that it cannot go too far ahead of current earning power and interest value. This is an ancient truism, but there is plenty of evidence that a good many people locally have been forgetting it lately.

The proposals which are now under discussion by the United States authorities for a funding of the interest payments due by European countries to the United States with a view to the checking the disorganization in exchange are of very direct interest to Canada, since any improvement in sterling and the other exchanges at New York would undoubtedly be followed by a rise in the value of the Canadian dollar at that centre. The matter of course is purely an exchange one. There is no question as to the ability of the Governments concerned, of which Great Britain is the chief, to meet their obligations; it is merely a matter of expediency as to how those obligations shall be met. In London the negotiations in question are regarded as part of a plan affecting the external indebtedness of all the belligerent countries, and it is pointed out that the debts of the Allies to Great Britain almost precisely equal the debts of the Allies to the United States. The adoption of the proposals under consideration and the funding of the interest payments in question, would, of course, operate in the same way as credits by the United States to the European countries, the plans for which still seem far from being realized doubtless as a result of the recent developments at Washington. Another problem which the United States has on hand at the present time is also of some interest to Canada, namely the return of the railways to private ownership. What will happen in this connection depends upon the action of Congress at its present session. The return of the railways to their owners was originally fixed for 31st December but it is clear from the earnings statements which are now being published by the various roads, that their outlook is dismal indeed, unless the Government guarantee is extended for say, a period of six months, until officials have had a chance of regaining control of their men and thus reducing expenses, or,

[Continued on page 1253]

# BANK OF MONTREAL

Established Over 100 Years

Capital Paid Up, \$20,000,000

Res. 20,000,000

Undivided Profits, 1,812,854

Total Assets

\$545,304,809

## BOARD OF DIRECTORS:

SIR VINCENT MEREDITH, Bart., *President.*

SIR CHARLES GORDON, G.B.E., *Vice-President.*

R. B. Angus, Esq.

Lieut.-Col. Molson, M. C.

Lord Shaughnessy, K.C.V.O.

Harold Kennedy, Esq.

C. R. Hosmer, Esq.

H. W. Beauclerk, Esq.

H. R. Drummond, Esq.

G. B. Fraser, Esq.

D. Forbes Angus, Esq.

Colonel Henry Cockshutt

Wm. McMaster, Esq.

J. H. Ashdown, Esq.

E. W. Beatty, Esq. K.C.

**HEAD OFFICE: MONTREAL**  
**Sir Frederick Williams Taylor, General Manager.**

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

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

Collections at all Points throughout the world undertaken at favorable rates

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

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

### PRINCIPAL BRANCHES OUTSIDE OF CANADA:

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

G. C. CASSELS, Manager.

Sub-Agency: 9 Waterloo Place  
 Pall Mall, S.W.

PARIS, FRANCE—Bank of Montreal—(France 17 Place Vendome,

NEWFOUNDLAND: St. John's, Carbonear, Curling, Ferryland, Gaultois, Grand Falls, Greenspond, and St. George's.

In the United States.—

NEW YORK. CHICAGO. SPOKANE.  
 SAN FRANCISCO—British American Bank  
 (owned and controlled by Bank of Montreal)  
 and at MEXICO CITY

## The West Indies and Mexico

Trade between Canada and the countries to the south of us is rapidly increasing.

With branches in the United States and Mexico, and a close working arrangement with our Correspondents who have branches throughout the West Indies, this Bank is able to place at the disposal of its customers a very complete service.

## The Canadian Bank of Commerce

Capital Paid Up \$15,000,000 Reserve Fund \$15,000,000

## THE MOLSONS BANK

Incorporated in 1855

CAPITAL AND RESERVE \$9,000,000

Over 100 Branches

To replace the devastation in France and Belgium, new industries will have to be organised and equipped, and money is required to finance the needs of these companies.

If you are in need of financial advice in connection with reconstruction matters, the Manager of the Molsons Bank will gladly furnish it so far as lies within his power, and without obligation on your part to actually transact any business with him.

HEAD OFFICE: - MONTREAL  
 E. C. PRATT, General Manager

# The Chronicle

## Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY  
F. WILSON-SMITH, Proprietor and Managing Editor.

Office:

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

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

MONTREAL, FRIDAY, DECEMBER 5th, 1919

### THE GENERAL FINANCIAL SITUATION

(Continued from front Page)

ultimately, that freight rates are raised at the end of the year. The second of the alternatives is obviously the healthier one, but whether it will be adopted, depends upon the action of Congress.

The same problem in a slightly different form will have to be faced in Canada sooner or later in connection with the National roads. When there are deficits on these roads, the normal and healthy way of remedying these deficits is to cut expenses and raise rates.

The alternative of Government subsidiaries is not a satisfactory one, and it is to be hoped that when the time comes for the adoption of a definite policy in this matter, that the policy of subsidising will not be followed.

Cheap transportation is certainly desirable, but there is no real cheapness, about transportation which has to be paid for by the community as a whole through taxation, in order that some particular sections of the community may benefit by a service under cost.

In regard to the demand for silver, it may be noted that in 1918, India, which has always been a sink-hole for this metal, absorbed 182,000,000 ounces, practically the world's entire output, that year. Very little precious metal that enters India ever emerges again, and it appears that China, which has also always been an important factor in the silver market, is adopting to an increasing extent, the habit of hoarding.

Another reason for the great demand for this metal, in addition to the coinage requirements of the western countries, is the wide adoption of silver as a circulating medium in the new Eastern Asiatic countries, and in East and West Africa. While with its rise in value the use of silver in the industrial arts has tended to decline, there is every indication that the demands for coinage and the insatiable appetite of India and China, will assure to the silver providing countries, in which Canada takes a very fair rank, a great demand for the metal at high prices for a long time to come.

#### Mr. E. W. KNEELIND, WINNIPEG, BECOMES A DIRECTOR OF THE MERCHANTS BANKS

At the Merchants Bank Directors' Meeting held on the 28th November, Mr. E. W. Kneeland, of Winnipeg, was elected to a place upon the Board.

The appointment of a Western man whose interests

are entirely centered in the wheat business is an indication of the growing importance of our western country in the minds of the powers that be in our Eastern banks.

Mr. Kneeland, who is a naturalized Canadian subject, having been born in the United States, of Canadian parentage, some 50 years ago, has devoted his whole life to the development of the grain business in the United States and Canada. He is now general manager of the British American Elevator Company, vice-president, Port Arthur Elevator Company, vice-president, Saskatchewan Elevator Company and Liberty Grain Company. He is a Director of the National Elevator Company Home Grain Company, Grain and Produce Exchange, Traders Building Association, Canadian Bond & Mortgage Company, all of Winnipeg, and he is, of course, a member of the Winnipeg Grain Exchange.

The Merchants Bank, which has always done its utmost to further the interests of the agriculturists throughout Canada is to be congratulated upon securing the counsels of a man of Mr. Kneeland's standing and experience along the lines mentioned.

#### HIGH PRICES FOR SILVER.

For the first time in nearly 50 years silver went under the 16 to 1 ratio to gold on November 10, when bullion sold in the New-York market at \$1.305 an ounce. This was the highest price since 1872, when silver brought \$1.325 an ounce. While this price for bullion would yield a profit to those melting down silver dollars, the silver in which is worth \$1 when the price of bullion silver is at \$1.2929, it is doubtful whether such melting will take place to any great extent unless the present high prices for bullion are maintained for a considerable period. The rise in the price of silver is attributed to the heavy demand for the metal by England, Canada, India, Hongkong, and China. Stocks, in China especially, were reduced by the embargo on exports which was maintained from the summer of 1918 until last May. Since the lifting of this embargo China has been taking more silver than all other countries combined. In August, China took \$10,911,987 in silver and since then her agents have been in the market for even larger quantities.

#### TRAFFIC RETURNS.

##### Canadian Pacific Railway

Year to date	1917	1918	1919	Increase
Oct. 31.....	\$121,068,000	\$123,652,000	\$139,289,000	\$15,637,000
Week ending	1917	1918	1919	Increase
Nov. 7.....	3,437,000	3,437,000	3,821,000	384,000
" 14.....	3,575,000	3,247,000	4,083,000	836,000
" 21.....	3,582,000	3,582,000	4,111,000	529,000

##### Grand Trunk Railway.

Year to date	1917	1918	1919	Increase
Oct. 31.....	\$49,929,034	\$47,102,767	\$55,453,532	\$8,350,765
Week ending	1917	1918	1919	Increase
Nov. 7.....	1,342,941	1,342,941	1,421,706	78,765
" 14.....	1,471,654	1,471,654	1,488,716	17,062

##### Canadian National Railways.

Year to date	1917	1918	1919	Increase
Oct. 31.....	\$63,973,321	\$73,958,932	\$83,985,611	\$20,027,289
Nov. 7.....	1,717,270	1,948,591	2,313,318	596,048
" 14.....	1,719,036	1,961,003	2,417,993	498,957
" 21.....	1,884,198	1,884,198	2,108,164	223,966

## Prudential Trust Company

LIMITED

<p><b>Head Office</b> 1 St. John St., Montreal</p>	<p><b>Trustees for Bondholders:</b>                  Transfer Agent &amp; Registrar                  Administrator Receiver Executor                  Liquidator Guardian Assignee                  Trustee Custodian</p> <p>Real Estate and Insurance Departments                  Insurance of every kind placed at                  lowest possible rates.</p>	<p><b>Safety Deposit</b> Vaults</p> <p>Terms Ex-ceptionally moderate.</p> <p>Correspondence invited</p>
--	---	---

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

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

## The Standard Life Assurance Co.

Established 1825 Incorporated 1910

Accumulated Funds - - \$68,000,000

Over \$10,000 paid daily in claims.

## The Secret of Successful Salesmanship

If the salesman has unlimited confidence in the Company he represents and in the goods he is offering, it will not take long to communicate that confidence to the Prospect. And this applies to Life Insurance more than to any other article. Agents of the Mutual Life of Canada meet with extraordinary success for that simple reason—they devoutly believe in Life Insurance and above all in "Mutual" Life Insurance. The Mutual Life has been conducted for fifty years exclusively in the interests of its Policyholders. The result is an unprecedented demand to-day for Mutual Life Policies. With the Mutual the "Secret of Successful Salesmanship" is simplicity itself. The Agent knows that he has the Company and the Policy that the Prospect needs. The rest soon follows.

*"Be a Mutualist"*

## The Mutual Life Assurance Co. of Canada

WATERLOO, - - - ONTARIO

# Western

## Assurance Company

Incorporated in 1851

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

ASSETS over \$7,000,000.00

LOSSES paid since organization  
of Company . . . over \$74,000,000.00

**DIRECTORS**

<b>W. B. MEIKLE, President</b>	
Sir John Aird	John Hoskin, K.C., LL.D.
Robt. Bickerdike, (Montreal)	E. A. Lash, K.C., LL.D.
Lt. Col. Henry Brock	Geo. A. Morrow, O.B.E.
Alfred Cooper, (London, Eng.)	Lt. Col. The Hon.
E. C. Cox	Frederic Nicholl.
John H. Fulton, (New York)	Brig.-General Sir Henry Pollatt, C.V.O.
D. B. Hanna	E. B. Wood

W. B. MEIKLE, Pres. and Gen. Man.	G. B. WAINWRIGHT, Secretary
JOHN SIMS, Asst. Gen. Man.	A. E. PRINGLE Asst. Secretary

**HEAD OFFICE - TORONTO**

## The LIFE AGENTS' MANUAL

THE CHRONICLE - - MONTREAL

**A BRITISH COMPANY**

# Union Insurance Society of Canton, Limited

ESTABLISHED 1833

Head Office: HONGKONG Assets over \$12,000,000

TOTAL ASSETS—Union and Allied Companies, \$30,000,000

**FIRE, MARINE AND AUTOMOBILE**

Head Office for Canada, 86 Toronto Street, TORONTO

General Agent Montreal, JOSEPH BOWAT Manager for Canada, C. R. DRAYTON

### PLUMPNESS AND LONGEVITY

A life insurance expert, H. M. Butholph, of Indianapolis, tells the American Institute of Actuaries that thin persons live longer than fat persons.

Fat men will be inclined to challenge the statement. They have had to put up with chaffing and suffer some inconveniences which the thin escape, but they have always flattered themselves that adipose tissue was a surplus stock of health and vigor upon which they could draw in mature years when others had no such reserves. The beginning of a certain convexity at forty or forty-five, when accompanied by temperate habits, has been regarded as a proof of good digestion and sound sleep. To be sure, Shakespeare shifts his fair, round, middle-aged Justice of the Peace into the lean and slippered pantaloons in a later stage, and Father Time is always pictured as a mere anatomy, but Santa Claus and Old King Cole are notable examples to the contrary, and both in life and literature we like to associate old age with a jovial rotundity. Good-nature and benevolence are proverbially associated with plump persons, and it would be a pity if these qualities should be discouraged by a fear among those inclined to corpulence that longevity depended on weight. Fat men should have some reward for the ridicule they are exposed to in the genial qualities said to be produced by an ample padding of the nervous system. The world was never so lean and hungry as today. When all nations are crying out for more fats, fat persons should be at a premium.

### PRECAUTIONS NECESSARY FOR MOTORISTS.

Gas is a deadly enemy, as almost any returned soldier can tell you who has been up in the firing line. Yet motorists don't realize the gravity of that statement. This is with reference to the gas which is emitted from the exhaust pipe of the automobile.

As cold weather approaches the tendency grows to "warm up the motor" in the garage with the doors closed before beginning the day's driving. Or, maybe the mechanic wishes to see how the engine runs after he has done some repairs.

There is certainly a grave danger in running a gasoline motor of any kind in a closed building unless arrangements have been made to pipe off the exhaust gases. Many motorists do not realize this danger. When a gas engine runs for, say, fifteen or twenty minutes in a small, closed garage, the air is charged with a poisonous gas often fatal to those breathing it as shown by statistics.

The gas coming from an exhaust pipe is composed largely of carbon monoxide, which is colorless, odorless and very poisonous. As cold weather comes on, many car-owners and drivers go to work on their cars in the garage, start the engine and forget that they are pumping the garage full of poisonous gas. They must reach fresh air immediately or the result will be fatal.

To prevent such a possibility, either see that the garage has good ventilation if the engine is to be run more than five minutes or else install an arrangement for piping this exhaust gas out. The latter can be done without any great expense and is, perhaps, the safest plan.

### CANADIAN AUTOMOBILE UNDER- WRITERS ASSOCIATION.

The first annual meeting of the C.A.U.A. was held at Ottawa on the 29th Nov. with a large attendance of members. Mr. J. B. Laidlaw (Norwich Union) president of the Association, occupied the chair. Among important matters discussed was that of specific rating for automobiles. Other important matters were under discussion bearing on the reduction of losses, particularly theft losses, and it is quite possible that as a result of the deliberations extra inducements will be given to policyholders who adopt approved methods of locking automobiles, and other approved devices for the prevention of theft. The very large number of automobile thefts reported of recent years, has attracted very serious consideration by underwriters. There appears no doubt that premiums now charged are entirely inadequate to cover the risk under present conditions. Many underwriters feel that owing to the difficulties in securing increased rates in any line of insurance, that the theft situation could be better dealt with by adopting very stringent preventative measures. These measures must, however, begin with the automobile owner himself.

## Canadian Banking Practice

PRICE \$4.00

For Sale at the Chronicle Office



**THE LIVERPOOL AND LONDON AND GLOBE  
INSURANCE COMPANY LIMITED**  
CANADIAN BRANCH HEAD OFFICE - MONTREAL

**DIRECTORS:**

James Carruthers, Esq. Sir Alexandre Lacoste  
M. Chevalier, Esq. Sir Frederick Williams-Taylor, LL.D.  
William Molson Macpherson, Esq.

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



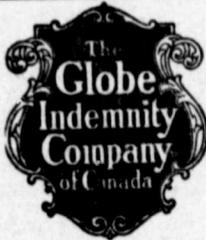
**THE LIVERPOOL - MANITOBA  
ASSURANCE COMPANY**

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

**DIRECTORS:**

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

FIRE INSURANCE



**The Globe Indemnity Company  
of Canada**

Liability Guaranteed by THE LIVERPOOL and LONDON and GLOBE Insurance Company Limited  
Head Office: 343 Dorchester Street W., MONTREAL

CASUALTY Insurance including Accident, Sickness, Guarantee, Burglary  
Employers' Liability and Automobile

== FIRE INSURANCE ==

**DIRECTORS**

John Emu, Secretary and General Manager  
John Pinkerton, Assistant Manager  
Lewis Laing, Fire Manager  
J. D. Simpson, Assistant Fire Manager

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

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

THE OLDEST AMERICAN STOCK FIRE INSURANCE COMPANY

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

**ROBERT HAMPSON & SON, LIMITED** GENERAL AGENTS FOR CANADA **MONTREAL**

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

Formerly: LONDON & LANCASHIRE LIFE & GENERAL  
ASSURANCE ASSOCIATION, LIMITED.

ESTABLISHED IN CANADA 1863

ASSETS : : : : \$25,486,000.00

DIRECTORS FOR CANADA:

A. J. Dawes, Esq. E. C. Pratt, Esq.  
H. B. MacKenzie, Esq. D. C. Macarow, Esq.

Manager for Canada: ALEX. BISSETT

BRANCHES THROUGHOUT CANADA

HEAD OFFICE FOR CANADA:

164 ST. JAMES STREET, MONTREAL

**GENERAL**

**ACCIDENT FIRE AND LIFE  
ASSURANCE CORPORATION LIMITED**  
OF PERTH, SCOTLAND.

Total security to Policyholders now exceed - \$12 500,000.

PELEG HOWLAND Esq.  
Chairman Advisory Board.

T. H. HALL, Manager for Canada. JUDSON G. LEE, General Agent Montreal.

## CAN FOREIGN EXCHANGE BE STABILIZED.

Much has been said in recent discussion of the necessity for bringing the European exchanges back to par, and of stabilizing them. Some have thought that if this were accomplished all the difficulties of trade with Europe would be straightened out. The best European comment on the situation, however, is of a different character. A distinguished Frenchman, for example, recently said: "It is not an exchange problem, it is a production problem," meaning thereby that France must increase her production, so that exports would balance imports. Others in Europe are emphasizing the necessity for straightening out financial conditions, and for rectifying currency disorders, as necessity preconditions to anything like normal conditions. The decline in sterling has been regarded by the best authorities in Britain as far from an unmixed evil. They have looked upon it as a means of checking their imports and of increasing their exports. Every decline in sterling makes foreign goods cost more in Britain, and British goods cheaper in foreign markets.

For the countries where internal currency depreciation has gone very far, as in France and Italy, it would be a positive disservice to try to bring the exchanges back to par, even assuming that it could be done. With currency depreciated internally the money cost of production in francs or lire is high. Wages are high and all other costs are high. If, in such a situation, French goods sold abroad for a dollar should, owing to arbitrary control of the exchange rates, yield to the exporter only 5.18 francs, he could not possibly recoup his costs. If, on the other hand, the exchange rates are left to find their natural level, and the French exporter, selling goods for a dollar in America, is able to obtain nine francs or more for the dollar, he may be able to recoup his costs, and to make a profit. The lower the French exchanges go, the more difficult it becomes for foreign goods to compete in the French market, and the easier it becomes for the French exporter to compete in the foreign markets. The desirable thing is that exchange rates should fall to such a point that internal depreciation and external depreciation are in equilibrium.

How far the exchange rates will fall, when they will recover, how rapidly they will recover—these are questions to which no one can give confident answers. The answers will indeed vary from country to country. For some of the exchanges there may be no bottom at all. Thus, Mexican exchange, after the recent revolution, went lower and lower, until finally the paper money of Mexico was recognized by the government to be absolutely worthless, deprived of its legal tender quality, and ceased to circulate. A new gold standard was created in Mexico, based on the frank acceptance of the fact that the old paper money was no longer good. It is not at all impossible that something of this sort will happen to rouble

exchange and Austrian crowns, and it is possible even in some other countries. In the case of Britain, on the other hand, which stands at the opposite extreme among recent belligerents, there are great resources; public finances are in sound condition; internal currency depreciation is relatively slight, and all that is needed to check the decline in exchange is that the labor problem be straightened out, so that exports may increase and imports decline. Sterling will go lower in the interval, but that sterling will ultimately improve, and ultimately go back to par, with the restoration of the gold standard, seems highly probable.

It is the general expectation that so long as the heavy excess of imports over exports continues for the European countries, their exchanges will go lower. On the other hand, there are some observers who express the opinion that much of this has already been discounted in the existing exchange rates by short selling, and that the demand from these short sellers themselves will take up the new supply of foreign exchange growing out of the exports for a considerable period. Other observers, however, maintain that the general tendency of speculation has been bullish rather than bearish. This view is strongly buttressed by statistical arguments: the long time loans to Europe in the past year fall far short of the balance of Europe's current debt to the outside world, and speculation of one kind or another must have absorbed the difference, either by buying exchange, or by letting balances accumulate in European banks, or by withholding exchange from the market, and allowing "open accounts" to run. There would thus be an enormous volume of exchange hanging over the market. Definite prediction is dangerous where so many uncertainties exist.—

*National Bank of Commerce Monthly.*

## IMPORTANCE OF CONFLAGRATION HAZARD

Much is said about the conflagration hazard. It is a real proposition and no myth. It represents one of the greatest dangers to a fire insurance company. It is liable to come any time, like a thief in the night, without notice and with no mercy. It should be provided for in the rates and calls for a building up of the assets and especially the surplus of a company.

## INSPECTION OF WIRING NECESSARY

In order better to safeguard homes and mercantile establishments and also to protect the lives of citizens, the Ohio State Fire Marshal has issued an order, effective October 15, requiring all companies in the state to make, or cause to be made, a satisfactory inspection of electric wiring, to determine whether or not it is properly installed according to the requirements of the National Electrical Code, before making any connection of electric current for either light or power.—*Insurance World.*

# Commercial Union Assurance Company Limited

of London, England

THE LARGEST GENERAL INSURANCE COMPANY IN THE WORLD  
as at 31st Dec., 1918.

Capital Fully Subscribed . . . . .	\$14,750,000	Total Annual Income exceeds . . . . .	\$64,000,000
Capital Paid Up . . . . .	4,425,000	Total Fire Losses Paid . . . . .	215,897,380
Life Fund, Etc. . . . .	75,578,630	Deposit with Dominion Gov't . . . . .	1,401,333
Total Funds exceed . . . . .	174,000,000		

# Palatine Insurance Company Limited

of London, England

as at 31st Dec., 1918.

Capital Fully Paid . . . . .	\$1,000,000	Total Income . . . . .	\$3,462,515
Fire Premiums 1918 . . . . .	3,305,020	Funds . . . . .	6,062,500
Interest Net . . . . .	157,495	Deposit with Dominion Gov't . . . . .	358,266

N.B.—In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$174,000,000.

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

T. H. HUDSON, Manager, Fire Department.  
Policies Guaranteed by  
Commercial Union Assurance  
Company Limited

Head Office, - - - - - MONTREAL  
H. F. RODEN, Manager, Casualty Department.  
Local General Agents, (Fire)  
G. U. PRICE & CO., LIMITED  
Bank of Toronto Bldg., Montreal

Head Office  
for Canada;  
TORONTO



Eagle

Star

AND

## British Dominions Insurance Company Limited

Of London, England

J. H. RIDDEL, Manager E. C. G. JOHNSON, Asst. Manager

DALE & COMPANY, LIMITED  
GENERAL AGENTS  
MONTREAL AND TORONTO

Assets  
Exceed  
\$50,000,000

Head Office  
for Canada  
TORONTO



## The BRITISH CROWN ASSURANCE CORPORATION LIMITED

Of Glasgow, Scotland

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

J. H. RIDDEL, Manager E. C. G. JOHNSON, Asst. Manager

JOSEPH ROWAT, General Agent  
LEWIS BUILDING - - - - - MONTREAL

Security  
over  
\$50,000,000

# THE FIRE INSURANCE COMPANY OF CANADA

MONTREAL

Authorized Capital, \$1,000,000

Subscribed Capital, \$250,000

Paid Up Capital, \$100,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

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

## PERSONALS

Mr. A. S. Bennett, F.C.I.I., assistant general manager of the Eagle Star & British Dominions, was in Montreal this week and visited the *Chronicle* Office, Mr. Bennett, who has been on this side of the water since the 15th October, visited San Francisco, Los Angeles and other important centres at the Pacific Coast, in addition to important cities in Western Canada, where he was accompanied by Mr. J. H. Riddell, Canadian manager. Mr. Bennett has been overlooking the Company's business, generally, on this side, and seeing what the prospects are for future development. The Eagle Star & British Dominions recently issued £100,000 £3, fully paid shares at a premium of £12 to present shareholders, only in proportion to holdings. The already strong position of the Company is further strengthened thereby by the addition of no less a sum than £1,200,00 to reserve, and increasing the paid up capital to \$5,239,000. Its total assets exceed \$85,000,000. The Eagle Star & British Dominions might be termed one of the most remarkable modern insurance undertakings, carried onwards by an ever-increasing, vigorous, forward movement. In addition to its fire business, the Company operates an important marine business in Canada through the well-known firm of Dale & Co., Montreal, who are also agents of the fire department.

Mr. C. W. Jones, foreign fire manager of the National Benefit Assurance Company, Limited, London, England, accompanied by Mr. Bernard Francis (son of the general manager) was in Montreal this week. Both gentlemen had just returned from the Pacific Coast. About a year ago the Company entered British Columbia for the transaction of fire insurance and appointed Mr. J. T. Summerfield, Vancouver, its chief agent for Canada. The Company has not made much progress in its fire insurance department in Canada. As previously pointed out in these columns, the Canadian field is densely crowded with strong fire companies, all competing for business, and it is a difficult proposition for the smaller companies, whose lines are apt to be restricted, to meet with sufficient encouragement.

Mr. James Macdonald, a son of Mr. J. R. Macdonald, joint manager of the Mount Royal Assurance Co., who became connected with the Sterling Offices Limited, of London, England, some months ago, has recently been appointed assistant superintendent of the Fire Department of that institution.

## NEW NET TO SCOOP THE AUTO THIEVES

In order to help run down the automobile thief the Montreal Automobile Association has issued to its members a form on which is a series of questions which they are asked to fill out and return.

On this sheet is listed questions such as: Make of car, license number, manufacturer's number, private or any distinguishing mark, place where it

was stolen, time, etc. All of these, when answered, serve as a means of identification, which is immediately handed to the police, then placed in the hands of the Association's special representative.

Another means of providing information to its members is the issuance of a weekly post card, which was started during last summer. On it is briefly described the coming events, speed traps, repairs on roads around the vicinity, and any automobile races or similar events which are to take place. This idea has met with great success among the members, as it placed before them such information as they could use to good advantage.

## MORAL HAZARD OF A JOB

Environment rather than innate character is considered the root of the moral hazard upon which surety companies must speculate in the daily routine of business, according to Henry D. Lyman, chairman of the Board of Trustees of the American Surety Company, who is quoted in an interesting article in the *New York Sun*. Mr. Lyman is a surety man of more than forty years' experience. In fact, his whole business life has been one long study of human foibles and failures, human weaknesses and the ways of men and money, the reasons as to just "why men go wrong." He has investigated these things not only from a purely business viewpoint but also from a personal angle, and in his opinion it is more a matter of the job that a man holds, the atmosphere and environment attendant to the job, than the man himself; it is the job, not the man that is as the potter's clay; the job can make or unmake the man.

An employer is held as much to blame by Mr. Lyman for an act of dishonesty on the part of one of his employees as the actual perpetrator of the crime. He further holds that the business world is in desperate need of a "moral safety first" movement. As a matter of fact, he considers the taking of precautions to protect employees from moral hazards at least of equal importance with protection from physical hazards. He strongly urges therefore that employers of all classes of labor and brains carefully study the jobs they offer men, study the men and study both in every detail for harmonious co-operation.

"We wouldn't bond a man for a box office position in a 'White Way' theatre for \$5,000; let the same man go down town and get a position in a good bank and we'll bond him for \$10,000." Mr. Lyman says. "There are more temptations to dishonesty in a ticket office than in a bank—and more excitement, too. There are many more cases of dishonesty among ticket sellers than among bank clerks. Dishonesty is very often a matter of atmosphere."



**Security - - \$42,000,000**  
**ONTARIO AND NORTH WEST BRANCH**  
 14 Richmond Street, East, TORONTO  
**PROVINCE OF QUEBEC BRANCH**  
 164 St. James St., Cor. St. John St., MONTREAL.



**PERSONAL ACCIDENT**  
**SICKNESS**  
**FIDELITY GUARANTEE**  
**PLATE GLASS**  
**AUTOMOBILE**  
**GENERAL LIABILITY**  
 Head Office, **TORONTO**  
 Montreal, 164 St. James Street. Quebec, 81 St. Peter Street.

# Mount Royal Assurance Company

**SURPLUS AND RESERVES, \$1,214,457**      **TOTAL FUNDS, \$1,436,842**  
**TOTAL LOSSES PAID, \$2,692,201**

Applications for Agencies invited

**HEAD OFFICE** - - - - **MONTREAL**

**P. J. PERRIN and J. R. MACDONALD,** - - - **Joint Managers**

Established in Canada in 1821

1819 **AETNA (FIRE)** 1919

HARTFORD, CONN., U. S. A.

**Losses Paid over \$175,000,000**

J. B. HUGHES, Special Agent, . . . . WATERLOO, ONTARIO  
 J. R. STEWART, Special Agent, 36 Toronto Street, TORONTO, ONT.  
 R. LONG, Special Agent, 515 Yorkshire Bldg., VANCOUVER, B. C.

## Union Assurance Society, Ltd.

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

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

Agencies throughout the Dominion

## EXCELSIOR

**INSURANCE LIFE COMPANY**  
 A Strong Canadian Company

J. J. Robichaud, Provincial Inspector.  
 MONTREAL TRUST BUILDING, 11 Place d'Armes, MONTREAL

## The Law Union & Rock

INSURANCE CO. LIMITED, LONDON.      Founded in 1804

**Assets Exceed - - \$50,000,000.00**

Over \$10,000,000 invested in Canada

**FIRE and ACCIDENT RISKS accepted.**

Canadian Head Office: 377 Beaver Hall Hill,  
 MONTREAL

Agents wanted in unrepresented towns in Canada.

W. D. AIKEN, Superintendent,  
 Accident Dept.

(J. E. E. DICKSON  
 Canadian Manager.

### GOOD SALESMAN WANTED IN MONTREAL

If you are a good salesman, a hard worker and ambitious, we will help you to make good, whether experienced in Life Insurance or not. Attractive openings for men of fair education and good records. Apply stating experience and references, to

M. D. McPHERSON, Provincial Manager, 180 St. John Street, MONTREAL, P.Q.

**THE CONTINENTAL LIFE INSURANCE CO.**

GEORGE B. WOODS, President

TORONTO, Ont.

CHAS. H. FULLER, Secretary

## INSURANCE AGAINST RIOT AND CIVIL COMMOTION IN ENGLAND.

The following article, published in a recent issue of *The Secretary*, London, England, is of interest to insurance companies, in view of the important volume of riot and civil commotion business written on this continent:

The ordinary fire policy excludes the risk of damage by fire arising out of riot and civil commotion, except in the case of policies upon the contents of private dwelling houses where the risk has been included without payment of additional premium.

In view, however, of the fact that fire is only one of the means by which property may be damaged by strikers and the possibility of such disturbances occurring, a demand for further protection has arisen.

The tariff offices have announced the terms upon which they are prepared to include these risks.

In the case of the building as well as the contents of private dwelling houses the risk of damage by fire caused by riot or civil commotion is now to be included without additional premium, and loss or damage other than fire caused by riot and civil commotion is to be included for an additional premium of 3d. per cent.

Churches, chapels, hospitals and the like are covered for an additional 6d. per cent. for fire loss or damage, and a further 6d. per cent. for loss or damage other than fire caused by riot and civil commotion, and in the case of breweries, collieries, clothiers, bakers, etc., etc., the rates are 2s. 6d. per cent. for fire loss or damage, or 5s. for the wider cover and fire loss or damage.

It may not be generally known that the terms "riot" and "civil commotion" have been the subjects of consideration by the Courts, and the legal construction of these two terms is hardly as wide as that given to the words when in general use; and in order, therefore, to give the cover which is required, the policy will cover all loss or damage to the property insured directly caused by riot, civil commotion, and loss or damage (other than fire loss or damage) to the property insured caused by strikers, lockouts, workers, or persons taking part in labour disturbances. The reason for the insertion of the "words other than fire loss or damage" so far as the damage caused by strikers, etc., is concerned is that the ordinary policy only excludes riot and civil commotion, and, therefore, fire damage caused by strikers, etc., which would not necessarily come within the terms riot and civil commotion, is already covered by the ordinary fire policy.

It would perhaps be as well to examine very briefly the terms riot and civil commotion.

There are two kinds of riot—that at common law and that created by the Riot Act of 1715.

At common law it has been laid down that whenever as many as three persons met together for any purpose which is likely to involve violence or to produce in the mind of their neighbours any reasonable

apprehension of violence, it will be the indictable misdemeanour of unlawful assembly. This wide definition has been somewhat curtailed by the case of *Field v. The Receiver for the Metropolitan Police District* (1907).

An unlawful assembly develops into a rout as soon as the assembled persons do any act towards carrying out the illegal purpose which has made their assembly unlawful, and the rout will become a riot as soon as this illegal purpose is actually put into effect.

The Riot Act, 1715, provides that whenever an unlawful assembly of twelve or more persons does not disperse within an hour after a Justice of the Peace has read or has endeavoured to read to them a proclamation (set out in the Act), calling upon them to disperse, they cease to be mere misdemeanants and become rioters and liable to a maximum punishment of penal servitude for life. Reading this proclamation is what is commonly called ("absurdly enough called" are the words Dicey uses) "reading the Riot Act."

The term civil commotion was considered by the Court of Appeal in the recent case of *London and Manchester Plate Glass Insurance Co., Ltd., v. Heath* (1913), where the Court, affirming Mr. Justice Bucknill, reluctantly felt obliged to follow the definition laid down by Lord Chief Justice Mansfield at the latter end of the eighteenth century, when he said, "I think a civil commotion is this—an insurrection of the people for general purposes, though it may not amount to a rebellion where there is usurped power."

It will be seen, therefore, that the legal definitions of two terms hardly cover the risks which the public would wish to be covered by the policy, and the wider wording is therefore essential.

The legislature has not been silent on the question as to who shall pay for any damage done. The Riot (Damages) Act provides that:—

"Where a house shop or building in any police district has been injured or destroyed or the property therein has been injured stolen or destroyed by any persons riotously and tumultuously assembled together such compensation as hereinafter mentioned shall be paid out of the police rate of such district to any person who has sustained loss by such injury stealing or destruction; but in fixing the amount of such compensation regard shall be had to the conduct of the said person whether as respects the precautions taken by him or as respects his being a party or accessory to such riotous or tumultuous assembly or as regards any provocation offered to the persons assembled or otherwise."

A Secretary of State is empowered to make regulations as to these claims which the police authorities must cause to be published in their districts. These regulations have been duly made and can be obtained from H.M. Stationery Office for 1d.

This Act does not apply to Scotland or Ireland.

J. B. W.

# THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1883

**Fire, Marine, Hail and Automobile**

**HEAD OFFICE: TORONTO**

<b>Old</b>	<b>Reliable</b>	<b>Progressive</b>
Assets over	-	\$4,000,000.00
Losses paid since organization	over	
over	-	\$45,000,000.00

**DIRECTORS:**

**W. B. MEIKLE, President**

SIR JOHN AIRD  
ROBT. BICE BRIDKE, Montreal  
LT.-COL. HENRY B. ROCK  
ALFRED COOPER, London, Eng.  
H. C. COX  
JOHN H. FULTON, New York  
JOHN HOBKIN, K.C., LL.D.

D. B. HANNA  
Z. A. LASH, K.C., LL.D.  
Geo. A. MORROW, O.B.E.  
LT.-COL. THE HON. FREDERIC NICHOLLS  
BRIG.-GEN. SIR HENRY PELLATT, C.V.O.  
E. R. WOOD

**W. B. MEIKLE** Pres. and Gen. Man.    **JOHN SIME** Asst. Gen. Man.    **E. F. GARROW** Secretary

**THOMAS F. DOBBIN, Resident Manager**  
**MONTREAL**

# NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST  
**Fire, Accident and Sickness**  
**Employers' Liability**  
**Automobile, Plate Glass**  
AGENTS WANTED FOR THE ACCIDENT BRANCH.

Head Office for Canada, - - - TORONTO  
Head Office for Province of Quebec, MONTREAL  
P. A. TASKER, Branch Manager.

FOUNDED A. D. 1819

# THE GENERAL FIRE INSURANCE COMPANY OF IS, FRANCE

SURPLUS TO POLICYHOLDERS, \$5,000,000

**THOMAS F. DOBBIN, Manager for Canada**  
**EDMUND FOSTER, Assistant Manager.**  
Lewis Building, St. John Street, - MONTREAL  
Applications for Agencies Invited.

# The Travellers Life Assurance Company

of Canada

**HEAD OFFICE: MONTREAL**  
Hon. CHAS. F. GRAHAM, President

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

# THE LONDON MUTUAL FIRE

INSURANCE COMPANY  
ESTABLISHED 1869

Assets - - - - - \$639,691.53  
Surplus to Policyholders - - - - - 164,317.87



**DIRECTORS:**

A. H. C. CARSON, Toronto - - - - - President  
F. D. WILLIAMS - - - - - Vice-President  
A. C. McMASTER, K.C.    W. T. KERNAHAN  
S. G. M. NESBITT    H. N. COWAN  
W. H. HUNTER

**HEAD OFFICE - 33 SCOTT ST., TORONTO**

**QUEBEC BRANCH OFFICE**

**W. J. CLEARY,**  
BRANCH MANAGER,

17 St. John Street, - MONTREAL

ESTABLISHED 1864.

# New York Underwriters Agency

**A. & J. H. STODDART**  
REGISTERED

100 William Street - New York

**Provincial Agents**

MURPHY, LOVE, HAMILTON & BARCOOM,  
Toronto, Ont.  
MILNER, HAMMOND & NANTON,  
Winnipeg, Man.  
ALFRED J. BELL & Co.  
Halifax, N.S.

JOHN Wm. MOLESON & ROBERT Y. HUNTER,  
Montreal, Que.  
WHITE & CALLEN  
St. John, N.B.  
AYER & BOWEN, Ltd.  
St. John's, Nfld.

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

Founded A. D. 1710

# SUN INSURANCE OFFICE

Head Office: Threadneedle St., London, Eng.

**THE OLDEST INSURANCE OFFICE IN THE WORLD**

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

**LYMAN BOOT**  
Manager

## SOME CANADIAN RE-CONSTRUCTION PROBLEMS

By SIR HENRY DAYTON, Minister of Finance, Canada, delivered at the Annual Convention of Life Insurance Presidents, New York, December 4th.

In the first instance may I express my very sincere thanks for the compliment done me by your Association in extending to me the pressing invitation, which has been extended, that I should be here today and that your consideration even went to the length of asking me to address you. Let me also thank you for the kindness of the greetings which I have received since coming to New York and say how much I appreciate the opportunity of meeting so many of the leading citizens of your great country.

I have been asked to prepare a paper on "Some Canadian Reconstruction Problems." I understand this address ought to be within the limits of half an hour.

The reconstruction problems of every country are diverse and many. To attempt to deal with them generally within the compass of a brief paper would be entirely impossible unless the treatment given were indeed superficial. Viewed from many aspects, the problems of reconstruction are moral rather than material. In so far as material resources are concerned, Canada has no need for concern. Over and above all present agricultural, mining, lumbering, and fishing activities the untouched natural resources of the country remain in volume and indeed in greater volume than they have up to the present been utilized. While it is true that Canada's debt today stands approximately at a total of two billions of dollars with heavy resultant interest charges, while it is true that the claims of the returned soldier, costs of pensions and disability claims are heavy, and will all in the

nature of things continue for many years to come, it is also true that the country and the people as a whole are infinitely better off than they ever were before.

It took the war to discover for us just what could be done and to realize to some extent, perhaps only to a small extent, the possibilities and greatness of the country.

To illustrate, in the year 1913 our export of food-stuffs and fodders amounted to \$194,930,254 and at the close of the last fiscal year to \$467,625,311. Our manufactured exports in 1913 amounted to \$43,692,708 and at the end of the last fiscal year to \$549,284,268.

The progress of Canada both agriculturally and industrially has been marvellous. But the great underlying principle of reconstruction as it appeals to us generally is rather that reconstruction which will make for a better and improved state of society as such, a reconstruction which, while preserving the right of initiative and proper incentive for effort, will at the same time to the fullest extent possible afford equality of opportunity for everybody.

There is, however, a material question, which in the conduct of our public business of the future I venture to think you, firstly as presidents of life insurance companies and secondly as American citizens, are interested in. In the first instance, as life insurance presidents I would confidently claim that you have a real interest in Canada and a constantly increasing interest. I note that in 1898 your insurance companies had in force in Canada \$105,708,154; in 1908 the amount of business in force was increased to \$193,087,126; but the extent of that business of later years has been much more rapidly increased, as your business in force in Canada in 1918 amounted to the large sum of \$619,261,713. Out of a total insurance in

(Continued on page 1265)

# RECONSTRUCTION

**THE** man of wisdom owns a vacant lot in an Eastern city. He estimates the **COST** of erecting thereon a house, in every way the fac-simile **OF** one he had erected three years ago. He discovers that **BUILDING** cost have gone up 100% and therefore the replacement value of his present house **HAS DOUBLED.** Being a wiseman, he immediately increases the amount of his insurance.

A Continental policy will save you from shouldering the 100% increase in construction costs, in the event of your house burning down.

## Continental Insurance Company

OF NEW YORK

HENRY EVANS, PRESIDENT

Canadian Head Office: 17 St. John Street, Montreal

W. E. BALWIN, Manager

# "The Oldest Life Company in America"

*Issued its First Policy in 1845*

Three leadership achievements of the Mutual Life:—The American Experience Table of Mortality, the cornerstone of modern life insurance. The "contribution plan" of surplus distribution, used almost universally by American companies. The Continuous Instalment policy, the basic form of all Life Income contracts.

"Mutual Life"—known in every household. Unexcelled policies and service, notable financial strength, co-operation with agencies. Life Insurance at its best!—the Agent's desire and ideal.

For terms to producing Agents address

## The Mutual Life Insurance Company OF NEW YORK

34 Nassau Street, New York City

## THE London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1770

CAPITAL PAID UP - - - - - \$ 3,741,375  
TOTAL ASSETS EXCEED - - - - - 42,500,000

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

# Automobile Insurance

**FIRE:-TRANSPORTATION:-THEFT:**

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

For further particulars and rates apply to

## The Provident Assurance Company

189 St. James Street, Montreal Tel. Main 1628-7.  
J. C. Gagne, Managing Director.

# ATLAS ASSURANCE COMPANY LIMITED

Founded in the Reign of George III

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

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

Head Office for Canada:

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

Established 1886

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

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

Agents Wanted in Unrepresented Districts.

Managers for Canada:

Montreal Agencies Limited, Montreal



Assets:  
\$30,389,461.55

Surplus:  
\$8,824,000.31

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

## L'UNION

FIRE INSURANCE COMPANY, Limited  
Established 1828 Head Office: PARIS, France.  
Capital fully subscribed. . . \$2,000,000.00  
25 p.c. paid-up

Fire and General Reserve Funds 6,792,000.00  
Available Balance from Profit  
and Loss Account. . . . . 118,405.00  
Net Premiums in 1918. . . . . 7,105,053.00  
Total Losses paid to 31 Dec.,  
1918. . . . . 108,718,000.00

Canadian Branch:

LEWIS BUILDING, 17 St. John St., Montreal  
Manager for Canada: MAURICE FERRAND

(Continued from page 1263)

force at that time of \$1,785,061,273 your companies had over one-third of the total business.

But not only are you interested in the volume of business but you are also interested in your Canadian assets which have grown with the growth of the business and which I am pleased to understand have formed remunerative investments. These assets in 1898 were \$23,563,824; in 1908, \$46,762,534; and in 1918, \$98,607,188. As insurance presidents you have a very real interest in Canada. One of the greatest aids to sound national status is that each and every citizen to the fullest extent possible should have a personal direct property interest in his country. Outside of a Canadian 5½% Victory Bond, which of course I place higher than any other security—a security of greater value not only to the citizens but to the country than any other—there is no way in which our average citizen can make his first investment easier than by investing twenty or thirty dollars in a thousand dollar policy. Life insurance indeed tends to stabilize financial and industrial conditions. It tends to, where adopted in large measure, prevent distress and suffering and constitutes a real protection to the worker and his dependents.

I feel that today we require the fullest extension, the fullest production, the greatest amount of useful work and the practice of economy and thrift everywhere. Life insurance agents are particularly at home in preaching thrift. They can do much to install into our people thrift—that essential requisite to national reconstruction. Personally I well recollect that the first money I ever saved was that rendered necessary by a twenty-pay life insurance policy. May your endeavors to make Canadian people money-savers be most successful.

Very intimately connected with the problem of reconstruction is the bettering of conditions of public health. This is a matter in which the insurance companies are particularly interested, and as I understand it many of you have already commenced an educational campaign amongst your policy holders. You are in a position, with your efficient organizations, to aid very largely in propaganda on better health conditions, of which both our countries are in need. Your efforts in this regard will be doubly pleasing to you, as while bettering and aiding the living conditions generally to the great national benefit you will also be securing a greater longevity in the lives insured, bettering your risks, and increasing the profits of the policyholders and of your shareholders.

There is much room for a great advance in insurance in Canada. Assuming a population of eight millions, the life insurance in force in Canada today is but approximately \$225 per capita. Canadians are under-insured and life insurance companies have a most useful public task ahead of them in bringing up the average protection for the families of the workers of Canada, but increased insurance like every other

good thing depends upon ability to pay premiums, depends upon prosperity. While Canada is prosperous, the question of the matter of exchange between our respective countries is something that I am sure you do not view with complacency. Your insurance premiums are paid in Canadian dollars and as a result of the trade balance existing between the countries the Canadian dollar is at the moment at a discount, and a serious discount when the value of the Canadian dollar, the prosperity and assets of the country are considered. The depreciation while very real is merely the effect of present trade balances and does not reflect in the slightest upon the intrinsic value of Canada's obligations. The depreciation of the Canadian premium in New York funds is simply owing to the fact that we do too much business with you and you do too little business with us.

I wonder if the extent of Canada's purchases in the United States are realized. In South America you have a whole continent, you have been doing business with that continent for many years, you have trade commissions and trade representatives and, I think, have covered that field with characteristic American energy. Your statistics show that your total trade with all South American countries amounted for the year 1918 to the sum of \$881,977,051, with a trade balance against your country of \$252,859,463. In the same year your business with Canada amounted to \$1,216,744,389 and resulted in a favorable trade balance of \$344,235,455 to your country. In 1919 the United States business with all South American countries was \$969,276,505, the balance of trade against you being \$167,473,303. On the other hand, for the same year with Canada your total trade amounted to \$1,282,677,849 and the balance of trade in your favor amounted to a sum no less than \$344,768,213. With such a balance against us and with the further fact that Canada is doing some business overseas, settlement of which is ordinarily made in New York in credit instead of for cash, the reason why your Canadian premiums only net you approximately 95 cents on the dollar in New York funds is very readily apparent. While our respective countries have always very largely traded one with the other the adverse balance of trade used not to tell so heavily upon Canada. In 1910 the adverse balance was \$106,888,088 and in 1915 it was \$110,289,650 and at these times of course Canada was selling overseas for cash.

That Canada is a very large purchaser in the United States and that the tendency to purchase is increasing is made very clear by the exhibit of the percentage of imports in comparison with Canada's total imports. During the fiscal year ending March 31, 1913, our imports from United States amounted to 65.03% of the whole, but during the fiscal year ending March 31, 1919, that percentage had grown to 81.50. On the other hand, the percentage of purchases made

(Continued on page 1267)



# THE EMPLOYER'S

Liability Assurance Corporation, Limited  
of London England

*Transacts*  
**AUTOMOBILE INSURANCE**, covering ACCIDENT, PROPERTY DAMAGE, COLLISION,  
FIRE, THEFT and TRANSPORTATION  
**PERSONAL LIABILITY, HEALTH LIABILITY, PASSENGER and FREIGHT, ELEVATOR**  
**FIDELITY GUARANTEE, CONTRACT BONDS, BURGLARY, MAIL, BOILER,**  
**PLATE GLASS, EXPLOSION and FIRE INSURANCE.**

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

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

John Jenkins,  
Fire Manager

Applications for Agencies Invited

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

### Stands First

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



### TRANSACTS:

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

302 St. James Street, MONTREAL

ROBERT W. COX, General Manager

Applications for direct Agencies Invited.

## The Ocean Accident & Guarantee Corporation Limited

### AUTOMOBILE INSURANCE

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

*The "OCEAN" can meet these requirements under one contract*

Branch Office:  
**MERCHANTS BANK BLDG.,  
MONTREAL**

J. W. W. SMITH  
Superintendent

W. J. PERCY  
Manager for Canada

Canadian Head Office: Ocean Insurance Building, TORONTO

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

**The Oldest and  
Strongest Canadian  
Casualty Company**

### TRANSACTS:

**ACCIDENT                      SICKNESS                      PLATE GLASS**  
**BURGLARY                      AUTOMOBILE INSURANCE**  
**GUARANTEE BONDS                      FIRE INSURANCE**

E. ROBERTS, Manager  
701, LEWIS BUILDING, MONTREAL

C. A. WITHERS, General Manager  
TORONTO

Branches: WINNIPEG      CALGARY      VANCOUVER

(Continued from Page 1265)

by the United States in Canada in comparison with our total exports not only has not increased in a like ratio but has declined, as the percentage of Canadian exports to the United States in comparison with our total exports for the year ending March 31, 1913, was 39.27, and for the year ending March 31, 1919, only amounted to 37.66.

It may be suggested that the best way of restoring the full value to your Canadian premium would be for Canada to do less purchasing in United States, but I do not think that this solution of the subject is one which would commend itself to you as American citizens. We want to do as much business as possible with you and I think you want to do as much business as possible with us. I think we all realize that two of the very necessary essentials in any proper re-establishment are firm currencies and standard exchanges. I am quite sure that you would much sooner see the exchange situation righted by additional American purchases in Canada rather than decreased Canadian purchases in the United States. Temporarily, and from time to time, these adverse balances may be easily rectified by the investment of America's large surplus reserves in Canada, and this solution is one which is probably as much in the hands of the presidents of great American companies as in anybody's. The field for investment in Canada is very large. There is still great room in Canada for development.

Apart altogether from the exigencies of the exchange situation, I feel that little argument is necessary to interest United States life insurance companies in Canadian investments. The Canadian life insurance companies earn upon the average one per cent. higher interest than do the United States companies and this higher earning naturally materially affects policyholders' profits. The average rate of interest in your investment assets is, as I understand it, approximately five per cent. The rate earned by Canadian companies is slightly over 6%. You can with absolute security by investing in Canadian Government bonds earn  $\frac{1}{2}\%$  more than your average return, and should a higher yield be desired the Canadian municipal field offers securities as high as 6%. If a still higher yield is desired Canadian mortgage investments can today be obtained at the rate of from  $6\frac{1}{2}\%$  to 7%. In Canada first-class city mortgages are being placed at  $6\frac{1}{2}\%$  and loans on farm property at 7% and sometimes even at 8%. You are familiar with the investigation made some five years ago of the farm mortgages held by the United States life insurance companies, showing that the average rate of interest earned was 5.55%. At that time farm mortgages in Canada were yielding an average of about  $7\frac{1}{2}\%$ .

You have been so kind as to ask me to speak on some Canadian problems. The problem that I am leaving with you is not alone a Canadian problem. It is a problem in which both of our countries are interested. It is a problem, further, which is one of

the most urgent ones confronting us and one which I am confident your Association with its tremendous resources can do much in assisting to remedy. My apology for introducing it, if any apology is needed, is that it is a problem in which you as insurers of Canadian lives as well as all sellers of American goods to Canadian purchasers are deeply and vitally interested.

The problems of the North American continent will have to be worked out by our respective countries and to an ever increasing degree the problems of the world will be solved by your great Republic and the confederated nations of the British Empire. With a history, with laws, interests, traditions and aspirations so largely common, the essential combined effort for civilization and humanity ought to be, and I am confident will be, harmonious and effective.

### CANADIAN FIRE RECORD.

*Fire at Ottawa.*—By the fire which occurred on Nov. 27th, on the premises of McDougals Limited (Hardware), the following companies are interested. *On Stock*, Royal, \$16,700; Phenix, of Hartford, \$7,000; Phoenix, of London, \$10,000; Alliance, \$6,300; Total, \$40,000. Loss about 50%. *On Building:* Home, \$15,000; North Brit. & Mer., \$7,000; Sun, \$10,000; Total, \$32,000. Loss about 30%. *On Stock of Hughes Owens & Co.*, in upper storey, Phoenix, of London, \$2,000; Globe & Rutgers, \$7,000. National Union, \$5,000.; Home, \$8,000. Total \$22,000. Loss 15%.

*Fire at Kitchener, Ont.*—On the 2nd instant, a fire destroyed A. Lockhart & Cos. garage. Between thirty and forty cars were in the building, many of which were burned, or badly damaged by fire and water. Loss about \$25,000.

*Fire at Moose Jaw, Sask.*—On the 2nd instant a fire broke out in the cooerage of the Robin Hood Flour Mills. The building (two storey) was gutted and the contents a total loss. Loss about \$7,500.

*Fire at Quebec.*—On the 2nd instant a fire broke out in one of the municipal buildings at the Quebec side of the ferry system, occupied by offices of the Ferry Company. Loss about \$12,500, partly covered.

*Fire at Vancouver, B.C.*—On the 1st instant a fire broke out in the Stirling Hotel, on Cordova Street. Loss about \$35,000.

*Fire at St. John, N.B.*—On Nov. 29th, a fire gutted the building occupied by R. & W. F. Starr, Limited, and others on Union St. The fire threatened a large section of the business section. Loss unknown.

*Fire at Campbellton, N.B.*—On Nov. 21st, a fire destroyed the Rosebury St. School. Loss about \$20,000, fully covered.



# BRITISH COLONIAL FIRE INSURANCE COMPANY MONTREAL

Authorized Capital. \$2,000,000.00      Subscribed Capital. \$1,000,000.00  
Paid-up Capital. \$247,015.79

**General Fire Insurance Business Transacted**

**THEODORE MEUNIER**  
Manager

## THE YORKSHIRE INSURANCE COMPANY, LIMITED

ESTAB. 1824

**YORK, ENGLAND ASSETS EXCEED \$39,000,000**

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

**CANADIAN DIRECTORS** { Hon. C. J. Doherty, M.P.      Alex. L. MacLaurin, Esq.      Canadian Manager.  
G. M. Bosworth, Esq.      Pamphile R. DuTremblay, M.P.      P. M. WICKHAM, Montreal

**APPLICATIONS FOR AGENCIES** are invited from responsible persons.

## DALE & COMPANY, Limited

**Marine and Fire Underwriters**

**CORISTINE BUILDING, - MONTREAL**

*All classes of insurance underwritten or placed in reliable companies.*

**Branch Offices at TORONTO, HALIFAX and VANCOUVER**  
**LLOYD'S AGENTS MONTREAL**

### A SOUND WELL MANAGED LIFE INSURANCE COMPANY

stands as a bulwark against poverty. In a financial crisis, or in a bad money market a life insurance policy is possibly the only asset in a man's estate which upon his death would bring its face value. The financial strength of the Company with which he places his insurance should, therefore, be a man's first consideration, and his consideration should be along the line of **Security**, for that is what he wants.

During two decades, **The National Life** has pursued a policy of "Security First" in connection with its investments until to-day as a result of this policy, together with steady conservative growth, and economical management, the Company is in a financial position second to none.

## THE NATIONAL LIFE

**ASSURANCE COMPANY OF CANADA**

Head Office      National Life Chambers      **TORONTO**

### The Canada National Fire Insurance Company

HEAD OFFICE: WINNIPEG, MAN.

Total Assets      -      -      -      \$2,668,273.08

A Canadian Company Investing its Funds in Canada

**APPLICATIONS FOR AGENCIES INVITED**

### THE NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE

SUBSCRIBED CAPITAL.....	25,000,000
TOTAL FUNDS.....	7,491,500
NET SURPLUS.....	1,867,100

J. E. Clement, General Manager  
J. A. Bloudeau, Asst. Manager      L. C. Valle, Inspector

## THE PRINCIPLES OF GROUP INSURANCE

The distinctive feature of group insurance is that the unit of insurance is not the single life but a group of lives. As the group is the unit of measurement, the individual members need not all be standard lives, and no medical examinations is required; for it is only necessary to consider the eligibility of the group as a whole. If, however, a group is to be eligible for insurance, it obviously must not contain an undue proportion of damaged lives. In order to protect the insurance company against adverse selection in this respect, it is essential that the group should exist for some purpose other than that of insurance; and, moreover, membership of the group should in itself be to some extent an index of good health and activity. These conditions may be fulfilled by a group consisting of the employees of one firm, provided all or substantially all are included. The insurance may sometimes be restricted to certain departments, or to male employees only, and casual labourers are generally excluded. With a view to the prevention of adverse selection on the part of an entire group containing an undue proportion of impaired lives, a minimum limit of 100 lives is usually fixed in America for group insurance without medical examination. If the number of lives is less than 100, the group is not necessarily ineligible for insurance, but a modified form of medical examination would generally be required, the degree of stringency of the examination depending on the size of the group. In such cases it might, of course, be necessary to exclude impaired lives.

Another important safeguard against the exercise of adverse selection by the members of a group is that there should be no individual option as to the amount of insurance. That is to say, the sum insured must either be a flat amount or follow a definite formula.

Group insurance has sometimes been criticized as unsound because there is no medical examination as a general rule. But when life insurance business was started, medical examination was not required, and schemes of insurance without examination have been offered by English companies in recent years. Medical examination is only a means to an end; but it is not necessarily the only means. Its object is to maintain the standard of mortality and prevent selection against the office. As is well known, the effect of medical selection for all practical purposes wears off after a few years, the select lives merging into the general body, which may be regarded as a sample population. The group insurance system under adequate safeguards automatically gives sample populations, in which there is no adverse selection. Such groups are therefore

eligible for insurance, provided there is no undue occupational hazard. But it is very important that no opportunity for adverse selection against the insurance company should be given; and for this reason the system should not be applied to clubs or societies connected with a particular trade or employment where the membership is voluntary. An interesting example of what seems to be a misapplication of the group insurance principle may be mentioned. The Federal Insurance Department, while apparently taking no objection to group insurance, has expressed the opinion that the system is not at present legal in Canada. Certain Canadian municipalities, however, during the war have insured the lives of soldiers recruited for over-seas service with American Companies on a group basis, the premiums being paid by the municipalities. Bodies of soldiers, although good lives from a medical point of view, are not suitable for group insurance owing to the catastrophe hazard which exists in any particular regiment on active service. In other words, the risks are not sufficiently decentralized to allow of the operation of the law of average. In considering the eligibility of a group for insurance, occupational hazard is an important factor. The wage-staff of a brewery company, for example, would hardly form a suitable risk for group insurance, except, possibly, in the case of an insurance company doing a very large business and having special experience in dealing with hazardous risks. Again, two firms might carry on business of a similar character, but it does not follow that both would be accepted for group insurance on the same basis, as the general conditions of employment in the two cases might be altogether different. American companies, before accepting a proposal for group insurance and determining the scale of premiums to be charged, usually make a general inspection of the premises, similar to that made in connection with workmen's compensation insurance. Careful attention is paid to such matters as sanitation, lighting heating, fire and accident prevention devices, class of workers employed, and conditions of labour, as well as to any special risks incidental to the employment. Companies which transact workmen's compensation business have the advantage of already possessing the necessary organization for making these inspections.

The group method may be adopted in connection with any kind of insurance, whether term, whole life, endowment, or annuity, and policies on all these plans have been issued; but group insurance, as it exists in America at the present time, is practically restricted to a modified form of term insurance, under which the employer pays the

[Continued on page 1273]



**EVERY AGENT WANTS**

to represent a Company whose name is his introduction. One whose policies are up excelled. Liberal dividends. Strength and security unsurpassed.

The figures for 1918 emphasize these points in the North American Life.

Business in Force .....	over ..	\$70,900,000
Assets .....	" ..	18,100,000
Net Surplus .....	" ..	2,750,000
Payments to Policyholders .....	" ..	1,700,000

These are reasons why the Company is known as "Solid as the Continent."  
Correspond with E. J. Harvey, Supervisor of Agencies.

**NORTH AMERICAN LIFE ASSURANCE COMPANY**  
HEAD OFFICE - - TORONTO, CAN.

**SIZE, STRENGTH, LIBERALITY**

The Sun Life Assurance Company of Canada, with over \$340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over \$97,000,000 and surplus of over \$8,000,000 it has decided strength and safety.

Its policy conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

For information as to contracts, communicate with the nearest Division Office, or with the Company's Head Office in Montreal.

**SUN LIFE ASSURANCE COMPANY OF CANADA**  
Head Office: Montreal. T. B. Macaulay, President.

COMMENCED BUSINESS 1861  
RECEIVED DOMINION CHARTER 17th JUNE 1906  
Capital Stock Authorized and Subscribed \$500,000.00  
Capital Stock Paid up \$174,762.70

**The OCCIDENTAL FIRE**  
INSURANCE COMPANY  
Under the control of the North British & Mercantile Insurance Company

RANDALL DAVIDSON, President  
C. A. RICHARDSON, Vice-President and Secretary.

DIRECTORS  
S. E. RICHARDS W. A. T. SWADYMAN S. G. DOBSON

Head Office - - WINNIPEG, MAN.  
AGENTS REQUIRED AT UNREPRESENTED POINTS

ESTABLISHED 1859  
Total Funds Exceed \$109,798,258.00  
Canadian Investments Over \$9,000,000.00  
Capital Authorized ..... \$29,700,000.00  
Amount Subscribed for ..... 21,000,000.00  
Amount Paid-Up in Cash ..... 11,862,500.00

**FIRE AND LIFE**  
**NORTH BRITISH AND MERCANTILE**  
INSURANCE COMPANY

DIRECTORS  
WM. MCMASTER, Esq. G. N. MONCRIE, Esq. E. L. FRANK, Esq.  
Head Office for the Dominion:  
50 St. Francois Xavier Street - MONTREAL  
Agents in all the principal Towns in Canada.  
RANDALL DAVIDSON, Manager.  
HENRY N. BOYD, Manager, Life Dept.

**The Imperial Guarantee**  
And Accident Insurance Co. of Canada

Head Office, 46 King St. W., TORONTO, Ont.

**A Strong Canadian Company**

Accident and Sickness Insurance  
Guarantee Bonds  
Plate Glass & Automobile Insurance

E. WILLANS, General Manager FRANK W. COX, Secretary

**METROPOLITAN LIFE**  
INSURANCE COMPANY OF NEW YORK

PAID FOR NEW BUSINESS IN CANADA DURING YEAR 1918

Ordinary .....	634,919,821
	25,944,793
Total .....	\$69,766,617

Largest amount ever issued in Canada by any Company

Amount of Insurance in force in Canada December 31, 1918..... \$567,500,000  
Largest amount in force in Canada in any company

Number of METROPOLITAN policies held by Canadians December 31, 1918..... 1,258,534  
Largest number in force in any company in Canada  
Investments in Canada exceed..... \$50,000,000  
Subscriptions to Victory Loans..... \$19,134,100

The Company had nearly 1,500 employees in Canada at the end of 1918.

Home Office, 1 Madison Ave., New York City

**THE LIFE AGENTS' MANUAL**  
THE CHRONICLE - - MONTREAL

**WANTED**

By a British Fire Office, an Experienced Clerk having a knowledge of Endorsements and Cancellations.

Apply in own handwriting to  
**ENDORSER,**  
 c/o The Chronicle,  
 Montreal.

**FIRE INSURANCE BOOKKEEPER**

Wanted by a British Insurance Company a Bookkeeper with some experience in handling the accounts and books of the Fire Department.

Applications, stating age and experience, to be made in writing to  
**BOOKKEEPER,**  
 Box 1502,  
 c/o The Chronicle.

**THE MONTREAL CITY and DISTRICT SAVINGS BANK**

NOTICE is hereby given that a Dividend of Two Dollars and Fifty Cents per share has been declared on the Capital Stock called and paid up of this bank, and will be payable at its Head Office, in this City, on and after Friday, the Second Day of January, next, to shareholders of record, Monday, the 15th of December, at 3 o'clock p.m.

By order of the Board,  
**A. P. LESPERANCE,** General Manager.  
 Montreal, 25th November 1919.

**THE FIRE INSURANCE COMPANY OF CANADA**

**J. E. CLEMENT,** Managing Director

This Company is prepared to consider the insurance of Contingent Commissions of Company Managers, and local Agents at favourable rates.

Correspondence invited.

**Great American Insurance Company New York**

INCORPORATED - 1872

PAID FOR LOSSES

**\$105,437,708.58**

STATEMENT JANUARY 1, 1919

CAPITAL

AUTHORIZED, SUBSCRIBED AND PAID-UP

**\$5,000,000.00**

RESERVE FOR ALL OTHER LIABILITIES

**15,231,512.92**

NET SURPLUS

**10,619,509.09**

ASSETS

**30,851,022.01\***

\*Includes \$134,574.96 Excess Deposit in Canada

THE SECURITIES OF THE COMPANY ARE BASED UPON ACTUAL VALUES ON DECEMBER 31st, 1918

United States Government Liberty Loan bonds owned by the Company exceed its entire capital stock of \$5,000,000—a striking indication of true patriotism

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

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

**WANTED**

Experienced Clerk by leading Fire Assurance Company.

Apply to  
**EXPERIENCE,**  
 c/o The Chronicle,  
 Box 1502.

**WANTED**

The NORTHERN ASSURANCE COMPANY Limited requires a CASUALTY INSPECTOR for the Province of Quebec. Must have Head Office experience.

Apply Manager, Casualty Department, Room 306, Lewis Building, 17 St. John St., Montreal.

## NEVER A BETTER TIME TO SAVE THAN NOW

Costs need not, and probably will not, decline, so long as we will pay the price. The one and only great price fixer is the economic law of supply and demand. The oft-repeated suggestion that every person buy only what he really needs, if practiced, would result in a larger stock of unsold goods,—and then in more "sales," more "price reductions," more competition among dealers—and—more money on hand for consumers.

The profits of capitalists are in direct proportion to the consumers' eagerness to spend.

The stocks in the stores become scanty by the overbuying of customers. An orgy of wasteful buying is no more profitable to manufacturers, and dealers, than it is to the public,—for reaction is inevitable.

The real economic condition of the country, the degree of satisfaction which each person can obtain by exchanging his producing ability for the producing ability of his neighbor, is not altered by trading at inflated or fictitious prices.

What a chance for those longheaded persons who begin to save while others spend!

We quote the above from a statement by the savings bankers of the American Bankers Association, who serve the interests of those who get ahead by placing in reserve a part of their weekly wages.

The savings bankers also suggest thought on the following from the *New York Evening Post*, October 29th.

"The Massachusetts Commission of the Necessaries of Life finds that in every line, notably in meats, rents, clothing and food in general, there is surprising extravagance on the part of people who have never had as much money to spend as they have now,—and they are throwing it away right and left with unconceivable recklessness. One of the largest retail dry-goods dealers in Boston tells the commission that he put on sale a lot of shirt waists at \$2.50 and \$3, but there was no sale for them. His customers demanded the higher priced goods and he was obliged to take the lower priced goods out of his store and turn them off some other way.

"A provision dealer tells of an experiment he tried. He ground up Hamburger steak. Part of it he marked 28 cents a pound, the remainder he marked 42 cents. At the end of the day the 42 cent pile had to be replenished, but he sold none at the 28 cent figure. Yet they were precisely the same.

"One of the largest men's clothing houses in Boston tells the commission that there is a great demand for silk shirts on the part of labor men, although it is well known that silk shirts are of poor

wearing quality. He tells the commission that there is a great demand for silk shirts costing from \$8 to \$10 each. A story comes to the commission about a railroad mechanic who asked for a silk shirt. The seller felt justified in telling him that silk shirts did not wear as well as some other kind. The man replied 'I have my weekly wages of \$95, and I am going to wear a silk shirt if I want one.'

"There is an unusual demand for expensive styles of shoes, which forces up the prices. Manufacturers are merely meeting the demands of labor people when they put more cost into the shoes, with the necessary result of higher prices. There is a great demand for silk stockings at \$4 a pair, which are inferior to what formerly sold for \$1 a pair.

Rents are mentioned in the same category. There is evidence that people insist on living in expensive houses and refuse to economize by living more according to their financial ability.

NOTE.—A regular deposit of \$10 (ten dollars) per week in a savings account means \$520 per annum, besides the compound interest. Is not that more satisfying than silk shirts, costly foods and forgotten extravagances?"

## COURTING TROUBLE

The habit of many automobile owners and operators of filling the gasoline tank while the motor is running is a most dangerous one and there should be most rigid regulations forbidding it. The Kansas State Fire Marshal reports many fires which originate in this manner, saying "We doubt if many people realize just how dangerous the operation is. For the individual who has never had the matter brought to his attention there may be an excuse, but with the garage man who knows the danger of the practice, there is none. A lighted cigar or cigarette is also a mighty dangerous proposition to have near the tank while it is being filled, and yet there are thousands who take the chance daily."

## THE FAST TYPESETTERS LIMITED

INCORPORATED 1919

HAVING purchased the business of the Fast Typesetters Registered as a going concern, offer a limited number of shares for sale. This offers a very attractive investment.

Apply F. H. WHITMAN, President  
Fast Typesetters Ltd. 230a Craig Street

## JOHNSON—JENNINGS, Inc.

AGENTS

INSURANCE

BROKERS

AFNA INSURANCE CO. OF HARTFORD  
ST. PAUL FIRE & MARINE INSURANCE CO.  
BRITISH TRADERS INSURANCE CO., LIMITED

11 ST. SACRAMENT STREET  
MONTREAL, P.Q.

[Continued from page 1269]

whole of the premium. As a general rule, each employee is insured, so long as he remains in the service of his employer, for one, two, or three years' salary, with say a minimum of \$500 and a maximum of \$3,000, which may in some cases be increased, subject to medical examination. Occasionally the insurance is for a flat amount, which may or may not increase with length of service. Sometimes past service is also taken into account. A group insurance policy does not necessarily cover employees who remain in the firm's service after having passed the general age for retirement; but the system is very elastic, and members who are above the usual ages for ordinary life insurance are often included. New employees are admitted to the scheme, though there is usually a probationary period of three to twelve months' active and continuous employment, which is considered sufficient to protect the insurance company against errors of judgment on the part of the employer in engaging unfit workers. This regulation also excludes casual employees who only remain with the firm for a short time. Unless precautions are taken, there is a risk of bad lives exercising adverse selection by obtaining employment with a firm which has adopted the group insurance system. Some companies, therefore, reserve the right to require medical examination of new entrants to existing groups, but may be prepared to waive this right if they are satisfied that the methods adopted by the firm in selecting new employees are sufficiently stringent.

As the insurance is on a yearly renewable term basis, the premium in individual cases naturally increases from year to year. But this is not necessarily a disadvantage, as the employer has only to consider the total premium payable, which in all average group remains fairly constant, owing to the fact that the increased cost of insuring continuing members of the staff is more or less counterbalanced by the lower cost of the young lives who replace retiring members. In a progressive business the average premium may decrease for some years.

The payment of premiums by the employer avoids the main danger of assessmentism, which arises from the free choice possessed by individual members as to whether they will remain in the society or not and the assumption that a sufficient influx of new lives will be maintained. When the supply fails, the premium charges rapidly increase, with the result that the good lives withdraw and the company becomes insolvent. Under

the group system, however, the opportunity for individual selection does not exist, as the insurance must either continue as a whole or lapse as a whole. But the financial position of the employer is a factor which may affect both the insurance company and the employees; for in the event of the firm tending towards insolvency the first lives to leave its service would in the ordinary course be the young and healthy. The loss of the young lives would not necessarily have any serious effect on the insurance company, as the policy would lapse unless the firm were able to meet the increased premium charge. If, however, owing to the withdrawal of healthy members, the firm were left with an excessive proportion of impaired lives, the group would no longer be eligible for insurance, although there might be no direct selection against the office. But as it is the practice of most American companies to guarantee the renewal of group policies for a term of years varying from five to twenty on the original premium basis, it is possible that the insurance company might be compelled to renew the policy, in which case it would probably incur a loss on the particular group until the expiry of the guaranteed term or until the firm in financial difficulties could no longer pay the premium. As, however, the unit of insurance under this system is the group, and not the individual life, any loss on one group would be averaged with the profit and loss on others; for it is not contemplated that every group must necessarily show a profit. Moreover, insolvency, or a tendency thereto, would be unlikely to occur in more than a small proportion of the insured firms, and the special circumstances mentioned would therefore seldom arise. But this possibility should serve as a warning against undue latitude in granting the option of renewal for a long term, especially in the case of companies whose group insurance business is on a small scale. The term for which rates are guaranteed has become a competitive feature with some American companies, but this is evidently an unfortunate development.—By P. H. McCormack, A.I.A., read before the Institute of Actuaries, London, Eng.

"Say," cried the longshoreman, "ain't ye got more sinse than be smokin' when we're handlin' these kegs of powder? Don't ye know there was an explosion last week that blowed up a dozen men?"

"Faith," replied Cassidy, "that culdn't never happin here."

"Why not, I should like to know?"

"Bekase, there be but two av us workin' here."

## THE PACIFIC COAST FIRE INSURANCE CO.

Head Office - - VANCOUVER, B. C.

Established 1890

Surplus security for Policy-holders  
Over \$700,000.00

LIBERAL ADJUSTMENTS  
PROMPT PAYMENTS

**J. W. GRIER & CO.,**

Managers Prov. of Quebec

**MONTREAL**

"The Oldest Scottish Fire Office"

## The Caledonian Insurance Co. of Edinburgh

Founded 1805.

Head Office for Canada,  
Dominion Express Building  
**Montreal**

JOHN G. BORTHWICK,  
Canadian Manager

## THE MOTOR UNION INSURANCE COMPANY LIMITED

(INCORPORATED IN ENGLAND)



THE **BEST** IN  
AUTOMOBILE INSURANCE

□ □ □

**BECAUSE** attractive premiums are quoted  
for first class risks.

The protection against "Claims by  
the Public" is up to \$20,000.

Bonuses are allowed for no claims.

Policies are simple and straight-  
forward.

**AGENTS** will like our concise "at a glance"  
rating system.

WRITE TO

CHIEF OFFICE FOR CANADA

59 Yonge Street - - - Toronto

Assets exceed \$10,000,000

Premium income exceeds \$8,500,000

## NIAGARA FIRE INSURANCE COMPANY

HEAD OFFICE, NEW YORK

INCORPORATED 1880

Cash Capital  
\$1,000,000.00

Net Surplus 31st Dec., 1918  
\$3,117,106.53

CANADIAN DEPARTMENT  
W. E. FINDLAY Manager

22 ST. JOHN STREET, MONTREAL  
AGENTS REQUIRED

## SCOTTISH METROPOLITAN ASSURANCE COMPANY LIMITED,

Of Edinburgh, Scotland

Owned and Operated by the London &  
Scottish Assurance Corporation, Limited

**ACCIDENT AND SICKNESS**  
Most Liberal and Up-to-date Policies

**GUARANTEE BONDS**

**ELEVATOR AND GENERAL LIABILITY**



TOTAL SECURITY TO POLICYHOLDERS  
OVER \$25,000,000

**AUTOMOBILE LIABILITY AND FIRE**  
Individual or Combined Policies

**EMPLOYERS LIABILITY**

**PUBLIC AND TEAMS LIABILITY**

HEAD OFFICE FOR CANADA - - - 164 ST. JAMES STREET, MONTREAL

APPLICATIONS FOR AGENCIES INVITED