

The Chronicle

Banking, Insurance and Finance



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THE BANK OF MONTREAL'S STATEMENT.

The half-yearly statement of the Bank of Montreal for the period ended April 30th is notable in regard to the large increase shown in interest-bearing deposits. Their total of \$232,731,994 compares with \$210,439,032 at the close of October last and with \$194,006,551 at April 29th, 1916. So that the growth in six months of these deposits has been over \$22,000,000, and during twelve months over \$40,000,000. At April 30th, 1914, before the war, these deposits were only \$157,722,511. Probably their marked increase is largely due to the accumulation of cash by industrial and commercial organizations, which have been enjoying an active and profitable business during the war, but whose managements are inclined to caution in regard to the future, and are accordingly fortifying themselves by the retention and accumulation of substantial cash reserves. The increased prosperity of the agricultural community, with which the Bank of Montreal is in close touch through its widely-spread network of branches, would be also undoubtedly a marked influence in this connection, and the savings of careful private individuals, enjoying at present unusually high wages or salaries may also have had an effect, though probably a slight one, upon the total. The large decrease in non-interest bearing deposits reported in comparison with a year ago—\$91,412,285 against \$134,601,102—is accounted for by the fact that at the time of the April, 1916, statement, the Dominion Government had recently floated a \$75,000,000 loan in New York. In consequence of this loan, the deposits of the Bank of Montreal were swelled temporarily very largely, as were also the bank balances abroad, which in the present balance sheet are reported as \$23,189,920 against \$67,171,736 a year ago. Their existing level compares with \$14,205,378 in 1915 and \$10,750,379 in 1914.

* * *

The great demand at the present time for currency, as a result of commercial and industrial activity and the high level of prices, is reflected in the Bank's circulation, which at April 30th was up to \$21,891,437, a growth of practically \$4,000,000 over the figures of a year ago, which were \$17,936,058. The April circulation exceeds by over \$100,000 the figures reported for the end of October last, \$21,779,134, when the demand for circulation is usually at its height owing to the crop movement. Current loans and discounts

are over \$2,000,000 lower than a year ago at \$109,313,438, compared with \$111,424,634 in April, 1916. In view of the fact that a substantially enlarged volume of credit, in comparison with 1916, is now necessary to finance a corresponding volume of business, owing to the higher range of prices, it is evident that Canadian industry and commerce has made substantial progress during the year in discharge of bank indebtedness. Demands upon the Bank's loaning capacity have, however, come in connection with war financing, shown in the greatly enlarged volume of securities held, which at April 30th last were \$59,085,684 against \$31,021,547. Dominion and provincial government securities are reported at \$16,273,465 against \$450,871 a year ago and British, etc. securities as \$28,090,026 compared with \$12,739,931. Holdings of railway, etc. bonds are reduced to \$14,722,192 from \$17,832,745. It may be noted that the war financing now being done by the banks is mostly on securities of very short date, the banks' liquid position being accordingly unimpaired, while they are rendering the most valuable and important assistance to the Canadian and British Governments. Two years ago the Bank's holdings under the two headings of Dominion and provincial government securities and British, etc. securities were less than a million dollars, whereas at the present time they are over \$44,000,000. A magnificently liquid position as usual is maintained by the Bank, quick assets being in a proportion of 77.2 per cent. to liabilities to the public compared with 76.9 per cent. a year ago.

* * *

The whole statement affords convincing evidence of that foresight in policy and statesmanship in action which have long been a characteristic of the leading Canadian banks, thus enabling them to steer in safety through the financial crisis at the outbreak of war, and since to render that important service to the financial cause of the Allies, which has not only been of very great value to Great Britain, but of immense importance to Canada in the stimulation of industry and trade. No less than \$170,000,000 has now been supplied by the banks, for advances to the Imperial Treasury to meet the cost of munitions and supplies purchased mainly in Canada, and of the \$350,000,000 war loans issued so far in Canada \$125,000,000 has been similarly utilized. This fine record, which is being steadily bettered as time goes on, speaks for itself.

BANK OF MONTREAL

ESTABLISHED 100 YEARS (1817-1917)

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

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 Collections at all points throughout the world undertaken at favourable rates.

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Paid-up Capital - \$15,000,000
 Rest - - - 13,500,000

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The Molsons Bank

Incorporated by Act of Parliament 1855

Paid Up Capital - \$4,000,000
 Reserve Fund - 4,800,000

HEAD OFFICE - MONTREAL

98 BRANCHES

Scattered

Throughout Canada

EDWARD C. PRATT,
 General Manager

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881.

PUBLISHED EVERY FRIDAY.

F. WILSON-SMITH,
Proprietor.ARTHUR H. ROWLAND,
Editor.

Office:

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10 ST. JOHN STREET, MONTREAL.

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MONTREAL, FRIDAY, MAY 25, 1917

ASPECTS OF TAXATION.

There was a spirited discussion in the House of Commons last week concerning taxation, from which several interesting points emerged. Critics of the Minister of Finance took the ground, broadly, that the present situation calls for the immediate imposition of an income tax by the Dominion, and that the additional "excess profits" tax is unfair through its failure to reach wealthy men not engaged in business, but who can well afford to pay additional taxation. Some of the critics also condemned this tax on the ground that it would militate against capital coming to Canada. Sir Thomas White defended the "excess profits" tax with the argument that the war is more important at the present time than attracting more capital to Canada. He pointed out that it is impossible to pass legislation covering the cases of only a few wealthy men, and intimated his opinion as regards income tax that "a burden should not be placed upon the average citizen deriving an income which would be subject to taxation until the necessity is absolutely clear, and until it is indispensably necessary in the national interest that we should impose such taxation." Sir Thomas also suggested that with the war lasting another year or two—seemingly a very probable contingency—that an income tax would be found necessary.

* * *

Judging by the tone of the discussion, several of the Parliamentary advocates of immediate income tax, were under the impression that such a tax could be made a temporary tax, say for the duration of the war. The probabilities, however, are strongly in favor of the view that when a Federal income tax is finally introduced in Canada, it will be not a temporary expedient, but a permanent tax, for the purpose of helping to pay pensions and meet interest obligations upon an enormous national debt. With no idea of taking a pessimistic view regarding after the war possibilities in Canada, it is yet difficult to see how the first few years when the conflict is over, are to be got through without an income tax. The inauguration of a Federal income tax is, however, beset with difficulties owing to the fact that various provinces and municipalities already exercise, or are about to exercise, their powers of imposing taxes on personal incomes. Obviously, if such a tax is to be distributed

equitably throughout the Dominion, allowance will have to be made for the existing impositions. Moreover, and this is a point some of the advocates of an immediate income tax overlook, it will take considerable time to get the machinery of a Dominion income tax into proper working order, and the tax at its maximum of productivity. That maximum also is likely to be considerably less than might be anticipated at first sight through the fact that the recent War Loans, and presumably those to be issued in the future, are free of any Dominion income tax. It is to be hoped in any case that when the Dominion Government finally takes the plunge for an income tax, the experience of Great Britain and the United States will be utilized, and a scheme brought out, which through grading and allowances, will distribute the burden reasonably according to the capacity to bear it.

* * *

Criticism of the present additions to the "excess profits" tax on the ground that the tax will militate against capital coming from abroad need not be taken too seriously. With taxation at its present level in Great Britain and the proposed programme of new war taxation in the United States, those in control of capital abroad are not likely to find the Canadian scale of taxation over-onerous. Moreover, the tax is admittedly only a temporary one. The justification for this tax is that it falls, generally speaking—though with some exceptions—upon those who have made large profits as a result of the war. If they are not to be taxed, who is?

THE BANK OF MONTREAL'S EARNINGS.

The Bank of Montreal's profits for the half-year ended April 30th last were \$1,182,610, an increase of about \$115,000 on the amount reported for the last corresponding half-year of \$1,067,240, and comparing with \$1,030,194 in the half-year ending April, 1915. The present profits are equal to 7.39 per cent. per annum upon the capital and rest combined, compared with 6.67 per cent. in the last corresponding half-year.

Two quarterly dividends at the rate of ten per cent. per annum, and a bonus of one per cent. absorb \$960,000; for the war tax on bank note circulation \$80,000 is provided, a sum of \$142,610 being then added to the accumulated balance on profit and loss account which now amounts to \$1,557,034.

THE BANK'S BALANCE SHEET.

The following are the leading figures of the Bank's present half-yearly balance sheet in comparison with that of the corresponding half-year of 1916:—

	1917	1916
Paid-up capital	\$16,000,000	\$16,000,000
Rest	16,000,000	16,000,000
Profit and Loss Balance	1,557,034	1,321,193
Circulation	21,891,437	17,936,058
Deposits not bearing interest	91,412,285	134,601,102
Deposits bearing interest	232,731,994	194,006,551
Total liabilities to public	350,580,565	356,538,614
Specie	21,556,501	18,432,736
Dominion Notes	30,971,312	49,640,567
Central Gold Reserves	7,000,000	3,000,000
Bank Balances abroad	23,189,920	67,171,736
Call Loans abroad	114,156,888	90,275,566
Securities held	59,085,684	31,021,547
Total of Quick Assets	270,004,422	272,093,194
Current Loans and Discounts	109,313,438	111,424,634
Total Assets	386,806,888	390,421,701

Extended reference to the Bank's position and the experience of the half-year is made on the front page.

The Bank of British North America

Established in 1836. Incorporated by Royal Charter in 1840

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

Head Office:

5 GRACECHURCH STREET, LONDON, E.C.

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W. S. GOLDBY, Manager

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This Bank has Branches in all the principal
Cities of Canada, including Dawson (Y.T.), and
Agencies at New York and San Francisco in
the United States.

Agents and Correspondents in every part of
the world.

Collections Made at Lowest Rates.

**Drafts, Money Orders, Circular Letters
of Credit and Travellers' Cheques issued,
Negotiable anywhere.**

Agents in Canada for Colonial Bank, London and West Indies.

G. B. GERRARD, Manager,
MONTREAL BRANCH

The Merchants Bank

of Canada

Head Office - MONTREAL

Capital Paid-up - - - \$7,000,000
**Reserve Fund and Undivided
Profits - - - 7,250,984**

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A GENERAL BANKING BUSINESS TRANSACTED

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Deposits received and Interest
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New York Agency: 63 and 65 WALL ST.

IMPERIAL BANK OF CANADA

Head Office, - Toronto

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

PELEG HOWLAND,
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General Manager



Drafts, Money Orders and
Letters of Credit is-
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the World.

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General Banking Business
Transacted.

126 BRANCHES IN CANADA

FIRE INSURANCE ASSETS.

While the assets of the fire insurance companies transacting business in Canada naturally do not compare with those of the life companies, they have yet attained such proportions as to constitute the companies a factor by no means negligible, in the market for high-class Canadian securities. Although Canadian securities are not compulsory for the deposits which must be made at Ottawa for the sole protection of Canadian policyholders, by the British, American and French companies transacting fire business in Canada under Dominion license, the great bulk of such deposits consist of Canadian government, municipal, school and railway bonds, together with a substantial amount of the debentures issued by the leading loan and mortgage corporations. Thus, through their deposits, which are, of course, by no means a complete catalogue of the companies' Canadian security holdings, and are constantly increasing, as the companies' business in the Dominion enlarges, and develops, the companies provide a very substantial amount of funds for Canadian borrowers. In this respect, as in others, the service rendered by the regularly-entered fire companies to the economic welfare of the Dominion stands in favorable contrast to the unlicensed companies, who render no such service.

BRITISH COMPANIES.

At the close of 1916, the total assets of the Dominion-licensed British fire companies in Canada reached \$28,720,114. Of this total, \$23,150,551 comes under the heading of invested assets, the balance comprising cash (\$2,869,906), interest and rents due and accrued, agents' balances, etc. The large total of invested assets is made up as follows:—real estate, \$2,345,990; loans on mortgage, \$5,321,817; bonds and debentures, \$15,482,744. Real estate and mortgage loans are both only reported by a minority of the companies. The first practically represents the investment of companies in the commodious and dignified Canadian head office buildings which a number of them possess. Two-thirds of the total of mortgage loans reported is represented by the loans of two companies.

A LARGE TOTAL.

The American and French companies report total assets in Canada of \$12,149,475, invested assets totalling \$9,304,928. Of this aggregate, all but \$7,500 mortgage loans, and \$46,000 stocks, is represented by bonds and debentures. Thus between them, the British, American and French fire companies have Canadian assets of practically \$41,000,000, of which about \$32,500,000 are invested assets. Contrast this showing with that of the heterogeneous collection of unlicensed concerns doing business in Canada, with neither stick nor stone in the Dominion. If there were any appreciation of the economic services rendered to the Dominion by the regularly-licensed fire companies, apart altogether from their underwriting activities, the preposterous claims of the manufacturers for "free trade in insurance" would have been killed with ridicule years ago.

OTHER INVESTMENTS.

Moreover, it is to be remembered that the figures given represent only assets for the protection of Canadian policyholders. Additionally, the British

(Continued on page 523.)

THE MERCHANTS BANK REPORT.

The financial statement of the Merchants Bank of Canada for the year ended April 30th last is a decidedly favorable document, showing a large increase in deposits, commercial discounts, and securities held, the last reflecting the Bank's participation in war financing, and, further, revealing a satisfactory enlargement of profits. These are reported as \$1,120,309 in comparison with \$950,713 for the preceding year, and equal to 8.00 per cent. upon the paid-up capital and rest combined against 6.79 per cent. in 1916. A balance of \$250,984 brought forward makes the total available on this account \$1,371,293. The 10 per cent. dividend absorbs \$700,000; \$30,000 is allocated to patriotic objects; the war tax on note circulation takes \$70,000; \$100,000 is written off bank premises account; \$50,000 contributed to the officers' pension fund, the substantially enlarged balance of \$421,293 being carried forward.

THE BANK'S BALANCE SHEET.

The following is a comparison of the leading items of the Bank's balance sheets for the last two years:—

	1917	1916
Paid-up Capital.....	\$7,000,000	\$ 7,000,000
Rest.....	7,000,000	7,000,000
Profit & Loss balance.....	421,293	250,984
Circulation.....	9,483,468	7,486,906
Deposits not bearing interest.....	27,101,588	17,181,959
Deposits bearing interest.....	65,000,484	54,995,070
Total liabilities to public.....	106,119,094	80,905,134
Specie.....	4,766,439	3,681,854
Dominion Notes.....	7,650,790	8,106,240
Deposit in Central Gold Reserve.....	3,500,000	1,000,000
Bank Balances Abroad.....	2,474,326	4,099,253
Securities held.....	19,089,955	12,786,874
Call loans in Canada.....	4,627,864	5,175,048
Call loans abroad.....	3,461,420	2,651,404
Total liquid Assets.....	52,041,625	40,960,487
Current loans.....	63,115,541	49,038,691
Total assets.....	121,130,559	96,361,363

Circulation shows an increase of practically \$2,000,000 at \$9,483,468 compared with \$7,486,906 twelve months ago. The growth in deposits has been particularly substantial, their total now reported being almost \$20,000,000 larger than their aggregate at April 30th, 1916. This growth has been about equally shared by the two classes of deposits, non-interest-bearing deposits being up from \$17,181,959 to \$27,101,588 and interest-bearing deposits from \$54,995,070 to \$65,000,484. On the other side of the account, specie holdings show an enlargement of over a million from \$3,681,854 to \$4,766,439, and the deposit in the Central Gold Reserve has been increased from \$1,000,000 to \$3,500,000. With Dominion note holdings of \$7,650,790 against \$8,106,240, actual cash holdings are in a proportion of 15 per cent. to the liabilities to the public—a decidedly satisfactory position. The 50 per cent. increase in security holdings during the twelve months is a direct reflection, of course, of the assistance given by the Bank, in Canadian and Imperial war financing. A particularly interesting development is the large growth in current loans and discounts of over \$14,000,000 from \$49,038,691 to \$63,115,541. The figures form striking evidence of the fact that the Bank has kept well abreast of the country's commercial requirements and has taken good care of the business needs of its clients. This has been accomplished also, while

(Continued on page 523.)

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid up \$12,900,000 Reserves \$14,300,000

Assets \$270,000,000

HEAD OFFICE - MONTREAL.

360 BRANCHES THROUGHOUT CANADA

33 Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela

BRITISH WEST INDIES

Branches in Antigua, Bahamas, Barbados, Dominica, Grenada, Jamaica, St. Kitts, Trinidad, British Guiana and British Honduras.

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Princess St., E. C.

NEW YORK,
Cor. William & Cedar Sts.

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

The DOMINION BANK

Head Office: TORONTO

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W. D. MATTHEWS, Vice-President

C. A. BOGERT, General Manager

The LONDON ENGLAND BRANCH
of THE DOMINION BANK

at 73 Cornhill, E.C., conducts a General Banking and Foreign Exchange Business and has ample facilities for handling collections and remittances from Canada.

THE BANK OF TORONTO

Incorporated 1855.

Head Office: TORONTO, Canada.

CAPITAL \$5,000,000
RESERVED FUNDS 6,508,000

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FOR CHILDREN

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Savings accounts for small or large sums invited at all branches of this Bank.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832.

CAPITAL \$3,500,000.00
RESERVE FUND 12,000,000.00
TOTAL ASSETS over 100,000,000.00

Head Office - - - HALIFAX, N.S.
JOHN Y. PAYZANT, President.

Gen'l Manager's Office, TORONTO, ONT.
H. A. RICHARDSON, General Manager.

Branches throughout every Province in Canada, and in Newfoundland, Jamaica and Cuba.

BOSTON CHICAGO NEW YORK

HOME BANK OF CANADA

ORIGINAL CHARTER 1854

NOTICE OF QUARTERLY DIVIDEND.

NOTICE is hereby given that a Dividend at the rate of Five PER CENT (5 P.C.) PER ANNUM upon the paid up Capital Stock of this Bank has been declared for the THREE MONTHS ending the 31st May, 1917, and that the same will be payable at the Head Office and Branches on and after Thursday, the 1st of June, 1917. The Transfer Books will be closed from the 17th to the 31st of May 1917, both days inclusive.

By Order of the Board.

J. COOPER MASON.

Toronto, 24th April, 1917.

Acting General Manager.

THE BANK OF OTTAWA

ESTABLISHED 1874

Capital Paid-Up
\$4,000,000
Rest \$4,750,000

95 BRANCHES
in
CANADA

BOARD OF DIRECTORS.

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JOHN B. FRASER, Vice-President.

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General Manager, Asst. General Manager,
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Interest added half-yearly to Savings Balances.
Prudent people gradually build up savings funds, and are thus prepared for the opportunities or necessities of the future.

ACCIDENT EXPERIENCE IN 1916.

With the decline of the companies' employers' liability and workmen's compensation business, accident insurance resumes again the lead in regard to volume of premiums, among the numerous lines of insurance, outside fire and life, transacted by Dominion-licensed companies in Canada. For many years, accident premiums showed a steady, though not rapid growth, reaching their maximum in 1913 and 1914, when they aggregated \$2,199,885 and \$2,202,942 respectively. In 1915, premiums showed a sharp decline to \$2,086,763, but last year recovered to \$2,121,623, a growth of \$35,000 over the 1915 premiums and about \$81,000 below the record level of 1914.

It is a notable fact that the recovery in premiums of last year is entirely due to the increasing popularity of combined accident and sickness insurance. The companies and fraternal orders reporting to Ottawa under this heading show an increase of \$183,000 in their premiums for 1916 over those of 1915, the respective figures being \$585,775 and \$462,753, while the companies reporting purely accident business show a decline in premium income for last year of practically \$150,000 from \$1,684,010 in 1915 to \$1,535,848 in 1916. The latter companies generally transact also sickness insurance, reporting for that, premiums for 1916 of about \$750,000, practically the same as in 1915. On their face, the present accident figures suggest a considerable growth in public preference for the combined accident and sickness policy, over the accident policy pure and simple.

A FAVORABLE YEAR.

The loss experience of the companies transacting this business was last year on the whole a favorable one. On purely accident policies, losses incurred were \$644,225 against \$867,277 in 1915, and a proportion to premiums of 41.9 per cent. against 51.5 per cent. Losses on accident and sickness combined policies were \$309,878 in 1916, against \$206,054 in the preceding year, a proportion to premiums of 52.9 against 51.2 in 1915. The loss ratio for both classes of business inclusive was 44.9 against 51.4 in the year preceding.

The subjoined tables show in detail the premiums and loss experience of the Dominion licensed companies transacting this business last year:—

	ACCIDENT.		
	Premiums Received.	Losses Incurred.	% Premiums to Losses.
Canada Accident.....	\$ 37,023	\$16,816	45.4
Dominion-Gresham.....	26,518	10,311	38.9
Dom. of Canada Gu'tee & Accident.....	189,467	66,895	35.3
Employers Liability....	92,333	36,070	39.1
Fidelity & Casualty....	75,939	22,155	29.2
General Acc. of Can....	56,356	13,731	24.4
Globe Indemnity.....	192,199	86,310	44.9
Guardian Acc. & Gu'tee.	12,982	5,312	40.9
Imp'l Gu'tee & Acc'd't.	132,511	55,320	41.7
Law Union & Roek....	10,825	1,713	15.8
London Gu'tee & Acc....	125,460	63,431	50.5
London & Lane. Gu'tee & Acc.....	67,389	32,117	47.7
Maryland Casualty....	45,657	33,047	72.4
Merchants & Employers	558	None	...
North America Acc'd't.	22,767	4,464	19.6
Norwich Union.....	16,971	3,576	21.1
Ocean.....	149,248	71,074	47.6
Railway Passengers....	56,416	33,558	59.5
Royal Exchange.....	11,018	5,185	47.6
Travelers Indemnity....	3,586	994	27.8

Travelers Insurance....	\$ 174,691	\$ 70,441	40.2
United Com'l Travellers	17,514	12,087	69.0
U. S. Fidelity.....	13,251	—2,236	...
Yorkshire.....	5,169	1,854	35.9
	<u>\$1,535,848</u>	<u>\$644,225</u>	<u>41.9</u>

The same for 1915.... \$1,684,010 \$867,277 51.5

ACCIDENT AND SICKNESS.

General Acc. of Can....	\$ 44,601	\$24,810	55.6
Loyal Protective.....	92,772	61,311	66.1
Merchants Casualty....	255,399	111,876	43.8
Merchants & Employers	24,146	10,742	44.5
Protective Association..	144,070	83,886	58.2
Ridgely Protective....	24,787	17,253	69.6
	<u>\$585,775</u>	<u>\$309,878</u>	<u>52.9</u>

The same for 1915.... \$402,753 \$206,054 51.2

Total, all coy's, 1916.. \$2,121,623 \$954,103 44.9

The same for 1915.... \$2,086,763 \$1,073,331 51.4

EXPENSIVE GOVERNMENT AGRICULTURAL CREDITS.

The British Columbia Minister of Agriculture is quoted by the Financial Post as stating that the Province is losing more than 3 per cent. on the money being loaned by the Government to farmers at 6½ per cent. A little fact like this may present no difficulties to the enthusiasts for Government credits in the prairie provinces, but it will suggest some thinking on the part of those taxpayers who are scheduled to confer favours and not to receive them. The permanent solution of the problem of giving the Western farmers cheaper credits, seems scarcely to lie along the lines of subsidies at the expense of the general body of taxpayers.

ESTABLISHED 1873.

Standard Bank

of CANADA

Statement of Affairs, Condensed from
Government Statement 31st January, 1917

RESOURCES

Cash on Hand - - - - -	\$10,762,524.47
Due by Banks - - - - -	2,574,239.34
Government and Other Bonds - - -	7,244,943.58
Loans on Call and Short Date - - -	1,656,956.71
Time Loans and Discounts - - - - -	36,064,884.76
Deposit with Govt. for Circulation -	150,000.00
Bank Premises (freehold) - - - - -	1,229,935.38
Acceptances under Letters of Credit per Contra - - - - -	58,645.84
Other Assets - - - - -	108,144.91
	<u>\$59,850,274.99</u>

LIABILITIES

Capital Stock - - - - -	\$ 3,333,242.14
Reserve Fund and Undivided Profits -	4,486,835.77
Notes in Circulation - - - - -	4,546,513.00
Deposits - - - - -	46,292,564.57
Due to Other Banks - - - - -	1,026,074.06
Dividend Payable 1st February, 1917	106,399.61
Acceptances per Contra - - - - -	58,645.84
	<u>\$59,850,274.99</u>

The Trust and Loan Co.

OF CANADA

Capital Subscribed. . . . \$14,600,000.00
 Paid-up Capital. . . . 2,320,000.00
 Reserve Funds. . . . 2,719,284.07

MONEY TO LOAN ON REAL ESTATE

30 St. James Street, Montreal.

PRUDENTIAL TRUST COMPANY LIMITED

HEAD OFFICE

9 ST. JOHN STREET MONTREAL.

Trustee for Bondholders

Transfer Agent & Registrar

Administrator Liquidator Trustee

Receiver Guardian Trustee

Executor Assignee Custodian

Real Estate and Insurance Departments

Insurance of every kind placed at lowest possible rates.

Safety Deposit Vault

Terms exceptionally moderate.

Correspondence invited.

B. HAL. BROWN, President and Gen. Manager

—Policies Providing—

GUARANTEED ANNUITIES, PAYABLE MONTHLY

A policy that secures to the beneficiary a definite income payable in monthly installments throughout life is the ideal life assurance contract. Such an income is guaranteed for twenty years under Mutual-Life-of-Canada contracts issued on the Life, Limited Payment Life and Endowment Plans. The income will be increased by an interest dividend during the twenty years of guaranteed payments. Write for our booklet—"Policies Providing Guaranteed Annuities Payable Monthly." Full particulars of any desired plan may be secured by giving age of the prospective beneficiary as well as your own.

The Mutual Life Assurance Co. of Canada
 WATERLOO, ONTARIO.

Assurances \$109,645,501 : Assets \$29,361,963 : Surplus \$4,595,151

"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 LIFE AGENTS' MANUAL

Published by The Chronicle, Montreal

The Royal Trust Co.

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

EXECUTORS AND TRUSTEES

BOARD OF DIRECTORS:

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

HON. SIR LOMER GOUIN,
 K.C.M.G.

R. B. ANGUS
 A. BAUFGARTEN
 E. W. BEATTY, K.C.
 A. D. BRATHWAITE
 E. J. CHAMBERLIN
 H. R. DRUMMOND
 C. B. GORDON

C. R. HORNER
 SIR WILLIAM MACDONALD
 MAJOR HERBERT MOLSON, M.C.
 LORD SHAUGHNESSY, K.C.V.O.
 SIR FREDERICK
 WILLIAMS-TAYLOR, LL.D.

A. E. HOLT, Manager

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

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

WESTERN

Assurance Company

Incorporated in 1851

FIRE, EXPLOSION, OCEAN MARINE
 AND INLAND MARINE INSURANCE

ASSETS over \$5,000,000

LOSSES paid since organization of Com-
 pany over \$66,000,000

DIRECTORS

W. R. BROCK, President

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

JOHN AIRD Z. A. LASH, K.C., LL.D.
 ROBT. BICKERDIKE, M.P. GEO. A. MORROW
 ALFRED COOPER Lt. COL. The HON. FREDERIC
 H. C. COX NICHOLLS
 D. B. HANNA BRIG.-GENERAL SIR HENRY
 E. HAY PELLATT, C.V.O.
 JOHN HOSKIN, K.C., LL.D. E. A. ROBERT
 E. R. WOOD

HEAD OFFICE TORONTO

ÆTNA INSURANCE COMPANY

Established in Canada, 1821

Ætna Fire Underwriters Agency
 OF ÆTNA INSURANCE CO., HARTFORD, CONN.

Applications for Agencies Invited

J. B. HUGHES, Special Agent, WATERLOO, Ont
 J. R. STEWART, Special Agent, 15 Wellington St. East,
 TORONTO, Ont.
 R. LONG, Special Agent, P. O. Box 307, CALGARY, Alberta.

PHOENIX ASSURANCE COMPANY LIMITED

The business of insurance has well withstood the disturbance and unsettlement of the financial fabric caused by the war. Solidly built up during times of peace, the great British insurance organisations maintain unimpaired after three years of war that magnificent financial strength, which increasing from year to year, has been their pride for generations. In the 1916 report of the Phoenix Assurance Company, Limited—covering the 135th year of the existence of that institution, which was founded in 1782—there is little indication, as the Chairman (Lord George Hamilton) pointed out at the recent annual meeting, of the tension imposed upon financial and commercial resources by the gigantic war. In every department last year, a success was obtained which would have been considered highly favourable even in pre-war times. Practically all the branches of business transacted, except accident, showed an important increase in volume, and uniformly, a satisfactory experience developed from the year's operations. The results achieved in the face of strongly adverse circumstances, must be a matter of great satisfaction to all who are associated with the Phoenix and especially to the distinguished general manager, Sir Gerald Ryan, who is well known on this side the Atlantic, and under whose direction the great traditions and high prestige of the Company have been more than maintained. At the annual meeting the shareholders' gratification was expressed by a prominent London financier Mr. John Coles, one of the oldest shareholders in the Phoenix and a director of the Hudson Bay Company, who is known to many financial leaders in Canada, which he visited last year.

THE FIRE DEPARTMENT'S REPORT.

The report of the important fire department records a remarkably successful experience. Net fire premiums received were \$7,659,365, compared with \$7,281,765 in the year preceding, a growth of \$375,000. Net losses paid were slightly larger in amount than in 1915, being \$3,742,355 against \$3,695,150, but in proportion to premiums were distinctly lower, their ratio being no more than 48.9 per cent. against 50.7 per cent. in 1916. This is the lowest proportion of losses to premiums which has been reported by the Company since 1907. Expenses, including commission and contributions to fire brigades, absorbed \$2,988,310, the proportion to premiums of 39.0 per cent. showing a slight reduction in comparison with the preceding year, a distinctly gratifying fact in view of enlarged taxation and the inevitable present tendency to increase in management expenses. The reserve for unexpired fire risks is maintained at \$3,250,000, which with the additional reserve fund of \$6,750,000 (\$250,000 having been added from last year's underwriting profits), makes total fire funds of \$10,000,000. Including the profit and loss balance of \$1,309,745—the total funds available for the protection of fire policyholders are \$11,309,745, giving the very fine proportion of practically 148 per cent. of the premium income, without taking into account the large paid up and subscribed capital. The fire policyholders of the Phoenix are thus afforded financial security in a superlative degree.

THE LIFE DEPARTMENT.

It is a striking fact that notwithstanding the further limitation of the available field of prospects through military exigencies, new business obtained by the life department of the Phoenix last year was considerably in excess of that obtained in 1915. Possibly, the declaration, following the quinquennial valuation at the close of 1915, of the substantial war-time bonus of \$75 per \$1,000 for the five-year period, to some extent accounts for the increased favor with which last year the life policies of the Phoenix were regarded. At all events, net new assurances were \$5,102,415, compared with \$4,316,755 in 1915 (the average new policy issued being for the substantial amount of \$4,700), producing a net new premium income of \$252,845. Death claims amounted to \$3,208,460, a reduction of nearly \$300,000 upon the experience of 1915, in spite of an increase in war claims, which absorbed \$458,590, against \$318,885 in the year preceding. Additionally, the maturity of endowment policies called for \$747,920. At the close of the year, the life assurance funds totalled \$53,904,205.

IMMENSE FUNDS.

The magnitude of the Company's business is seen in the fact that the total income last year exceeded \$21,500,000, while assets at December 31st last reached an aggregate of \$86,872,445.

The following is a statement of the funds of the Company as at the close of 1916:—

Fire Funds (including General Reserve).....	\$ 10,000,000
Life and Capital Redemption Funds.....	55,894,975
Marine Funds.....	5,247,670
Accident Funds.....	521,900
Profit and Loss Account.....	1,309,745
Capital paid up.....	2,114,275
Debenture Stock Funds.....	6,389,750
	<hr/>
	\$81,478,315
Provision for outstanding liabilities.....	5,394,130

Total Assets..... \$86,872,445

In connection with these funds, it may be mentioned that the Company's holdings of the latest British War Loan aggregates \$16,500,000. Added to these, securities lent to the British Government, and the Company's holdings in war loans of the Dominions and the Allied Nations, make an aggregate of \$22,500,000, representing not less than 26 per cent. of the Company's funds. No fewer than 366 of the Company's male staff are on active service; 34 have given up their lives, and eleven have gained high distinction on the field of battle, the honors won including a D.S.O., six Military Crosses or Medals and four "mentioned in dispatches."

THE PHOENIX IN CANADA.

The Phoenix transacts both fire and life business in the Canadian field. In the fire branch last year, very favorable results were again secured. With an enlarged net premium income of \$964,766 against \$935,794 in 1915, net losses incurred were only \$469,178, a proportion of 48.63 per cent. to premiums, following a proportion of 41.75 per cent. in 1915. The life department reports policies new and taken up in Canada during 1916 of \$621,676, and net cash received for premiums of \$267,412, the net amount of business in force in Canada at December 31st last being \$7,357,523.

(Continued on p. 523)



CANADA BRANCH HEAD OFFICE, MONTREAL

DIRECTORS

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



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

DIRECTORS

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



THE CONTINENTAL INSURANCE COMPANY

of New York

"THE BIG COMPANY"

ASSETS EXCEED \$34,000,000

HEAD OFFICE FOR CANADA AND NEWFOUNDLAND

MONTREAL

W. E. BALDWIN, Manager.

J. ROWAT, Asst. Manager.



The Northern Assurance Co. Limited

"Strong as the Strongest"

HEAD OFFICE FOR CANADA,
 Accumulated Funds 1914, \$41,615,000 88 NOTRE DAME STREET WEST,
 MONTREAL.

G. E. MOBERLY, Manager.



THE LAST WORD

IN
 ACCIDENT AND SICKNESS INSURANCE
 IS

**THE DOMINION GRESHAM'S
 NEW "GRESHAM MAXIMUM" POLICY**

AGENTS WANTED EVERYWHERE

Applications in Ontario should be addressed to

I. D. JONES, Superintendent of Agents for Ontario,
 412 JARVIS STREET, TORONTO.

PHOENIX ASSURANCE COMPANY.*(Continued from page 521.)*

Ranking as the senior British insurance organisation in Canada, its operations here having been begun in 1804—113 years ago—the Phoenix enjoys a magnificent prestige throughout the Dominion. Its Canadian affairs are under the direction of Messrs. R. MacD. Paterson and James B. Paterson, joint managers, members of whose family have been connected with the management of the Phoenix in Canada for the greater portion of the period, the Company has transacted business here. Under their supervision, a highly efficient and wide-spread organisation is maintained, and as shown by the figures already given, a large and prosperous business transacted, the results of which are enhanced by the splendid reputation for service to policyholders which the Company enjoys.

FIRE AGENTS' COMPENSATION.

If such an extension of the principle of paternalism as State ownership is to be prevented, it can be done only by removing the cause for the development of paternalism, which has already made in the fire insurance business—the idea that fire insurance rates are too high. As losses are beyond the companies' control and the profits of the business can easily be shown to be comparatively small, the only justification, if any, for complaint must be in the expense of conducting the business, and remarks the Boston Standard discussing the subject, since that consists for the most part in the cost of merchandising, in other words the commission paid for securing the business, it would seem that this matter should have been given far greater attention than it has been by agents, who are most deeply interested. If the amount of commission paid at the present time is too large, there is just cause for complaint. But is it too large? If measured by the average earnings of local agents it is not. Neither, in all probability, is it when measured by the cost of merchandising other things with which fire insurance may be fairly compared, such for instance as those on the sale of which the salesman is paid by a commission. Statistics showing the cost of merchandising these other commodities are not at present available, but they could be obtained. And there is reason to believe that if they were obtained, the greatest cause for the idea now prevailing in some sections of the country that fire insurance rates are excessive and that the business is being conducted at too great a cost would be removed. Agents should be prepared to show that the remuneration they receive for the service they render the public is none too great.

THE MERCHANTS BANK REPORT.*(Continued from page 517.)*

maintaining the Bank's liquid position, the proportion of liquid assets to liabilities to the public now reported, 49.0 per cent. being about the same as a year ago. Total assets show the notable enlargement of nearly \$25,000,000 from \$96,361,363 to \$121,130,559.

The whole report, testifying as it does to sound judgment during a difficult period, is a matter for congratulation to those responsible for the management of this institution, whose vigor and strength is evident.

CANADIAN FIRE RECORD*Specially compiled by The Chronicle.***FIRE AT EAST TEMPLETON, QUE.**

By the fire which occurred on the 16th instant on the premises of McFadden & Co., saw-mill, the following companies are interested:—North West, \$12,000; Niagara, \$7,500; Liverpool, London & Globe, \$5,000; British & Canadian Undrs., \$5,000; Fireman's Fund, \$5,000; National of Hartford, \$5,000; N. Y. Underwriters, \$5,000; Nova Scotia, \$5,000; Union of Paris, \$4,000; British America, \$4,000; Royal Exchange, \$3,000; British Colonial, \$3,000; Atlas, \$2,500; Phoenix of London, \$1,000; Royal, \$5,000. Total, \$72,000. Loss about 85 per cent.

WINDSOR, ONT.—A. Langlois's grocery, Victoria avenue and London street, destroyed, and several other adjoining buildings badly damaged, May 17. Heat started a blaze in lumber yards of John Piggott Company and outbuildings of Dr. J. O. Reaume. Damage, \$4,000.

TORONTO—Premises at 106 Front Street East, occupied by Turner Wine Co., and Dale Wax Figure Co., heavily damaged, May 20. Loss about \$25,000. Origin, lightning.

MARKHAM, ONT.—Plant of Markham Roller Mills, owned by Maple Leaf Milling Co., destroyed May 20. Loss \$75,000. Origin, lightning.

SIMCOE, ONT.—Vacant house on the Wallace Hyman farm valued at \$2,000 burned, May 20. Origin unknown.

William Stitzinger's barn burned with contents May 20. Origin, lightning.

ST. MARY'S, ONT.—W. C. Hill's barn destroyed with contents and one life lost, May 17. Loss about \$5,000; small insurance.

VANSCOY, SASK.—Fire which started in J. J. Sanders' store destroyed also store kept by O. L. Lorass, a barn and Methodist church and parsonage.

ST. THOMAS, ONT.—Barns of I. Walters, Middlemarch and Duncan Somerville, Sparta, destroyed May 20. Origin, lightning.

PARIS, ONT.—Tony Dean's large barn destroyed with contents, May 20. Loss \$2,000 with partial insurance. Origin, lightning.

HAMILTON, ONT.—Dominion Express Company's office on Houston street slightly damaged, May 20.

FIRE INSURANCE ASSETS.*(Continued from page 517.)*

companies in particular hold many millions of Canadian securities as investments at their head offices, and in the aggregate have poured an enormous amount of their funds into Canada, particularly during the last ten or fifteen years.

The assets of the Canadian fire companies at December 31st, 1916, totalled \$21,127,741, of which \$15,463,792 were invested assets, comprising real estate, \$1,295,841; mortgages, \$3,362,250; bonds and debentures, \$8,705,815 and stocks \$2,099,885. Some portion of the securities reported are foreign, acquired in connection with companies' transaction of business in other fields, but they are mainly Canadian.

PHOENIX ASSURANCE COMPANY

LIMITED

Report of the Directors for the year ending 31st December, 1916

The Directors have the pleasure of submitting their Report on the business of the Company for the year ending 31st December, 1916, the 135th year of the Company's existence, together with the Accounts duly audited.

FIRE DEPARTMENT.

The net premiums amounted to **\$7,659,365** and the net losses to **\$3,742,355** or 48.9 per cent. of the premiums. The expenses and commission together amounted to **\$2,988,310** being 39 per cent. of the premiums. The Fire funds have been increased by **\$250,000** to a total of **\$10,000,000** and a sum of **\$678,700** carried to Profit and Loss Account. Interest produced **\$265,670**, free of income tax, which has also been transferred to Profit and Loss.

LIFE DEPARTMENT.

During the year, 1,384 Life policies were issued, assuring **\$6,509,485**, with new premiums of **\$346,310**. Re-assurances were effected with other companies for **\$1,407,070** at premiums of **\$93,465**. The net new assurances were thus **\$5,102,415**, and the net new premium income **\$252,845**, including **\$28,595** of single premiums.

Eighty-one immediate annuities were granted for **\$25,320** per annum, the consideration money received being **\$251,955**. Thirty-two deferred annuities for **\$7,230** per annum at premiums of **\$3,355** were also granted.

Claims for the aggregate sum of **\$3,208,460** arose by the death of 696 persons assured under 823 policies, and include a sum of **\$458,590** paid away in claims due to the War, but notwithstanding this exceptional strain upon the funds the total amount paid was within the normal expectation. A further sum of **\$747,920** was paid in respect of endowment assurances matured. Fifty annuitants, in receipt of **\$20,415** per annum, died during the year.

The income of this department for the year was **\$5,850,530** and the outgoings (including depreciation written off) were **\$6,061,665**. The Life Assurance funds at the close of the year stood at **\$53,904,205**. The rate of interest calculated upon the average funds of the year was **3.80** per cent. after deduction of income-tax.

The Quinquennial Valuation of the "British Empire Fund" was made as at the close of the year on the same strict bases as on the last occasion, and, in accordance with Clause 10 of the First Schedule of the Pelican and British Empire Life Office Act, 1903, the Directors declared the sum of **\$674,200** as the amount of the surplus to be divided among the holders of "British Empire" participating policies. Bonus allotments will accordingly be made in respect of all such policies.

PROFIT AND LOSS ACCOUNT.

By the operations of the year a trading profit from Fire, Accident and Marine accounts of **\$1,528,995** has been passed to Profit and Loss, in addition to **\$763,675** for interest.

After payment of dividends and the interest on the Debenture Stocks, together amounting to **\$901,375**, the Directors have applied **\$430,000** in writing down the securities in the Fire, Accident, Marine and Shareholders' accounts to the estimated market price at 31st December, 1916, and have carried **\$125,000** to Office Premises Account. Full provision has been made for special taxes and bad debts, these items being exceptionally large as a consequence of the War. A balance of **\$1,309,745** remains to be carried to the credit of next year's account.

An interim dividend of **85 cents** per share was paid in November last and the Directors recommend payment on 1st May next of a final dividend of **\$1.15** per share, making a total payment of **\$2** per share for the year 1916. All dividends are subject to deduction of income tax.

FUNDS OF THE COMPANY ON THE 31st DECEMBER, 1916

Fire Funds (including General Reserve).....	\$10,000,000
Life and Capital Redemption Funds.....	55,894,975
Marine Funds.....	5,247,670
Accident Funds.....	521,900
Profit and Loss Account.....	1,309,745
Capital paid up.....	2,114,275
Debenture Stock Funds.....	6,389,750
	<hr/>
	\$81,478,315
Provision for Outstanding Claims and Accounts.....	5,394,130
	<hr/>
Total Assets as per Balance Sheet.....	\$86,872,445

GENERAL BALANCE SHEET ON THE 31st DECEMBER, 1916

LIABILITIES	ASSETS		
CAPITAL (fully subscribed).....	\$16,053,250	Mortgages on Property within the United Kingdom.....	\$2,016,095
In 309,755 \$50 Shares, \$5 paid..	\$1,548,775	Mortgages on Property out of the United Kingdom.....	18,555
In 113,100 \$5 Shares, fully-paid		Loans on Life Interests.....	509,145
("Pelican" Shares).....	565,500	Loans on Reversions.....	143,970
	<hr/>	Loans on Stocks and Shares.....	2,750
	\$ 2,114,275	INVESTMENTS (at Book Values):—	
Fire Insurance Funds.....	10,000,000	British Government Securities.....	3,348,245
Marine Insurance Funds.....	5,247,670	Municipal and County Securities, United Kingdom.....	117,930
Accident Insurance Funds.....	521,900	Indian and Colonial Government Securities.....	463,775
Profit and Loss Account.....	1,309,745	Indian and Colonial Provincial Securities.....	190,640
	<hr/>	Indian and Colonial Municipal Securities.....	808,310
	\$19,193,590	Foreign Government Securities.....	1,829,275
4% Debenture Stock (Law Life) ..	\$5,000,000	Foreign Provincial Securities.....	673,055
Do. (1911).....	1,389,750	Foreign Municipal Securities.....	1,950,320
	<hr/>	Railway and other Debentures and Debenture Stocks, Home and Foreign.....	5,140,695
	6,389,750	Railway and other Preference and Guaranteed Stocks.....	789,580
Interest on Debenture Stocks accrued but not due.....	31,950	Railway and other Ordinary Stocks.....	1,632,870
Claims admitted or intimated but not paid (Fire).....	943,640	Freehold Ground Rents.....	100,000
Outstanding Accounts—		House Property.....	2,215,840
Fire Department.....	977,175	Salvage Corps Premises (Company's Share).....	97,355
Accident Departments.....	56,045	Life Interests.....	35,585
Marine Department.....	2,375,235	Reversions.....	18,625
Dividends.....	1,990	Agents' Balances.....	5,684,625
Debenture Stock Interest.....	255	Outstanding Premiums (Accident Departments).....	37,660
Bills payable.....	20,305	Outstanding Interest, Dividends and Rents (less Income Tax).....	18,235
	<hr/>	Interest accrued but not payable (less Income Tax).....	192,435
	\$29,989,935	Bills receivable.....	45,590
Life Department Funds and Outstanding Liabilities as per separate Balance Sheet.....	56,882,510	CASH—On deposit.....	127,745
	<hr/>	In hand and on current account.....	1,771,020
			<hr/>
			\$29,989,935
		Life Department Assets, as per separate Balance Sheet.....	56,882,510
			<hr/>
			\$86,872,445

Head Office for Canada: 100 St. Francois Xavier Street, Montreal

R. MacD. PATERSON and J. B. PATERSON, Joint Managers

PHOENIX ASSURANCE COMPANY LIMITED

THE WAR AND INSURANCE BUSINESS

"LEGITIMATE OPPORTUNITY" FOR SATISFACTION

TOTAL ASSETS, \$86,872,445.

YEAR'S INCOME OVER \$21,500,000

The ANNUAL GENERAL MEETING of the shareholders was held on April 25th at Phoenix House, King William street, London, E.C., under the presidency of the RIGHT HON. LORD GEORGE HAMILTON, P.C., G.C.S.I., the chairman of the company.

The GENERAL MANAGER (Sir Gerald H. Ryan), having read the notice calling the meeting and the auditors' report.

The CHAIRMAN said:—Gentlemen, I assume that, in accordance with our usual custom, it will be your pleasure to take the directors' report as read. (Agreed.) We meet in anxious and distressful times, and under conditions which do not often afford satisfaction to those gathered together. It is, therefore, with pleasure that I submit for your consideration the report and accounts of the Phoenix Assurance Company for the year 1916. I think it will be admitted on all hands that these documents furnish the proprietors with legitimate opportunity for the expression of their satisfaction. With the exception of one or two items on which I shall have to comment later on there is little in our accounts indicative of the tension imposed upon the financial and commercial resources of the country by the most gigantic war the world has ever known.

SUCCESS IN ALL DEPARTMENTS OF THE BUSINESS.

Taking our departments as a whole, we cover, perhaps, the majority of the financial and commercial operations of this country, and it is remarkable that in each one of the several branches of our work we have achieved a success which even in pre-war times would have been considered highly favourable. The business of insurance in this country has well withstood the devastation and disturbance caused by this great war. I well remember that on the outbreak of hostilities in 1914 our advisers and other men of experience in insurance were very anxious as to the effects of the war upon interests which it was their duty to protect. I think we can fairly contend that insurance in its various forms is one of the prominent and essential elements of our social and commercial life, and that, as conducted in this country, its foundations have been so solidly and ably built up in time of peace as to render it well protected against the passing storms and misfortunes of war. However this may be, you will, I think, admit that it is not an unpleasing picture to which I shall draw your attention as I briefly refer to the results of the company's operations in its several branches.

THE FIRE DEPARTMENT: A SUBSTANTIAL PROFIT.

Our fire figures are chiefly notable for the fact that our income has increased by a very substantial sum—no less than \$375,000 (hear, hear)—and that we record the lowest ratio we have shown since 1907. In consequence of this, a substantial profit of \$675,000 has been carried to profit and loss after our fire fund has been made up to the satisfactory round figure of \$10,000,000 by the addition of \$250,000. (Hear, hear.) It would lead me far afield to speculate on the reasons for this favorable working of our claim experience, but I think it will be satisfactory to the proprietors that I should mention one circumstance in connexion with our fire business, which is that, contrary to recent experience, our American business has shown good results, and the position we occupy, in comparison with the trading profits earned by the great British companies in that field, is considered quite satisfactory by the board, and reflects much credit on those who are directly responsible for our American operations.

These satisfactory returns are undoubtedly largely due to the special and unceasing attention which our management have given during the past few years to the improvement of our organization in the United States. We contemplate with confidence the progressive continuance of the good results shown this year.

THE MARINE DEPARTMENT: CONTINUED GROWTH OF THE PREMIUMS.

In the marine department, a conspicuous feature is the continued growth of our premiums, which last year rose from \$5,268,070 to \$6,846,005. This is mainly due to what is practically a new development arising from the war, namely, the underwriting of war risks, which we, in common with our leading competitors, regard as necessary to protect our business connexions throughout the world. I think it

right to mention that we cannot expect—nor, indeed, should we, I think, desire—that our premium income should remain on such a high level after the war has been brought to a close and marine insurance resumes its normal course. The profit shown in this department, viz., \$750,000, when considered in conjunction with the increase in our marine fund, must be regarded with entire satisfaction. As you know, this is, relatively speaking, a new branch of our company's work, and we are indeed fortunate in having highly skilled colleagues and advisers to deal with this very difficult class of insurance. (Hear, hear.)

Whilst this branch of marine insurance has been profitable, we must not disguise from you the fact that the destruction of our marine tonnage by submarines and mines is assuming serious proportions. From a national point of view the outlook is grave, and the curtailment of supplies of all kinds which the continuous diminution of our sea-carrying tonnage necessitates can only be successfully surmounted by strict frugality and self-denial on the part of all classes of the community. Speaking as one who has in various ways accurate information upon the subject, I wish to give you this emphatic note of warning.

THE ACCIDENT DEPARTMENT: "A VERY PROMISING BRANCH."

The interruption of business in many of its old channels has prevented us from further developing our accident department in the year under examination. We still, however, regard this department as a very promising branch of our work, and look forward to the time when it will not so greatly lag behind its sister departments in point of magnitude. The profit earned in the department—viz., \$100,300—is, however, a very satisfactory percentage of the premiums collected, and shows the business to be well and safely conducted.

THE LIFE DEPARTMENT: A REVIVAL.

The life department showed a revival from the somewhat low level attained in the year 1915, when the full effect of the war and the grave uncertainties as to the future made themselves felt. Here a large business of a very successful character was transacted, and the department is in a satisfactory condition, notwithstanding two adverse circumstances, the first being the heavy claims—viz., \$458,590, which prematurely matured through deaths due to the war, and the second, the heavy depreciation which had to be written off our life funds.

THE PROFIT AND LOSS ACCOUNT: RECORD TAXATION FIGURES.

Leaving these matters for a moment, I pass on to call your attention to the profit and loss account, which gives a summary of our financial working in the year. From the figures there given you will see we have interest not specifically applicable to the life account amounting to \$763,675, which is our first contribution towards dividend and interest on Debenture stocks. Then our trading profits are set out in detail, and amount to the large total of \$1,528,995. There are, however, exceptional objects to which much of this yield of profit has to be appropriated. In the first instance, you will observe that income-tax and special taxes require nearly \$500,000, which, again, is a record figure in our company's experience. Depreciation of assets again requires us to set aside no less than \$430,000. A safe provision for writing down our office premises in London and at provincial centres requires \$125,000, and the directors have, after much consideration, decided to clear off the books of the company the outstanding balances of all fire accounts due from agents or companies in areas included in the field of war. Whether events will prove that so drastic a treatment of these balances is necessary I cannot say. Many of them are due from firms who have been connected with the company for a long period of years, and who may make every available effort to redeem their obligations after the close of hostilities. Nevertheless, it is impossible to put a value on this asset, and you will no doubt agree as to the prudence of writing it off altogether. This does not, of course, mean that we abandon all hope of recovery, but any sum which we may be so fortunate as to obtain on this account will come in as profit when realized.

THE YEAR'S DIVIDEND PAYMENTS.

Our dividend payments in the year amounted to \$901,370,

so that after crediting our free interest of \$763,675, there remained only the small sum of \$140,000 to be supplied from trading profit. (Hear, hear.) I estimate, indeed, that in the current year the strain upon our trading profit will be even smaller than this, inasmuch as income-tax will operate at a higher rate and reduce our dividend payments, while, on the other hand, we have reason to hope that our net interest receipts may not be smaller than last year. From these figures I think you may safely infer that what I may call our dividend position is quite favourable.

Summing up, you will perhaps be able to appreciate more clearly the magnitude and importance of our operations throughout the world when I mention that our total assets amount to not less than \$86,872,445 and our year's income to upwards of \$21,500,000.

THE COMPANY'S FINANCIAL ASSISTANCE TO THE GOVERNMENT.

An account of our position would be incomplete if I did not make a passing reference to the assistance which we are glad to have been able to render to the Government in regard to finance. Throughout the year 1916 we supported the Treasury Deposit Scheme with every security which was available, and in other ways we were fortunately able to be of some service to the Government. Since the close of the year we have gone even further in the same direction, and when the new War Loan was issued in February of this year we made a very large application for stock so as to do our utmost in supporting the issue. I find that we have no less than \$16,500,000 of the new War Loan, and, adding to this, as a measure of our total subscriptions, securities lent to the Government and our holdings in Colonial and Allied nations' War Loans, we reached a total of \$22,500,000, representing not less than 26 per cent. of the company's funds. (Hear, hear.) I need hardly point out to you that we have got an admirable investment both as regards security and the high rate of interest yielded; but, nevertheless, it was gratifying that we were able to render such substantial aid in promoting the success of the greatest War Loan that has ever been issued.

EFFECT OF WAR CONDITIONS ON THE BUSINESS.

Turning once more to the question which overshadows all others at the present time, namely, the influence of the war, I think it may interest the proprietors to have some information as to the aggregate effect of war conditions upon certain elements in our business. I find that in the last pre-war year, viz., 1913, our accounts showed items amounting to about \$190,000 paid away for income-tax on our interest and profits. In the year just closed the corresponding figure (including the new excess profits tax) was no less than \$1,090,000, a remarkable indication of the increase in the burden of taxation upon insurance companies like our own. In the second place, throughout the three years 1914, 1915, and 1916 we have written down our funds by no less than \$5,035,000—again a figure of great magnitude which has cast a strain upon our assets; and, finally, in the same period, we have paid away as life claims due to deaths in action the large total of \$975,000. Perhaps these figures will convey some idea of the direct and immediate result of the war upon our financial position. That, notwithstanding all this, our company should be in such a healthy, prosperous, and progressive position is a matter of the highest satisfaction to the board, and I hope will be so also to the proprietors.

THE COMPANY'S PREMISES.

You will remember that until we concentrated our staff in the building we now occupy they were housed in the West-end at Charing Cross and at 70, Lombard-street, and 19, Lombard-street. We sold two of these buildings some time back, and we disposed of the third, viz., 19, Lombard-street, a few weeks ago. It will be gratifying to the proprietors to know that we have realized by the sale of these buildings and sites a sum in excess of the valuation put upon them by our surveyor some time back. (Hear, hear.) Our new building has fully realized our expectations as to its convenience and accommodation. I dare say, when coming up to this room, many of you noticed the difference which our office presents from that which it has superseded. In the old days it was a rare thing to see any but male clerks at their duties; now there is a preponderance in some departments of females. To show you to what extent the constitution of our head office staff has changed, I may mention that, whereas at the end of the year 1913 we had only 33 female employees, we now have 132. I am advised that we have every reason to be pleased with the work of our lady clerks, and there is little reason to doubt that the employment of women in the great City offices will be much more general in the future. They have, in fact, won for themselves the right to a place in the organization of commercial industry.

THE STAFF AND THE WAR.

Our own lady clerks help to fill the place of those members of our male staff who are engaged in military or naval duties. Of these we have no fewer than 366—forming a large percentage of our total service—and I deeply regret to say that we have to mourn the loss of 34 gallant fellows who have given up their lives in the nation's cause. On the brighter side of the case we can congratulate 11 members of our body on gaining high distinction on the field of battle. Our colleague on the board, Colonel Bouverie, has received the coveted D.S.O., six of our staff have received the Military Cross or Medal, and four have been mentioned in dispatches for meritorious service. (Hear, hear.)

If I turn from the inside of our office to the outside, and to the sphere of action where our gallant soldiers are fighting with such splendid valour and success, does it not send through all of us a thrill of pride to know that our City business men and boys have shown themselves in the field to be a match—and more than a match—for the best fighters of the much vaunted Prussian Army? (Cheers.)

THE FUTURE.

The future, as you know, is full of anxiety, for the untoward effects of war upon commerce, finance, and industry have to be reckoned with, and must be carefully watched in the future conduct of our business. Still, in the interval between our last annual meeting and to-day we have much for which to be thankful. The United States, with no uncertain voice, have thrown in their lot with us—a momentous and far-reaching decision for generations to come. We must never forget that though there have been differences between the two nations, there is an affinity of race, an identity in language, a similarity in ideas as to what is right and wrong between ourselves and the United States such as exist between no other two nations in the world, and these natural ties will, during the war, be strengthened and quickened by a sense of common sacrifice, of common danger, and, as we believe, of common success. Such a unity of moral power and material force by which right and might are irresistibly combined cannot but be beneficial to the future civilization of the world, for between us we can establish for all time to come, on an invincible foundation, the dominance of the great principles of peace, liberty and justice. (Cheers.)

I have now to move:—"That the report be adopted, and that a final dividend of \$1.15 per share, subject to income-tax, be declared in respect of the year 1916, and be payable on May 1 next to members on the register on the 30th inst."

The DEPUTY-CHAIRMAN (Mr. Bristow Bovill) seconded the resolution, which was carried unanimously.

On the motion of SIR JOHN RUNTZ, seconded by Mr. W. H. C. WHIGHAM, the retiring directors—Mr. G. G. T. Treherne, Mr. John Tryon, and the Hon. Edwin Ponsobny—were re-elected; and Messrs. Chatteris, Nichols, and Co., and Messrs. Spain Brothers and Co. were appointed auditors of the company for the year ending December 31, 1917, on the motion of Mr. H. L. RISELEY, seconded by Mr. CHARLES WILLIS.

VOTE OF THANKS TO THE DIRECTORS, OFFICERS, AND AGENTS.

Mr. JOHN COLES observed that as one of the oldest shareholders in the company he had read the directors' report and the statement of accounts with a good deal of satisfaction, and he complimented the directors very much indeed on the prosperous working of the departments of the business. That prosperity had enabled the board to strengthen the foundations of the company, and he looked to that rather than to larger dividends. The amount of trading profit from the fire department was in excess of 12 per cent. on the premium income, which more than paid the dividend itself; and the marine department, with its interest added, also provided more than sufficient to pay the amount. He desired to take his hat off to Mr. Sandeman Allen because he ventured three or four years ago to criticize the account which that gentleman brought before them then. He (the speaker) was one of those who had studied insurance in this great city for many years, and he was amazed and delighted at the way in which the leading companies held their own in these distressing times. They were paying enormous taxation, and in many ways they had suffered losses, but they were coming through it all, and he congratulated the Phoenix and the other leading offices in the City of London. He concluded by moving:—"That the thanks of the meeting be given to the directors, officers, and agents of the company for their services during the past year and to the Right Hon. Lord George Hamilton for his services in the chair on the present occasion."

Mr. D. R. L. LOWE seconded the motion, and the vote was unanimously accorded.

The CHAIRMAN.—Gentlemen, on behalf of the directors, I thank you very much for the kind compliment you have

COMMERCIAL UNION

ASSURANCE COMPANY LIMITED
of LONDON, England

The largest general Insurance Company in the world
(As at 31st December 1915)

Capital Fully Subscribed	\$14,750,000
Capital Paid Up	1,475,000
Life Fund, and Special Trust Funds,	74,591,540
Total Annual Income exceeds	47,250,000
Total Assets exceed	142,000,000
Total Fire Losses Paid	183,366,690
Deposit with Dominion Govern-ment	1,225,467

PALATINE

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December 1915)

Capital Fully Paid	\$1,000,000
Fire Premiums 1915, Net	\$2,500,505
Interest, Net	140,220
Total Income	\$2,640,725
Funds	\$4,738,520
Deposit with Dominion Gov't	\$250,567

N.B.—In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Assets exceed \$142,000,000

Applications for Agencies Solicited in Unrepresented Districts.

Head Office: CANADIAN BRANCH

COMMERCIAL UNION BUILDING, 232-236 ST. JAMES STREET, Montreal.

J. McGREGOR, Manager. W. S. JOPLING, Assistant Manager.

COMMENCED BUSINESS 1901
RECEIVED DOMINION CHARTER 17th JUNE 1908

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

The Occidental Fire

INSURANCE COMPANY

Under the control of the North British & Mercantile Insurance Company

RANDALL DAVIDSON, President
C. A. RICHARDSON, Vice-President and Secretary
DIRECTORS
S. E. RICHARDS W. A. T. SWEATMAN N. T. HILLARY

Head Office - - - WINNIPEG, MAN.
Agents Required at Unrepresented Points

ESTABLISHED 1809

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

FIRE AND LIFE

North British and Mercantile

INSURANCE COMPANY

DIRECTORS
WM. MCMASTER Esq. G. N. MONCEL, Esq.
E. L. FRASER, Esq.

Head Office for the Dominion:
80 St. Francois Xavier Street - MONTREAL.
Agents in all the principal Towns in Canada.
RANDALL DAVIDSON, Manager.
HENRY N. BOYD, Manager, Life Dept.

SUN INSURANCE OFFICE

FOUNDED A.D. 1710

Head Office:
Threadneedle Street, LONDON, ENGLAND

THE OLDEST INSURANCE OFFICE IN THE WORLD.

Canadian Branch:
15 Wellington Street East, Toronto, Ont.

LYMAN ROOT,
Manager

.. THE ..

London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A.D. 1720

CAPITAL PAID UP	\$2,241,375
TOTAL CASH ASSETS	22,437,415

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

The LONDON MUTUAL FIRE INSURANCE COMPANY

Established 1859
Assets - \$718,602.76
Surplus to Policyholders - 380,895.44
Losses Paid, Over - 8,000,000.00

PROVINCE OF QUEBEC BRANCH
W. J. CLEARY, Provincial Manager.

17 ST. JOHN STREET, - - MONTREAL

PHOENIX ASSURANCE COMPANY, LIMITED

(Continued from page 527)

paid us. The past 12 months have been an anxious period, and I am very glad that we have got through it so well. Let us hope that we shall obtain similar success in the ensuing year; but whatever success we have achieved is largely due to the admirable services of the staff, and I will call upon Sir Gerald Ryan to say a few words. (Hear, hear.) We all know what a great power he is in the City, and it may interest you to know that, in addition to his work here in the office, he has throughout the year been employed by the Government in conducting a variety of difficult matters. (Hear, hear.)

SIR G. H. RYAN.—Gentlemen, I am greatly obliged to the chairman for giving me this opportunity of acknowledging, as I do most gratefully, that part of the resolution which concerns the executive staff. For many years, I have had

this privilege, and to-day I have to thank you once again not only for myself, but for my colleagues in the management, who, in a year full of difficulties, have done extremely well for the company, and also for the rank and file of our home staff, male and female, who have successfully contributed to the general result. But the radius of the vote of thanks, if I may say so, goes far further, and reaches the distant parts of the world where our important fire and marine operations are carried on by an able and devoted body of men. I feel sure that the knowledge that they are remembered and that their services are appreciated will be to them a great encouragement. I will only add that in the growing prosperity of our company and in your approval of our work we find an ample reward. (Cheers.)

The proceedings then terminated.

CONTROL OF SPRINKLER SYSTEM WATER SUPPLY.

The committee on field supervision of the National Fire Prevention Association presented an important report at the Association's recent annual meeting on the subject of the positive control of the water supply of sprinkler systems. Concerning conditions, the report said: While it must be acknowledged that the various practices herein outlined have merit and apparently are giving fairly satisfactory results in individual instances, yet for application to all sprinklered properties none of them fulfils the necessary function of a general uniform system of supervision and positive control.

We have mentioned the merits of Central Station Supervisory Service, the various notification and tag systems, sealing of valves by inspection departments, restrictions as to shutting off water, notification to inspection departments, and weekly inspection by the owner, none of which seems to meet the required uniform treatment.

We must therefore aim to adopt other measures of supervision, some plan that will establish reliable daily inspection and check of these devices. In attempting this some radical changes will be necessary. The responsibility must be divided between the principal interests affected, which are the owners of properties and fire insurance companies. The direct interest and influence of the latter make it necessary that we mention them.

PENALISING IMPROPER SUPERVISION.

If the insurance companies acknowledge that special gate valve supervision is essential, that the present lax methods increase their liability for losses, then why should they not make it a requirement that unless satisfactory supervision is obtained a higher premium must be charged, or a special credit given if provided, as the case may be?

The property owner when confronted with such a proposition undoubtedly will assume any reasonable responsibility and comply with such a condition. If these two interested parties can reach a common ground, there is no good reason why a wholly satisfactory outcome of the situation cannot be obtained.

During the preparation of this report there occurred the extensive fires in sprinklered properties of the Saxon Motor Car Company, the Union Switch and Signal Company, the Westinghouse Company, and other plants, and the lessons therefrom emphasize the necessity of bringing about a system of treatment of the cold weather hazard, another matter of grave importance having bearing upon valve control.

The committee recommended that insurance companies establish a warranty in their policies regarding keeping gate valves open. A daily inspection of valves, both night and morning, was recommended, together with a device to register the open valves by a key arrangement at each valve to be operated by the watchman. Further methods of control are also specified in the report.

WAR TAXES ON FIRE COMPANIES IN U. S.

Like the life companies, the fire companies operating in the United States, will have a heavy additional burden of taxation placed upon them, if the proposals for war taxation now before Congress, go through. These proposals ask for 50 cents per thousand dollars of capital or surplus over \$99,000, a net income tax of 4 per cent. instead of two as formerly, a 16 per cent. tax on any profits over 8 per cent., and an addition of 50 per cent. to the big postage bills, which amount to one-half of one per cent., of most companies incomes. Besides, there is a retroactive income tax proposed of 33 1/3 per cent. on the amount due on 1916 income. What these taxes would mean is shown by figures compiled by the Continental, American Eagle and Fidelity-Phenix. The total taxes paid by these three companies in 1916 were \$629,277. Under the new tax proposal, they would be increased to \$1,207,040 approximately.

Mr. R. M. Bissell, president of the National Board of Fire Underwriters, who made representations on this subject at Washington a few days ago, stated that his own company, the Hartford Fire, paid taxes equal to 4.6 per cent. of its entire gross income in 1916, and that the fire companies reporting to the New York department paid in taxes during the last five years, the enormous sum of \$49,100,000. During the same period the net profits of the same companies were \$50,200,000.

Mr. H. M. Davison, of Charlottetown, P.E.I. was a visitor in Montreal this week. Mr. Davison represents the Law Union & Rock and other leading companies in the Island Province, where also, he has other important business interests.

* * *

The *per capita* amount of life insurance, including fraternal and assessment insurance, in force in the United States at the beginning of 1916 was \$220. Probably about 50 per cent. of the insurable population is not insured.

SEASONED SECURITIES

This Corporation was established in 1855, and for more than sixty years has been steadily growing in strength and in the confidence of the depositing and investing public. In that long period there have been "hard times" as well as seasons of prosperity, but the moneys entrusted to our keeping have always been ready when called for.

The Corporation's bonds are, therefore, a "seasoned security." They are issued in accordance with the restrictive provisions of the Corporation's Charter and also those with which the Legislature circumscribes the investment of Trust Funds. More than Eleven Million Dollars of Shareholders' Money are a further pledge of their security.

These bonds may be had in sums of One Hundred Dollars and upwards.

Canada Permanent Mortgage Corporation

TORONTO STREET, TORONTO.

Representing

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

You will make money.

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

FOR TERMS TO PRODUCING AGENTS, ADDRESS:

George T. Dexter

2nd VICE PRESIDENT

34 Nassau Street

New York, N.Y.

ATLAS ASSURANCE COMPANY LIMITED of LONDON, ENGLAND

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

At the Accession of	Income	Funds
KING GEORGE IV.	\$ 387,065	\$ 800,605
KING WILLIAM IV.	657,115	3,038,380
QUEEN VICTORIA	789,865	4,575,410
KING EDWARD VII.	3,500,670	11,185,405
KING GEORGE V.	6,846,895	15,186,090

and at
31st DECEMBER, 1916 7,980,685 20,730,010

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

Agents wanted in unrepresented districts.

Head Office for Canada:

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



Assets:
\$13,790,133.26
Surplus to
Policyholders:
\$6,950,190.55

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

CANADIAN BANKING PRACTICE THIRD EDITION.

(HANDSOMELY BOUND IN CLOTH, \$4 PER COPY)

QUESTIONS ON CUSTOM AND USAGE AND LAW. Published under the Auspices of the
Canadian Bankers' Association (Compiled by John T. P. Knight).

ON SALE AT THE CHRONICLE OFFICE,

10 ST. JOHN STREET, MONTREAL

ANOTHER INTER-INSURANCE FLAW.

One of the notable tendencies of the modern business world is to centralize and fix responsibility. The great corporations are giving individuals greater power than ever before, and then are holding them to strict accountability for the proper use of this opportunity. It is a strange anomaly that big business men, who believe in centralization of power under strict accountability, will deviate so widely from that principle by becoming members of inter-insurance concerns. One of the great flaws in the inter-insurance scheme is the fact that the underwriting manager is not an insuring or insured member of the concern, does not assume any risk, is not responsible for the payment of losses, and that his principal interest in the organization is the commission or salary he receives for running it. The big business man allows an outsider to bind him for an indefinite amount under contracts which involve a liability running for years, and entrusts his credit and financial solvency and insurance protection to an outsider who gets his money whether things go well or badly, who will lose nothing in case of loss and cannot be held responsible for results.

The cry of to-day is for directors that direct and for administrative officers who have their own stake in the business, and stand to win or lose with those who entrust the management of their affairs to them. It is quite possible that business men do not realize how widely inter-insurance concerns differ in this regard from the established principles of sound business management of the day.—*Insurance Post*.

PRINCIPLES OF INSURANCE.

The Macmillan Company of Canada has recently published two volumes of distinct interest, particularly to the younger members of the insurance profession,—“Principles of Insurance,” by Professor W. F. Gephart, professor of economics in Washington University, whose previously-issued insurance text-books are well known.

The present volumes are devoted respectively to life and fire insurance. In the presentation of the subject of life insurance the emphasis is placed upon the social and economic, rather than upon the mathematical, aspects. The treatment is essentially practical, and is the result of the author's wide experience in the business and teaching of the subject. The fire insurance volume contains a clear and concise discussion of the underlying principles and of the practical considerations which arise in the conduct of the business of fire insurance. It contains a detailed treatment of the problems which centre around the subject of rates and regulation by the state; and it includes also a discussion of such topics as the development of the business, the policy contract, the settlement of losses and the finances of fire insurance. The chapter on fire waste and fire prevention in their economic aspects and in their relation to the price of fire insurance is an especially valuable one. Both volumes can be recommended, particularly, as has been already indicated, to young insurance men who desire to enlarge their knowledge of the business.

The Bank of England continues its official rate of discount at 5 per cent.

IS YOUR PROSPECT CONSISTENT?

The man you are soliciting for life insurance, if a property owner, undoubtedly carries fire insurance—the property owner who doesn't is an oddity. You will likely hit the nail squarely on the head if you remind him that he took out his fire insurance *without* the solicitation of an agent; that he took out a sufficient amount; that he expects to pay the premium so long as he owns the property, and that he will be perfectly satisfied if he never gets a cent of the premium back because of a fire. Go further then and show him why a sufficient amount of life insurance is even more important than of fire insurance. Point out that destroyed property, whether insured or not, *can* eventually be replaced by the owner through thrift, ambition, and hard work, even though the fire may have left him penniless. But how about life? Figuratively, it is *property* in the highest sense because it is a producer of income. It differs from other forms of property in that when destroyed it can *never* be restored, and in case of death the difference in the value of the life and the amount of insurance thereon represents a total and irretrievable loss to the beneficiaries, who are its potential owners.—*Mutual Life of N. Y.*

A SUGGESTION FOR INVESTMENT POLICY.

It is pointed out by the Insurance News of Manchester that the problem of investments is one of the most important the British insurance companies have to face. The chief lesson taught by an experience dating back twenty years, or, to speak more definitely, from the period of the Boer war, suggests the News, is the unwisdom of locking up large sums in irredeemable securities. The theory in future should be to make advances for limited terms.

WANTED.

A gentleman, aged 37, desires change. Well qualified as INSPECTOR and active AGENCY SUPERINTENDENT. Thoroughly experienced in Province of Quebec and Maritime Provinces, speaking both languages. Highest recommendations. Address,

A. P. C.,
c/o The Chronicle,
MONTREAL.

SELECTION OF AUDITORS UNDER SECTION 56 OF THE BANK ACT

NOTICE is hereby given that the General Managers of the Chartered Banks intend to select by ballot not less than forty persons who shall be eligible, subject to the approval of the Honourable the Minister of Finance, to be appointed auditors under the provisions of The Bank Act for the ensuing year. The names of all persons selected in 1916 will be placed in nomination without fresh application. Other applications should be made in writing to the Secretary of The Canadian Bankers' Association, National Trust Building, Montreal, not later than the 30th day of May, 1917.

E. L. PEASE, President,
THE CANADIAN BANKERS' ASSOCIATION.

Montreal, May 19th, 1917.



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



PERSONAL ACCIDENT
SICKNESS
FIDELITY GUARANTEE

PLATE GLASS
AUTOMOBILE
GENERAL LIABILITY

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

THE YORKSHIRE INSURANCE COMPANY, LIMITED

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

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

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

APPLICATIONS FOR AGENCIES are invited from responsible persons.

ROYAL EXCHANGE ASSURANCE

Founded A. D. 1720

Losses paid exceed \$235,000,000

Head Office for Canada
Royal Exchange Building
 MONTREAL

Canadian Directors

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 B. A. Watson, Esq. Halifax, N.S.
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J. A. Jessup, Manager Casualty Dept.
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Correspondence invited from responsible gentlemen in unrepresented districts re fire and casualty agencies.



Head Office: Royal Exchange, London

FOUNDED 1792.
INSURANCE COMPANY OF NORTH AMERICA
 PHILADELPHIA, PA.

CAPITAL, SURPLUS TO POLICY HOLDERS . \$4,000,000.00
ASSETS . 23,589,465.34
LOSSES PAID EXCEED . 183,224,309.15
ROBERT HAMPSON & SON, LIMITED
 GENERAL AGENTS FOR CANADA. MONTREAL

The LIFE AGENTS MANUAL
 THE CHRONICLE - MONTREAL

MOUNT ROYAL ASSURANCE COMPANY

PAID UP CAPITAL \$250,000.00
TOTAL FUNDS 1,225,758.38
SURPLUS AND RESERVES 765,305.14

The NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE.

SUBSCRIBED CAPITAL \$2,000,000
TOTAL FUNDS 7,491,390
NET SURPLUS 1,857,150

AGENTS WANTED IN UNREPRESENTED DISTRICTS.

HEAD OFFICE FOR CANADA MONTREAL.

J. E. CLEMENT, General Manager. H. H. YORK, Inspector for Ontario L. C. VALLE, Inspector for Quebec

SUCCESSION DUTIES.

A wealthy man—very wealthy—died a few months ago in one of our largest Canadian cities. The death duties on his estate amounted to several hundred thousand dollars. The estate consisted of the best of securities, but very little available cash. The time was not favorable for the conversion of securities into cash, and although the estate ran into many millions, it was only at considerable trouble and sacrifice of securities that the estate duties were met. To such an extent was the awkwardness and undesirability of realizing on the assets of the estate to pay succession duties impressed upon the executor of the estate, that he immediately took out a life assurance policy for a considerable amount, the sole purpose of which was to prevent a like situation arising at his own death.—*Imperial Life Agents' News.*

"SUNSHINE MAGAZINE."

"Sunshine," the Sun Life of Canada's policyholders' periodical, has now developed into the "Sunshine Magazine," larger in size and considerably more attractive typographically than its predecessor. Designed as a home magazine, the new periodical should be a valued companion in many homes protected by Sun Life policies. Its make-up and contents are admirable.

The death is announced, while on his way to Egypt, of 2nd Lieut. Claude Norie-Miller, son of Mr. F. Norie-Miller, general manager of the General Accident, Fire and Life, of Perth, Scotland. Some years ago, Mr. Claude Norie-Miller was associated with the Canadian management of the General Accident, afterwards becoming United States manager. He held a commission in the Army Service Corps.

The Northern Crown Bank has declared a dividend at the rate of five per cent. per annum for the half-year ending May 31. This marks the resumption of dividends since the reorganisation of the Bank's capital account.

TRAFFIC RETURNS.

CANADIAN PACIFIC RAILWAY.

Year to date	1915	1916	1917	Increase
April 30,	\$27,275,000	\$37,722,000	\$42,501,000	\$4,779,000
Week ending	1915	1916	1917	Increase
May 7,	\$1,594,000	2,763,000	\$3,065,000	302,000
14,	1,604,000	2,592,000	3,123,000	531,000

GRAND TRUNK RAILWAY.

Year to date	1915	1916	1917	Increase
April 30,	\$14,755,831	\$17,484,879	\$18,417,842	\$932,963
Week ending	1915	1916	1917	Increase
May 7,	\$863,195	\$1,030,768	\$1,135,091	\$104,323
14,	922,106	1,076,436	1,356,646	280,210

CANADIAN NORTHERN RAILWAY

Year to date	1915	1916	1917	Increase
April 30,	\$6,889,000	\$9,607,300	\$11,779,900	\$2,172,600
Week ending	1915	1916	1917	Increase
May 7,	\$419,600	\$677,400	\$734,500	\$57,100
14,	364,800	748,300	882,000	133,700

CIVIC INSURANCE AND CONSCRIPTION.

As soon as a definite decision to put into force the selective draft system to maintain the Canadian Army is come to, those municipal authorities in Ontario who have followed the practise of insuring men from their respective localities, will have to take into consideration the question of continuing the practise under new conditions. The permissive Provincial legislation does not make any limitation regarding the method of enrolment. The Act reads:—"Any municipality may pass by-laws to insure the lives for the benefit of parents, widows, children, sisters or brothers, or any person acting in the place of parents of officers and men, residents of the municipality, who during the present war may be on active service with the naval and military forces of the British Empire and Great Britain's allies."

The Metropolitan Life of New York's experience with Canadian war risks, of which it is carrying some \$11,000,000, is that with a maximum experience extending over a period of less than a year of service at the Front, losses have been from 15 to 20 times the normal rate of mortality.

The British America Assurance Company has received a Dominion license to transact in Canada inland transportation insurance.

Montreal Tramways Company

SUBURBAN TIME TABLE, 1916-1917

Lachine:

From Post Office—
10 min. service 5.40 a.m. to 8.00 a.m. | 10 min. service 4 p.m. to 7.10 p.m.
20 " " 8.00 " 4 p.m. | 20 " " 7.10 p.m. to 12.00 mid.

From Lachine—
10 min. service 5.30 a.m. to 5.50 a.m. | 10 min. service 4 p.m. to 8.00 p.m.
20 " " 8.00 " 9.00 " | 20 " " 8.00 p.m. to 12.10 a.m.
10 " " 9.00 " 4 p.m. | Extra last car at 12.50 a.m.

Sault au Recollet and St. Vincent de Paul:

From St. Denis to St. Vincent de Paul—
15 min. service 5.15 a.m. to 8.00 a.m. | 30 min. service 8.00 p.m. to 11.30 p.m.
20 " " 8.00 " 4.00 p.m. | Car to Henderson only 12.00 mid.
15 " " 4.00 " 7.00 p.m. | Car to St. Vincent at 12.40 a.m.
20 " " 7.00 " 8.00 p.m.

From St. Vincent de Paul to St. Denis—
15 min. service 5.45 a.m. to 8.30 a.m. | 30 min. service 8.30 p.m. to 12.00 mid.
20 " " 8.30 " 4.30 p.m. | Car from Henderson to St. Denis
15 " " 4.30 p.m. 7.30 p.m. | 12.20 a.m.
20 " " 7.30 " 8.30 p.m. | Car from St. Vincent to St. Denis 1.10 a.m.

Cartierville:

From Snowdon Junction—20 min. service 5.20 a.m. to 8.40 p.m.
40 " " 8.40 p.m. to 12.00 mid.
From Cartierville— 20 " " 5.40 a.m. to 9.00 p.m.
40 " " 9.00 p.m. to 12.20 a.m.

Mountain:

From Park Avenue and Mount Royal Ave.—
20 min. service from 5.40 a.m. to 12.20 a.m.
From Victoria Avenue—
20 min. service from 5.50 a.m. to 12.30 a.m.
From Victoria Avenue to Snowdon,—
10 minutes service 5.50 a.m. to 8.30 p.m.

Bout de l'Île:

From Lasalle and Notre Dame—
60 min. service from 5.00 a.m. to 12.00 midnight.

Tetraultville:

From Lasalle and Notre Dame—
15 min. service 5.00 a.m. to 9.00 a.m. | 15 min. service 3.30 p.m. to 7.00 p.m.
30 min. service 9.00 a.m. to 3.30 p.m. | 30 min. service 7.00 p.m. to 12 mid.

Pointe aux Trembles via Notre Dame:

From Notre Dame and 1st Ave. Maisonneuve.
15 min service from 5.15 a.m. to 8.50 p.m.
20 " " " 8.50 p.m. to 12.30 a.m.
Extra last car for Blvd. Bernard at 1.30 a.m.

DISTRICT AGENT WANTED—To take charge of productive territory in East Ontario. Liberal contract will be made with the right party. Excellent opportunity to build an organization. All inquiries confidential. Apply R. T. Faircloth, Manager E.O. Branch, Canada Life Assurance Company, Toronto.

Why Not Reply to This Ad?

(or inquire about other territory)

What You Need:

FIRST, an old, tried company, with abundant evidence of success; experienced in the business, and consistent in its record. Paying large dividends to policy-holders, and safely and sanely planning the future. Issuing new and saleable policy plans.

SECOND, a company which treats its representatives as business men, free from red tape, sympathetic, and in harmony with the aims of the field force. Unhampered in its regulations, and liberal in its interpretation of contracts. A company which it is a pleasure to work for and with which you can build up a permanent connection.

CANADA LIFE ASSURANCE COMPANY

HEAD OFFICE, TORONTO

The Imperial Guarantee

AND ACCIDENT INSURANCE CO., OF CANADA

Head Office: 46 King Street W.,

TORONTO, Ont.

A Strong Canadian Company.

ACCIDENT AND SICKNESS INSURANCE
GUARANTEE BONDS

PLATE GLASS AND AUTOMOBILE INSURANCE

E. WILLANS, FRANK W. COX,

General Manager.

Secretary.

The Manufacturers Life

A Splendid Canadian Old Line
Life Insurance Company

Good for Agents. Attractive for Policyholders.

Assets exceed \$23,000,000

Insurance in Force exceeds \$90,000,000

Head Office:

TORONTO - - - CANADA

THE CANADA NATIONAL FIRE INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, MAN.

SURPLUS TO POLICYHOLDERS - \$1,976,156.08

A Canadian Company Investing Its Funds in Canada

APPLICATIONS FOR AGENCIES INVITED

Union Assurance Society Ltd.

OF LONDON, ENGLAND.

(Fire Insurance since A.D. 1714)

CANADA BRANCH, MONTREAL

T. L. MORRISSEY, Resident Manager.

NORTH WEST BRANCH, WINNIPEG

THOS. BRUCE, Branch Manager.

Agencies throughout the Dominion

THE CONTINENTAL LIFE INSURANCE COMPANY

HEAD OFFICE - TORONTO

has several vacancies in Quebec and Ontario including the position as Inspector for Eastern Ontario.

"LIVE WIRES"—write to Head Office, Toronto or to

W. J. BROWN, Provincial Manager,

180 ST. JAMES STREET, MONTREAL.

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

AGENTS

INSURANCE

BROKERS

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

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MONTREAL, P.Q.