

The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXIX. No. 14.

MONTREAL, APRIL 4, 1919

Single Copy 10c
Annual Subscription \$3.00

THE GENERAL FINANCIAL SITUATION.

By all accounts, the problem of employment, about which there was considerable anxiety in financial circles a month or two ago, has not developed as seriously as might have been expected, considering the large number of munition workers who have been discharged. The proportion of unemployed in the industrial centres is now reported as not much larger than at the end of an ordinary winter. As soon as the winter finally breaks up (a consummation which the chilly first days of daylight saving has made devoutly to be wished), rural employment will open up, and with the new construction work to be undertaken will absorb large numbers of men. The plans for railway renewal and betterment for this coming summer now being worked out, will, it is estimated, occupy 30,000 men, and the programmes of housing and building of highways now being fathered by the Dominion Government, will also absorb large numbers.

The monthly bank statements, which have made their appearance since the armistice have been uniformly favourable documents, and the good record is kept up by the February statement which has become available during the last few days. The growth in notice deposits is particularly noteworthy. Their increase during the month was \$28,184,427, following a rise of \$31,526,528 in January, and of over \$19,000,000 in December. Their end of February total of \$1,018,184,512 is only some \$58,000,000 below the high-water mark of notice deposits established in October last, before the flotation of the second Victory Loan, when the aggregate of those deposits was reported as \$1,076,514,000. Compared with February, 1918, notice deposits show a gain of well over \$109,000,000.

This increase in notice deposits during February appears, however, to have been at least partly due to transfers from current accounts of funds, which are not required temporarily in industry or trade, demand deposits being down for the month by \$57,143,976 to \$566,775,434, at which figures they stand, however, on about the same level as a year ago. Circulation shows little change from January, being \$1,355,278 higher than in the earlier month at \$204,779,750, and about \$28,500,000 higher than in February, 1918. Current loans

are at a very high level, old loans, which under other circumstances would have been liquidated ere this by the movement forward to Europe of wheat and other produce, being added to by new demands in anticipation of spring activity, and by financing by industries which, with the war over, are finding it possible to get into active operation again. They are reported as \$1,095,301,791, an increase for the month of \$14,960,930 and for the year of no less than \$235,938,644. Current loans abroad are also up somewhat by \$4,076,725 for the month to \$130,590,063, and by \$20,911,923 for the year. Canadian call loans, on the other hand, show a considerable decrease, being down during February by nearly \$8,500,000 to \$79,154,121. In this connection, it is to be noted that a considerable volume of private money has been lately offering at rates somewhat lower than the banking institutions are prepared to accept, and in consequence bankers' loans to the banks have been liquidated. Under present circumstances, of course, the banks are not over-anxious for this class of business. Call loans abroad, on the other hand, were substantially increased during February by \$15,116,025 to \$155,935,681, at which figure they are practically \$21,000,000 higher than at the end of February a year ago.

The rise of New York exchange to as high a level as 29-32 within the last few days has attracted considerable attention. The general consensus of opinion in financial circles appears to be that adverse exchange rates are likely to be in force for some considerable time to come. In the post-bellum period, as during the war, we are selling our exports as credit, while we have to pay cash for our imports, and while this method of doing business is the only one open to us, if we are to develop and maintain export trade connection, the effect upon an exchange position is not good. However, the old adage that "it's an ill-wind" holds good even in this connection, and exporters are reaping the benefit of present rates, the outstanding instance in this connection being, of course, the pulp and paper companies, whose heavy exports to the United States must, at the present time, result in quite a substantial revenue from premiums and exchange.

That English economists and financial students are not depressed by the present financial

(Continued on page 357)



BANK OF MONTREAL

ESTABLISHED OVER 100 YEARS (1817-1918)

Capital Paid up, \$16,000,000

Rest, \$16,000,000

Undivided Profits, \$1,901,613

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Incorporated by Act of Parliament 1855

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The Chronicle

Banking, Insurance and Finance

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

406-408 LAKE OF THE WOODS BUILDING,
10 ST. JOHN STREET, MONTREAL.
Annual Subscription, \$3.00 Single Copy, 10 cents.

MONTREAL, FRIDAY, APRIL, 4th, 1919

THE GENERAL FINANCIAL SITUATION.

(Continued from Page 553)

position of Great Britain arising out of its war obligations, is shown in an address recently delivered by Mr. Edgar Crammond before the Institute of Bankers in London. Mr. Crammond, whose position as a financial thinker is widely acknowledged, and whose utterances in past years have been frequently quoted in these columns, thinks that for the next ten years, Great Britain will be in a position to spend £400,000,000 yearly at home in renewals and machinery, houses, roads, etc., and invest £500,000,000 yearly largely within the Empire, in accordance with the flow of emigration and other conditions. Any such programme, systematically undertaken, would in Mr. Crammond's view, be immediately reflected in the international money market and capital would be attracted to London for investment, London acting as the distributor. Mr. Crammond remarked that it was his reasoned and deliberate conviction that as a result of the war, economic development will have been impelled forward by at least two generations, and that we are on the eve of a period of intense trade activity such as the world has never known.

Criticism is being heard in London, it seems, regarding the action of the Quebec Government in collecting succession duties on bonds of the city of Montreal and other Quebec securities issued and held in London. The London Times, whose financial page still retains a sanity not always now conspicuous in other portions of that journal, remarks in this connection: "The policy of imposing taxes and property held outside the state is a short sighted one. It must involve a further addition to the interest which a state is called upon to pay for future loans, since the fact that such loans will be subject to double death duties will be taken into account in determining the yield. This means that the credit of the state will be lowered." The point is well taken. The matter is of some importance to the city of Montreal, whose securities held in London must still aggregate many millions. While new borrowing in London by Montreal and other Quebec cities and corporations is not perhaps immediately in prospect, it is merely a question of time before such operations will become a common part of nor-

mal Anglo-Canadian financial dealings, and the matter is well worth rectification. With taxation as high in Great Britain as it is likely to be for some years, double taxation is a matter likely to be taken into serious consideration by English institutional and other investors, when arriving at decisions of policy.

DAYLIGHT SAVING.

The political philosopher can find plenty of material for humorous reflection in the grand and glorious mix-up about daylight-saving. Parliament ("the voice of the people" as exuberant orators frequently assure us) comes to a decision. Whereupon various communities from rural Quebec to distant British Columbia promptly decide that they don't care a hang about Parliament, and will do as they damn well like. Evidently new political ideas, born of the war, are having a far-reaching effect. This sort of thing would not have happened five years ago.

The only kick we have about "summer-time" is that it has come in the middle of winter, and while rising with the lark is all very well theoretically, practical experience shows that 8 a.m. summer time is distinctly uninviting compared with 8 a.m. standard time, when the chilly blasts of a Montreal April are around. However, perhaps before this gets into print, the chilly blasts will have given way to gentle zephyrs from the tropic south, and we shall once more be swimming across Craig Street. Let's hope so!

To be more or less serious; the railways have an exceedingly good case for changing their time in order to keep in line with the States. As for the rest of the community, for Heaven's sake let us have uniformity one way or the other.

As the Daylight-Saving question has been settled either foolishly or otherwise, we trust the more important matter of profiteering as indicated by the utterly unjustifiable advance in such a popular and necessary commodity as butter will receive the attention it deserves with promptness and energy.

BANK OF VANCOUVER

Shareholders Must Make Back Payments on Stock

Through a decision of Chief Justice Hunter of the British Columbia Supreme Court, shareholders of the defunct Bank of Vancouver, in which the famed Alvo von Alvensleben was interested in its early history, are to be called upon to pay their back payments on account of stock. The full amount due on calls amounts to \$800,487, but it is anticipated that only about thirty per cent. of this amount can be collected without delay in legal action. It is stated that a considerable number of stockholders claim relief under the War Relief Act, the justice of whose claims will be decided later.

LLOYDS BANK RESULTS FOR 1918.

The net profit made by Lloyds Bank Limited for 1918 has reached the very substantial total of £2,358,382. It is not possible to make a fair comparison with the sum shown twelve months ago, for the profit for 1918 includes the profit of The Capital and Counties Bank, Limited, for the half-year commencing on 1st July, 1918, as from which date the Bank was taken over by Lloyds Bank. Of the profit £200,000 has been written off the bank premises account; £100,000 has been set aside to establish a fund for the benefit of widows and children of deceased members of the staff; £200,000 has been placed to a special contingency account and £660,460 has been added to the reserve fund, bringing it up to £9,000,000. The dividend has been maintained at the rate of 18½ per cent. per annum—the rate which has been distributed for each year since 1910—while in addition a bonus of 3s. per share is being paid, less income tax. The total distribution is consequently 20 per cent. for the year, less income tax. This enlarged distribution, while doubtless agreeable to the shareholders, is quite conservative, as the sum distributed represents less than 50 per cent. of the total available for distribution. Thus the directors have acted quite soundly and have preserved a just balance between the claims of shareholders and depositors. The balance of profit carried forward is £472,755, as against £289,464 brought forward from 1917.

The growth in the profits made by the bank during the past eight years has been enormous as may be seen by the following figures. 1911, net profits £884,620; 1918, net profits £2,358,382.

The expansion that has occurred during the war may be gathered from the fact that the deposits have risen from nearly £92,000,000 at 31st December, 1913, to nearly £268,000,000 at 31st December last. Doubtless, even this very large figure would have been greater still had the depositors not followed the request of the Government to place their moneys at the disposal of the nation, for the purpose of carrying on the war which has been brought to so successful a conclusion. But making due allowance for this, the growth may truly be described as magnificent.

The growth made by the bank since its start in 1865 may justly be described as enormous. It is quite evident that every endeavour has been made to keep fully abreast of modern needs of commerce, and it must be acknowledged that the bank is well equipped to face the problems now confronting the business community. It is safe to say that Lloyds Bank will be ready in the future, as it has been in the past, to play its part in furthering the interests of the Empire by fostering the trade and commerce of its citizens. The expansion that has occurred during 1918 affords ample proof of a determination that the Bank shall maintain its proud position of a leader in both national and international finance.

TRAFFIC RETURNS

Canadian Pacific Railway				
Year to date	1917	1918	1919	Increase
Feb. 28.....	\$18,773,000	\$19,889,000	\$23,579,000	\$3,690,000
Week ending	1917	1918	1919	Increase
March 7.....	2,442,000	2,617,000	2,469,000	*148,000
" 14.....	2,670,000	2,496,000	2,645,000	149,000
" 21.....	2,648,000	2,846,000	2,832,000	*14,000
Grand Trunk Railway				
Year to date	1917	1918	1919	Increase
Feb. 25.....	\$ 8,530,394	\$ 5,506,414	\$ 8,490,257	2,983,843
Week ending	1917	1918	1919	Increase
March 7.....	1,063,190	834,742	1,224,388	389,646
" 14.....	1,068,837	846,554	1,159,337	312,783
" 21.....	1,054,639	893,804	1,235,013	341,209
Canadian National Railways				
Year to date	1917	1918	1919	Increase
Feb. 28.....	.....	\$9,119,071	\$12,744,360	\$3,625,289
Week ending	1917	1918	1919	Increase
March 7.....	1,116,260	1,286,614	176,354
" 14.....	1,147,790	1,397,986	250,196
" 21.....	1,292,511	1,404,051	111,540

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BANK OF NEW SOUTH WALES**

(ESTABLISHED 1817)

Paid-up Capital	\$19,524,300.00
Reserve Fund	14,750,000.00
Reserve Liability of Proprietors	.....	19,524,300.00
Aggregate Assets 31st March, 1918		\$53,978,600.00
		\$305,984,997.00



J. RUSSELL FRENCH, General Manager.

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BANKING PROFITS IN CANADA.

In the table which The Chronicle publishes on another page to-day, a comprehensive view of the tendency of Canadian banking profits during recent years is given. In studying these statistics, it should be borne in mind that several banks are necessarily omitted, for one reason or another, from the 1918 showing. The British and Northern Crown banks have been absorbed; the date of the annual meeting of the Provinciale has been changed to April; and the figures of the Bank of Hamilton and Weyburn Security Bank are not available at the date of writing. However, these unavoidable omissions are not likely to affect the general tenor of the results shown.

In regard to paid-up capital, it will be noted, that the banks' average capital has been practically stationary between 1913 and 1918, the fluctuations shown being mainly the result of re-arrangements of capital consequent upon the various important amalgamations which have taken place during this period. Average capital and rest, which in the years prior to the war, showed very rapid advance as a result of the banks' large annual attractions to rest, has also been stationary since 1914, large amounts which, normally, would have been applied to rest, having had to be diverted in the changed circumstances of the day, to contingent funds, depreciation of securities, etc. While shareholders' funds have been thus stationary, for several years, the banks' total resources have enormously increased, having, in fact, more than doubled since 1909. Profits, however, have not increased commensurately, and it will be observed that while the 1918 earnings upon shareholders' funds—average capital and rest—show an enlargement over the preceding years, they are only on a level with the years 1911 and 1912, when the resources of the banks were several hundreds of millions of dollars less than they were in 1918. In other words, the responsibility and risk involved in the handling and investment of these enormously increased resources has brought no commensurate increase in the rate of remuneration enjoyed by capital invested in banking.

With reference to the lower table showing disposition of profits, the large increase of recent years in writings-off for depreciation, particularly during the earlier years of the war period, will be noted. Contributions, pensions, etc., have also much increased, and the war tax on circulation since 1915 has taken a substantial amount of profits which in earlier years were retained by the banks.

As regards the differences in profits shown respectively in the upper and lower tables in 1913, 1911 and preceding years, the explanation is that the profits in the lower table include "recoveries" and other special items. The \$20,442,506 profits shown in 1911 included the adjustment of \$3,400,000 made that year in the Bank of Montreal pre-

mises account. The amounts carried forward from one year to the next are affected by bank failures, amalgamations and changes in date of annual returns.

FOREIGN TRADE

The useful monthly Commercial letter issued by The Canadian Bank of Commerce says:—Foreign trade is still hampered by the many regulations imposed by importing countries and by difficulties in obtaining vessel space. There are also many obstacles to overcome in making satisfactory arrangements as to payments. To the solution of these problems the governing authorities are giving attention, as the course of export business in the immediate future depends upon the results of their efforts. Groups of industries are taking associated action in sending practical men to explore foreign fields; this is a new departure on the part of Canadian manufacturers from which much is hoped. A commission has been established in Siberia and a credit of \$1,000,000 has been granted by the Canadian Government for its trade operations. It is by such efforts that business may be obtained to employ the plant and labour rendered idle by the cessation of orders for munitions and by a falling off to some extent in the demand from abroad for foodstuffs. The volume of exports must contract appreciably when such items as cartridges and explosives fall from a total of \$424,000,000 in the twelve months ending January, 1918, to the very nominal volume of pre-war years. Up to the end of January, the latest date to which official returns are available, the decline in exports had not been as great as anticipated. There has been a decided falling off in the quantity of grain exported, but there is in the country a considerable surplus which has been sold, but is not yet shipped. It is in agricultural and manufacturing products that a decline is already in evidence, but in other staple lines — minerals, fish, forest and animal products, there continues to be an increase, and it is from these resources, capable as they are of almost unlimited expansion, that capital and labour may hope to derive employment in larger measure than heretofore. The figures of Canadian exports over a series of calendar years are as follows:

	Exports.		
	1916.	1917.	1918.
The Mine	\$ 83,462,893	\$ 76,082,491	\$ 79,650,972
The Fisheries	24,696,944	28,929,640	34,129,743
The Forest	55,676,911	51,695,847	66,857,990
Animal Produce	119,451,687	174,734,202	181,391,749
Agricultural Prod.	371,753,651	535,139,629	326,974,133
Manufactures	444,275,942	672,000,725	555,725,934
Miscellaneous	7,763,450	4,868,346	5,119,826
Total	\$1,107,081,478	\$1,544,450,880	\$1,249,850,347

Canadian Banking Practice
 On Sale by The Chronicle, Montreal



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ESTABLISHED IN CANADA, 1863

ASSETS EXCEED \$24,500,000

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 164 St. James Street, Montreal, P.Q.

CANADIAN BANKING PRACTICE

ON SALE BY

THE CHRONICLE, - MONTREAL

BANKING PROFITS IN CANADA: TABLE III.

(Compiled Exclusively by *The Chronicle.*)

SUMMARY OF THE BANKS' OPERATIONS DURING ELEVEN YEARS.

	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908
Average Capital Paid	\$ 101,515,124	\$ 111,244,675	\$ 110,470,517	\$ 113,900,250	\$ 112,928,107	\$ 111,731,763	\$ 103,623,455	\$ 98,735,350	\$ 94,850,097	\$ 93,437,945	\$ 92,543,865
Average Capital and Rest	208,165,481	224,293,503	222,352,051	226,961,933	224,007,126	218,995,429	201,945,132	185,683,791	173,466,893	168,349,840	163,566,349
Average Total Resources	2,180,588,476	2,041,156,744	1,771,792,551	1,575,509,546	1,538,299,467	1,512,301,893	1,394,846,889	1,274,631,501	1,187,543,106	1,025,920,764	916,245,586
Per Cent. Profits to Average Capital	18.04	16.69	14.99	14.01	15.96	16.45	17.00	16.62	14.93	13.51	13.95
Per Cent. Profits to Average Capital and Rest	8.79	8.20	7.45	7.02	8.05	8.39	8.72	8.84	8.16	7.50	7.89
Per Cent. Profits to Average Total Resources	.84	.89	.93	1.01	1.17	1.22	1.26	1.29	1.19	1.23	1.41

DISPOSITION OF PROFITS.

	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908
Balance Brought in	\$ 7,490,121	\$ 6,009,970	\$ 5,925,367	\$ 6,686,681	\$ 6,168,278	\$ 5,987,472	\$ 5,418,067	\$ 4,326,030	\$ 4,935,093	\$ 4,280,767	\$ 4,522,929
Net Profits	18,312,553	17,189,249	16,563,950	15,933,725	18,024,174	18,582,983	17,619,203	20,442,506	14,260,765	12,951,690	12,817,774
Premiums New Stock	*1,046,918	1,245,087	333	140,314	1,915,897	5,114,595	12,251,921	6,563,821	3,049,274	1,708,918	469,075
Total	26,849,592	25,044,306	22,487,650	22,780,720	26,108,349	29,685,050	35,283,191	31,333,257	22,245,132	18,921,375	17,809,778
Dividends Paid	11,588,863	11,589,680	12,077,761	12,363,692	12,546,082	11,903,146	11,142,267	9,698,995	8,715,367	8,293,044	8,090,616
War Tax on Circulation	954,791	1,026,552	1,060,846	807,067	807,067	807,067	807,067	807,067	807,067	807,067	807,067
Added to Rest	2,498,710	1,923,242	70,000	530,561	2,591,136	7,658,370	14,228,511	13,172,564	7,185,774	3,595,653	3,494,694
Written off Premises	1,145,884	1,049,373	393,748	407,507	1,190,679	2,145,690	2,174,229	2,177,944	1,427,701	1,456,469	1,355,718
Written off for Depreciation, etc.	961,187	746,192	920,000	3,283,277	2,255,840	1,111,633	1,200,000	225,000	233,909	285,000	376,000
Reservations for Bank Premises	245,000	1,016,158	803,372	514,576	962,081	500,377	499,730	393,871	341,574	296,776	231,166
Contributions, Pensions, etc.	1,018,882	7,693,109	7,161,923	5,935,162	6,365,825	6,365,825	6,038,454	5,064,883	4,340,807	4,994,453	4,261,584
Balance Carried Out	8,438,275	7,693,109	7,161,923	5,935,162	6,365,825	6,365,825	6,038,454	5,064,883	4,340,807	4,994,453	4,261,584
Total	26,849,592	25,044,306	22,487,650	22,780,720	26,108,349	29,685,050	35,283,191	31,333,257	22,245,132	18,921,375	17,809,778

* Including \$1,000,000 reserved from over appropriations.

The Trust and Loan Co.

OF CANADA

Capital Subscribed \$14,000,000.00
 Paid-up Capital 2,920,000.00
 Reserve Funds 2,920,000.00

MONEY TO LOAN ON REAL ESTATE

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Prudential Trust Company

LIMITED

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 9 St. John St.,
 Montreal

Trustee for Bondholders
 Transfer Agent & Registrar
 Administrator Receiver Executor
 Liquidator Guardian Assignee
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 Real Estate and Insurance Departments
 Insurance of every kind placed at
 lowest possible rates.

Safety Deposit
 Vaults

Terms Ex-
 ceptionally
 moderate.

Correspond-
 ence invited

B. HAL. BROWN, President and Gen. Manager

YOU MAY BE A RICH MAN, SOME DAY

Opportunities for making money are many but it takes time for capital to accumulate even under the most favorable conditions. Every man of ability expects in the course of years to have sufficient to ensure to his family during their life time the comforts to which they have been accustomed. Unless an unexpected reverse of fortune occurs their is little doubt but that you will make money. "But "many things may happen" while the money is being made. This is where life insurance comes in and makes available the means that would have been yours if health and life had been spared. You will be rich "some day," if you live, but the insurance policy will anticipate for your family the accumulations of future years and render sufficient means available even should you not survive to realize your ambition.

IS YOUR PROSPECTIVE INCOME INSURED?

The Mutual Life Assurance Co. of Canada
 WATERLOO, ONTARIO

E. F. CLEMENT, President. CHAS. RUBY, General Manager

The LIFE AGENTS' MANUAL
 THE CHRONICLE - - MONTREAL

Trust Fund Investments

The prompt payment beyond question of interest and principal at maturity must be the paramount consideration when investing Trust Funds.

The Bonds issued by the Canada Permanent Mortgage Corporation meet all the requirements, and are

A LEGAL INVESTMENT FOR TRUST FUNDS.

We should like to send you a specimen Bond, copy of our Annual Report and all particulars.

Send us your name and address.

CANADA PERMANENT MORTGAGE CORPORATION

Paid-up Capital and Reserve Fund ... \$11,500,000

Toronto Street - - TORONTO

Established 1855.

Western

Assurance Company

Incorporated in 1851

**FIRE, MARINE, EXPLOSION AND
 AUTOMOBILE INSURANCE**

ASSETS over \$7,000,000.00

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

DIRECTORS

W. B. MEIKLE, President and General Manager
 Sir John Aird John Hoskin, K.C., LL.D.
 Robt. Bickerdike, (Montreal) Z. A. Lash, K.C., LL.D.
 Lt. Col. Henry Brock Geo. A. Morrow, O.B.E.
 Alfred Cooper, (London, Eng.) Lt. Col. The Hon.
 H. C. Cox Frederic Nicholls
 John H. Fulton, (New York) Brig.-General Sir
 D. B. Hanna Henry Pellatt, C.V.O.
 E. Hay E. R. Wood

HEAD OFFICE - TORONTO

A BRITISH COMPANY

Union Insurance Society of Canton, Limited

ESTABLISHED 1835

Head Office: HONGKONG

Assets over \$18,000,000

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

FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 36 Toronto Street, TORONTO

General Agent Montreal, JOSEPH ROWAT

Manager for Canada, C. R. DRAYTON

COMPARATIVE ABSTRACT OF THE BANK STATEMENT, FEBRUARY, 1919

(Compiled by The Chronicle).

	February 28, 1919	January 31, 1919	Month's Movement 1919	February 28, 1918	Month's 1918	Year's Movement
ASSETS						
Specie.....	\$80,178,618	\$80,563,677	- 385,059	\$80,003,942	\$ 2,409,734 +	174,676
Dominion Notes.....	185,932,418	196,323,477	10,391,059	173,701,126	11,248,832 +	12,231,292
Deposits in Central Gold Reserves.....	103,750,000	105,650,000	1,900,000	74,770,000	800,000 +	28,980,000
Notes of other Banks.....	23,030,249	25,679,308	2,649,059	19,082,508	831,302 +	3,947,741
Cheques on other Banks.....	88,449,920	82,012,884	5,537,036	70,205,289	2,534,791 +	18,244,631
Deposit to secure Note issues.....	5,860,927	5,860,976	49	5,772,350	..... +	88,577
Deposits with and balances due from other Banks in Canada.....	8,409,585	6,960,719	1,448,866	5,837,553	1,000,172 +	2,572,032
Due from Banks, etc., in U.K.....	9,259,181	11,821,623	2,562,442	11,109,247	3,084,193 -	1,856,066
Due from Banks, etc., elsewhere.....	142,595,838	41,501,475	1,094,363	45,946,642	2,434,990 -	3,350,804
Dom. and Prov. Securities.....	112,160,131	159,039,874	46,879,743	113,725,526	13,594,490 -	1,565,395
Can. Mun. Brit., For. & Col. Pub. Securities.....	259,422,456	259,462,077	39,621	242,256,480	6,206,679 +	17,165,976
Rlwy. and other Bonds and Stocks.....	52,416,524	53,546,118	1,129,594	57,459,593	1,629,521 -	5,043,069
Total Securities held.....	423,999,111	472,048,069	48,048,958	413,441,599	6,688,290 +	10,557,512
Call Loans in Canada.....	79,154,121	87,593,427	8,444,306	76,722,163	482,962 +	2,431,958
Call Loans outside Canada.....	155,983,681	140,819,656	15,164,035	160,239,494	27,552,428 -	4,255,813
Total Call and Short Loans.....	235,137,802	228,418,083	6,719,719	236,961,657	28,035,390 -	1,823,855
Current Loans and Discounts in Canada.....	1,095,301,791	1,080,340,861	14,960,930	859,363,147	3,856,641 +	235,938,644
Current Loans and Discounts outside Canada.....	130,590,063	126,513,338	4,076,725	109,678,140	6,542,203 +	20,911,923
Total Current Loans and Discounts.....	1,225,891,854	1,206,854,199	19,037,655	969,041,287	2,685,562 +	256,850,567
Loans to Dominion Government.....	.....	.....	.....	.....	.....	.....
Loans to Provincial Governments.....	6,159,859	5,410,280	749,570	6,730,193	72,886 -	570,334
Loans to Cities, Towns, etc.....	36,830,183	32,640,198	4,189,985	43,535,628	3,520,162 -	6,705,445
Bank Premises.....	53,005,275	52,801,507	203,768	51,897,132	180,160 +	1,108,143
TOTAL ASSETS.....	2,575,191,491	2,603,275,584	28,084,093	2,242,555,598	4,688,382 +	332,635,893
LIABILITIES						
Notes in Circulation.....	204,779,750	203,424,472	1,355,278	176,369,296	4,684,832 +	28,410,454
Due to Dominion Government.....	238,256,091	236,119,588	2,136,503	69,419,615	37,077,428 +	168,836,476
Due to Provincial Governments.....	20,800,869	21,238,779	437,910	20,754,135	2,792,452 +	46,734
Deposits in Canada, payable on demand.....	566,775,434	623,919,410	57,143,976	569,266,642	9,459,405 -	2,491,208
Deposits in Canada, payable after notice.....	1,018,184,512	990,000,085	28,184,427	908,822,988	8,508,732 +	109,361,524
Total Deposits of Public in Canada.....	1,584,959,946	1,613,919,495	28,959,549	1,478,089,630	17,998,137 +	106,870,316
Deposits elsewhere than in Canada.....	200,560,308	203,015,797	2,455,489	183,222,302	13,641,196 +	17,338,066
Total Deposits other than Govt.....	1,785,520,254	1,816,935,292	31,415,038	1,661,311,932	1,439,333 +	124,208,322
Deposits and Bal., other Can. Bks.....	11,507,772	10,885,649	622,123	7,821,835	1,162,304 +	3,985,937
Due to Bks. and Correspts. in U.K.....	3,413,395	4,615,499	1,202,104	2,753,356	375,408 +	660,039
Due to Banks & Correspts. elsewhere.....	23,953,348	26,079,366	2,126,018	24,966,099	1,190,274 -	1,012,751
TOTAL LIABILITIES.....	2,325,014,654	2,356,774,539	31,759,885	1,995,234,859	2,055,759 +	329,779,815
CAPITAL, ETC.						
Capital paid up.....	110,643,539	109,622,070	1,021,469	111,713,047	4,582 -	1,069,508
Reserve.....	116,870,214	116,129,225	740,989	114,163,908	2,685 +	2,706,306
Loans to Directors and their Firms.....	8,935,094	8,412,532	522,562	8,124,358	155,453 +	810,736
Greatest Circulation in Month.....	210,894,809	226,385,506	15,490,697	181,695,542	11,872,369 +	29,199,267

INSURANCE OFFICE OF AUSTRALIA LTD.
TO ENTER CANADA.

Mr. J. S. Charters Black, foreign superintendent of the Insurance office of Australia Limited, arrived in Montreal this week from New York, and favoured "The Chronicle" with a call. Mr. Black informs us that the object of his visit to Canada is to look over the field, with a view to entering the company for fire and marine insurance.

The Insurance Office of Australia was organized in 1910, and is well and favourably known. It has an authorized capital of \$1,250,000 of which amount nearly \$500,000 is paid up while its as-

sets exceed \$1,250,000. Its net premium income in 1918 exceeded \$1,147,000 with a loss ratio of 48 per cent. We understand the company is increasing its paid up capital with a view to extending its business. The I. O. A. is a tariff company and a member of the Fire Officers Committee, London, England.

Mr. Black leaves in a day or two for Toronto and the West, and will sail on the 25th instant from Vancouver, for Australia. He will later visit Java, Singapore, China, Japan and India.

The head office of the company is in Sydney and its General Manager, Mr. W. R. Cave. It at present operates throughout Australia also in Great Britain, and South Africa.

Commercial Union

ASSURANCE COMPANY LIMITED
of LONDON, England

The largest general Insurance Company in the world
(As at 31st December, 1917)

Capital Fully Subscribed.....	\$14,750,000
Capital Paid Up.....	1,475,000
Life Fund, and Special Trust Funds.....	73,045,450
Total Annual Income exceeds.....	57,000,000
Total Funds exceed.....	159,000,000
Total Fire Losses Paid.....	204,667,570
Deposit with Dominion Government.....	1,323,333

Palatine

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December, 1917)

Capital Fully Paid.....	\$1,000,000
Fire Premiums 1917, Net.....	\$2,896,395
Interest, Net.....	142,130
Total Income.....	\$3,038,525
Funds.....	\$5,476,985
Deposit with Dominion Gov't....	\$318,267

N.B.—In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$159,000,000.

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

Head Office
for Canada;
TORONTO



Eagle Star

British Dominions
Insurance Company Limited

Of London, England

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

DALE & COMPANY, LIMITED
GENERAL AGENTS

MONTREAL AND TORONTO

Assets
Exceed
\$85,000,000

Head Office
for Canada
TORONTO



Security
over
\$65,000,000

The
BRITISH CROWN

ASSURANCE CORPORATION LIMITED

Of Glasgow, Scotland

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

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

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

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

AGENTS

INSURANCE

BROKERS

ARWA INSURANCE CO. OF HARTFORD
SE. PAUL FIRE & MARINE INSURANCE CO.
BRITISH TRADERS INSURANCE CO., LIMITED

11 ST. SACRAMENT STREET
MONTREAL, P.Q.

THE
FIRE INSURANCE COMPANY OF CANADA

MONTREAL

Authorized Capital, \$1,000,000

Subscribed Capital, \$250,000

Paid Up Capital, \$100,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

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

AN ACT TO AMEND THE CRIMINAL CODE RESPECTING PREVENTION OF FIRE.

The act to amend the Criminal Code respecting the prevention of fire, had its first reading in the Senate of Canada on March 25th. The Act reads as follows:

"(1A). Every one is guilty of an indictable offence and liable to two years' imprisonment who by negligence causes any fire which occasions loss of life or loss of property.

"The person owning, occupying or controlling the premises in which such a fire occurs, or on which such fire originates, shall be deemed to have caused the fire through negligence if such person has failed to obey the requirements of any law intended to prevent fires or which requires apparatus for the extinguishment of fires or to facilitate the escape of persons in the event of fire, if the jury finds that such fire, or the loss of life, or the whole or any substantial portion of the loss of property, would not have occurred if such law had been complied with."

2. The said Act is further amended by inserting immediately after section five hundred and fifteen the following section:—

"515A. In any case where any fire insurance company which carries any policy of fire insurance on the property, or any Dominion, provincial or municipal fire officer or authority recommends that the owner, lessee or other person controlling or operating any building, structure, factory, shipyard, vessel, dock, wharf, pier, sawmill, or yard in which logs or lumber are stored or held, should make any change or alteration in such building, structure, factory, shipyard, vessel, dock, wharf, sawmill, pier or yard, remove any material therefrom, or supply any apparatus therefor, with a view to reducing the risk of fire or for the extinguishing of fire, and such recommendation is approved by any officer in the service of His Majesty, thereto authorized by the Governor in Council, and notice of such recommendation and of such approval thereof has been served personally upon or forwarded by registered mail to such owner, lessee or other person, and such owner, lessee or other person refuses or neglects to forthwith carry out such recommendation, such owner, lessee or other person shall be liable upon summary conviction to a fine not exceeding one thousand dollars, or to imprisonment for any term not exceeding six months, or to both fine and imprisonment."

MONTREAL FIRE INSURANCE EVENING CLASSES—CLOSING MEETING.

The closing meeting of a successful session was held on Wednesday, 26th ulto., in the board room of the Canadian Fire Underwriters' Association, Col. Morris presiding. There were also present T. L. Morrisey, Esq., manager, Union Assurance

Society; G. E. Moberly, Esq., manager, Northern; and Lewis Laing, Esq., assistant manager, Liverpool & London & Globe Insurance Company.

During the session an essay competition, open to members, has been carried on, the students selecting any subject dealt with at these classes, for prizes presented by a member of The Ancient and Honorable Order of The Blue Goose. Mr. Laing acted as judge of essays, assisted by Mr. Moberly, and the successful candidates were announced.

Prize Winning Essays.

In the course of a brief speech, Mr. Laing complimented the students on their contributions, remarking that the ultimate decision had been reached unanimously, but only after much careful thought. While the successful essays were of outstanding merit, the contributions of all students showed much ability and understanding of the subject dealt with. The prize winning essays were then announced and the chairman unsealed the envelopes containing the students' names. The winners were:

1st.—A. D. Reid, Yorkshire Insurance Company, "Co-Insurance."

2nd.—Alex. Robertson, Liverpool & London & Globe Insurance Co., Ltd., "Fire Waste and Conservation."

3rd.—A. S. Booth, London & Lancashire, "Fire Surveying and Report Writing."

These names were received with applause, the students being popular members of the class.

Mr. Laing spoke in felicitous terms to the officers of the work done during the past winter, expressing the hope that the development of the class might next session be still further carried on.

Mr. Moberly addressed the class also complimenting the students on the essays submitted. He then gave a few personal reminiscences of Canadian insurance which were greatly enjoyed by all present.

Mr. Morrisey also said a few words to the students of counsel and encouragement. Thereafter the prize essay by Mr. A. D. Reid of the "Yorkshire" on the subject of "Co-Insurance" was read and proved a most interesting contribution.

On behalf of the students Mr. Dufty of the "Yorkshire" thanked the officers for their excellent conduct of the class during the whole session and on his motion a most hearty vote of thanks was given them.

EMPLOYERS' LIABILITY ASSURANCE CORPORATION.

Mr. T. E. Keysell, fire manager of the Employers' Liability Assurance Corporation of London arrived in New York last week and will visit Canada in the near future.

Mr. Keysell reports the year 1918 was the best in the history of the Corporation, the net premium income amounting to over \$25,000,000.

What An Agent Wants

A Company whose name, everywhere a household word, is his best introduction. Prestige is a door opener, and age and size are impressive.

Policies that are unexcelled. Big dividends. Strength and safety that need no demonstration. Unsurpassed service to policyholders—the thing that makes solid patrons out of first-time customers.

The Oldest Company in America! Come with it and you will stay with it, and it will stay with you!

For terms to producing Agents address:

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

34 Nassau Street . . . New York City

THE London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1720

CAPITAL PAID UP - - - - - \$ 2,241,375
TOTAL ASSETS EXCEED - - - - - 36,000,000

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

THE PROVIDENT ASSURANCE COMPANY

All lines of
*Accidents, Sickness,
Liability, Guarantee and
Automobile Insurance*

Head Office

189 St. James St. - - Montreal

REPRESENTATIVES WANTED FOR ONTARIO AND
MARITIME PROVINCES

ATLAS ASSURANCE COMPANY LIMITED

Founded in the Reign of George III

Subscribed Capital - - - \$ 11,000,000
Capital Paid Up - - - - - 1,320,000
Additional Funds - - - - - 22,141,355

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

Head Office for Canada:

260 St. James St., MONTREAL

MATTHEW C. HINSHAW, Branch Manager

Established 1886

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

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

Agents Wanted in Unrepresented Districts.

Managers for Canada:

Montreal Agencies Limited, Montreal



Assets:
\$30,389,461.55

Surplus:
\$8,824,000.31

Canadian Head Office:
MONTREAL.

J. W. BINNIE, Manager

L'UNION

FIRE INSURANCE COMPANY, Limited

Established 1828 Head Office: PARIS, France.

Capital fully subscribed \$2,000,000.00
25 p. c. paid-up

Fire and General Reserve Funds 5,949,000.00
Available Balance from Profit

and Loss Account 113,266.84

Net Premiums in 1917 6,136,055.28

Total Losses paid to 31 Dec.,
1917 104,117,000.00

Canadian Branch:

LEWIS BUILDING, 17 St. John St, MONTREAL

Manager for Canada: MAURICE FERRAND.

CANADIAN FIRE RECORD.

Fire at Toronto.—On March 28th, a fire occurred at 90-98 River St. Loss about \$2,000.

Fire at Montreal.—On March 30th, a fire broke out on the premises of S. Robitaille & Co., wholesale importers of fireworks, toys and twine, 100 St. Paul St. The fire affected some tenants and spread to adjoining building. Insurance as follows: Robitaille Building: Phoenix of London, \$8,000. Total loss. On Robitaille stock, Mutual of St. Hyacinthe and Equitable, \$2,500. Total loss: On Auger stock, Phoenix of London, \$8,000; Union, of London, \$7,000; Mount Royal, \$5,000; total, \$20,000. Total loss. Pataude & Corigan, Union of London, \$25,000; North West, \$10,000; Brit. Colonial, \$16,500; Great American, \$10,000; Scottish Union, \$10,000; Mount Royal, \$8,500; North West National, \$5,000; National Ben Franklin, \$5,000. Total, \$90,000. Loss about 30 per cent.

Fire at Peace River, Alta.—On March 30th, a fire destroyed three business houses on Main St. Loss about \$30,000.

Fire at Sudbury, Ont.—On the 27th instant a fire destroyed the New American Hotel and with it six business places which are included in the building. Loss about \$125,000.

Fire at Fort William, Ont.—By the fire which occurred on March 25th in Black's Elevator the following companies are interested: On building, Century, \$1,250; Pacific Coast, \$1,250; Employers' \$1,500; British Traders, \$3,500; North Brit. & Mer., \$2,500; Guardian, \$5,000; North Empire, \$2,500; Fidelity Phenix, \$5,000; Liv. Manitoba, \$5,000; Hartford, \$1,500; Fire Ins. Co. of Canada, \$1,500; Western, \$2,500; Sun, \$5,000; Union of Canton, \$2,500; Atlas, \$5,000; Occidental, \$2,500; Continental, \$1,500; Great American, \$1,000; London & Lancashire, \$7,000; Niagara, \$1,000; St. Lawrence Und., \$2,500; Car & General, \$2,000; Mercantile, \$5,000; Canada Accident, \$2,500; North America, \$3,000; Norwich Union, \$3,000; Law Union, \$3,000; Springfield, \$3,000; Caledonian, \$1,200; London Assurance, \$2,000; Imperial Und., \$2,000; Brit. Colonial, \$1,500; Globe & Rutgers, \$1,500; Acadia, \$2,500; Commercial Union, \$5,000; Alliance of London, \$2,500; British Empire, \$2,000; Northern, \$2,300; Aetna, \$2,500; Palatine, \$1,500; Union of London, \$500; British America, \$1,500; total, \$111,000. Loss, total. On dwelling: St. Paul, \$2,500; Liv. Manitoba, \$3,000; Hartford, \$500; total, \$6,000. Loss, total. On grain: Liv. Manitoba, \$10,000; Western, \$5,000; Sun, \$5,000; Atlas, \$2,500; New York, Und., \$3,500; Rochester, \$4,000; total, \$30,000. Loss, total.

Fire at Niagara Falls, Ont.—On March 30th, the Falls View House was completely destroyed by fire. Loss about \$10,000.

Fire at Windsor, Ont.—On March 30th, a fire occurred in the boiler room of the Ferry Garland owned by the Windsor Ferry Co. Loss about \$1,500.

Fire at Montreal.—On the 1st instant, a fire destroyed several tons of hay in the hay shed, the property of J. C. Bisallon, at 1735 Ontario St. Insurance as follows: Globe Indemnity, \$1,000; Norwich Union, \$500; Union of Canton, \$500; total, \$2,000. Loss, total.

BRITISH INSURANCE MERGER ACTIVITY.

Mr. Frank Lock, United States Manager of the Atlas Assurance Company, in a recent interview with The Journal of Commerce said that the present tendency towards amalgamations may be ascribed in part to the war, but only in part. He further states: In the race for world business following the war, he says, the advantage is going to be with the great companies. That is generally admitted. They have the means to grasp opportunities and they have the prestige. The directors of other companies, which are not playing a large part in the insurance business, see in some cases that more is to be gained by absorption into one of the great institutions than by maintaining the individuality of their own companies. There is another important factor, however. In every generation there are a few managers, and only a few, of dominating power. Under their guidance companies grow great and successful, and in order to come under this guidance companies at times are willing to give up their identity and become a part of the institutions of which these strong men are the managers.

This fact has resulted in a number of periods in the past when many mergers were effected although business conditions were not out of the ordinary. At one time the Alliance Assurance Company took over a large number of companies. Many of them were old ones, but they had not made great progress. Later came a time when the Commercial Union Assurance Company began to absorb or gain control of other insurance companies, which in part gave it its present eminent position. Some years ago the London & Lancashire Fire Insurance Company had no unusual prestige among British companies, but it secured as manager one of the strongest men in the business in England and since then it has not only made the natural growth of a well-managed institution but has been one of the most active companies in taking over others.

QUEENSLAND INSURANCE COMPANY.

The Queensland Insurance Company has increased its paid-up capital by \$500,000 to \$1,750,000. The company's assets have also been increased by \$830,000 to \$4,015,000.



Security - - \$36,000,000

ONTARIO AND NORTH WEST BRANCH

14 Richmond Street, East, TORONTO

PROVINCE OF QUEBEC BRANCH

164 St. James St., Cor. St. John St., MONTREAL.



PERSONAL ACCIDENT
SICKNESS
FIDELITY GUARANTEE

PLATE GLASS
AUTOMOBILE
GENERAL LIABILITY

Head Office, TORONTO

Montreal, 164 St. James Street. Quebec, 51 St. Peter Street.

Mount Royal Assurance Company

SURPLUS AND RESERVES, \$1,214,457

TOTAL FUNDS, \$1,436,842

TOTAL LOSSES PAID, \$2,692,201

Applications for Agencies Invited

HEAD OFFICE - - - MONTREAL

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

Established in Canada in 1821

1819 **AETNA (FIRE)** 1919

HARTFORD, CONN., U. S. A.

LOSSES PAID IN
100 YEARS OVER \$174,000,000

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

Union Assurance Society, Ltd.

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

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

Agencies throughout the Dominion

EXCELSIOR

INSURANCE LIFE COMPANY
A Strong Canadian Company

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

The Law Union & Rock

INSURANCE CO. LIMITED, LONDON. Founded in 1866

Assets Exceed - - \$50,000,000.00

Over \$10,000,000 invested in Canada

FIRE and ACCIDENT RISKS accepted.
Canadian Head Office: 277 Beaver Hall Hill,
MONTREAL

Agents wanted in unrepresented towns in Canada.
W. D. AIKEN, Superintendent, { J. E. E. DICKSON
Accident Dept. { Canadian Manager.

LIFE AGENTS WANTED FOR CITY OF MONTREAL

If you are a productive worker, ambitious, and available for a good steady position in Montreal, with a progressive Company, who meets you more than half way, write (or call upon) stating experience, etc.,

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

THE CONTINENTAL LIFE INSURANCE CO.

GEORGE B. WOODS, President.

TORONTO, Ont.

CHAS. H. FULLER, Secretary

FIRE PREMIUMS AND TAXATION IN MONTREAL, 1918.

We publish on another page, annual statement showing the premiums received by fire companies licensed to operate in Montreal city in 1918 with a comparative statement for 1917. The number of companies operating have increased from 76 in 1917 to 83 in 1918. The total premiums received last year by these companies in Montreal were \$3,931,359 compared with \$3,484,059 in 1917. The high prices of all products together with the natural growth of the city are factors in the increase in premiums. The amount at risks guaranteed the citizens of Montreal against loss by fire on city property, by the companies above referred to, is computed at roughly \$725,000,000. Including the tax towards the upkeep of the Fire Commissioner's office, the city's special taxation upon the fire companies last year totalled \$47,556 compared with \$43,039 in 1917. Two companies, the Royal and Guardian, continue to head the list in amount of premiums received being respectively \$254,282 and \$241,388, while the number of companies whose premium income exceeded \$100,000 has increased from six in 1917 to seven in 1918 in the following order: Commercial Union, Liverpool & London & Globe, North British & Mercantile, Northern, Phoenix of London, Western and Mount Royal. It will be noted that the Northern has for the first time crossed the \$100,000 mark. Its premium income on Montreal business last year amounted to \$132,992.

NOVEL AND UNUSUAL ACTION WHEN FIRE COMPANIES REFUSE PAYMENT OF CLAIMS SUPPOSED TO BE UNJUST.

It is a well established fact, that every effort is made to give insurance institutions the short end of the stick in the majority of cases where the courts are resorted to in connection with the settlement of claims that may be either just or unjust. In corroboration of this we quote the following from The Spectator, New York:

Unusual action has been taken by William B. Ellison, of New York, the well-known insurance lawyer, in a case in which he was retained by the plaintiff to sue several insurance companies to recover loss claims alleged to be due to his client. One of the insurance companies, in defense of its refusal to pay the claim made against it, alleged fraud and false swearing on the part of the plaintiff. Mr. Ellison takes the position that the insurance company, if it has evidence to sustain its allegation of crime, should first proceed to secure the punishment of the guilty party in a criminal court, before awaiting the beginning of a civil action against it, in which to use such facts as it had discovered in defending a civil suit. Acting upon this theory, Mr. Ellison has called the attention of the district attorney to the matter, and

asked him to investigate the case with a view to having the plaintiff indicted, if he is apparently guilty of the charge made in defense of the civil suit, or of being relieved of the onus of presumption or suspicion of guilt, if the charges made in defending the civil suit are not susceptible of proof. Mr. Ellison must be given credit for ingenuity in thus endeavouring to force his opponent's hand, and it will be interesting to note the result of this novel plan.

Summary of the Trade of Canada—Twelve Months Ending February.

	1917.	1918.	1919.
Dutiable	\$441,917,609	\$546,253,779	\$528,030,603
Free	363,112,013	431,348,256	403,918,958
Total	\$805,029,622	\$977,602,035	\$931,949,561
Duty Collected	\$142,722,151	\$162,861,605	\$159,061,948
Canadian Exports.			
Mines	\$ 83,641,039	\$ 76,969,040	\$ 78,316,975
Fisheries	24,570,488	31,610,187	34,509,763
The Forest	55,540,515	51,591,269	68,317,442
Animals	121,612,208	178,000,273	189,373,753
Agricultural	369,303,875	551,780,208	285,893,798
Manufactures	455,173,956	567,842,339	554,797,764
Miscellaneous	7,532,612	4,794,798	5,106,937
Total	\$1,117,374,693	\$1,562,588,114	\$1,216,316,332

THE INSURANCE INSTITUTE OF VANCOUVER, B.C.

On the evening of the 25th March an interesting address was delivered to the members of the Institute by Mr. Hugh Baillie, assistant superintendent of Pacific Coast branches of the Canadian Bank of Commerce.

Mr. Baillie pointed out that property of some kind or other forms the basis of nearly all bank credits, and that without fire insurance protection on property the credit system would fall to the ground, and the trade and commerce of the world, as at present constituted, would be impossible.

AMERICAN FOREIGN INSURANCE ASSOCIATION

The American Foreign Insurance Association was organized some months ago, with nineteen of the largest American fire insurance companies in its membership, to work co-operatively in extending American insurance to foreign countries. For some time its representatives in South America and the Orient have been looking over possibilities there, and R. J. Douglas is about to sail for London to report on the best method of entering the association companies in the British field. The American Foreign Insurance Association operates somewhat after the plans of the Factory Insurance Association, each member being pledged for the acceptance of a certain percentage of each risk written. — Spectator.



THE EMPLOYERS'

Liability Assurance Corporation, Limited

of LONDON, England

Transacts

AUTOMOBILE INSURANCE
covering ACCIDENT, PROPERTY DAMAGE, COLLISION, FIRE, THEFT
and TRANSPORTATION

PERSONAL ACCIDENT, HEALTH, LIABILITY, PASSENGER and FREIGHT
ELEVATOR, FIDELITY GUARANTEE, CONTRACT BONDS
and FIRE INSURANCE

Offices: } Temple Building : TORONTO, ONT.
 } Lewis Building : MONTREAL, QUE.

CHARLES W. I. WOODLAND,
General Manager for Canada and Newfoundland.
JOHN JENKINS, Fire Manager.

APPLICATIONS FOR AGENCIES INVITED

Canadian
Government
Deposit

\$1,342,455.00

Stands First

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



TRANSACTS :

Personal Accident	Automobile	
Sickness	Burglary	Postal
Liability <i>[All Kinds]</i>	Fidelity Guarantee	

HEAD OFFICE: 302 St. James Street, MONTREAL

E. WELCH, General Manager

C. H. McFadyen & Co., Limited, General Agents
Paris Building, Winnipeg, Man.



AUTOMOBILE INSURANCE

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

The "OCEAN" can meet these requirements under one contract

Branch Office: MERCHANTS BANK BUILDING, MONTREAL

ARTHUR JAMES,
Superintendent.

H. GORDON WARING,
Inspector, Automobile Department.

Canadian Head Office: Ocean Insurance Building, TORONTO

The Dominion of Canada Guarantee & Accident Ins. Co.

The Oldest and
Strongest Canadian
Casualty Company

TRANSACTS:

ACCIDENT	SICKNESS	PLATE GLASS
BURGLARY	AUTOMOBILE INSURANCE	
GUARANTEE BONDS	FIRE INSURANCE	

E. ROBERTS, Manager
701, LEWIS BUILDING, MONTREAL

C. A. WITHERS, General Manager
TORONTO

Branches: WINNIPEG CALGARY VANCOUVER

FIRE PREMIUMS AND TAXATION IN MONTREAL, 1918

Company	Premiums 1917	Premiums 1918	1% tax	Fire Com. 2-3 of Expenses	Total
Alliance of London	79,300	77,460	774 59	110.30	884 89
Alliance of Philadelphia	12,122	25,965	259 65	37 00	296 65
Acadia	21,551	16,412	200 00	23 28	223 28
Aetna	46,963	45,908	459 08	65 40	524 48
Atlas	60,254	67,096	670 96	95 30	766 26
British America & British Empire	38,127	40,904	409 04	58 24	467 28
British Colonial	30,987	36,780	367 79	52 33	420 12
British Crown		21,827	218 27	31 07	249 34
British Traders		11,206	200 00	15 95	215 95
Caledonian	39,689	40,971	409 70	58 36	468 06
Canada Accident	3,650	3,449	200 00	4 90	204 90
Commercial Union	117,514	121,591	1,215 90	173 14	1,389 04
Connecticut	10,995	8,521	200 00	12 12	212 12
Continental	46,338	39,499	394 99	56 27	451 26
Dominion Guarantee	618	186	200 00	30	200 30
Eagle, Star and Brit. Dominions	15,740	25,779	257 78	36 72	294 50
Employers	63,726	75,439	754 38	107 45	861 83
Equitable Fire	20,144	18,654	200 00	26 55	226 55
Fidelity Phoenix	22,115	16,440	200 00	23 40	223 40
Firemen's Fund	13,585	16,167	200 00	23 02	223 02
Firemen's of Newark		3,268	200 00	4 65	204 65
General of Paris	4,609	5,000	200 00	7 11	207 11
General of Perth	30,455	41,697	416 97	59 40	476 37
Glens Falls	14,036	15,112	200 00	21 50	221 50
Globe & Rutgers	37,198	74,522	745 22	106 16	851 38
Globe Indemnity	6,958	10,304	200 00	14 68	214 68
Great American & Rochester Und.	60,111	68,896	688 96	98 17	787 13
Guardian	214,321	241,388	2,413 87	344 33	2,758 20
Hartford	48,275	54,425	544 25	77 54	621 79
Home	40,291	39,288	392 88	55 98	448 86
Hudson Bay	8,508	9,779	200 00	13 93	213 93
Ins. Co. of North America	88,782	92,672	926 72	132 01	1,058 73
Imperial Und.	12,981	20,557	205 57	29 28	234 85
Law Union & Rock	27,261	20,763	207 62	21 58	237 20
Liverpool & London & Globe	187,852	174,401	1,744 01	248 50	1,992 15
Liverpool Manitoba	17,343	21,636	216 35	30 82	247 17
London & Lancashire	90 920	94,375	943 75	134 47	1,078 22
London Assurance	43,799	51,898	518 97	73 96	592 93
London Guarantee	22,799	28,754	287 54	40 97	328 51
National of Hartford	36,617	45,216	452 16	64 42	516 58
New York Und.	32,172	31,313	313 12	44 61	357 73
National Union	15,622	17,200	200 00	24 50	224 50
Niagara	23,618	26,342	263 42	37 52	300 94
North British & Mercantile	162,165	169,985	1,699 84	242 21	1,942 05
Northern	97,751	132,992	1,329 91	189 45	1,519 36
North West	11,319	11,418	200 00	16 25	216 25
Norwich Union	54,586	55,413	554 12	78 94	633 06
Occidental	5,073	15,109	200 00	21 52	221 52
Ocean Accident	13,712	13,526	200 00	19 26	219 26
Nova Scotia	22,030	27,258	272 58	38 83	311 41
Pacific Coast	7,388	9,817	200 00	13 97	213 97
Palatine	22,802	25,301	253 01	36 04	289 05
Phenix of Paris	6,217	7,000	200 00	9 97	209 97
Phenix of Hartford	13,937	22,971	229 71	32 52	262 23
Phoenix of London	199,607	143,721	1 437 21	204 75	1 641 96
Providence, Washington	29,265	32,030	320 30	45 63	365 93
Quebec	7,808	8,858	200 00	12 61	212 61
Queen	80,156	81,025	810 24	115 40	925 64
Queensland		11,138	200 00	15 86	215 86
Royal	251,188	254,282	2,542 81	362 24	2,905 05
Royal Exchange	70,532	76,627	766 26	109 18	875 44
St Paul	13,243	15,713	200 00	22 37	222 37
Scottish Union	63,418	59,955	599 55	85 40	684 95
Springfield	28,207	29,643	296 43	42 22	338 65
Sun	40,326	37,756	377 55	53 85	431 40
Union of Canton		41,190	411 90	58 77	470 67
Union of London	68,989	77,384	773 83	110 20	884 03
Union of Paris	30,319	37,123	371 22	52 95	424 17
Westchester	7,372	4,949	200 00	7 05	207 05
Western & St. Lawrence Und.	115,675	119,237	1,192 36	169 81	1,362 17
Yorkshire	44,889	93,374	933 74	133 00	1,066 74
Dominion Fire	15,231	17,559	200 00	25 00	225 00
Fire Ins. Co. of Canada		4,448	200 00	6 30	206 30
London Mutual	25,559	27,452	274 52	39 10	313 62
Mount Royal	127,220	153,523	1,535 22	218 70	1,753 92
National Ben Franklin	19,743	12,052	200 00	17 15	217 15
Nationale of Paris	30,864	76,325	763 25	108 70	871 95
North Western & National	32,189	30,501	305 00	43 44	348 44
Stratheons	54,060	83,218	832 18	118 50	950 68
American Lloyds	6,635	4,955	200 00	7 05	207 05
Provincial of England	7,795	7,466	200 00	10 62	210 62
Stuyvesant	8,882				
	3,484,059	3,931,359	41,956 25	5,600 00	47,556 25

STRIKE INSURANCE

The Employers Mutual Insurance & Service Company, Maryland Trust Building, Baltimore, has prepared a brochure on the subject of Strike Insurance, which we understand will be mailed to Employers or others interested, upon request. In this connection, The Insurance Press, New York, says:

Employers will soon be able to obtain strike insurance policies to be issued by a large corporation that has been organized on the mutual plan.

The company's rates are based upon accurate strike data covering the period from 1881 to 1919; they have been developed from ascertained facts and upon a sound actuarial basis.

By a combination of every element which enters into loss cost equitable rates have been calculated for the principal industries in the United States, as well as for similar industries in different localities.

The company will operate under a charter granted by the State of Maryland.

Coverage of the Strike Insurance Policy

The policy will provide indemnity covering monetary loss sustained by an employer by reason of strikes, namely, the amount of the annual fixed charges during the period of complete or partial idleness; the pro rata of net profits sacrificed during the same period, as shown by the business records of the employer, and the legal expense to the employer, if any arising out of the strike.

The company plans to provide a service for the benefit of both employers and employees. Its position as regards relations between employers and employees will be neutral and independent, in the broadest sense. It will stand for every principle of equity, justice and common sense. It will aim to keep the scales balanced, as exactly as possible, between employers and employees.

To equalize and stabilize

In passing upon claims under its policies and other questions that may come up, it will uphold that which is reasonable, right, honest and far-sighted, without any obligation or purpose to support any of the extreme partisan views or prejudices which arise too often between employers and employees. It will represent the best interests and aims of the collective membership. Its declared purpose is to equalize and stabilize the interests of employers and employees to be constructive in all of its activities.

Necessarily the underwriting contract in strike insurance, as in any other form of underwriting, will be a very practical thing. Conditions will be dealt with as they exist. Risks will be calculated and rates determined on the basis of past experience and present circumstances.

Two thousand strikes called in seven months

Unhappily, employers and employees are not now in full accord. Strike are frequent in the United

States and in other countries. It is said that during the period, 1901-1905, no less than 63,000 establishments in the United States were involved in strikes. In seven months of 1917, nearly 2,000 strikes were called. It has been estimated that what might be called "labor wastage" (due to strikes and other faulty conditions) in the United States and Great Britain, amounts roughly to \$15,000,000,000 per annum in wage values. That is a tremendous burden on the men who work for wages. The losses to employers are incalculably large; also the losses that fall upon other people—the general population not directly involved in lock-outs or shut-downs.

The life insurance of business

The strike menace is a factor of great uncertainty in the calculations of every employer. A strike insurance policy will afford him a protection against the loss of fixed charges, net profits and the cost of litigation connected with the strike. Very reasonably it may be said, that strike insurance may be the "life insurance of business."

The introduction of the insurance principle, to ameliorate the now costly conflicts between employers and employees will be a forward step toward stabilization that can hardly be over-estimated.

Evolution, not revolution

One need venture no prophecy with regard to changes that may come or may not come in the social structure in the near or remote future.

Wise men realize that, to be permanent and helpful, changes must be the result of evolution instead of revolution. Haste must be made slowly. Progress toward any higher or better level should be made on an inclined plane of easy grade, not by aeroplane spirals nor a balloon ascension.

Strike insurance has been thought of for a long time as a desirability — now it has become an actuality. The principle of average, as applied in insurance, will furnish relief and protection to the well meaning employer in whose welfare and reasonable prosperity his employees have a vital interest.

Many manufacturers have now more to fear from strike losses than from conflagration losses.

C. S. WAINWRIGHT APPOINTED SECRETARY, WESTERN ASSURANCE CO.

Mr. Cecil S. Wainwright has been appointed secretary of the Western Assurance Company in succession to Mr. C. C. Foster who has retired. Mr. Foster has been secretary of the company for twenty-nine years and Mr. Wainwright assistant secretary for twelve years.

THE LIFE AGENT'S MANUAL
Published by The Chronicle, Montreal



The Northern Assurance Co. Limited

Of England

ACCUMULATED FUNDS, 1917 - \$48,384,320.00

Including Paid up Capital \$1,460,000.00

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

G. E. MOBERLY, Manager



RAILWAY PASSENGERS ASSURANCE CO. OF LONDON ENGLAND

DEPARTMENTS:

ACCIDENT, HEALTH, EMPLOYERS' AND PUBLIC
LIABILITY, MOTOR CAR, ELEVATOR, TEAMS, PLATE
GLASS, BURGLARY, AND FIDELITY BONDING

Head Office for Canada and Newfoundland - - - TORONTO

F. H. RUSSELL, General Manager

THE ST. PAUL FIRE AND MARINE INSURANCE COMPANY

INCORPORATED 1866

REPRESENTED IN TORONTO BY

ASSETS OVER \$13,000,000

McADAM, SHERRITT & COMPANY

General Agents

Excelsior Life Building

36 Toronto Street

BRITISH TRADERS' INSURANCE COMPANY, LIMITED

ESTABLISHED 1865

Head Office: HONG KONG

Head Office for Canada: TORONTO

FIRE & MARINE INSURANCE

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

C. R. G. JOHNSON, POIRIER & JENNINGS, Inc., General Agents,
MONTREAL

Manager for Canada, C. R. DRAYTON

THE STRATHCONA FIRE INSURANCE COMPANY

HEAD OFFICE: MONTREAL,

90 ST. JAMES ST.

The Strathcona was founded in 1908, and has earned a reputation for solid strength, fair dealing and reasonable rates.

"To Such Ideals There Is An Assured Future."

WANTED

RENEWAL CLERK. A Young Man having a knowledge of rates wanted as Renewal Clerk in a British Fire Office. Apply: "Renewal," P. O. Box 358, Montreal.

WANTED

Young Man with three and a half years' office experience, desires position in a Fire Insurance Office. Address: L. A., c/o The Chronicle, Montreal.

WANTED

Young Man, 19 years old, with three years' experience in Office work (French and English) wishes to better himself. Address: A. P., c/o The Chronicle, Montreal.

NOTICE.

Notice is hereby given that The Alliance Assurance Company, Limited, of London, England, has been granted license by the Government of the Dominion of Canada, to transact the business of Hail Insurance in Canada, under License No. 780, dated 7th March, 1919.

NIAGARA FIRE INSURANCE COMPANY

HEAD OFFICE, NEW YORK

INCORPORATED 1850

Cash Capital
\$1,000,000.00

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

CANADIAN DEPARTMENT
W. E. FINDLAY, Manager

22 ST. JOHN STREET, MONTREAL
AGENTS REQUIRED



It's a Hard Rub

For a woman to unexpectedly find it necessary to become a breadwinner. You wouldn't like your wife to come to that, would you?

But what about your widow? Why not provide for her a regular monthly income to begin at your death and continue as long as she lives? You can do it by means of an Imperial Life policy.

THE IMPERIAL LIFE
Assurance Company of Canada
HEAD OFFICE . TORONTO

1850 1918

**THE
UNITED STATES
LIFE
INSURANCE COMPANY**

**In the City of New York
Issued Guaranteed Contracts**

<p>JOHN P. MUNN M.D., President</p> <p>FINANCE COMMITTEE</p> <p>CLARENCE H. KELSEY, <i>Pres. Title Guarantee & Trust Co.</i></p> <p>WILLIAM H. PORTER, <i>Banker</i></p> <p>EDWARD TOWNSEND, <i>Pres. Importers & Traders Nat. Bank</i></p>	<p>Good men, whether experienced in life insurance or not, may make direct contracts with this company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, No. 277 Broadway, New York City.</p>
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**THE LONDON MUTUAL FIRE
INSURANCE COMPANY**
ESTABLISHED 1859

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



DIRECTORS:

A. H. C. CARSON, Toronto	President
R. HOME SMITH, Toronto	Vice-President
F. D. WILLIAMS	Managing Director
A. C. McMASTER, K.C.	W. T. KEENAHAN
S. G. M. NESBITT	H. N. COWAN
G. H. WILLIAMS	

HEAD OFFICE - 33 SCOTT ST., TORONTO

QUEBEC BRANCH OFFICE
W. J. CLEARY,
BRANCH MANAGER.
17 St. John Street, - MONTREAL

**The WATERLOO
Mutual Fire Insurance Co.**

ESTABLISHED IN 1863

Head Office - Waterloo, Ont.

TOTAL ASSETS 31st DEC., 1918, Over \$1,000,000
Policies in Force in Western Ontario Over 30,000

GEO. DIEBEL, President	ALLAN BOWMAN, Vice-President
L. W. SHUH, Manager	

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

SUBSCRIBED CAPITAL	\$2,000,000
TOTAL FUNDS	7,491,390
NET SURPLUS	1,557,150

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

**SCOTTISH UNION AND NATIONAL
Insurance Company, of Edinburgh, Scotland.**

ESTABLISHED 1824

Capital	\$30,000,000
Total Assets	79,656,734
Deposited with Dominion Gov't.	391,883
Invested Assets in Canada	7,695,338

NORTH AMERICAN DEPT., HARTFORD, CONN. U.S.A.
JAMES H. BREWSTER, Manager

ERINHART & EVANS, Resident Agents	Montreal
MEDLAND & SON	Toronto
ALLAN KILLAM & MCKAY, LTD.	Winnipeg

**The Canada National Fire
Insurance Company**

HEAD OFFICE: WINNIPEG, MAN.

Total Assets - \$2,468,523.08

A Canadian Company investing its Funds in Canada

APPLICATIONS FOR AGENCIES INVITED

LICENSED BY THE DOMINION
GOVERNMENT



**THE FIDELITY-PHENIX
FIRE INSURANCE COMPANY OF NEW YORK**
HENRY EVANS, President
"THE OLD PHENIX"

Assets Exceed - \$22,000,000
FIRE HAIL MARINE TORNADO

Now Writing HAIL Insurance. Agents Wanted.
W. E. BALDWIN, Manager. Canadian Head Office, 17 St. John St. Montreal

THE CO-INSURANCE CLAUSE.

(Prize Essay by A. D. Reid, "Yorkshire.")

When we consider the vast amount of fire insurance business done in this country, and count up the thousands of fire insurance policies which are annually placed in the hands of property owners and merchants, when we consider the value of these contracts on the strength of which unfortunate people who suffer from fire losses are annually indemnified for an average sum of over twenty millions of dollars, and when we consider how important a matter it is to each individual to have his property and goods insured against loss by fire by some such contract of insurance it is surprising to find how few people give a proper attention to the term of the policy of insurance which such an important document deserves.

Many merchants and insurers who fully recognize the necessity of insurance and appreciate the security which such insurance affords are nevertheless astonishingly ignorant of the exact terms and conditions which govern their policies. It is true that the reading of an insurance policy is less attractive than the morning newspaper. The small print and legal formulae of an insurance contract repel the eye of the indifferent insurer. The friendly agents word that "everything is all right" is thankfully accepted, and the document is deposited in the safe after merely a casual perusal or perhaps entirely unread.

Insurance agents are in this way forced into a position of trust and responsibility which is by no means desirable by either the agent or the insurer. While most agents accept the position and fulfil worthily their duty to the assured, there has been in recent years a growing number of agents who are neither careful enough nor capable enough to act in such a position. There are agents canvassing insurance who had no training in the business and who are scarcely instructed in the rudimental ideas of insurance policy writing or of any other subject in connection with the business of fire insurance or fire prevention. This is what makes the unread policy a dangerous thing. The badly written policy of insurance is the cause of the disputed loss adjustment. An agent's incompetence is the source of many a law-suit.

The employment of untrained insurance agents has a further pernicious influence. When such an agent is questioned upon insurance matters, as he is quite likely to be by business men astute in their own lines, who naturally wish to know that they are receiving in return for their premiums, the erroneous explanations given by the amateur agent and the misconceptions thus disseminated are a discredit to what should be the honourable profession of the fire insurance agent.

Perhaps no portion of the fire insurance contract has been subject to so much popular misunderstanding as the coinsurance clause. The incorporation of a co-insurance clause in a policy permits the insurance company to grant a lower

rate of insurance and naturally shrewd business men in a question of cash outlay wish to know the why and wherefore of the reduced rate. A fifteen or twenty per cent cash discount is not given in business for nothing and a proper knowledge of this clause is a prime necessity of every insurance agent, so that he may be able to clearly and correctly explain to his client just what a co-insurance clause is, why it is the means of reducing the rate and how it acts in the interests of both parties. Probably more than half of the total number of fire insurance policies issued contain a co-insurance clause, yet so variable has been the public understanding of it, so frequently has it been misinterpreted with consequent loss to the assured, that it has been singled out for special legislation by some Provincial Governments, and policies having a co-insurance clause in them must bear across their face conspicuously in red ink "This policy contains a co-insurance clause" like a danger signal.

Here is the co-insurance clause usually found in a fire insurance policy:

"It is part of the consideration of this policy, and the basis upon which the rate of premium is fixed, that the insured shall maintain insurance concurrent in form with this policy, on each and every item of the property hereby insured to the extent of at least eighty per cent. of the actual cash value thereof, and that, failing so to do, the insured shall be a co-insurer to the extent of an amount sufficient to make the aggregate insurance equal to eighty per cent. of the actual cash value of each and every item of the property hereby insured, and in that capacity shall bear his, her or their proportion of any loss that may occur."

The first part of the clause is fairly simple. The insurance company reduces the premium on a certain condition, which is that the assured will insure his property to at least eighty per cent. of its value. That is not difficult to understand, and if the assured lives up to the letter of his agreement no trouble can ensue, but if he does not live up to his agreement there may be trouble. A violated agreement usually does make trouble anyway, and the fault is entirely his who violates his agreement. In fire insurance, however, this agreement by the assured is frequently broken and insufficient insurance is carried, resulting in a loss to the insurance companies of a large amount of premiums, which they should receive year after year. It is only in the event of a fire damage that the assured may find out the error of his ways, and even then if the fire loss is total or more than 80 per cent., the co-insurance clause does not effect the settlement of an insurance. Only in the event of a partial loss does the insurer reap the sad reward of non-fulfillment of the co-insurance clause. It is sad when a man has a

fire and does not get all the insurance money he expects, but in this case it is just. Nothing could be more logical or equitable than the penalty expressed in the second half of the co-insurance clause, which after stating that the premium was fixed on consideration that the assured would keep insurance to at least eighty per cent. of the value, continues, **and that failing so to do the assured shall be a consumer to the extent of an amount sufficient to make the aggregate insurance equal to 80 per cent. of the actual cash value and in that capacity shall bear his proportion of any loss that may occur.** An example will best illustrate the meaning.

If Brown owns a house valued at \$10,000 and insures it in a policy containing an eighty per cent. co-insurance clause for a sum of \$6,000 only, he will have failed to comply with the clause to an extent of the \$2,000 necessary to give him the insurance of \$8,000 required to make eighty per cent. of the value. Incidentally Brown has saved or appropriated the premium on that \$2,000 deficit of insurance he agreed to keep but did not, and in the application of this clause to the adjustment of a partial loss of say \$400, Brown is assumed to have paid that premium to himself, issued a policy for \$2,000 to himself as it were, and made himself a co-insurer with the company to the extent of \$2,000.

The \$400 loss would therefore be apportioned between the insurers, the insurance company paying six parts to the assured's two parts. The insurance company in that case would pay only \$300 of the \$400 loss, the assured making good the other \$100 bearing in his capacity as co-insurer his proportion of the damage.

The wisdom of a Solomon could not render a better judgment than is here applied. The penalty which is borne by the under-insurer is exactly proportionate to the extent he is underinsured. Stated in other words the eighty per cent. co-insurance clause resolves itself into this, that the companies will only pay that proportion of the loss, which the amount of the companies' policies bear to eighty per cent. of the value of the goods insured.

The reason that is behind the insurance company's attitude to the co-insurance clause is not difficult to find or to understand. It is not as some people have hastily concluded to avoid the payment of all the assured's loss, for this only happens by the fault of the assured, but to persuade the insured to protect his property for an amount consistent with its value.

The experience of insurance companies has shown that many insurers insured only to a small percentage of the value of their property. These people argued that their property was not likely to suffer more than say fifty per cent. loss, and they only insured it for fifty per cent. of its value. It is needless to point out the fallacy of their argu-

ment since when a fire once starts it is not careful to limit itself to the views of the owner. Fire is rather an unreasoning thing and the only protection against it is ample insurance. Total losses of first class buildings are not infrequent. There is, however, another reason which is of great consideration to the insurance company in advocating the co-insurance clause. When an insurance company accepts an insurance which is only for \$1,000 or a value of \$5,000, it has many more chances of losing all of that \$1,000 than it would have of losing all of \$4,000 if the property were insured for that higher amount, and it is therefore to the advantage of the insurance company as well as to the assured that the property be adequately covered by insurance. Small insurances in relation to value result in the insurance companies paying losses of the full amount of their policies for fire which only cause a small damage to the risk insured. This is manifestly unfair. It was the prevalence of this state of affairs in earlier years when partial fire losses usually meant the payment of the full amount of the insurance policy, which brought the insurance companies to the necessity of adopting some means to combat an evil, which indirectly finally reacted on the insured by making higher rates of insurance, and the introduction of the co-insurance clause with a relative decrease in rates resulted.

A clearer knowledge of this clause by all insurers, and a complete and comprehensive understanding of all its workings by every agent and official would do much to lessen the prevalent misconceived idea that the public has, and which has been so vastly injurious to the constructive work of insurance companies in general. Insurance companies are operating a necessary business of great importance. The safeguarding of the business fabric which is woven so largely on the machinery of credit can only be attained by some system of insurance. The many investigations of insurance practice in this country and in the United States of America have all resulted in findings which recognized the indispensable character of insurance in the stabilizing of both individual and national credits. It should therefore be the aim and effort of everyone connected with the business of insurance to be thoroughly acquainted with his business, to know of what he is speaking, and to aid in dispersing the misunderstandings that are all too common, and especially in regard to this much maligned co-insurance clause, which has only to be explained to be recognized as a valuable instrument in the protection of insurer and insured.

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