

# The Chronicle

Banking, Insurance & Finance.



ESTABLISHED JANUARY, 1881

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MONTREAL, DECEMBER 11, 1914.

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## BRITISH FUNDS AND AMERICAN IMPORTS.

It was remarked by Sir Frederick Williams-Taylor at the Bank of Montreal's annual meeting on Monday that if our neighbours in the United States desire us to purchase from them in anything approaching the volume of the past, they must for the present, at all events, provide us with the wherewithal in the shape of loans to our principal public borrowers and he added, that a commencement had already been made in this course. These remarks serve to bring into prominence the fact which is elementary enough but is sometimes lost sight of, that the immense volume of the United States import trade into Canada has been mainly built up by British capital. That is to say, we have borrowed in London and used the money there obtained to pay for purchases in the United States. To some extent of course, our purchases in the United States have been financed by borrowings there in the same way that our purchases in Great Britain have been financed by borrowings in London. But on making a comparison of the known volume of our borrowings in London and the United States with the volume of our imports from Great Britain and the United States, it is easily seen that British money has up to the present paid very largely for purchases in the United States.

During the last fiscal year—ended March 31, 1914—Canadian imports entered for consumption aggregated in value \$633,692,449. Of these practically two-thirds came from the United States, from which we imported goods to a value of \$410,786,091. Our exports to the United States in the same period were \$200,459,373, so that in that year there was a balance adverse to us of about \$200,000,000. This adverse balance would be increased by the invisible factor of transportation charges and other services and by the necessity of meeting interest charges on a certain amount of American capital already invested in Canada. However, these would be offset to a certain extent by similar factors operating on our side, by the spendings of American tourists in Canada, and, more importantly, by the immigration of American settlers, whose wealth transferred here would have a considerable effect in adjusting the adverse balance. For the purposes of the present illustration, however, we may take the adverse balance of trade between Canada and the United States during the last fiscal year as between \$150,000,000 and \$200,000,000. Now it is quite certain that we did not finance that balance of purchases in the United States by borrowing \$150,000,000 to \$200,000,000 there. As a matter of fact, the total of American investments in Canada is

comparatively small. Three years ago, Mr. Field, of the *Monetary Times*, estimated them at about \$417,000,000 and probably at the present time they do not exceed \$550,000,000. The simple fact is that the adverse balance of our trade with the United States last year, like the similar adverse balances of many years past have been financed through our borrowings in London. We have borrowed in London to buy in the United States, and international finance has arranged the matter for us.

The point is brought out still more clearly if comparison be made of our trade with the United Kingdom and borrowings in London. In the last fiscal year Canadian exports to the United Kingdom were \$222,322,766, while Canadian imports from the United Kingdom were only \$132,070,876, leaving us a favourable balance of about \$90,000,000 increased by immigration. This favourable balance would, however, be more than swallowed up by the necessity of meeting interest charges on borrowings in London, estimated by Sir Frederick Williams-Taylor at \$120,000,000 a year, shipping charges and other services rendered, the spendings of Canadian tourists in Europe and so on. But these items alone would not account for borrowings in London in the last two years up to the outbreak of the war, estimated by Sir Frederick Williams-Taylor at \$575,000,000. Obviously part of these large borrowings have gone to settle our adverse balance of trade with the United States.

Isolated consideration of our dealings with particular countries in this fashion is, of course, to a considerable extent, artificial. In the practice of international finance with its complex ramifications, innumerable other factors come into play in the settlement of international balances; and the matter in practice is by no means so simple as in an outline of its theory. But the principles remain. Probably also when the war is over, we shall go on borrowing in London and buying in the United States. In the meantime if our neighbours to the south see their way clear to increasing their holdings of Canadian securities, they will be very welcome. Such arrangements, as Sir Frederick Williams-Taylor pointed out, are clearly advantageous to both parties—to themselves and to Canada. But after the war, we have no doubt that Canada will again look for its main supply of capital to London. What that market has meant to Canada in the past can be seen from the fact that up to the outbreak of war Canadian borrowings in London are estimated by Sir Frederick Williams-Taylor at the immense total of £545,546,849, probably about five times the amount of our borrowings in the United States.

Established 1817

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Incorporated by Act of Parliament

Capital Paid Up, \$16,000,000.00

Rest, \$16,000,000.00.

Undivided Profits, \$1,046,217.80

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British Columbia	- - - 45	Prince Edward Island	- - - 5
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Nova Scotia	- - - 13	Yukon Territory	- - - 2

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Reserve Fund - - - 4,800,000

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Camrose	Exeter	St. Henri Br.
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Lethbridge	Frankford	Cote des Neiges
	Hamilton	St. Lawrence
<b>British Columbia</b>	James Street	Boul. Br.
Revelstoke	Market Br.	Cote St. Paul
Vancouver	Hensall	Branch
Main Street	Hightate	Park & Bernard
Hastings St.	Inquids	Ave. Branch
	Kirkville	Treilleville
<b>Manitoba</b>	Kirkton	Branch
Lambton Mills	Lambton Mills	Mont-Joli
London	London	Pierreville
Winnipeg—	Lucknow	Quebec
Portage Av.	Meaford	Richmond
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<b>Ontario</b>	Morrisburg	Roberval
Alvinston	Norwich	St. Cesaire
Amherstburg	Ottawa	Drummondville
Aylmer	Owen Sound	Fraserville
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Collections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange. Commercial Letters of Credit and Travellers' Circular Letters issued, available in all parts of the world.

# The Chronicle

## Banking Insurance and Finance

ESTABLISHED 1881.

PUBLISHED EVERY FRIDAY.

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

Office:

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MONTREAL, FRIDAY, DECEMBER 11, 1914.

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### AGRICULTURAL POSSIBILITIES.

A special interest attaches to the annual meeting of the Bank of Montreal this week in view of the wholly abnormal position of international finance and politics. Sir Frederick Williams-Taylor, in his address pointed out that the outstanding result of the war upon Canada has been the instantaneous stoppage of the supply of British capital. It can easily be understood that when we had habituated ourselves to a monthly influx of roundly \$25,000,000, the abrupt cessation of the incoming flow would cause us great inconvenience. Our affairs had to be entirely re-adjusted in various respects; and naturally it would take some little time to bring our financial machinery into conformity with the new set of conditions. Many industries and businesses which had derived large and steady profits directly or indirectly from the movement of British capital to Canada, have seen these profits disappear almost entirely, and other industries and businesses have experienced a heavy falling off in earnings. Now that we cannot depend on outside markets for the capital we need for development work, we are compelled to devote our energies to the work of increasing production to the utmost possible

extent. Fortunately the indications are that we shall be able to greatly extend the area seeded to wheat and other food stuffs in the coming spring. Some authorities have stated that there is a probability of an increase not far from 40 or 50 p.c. in the wheat acreage of the newer western provinces.

#### FACTORS AFFECTING INCREASE.

It is of course premature as yet to make estimates as to the amount of land that will be seeded to wheat next spring. The climatic conditions prevailing in April and May will have much to do with this question. If the weather is decidedly unfavorable our farmers may not be able to get in as much as they would wish; but the preparatory work of the past fall was carried on much more extensively than in preceding years. Some of the farmers, notably in Manitoba, are in excellent position for increasing their yield. We hear of numerous instances in which the farmers summer fallowed one-third or one-half of their available acreage last year, and a like amount in 1913. These men are therefore in position to put practically the whole of their land under wheat or some other profitable grain crop next year. There seems to be practically no doubt that the price of wheat will remain at a high level during the whole of 1915; and our financial institutions can, therefore, take into consideration the possibility of an extraordinarily large crop next year which could be sold at very profitable prices. Even if the yield does not exceed two hundred million bushels, the net return should be very satisfactory indeed; and as soon as the crop is in the ground it would have a tendency to improve business sentiment and to induce our bankers, merchants and manufacturers to enlarge their activities.

#### A STEADY IMPROVEMENT.

The financial situation in Montreal and Toronto continues to improve slowly and steadily. The downward trend of call loans and short date money in New York and London has had a tendency to make things slightly easier here; but as yet there is no reduction in the quoted rates of discount and interest. Call loans are 6 to 6½ p.c., and commercial paper rules at 6 to 7 p.c.

Call money at London is 1 p.c.; short bills are 2½ to 2¾ p.c.; and three months' bills, 2½ to 2¾ p.c. Bank of England rate is 5 p.c. The Bank of France and the Imperial Bank of Germany continue to quote 5 and 6 respectively. The signs of an extensive advance by the Allies on the western front have become more noticeable. The French and British forces are beginning to put strong pressure on the Germans in Flanders and France; and progress has been made already in the vicinity of Ypres. It is to be hoped that the German lines can be pushed back and without a too great sacrifice of lives.

#### NEW YORK MONEY.

Call money in New York has been easier owing to

# The Bank of British North America

Established in 1826. 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.**

J. DODDS, Secretary W. S. GOLDBY, Manager

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

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*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 Funds \$7,248,134

Pres.: SIR H. MONTAGU ALLAN. Vice-Pres.: K. W. BLACKWELL  
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Alvinston	Lyn	"	1255 St. Catherine St. East
Athens	Markdale	"	320 St. Catherine St. West
Belleville	Menford	"	1330 St. Lawrence Blvd.
Berlin	Midway	"	1866 St. Lawrence Blvd.
Bothell	Mitchell	"	672 Centre Street
Brampton	Napanee	"	St. Denis Street
Brantford	Newbury	Beauharnois	Quebec, St. Sauveur
Bronte	Oakville	Bury	Malsonneuve
Chatham	Orillia	Chateaugay	Ormslow St. Jerome
Chateaufort	Ottawa	"	Quyon St. Jovite
Chesley	Owen Sound	"	Huntingdon Rigaud St. Johns
Clarkson	Perth	"	Lachine Shawville Three Rivers
Creemore	Prescott	"	Napierville Sherbrooke Vaudreuil
Delta	Preston	"	Quebec Ste. Agathe
Eganville	Renfrew	<b>Manitoba</b>	
Elgin	Sarnia	Brandon	Oak Lake
Elora	Stratford	Carberry	Portage la Prairie
Finch	St. Catharines	Gladstone	Russell
Ford	St. Eugene	Hartney	Souris
Fort William	St. George	Macgregor	Starbuck
Galt	St. Thomas	Morris	Winnipeg
Gannanogue	Tara	Napinka	" Bannerman Av.
Georgetown	Thamesville	Neepawa	
Glencoe	Thorold	<b>Alberta</b>	
Gore Bay	Tilbury	Edson	Leduc
Granton	Toronto	Lethbridge	Lethbridge
Gravelly	" Dundas St.	Mannville	Mannville
Hamilton	" Parl. St.	Medicine Hat	Medicine Hat
" East End	" Parkdale	Munson	Munson
Hanover	Walkerton	Okotoks	Okotoks
Hespeler	Walkerville	Olds	Olds
Ingersoll	Wallacaburg	Raymond	Raymond
Kincardine	Walford	Redcliff	Redcliff
Kingston	West Lorne	Red Deer	Red Deer
Lancaster	Westport	Rimbey	Rimbey
Lansdowne	Wheatley	Rumsey	Rumsey
Leamington	Williamstown	Sedgewick	Sedgewick
Little Current	Windsor	Stettler	Stettler
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		Edson	Vegreville
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		Islay	Wainwright
		Killam	West Edmonton
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			Vancouver
			" Hastings St.
			Victoria
			New Westminster

St. John, N.B. Halifax, New Glasgow, N.S.

SUB-AGENCIES—Ontario—Addison, Beachville, Calabogie, Frankville, Hawkestone, London South, Lyndhurst, Muirkirk, Newington, Pelee Island.

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Alberta—Botha, Czar. Saskatchewan—Dollard, MacNutt.

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D. C. MACAROW - - - Local Manager, Montreal

## IMPERIAL BANK OF CANADA

CAPITAL PAID UP - - - \$ 7,000,000.00  
 RESERVE FUND - - - 7,000,000.00  
 TOTAL ASSETS - - - 79,000,000.00

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Bolton	Galt	Nashville	Preston	St.
Burlington	Hamilton	New Liskeard	Ridgeway	Thomas (2)
Caledon E.	Harrow	Niagara Falls (2)	South Forec-	Thessalon
Coburg	Umb'rstone	Niagara-on-	pine	Toronto (17)
Cochrane	Uxbridge	the-Lake	South Woods-	Timmins
Cottan	Yorkton	loo	Wells	Wendell
Daviesville	Vineland	North Bay	Sparta	Woodstock
Elk Lake	Kenora	Ottawa	St. Cathar-	Windsor
		Palgrave	ines (2)	

### BRANCHES IN PROVINCE OF QUEBEC.

MONTREAL (3). QUEBEC (2).

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### BRANCHES IN PROVINCE OF ALBERTA.

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Arrowhead, Chase, Cranbrook, Fernie, Golden, Invermere, Kamloops, Moyle, Natal, Nelson, Revelstoke, Vancouver (5), Victoria (2), Wilmer.

Savings Bank Department

increased offerings by large banks—the rate is now from  $3\frac{1}{4}$  to  $3\frac{1}{2}$  p.c. Time money also has receded and is quoted at 4 to  $4\frac{1}{2}$  p.c. for all periods from sixty days to six months. In their Saturday statement the clearing house banks resumed the practise of reporting actual conditions. Loans increased \$22,500,000, circulation decreased \$8,800,000, net demand deposits decreased \$15,200,000, reserve in own vaults decreased \$0,300,000, reserve in Federal Reserve Bank decreased \$1,470,000, and excess reserve decreased \$11,700,000. This brings the excess reserve down to \$119,465,000.

#### U. S. BANKING POSITION.

In considering the position of New York it will now be necessary to take account of the statement of the Federal Reserve Bank there. During the week the cash holdings of this institution fell from \$107,600,000 to \$106,200,000—the deposits falling about the same amount, and the note circulation falling from \$678,000 to \$401,000. This reserve bank is, of course, the strongest of the new institutions established in various parts of the United States. As its liabilities to the public, in the form of deposits and note circulation, amounted on December 5th to \$105,525,000, as against cash on hand, \$106,200,000, the cash reserve thus far represents more than 100 p.c. of the liabilities—the funds employed in rediscounts as yet do not amount to so much as the capital stock paid in. This, of course, was to be expected at the outset. If the member banks have recourse freely to the rediscount facilities provided by the reserve banks, the ratio of cash reserve to liabilities will undergo diminution. Also the position of the Boston Reserve Bank, the Chicago Reserve Bank, and that of the Philadelphia Bank is relatively much the same as that of New York—the cash on hand being equal to or greater than the liabilities. The Chicago institution has \$38,700,000 cash, and the Boston institution \$14,900,000. The Philadelphia bank has \$19,504,000. It is to be noted that both Chicago and Philadelphia are ahead of New York in the matter of note circulation. With reference to rates of discount officially quoted at the several reserve banks it is to be noted that they are  $5\frac{1}{2}$  and 6 p.c.—all of them being  $5\frac{1}{2}$  except St. Louis, Atlanta and Minneapolis. During the week Chicago, Cleveland, Richmond, Kansas City, Dallas and San Francisco came down from 6 to  $5\frac{1}{2}$ .

Employees of the Ford Motor Company, men and women, are reported to have increased their life insurance within the last twelve months by 86 per cent.

\* \* \* \*

A trial order of 200,000 shells having been filled satisfactorily, a second order for 600,000 shells has been given out by the British war office in Canada. Over 40 plants are working on different parts of the shells. The present order will keep them busy till June and represents a distribution of over  $5\frac{1}{2}$  million dollars.

#### BRITISH MONEY AND THE DOMINION TRUST FAILURE.

The amount of twaddle which the London correspondents of the Canadian daily newspapers manage to get into their cables and mail communications in proportion to the whole is widely notorious. A particularly flagrant instance of it appeared last week in a Winnipeg journal, which printed a sensational London story regarding the Dominion Trust failure. This story included the statement, attributed to a Canadian financier visiting London that "if the worst that is feared happens, it will be impossible to obtain British money for Canadian mortgages in the future." The "Canadian financier" is probably enough merely a journalistic *façon de parler*; anyway, the statement made is utterly at variance with the known facts and the probabilities.

Since the Dominion Trust failure was announced, many of the Canadian mortgage companies have made their periodical arrangements for the renewal of large amounts of debentures in London. It has been the universal experience of these companies that these renewals have been arranged very satisfactorily—much more satisfactorily, in fact, in many instances than the companies themselves expected owing to the moratorium legislation in some of the western provinces. Not a single word has been said by any of the companies that they encountered difficulties on account of the Dominion Trust's failure. These facts are interesting in view of what the London correspondent alleges the "Canadian financier" said.

The Dominion Trust failure is bound to leave a bad impression in England, in the same way as any other failure of its extent and importance. But the general confidence of British investors in Canadian mortgages is hardly likely to be irretrievably shaken by an incident of that kind. The various well-managed and old-established mortgage companies in Canada will continue to draw on British resources very largely, and those resources, it may in fact be expected, will be supplied more and more freely.

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Mr. J. E. Clement, manager of the Mount Royal Insurance Co., spent some days this week in the Eastern Townships.

\* \* \* \*

Mr. W. J. Cleary, manager for Montreal, London Mutual Fire, is visiting the Head Office of his company at Toronto this week.

\* \* \* \*

Mr. R. MacD. Paterson, joint manager for Canada of the Phoenix Assurance Company of London, England, has been elected vice-president of the Quebec Bank in succession to Mr. Vesey Boswell.

\* \* \* \*

Mr. T. D. Belfield, manager for Canada, Alliance Assurance Company, Limited, has been visiting agencies of his company in the West for the past three weeks, and is expected to return in the course of two weeks.

# THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid up \$11,560,000 Reserves \$13,575,000

Assets \$185,000,000

HEAD OFFICE - MONTREAL.

340 BRANCHES THROUGHOUT CANADA

28 Branches in Cuba, Porto Rico and Dominican Republic

Kingston, Jamaica. Bridgetown, Barbados.

Nassau, Bahamas. St. George's, Grenada.

Port of Spain and San Fernando, Trinidad.

Georgetown and New Amsterdam, British Guiana.

Belize, British Honduras.

LONDON Eng.  
Princes 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

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

W. D. MATTHEWS, Vice-President

C. A. BOGERT, General Manager

## TRUST FUNDS SHOULD BE DEPOSITED

in a Savings Account in The Dominion Bank. Such funds are safely protected, and earn interest at highest current rates.

When payments are made, particulars of each transaction may be noted on the cheque issued which in turn becomes a receipt or voucher when cancelled by the bank.

Head Office 9th FLOOR,  
C.P.R. BUILDING, Toronto

# THE BANK OF TORONTO

Incorporated 1855.

Head Office: TORONTO, Canada.

PAID UP CAPITAL.....\$5,000,000  
RESERVED FUNDS.....\$6,307,272

### Directors

DUNCAN COULSON, President; W. G. GOODERHAM, Vice-Pres.; J. HENDERSON, 2nd Vice-Pres.; HON. C. S. HYMAN, WILLIAM STONE, JOHN MACDONALD, LT. COL. A. E. GOODERHAM, NICHOLAS BAWLE, LT. COL. F. S. MEIGHEN, J. L. ENGLEHART, WILLIAM I. GEAR, THOS. F. HOW, General Manager.

T. A. BIRD, Chief Inspector.

### Bankers

NEW YORK—National Bank of Commerce.  
CHICAGO—First National Bank.  
LONDON, Eng.—London City and Midland Bank, Limited.

### YOUR BEST INTERESTS

Are served when you place your Banking affairs with the Bank of Toronto. In addition to its ample facilities, widespread, well-chosen connections, and the strong financial prestige of this institution, you will find careful and interested attention given to your account and an accuracy in handling the smallest details that you will appreciate.

# THE BANK OF NOVA SCOTIA

INCORPORATED 1832.

CAPITAL.....\$6,500,000.00  
RESERVE FUND.....11,900,000.00  
TOTAL ASSETS.....80,151,929.99

HEAD OFFICE: HALIFAX, N.S.

### DIRECTORS

JOHN Y. PATRANT, President, CHARLES ARCHIBALD, Vice-President,  
G. S. Campbell, J. W. Allison, Hector McInnes  
Hon. N. Curry, J. H. Plummer, R. E. Harris,  
James Manchester, Walter W. White, M.D.  
General Manager's Office, TORONTO, ONT.  
H. A. Richardson, Gen'l Manager, D. Waters, Asst. Gen. Manager.  
Supts. of Branches, J. A. McLeod, Geo. Sanderson, E. Crockett,  
Chief Inspector, C. D. Schurman,

### 190 BRANCHES 190

Branches in every Province of Canada, Newfoundland, Jamaica & Cuba.  
UNITED STATES: Boston, Chicago, New York.  
Correspondents in every part of the World. Drafts bought and sold.  
Foreign and Domestic letters of credit issued. Collections on all points.

# THE HOME BANK OF CANADA

Original 1854 Charter

Branches and Connections throughout Canada.

### SIX OFFICES IN MONTREAL

Main Office, Transportation Building, St. James St.  
Bonaventure Branch, 523 St. James St.  
Hochelega Branch, Cor. Cuvillier and Ontario Sts.  
Mount Royal Branch, Cor. Mount Royal & Papineau Av.  
Papineau Branch, Papineau Square.  
St. Denis Branch, 478 St. Denis St.

Your account is respectfully solicited for any transaction in which a CHARTERED BANK may be of service.

# The Bank of Ottawa

Established in 1874

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

HEAD OFFICE, OTTAWA, CANADA

An efficient Banking Service is furnished by this institution to

## CORPORATIONS MERCHANTS and BUSINESS FIRMS

GEORGE BURN,  
General Manager.

## THE BANK OF MONTREAL'S MEETING.

The addresses made at the annual meeting of the Bank of Montreal are always carefully studied. The wide scope of the information they contain and its authoritative character give these addresses a peculiar value to all who would be thoroughly *au courant* with the course of economic developments in Canada and the character of the outlook. Generally speaking, the tone of the addresses at Monday's meeting by Mr. H. V. Meredith (president), and Sir Frederick Williams-Taylor (general manager), gives ground for encouragement and a sober confidence regarding probable future developments. "There is no question in my mind," said Mr. Meredith, "that after a pause, the duration of which will be determined by the measure of our production and by our savings, we shall again enter on a period of progress and development and that pause, I believe, will not be long continued."

### BANK'S WISE POLICY.

The occasion was taken advantage of by both speakers to justify the prudent and far-seeing policy by which the Canadian banks have been and continue to be guided in the present extraordinary circumstances. This policy is naturally appreciated by thinking business men, but in view of the Populist notions which have been lately assiduously propagated, it is well to have the facts so lucidly and widely set forth as on this occasion. Mr. Meredith pointed out that the decline in the Bank's profits this year is actually due to its conservative policy, it having been considered prudent to forego the profit on a portion of the liquid reserves ordinarily carried abroad and having an earning power, these reserves having been transferred to the Bank's vaults in order to provide against every possible contingency, and to support, if required, the general financial situation in Canada. At October 31, the Bank held over 55 per cent. of its liabilities to the public in immediately available assets, thus being in a position not only to meet the demands of its own depositors, but also to render assistance to other institutions if such were necessary. Recent events also have justified the Bank's policy in carrying large amounts of call loans which form part of its reserve, in London and New York instead of in Canada—a point which is too often made the ground for shallow and ill-informed criticism of the banks. As Sir Frederick Williams-Taylor pointed out, an exceedingly serious position would have developed had these loans at the time of the outbreak of war been located in Canada.

### THE CANADIAN POSITION.

All that Mr. Meredith said with regard to various features of the general situation deserves careful study. In his illuminating analysis of the Canadian position, Mr. Meredith pointed out that a period of several years of remarkable growth and progress was accompanied by large and in some cases imprudent capital expenditures, owing to the ease with which money could be obtained. The undue inflation of values consequent thereupon led to suspicion and distrust of our economic position and a curtailment of money supplies. The check thus given, in Mr. Meredith's opinion, has had a salutary effect in general, as it has compelled realization of the fact that unproductive expenditures must of necessity cease for a while and efforts be directed towards the development of

natural resources. But too gloomy a view need not be taken of present conditions since legitimate business is fundamentally sound, and agriculture, the backbone of the country, continues prosperous. "Economy and prudence in the matter of expenditure," Mr. Meredith said, "and an earnest effort to increase production of exportable articles, will in time usher in an era of active trade and renewed prosperity. There is no question in my mind that after a pause, the duration of which will be determined by the measure of our production and by our savings, we shall again enter on a period of progress and development, and that pause, I believe, will not be long continued."

### GETTING BANK TO SOUNDER BASIS.

The address made by Sir Frederick Williams-Taylor also contains much of interest. His review of conditions throughout Canada, province by province, is on the whole encouraging. Sir Frederick did not hesitate to say where conditions are unsatisfactory, but it is apparent that there is soundness and solidity in the Canadian commercial situation and that legitimate enterprise conducted on sound and well-directed lines will continue to make headway. The fact that the weak points of the Dominion's situation were so clearly set out by the Bank of Montreal's general manager lends additional weight to his observation that "we are adjusting ourselves to the heavy burden thrust upon us without warning whilst in the constructional stage, and though here and there weak spots will develop, the general structure will surely stand the strain, and we hope and believe we, as a country, can safeguard the situation." He voiced too the thoughts of many serious students of Canadian affairs when he observed that "the longer the duration of the war, the more will the colonial props of the Empire, including Canada, suffer, but good will come out of evil, for our energies will be turned to the development of our great natural wealth, particularly our vast agricultural resources, and we can then look forward with confidence to eventually emerging from present conditions a wiser people with our affairs on a healthier, more normal and sounder basis than that with which we were threatened."

### THE BANK'S BALANCE SHEET.

The Bank's balance sheet, a document showing an admirably strong position in a time of stress has already been noticed in these columns. Following is a comparison of the leading items for the last three years:—

	1914.	1913.	1912.
	\$	\$	\$
Capital Stock .....	16,000,000	16,000,000	16,000,000
Reserve .....	16,000,000	16,000,000	16,000,000
Circulation .....	17,231,502	17,061,665	16,131,862
Deposits (not bearing interest) .....	42,689,032	45,134,957	45,338,955
Deposits (bearing interest) .....	154,533,643	144,437,882	141,970,011
Total Liabilities to Public .....	221,350,378	208,656,751	203,563,201
Specie and Legals .....	40,661,762	22,164,800	19,311,086
Central Gold Reserve .....	1,500,000	1,000,000	
Call Loans Abroad .....	41,502,122	51,240,795	55,158,633
Bank Balances Abroad .....	15,900,037	6,126,730	14,133,604
Total of Quick Assets .....	122,658,003	103,699,427	113,651,121
Current loans and discounts .....	128,618,661	134,163,473	118,869,751
Total Assets .....	259,481,663	244,787,045	236,927,519

One particularly satisfactory feature is that the remarkable position of over 55 per cent. of quick assets to liabilities to the public has been achieved without restriction of the legitimate demands of merchants and manufacturers. While Canadian cur-

## National Trust Co.,

LIMITED

CAPITAL	-	\$1,500,000
RESERVE	-	1,500,000

Acts as executor and trustee under will.  
Administers real estate.  
Allows interest on savings deposits.

**MONTREAL DIRECTORS**

H. B. WALKER,	F. W. MOLSON,
H. J. FULLER,	T. B. MACAULAY
W. M. BIRKS	

**TEMPORARY OFFICES:**  
**179 St. James Street**  
PERCIVAL MOLSON, Manager.

## The Royal Trust Co.

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

**BOARD OF DIRECTORS:**  
H. V. Meredith, President.

Sir William C. Var. Horne, K.C.M.G., Vice-President.

SIR H. MONTAGU ALLAN,	E. B. GREENSHIELDS
R. B. ANGLIS	C. R. HOMER
A. BAUNGARTEN	SIR W. C. MACDONALD
A. D. BRAITHWAITE	HON. R. MACKAY
H. R. DRUMMOND	DAVID MORRICE
C. B. GORDON	SIR T. G. SHAUGHNESSY,
SIR LOUIS GOUIN, K.C.M.G.	K.C.J.V.O.
SIR FREDERICK WILLIAMS-TAYLOR	

**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.

## THE EASTERN TRUST CO.

CAPITAL PAID UP AND RESERVE	\$1,210,000
ESTATES	\$14,000,000

IN BUSINESS 21 YEARS

Carries on a fiduciary Trust business  
on conservative lines only.

HALIFAX ST. JOHN MONTREAL CHARLOTTETOWN  
ST. JOHNS, NFLD.



THE  
**CROWN TRUST COMPANY**  
145 ST. JAMES STREET, MONTREAL

**Trust Company Service**

This Company offers prompt, efficient  
and courteous service in connection with  
any matters coming within the scope of a  
conservative trust company business.  
ENQUIRIES ARE CORDIALLY INVITED

MADE-IN-CANADA

## THE CANADIAN SURETY CO

Investments of Capital, Surplus,  
and Earnings are

MADE-IN-CANADA

Suretyship bonds exclusively  
Maximum Protection - Minimum Cost  
Head Office, TORONTO, ONT.

W. H. HALL, General Manager.  
WM. H. BURGESS, Secretary. S. L. LYON, Supt. of Agencies

## PRUDENTIAL TRUST COMPANY

LIMITED

<p><b>HEAD OFFICE</b></p> <p><b>9 ST. JOHN STREET MONTREAL.</b></p>	<p style="text-align: center;">Trustee for Bondholders Transfer Agent &amp; Registrar</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Administrator</td> <td>Receiver</td> <td>Executor</td> </tr> <tr> <td>Liquidator</td> <td>Guardian</td> <td>Assignee</td> </tr> <tr> <td>Trustee</td> <td>Custodian</td> <td></td> </tr> </table> <p style="text-align: center;">Real Estate and Insurance Departments</p> <p>Insurance of every kind placed at lowest possible rates.</p>	Administrator	Receiver	Executor	Liquidator	Guardian	Assignee	Trustee	Custodian		<p><b>Safety Deposit Vault</b></p> <p>Terms exceptionally moderate.</p> <p><b>Correspondence Invited.</b></p>
Administrator	Receiver	Executor									
Liquidator	Guardian	Assignee									
Trustee	Custodian										

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

## THE MONTREAL CITY and DISTRICT SAVINGS BANK

NOTICE is hereby given that a Dividend of Two Dollars per Share on the Capital Stock of this institution has been declared and will be payable at its Head Office, in this City, on and after Saturday, the 2nd January next, to Shareholders of record at the close of business on the 15th December next.

By order of the Board,  
**A. P. LESPERANCE, Manager.**

Montreal, November 23rd, 1914.

## The Trust and Loan Co.

OF CANADA

Capital Subscribed.	\$14,600,000.00
Paid-up Capital.	2,920,000.00
Reserve Funds.	2,511,049.15

MONEY TO LOAN ON REAL ESTATE AND  
SURRENDER VALUES OF LIFE POLICIES.

**30 St. James St., Montreal**

rent loans are \$10,000,000 lower in the present balance sheet than at the corresponding date last year, this reduction was ante-bellum. Since the outbreak of war there has been an increase of over three millions in such loans and in the same period an increase of over thirteen million dollars in Canadian loans of all kinds. The facts are convincing evidence of financial wisdom and statesmanship.

**THE QUEBEC BANK.**

The Quebec Bank, which held its ninety-seventh annual meeting on Monday hardly seems to have kept pace with the general growth and development of the Dominion, and in the extent of its operations is surpassed by a number of other banking institutions which in point of age are many years the Quebec Bank's juniors. Net profits for the year ended October 31 were \$296,659, compared with \$309,228 for 1913, the total amount available on profit and loss account being \$323,356. The seven per cent. dividend absorbed \$191,299; \$5,000 was reserved for pension fund; \$20,897 for business taxes; \$30,000 for depreciation in bonds and securities; \$35,000 for contingencies; and \$18,000 for premises account, a balance at credit of profit and loss of \$11,448 being carried forward.

The leading items of the balance sheet in comparison with that of 1913 are as follows:—

	1914.	1913.
Paid-up capital . . . . .	\$ 2,734,620	\$ 2,727,850
Rest . . . . .	1,308,655	1,306,962
Circulation . . . . .	2,434,211	2,840,377
Deposits by public . . . . .	12,978,422	14,504,692
Call Loans in Canada . . . . .	3,077,566	3,446,164
Current Loans and discounts . . . . .	10,594,402	11,537,432
Total Assets . . . . .	20,178,426	21,948,198

It was reported at Monday's meeting, that the policy of maintaining rather larger cash reserves than usual had been followed during the year, enabling the Bank to pass through the period of contraction of business followed by the war without undue anxiety.

**THE BANK OF VANCOUVER.**

The Bank of Vancouver, it was announced on Wednesday, has withdrawn from the Vancouver clearing house. The Bank is a purely local institution and the present step can be considered as having no bearing on the general trade or banking situation in Canada. Established in 1910, the Bank of Vancouver has thus far had a hard time of it. The admission was made some time ago that its capital was impaired, and at that time the rest account was wiped out and paid-up capital practically cut in two in order to rectify matters. A proposal was discussed that one of the larger banks should take over the business but this fell through.

At October 31, the Bank held a total of deposits by the public of \$555,352—less than half the total held at the corresponding date in 1913—with \$100,833 balance due to the provincial government. It is reported that since the failure of the Dominion Trust Company, large withdrawals of deposits from the Bank have been made. As, under the emergency war legislation, the bank's own notes are legal tender to the public, whereas settlement of clearing house balances must be made through Dominion notes of which the Bank only held \$32,313 at October 31, withdrawals of deposits could be met up to a point without difficulty, and similarly the Bank could settle

with other banks. The Bank, however, can only issue its own notes to the extent of its own unimpaired capital plus 15 per cent. of its unimpaired capital and reserve. Paid-up capital at October 31 was \$445,188, and it is possible that the relation of notes to capital may be raised subsequently.

**DOMINION NOTE ISSUES.**

A Toronto correspondent writes pointing out that the increase of \$19,000,000 in its October circulation of Dominion notes follows an increase of \$18,000,000 in September. The rapid increase in the amount of this inconvertible paper currency is accompanied by no information as to the cause or purpose for which used. Some financiers are beginning to think, he continues, that there has been too extensive a recourse to this method of relieving the financial situation, and that perhaps it would be better to keep the issues of inconvertible notes at a lower level and try a domestic issue of bonds at a comparatively high rate of interest.

It is surmised that the large issues of Dominion notes were made either for the purpose of making advances to one or other of the big railway systems for construction purposes, or as loans to the chartered banks on securities. It seems unwise to finance the construction of permanent works such as railways by means of issues of currency for which there is no need or demand. And it is to be hoped that the supposition that the Government has issued notes for this purpose is incorrect. There is more justification for the issue of the notes to the banks for purposes of making short term loans and advances during the grain season, for the presumption is that after the crop is moved and the extraordinary demand for credit satisfied, the loans to the banks will be paid off and the inconvertible paper money, representing those loans, called in and cancelled.

**CONFEDERATION LIFE ASSOCIATION.**

We are officially informed that the directors of the Confederation Life Association have decided to waive their right to impose an extra premium on all civilians insured with them who may have volunteered for service during the present war, even when their policies contain a clause calling for such an extra.

The great majority of the Association's contracts are free from all restrictions, but there are in force in the United Kingdom over one hundred policies on special plans containing a war clause, and many of the persons insured under these plans are proceeding, or have already proceeded, to the front.

This patriotic action will be duly appreciated, not only by those immediately concerned, but by the public generally.—*Policyholder.*

One more instance of a State-managed insurance fund getting into trouble is furnished by the Wisconsin Insurance Fund for State Buildings. The fund is at present about \$12,000 behind, but with \$60,000 due in premiums should soon have a working balance of \$48,000. But this balance is threatened by a claim for \$106,800 on a fire at a normal school last March. Legal action is now being taken to enforce this claim. If the claim is successful the State Fund will have a deficit of some \$58,000.

## CANADA PERMANENT MORTGAGE CORPORATION QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT for the current quarter, being at the rate of

**10 PER CENT PER ANNUM**

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable on and after

**SATURDAY, THE SECOND DAY OF JANUARY**

next, to Shareholders of record at the close of business on the fifteenth day of December.

By order of the Board,

GEO. H. SMITH, *Secretary.*

Toronto, November 25th, 1914.

## The WESTERN

Assurance Company

Incorporated in 1851

ASSETS OVER \$3,500,000.00

LOSSES paid since organization of Com-  
pany over \$57,000,000

### DIRECTORS

W. R. BROCK, President.

W. B. MEIKLE, Vice-President and Managing Director.

ROBT. BICKERDIKE, M.P.

D. B. HANNA

JOHN HOSKIN, K.C., LL.D.

ALEX. LAIRD

AUGUSTUS MYERS

JAMES KERR OSBORNE

Z. A. LASH, K.C., LL.D.

GEO. A. MORROW

FREDERIC NICHOLLS [C.V.O.]

COL. SIR HENRY M. PELLATT

E. R. WOOD

H. C. COX

HEAD OFFICE . TORONTO

THE LIFE AGENTS MANUAL, \$3.00  
THE CHRONICLE, MONTREAL

ESTABLISHED 1809  
Total Funds Exceed **\$109,798,258.00**  
Canadian Investments Over **\$9,000,000.00**

FIRE AND LIFE

## North British and Mercantile

INSURANCE COMPANY

DIRECTORS

WM. McMASTER Esq.

G. N. MONCEL, Esq.

E. L. PRASE, Esq.

Head Office for the Dominion:

80 St. Francois Xavier Street - MONTREAL.

Agents in all the principal Towns in Canada.

RANDALL DAVIDSON, Manager.



Assets

**\$8,020,276.62**

Surplus to  
Policyholders

**\$3,615,126.66**

Applications for Agencies invited.

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

### REGULATING THE PUBLIC ADJUSTER.

In Canada the business of public adjuster—the self-styled “adjuster for the assured”—has not, up to the present, made a great deal of headway. But since it is notorious that this business is frequently accompanied by grave evils in the form of frauds upon the public, it is by no means too soon to follow the example of some of the States to the south of the boundary line and pass legislation which shall ensure that only trustworthy and competent persons engage in the business. Locking the stable door after the steed is stolen is a poor policy at best, and is inexcusable when examples of the thief's work elsewhere can be readily obtained.

The honest, trustworthy public adjuster could have no objection to offer to such legislation as that passed in the early part of this year in the State of New York, and would probably welcome such legislation since the possession of his license would serve as a certificate of his competence and trustworthiness and would protect him from the competition of incompetent and dishonest persons in the same line of business. Under the New York legislation, public adjusters are required to secure a certificate of authority before they can engage in the business, and to pay an annual license fee of twenty-five dollars. The superintendent of insurance has power to revoke the license if after investigation he finds that its holder has violated any of the provisions of the act, has made a material misstatement in the application for a license, has been guilty of fraudulent practices or has demonstrated his incompetency or untrustworthiness to transact the business of a public adjuster. In addition to the loss of license a fine of \$500 can be imposed for violation of any of the provisions of the Act.

Applications for a license to act as public adjuster must set forth fully the antecedents of the applicant so that the Superintendent of Insurance can judge of both his honesty and his capabilities. Legislation of this kind passed by the various provinces would be, if properly administered, a real protection to the insuring public and particularly to that portion of it which by reason of its lack of knowledge of insurance affairs is otherwise likely to provide “easy pickings” for a dishonest or incompetent “adjuster for the assured” who poses as the insured's friend and champion against the tyrannical insurance company. The matter is one that might well be taken up at the present time.

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The Bank of British North America has opened a new branch at Prince George, B.C., under the management of Mr. J. Munro.

\* \* \* \*

The shareholders of the Metropolitan Life have unanimously approved the plan for the mutualisation of the company. Policyholders will meet to consider the matter on December 28.

### MISMANAGING STATE INSURANCE.

Opponents of State insurance in its various forms can hardly complain of lack of material with which to point their morals and adorn their tales. In a great many cases those administering these schemes seem determined to give their opponents plenty of ground for criticism of mismanagement. The latest instance in point comes from New York State, where the Superintendent of Insurance has forbidden the mutual compensation companies to pay a dividend upon six months' experience and indicated that no proposals for dividends will be approved until after the mutual companies concerned have been operating at least a year, and have been examined by the department to see that dividends are justified. This is admirable but at the same time, as a result of six months' experience, the State fund proposes to reduce its rates as from January 1st next. What is sauce for the goose is evidently not sauce for the gander in this case.

Apart from the incongruousness of the situation some of the more sober minded of the State scheme's friends are taking objection to the proposed drop in rates on the ground that it would be prudent to accumulate a surplus before any reduction in rates is made. In view of the generally-known facts regarding the long period of time which is necessary in order to realise the full strength of the loss ratio in workmen's compensation insurance, prudence would seem a mild term in this connection. Reduction of rates on six months' experience only is more like mismanagement.

From the point of view of opponents of State insurance schemes, it is to be hoped that the New York's State fund's rates will be reduced as proposed. It means by so much the hastening of the day when the State fund will find itself in financial difficulties, and another brilliant example of State mismanagement of the business of insurance will have been secured. A perfect example of the irony of retribution would be seen if the companies, shepherd by a paternal insurance department go on and prosper, while the State scheme, neglecting to practise the prudence which the State preaches to others, gets into difficulties as a result of its contemplated reduction of rates.

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### PRUDENTIAL'S MUTUALISATION.

In an overwhelming manner and by a vote conservatively estimated as representing about one-half of the total of 5,000,000 or 6,000,000 persons eligible to ballot on the subject, the mutualization of the Prudential Insurance Company of America was approved on Monday, December 7, by the policyholders of the big corporation. Only 208 votes were cast against mutualisation while 940,797 offered themselves by proxy and in person as in favor of the movement to mutualize.

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The Bank of England's official rate of discount was continued yesterday at 5 p.c.



**CANADA BRANCH HEAD OFFICE, MONTREAL.**

**DIRECTORS:**  
 M. Chevalier, Esq. T. J. Drummond, Esq. Sir Alexandre Lacoste.  
 William Molson Macpherson, Esq. Sir Frederick Williams-Taylor  
 J. Gardner Thompson, Manager. Lewis Laing, Assistant Manager.



Head Office : 112 St. James Street, Montreal

**DIRECTORS :**

J. Gardner Thompson, *President and Managing Director*,  
 Lewis Laing, *Vice-President and Secretary*.  
 M. Chevalier, Esq., A. G. Dent, Esq., T. J. Drummond, Esq.,  
 John Emo, Esq. Sir Alexandre Lacoste Wm. Molson Macpherson, Esq.  
 J. C. Rimmer, Esq., Sir Frederick Williams-Taylor



**The Northern Assurance Co. Limited**

**"Strong as the Strongest"**

**Accumulated Funds, \$41,265,000**

**HEAD OFFICE FOR CANADA,  
 88 NOTRE DAME STREET WEST,  
 MONTREAL.**

**G. E. MOBERLY, Supt. of Agencies.**

**ROBERT W. TYRE, Manager.**

"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 . . .  
 London Assurance  
 CORPORATION  
 OF ENGLAND.**

INCORPORATED BY ROYAL CHARTER A.D. 1720

**CAPITAL PAID UP \$2,241,375  
 TOTAL CASH ASSETS 22,457,415**

**Head Office for Canada, - MONTREAL**

**W. KENNEDY, W. B. GOLLEY, Joint Managers.**

**ATLAS ASSURANCE COMPANY**

**LIMITED, of LONDON, ENGLAND**

Established in the REIGN of GEORGE III

**Income exceeds \$ 7,625,000  
 Funds exceed 18,850,000**

Including the Fully Subscribed Capital, the resources of the Company amount to \$30,000,000.

**Head Office for Canada - MONTREAL**

**MATTHEW C. HINSHAW, Branch Manager**

**Active and Influential Agents Wanted**

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

**AGENTS — INSURANCE — BROKERS**

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

**11 ST. SACRAMENT STREET  
 MONTREAL, P.Q.**

**THE IDEAL CHRISTMAS GIFT.***(By the Late W. T. Standen.)*

It is probable you have been thinking of a number of fitting gifts for your wife and children; but we think that we can suggest one that you may very likely have overlooked or forgotten. Our suggestion is "a Policy of Life Insurance." This is pre-eminently the most suitable of all Christmas gifts. If you present to your wife such a memento of your perpetual remembrance, it will surely fill her heart with tender gratitude for your thoughtfulness. It will be a proof to her that you think not of to-day only, but also of the many to-morrows that are to come. It will show to her the depth of your unselfish affection, and the tenderness of your consideration for her. In the midst of to-day's abundance, she will remember with feelings of gratitude, that your love has provided protection for her against the possible contingencies of to-morrow—and you must not forget that among these possible contingencies there are some so replete with disaster to all those whom you love and cherish, that the very thought of them would fill her heart with unspeakable dread. When they are in the midst of their enjoyment of the festivities that are incident to the home observance of Christmas time, there may possibly flash across your mind a thought of the want, privation and trouble that would afflict your family, if, before the coming of next Christmas, either your health or your life should fail you. Health and life are not always as reliable as we would wish them to be; they are sometimes very precarious, and no prudent man can safely depend upon them.

**A WESTERN VISITOR.**

Mr. C. F. Codere, of the firm of Butler, Byers Bros., & Codere, Limited, Saskatoon, Sask., spent a few days in Montreal this week. Mr. Codere is very optimistic about the future of Saskatchewan, and predicts that next spring will see an increase of land under cultivation of fully forty per cent. Mr. Codere informs us that notwithstanding the depression which has existed for some time in Western Canada the business of the companies represented in his agency to date has shown a very handsome increase. The St. Paul Fire & Marine and the Mount Royal are represented in the general agency in addition to a number of other companies locally. The loss ratio in fire insurance, Mr. Codere states will, as a whole, show a reduction to date in comparison with the same period for last year, though in the case of some companies the losses are abnormal. The hail business transacted by the firm shows very satisfactory results, the experience of the companies generally having been similar.

Bondholders of the Spanish River Pulp & Paper Mills, Limited, are being asked to defer until October 1, 1922, the payment of interest on their bonds for the next two years. A meeting of bondholders is called for December 23 in London to consent to this plan. Under the plan which is proposed, the company has the privilege of paying the 1915 and 1916 interest at any time prior to 1922, on six months' notice. The company's plan also provides for a cancellation for a period not exceeding five years, the requirement of the trust deed for the setting aside of a sinking fund to redeem the bonds. Spanish River's net profits for the year are \$125,693 against \$190,754 last year.

**CANADIAN FIRE RECORD***(Specially compiled for The Chronicle.)*

WINNIPEG, MAN.—W. Kraft's grocery, 606 Stella avenue, damaged, December 3. Loss \$1,650.

Store of Ham & Motherwell, wholesale men's furnishings, 558 Main Street, damaged, December 6. Stock insured in Northern.

RICHMOND, QUE.—G.T.R. depot damaged, December 6. Loss \$2,000. Originated in kitchen.

LONDON, ONT.—G. T. R. city freight sheds, containing \$25,000 merchandise destroyed, December 6. Loss \$30,000.

CORNWALL, ONT.—Large barn on Crasper Farm destroyed with contents, December 4. Loss \$12,000, partly covered by insurance.

COBourg, ONT.—W. Harnden's barn in Haldimand township destroyed with contents, December 4. Loss heavy. Origin, explosion of lantern.

SOUTH VANCOUVER, B.C.—Four-room bungalow, corner of 35th avenue and Nanaimo road, destroyed, November 30. Loss and origin, unknown.

MONTREAL.—Dry goods store of P. Malike, 2579 Notre Dame street west, damaged, December 4. Loss \$2,000. Origin, furnace.

Store of St. Louis Syndicate at 2825 St. Lawrence street kept by Jacob Itkess damaged, December 9. Loss \$3,000. Origin, unknown.

Stable of M. Lebel in rear of 93 Mullarkey avenue, Verdun, destroyed with six houses, property of V. St. Andre, 79 Gertrude Street, Verdun, December 8. Loss to stable \$1,500. Origin, unknown.

HAMILTON, ONT.—Barn of R. Cairn, 4th concession of West Flamborough, destroyed December 4. Loss, \$6,000; insurance, \$1,700. Origin, tramp.

HARRISTON, ONT.—Poultry feeding house of Gunns, Ltd., destroyed with 5,000 fowls, December 3. Loss heavy, partly insured. Fire originated in boiler room.

EDMONTON, ALTA.—Lyceum Theatre and five stores adjoining, Frame block, destroyed December 7. Loss \$30,000. Northern Hardware Company's loss being \$20,000 largely covered by insurance.

WINDSOR, ONT.—Fire destroyed home of David Schwartz, in rear of his grocery store, Erie street and Marion avenue, December 4. Store and dwelling damaged \$2,000; \$2,500 insurance was carried. Origin unknown.

SACKVILLE, N.B.—Fire destroyed Alex. Ford building in Bridge street, dislodging three tenants—Western Union Telegraph Company office, C. F. Gibbs, a barber, and a family named Fitzpatrick in upper flat, December 5. Total loss, \$3,000; mostly covered by insurance. Fire started from defective flue.

**MUTUAL LIFE OF CANADA'S POSITION.**

Mr. George Wegenast, general manager of the Mutual Life of Canada, states that a recent enquiry shows that the Mutual Life has about \$650,000 insurance on members of the first and second Canadian contingents. As there are many who, doubtless, failed to advise their enlistment, probably the Company will have about one million dollars of insurance exposed to war risks.

Mr. Wegenast also gives the cheerful news that in almost all respects, so far as can be foreseen, the year will be not much unlike others in the past for the Mutual Life. Income, assets, surplus, etc., will probably all show the usual increase, and even the new business now still in excess of 1913, will, it is hoped, maintain its lead, notwithstanding the very untoward financial conditions.

## COMMERCIAL UNION

ASSURANCE COMPANY LIMITED  
of LONDON, England

The largest general Insurance Company in the world  
(As at 31st December 1913)

Capital Fully Subscribed . . .	\$14,750,000
Capital Paid Up . . . . .	1,475,000
Life Fund, and Special Trust Funds, . . . . .	69,826,740
Total Annual Income exceeds	42,500,000
Total Funds exceed . . . . .	1,450,000
Total Fire Losses Paid . . . . .	164,420,280
Deposit with Dominion Government . . . . .	1,077,033

APPLICATIONS FOR AGENCIES SOLICITED  
IN UNREPRESENTED DISTRICTS.

Head Office: Canadian Branch:—

**Commercial Union Building,**  
MONTREAL

J. McGREGOR,  
Manager

W. S. JOPLING,  
Assistant Manager

## PALATINE

INSURANCE COMPANY LIMITED  
of LONDON, England

(As at 31st December 1913)

Capital Fully Paid . . . . .	\$500,000
Fire Premiums 1912, Net . . . . .	\$2,498,625
Interest, Net . . . . .	132,120
Total Income . . . . .	\$2,630,745
Funds . . . . .	\$5,400,000
Deposit with Dominion Gov't . . . . .	\$155,667

*In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$124,500,000 . . . . .*

APPLICATIONS FOR AGENCIES SOLICITED  
IN UNREPRESENTED DISTRICTS.

Head Office: Canadian Branch:—

**Commercial Union Building,**  
MONTREAL

J. McGREGOR,  
Manager

W. S. JOPLING,  
Assistant Manager

## 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.  
H. M. BLACKBURN, LYMAN ROOT,  
Manager, Assistant Manager

This Company commenced business in Canada by depositing \$300,000 with the Dominion Government for security of Canadian Policy-holders.

Established

1859

**The London Mutual Fire Insurance Co.**  
of CANADA  
ACTIVE AGENTS WANTED  
for MONTREAL CITY.

PROVINCE OF QUEBEC BRANCH

W. J. CLEARY, R. de GRANDPRE,  
Provincial Manager Inspector  
LEWIS BUILDING, 17 St. John Street,  
MONTREAL

## THE CANADA NATIONAL FIRE INSURANCE COMPANY.

Authorized Capital . . . . .	\$3,000,000.00
Subscribed Capital . . . . .	2,065,400.00
Paid in Capital . . . . .	1,100,000.00
Assets . . . . .	1,496,796.00
<b>SURPLUS TO POLICY HOLDERS</b>	<b>1,306,054.00</b>

Board of Directors:

President: CAPT. WM ROBINSON  
Vice-Presidents: Nicholas Bawlf, D. E. Sprague, F. H. Alexander  
Managing Director: W. T. Alexander.

Directors: E. F. Hutchings, E. D. Martin, E. L. Taylor, K. C. M. P. P., E. S. Popham, M. D., S. D. Lazier, F. N. Darke, Regina, Sir Gilbert Parker, London, Eng., Andrew Gray, Victoria, Jonathan Rogers, Vancouver.

**General Fire Insurance Business Transacted**

Business Solicited Prompt Settlement of Losses  
Liberal Policy

Head Office, 356 MAIN STREET, WINNIPEG

INSURANCE

## Phœnix of Hartford Company

Total Cash Assets : \$11,404,634.19  
Total Losses Paid : 70,700,545.46

J. W. Tatley, Manager.  
MONTREAL.

Applications for Agencies Invited.

**Traffic Returns.**

CANADIAN PACIFIC RAILWAY.				
Year to date.	1912.	1913.	1914.	Decrease
Nov. 30. . . .	\$119,296,000	\$126,373,000	\$99,936,000	\$26,437,000
Week ending				
Dec. 7. . . .	\$2,771,000	\$3,009,000	1,766,000	1,243,000

GRAND TRUNK RAILWAY.				
Year to date.	1912.	1913.	1914.	Decrease
Nov. 30. . . .	\$47,777,438	\$51,796,424	\$47,388,224	\$4,408,200
Week ending				
Dec. 7. . . .	\$1,005,097	\$1,015,199	865,052	150,147

CANADIAN NORTHERN RAILWAY.				
Year to date.	1912.	1913.	1914.	Decrease
Nov. 30. . . .	\$19,311,800	\$21,848,000	\$17,973,100	\$3,875,700
Week ending				
Dec. 7. . . .	\$567,900	\$583,500	\$394,200	\$189,300

TWIN CITY RAPID TRANSIT COMPANY.				
Year to date.	1912.	1913.	1914.	Increase
Oct. 31. . . .	\$6,014,835	\$7,265,080	\$7,661,154	\$396,074
Week ending				
Nov. 7. . . .	\$161,800	\$173,311	\$174,617	\$1,306
" 14. . . .	158,669	173,063	173,206	143
" 21. . . .	165,743	175,743	177,031	1,288

HAVANA ELECTRIC RAILWAY COMPANY			
Week ending	1913.	1914.	Decrease
Dec. 6. . . .	\$57,327	53,354	\$3,943

DULUTH SUPERIOR TRACTION CO.				
	1912.	1913.	1914.	Decrease
Nov. 7. . . .	20,455	25,184	24,191	993
" 14. . . .	20,247	24,666	23,741	925
" 21. . . .	21,195	25,390	24,515	875
" 30. . . .	28,081	32,343	30,403	1,940

**CANADIAN BANK CLEARINGS.**

	Week ending Dec. 10, 1914	Week ending Dec. 3, 1914	Week ending Dec. 11, 1913	Week ending Dec. 12, 1912
Montreal. . .	\$48,184,646	\$46,369,730	\$61,237,092	\$60,567,345
Toronto. . . .	35,884,306	36,417,616	49,840,475	48,394,272
Ottawa. . . .	4,970,977	4,690,887	4,061,397	3,578,863

**MONEY RATES.**

	To-day	Last Week	A Year Ago
Call money in Montreal. . . .	6 - 6 1/2 %	6 - 6 1/2 %	6 1/2 %
" " Toronto. . . .	6 - 6 1/2 %	6 - 6 1/2 %	6 1/2 %
" " New York. . . .	3 1/2 %	4 1/2 %	5 1/2 %
" " London. . . .	1 %	1 %	4 1/2 - 4 1/2 %
Bank of England rate. . . .	5 %	5 %	5 %

TH. CHASE-CASGRAIN, K.C. VICTOR E. MITCHELL, K.C.  
 A. CHASE-CASGRAIN, K.C. ENROL M. MACDOUGALL,  
 JOHN J. CREELMAN, GILBERT S. STAIRS,  
 PIERRE F. CASGRAIN.  
**McGIBBON, CASGRAIN, MITCHELL, & CASGRAIN**  
**CASGRAIN, MITCHELL, McDOUGALL & CREELMAN**  
 SOLICITORS & BARRISTERS-AT-LAW  
 Cable Address: ROYAL TRUST BUILDING  
 "MONTGIBB," MONTREAL MONTREAL, CANADA.

**ATWATER, DUCLOS & BOND**  
**ADVOCATES**  
 Guardian Building, 166 St. James Street, Montreal.  
 A. W. ATWATER, K.C. C. A. DUCLOS, K.C.  
 W. L. BOND, K.C.

**McCarthy, Osler, Hoskin & Harcourt**  
 BARRISTERS, SOLICITORS, ETC.  
 HOME LIFE BUILDING, VICTORIA STREET, TORONTO  
 JOHN HOSKIN, K.C. F. W. HARCOURT, K.C. H. S. OSLER, K.C.  
 LEIGHTON MCCARTHY, K.C. D. L. MCCARTHY, K.C.  
 BRITTON OSLER, J. F. H. MCCARTHY.  
 Counsel: WALLACE NESBIT, K.C.

Hon. Sir Alexandre Lacoste, K.C.  
**Kavanagh, Lajoie & Lacoste**  
 ADVOCATES, SOLICITORS, ETC.  
 Provincial Bank Building, 7 Place d'Armes.  
 H. J. Kavanagh, K.C. Paul Lacoste, LL.B.  
 H. Gerin-Lajoie, K.C. Jules Mathieu, LL.B.

**EDWIN P. PEARSON** AGENT  
 Offices: **NORTHERN**  
**Adelaide St. East, Toronto** **ASSURANCE CO.**

**Montreal Tramways Company**  
**SUBURBAN TIME TABLE, 1914**

**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.  
 10 " " 5.50 " 9.00 " 20 " " 8.00 p.m. to 12.10 a.m.  
 20 " " 9.00 " 4 p.m. Extra last car at 12.50 a.m.

**Sault aux Collet and St. Vincent de Paul:**  
 From St. Denis to St. Vincent—  
 20 min. service 5.20 a.m. to 6.00 a.m. 30 min. service 8.00 p.m. to 11.30 p.m.  
 10 " " 6.00 " 8.00 " Car to Hendersons only 12.00 mid.  
 10 " " 8.00 " 4.00 p.m. Car to St. Vincent 12.40 a.m.  
 10 " " 4.00 p.m. to 8.00 "

**From St. Vincent to St. Denis—**  
 20 min. service 5.50 a.m. to 6.30 a.m. 30 min. service 8.30 p.m. to 12.00 mid.  
 10 " " 6.30 " 8.30 " Car from Hendersons 12.20 a.m.  
 10 " " 8.30 " 4.30 p.m. Car from St. Vincent 1.10 a.m.  
 10 " " 4.30 p.m. to 8.30 "

**Cartierville:**  
 From Snowdon's Junction— 20 min. service 5.20 a.m. to 10.40 p.m.  
 40 " " 10.40 p.m. to 12.00 mid.  
 From Cartierville— 20 min. service 5.40 a.m. to 11.00 p.m.  
 40 " " 11.00 p.m. to 12.20 mid.

**Mountain :**  
 From Park Avenue and Mount Royal—  
 20 min. service 5.40 a.m. to 12.00 midnight  
 From Victoria Avenue—  
 20 min. service 5.50 a.m. to 12.30 midnight  
 From Victoria Avenue to Snowdon,—  
 10 minutes service 5.50 a.m. to 8.50 p.m.

**Bout de l'Île:**  
 30 min. service 5.00 a.m. to 9.00 p.m.  
 60 " " 9.00 p.m. to 12.00 midnight

**Tetraulville:**  
 15 min. service 5.00 a.m. to 6.30 p.m.  
 30 " " 6.30 " 8.30 p.m.

**GET OUR PRICES**  
 FOR  
**FIRST CLASS WORK**  
 Orders Filled on Dates Promised  
**JOHN LOVELL & SON, LTD.**  
 PRINTERS & BOOKBINDERS  
 23 St. Nicholas Street - - MONTREAL

# BANK OF MONTREAL

Statement for Year ended October 31st, 1914.

## PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 31st October, 1913.....		\$1,046,217.80
Profits for the year ended 31st October, 1914, after deducting charges of management, and making full provision for all bad and doubtful debts.....		2,496,451.62
		<u>\$3,542,669.42</u>
Quarterly Dividend 2½ per cent. paid 1st March, 1914.....	\$400,000.00	
Quarterly Dividend 2½ per cent. paid 1st June, 1914.....	400,000.00	
Bonus; 1 per cent. paid 1st June, 1914.....	160,000.00	
Quarterly Dividend 2½ per cent. paid 1st September, 1914.....	400,000.00	
Quarterly Dividend 2½ per cent., payable 1st December, 1914.....	400,000.00	
Bonus, 1 per cent., payable 1st December, 1914.....	160,000.00	
	<u>\$1,920,000.00</u>	
Canadian Patriotic Fund.....	100,000.00	
Provision for Bank Premises.....	290,000.00	
		<u>2,310,000.00</u>
Balance of Profit and Loss carried forward.....		<u>\$1,232,669.42</u>

## LIABILITIES

Capital Stock.....		\$16,000,000.00
Reserve.....	\$16,000,000.00	
Balance of Profits carried forward.....	1,232,669.42	
	<u>\$17,232,669.42</u>	
Unclaimed Dividends.....		114.00
Quarterly Dividend, payable 1st December, 1914.....	\$400,000.00	
Bonus of 1 per cent. payable 1st December, 1914.....	160,000.00	
	<u>560,000.00</u>	
		17,792,783.42
		<u>\$33,792,783.42</u>
Notes of the Bank in circulation.....	\$17,231,502.00	
Deposits not bearing interest.....	42,689,031.57	
Deposits bearing interest, including interest accrued to date of statement.....	154,533,643.41	
Deposits made by and Balances due to other Banks in Canada.....	6,089,840.66	
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....	370,349.95	
Bills Payable.....	436,010.88	
		221,350,378.47
Acceptances under Letters of Credit.....		3,368,066.53
Liabilities not included in the foregoing.....		970,434.83
		<u>\$259,481,663.25</u>

## ASSETS

Gold and Silver coin current.....	\$ 15,452,819.73	
Government demand notes.....	25,208,942.75	
Deposit in the Central Gold Reserves.....	1,500,000.00	
Deposit with the Minister for the purposes of the Circulation Fund.....	790,000.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada.....	\$15,900,030.37	
Call and Short (not exceeding thirty days) Loans in Great Britain and United States.....	41,502,122.01	
	<u>57,402,152.38</u>	
Dominion and Provincial Government Securities not exceeding market value.....	502,931.62	
Railway and other Bonds, Debentures and Stocks not exceeding market value.....	11,254,173.91	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities, other than Canadian.....	488,296.03	
Notes of other Banks.....	1,988,933.00	
Cheques on other Banks.....	8,069,753.60	
	<u>\$122,658,003.02</u>	
Loans to the Government of Canada.....	5,000,000.00	
Current Loans and Discounts in Canada (less rebate of interest).....	108,845,332.96	
Loans to Cities, Towns, Municipalities and School Districts.....	9,017,324.26	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest).....	5,756,003.55	
Overdue debts, estimated loss provided for.....	452,768.65	
	<u>129,071,429.42</u>	
Bank Premises at not more than cost (less amounts written off).....	4,000,000.00	
Real Estate other than Bank Premises.....	173,620.79	
Liabilities of Customers under Letters of Credit (as per Contra).....	3,368,066.53	
Other Assets not included in the foregoing.....	210,543.49	
	<u>\$259,481,663.25</u>	

H. V. MEREDITH,  
PRESIDENT.

FREDERICK WILLIAMS-TAYLOR,  
GENERAL MANAGER.

# THE BANK OF MONTREAL

## Proceedings at the 97th Annual Meeting of Shareholders.

The 97th annual general meeting of the shareholders of the Bank of Montreal was held in the board room of the head office of the bank on Monday, December 7th.

The meeting was addressed by Mr. H. V. Meredith, the president, and Sir Frederick Williams-Taylor, the general manager.

### THE PRESIDENT'S ADDRESS.

In moving the adoption of the annual statement, Mr. H. V. Meredith, the president, said:—

The statements presented to you will, I trust, be received with satisfaction.

While profits show a diminution compared with those of the preceding year, the shrinkage is mainly attributable to the fact that during the world-wide disturbed financial conditions which have existed, we deemed it prudent to forego the profit on a portion of our liquid reserves ordinarily carried abroad and having an earning power. These we transferred to our vaults to provide against every possible contingency, and to support, if required, the general financial situation in Canada.

I feel sure this course of action will meet with your approval. The year, I need hardly say, has been an eventful and anxious one.

### POSITION IN GREAT BRITAIN.

In Great Britain the period immediately antecedent to the declaration of war was marked by considerable ease in the money market, coupled with a slight recession in trade, following a long period of unrest and depression caused by the Balkan chaos and other adverse factors.

The outbreak of hostilities brought about the collapse of the whole financial fabric, the closing of the bourses and a world-wide financial cataclysm. For a time at least a condition of well nigh general insolvency was threatened. The steps which were taken to cope with the crisis are of too recent occurrence to require reiteration.

Britain's command of the sea was undoubtedly the chief factor in bringing about a recovery of confidence, but great credit is due to the government and their able financial advisers for their bold and statesmanlike views of the situation and their prompt action in meeting the crisis, as well as to the Bank of England for the courage and activity with which the plans of the government were carried out.

The great latent wealth of the Empire has been demonstrated by the patriotic response to the recent government loan, and this is being followed by the removal of barriers to trade which is now once more approaching a normal condition. What the consequences of the war will be must depend, I think, to a large extent on the duration of hostilities.

Whether a long period of depression and economy, in order to replace the wasted wealth of the world will follow its conclusion, or whether the removal of political apprehensions and the prospect of a long era of peace will bring about an immediate restoration of prices—not alone of commodities but of stock exchange and of other securities—it would be idle at the moment to predict.

In either event, all borrowing countries, including Canada, must expect their facilities to be largely curtailed while the wastage of war is being repaired.

### IN THE UNITED STATES.

In the United States, the revival of business which had begun to be perceptible met with an abrupt check upon the declaration of war, and in consequence of the cutting off of supplies of European capital, plans for development and expansion in all directions were either deferred or abandoned.

Notwithstanding that the Western sections have reaped more than usually bountiful crops, the tendency there, as elsewhere, is towards general curtailment and the avoidance of capital expenditure.

These conditions do not appear to result so much from an absence of resources or unsound trade as from doubts and uncertainties touching the future, affecting corporate bodies as well as all classes of the community. This distrust will, no doubt, gradually disappear and conditions right themselves in time. The increased prices, together with shipments of grain and food stuffs, and the large sale of war materials are having a stimulating effect on business generally, and gradually offsetting the adverse balance of trade.

The embarrassments caused by the disarrangement of the foreign exchange market have been largely overcome.

There appears to be a growing feeling in favour of giving

some measure of relief to the railways by way of increased freight rates so that they may be the better enabled to negotiate securities to meet their present needs and to provide for necessary expansion.

The coming into force of the Federal Reserve Banks' operations should cause an easing money market until commercial activity absorbs the free funds created thereby, and it will likely prove a potent factor in restoring normal conditions throughout the country, as well as preventing those periodical crisis which have been so disturbing in the past.

The opening of the exchange has helped to relieve an acute cotton situation. It has also been further considerably eased by the declaration that cotton will not be considered contraband. The operations of the New York stock exchange are gradually being extended and the fact of its now having been opened, even with restrictions, has had a good sentimental effect upon the whole financial situation.

### POSITION IN CANADA.

In Canada, a period of several years of remarkable growth and progress was accompanied by large—and in some cases imprudent—capital expenditures by industrial, municipal and other corporations, and an ambitious programme of railway construction, made possible by the ease with which money could be obtained.

These conditions were taken advantage of by company promoters and speculators to bring about unduly inflated and fictitious values, and the extent to which these were carried directed suspicion and distrust of our economic position in the money markets of the world, followed by a close scrutiny of our securities and a curtailment of money supplies so essential to our development.

The ensuing check caused embarrassment in some instances, but had a salutary effect on the country in general, as it brought us to realize the fact that unproductive expenditures must of necessity cease for a while, and our efforts be directed towards development of natural resources, accelerated by a large flow of immigration.

It fortunately happened that for over a year previously, our manufacturers and merchants, preparing for such a contingency, had entered upon a period of curtailment and readjustment; and our economic position had been approaching a more normal condition. They were, therefore, the better able to meet the shrinkage in their turn-over occasioned first by restricted demands and now by the war.

I refer to these somewhat trite matters because the halt in business presently experienced may create in the public mind a more gloomy view than is warranted by actual conditions. It is well to remember that for a decade the commercial expansion of Canada was really abnormal.

A decline in the foreign trade of the country had set in before the outbreak of war, and has been accentuated by that event. In the seven months ending October 31st last, the value of merchandise imported, exclusive of specie, was \$286,800,000, or \$103,700,000 less than in the corresponding period of the preceding year. On the other hand, the value of Canadian produce exported has been fairly well maintained, having been for the seven months \$226,757,000 as compared with \$245,550,000 a year ago. The adverse balance of trade has, therefore, been reduced from \$145,000,000 to \$60,000,000 in this period, a substantial improvement of \$85,000,000, the more satisfactory in view of the practical closing of the London money market to Canadian loans. The transportation interests of Canada have also been benefited by an increase in the value of exports of United States products through our ports from \$19,000,000 in the seven months period of 1913 to \$41,600,000 this year.

### LEGITIMATE BUSINESS SOUND.

I am glad to be able to say that from the reports which reach me from all parts of the country, legitimate business is fundamentally sound. While trade generally is quiet, and in many branches restricted, especially those dependent upon construction work, there is compensation, in a measure, by activities in others which provide the vast supplies required by the war.

A general suspension of new undertakings is apparent. Agriculture—the backbone of the country—continues prosperous, notwithstanding a shorter crop yield, owing to the high prices being paid for grain and other farm products. The great increase in the number and value of live stock in the Northwest is especially gratifying.



**LONDON & LANCASHIRE FIRE**  
INSURANCE COMPANY LIMITED

**ONTARIO AND NORTH WEST BRANCH**  
8 Richmond Street, East, TORONTO

**PROVINCE OF QUEBEC BRANCH**  
164 St. James St., Cor. St. John St., MONTREAL



**LONDON & LANCASHIRE GUARANTEE & ACCIDENT CO.**

**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 \$20,000,000

**FIRE** ..... On every description of property. 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.

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

<b>CANADIAN DIRECTORS</b> { Hon. C. J. Doherty G. M. Bosworth, Esq.	Alphonse Racine, Esq. Alex. L. MacLaurin, Esq.	Canadian Manager, P. M. WICKHAM, Montreal
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### ROYAL EXCHANGE ASSURANCE

Founded A.D. 1720

Losses paid exceed \$235,000,000

Head Office for Canada  
Royal Exchange Building  
MONTREAL  
ARTHUR BARRY, Manager



Head Office: Royal Exchange, London

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

FOUNDED 1792.

### INSURANCE COMPANY OF NORTH AMERICA

PHILADELPHIA, PA.

CAPITAL	\$4,000,000.00
SURPLUS TO POLICY HOLDERS	8,844,871.95
ASSETS	17,816,188.57
LOSSES PAID EXCEED	159,000,000.00

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

### THE LIFE AGENTS' MANUAL - \$3.00

Published by The Chronicle, Montreal

### THE LAW UNION & ROCK

INSURANCE CO. LIMITED, LONDON.      Founded in 1806

Assets Exceed - \$48,500,000.00

Over \$12,500,000 invested in Canada.  
FIRE and ACCIDENT RISKS accepted.  
Canadian Head Office: 57 Beaver Hall Hill.  
MONTREAL.

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

<h3 style="text-align: center;">MOUNT ROYAL ASSURANCE COMPANY</h3> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">PAID UP CAPITAL</td> <td style="width: 50%; text-align: right;">\$250,000.00</td> </tr> <tr> <td>TOTAL FUNDS</td> <td style="text-align: right;">729,957.36</td> </tr> <tr> <td>NET SURPLUS</td> <td style="text-align: right;">202,041.02</td> </tr> </table>	PAID UP CAPITAL	\$250,000.00	TOTAL FUNDS	729,957.36	NET SURPLUS	202,041.02	<h3 style="text-align: center;">The NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE.</h3> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">SUBSCRIBED CAPITAL</td> <td style="width: 50%; text-align: right;">\$2,000,000</td> </tr> <tr> <td>TOTAL FUNDS</td> <td style="text-align: right;">7,491,300</td> </tr> <tr> <td>NET SURPLUS</td> <td style="text-align: right;">1,857,160</td> </tr> </table>	SUBSCRIBED CAPITAL	\$2,000,000	TOTAL FUNDS	7,491,300	NET SURPLUS	1,857,160
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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.

## THE BANK OF MONTREAL—Continued:

Farmers are preparing to increase the acreage of land under crop, and manufacturers are taking advantage of the situation to extend their sales where foreign competition, for the time being, has been eliminated. There is, moreover, an undiminished confidence in the future which is an asset of no little importance.

Considerable unemployment exists, but the extent of it is probably over-estimated, and I think our position in this respect will compare favorably with that of other countries.

These conditions are overshadowed at the moment by a war so disastrous and so unexpected that even yet many of us do not grasp the full significance of it all. New local conditions and new problems had to be met.

### GOVERNMENT'S WISE COURSE.

The wise and timely action of the Finance Minister in providing facilities for rediseout, and in making Bank Notes legal tender, had a steadying effect throughout the country, and has enabled the Banks under all circumstances to meet the legitimate demands of business and to keep in hand ample resources against deposits.

Power was taken by the Government to declare a moratorium, but fortunately it has not been necessary to put this into effect, for all must recognize the supreme consideration of maintaining our credit in the money markets of the world.

The war, by closing the financial markets of all countries, has precluded us from obtaining capital for construction and development work and so long as these conditions prevail, it will be necessary for us to conserve our resources rather than proceed with other than unavoidable capital expenditure.

The financial fallacy of issuing inflated currency for such purpose—abundantly proved by experience of other countries—is well known, and Canada is to be congratulated on having avoided the miseries of a depreciating paper currency.

In this connection I may remind you there is a homely adage that "no one has yet succeeded in lifting himself by his boot straps."

Nor should it be forgotten that we have a large foreign interest indebtedness to be liquidated by exports or new borrowings.

For the latter, the London market being now less available, we shall have to rely partly on such facilities as the United States market can offer and, in a measure, upon our own resources, to solve the problem of restricted trade and shrinking revenue, as well as to meet maturing interest, capital commitments, and other obligations.

### FOREIGN RESERVES VALUABLE.

Our reserves abroad have proved valuable in this connection as they are enabling us to conserve the gold supply of Canada.

War and other adverse conditions are bound to retard our progress. A period of rest and recuperation may be expected, but the future depends to a great extent upon the spirit with which the people meet the changed conditions.

Economy and prudence in the matter of expenditure, and an earnest effort to increase production of exportable articles, will in time usher in an era of active trade and renewed prosperity.

There is no question in my mind that after a pause, the duration of which will be determined by the measure of our production and by our savings, we shall again enter on a period of progress and development, and that pause, I believe, will not be long continued.

Mr. R. B. Angus seconded the motion for the adoption of the Report, which was carried unanimously.

### THE GENERAL MANAGER'S ADDRESS.

Sir Frederick Williams-Taylor, the General Manager of the Bank, then made his annual address, as follows:—

Gentlemen:—This Bank is now approaching its centenary, but never before in the ninety-seven years of its history has the annual balance sheet been presented to the Shareholders under such universally perturbed financial conditions as exist at the present time.

For the sake of consecutiveness and as a natural preface I may say that since the outbreak of the present war all courses have ceased to transact business. In consequence throughout the world at large Stock Exchange securities have become unrealizable except by limited sale and slow process.

In a sense a large part of the trading and manufacturing world has undergone a course of declension towards first principles. The most readily saleable commodities in large volume now are the necessities of life, either direct or represented by commercial paper, and the appliances created by man for the destruction of life.

As the President has ably reviewed the general trade and financial situation both in Canada and at the chief centres abroad, my duties are confined to an explanation of the most important features in the accounts I have the honour to submit to you and the points arising therefrom.

It is pertinent to interject that the interests of the Bank of Montreal have become of such an international character that one cannot adequately analyze and comment upon our balance sheet without at least reference to London and New York.

### LONDON.

The interest taken by Canada in the London financial situation is due to a combination of firm patriotism and monetary dependence. Not only are we solicitous for the welfare of our Empire's financial centre, but the Dominion has financed its requirements in that market to an extent obvious enough to the few but only recently fully appreciated by the people of this country as a whole.

It might be added without boastfulness that this Bank's London business has steadily increased in importance step by step with the development of our country until we have attained a prestige, and what has been termed by others a unique position among Colonial Banks represented in the great metropolis, that you, its Shareholders, can regard with a measure of national and may I say individual pride.

### NEW YORK.

We are naturally greatly interested in New York conditions, as not only is that city the Clearing House of North America, but also the channel through which the bulk of our foreign exchange transactions pass. Further the financial relations of the two countries become more intimate and further dovetailed with the ever-increasing establishment in Canada of branches of great American industrial companies.

### POLICY-LIQUIDITY.

It is common knowledge that the policy of this Bank is conservatism, a policy that tends in prosperous days to arouse in some quarters a measure of criticism, but one meeting with unstinted approval in times as troublous as those we face at present.

Thanks to a reasonably liquid position, the unexpected outbreak of war found us not unprepared. It was an easy transition for us to convert into actual cash and bank balances, to the extent we deemed advisable, our secondary line of defence in the shape of other reserves held, as you are aware, in London and New York.

### PROFITS—PATRIOTIC FUND.

As banks are not eleemosynary institutions, it is our duty to earn for the shareholders such measure of profit as is consistent with the safe employment of your capital and the deposit monies entrusted to our care. Under normal conditions our first consideration has ever, as you know, been safety, but with the financial world out of joint we have felt it our duty, both in self protection and in a desire to bear our share of the national burden in safeguarding the general situation to take additional precautions. In pursuance of this policy our cash reserves and bank balances have been brought up to a percentage point that seemingly precludes danger.

Naturally the greater volume of money unemployed, the smaller our profits. Nevertheless we are gratified to have been able to comfortably earn our customary dividend, continue the semi-annual bonus of 1 per cent., and at the same time to have made, in our opinion, full provision for realized and prospective losses.

The \$100,000 gladly voted by your Directors for national patriotic purposes was taken out of the year's profits.

### DEPOSITS.

For obvious reasons it is natural that bank deposits throughout Canada should decline as they have done to a slight extent, the grand total of all the banks to the end of October being \$1,144,199,224, as compared with \$1,146,739,868 a year ago. During the same period our own deposits have increased by \$7,649,836.11 exclusive of deposits made by and balances due to other banks in Canada, which have increased by \$5,570,032.53.

### CIRCULATION.

Our notes in circulation are \$169,837 greater than a year ago.

### QUICK ASSETS—CURRENT LOANS.

As before intimated our quick assets have increased during the year, the ratio to liabilities to the public being 55.17 per cent. at the end of October, 1914, as compared with



# The Employers' Liability

## Assurance Corporation Limited

" " " OF LONDON, ENGLAND " " "

TRANSACTS:

Personal Accident, Health, Liability,  
Fidelity Guarantee and Fire Insurance.

*Most Liberal Policies Issued*

Offices: MONTREAL, TORONTO

Managers for Canada, GRIFFIN & WOODLAND.

JOHN JENKINS, Fire Superintendent.

Canadian  
Government  
Deposit over  
**\$1,340,000**

**STANDS FIRST**  
In the liberality of its Pol-  
icy Contracts, in financial  
strength, and in the liber-  
ality of its loss settlements

## THE CANADA ACCIDENT ASSURANCE COMPANY

HEAD OFFICE: Commercial Union Building, MONTREAL

CAPITAL \$500,000.00

Personal Accident, Sickness, Plate-Glass, Guarantee and Liability  
Insurance.

Board of Directors:

S. H. EWING, President J. S. N. DOUGALL, Vice-President  
HON. N. CURRY, JAMES MCGREGOR, J. K. OSBORNE, T. H. HUDSON  
T. H. HUDSON, Manager.

Branches: MONTREAL VANCOUVER CALGARY REGINA

FOUNDED 1871

## The OCEAN ACCIDENT & GUARANTEE CORPORATION, Limited of LONDON, England

Accident, Health, Employers' Liability, Guarantee and Plate Glass Insurance  
UNRIVALLED SECURITY LIBERAL POLICIES

ASSETS EXCEED - - - \$14,500,000  
CLAIMS PAID, over - - - \$50,000,000

Canadian Head Office - - - TORONTO, Ontario

CHARLES H. NEELY, General Manager.

WHY NOT HAVE THE BEST ?

## The Globe Indemnity Company of Canada

Head Office, MONTREAL.

formerly--The Canadian Railway Accident Insurance Company.

DIRECTORS --J. Gardner Thompson, President. Lewis Laing, Vice-President. A. G. Dent, W. Molson MacPherson,  
T. J. Drummond, Sir Alexandre Lacoste, Martial Chevallier, Sir Frederick Williams-Taylor,

JOHN EMO, General Manager & Secretary.

ROBERT WELCH, Assistant Manager.

Transacts ACCIDENT INSURANCE, SICKNESS INSURANCE, LIABILITY INSURANCE IN ALL ITS BRANCHES,  
AUTOMOBILE INSURANCE IN ALL ITS BRANCHES, BURGLARY INSURANCE, GUARANTEE INSURANCE.

Policies issued by this Company are the most liberal and up-to-date issued in Canada, free from unnecessary restrictions  
and conditions.

All policies guaranteed by the Liverpool & London & Globe Insurance Co., Ltd.,; assets over Sixty Five Million  
Dollars (\$65,000,000.00.)

## THE BANK OF MONTREAL—Continued.

4.69 per cent. at the same date in 1913. It is satisfactory to be able to state that this has been accomplished without restricting the legitimate demands upon us by our merchant and manufacturing clientele in Canada. It is the case that our current loans in Canada, which, as you are aware, are mainly to the mercantile community, are lower now by \$10,172,653.79 than they were at the corresponding date last year, but I desire to make it quite clear that the reduction was ante bellum, and that there has been an increase of over three million dollars in such loans and of over thirteen million dollars in total loans in Canada since the outbreak of war.

It is only fair to add that the wisdom of keeping our secondary reserves,—viz.: our call loans—in London and New York instead of in Canada has once again been strikingly demonstrated. If the war had found us in a reverse position it would have indeed been a serious matter, not only for ourselves but for the entire community. In other words, the wisdom of this Bank in having its call loans available outside of Canada in time of stress is now being splendidly justified.

### MUNICIPALITIES.

Our loans to Municipalities stand at \$9,017,324.26 as compared with \$5,227,905.74 at the corresponding date last year. A very large proportion of this sum has been advanced in anticipation of tax payments.

Loans have been made against the security of debentures in certain instances, but only as a matter of public policy to enable our civic clients to pay for work to which they were committed, or where the health or safety of the citizens was at stake. We have felt it our duty to urge upon both our Provincial and Municipal friends the wisdom if not the imperative necessity of refraining from committing themselves to fresh capital outlay and of limiting their expenditure to essential undertakings. I am glad to be able to say that as a rule our advice has been well received, and in most cases conscientiously followed.

### PROVINCES.

I would now like to briefly recite to you the situation as we find it in our various Provinces.

#### PROVINCE OF ONTARIO.

General conditions in Ontario are moderately satisfactory. Crops have been quite good, with high prices, and profitable results have accrued generally to those engaged in agricultural pursuits.

The lumber trade is dull.

The production of silver in the Cobalt District shows a slight falling off.

Manufacturing has been quiet, with a material reduction in the labour employed, particularly in those industries producing machinery and agricultural implements.

Wholesale conditions are reasonably satisfactory, but retail merchants are feeling the decreased volume of business consequent upon reduced wages and pay-rolls.

Urban real estate is inactive, but a lower level in prices is inevitable.

#### PROVINCE OF QUEBEC.

Reasonably satisfactory conditions prevail throughout the Province of Quebec, which, if less progressive than some of its sister Provinces, is also for the same reason less liable to periods of depression.

Agricultural conditions have been reasonably good.

The lumber trade has had an average year and the price and demand from Great Britain are improving, due to the closing of the Baltic and the curtailment of the cut in Russia consequent upon mobilization.

Manufacturing industries have been quiescent with fewer operatives employed, but textile and certain other lines are stimulated by orders from abroad.

There has been little movement in real estate, but nominal values have not appreciably fallen.

#### MARITIME PROVINCES.

Though the Maritime Provinces are not enjoying the same measure of prosperity as a year ago, economic conditions may be summed up as being fairly healthy, and surprisingly good as compared with those the world over. This, perhaps, may be attributed to the fact that previously there has been an absence of inflation and fictitious prosperity, and consequently no severe reaction.

The farmers are more than usually prosperous. The apple crop has been large and of excellent quality, but this unfortunately is offset by the low prices prevailing.

Much money has been invested in the black fox industry, but this business has proved hazardous, and the possible result of a marked decline in prices must not be overlooked.

The demand and price for lumber declined during the early part of the year, but the foreign trade is improving with a resultant upward tendency in prices.

The fishing industry has been less satisfactory. The catch shows a reduction and lower prices prevail.

There has been a diminution of upwards of 250,000 tons in the coal mined in Nova Scotia as compared with last year, largely accounted for by the partial closing down of steel plants and other allied industries. This unfavorable feature of the situation is reflected in the manufacturing towns.

### NORTH WEST PROVINCES.

In the North West Provinces agriculture and stock-raising are of primary importance, and all other industries and businesses are more or less directly or indirectly dependent upon the success of the farming community.

The results of the crop for the year 1914 have been satisfactory. Certain districts suffered severely from drought at the critical period, and the total yield is consequently less than last year, but with the higher prices prevailing the value of the grain produced is somewhat greater. More land is being brought under cultivation, and owing to the early harvest and favourable autumn it is expected that a record acreage will be under crop next year.

Mixed farming is receiving more attention with gratifying results and more live stock is being raised.

The flour mills are well employed, but other manufacturing industries are quiet.

Trade conditions are not altogether satisfactory, but credit is granted less freely than formerly.

There has been a decline in realty values with few transactions.

The North West Provinces undoubtedly are passing through a period of stress, but with their great areas of good farm lands still uncultivated capable of producing vast food supplies, we look to the future with a justifiable measure of confidence.

### PROVINCE OF BRITISH COLUMBIA.

British Columbia, after nearly two decades of almost continuous prosperity, development and expansion in business is now suffering from reaction, accentuated by the general commercial depression and world-wide financial distress.

Agricultural conditions continue to show improvement. Crops are good, but the prices for fruit have not come up to expectations. There is a tendency to increase the production of live stock, for which the demand is good.

It is a matter of common knowledge that the lumber business has been in an unsatisfactory state resultant upon over production, restriction in building operations throughout the West, and American competition.

It is estimated that the total mineral production for 1914 will be 75 per cent. of last year. Consequent upon the inactivity of the smelters, the collieries also are not doing so well, and the output of coal has been greatly diminished.

The fisheries have had a successful season. The salmon run has been good with a ready demand and satisfactory prices. The halibut catch also has been satisfactory, but the market is less so.

Provincial and municipal expenditure is of necessity being curtailed.

The year 1914 has marked an almost complete cessation in real estate speculation with a general decline in values.

### NEWFOUNDLAND.

General conditions in Newfoundland, England's oldest colony, cannot be described as altogether satisfactory.

The pulp and paper industry is normal. The catch of codfish, the great staple product of the country, has been smaller than usual and the outbreak of war practically demoralized for a time the usual markets, resulting in a slackened demand and low prices. In both, however, I am glad to state an improvement is now perceptible. The seal catch was almost up to the average but the lobster catch has been unsatisfactory.

As trade conditions in Newfoundland are governed almost entirely by the return from fisheries, business generally is affected disadvantageously this year and the immediate outlook is somewhat uncertain. Nevertheless it is well to bear in mind that the Island's all important product is a staple article of food and it may be that the war, so far disadvantageous, may presently prove otherwise.

# THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated : 1833.

HEAD OFFICE : TORONTO

**Old Reliable Progressive**  
Assets over - - \$2,300,000.00  
Losses paid since organization  
over - - \$37,000,000.00

### DIRECTORS :

W. R. BROCK, President

W. B. MEIKLE, Vice-President

ROBT. BICKERDIKE, M.P.  
H. C. COX  
JOHN HOSKIN, K.C., LL.D.  
D. B. HANNA  
ALEX. LAIRD  
Z. A. LASH, K.C., LL.D.

GEO. A. MORROW  
AUGUSTUS MYERS  
FREDERIC NICOLLS  
JAMES KERR OSBORNE  
COL. SIR HENRY M. PELLATT  
E. R. WOOD.

W. B. MEIKLE,  
General Manager

E. F. GARROW,  
Secretary

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



**NORWICH UNION**  
FIRE INSURANCE  
SOCIETY LIMITED  
*Norwich, England*

INSURANCE AGAINST:

FIRE ACCIDENT AND SICKNESS  
EMPLOYERS' LIABILITY PLATE GLASS

Head Office for Canada . . . . . TORONTO  
Head Office for Province of Quebec, . . . . . MONTREAL  
Agents wanted for the Accident Branch.

JOHN MacEWEEN, Superintendent for Quebec.

**The LIFE AGENTS MANUAL, \$3.00**  
THE CHRONICLE - MONTREAL

First British Insurance Company Established in Canada

A. D. 1804

## Phoenix Assurance Co. Ltd.

OF LONDON, ENGLAND. (Founded 1782)

**FIRE**

**LIFE**

TOTAL RESOURCES, over - - \$78,500,000.00  
FIRE LOSSES PAID - - 425,000,000.00

DEPOSITS with Federal Government and  
Investments in Canada, for security  
of Canadian policyholders only, exceed 2,500,000.00

AGENTS WANTED IN BOTH BRANCHES. Apply to  
**R. MacD. Paterson, | Managers.**  
**J. B. Paterson, |**

100 St. Francois Xavier St. - Montreal

Established 1864.

## New York Underwriters Agency.

**A. & J. H. STODDART** REGISTERED  
100 William Street, NEW YORK

### PROVINCIAL AGENTS.

MURPHY, LOVE, HAMILTON  
& BASCOM,  
Toronto, Ont.

OSLER, HAMMOND & NANTON,  
Winnipeg, Man.

ALFRED J. BELL,  
Halifax N.S.

AYRE & SONS, LTD., St. Johns, Nfld.

JOHN WM. MOLSON  
& ROBERT Y. HUNTER  
Montreal Que.

WHITE & CALKIN,  
St. John, N.B.

EDMUND T. HIGGS,  
Charlottetown, P.E.I.

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

## L'UNION

**FIRE INSURANCE COMPANY, Limited**

Head Office : PARIS, France.

Established 1828

Capital fully subscribed . . . \$ 2,000,000.00  
Net Premiums in 1913 . . . 5,561,441.00  
Total Losses paid to 31st Dec., 1913 90,120,000.00

Canadian Branch:

LEWIS BUILDING 17 ST. JOHN STREET, MONTREAL

Manager for Canada :

**MAURICE FERRAND.**

## BRITISH COLONIAL FIRE INSURANCE COMPANY

Office : ROYAL BUILDING, 2 Place d'Armes, - Montreal.

**STRONG AS THE STRONGEST**

Agents wanted in Unrepresented Districts

President : HON. C. E. DUBORD

Director and Secretary : THEODORE MEUNIER

Manager : H. W. THOMSON.

INSPECTORS.

GAVIN BROWNE, Jr., 51 Yonge Street, Toronto, Ontario.

R. T. BROWN, P. O. Box 849, Regina, Sask.

B. A. CHARLEBOIS, P. O. Box 208, Montreal, Que.

**THE BANK OF MONTREAL—Continued.**

**MEXICO.**

Conditions in Mexico continue disturbed with business practically at a standstill and it is problematical when a more settled state of affairs may be expected.

The business of our office in Mexico City has been reduced to the lowest possible limit and is being ably conducted under exceptionally trying conditions.

**THE EFFECT UPON CANADA.**

Your President has adequately reviewed the general situation in a masterly manner that makes further remarks superfluous, but perhaps I may be permitted to say in summary of my own comments that from a financial point of view the outstanding result of the war upon Canada has been the instantaneous stoppage of the supply of British capital to which we had become so accustomed that sight was too frequently lost of its importance as a factor in the development of the Dominion.

Money from this source flowed to us in such increasing volume that during a considerable ante bellum period it amounted in round figures to at least \$25,000,000 per month. Canadian public borrowings from the London money market for the seven months ending 31st July were \$177,000,000. Since the outbreak of war the inflow of such capital has ceased.

This monetary deprivation, coupled with the necessity of using our earnings and income for the purpose of paying to Great Britain interest on our indebtedness of \$2,800,000,000 to London has brought home to us the extent to which the London money market and the British investor have been our friends, indeed our partners, in what might be termed this colossal Canadian enterprise.

**TRADE.**

The trade situation we are now facing is that, owing to our present inability to borrow by public process in the London market, we seemingly must limit our imports to the approximate volume we are able to pay for in exports, or we must borrow elsewhere; that is, in the natural assumption that we wish to avoid reducing our cash capital.

There is an alternative, for it will be obvious to the most uninitiated that if our good neighbors in the United States

desire us to purchase from them in anything approaching the volume of the past, they must, at least during the war, whilst the London market for public flotations is closed, provide us with the wherewithal in the shape of loans to our principal public borrowers. If they adopt this course, and a commencement has already been made, it will be clearly advantageous to them and to Canada.

**HOW CANADA IS STANDING THE STRAIN.**

In conclusion, the financial position of our country now is that, consequent upon the prompt measures adopted by our Minister of Finance, and, owing to the elasticity and excellence of our banking system, Canada is standing the strain without collapse. We are adjusting ourselves to the heavy burden thrust upon us without warning whilst in the constructional stage, and though here and there weak spots will develop, the general structure will surely stand the strain, and we hope and believe, we, as a country, can safeguard the situation.

It is obvious to everyone in the Dominion and to our friends abroad that we are cast upon our own resources, that we are on trial, and that our future development will depend in no small measure upon the condition in which we emerge from this trying ordeal. The longer the duration of the war, the more will the colonial props of the Empire, including Canada, suffer, but good will come out of evil, for our energies will be turned to the development of our great natural wealth, particularly our vast agricultural resources, and we can then look forward with confidence to eventually emerging from present conditions a wiser people with our affairs on a healthier, more normal and sounder basis than that with which we were threatened.

**ELECTION OF DIRECTORS.**

The result of the ballot for the election of Directors was declared by the Chairman as follows: Messrs. R. B. Angus, D. Forbes Angus, A. Baumgarten, Huntly R. Drummond, C. B. Gordon, E. B. Greenshields, C. R. Hosmer, Sir William C. Macdonald, Hon. Robert Mackay, Wm. McMaster, H. V. Meredith, D. Morrice, Sir Thomas Shaughnessy, K.C.V.O. The meeting then terminated.

At a subsequent meeting of the Directors, Mr. H. V. Meredith was re-elected President.

**THE NOVEMBER FIRE LOSS.**

The losses by fire in the United States and Canada during the month of November as compiled from the records of the New York Journal of Commerce aggregated \$21,372,750, as compared with \$15,207,600 charged against November last year, an increase of over six million dollars for the month. The losses for the eleven months of 1914 already reach a total of \$212,084,200, as against \$208,596,900 for the same months in 1913. The following table gives a comparison of the losses by months this year with those of the same months in 1913 and 1912, together with the monthly record for the balance of those years:

	1912.	1913.	1914.
January . . . . .	\$35,653,150	\$20,193,250	\$23,204,700
February . . . . .	28,601,650	22,084,600	21,744,200
March . . . . .	16,650,850	17,511,000	25,512,750
April . . . . .	16,349,400	16,738,250	17,700,800
May . . . . .	21,013,950	17,225,850	15,507,800
June . . . . .	16,103,450	24,942,700	29,348,000
July . . . . .	15,219,100	20,660,900	17,539,800
August . . . . .	14,158,800	21,180,700	11,765,650
September . . . . .	13,779,300	17,919,300	14,383,050
October . . . . .	13,651,650	14,932,750	14,004,700
November . . . . .	16,172,300	15,207,600	21,372,750
<b>Total 11 months . . . . .</b>	<b>\$207,335,600</b>	<b>\$208,596,900</b>	<b>\$212,084,200</b>
December . . . . .	17,967,000	16,126,450	.....
<b>Total for year . . . . .</b>	<b>\$225,302,600</b>	<b>\$224,723,350</b>	.....

During the month of November there was an unusually large number of serious fires, no less than 362 being reported as having caused property damage of \$10,000 or over in each instance.

The fire underwriters generally have had a very bad year and November appears to have involved risks that were heavily insured, so that the insurance companies have been caught to an expensive extent, says the Journal of Commerce. The prospect for December indicates another costly month and even without any conflagration in the remainder of 1914 it will be a conspicuously bad year.

Since the above was written the costly Edison fire at West Orange, N.J., has taken place with an estimated loss to the fire companies of \$2,000,000. The Edison buildings were alleged to be "fireproof."

**MUTUAL LIFE OF CANADA.**

The new Agents' Journal issued by the Mutual Life of Canada has an appropriate Christmas flavour about it. Inspiring messages to the staff are contributed by the general manager, secretary, actuary and others and as usual the general contents of the magazine are cheerful and instructive.

The new United States revenue stamp tax on fire insurance policies will be paid by the companies, pending the conduct of a friendly suit in States which have ruled against its collection from the assured. As the tax law expires by limitation December 1, 1915, and it will take about a year to get such a suit through the courts, it is not apparent that the companies will be able to save much if anything on this item of expense.



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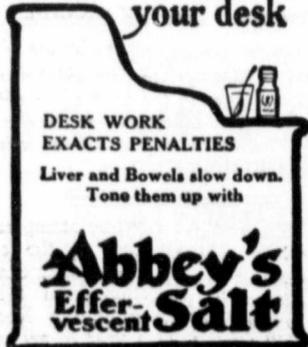
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