

The Chronicle

Banking, Insurance and Finance

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THE GENERAL FINANCIAL SITUATION.

The announcement of a close working agreement between the Royal Bank of Canada, and one of the great English banking institutions, the London County, Westminster and Paris Bank Ltd., will not have come as a surprise to readers of this column, where a development of this kind was forecasted several months ago. The move is a logical step in that policy of vigorous expansion by the British banking institutions which was begun a year or eighteen months ago in anticipation of post-bellum opportunities and since the armistice, has been pushed with great rapidity. Within the last few months, several of the English institutions have announced new connections in various European countries, in South America, and in other parts of the world, and it was obviously merely a question of time and opportunity before one or other of them turned to the matter of strengthening Canadian connections. It seems not at all improbable that the present arrangements between the Royal and the London County, an arrangement which has obvious advantages for both sides, will be followed in due course by one or more similar arrangements between other Canadian and British banking institutions. Such arrangements are important means to the end of building up afresh the resources of the British Empire as a whole and of developing the reciprocal trade of the Mother Country and the Dominions. At the present time, Canadian banking institutions, as well as their British confreres, stand at the threshold of a new era of development, of which some signs have been seen during the last few months, and it would not be surprising if some of the larger Canadian institutions, which perhaps hitherto, have not cultivated the British end of Canadian banking business to any extent, found it well worth their while to open up new connections in this direction.

The financial community has been to some extent interested in the flotation of the U. S. Victory Loan which has been started this week, from the point of view of its bearing on the next Canadian Government domestic issue. Such an issue is apparently scarcely likely before the fall, but under the new circumstances of 1919 as compared with 1918 and 1917, the problems which it will present will be new in a number of respects. Clearly, Canada's next domestic loan will be more of a finan-

cial and less of a purely patriotic effort than its predecessors. The principal appeal of overwhelming need, which was so prominent before will be absent. Two outstanding features of the U. S. loan which have attracted attention are its short date, and the fact that two classes of notes are being issued, one exempt from taxation; the other only partially exempt. These are two important points, which it appears not unlikely will also appear in any new domestic financing by the Canadian Government for the purpose of clearing up the debris of war finance. Under the new conditions, such attractive terms as those which marked the last two loans will scarcely be necessary; at the same time a fairly attractive rate of interest will be needed in order to make certain the loan's success. On the other hand, with interest rates tending to decline—and the movement in this direction during the last few months has, in Canada, at least, been a good deal faster than many good judges anticipated—the Minister of Finance will not be anxious to issue a security of longer term than is necessary as a condition of a successful flotation. As regards the matter of freedom from taxation, Canadians as a whole are perhaps not yet thoroughly accustomed to the idea of Dominion taxation on incomes and freedom from taxation has a considerable sentimental, as well as practical appeal. But it will possibly be found by the fall that some restriction on the freedom from taxation which marked the last two loans can be safely made without endangering the loan's success, and sane revision of terms in this direction, looking towards a partial exemption only may, we think, be anticipated with sane confidence.

A good many of the political "platforms" which are making their appearance just now need not receive too much attention. At an unsettled time like the present, anyone with a sufficiently strident voice and a stock of impossible ideas can get a hearing and a certain following in Canada as electors. But the growing strength of the Western farmers' organization demands that some attention should be paid by business men engaged in other lines than farming to the "platform" which has lately been put forward by the Canadian Council of Agriculture. A good many of these proposals for the reduction of the tariff, etc., naturally would, if adopted, involve a heavy loss of revenue,

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BANK OF MONTREAL

ESTABLISHED OVER 100 YEARS (1817-1910)

Capital Paid up, \$16,000,000

Rest, \$16,000,000

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Commercial Letters of Credit and Travellers' Circular Letters issued, available in all parts of the world.

EDWARD C. PRATT

General Manager

The Chronicle

Banking, Insurance and Finance

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MONTREAL, FRIDAY, APRIL, 25th, 1919

THE GENERAL FINANCIAL SITUATION.

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and it is interesting to note the suggestions made to compensate for this condition of affairs. Of five proposals, the first is for a direct tax upon all unimproved lands, including all natural resources. This ignores the altogether elementary fact that many holdings of this character remain undeveloped over a comparatively long period of time, not from any unwillingness of the owners to develop them—the majority of investors are scarcely so foolish as not to wish to turn prospective into actual profits—but because they are not ripe for development through lack of transportation facilities or similar causes. The farmers' second proposal, that of a graduated personal income tax is already in existence, and the necessities of the revenue, apart altogether from the cutting off of present sources of the Dominion's income, ensure its continuance at least at a moderately high level for a considerable number of years. The third proposal is for a graduated inheritance tax on large estates. The provinces already levy substantially in this direction, and while there is a good deal to be said in favour of inheritance taxes, administered with some regard to equity, they can easily become oppressive. The fourth proposal is for a graduated income tax on the profits of corporations. As to this, it may be remarked that through the Business Profits War Tax, there has been a very substantial graduated tax on these profits in force during the last two years as many corporations know to their cost, and if the Business Profits War Tax is not renewed at the present session of Parliament, its place to some extent is almost certain to be taken by an enlarged income tax. The farmers also advocate "the retention by the Crown of all natural resources, and their use only under short-term leases, such leases to be granted only by public auction." How in the name of commonsense, the farmers expect large amounts of capital, amounting in some individual cases to hundreds of thousands of dollars, to be invested without any security of tenure, passes comprehension—the thing is absolutely absurd on the face of it. The fact of

the matter is that the farmers, as represented by their spokesmen, who formulated these claims, will have, like some other classes of the community, to broaden their horizon considerably, before they can lay any claim to careful attention for any constructive proposals they have in mind.

The immense scale of the credit operations between the Dominion Government and Great Britain is perhaps not generally appreciated and it is worth while to give the figures as they were announced by the Minister of Finance in the House of Commons the other day. At the 31st March, last, there were outstanding loans to Great Britain aggregating \$476,030,144, and contra advances by the British Government to the Dominion of \$214,133,333. Last year, an amount of \$392,638,797 was written off advances to Great Britain, against advances from Great Britain. Thus the total of Canadian Government advances to Great Britain up to the 31st March last is something like \$870,000,000. This does not take into account the advances made from time to time by the banks. The extent of Canada's financial effort during the war thus appears to have been considerably larger than is, we think, generally supposed.

BANKERS' TRUST COMPANY, MONTREAL,

Mr. James Elmsly Appointed Manager.

The Bankers' Trust Company recently organized by the directors of the Merchants Bank with an authorized capital of \$1,000,000 will open for business in the Merchants Bank building, St. Peter Street entrance, on 1st May. Its organization at this time, following the establishment in Montreal of two other important financial institutions, is an indication of the expansion that may be looked for in Montreal, as the financial centre of the Dominion. We understand that branches of the new company will be established at other important points in due course.

The appointment of Mr. James Elmsly as manager of the Bankers' Trust Company is officially announced. Mr. Elmsly was formerly Montreal manager of the Bank of the British North America and recently secretary of the Prudential Trust Company. He is a capable financial man with great experience and well known in Montreal, and throughout Canada. His appointment as chief executive of the above important institution will no doubt be in the interest of all concerned.

DEATH OF MR. JAS. MCGREGOR.

As we go to press we regret very much to learn that the death occurred of Mr. Jas. McGregor yesterday afternoon for very many years manager for Canada of the Commercial Union and Palatine Insurance Companies, after an illness extending over two years. Further details will appear in our next issue.

TRAFFIC RETURNS

Canadian Pacific Railway

Year to date	1917	1918	1919	Increase
March 31.....	\$30,465,000	\$32,154,000	\$ 35,770,000	\$3,839,000
Week ending	1917	1918	1919	Increase
April 7.....	2,830,000	2,984,000	2,921,000	*63,000
" 14.....	2,833,000	2,935,000	2,868,000	*67,000

Grand Trunk Railway

Year to date	1917	1918	1919	Increase
March 31.....	\$ 13,532,631	\$ 9,443,876	\$14,003,850	\$4,599,974
Week ending	1917	1918	1919	Increase
April 7.....	1,215,768	1,012,494	1,274,553	262,059
" 14.....	1,103,119	1,058,517	1,263,483	204,966

Canadian National Railways

Year to date	1917	1918	1919	Increase
March 31.....	\$14,835,731	\$ 19,571,851	\$19,571,851	\$4,742,120
Week ending	1917	1918	1919	Increase
April 7.....	736,200	1,569,763	1,450,444	*119,319
" 14.....	881,600	1,671,776	1,583,458	*88,318

*Decrease.

LETTERS OF CREDIT
FOREIGN DRAFTS
TRAVELLERS' CHEQUES

Letters of Credit or Drafts issued to over 1,500 principal points in the Kingdom and the world-wide British Empire, and countries of Europe and Asia not still under the war ban.

Travellers' Cheques supplied good everywhere in Canada and the United States.

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2111 Ontario East, cor. Davidson Street.
1318 Wellington Street, Verdun.

CANADA PLANS FOR EUROPEAN MARKETS.

Canada's plans for the extension of its European trade are discussed in an article published in the "Financial News" London, which says:

"Most well-informed business men in this country are aware that there is established in London a Canadian Economic Commission under the chairmanship of Lloyd Harris. It cannot be too well-known, however, what is the precise purpose of the Canadian Government in sending a compact and highly efficient organization of business men to London to form a kind of commercial embassy.

"The Canadian Trade Mission" in London was formed by an order in council primarily to secure for the agricultural and other products of Canada their appropriate share in the markets of the world during the period of reconstruction after the war. The mission has nothing to sell and nothing to buy. It exists to facilitate trade between Canada and the United Kingdom and other countries. 'We are here to get business and to help you to get business,' says Lloyd Harris. Everybody knows Canada as a great agricultural dominion, but during the war Canada has discovered herself manufacturally as well as agriculturally.

"The position may be stated in striking figures: In the year to March 31, 1914, Canada's exports of manufactures were valued at \$57,000,000; in 1918 the manufactured exports amounted to \$636,000,000. The exports of agricultural products in 1914, were valued at \$198,000,000, and in 1918 they had risen to \$567,000,000. This was a

miracle of expansion, and when the war ended the Dominion was faced with the complex problem how to maintain this development, especially of manufactured products. The Trade Commission was established to advise the Government of the best methods of solving this problem.

"The problem is one of finance as well as industry. When Lloyd Harris was called to Ottawa to discuss the whole subject, he said to the Minister of Finance: 'It is no use going from Canada to compete in new markets without being placed in a position to do what the United States is doing by financing the people with whom you wish to do business. Canada is willing to raise a construction loan for public works to create employment in the Dominion. Why not use some of this money for the purpose of lending it to countries to assist them in paying for the necessary supplies which they can buy from Canada?' That is the plan which the Trade Commission is following.

"Mr. Harris went to the devastated areas of France and Belgium, and he found that the opportunities of doing business there were relatively small. France has made up her mind to do her own reconstruction. She will have to buy a tremendous amount of stuff, but Mr. Harris formed the opinion that neither in France nor Belgium could Canada expect to find a big permanent market for its products. So he looked farther afield, and is taking a keen interest in Roumania and the Balkan States.

"Here, he says, you have a population of 40,000,000 to 50,000,000 who have been dealing largely with Germany in the past, and are crying out for assistance to get away from the Germans. The Roumanian situation is very acute. The Germans took all their railway cars. They had 1,200 locomotives before the war; now they have 60 in operation. They are starving and they have no means of distributing food. We are going to give Roumania all the assistance she needs.

"In Serbia and Poland we find the same conditions. They want seed grain and agricultural implements, but they are short of money. In the past Great Britain has made large investments in South America, building railways, docks and all sorts of things. England has 60 per cent. of the railway securities in South America; but has she 60 per cent. of the trade? The Germans did not do business in that way. They invested their money in financing trade, and what we in the British Empire have to do is to extend all the credit we can to Poland, Roumania, Serbia and Greece. There are markets and millions there to supply. We ought to and must supply them, and in doing that we shall be helping to arrest the spread of Bolshevism, which can be stamped out by the provision of food and work.

"That is the task which the Canada Trade Mission has set before it. We are not here to ask any favours, but simply to work together with the

business men of this country and do something to strengthen the bonds of the British Empire.

"We are not here as a glorified selling agency for Canadian manufacturers and producers, but to investigate the situation and markets, provide the fullest information, advise our Government as to credits, and so help them as much as we can to get business. The only thing that will save Great Britain is trade and more trade, and we in Canada want to co-operate with the business men in the United Kingdom, because it will help us all if we all work together."

HOW CHINA CONDUCTS ITS BUSINESS.

"Business Methods in China," forms the subject of a report to the Canadian Department of Commerce by Trade Commissioner J. W. Ross, which contains much of interest. The report states:

In seeking for trade with China it must constantly be borne in mind that it is the Chinese consumer whose tastes must be catered to. The comparatively small foreign population in the country represents a proportionately small demand, which can be easily and quickly supplied, but it is the ever increasing consumption of foreign goods by the native population which must determine the volume of the export trade with the country.

The foreign merchants in the large ports are the only direct importers, and practically all exports also pass through the same hands. The Chinese merchant has not yet reached to the importance of a direct buyer or seller himself, and all his dealings with other countries are done through foreign firms or agents. His orders are booked either from samples or catalogues, and for many lines of goods, notably piece goods, from well known brands or chops.

Knowledge of Language.

A knowledge of the native language, in order to do business successfully in China, while undoubtedly of use, is not absolutely necessary; in fact, there are so many local dialects that it is almost impossible for anyone to master many of them. The most that one can hope to do is to acquire a partial knowledge of the spoken language in the port wherein he conducts his business. The written characters are quite beyond the efforts of all but the very few.

Many successful merchants have resided in China for years and have never attempted to acquire a knowledge of the Chinese tongue, and the necessity for it is yearly diminishing. Young Chinese are leaving the schools and colleges yearly, all having a fairly good knowledge of English, and it is never difficult to find assistants and clerks who are both able to speak and write in that language.

The Chinese compradore represents a type of business man who has been much written about in relation to Chinese commercial methods, and even

in China the term has rather a wide application. Suffice it to say, in respect to this important official, that no foreign business house can successfully conduct its affairs without the assistance of a compradore.

The compradore is always a man of high business character. He is usually a man of wealth or commands wealth, and quite often is the descendant of a family of former compradores. In the case of a bank he is familiar with Chinese currency and finance. He fully understands the value of provincial and other currency and is an expert in exchange. He knows the standing and resources of all native banks and the quality of native commercial paper. He is, in fact, the Chinese manager of the bank, and is responsible to it in his transactions with their native customers. He holds the position through his character as a man of high financial standing as well as by heavy guarantees.

A great deal of the business of the country is done by means of samples, catalogues and price lists, but the last two are not sufficient of themselves; for the Chinese buyer always wants to see a sample of the goods whenever possible. The foreign firms of China are of almost every nationality, with the unfortunate exception of Canadian; British, American and Japanese firms largely predominate.

Some of these houses have been established in China for over fifty years, and a number of them have branches in the four leading ports named above, and several have also agencies in many of the smaller ports, and are thus in close touch with Chinese buyers everywhere. A great many are engaged in both import and export business. They do not carry stocks, but deal in everything. Some are large Government contractors; they can sell you anything from locomotives or field guns to a few cases of soap. Cotton piece goods largely predominate, however, for this is the chief British trade with China. Their export trade consists of tea, and silk, raw cotton, hides, wool, seeds and oil, egg products, peanuts and all native products for which there is a demand in foreign countries.

With the exception of a few drapery, jewellery and chemists' establishments in Shanghai and three or four other ports, the retail trade of China in foreign goods is entirely in the hands of Chinese; as the Chinese are the chief consumers, this of necessity must be the case. Shanghai may be taken as a guide to the conditions which generally prevail throughout the whole of China, with the exception that there are certain foreign and native shops here which cater not only to the foreign trade but to the high class native trade. Foreign drapery stores in Shanghai—the largest port in China—can be numbered on the fingers of one hand, and were it not for their Chinese patronage, the volume of their business would be materially less than it is. The drapery or dry goods sold in these stores come chiefly from England, with some

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THE OLDEST AMERICAN STOCK FIRE INSURANCE COMPANY

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

ROBERT HAMPSON & SON, LIMITED GENERAL AGENTS FOR CANADA MONTREAL

A few of the many advantages in representing The Manufacturers Life are:
COMPANY'S NAME IS A HOUSEHOLD WORD IN CANADA, KNOWN AND APPRECIATED BY NEARLY SEVENTY THOUSAND SATISFIED POLICYHOLDERS;
SPECIAL PLANS AND RATES FOR TOTAL ABSTAINERS;
LOW ANNUITY RATES; SPECIAL DISABILITY FEATURES;
OVER THIRTY YEARS OF UNINTERRUPTED PROGRESS.

We have several attractive openings, particulars of which will be given on request.

**THE MANUFACTURERS LIFE
INSURANCE COMPANY**

TORONTO CANADA

HOW CHINA CONDUCTS ITS BUSINESS

(Continued from page 415)

from France and America. Certain of these shops are in a way departmental stores. Two of them maintain excellent provision departments, and one has an extensive furniture factory which is run in-connection with the business.

The nearest approach to the modern departmental store are two large concerns which have been established in Shanghai within the past year. These are large and handsome shops, each five stories in height, with lifts and all modern appliances. They are owned, managed and manned entirely by Chinese, no foreigners whatever being employed in any capacity. They have motor car deliveries to all parts of Shanghai, and are open every day in the year, Sundays included. They deal in all the lines usually found in departmental stores, and handle Chinese as well as foreign goods. These two shops are constantly crowded on every floor, and the yearly turnover in sales must be very large.

Of next importance to these large shops in the retail sale of foreign goods are probably the provision dealers; these are often called compradores or storekeepers. Certain of these dealers do a very large business; they are usually able to undersell the foreign stores by 10 to 15 per cent., and so have among their customers many foreign people.

EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED.

There is no similar undertaking that we know of which within the same space of time, has attained to such gigantic proportions or achieved so brilliant a success as the Employers' Liability Assurance Corporation. That its business continues to expand at an unprecedented rate, was evidenced at the 38th annual meeting held last month in London. The results would also indicate that the large volume of business written is sound in quality, in addition to being remunerative to a most satisfactory degree. The chairman, Lord Claud Hamilton in submitting the report to the shareholders said: "I should be failing in my duty if I did not refer specially to the admirable management in the United States of our manager, Mr. Appleton and his State agents, and in Canada to our manager, Mr. Woodland, and to Mr. Jenkins, our fire manager. These gentlemen have loyally and ably carried out the instructions of the London board."

Simplicity itself is embodied in the clear and concise manner in which the gigantic results attained, are set forth in the accounts. The total premiums for 1918 were \$25,478,509 compared with \$16,983,154 for 1917. This large increase of no less than \$8,493,355 is all the more notable as the increase in premiums for previous year was the largest that had ever taken place in the Corporation's history. It is again satisfactory to note that the increase for 1918 was derived from

every country operated in and in every class of business. The payments under policies amounted to \$10,343,912 figuring a ratio of 40.6 per cent. compared with a ratio of 45.8 per cent. for 1917. After payment of commissions, expenses of management, etc., the insurance fund was increased from \$12,783,498 to \$17,879,624, a growth of \$5,096,126. This fund is equal to 70.2 of the premium income of 1918.

The Employers' Liability may claim to have initiated the policy of confining dividends to interest earnings. The dividends now payable free of income tax are more than covered by net interest receipts of \$722,350. Details of the balance sheet given on another page show total assets have increased from \$21,379,580 to \$30,710,362. Total reserves aggregate \$26,049,711. Investments in the highest class of securities total \$23,385,139 yielding annually a good rate of interest. Cash in hand and on current account amounted to \$966,300 compared with \$705,298 the previous year. Combining the investments and cash gives a total of \$24,351,439 at Dec. 31st, 1918, as compared with \$16,338,060 at Dec. 31st, 1917. There is the very large increase in these two items of no less than \$8,013,379.

The Corporation in Canada.

The Corporation has been operating in Canada for many years, with a strong organization, under exceptionally able management in both fire and casualty insurance, and notwithstanding the inroads in workmen's compensation business by some of the Provincial Governments, the Corporation completed the biggest year's business in its history in Canada, the total premiums amounting to \$2,067,009.

The premiums received are divided amongst the different classes as follows, viz:—Liability and Workmen's Compensation, \$659,797; accident, \$110,571; health, \$60,458; guarantee, \$75,242; burglary, \$876; automobile (excluding fire), \$166,530; automobile (including fire), \$43,409; fire, \$666,399; hail \$283,727.

During the year the Corporation took out licenses for hail, burglary, boiler and plate glass insurance, but has not yet commenced operations in the two latter classes.

The general results of the year's operations were satisfactory and particularly so in the automobile, hail and fire branches, the loss ratio in the latter being 45.52 per cent. The average loss ratio of the Fire Department in Canada, covering the eight years since it was organized, has been unusually favourable under the management of Mr. John Jenkins, Montreal.

A large organization in the various casualty lines including automobile insurance has been built up by the Employers' Liability in Canada. Mr. C. W. I. Woodland, of Toronto, general manager of the Corporation for Canada and Newfoundland, is recognized as an able casualty underwriter.

The Trust and Loan Co.

OF CANADA

Capital Subscribed \$14,000,000.00
 Paid-up Capital 2,920,000.00
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MONEY TO LOAN ON REAL ESTATE

30 St. James Street, Montreal

Prudential Trust Company

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	Transfer Agent & Registrar	Vaults
	Administrator Receiver Executor	Terms Ex- ceptionally moderate.
	Liquidator Guardian Assignee	
Trustee Custodian	Correspondence invited	
Real Estate and Insurance Departments Insurance of every kind placed at lowest possible rates.		

B. HAL. BROWN, President and Gen. Manager

YOU MAY BE A RICH MAN, SOME DAY

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

IS YOUR PROSPECTIVE INCOME INSURED?

The Mutual Life Assurance Co. of Canada
 WATERLOO, ONTARIO

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

The LIFE AGENTS' MANUAL
 THE CHRONICLE - - MONTREAL

BONDS

During the progress of the Great War our Bonds were freely purchased by experienced and prudent investors, including Fire and Life Insurance Companies, Fraternal and Benevolent Associations, etc

We issue them in sums of One Hundred Dollars and upwards for terms of one or more years. They are transferable and bear a very attractive rate of interest, for which Coupons payable half-yearly are attached.

The Corporation's large Capital (fully paid-up) and Surplus protect, beyond question, the funds of its Bondholders.

We welcome enquiries and will gladly furnish a copy of our last Annual Report and any further information desired on request.

Capital (Paid-up) and Surplus \$11,672,509.77
 Investments \$31,461,387.24

Canada Permanent Mortgage Corporation

Toronto Street - - - - - Toronto.
 Established 1855.

Western

Assurance Company

Incorporated in 1851

FIRE, MARINE, EXPLOSION AND
 AUTOMOBILE INSURANCE

ASSETS over \$7,000,000.00

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

DIRECTORS

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

HEAD OFFICE - TORONTO

A BRITISH COMPANY

Union Insurance Society of Canton, Limited

ESTABLISHED 1832

Head Office: HONGKONG

Assets over \$18,000,000

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

FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 36 Toronto Street, TORONTO

General Agent Montreal, JOSEPH ROWAT

Manager for Canada, C. R. DRAYTON

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED

LONDON, ENGLAND.

EXTRACTS FROM THE DIRECTORS' REPORT

The Directors submit to the Shareholders their Thirty-eighth Annual Report, together with the Audited Accounts to 31st December, 1918.

The premiums for the year are \$25,476,509, against \$16,983,150 for the year 1917.

REVENUE ACCOUNT, 1st January, 1918 to 31st December, 1918

(\$5—£1 Sterling)

JANUARY 1ST—

AMOUNT OF INSURANCE FUND AT THE BEGINNING OF THE YEAR:—	
Reserve for Unexpired Risks	\$ 6,856,548.00
Total Estimated Liability in respect of Outstanding Losses	5,926,950.00
	<u>\$12,783,498.00</u>

DECEMBER 31ST—

Premiums	
Fire	\$ 1,251,734.00
Marine	1,661,230.00
Accident	22,563,545.00
	<u>\$25,476,509.00</u>
Adjustment of Exchange	133,919.00
Transfer Fees	349.00
	<u>\$134,268.00</u>
	<u>\$38,394,275.00</u>

DECEMBER 31ST—

Payments under Policies including Medical and Legal Expenses in connection therewith	
Fire	\$ 551,146.00
Marine	619,460.00
Accident	9,173,306.00
	<u>\$10,343,912.00</u>
Commission	4,842,862.00
Expenses of Management	1,560,213.00
Contributions to Fire Brigades	8,700.00
Bad Debts	8,875.00
	<u>\$6,420,650.00</u>

AMOUNT OF INSURANCE FUND AT THE END OF THE YEAR:—

Reserve for Unexpired Risks	\$10,422,094.00
Total Estimated Liability in respect of Outstanding Losses	7,457,530.00
	<u>17,879,624.00</u>
Balance transferred to Profit and Loss Account	3,750,000.00
	<u>\$38,394,275.00</u>

Dr. BALANCE SHEET, 31st December, 1918 Cr.

LIABILITIES

SHAREHOLDERS' CAPITAL—	
100,000 Shares, \$50 each	\$5,000,000.00
To Capital—100,000 Shares, \$10 paid	\$1,000,000.00
" Amounts due to other Companies and Agents	1,958,281.00
" Unclaimed Dividends	2,234.00
" Outstanding Commission	1,013,748.00
" Outstanding Expenses	236,166.00
" Loss Deposit Account	222.00
	<u>3,200,651.00</u>
" Provision in Profit and Loss Account for Final Dividend, 1918	450,000.00
RESERVES—	
For Unexpired Risks	10,422,094.00
" Outstanding Losses	7,457,530.00
Investment Reserve	1,008,830.00
Special Reserve for Taxes	1,250,000.00
General Reserve	5,851,257.00
	<u>26,049,711.00</u>
	<u>\$30,710,362.00</u>

ASSETS

By Mortgages on Property within the United Kingdom	\$ 12,500.00
INVESTMENTS—	
British Government Securities	4,079,433.00
Bank of England Stock	57,722.00
Indian and Colonial Govern't Securities	625,819.00
Indian and Colonial Provincial Securities	174,729.00
Indian and Colonial Municipal Securities	365,457.00
Foreign Government Securities	5,365,255.00
Foreign Provincial Securities	529,069.00
Foreign Municipal Securities	6,387,474.00
Railway and other Debentures and Debenture Stock—Home and Foreign	5,351,376.00
Railway and other Preference and Guaranteed Stocks	51,673.00
Railway and other Ordinary Stocks	44,728.00
House Property	339,907.00
	<u>\$23,385,139.00</u>
" Branch and Agency Balances	5,398,065.00
" Interest and Rents accrued	258,951.00
" CASH—In hand and on Current Account	966,300.00
" Amounts due from other Companies	701,907.00
	<u>\$30,710,362.00</u>

CANADA BRANCH OFFICES: MONTREAL AND TORONTO
C. W. I. WOODLAND, General Manager } for Canada and Newfoundland
JOHN JENKINS, Fire Manager }

Commercial Union

ASSURANCE COMPANY LIMITED
of LONDON, England

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

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

Palatine

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December, 1917)

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

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

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

COMMERCIAL UNION BUILDING, - 232-236 St. James Street, - MONTREAL

J. MCGREGOR, Manager

W. S. JOPLING, Assistant Manager

Head Office for Canada: TORONTO



Eagle

Star

AND

British Dominions Insurance Company Limited

Of London, England

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

DALE & COMPANY, LIMITED
GENERAL AGENTS
MONTREAL AND TORONTO

Assets Exceed \$65,000,000

Head Office for Canada TORONTO



The BRITISH CROWN

ASSURANCE CORPORATION LIMITED

Of Glasgow, Scotland

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

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

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

Security over \$65,000,000

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

AGENTS

INSURANCE

BROKERS

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

11 ST. SACRAMENT STREET
MONTREAL, P.Q.

THE
FIRE INSURANCE COMPANY OF CANADA

MONTREAL

Authorized Capital, \$1,000,000

Subscribed Capital, \$250,000

Paid Up Capital, \$100,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

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

NEWARK FIRE INSURANCE COMPANY.

The Newark Fire Insurance Company has recently been licensed to transact the business, of fire and automobile insurance throughout Canada. This very old institution, incorporated in 1811 passed under the control of the Royal Insurance Co. in 1917 but has continued its separate existence as heretofore. The Canadian business of the company is under the management of Mr. William Mackay with Mr. J. H. Labelle as assistant manager, both gentlemen so well-known as manager and assistant manager, respectively, of the Royal and Queen Insurance Companies. We understand that Mr. A. F. Glover, Inspector of the Royal, has been specially detailed to take charge of the business of the Newark with offices in the Royal Building, Montreal. Mr. Glover is most popular and well-known among insurance circles in Montreal. The different branches of the Royal and Queen throughout Canada, will each take charge of the business of the Newark in their respective provinces. The strong organization and influential connections of the Royal throughout Canada will doubtless be a decided advantage to the business of its subsidiary, the Newark. In British Columbia, the Newark is already well-known, having been operating in that province for some years.

The Newark Fire Insurance has a high reputation, and has the aggressive and efficient backing of the Royal Insurance Company.

ROYAL INSURANCE COMPANY.

Mr. George Chappell, general manager of the Royal Insurance Company, who was recently visiting New York announced last week the appointment of Mr. Frederick W. Day as manager of the Royal's New York department to succeed Mr. Cecil F. Shallcross who resigned to become United States manager of the North British & Mercantile. He also made the appointment of Mr. William Mackintosh, Mr. Morton S. Lewis and Mr. Chas. R. Pitcher, as assistant managers, and Mr. Samuel H. Quackenbush as branch secretary. The new manager, Mr. Day, has been in the service of the Royal for thirty-eight years and for the past 16 years assistant manager at New York. He is considered one of the ablest underwriters in fire insurance, and for many years the details of underwriting in the Royals New York office have been under his guidance, so that the reputation of the Company, for liberality and stability of methods will continue unimpaired. The newly appointed assistant managers are all experienced men long enjoying the confidence of the staff and field force. Mr. Quackenbush now branch secretary is thoroughly adapted to Royal methods, and is known as a successful underwriter.

FIRE INSURANCE COMPANY OF CANADA.

Mr. J. E. Clement, general manager of the Fire Insurance Company, has returned from an extended business trip to the West, where he made the following appointments: The Kearney Agency, Limited, Moose Jaw, general agents for the Province of Saskatchewan; J. O. Miller Insurance Agencies, Calgary, general agents for Alberta and C. H. McFadyen & Co., Limited, Winnipeg, general agents for Manitoba. Mr. Clement reports business prospects in the West as being very bright, the people have unbounded confidence in the future. He also states that there has been a large influx of well-to-do American settlers this Spring, this applies more particularly to Southern Saskatchewan.

BOOM IN LIFE INSURANCE.

The great boom in life insurance business which has been under way during the first quarter of the year 1919 is participated in to some extent by all companies operating in Canada at the present time. The reports from various companies show astonishing results, indicating an increase in some cases of over 100 per cent. Three prime causes have been given to which the increase is attributed. The first of these, underwriters agree, is the influenza epidemic. So many young men were taken by the disease that other young men and members of the families stricken hastened to protect themselves with life insurance. Another cause given for the increase (and no doubt a predominant factor) is the prosperity the country now enjoys. With higher wages came a demand for insurance, which afforded a safe outlet for some of the money earned by all classes. A third and probably a very important factor in the increase is the war revenue tax and the high inheritance taxes imposed. Wealthy men and even men of moderate property are taking out additional life insurance policies, solely for the purpose of providing for these taxes, so that they may be promptly met without depleting their estates. Many of these policies are for very large amounts. The return of our soldiers is given as another reason for the jump in life insurance business, these men having learned the value of life insurance, and they urge their friends to take out life insurance. All these conditions have increased the demand for protection. Notwithstanding this prosperous condition of affairs in the business of life insurance, the heavy mortality as a result of last year's epidemic will no doubt have the effect of inducing most companies to proceed with caution in the selection of risks, at the same time keeping a sharp eye on the expenses involved in writing such large volumes of new business for which all the companies appear to be keen competitors.



THE EMPLOYERS'

Liability Assurance Corporation, Limited
of LONDON, England

Transacts
AUTOMOBILE INSURANCE
covering ACCIDENT, PROPERTY, DAMAGE, COLLISION, FIRE, THEFT
and TRANSPORTATION
PERSONAL ACCIDENT, HEALTH, LIABILITY, PASSENGER and FREIGHT
ELEVATOR, FIDELITY GUARANTEE, CONTRACT BONDS
and FIRE INSURANCE

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

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

APPLICATIONS FOR AGENCIES INVITED

Canadian
Government
Deposit
\$1,342,455.00

Stands First

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



TRANSACTS:

Personal Accident Automobile
Sickness Burglary
Liability [All Kinds] Postal
Fidelity Guarantee

HEAD OFFICE: 302 St. James Street, MONTREAL

R. WELCH, General Manager

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



AUTOMOBILE INSURANCE

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

The "OCEAN" can meet these requirements under one contract

Branch Office: MERCHANTS BANK BUILDING, MONTREAL

ARTHUR JAMES,
Superintendent.

H. GORDON WARING,
Inspector, Automobile Department.

Canadian Head Office: Ocean Insurance Building, TORONTO

The Dominion of Canada Guarantee & Accident Ins. Co.

The Oldest and
Strongest Canadian
Casualty Company

TRANSACTS:

ACCIDENT SICKNESS PLATE GLASS
BURGLARY AUTOMOBILE INSURANCE
GUARANTEE BONDS FIRE INSURANCE

E. ROBERTS, Manager
761, LEWIS BUILDING, MONTREAL

C. A. WITHERS, General Manager
TORONTO

Branches: WINNIPEG CALGARY VANCOUVER

FIRE RISK OF MOTOR CARS.

Musgrove vs. Pandelis, and Others.

An interesting case was recently decided before Mr. Justice Lush in England, in which the plaintiff claimed damages on the ground that owing to the negligence of the defendants, his premises were injured by fire. In his statement of claim he alleged that the servant of the defendant Pandelis, a man named Coumas, through inexperience, had struck a match and thrown it on the floor of a garage, thereby causing a fire in which he, the plaintiff suffered damage. At the close of the case the plaintiff pressed that point only faintly, but he complained that the defendant had been negligent by not diminishing the pressure in the carburetter of a motor-car in his garage, and had, therefore, been responsible for the fire. His Lordship did not think that it was a matter for complaint that the plaintiff altered his case after the hearing of Coumas's evidence. Coumas was the only person who knew what had happened, and it was not until he had given his evidence that the plaintiff could shape his case. On the part of the defendants the case was contested on the issue of negligence. At the eleventh hour it was contended for the defendants that the action was not maintainable because of the Fires Prevention (Metropolis) Act (14 Geo. III. c. 78), which provided that no action should be maintained against any person in whose house a fire should accidentally begin. That defence was not pleaded, but His Lordship, having come to the conclusion that under the Rules it should have been so, had given both parties leave to amend and treated the claim as containing an allegation that the fire was not accidental. The plaintiff had closed his case with the evidence that Mr. Pandelis sent his servant Coumas to clean the motor-car and that while he was doing so the fire broke out. Coumas was utterly unskilled in the use of motor-cars. He had had a few lessons in driving. The car had been backed up against the wall of the garage, and Coumas said that when he went to clean the car he could not get round it without moving it. He therefore turned the handle and started the engines, and switched on the electric lamps at the front and rear. When he turned the handle a flame shot up from the carburetter. No doubt the valve was dirty and a spark found its way out of the carburetter, which was at least a foot-and-a-half from any woodwork. What a prudent person ought to have done was to shut off the flow of petrol. Coumas, in not doing what he ought to have done, was negligent, and it was that negligence which caused the fire to be a source of mischief which must ultimately endanger the building. The defendants now relied on the statute. The question under it was: Did the fire begin accidentally? They said that it began in the carburetter accidentally, and that the accident

came within the statute. His Lordship agreed that the fire began accidentally, but he had to ask what was the meaning of the words of the Act "in whose house any fire should accidentally begin." At common law there was a presumption that every fire of which the origin could not be traced was kindled by the owner of the premises or his servant. If a householder could affirmatively prove that a stranger had kindled the fire, then he was not liable. The Statute of Anne was passed to relieve the householder from the severity of the common law, and it used language similar to that in the amending Act or 14 Geo. III. c. 78. He had to ascertain the meaning of "accidentally begin."

If a person through negligence caused a fire to be kindled and it spread to the property of another, that was not within the Act. But if a person brought on his premises anything which in the ordinary course of use was liable to cause a fire, and a fire was caused, the fire was not accidentally begun, although the act which first led to the fire was not negligent. A person who was mixing chemicals, for example, must know that as a natural consequence of his act a fire must sooner or later develop. If in such circumstances a fire did develop, that was not "accidental," and he could not claim the protection of the statute. There was evidence that fires caused by motor-cars were more or less common. Therefore a person who had a motor-car which would sooner or later cause a fire in the carburetter could not say in law that the kindling of the fire was "accidental." There was no reason why the principle of "Fletcher vs. Rylands" should apply to a traction engine and not to a motor-car. Therefore, the fire kindled by the servant in the circumstances of this case, whether he had been negligent or not, rendered the defendants liable. The fire in the garage did not begin when the carburetter ignited. No one in his senses could say that the premises went on fire the moment the flame appeared in the carburetter. Who could say that when chemicals in a bowl produced a flame the chemist's premises were on fire? The real question was, what was the efficient cause? The carburetter in this case was the "causa sine qua non," but it was not the efficient cause. If a man saw a live coal fall from the grate on the carpet of a room, or a lighted candle fall on the floor, and took no steps to quench either, His Lordship was not sure that it would be true to say that the fire which ensued was an accident. There must be judgment for the plaintiff.

THE OFFICE BOY'S CONUNDRUM.

The office boy was overheard giving the following conundrum to the loss clerk:

"Why does a certain firm of adjusters remind you of a crow?"

"Because of their Caws and Caws."

"The Oldest Company in America"

Issued its First Policy in 1843

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

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

For terms to producing Agents address

The Mutual Life Insurance Company OF NEW YORK

34 Nassau Street, New York City

THE London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1720

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

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

AUTOMOBILE INSURANCE

FIRE:-TRANSPORTATION:-THEFT:

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

For further particulars and rates apply to

The Provident Assurance Company
189 St. James Street, Montreal. Tel. Main 1626-7.
J. C. Gagne, Managing Director.

ATLAS ASSURANCE COMPANY LIMITED

Founded in the Reign of George III

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

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

Head Office for Canada:

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

Established 1886

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

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

Agents Wanted in Unrepresented Districts.

Managers for Canada:

Montreal Agencies Limited, Montreal



Assets:
\$30,389,461.55
Surplus:
\$8,824,000.31

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

L'UNION

FIRE INSURANCE COMPANY, Limited
Established 1828 Head Office: PARIS, France.

Capital fully subscribed \$2,000,000.00
25 p. c. paid-up
Fire and General Reserve Funds 5,949,000.00
Available Balance from Profit and Loss Account 113,266.84
Net Premiums in 1917 6,136,055.28
Total Losses paid to 31 Dec., 1917 104,117,000.00

Canadian Branch:

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

AVIATION INSURANCE.

The insurance of the various risks connected with aviation have been engaging the attention of casualty underwriters both on this continent and in Great Britain. The risks in connection with both heavier-and-lighter-than-air craft are likely to offer an important addition to the coffers of the progressive underwriters.

In Great Britain a powerful organization has been formed—The Aviation Insurance Association to transact insurance arising out of air craft risks at home and abroad.

Insurance will be obtainable against the following hazards, amongst others:

Liability for injury to the public or damage to property of the public;

- Loss or damage to goods in transit;
- Accidents to passengers and pilots;
- Damage to the machines.

Underwriting of aviation risks will until some reliable data is established be of a speculative nature and in many aspects will differ materially from liability and property damage coverage now granted under the law of reparation, or presumptive negligence. An air machine, if forced to descend, may not be able to do so within an authorized landing place, thus bringing in the law of trespass which would undoubtedly place graver responsibility on the owner of the machine.

CANADIAN FIRE RECORD.

Fire at Montreal.—On the 19th instant, a fire broke out on the premises occupied by the Canadian Pneumatic Tool Co., 345 Craig Street. Insurance as follows: On building, North British & Mercantile, \$6,000; Hartford, \$4,000. Total, \$10,000. Loss about \$8,000. On stock, Queensland, \$2,500; Niagara, \$3,500; Springfield, \$2,500; Pacific, \$1,500; Imperial Ind., \$5,000. Total, \$15,000. Loss about \$500. The Montreal Ice Cream Cone Co., occupied top of building, and will probably suffer a loss of a few hundred dollars.

Fire at Winnipeg.—On the 22nd instant a fire broke out in the premises of the Brett Carriage Manufacturing Company. The loss is fully covered by insurance and will probably amount to about \$15,000.

Fire near St. Boniface, Man.—On the 21st inst., about thirty cars of grain and coal were completely destroyed by fire on the C. N. R. track east of St. Boniface. Estimated loss \$90,000.

Fire at Havelock, Ont.—On the 19th inst., a fire destroyed the Bank of Toronto building, the Fennell Shoe Store, with considerable stock, and the Bell Telephone Exchange building. Loss about \$30,000.

Fire at London, Ont.—On the 13th instant, a fire broke out in the premises of the Beck Manufacturing Co. entailing a loss of about \$7,500.

BUSINESS IN THE MARITIME PROVINCES.

Describing the business situation in the lower provinces, the Maritime Merchant says:

The word which best seems to describe the general business situation throughout the provinces at present is the word comfortable. There isn't of course the same opportunity for money making as there was a year ago, but in no part of the country, not even in places like New Glasgow and Sydney, which naturally were most affected by the stoppage of munition orders, is there any distress, that is, if Dun's list of failures can be taken as a fair index to the situation. And aside from these places the volume of merchandising business would appear to be quite up to the average of normal times. Merchants of course are buying carefully, but they are also buying frequently, and in bulk their turnover for the first four months of the year should be not far short of the same period in 1918. The winter has been a poor one for lumbering in Nova Scotia, but it has not been so poor in New Brunswick. Later we may feel the effect of this in Nova Scotia, but it has not become noticeable as yet. The fishery situation too is not as satisfactory as one would like to see it, but a lot of things must happen between now and the end of the season, so it would be foolish to feel despondent awhile yet. A very large amount of money is being distributed throughout the country these days by the returned soldiers, who are getting back into civilian life. Merchants engaged in the men's furnishings trade are busier at present than they have been for several years. Wholesale houses report that in most part customers' paper is being looked after in a satisfactory way.

LABOR SITUATION IN CANADA.

President E. W. Beatty, of the Canadian Pacific Railway in an interview at Ottawa is quoted as saying that Canada will be able to absorb all available labor within a very few months. "I look for a very decided improvement in the labor situation," said Mr. Beatty. "I find everyone looking forward optimistically. The present stress is easing off and most business men are prepared to step off briskly once the peace treaty is signed." Mr. Beatty stated that the Canadian Pacific Railway had reinstated every man who had served in the Canadian armies and up to date 2,500 additional returned soldiers have been taken on the company's strength. The Canadian Pacific planned to enter more actively into construction work this year, and while no new works would be opened immediately several large construction jobs principally the extension of western lines and the general improvement of facilities would be commenced.



Security - - \$36,000,000
ONTARIO AND NORTH WEST BRANCH
 14 Richmond Street, East, TORONTO
PROVINCE OF QUEBEC BRANCH
 164 St. James St., Cor. St. John St., MONTREAL.



PERSONAL ACCIDENT **PLATE GLASS**
SICKNESS **AUTOMOBILE**
FIDELITY GUARANTEE **GENERAL LIABILITY**

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

Mount Royal Assurance Company

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

Applications for Agencies Invited

HEAD OFFICE - - - - MONTREAL

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

Established in Canada in 1821

1819 **AETNA (FIRE)** 1918

HARTFORD, CONN. U.S.A.

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

I. B. HUGHES, Special Agent, WATERLOO, ONTARIO
 J. R. STEWART, Special Agent, 34 Tavara St. S. S. TORONTO, ONT.
 R. LONG, Special Agent, 515 Yorkville Bldg., VANCOUVER, B. C.

Union Assurance Society, Ltd.

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

CANADA BRANCH, MONTREAL. T. L. MORRISEY, Resident Manager.
 NORTH WEST BRANCH, WINNIPEG. THOS. BRUCE, Branch Manager.

Agencies throughout the Dominion

EXCELSIOR

INSURANCE LIFE COMPANY
A Strong Canadian Company

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

The Law Union & Rock

INSURANCE CO. LIMITED, LONDON. Founded in 1866

Assets Exceed - - \$50,000,000.00

Over \$10,000,000 invested in Canada

FIRE and ACCIDENT RISKS accepted.

Canadian Head Office: 277 Beaver Hall Hill, MONTREAL

Agents wanted in unrepresented towns in Canada.

W. D. AIKEN, Superintendent. J. E. E. DICKSON
 Accident Dept. { Canadian Manager.

LIFE AGENTS WANTED FOR CITY OF MONTREAL

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

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

THE CONTINENTAL LIFE INSURANCE CO.

GEORGE B. WOODS, President.

TORONTO, Ont.

CHAS. H. FULLER, Secretar

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

The firm of C. R. G. Johnson Poirier & Jennings Inc., has recently taken possession of very spacious and conveniently situated offices on the ground floor Nos. 9 and 11 St. Sacrament Street in the same building in which the firm's old offices were located. The new offices are considerably larger, well lighted and better adapted to the growing business of this popular and well-known firm of insurance brokers.

METROPOLITAN LIFE INSURANCE COMPANY.

The board of directors of the Metropolitan Life Insurance Company announces, that at its regular meeting held on the twenty-second day of April, 1919, it elected:

President—Haley Fiske, connected with the Company for nearly forty-six years, and its Vice-President for over twenty-seven years.

Vice-President—Frederick Hudson Ecker, in the service of the Company nearly thirty-six years, and its Treasurer for thirteen years.

Treasurer—Henry Waterman George, in the service of the Company over twenty-nine years, and its Assistant Treasurer for over six years.

A Second Vice-President — Francis Oliver Ayres, in the service of the Company nearly twenty-seven years, its Fourth Vice-President for over thirteen years, and one of its Third Vice-Presidents for over two years.

A Third Vice-President—George Benjamin Scott, in the service of the Company nearly thirty-six years, an officer for fifteen years, and one of its Fourth Vice-Presidents for over two years.

A Third Vice-President—James Edward Kavanagh, in the service of the Company over twenty-one years, and one of its Fourth Vice-Presidents for over two years.

AMERICAN COMPANIES MAY ENTER GREAT BRITAIN.

The Spectator, New York, says :—

Preparations for the extension of business into foreign fields by American fire insurance companies are proceeding steadily. A few American institutions have transacted some marine and casualty business abroad heretofore, but not on an extensive scale. The movement to expand the business of the fire companies so as to embrace other countries follows upon the belief that export trade in general will grow largely in the next few years, and that American houses shipping goods abroad or establishing foreign offices will be glad to have insurance facilities afforded them by American concerns. An investigation of the conditions in Great Britain and other countries is now under way, and it is anticipated that arrangements will be completed in the near future for the entry of several of the largest American fire companies in

England. It still remains to be decided whether they will operate there individually or through a common representative, and their plans will depend largely upon the report to be received from the gentlemen who are now examining the conditions and requirements in their behalf.

THE MORAL HAZARD IN FIRE INSURANCE.

There may be considerable uncertainty as to the relation, if any, existing between business failures and moral hazard in fire insurance. Nevertheless it is of interest to underwriters that during March fewer failures were reported than in any month in twenty-six years, and that the number for the first quarter of the year is the smallest for that period in thirty-eight years. Every year insurance companies are using mercantile reports more freely to assist them in underwriting, and in time a more definite relation between failures and moral hazard may be recognized.

WANTED

An established Company with its Head Office in Regina, Sask., is open for a Provincial Agency of a good Casualty Company writing Accident, Sickness, Liability and Automobile insurance; also a Provincial Agency for a strong Life Insurance Company, prepared to give a good Commission Contract. Excellent connections throughout Province. Large Volume of Business. Address:

A. U. B.,
c/o The Chronicle,
Montreal.

WANTED

Young Man, 25 years old, six years' experience in Fire Insurance Office, both languages is open for a position. Address:

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c/o The Chronicle.
Montreal.

WANTED

Cancellation and Endorsement Clerk for a large English Fire Office; one with experience preferred. Apply to

P. O. Box, 3189, Montreal.

Canadian Banking Practice

On Sale by The Chronicle, Montreal



BRITISH COLONIAL FIRE INSURANCE COMPANY MONTREAL

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

General Fire Insurance Business Transacted

THEODORE MEUNIER
Manager

THE YORKSHIRE INSURANCE COMPANY, LIMITED

ESTAB. 1824

YORK, ENGLAND ASSETS EXCEED \$23,000,000

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

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

APPLICATIONS FOR AGENCIES are invited from responsible persons.

DALE & COMPANY, Limited

Marine and Fire Underwriters

CORISTINE BUILDING, - MONTREAL

All classes of Insurance underwritten or placed in reliable companies.

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

THERE ARE REAL OPPORTUNITIES

awaiting men of ability and integrity to represent a company which has a national reputation for financial strength and progressive management. The positions available are particularly attractive and lucrative, and the salesmen who take advantage of these opportunities will be well repaid.
Write for particulars of our liberal agency agreements.

THE NATIONAL LIFE

ASSURANCE COMPANY OF CANADA

HEAD OFFICE - - - - TORONTO

INSPECTING AND REPORTING.

(Prize Essay by A. S. Booth "London & Lancashire Fire.")

An Inspector on being requested by his office to make an inspection of a particular risk should observe the following suggestions:

Before leaving the office, study the risk for inspection from Goad's Plan so that on arriving at the risk you know the construction, and have a very good idea of the general layout of the risk, including exposure, if any, and on going through the risk itself he has a much better idea of the ground to cover.

An Inspector on calling at a particular risk for inspection should, as far as possible, obtain the services of a competent employee to act as guide, and also to give him necessary information regarding various matters. We shall take for example a three storey (and basement) building, occupied by various tenants for mercantile purposes.

Basement.

In the basement the Inspector will probably find a hot water or low pressure steam furnace (heating entire building) and fuel. Inspector should examine carefully installation of furnace, note fuel used, and general cleanliness and care, and if there is an elevator shaft extending to basement, Inspector should pay special attention to cleanliness at foot of said elevator shaft. If building has private protection of any kind, Inspector should see that said protection is extended to cover basement, as this is a very important matter, as it seems to be the general impression with the insuring public, that it is not necessary to extend private protection to the basement.

Ground Floor.

Inspector finds that ground floor is occupied as a retail dry goods store. Very little advice can be given to inspector with reference to this particular floor with exception of ascertaining, if a line of millinery is kept in stock, and if so, obtain value of millinery stock as compared with value of dry goods, also arrangement of stock, cleanliness and private protection, if any.

Second Floor.

Inspector finds second floor occupied as a whitewear factory; he should ascertain the number of hands employed, light, private protection, power, and if electric, Inspector should examine carefully location of electric motor and if motor is located in a wooden enclosure, he should pay particular attention to cleanliness in said covered box or enclosure, and if cuttings or other refuse has been allowed to accumulate in this motor enclosure (or, in fact, in any other out-of-the-way place) ask the manager of the factory to take the necessary steps to have these defects remedied at once, and also suggest that it should be the duty of a competent and trusted employee to keep the electric

motor enclosure in clean condition, as well as the entire flat.

In all whitewear factories gasoline or benzine is used for removing stains from material and Inspector should ascertain the quantity kept on hand of this volatile and if this volatile is kept in and used from safety cans or any other non-approved receptacles. The inspector should also make enquiries regarding the storing, collecting and removal of factory clippings. Pending removal clippings should be kept in metal lined boxes with automatic covers. In all whitewear factories a certain amount of ironing is done before finished stock can be removed from factory, and Inspector should enquire if gas or electric irons are used, if electric, each iron should be equipped with a pilot light. It is also necessary to see that each iron, whether gas or electric, is provided with a safety stand.

Third Floor.

The Inspector on proceeding to third floor finds that this floor is occupied as a boys' clothing factory; Inspector should again ascertain the number of hands employed, power, and if electric, should examine carefully the location of the electric motor, and cleanliness of enclosure, if any, about the motor, light and private protection.

Gasoline or benzine is also used in this particular class of risk, with few exceptions, for cleaning purposes and Inspector should again enquire as to the amount kept on hand and if kept in and used from safety cans or other non-approved receptacles. He should also pay special attention to the irons used and if this hazard is well guarded; Inspector should pay particular attention to general cleanliness, including the storing of clippings, pending removal, also quantity and location of lubricating oils. All wooden flooring under machinery should be protected by metal and drops of oil should be removed daily; all oily waste or rags should be disposed of daily, and not thrown carelessly into a pile of clippings or other refuse. The Inspector should also enquire if employees are allowed to smoke on the premises.

The Inspector should pay special attention to building defects such as, open elevator shafts and stairways, and if any of these defects exist he should advise the proper authorities of the reduction in rates to be obtained, if vertical openings are properly cut off on each floor, and do his utmost to have such defects remedied. On inspecting various floors of building the inspector should note the nationality of the tenants, and if possible note the values and insurance carried.

The Inspector on arriving at his office must write a full report on risk inspected giving the name of the proprietor of the building and also names of the various tenants of the building (with their nationality) light, heat, power, exposure, if any, and also the occupancy of each floor with the hazards pertaining to the work on each particular

(Continued on page 431)

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1833

**Fire, Marine, Hail and
Automobile Insurance**

HEAD OFFICE: TORONTO

Old	Reliable	Progressive
Assets over	- - -	\$3,500,000.00
Losses paid since organization	over	- - - \$43,000,000.00

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MONTREAL

NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST

**Fire, Accident and Sickness
Employers' Liability
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AGENTS WANTED FOR THE ACCIDENT BRANCH.

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

FOUNDED A. D. 1819

THE GENERAL FIRE INSURANCE COMPANY OF PARIS, FRANCE

SURPLUS TO POLICYHOLDERS, \$5,528,500

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

The Travellers Life Assurance Company

of Canada

HEAD OFFICE: MONTREAL

Hon. GEO. P. GRAHAM, President

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

First British Insurance Office Established in Canada, 1804

INTENDING ASSURERS

Should read the "THREE MINUTES" Leaflet

of the

PHOENIX ASSURANCE COMPANY, Limited
OF LONDON, ENGLAND (Founded 1782)

Copies of this and full information regarding the Company's system, its equitable principles and liberal policies, may be obtained at the Head Office,

100 St. Francois-Xavier Street, Montreal

The Company offers to the Public every advantage which

LIFE ASSURANCE

conducted under the most favourable conditions is capable of affording:

At the BONUS DIVISION for the five years ending 31st DECEMBER, 1915

A UNIFORM ADDITION of \$75 per \$1,000 was declared on all classes of Full-Bonus Policies, at the rate of \$15 per \$1,000 assured in respect of each full annual premium paid since 1st January, 1911. This bonus applies to new as well as existing policies.

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

Agents Wanted

ESTABLISHED 1864.

New York Underwriters Agency

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REGISTERED

100 William Street - New York

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MURPHY, LOVE, HAMILTON
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WHITE & CALKIN
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AYRE & SONS, LTD.
St. John's, Nfld.

T. D. RICHARDSON, Supt. for Canada
TORONTO

Founded
A. D.
1710

SUN INSURANCE OFFICE

Head Office: Threadneedle St., London, Eng.

**THE OLDEST INSURANCE
OFFICE IN THE WORLD**

Canadian Branch:

15 Wellington St. East
TORONTO, Ont.

LYMAN ROOT
Manager

INSPECTING AND REPORTING

(Continued from page 429)

floor, and he should not overlook to report on the quantity of volatile liquids kept and used on each ter studying the information the Inspector was floor and also if said volatile liquids are kept in and used from safety cans or other open or non-approved receptacles. He should also make a point of mentioning private protection, if any, and whether this protection applies to one floor or to the entire building, if night watchman is employed in building; Inspector should report floors covered and if standard clock is used, also the number of stations and their location.

The Inspector in writing his report should endeavour to clearly convey by his advices all information he has obtained so that his office may be in a position to judge the desirability of the risk assent out to obtain.

PENSIONS.

Canada's yearly pension bill is estimated by the Minister of Finance at \$30,000,000. This is a minimum figure. How is this vast sum to be administered? To whom will pensions be paid?

A huge organization has been built up to handle pensions promptly, smoothly, fairly. At its head is the Board of Pension Commissioners, which is to be developed as a civil rather than as a military body. It consists of three men, each appointed for ten years, and each devoting his whole time to his duties as a Commissioner. At present they are administering 60,000 pensions.

The Head Office is at Ottawa, and there are seventeen local branches in the principal cities of Canada. These branches receive applications from soldiers' dependents for pensions; send "Visitors" to call on pensioners in their homes; hold medical re-examinations and handle complaints. The Board keeps a representative travelling from coast to coast interviewing pensioners and addressing organizations interested in their welfare. He has already conferred with more than 30,000 pensioners. An important branch is in operation in London, England.

A pension is not a gift, gratuity or reward for service done. It is compensation—money paid as a right by Canadians, through their Government to offset in a measure the handicaps suffered in way by their fellow-citizens—a debt that the country owes to our returned men, and to the dependents of those who have fallen. It is in this spirit that Orders-in-Council governing pensions are framed, and it is in this spirit that the Board of Pensions Commissioners administers those Orders-in-Council.

Pensions are not awarded for service. Broadly speaking any soldier or sailor who was disabled during his service is entitled to a pension, provided medical treatment fails to restore his full normal capacity.

The amount of pension is based on the extent of physical handicap he has suffered. This disability is decided on the man's discharge from service by the Medical Board, and pension is awarded according to the amount of disablement from which he is then found to be suffering. The percentage of handicap has been carefully and thoroughly worked out for every disability. The relationship between the Medical Board and the applicant for pension is that of doctor and patient, every opportunity being given to have the man's condition judged from his point of view.

The pension is awarded to a soldier or sailor so that he can live in decent comfort despite his handicap. The money he may be able to earn, or the money he earned before the war, does not affect the amount of his pension. The extent of his handicap alone in the general labour market is considered. Every man who has increased his income by vocational training will not have his pension decreased or discontinued. The amount of pension also varies according to the soldier's rank; but his trade or profession is not considered.

Widows of soldiers or sailors who have died during or as a result of service, are entitled to pension so long as they do not re-marry. Children of soldiers or sailors are entitled to pensions up to the age of sixteen if boys, or seventeen if girls. Pension is awarded to the parents of a soldier or sailor according (1) to the degree of their dependency on the deceased and (2) according to their needs.

A JEWEL OF THE HIGHLANDS.

The "Lake of Bays" is one of the jewels in the great chain of lakes reached through Huntsville on the Grand Trunk 145 miles north of Toronto, and is one of the most beautiful of Ontario's summer resort districts. Hotels to suit all pockets, good fishing, perfect immunity from hay fever, golf and many other attractions await the visitor. The altitude of this lake is 1,000 feet above the sea level, which ensures invigorating and pure air. Hand-some illustrated descriptive literature sent free. Apply to Mr. M. O. Dafoe, C. P. and T. A. 122 St. James Street, Montreal.

"What is a man-of-war?" said a teacher to his class.

"A cruiser," was the prompt reply.

"What makes it go?"

"Its screw, sir."

"Who goes with it?"

"Its crew sir."—Sailor's Magazine.

The LIFE AGENTS' MANUAL
THE CHRONICLE - - MONTREAL

Some of the Innovations Introduced
by the Equitable During its
**SIXTY YEARS OF
PUBLIC SERVICE**

Shortening, Simplifying and Liberalizing the Policy Contract

Immediate Payment of Death Claims

Incontestability after first policy year

Group Insurance for Employees

A Corporate Policy to Protect Business Interests

A Convertible Policy Adaptable to Altered Circumstances

Free Health Examinations for Policyholders

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A Refund Annuity guaranteeing return of Entire Principal

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New and Improved forms of Accident and Health Policies, thus completing the circle of protection against the hazards of Life, Accident, and Disease.

THE EQUITABLE

LIFE ASSURANCE SOCIETY
of the UNITED STATES

129 BROADWAY

W. A. DAY, President

NEW YORK

LONDON & LANCASHIRE LIFE

AND GENERAL ASSURANCE ASSOCIATION

LIMITED

of LONDON, ENGLAND

ESTABLISHED IN CANADA, 1863

ASSETS EXCEED \$24,500,000

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A. J. DAWES, Esq. H. B. MACKENZIE, Esq.

E. F. HADDEN, Esq. E. C. PRATT, Esq.

Manager for Canada: ALEX. BISSETT

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

"The Oldest Scottish Fire Office"

The Caledonian

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Founded 1865.

Head Office for Canada,
Dominion Express Building
Montreal

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NIAGARA FIRE INSURANCE COMPANY

HEAD OFFICE, NEW YORK

INCORPORATED 1850

Cash Capital
\$1,000,000.00

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

CANADIAN DEPARTMENT
W. E. FINDLAY, Manager

22 ST. JOHN STREET, MONTREAL
AGENTS REQUIRED

SCOTTISH METROPOLITAN ASSURANCE COMPANY LIMITED,

Of Edinburgh, Scotland

Owned and Operated by the London & Lancashire
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ACCIDENT AND SICKNESS
Most Liberal and Up-to-date Policies

GUARANTEE BONDS

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TOTAL SECURITY TO POLICYHOLDERS
OVER \$24,500,000

AUTOMOBILE LIABILITY AND FIRE
Individual or Combined Policies

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APPLICATIONS FOR AGENCIES INVITED

INFLUENZA ARGUMENT.

You can broach the subject of the influenza epidemic. Speak of the great and sudden increase in death claims, and of the ability of the companies to pay these unexpected large losses out of their surplus. Then incidentally say that the companies expect a similar increase in the death rate from the predicted recurrence of the epidemic next autumn or winter.

GRADUATION OF MORTALITY AND OTHER TABLES.

(By Robert Henderson.)

The second of these volumes to appear, though the fourth in the series, is that on Graduation of Mortality and other tables to which the principal contributor is Mr. Robert Henderson, actuary of the Equitable Life Assurance Society, of the United States.

The volume is naturally largely technical as graduation involves more mathematics than most actuarial subjects.

The preliminary section deals with the subject generally and discusses the necessity for graduation of results produced by actual observation and also deals with the criteria of a good graduation. These are, briefly, the smoothness of the final results and their closeness to the observed facts.

The main part of the book deals with the various well-known methods which have been in use commencing with the "Graphic Method" of Dr. Sprague.

Graduation by formulas of interpolation and by the "Summation Method" are next dealt with followed by an important section on graduation by mathematical formula. Under this head there is a brief description of frequency distribution and the practical application of Makeham's law, both for "aggregate" and "select" tables.

The volume closes with a short comparison of the various methods.

This volume is uniform in make-up with the volume on the "Sources and Characteristics of the Principal Mortality Tables."

THE LONDON MUTUAL FIRE

INSURANCE COMPANY
ESTABLISHED 1859

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



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17 St. John Street, - MONTREAL

THE NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE

SUBSCRIBED CAPITAL.....\$2,000,000
TOTAL FUNDS.....7,491,390
NET SURPLUS.....1,957,150

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J. A. Blondeau, Asst. Manager L. C. Valle, Inspector

The Canada National Fire Insurance Company

HEAD OFFICE: WINNIPEG, MAN.

Total Assets - - - - - \$2,468,523.08

A Canadian Company investing its Funds in Canada

APPLICATIONS FOR AGENCIES INVITED



THE Continental Insurance Company

OF NEW YORK

HENRY EVANS, - - - President

FIRE. HAIL. TORNADO. MARINE.

ASSETS EXCEED THIRTY-SIX MILLION DOLLARS

Now Writing HAIL INSURANCE Agents Wanted

Head Office for Canada and Newfoundland 17 ST. JOHN ST., MONTREAL

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ACCUMULATED FUNDS, 1918 - \$54,724,458.00

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RAILWAY PASSENGERS ASSURANCE CO.

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INCORPORATED 1865

REPRESENTED IN TORONTO BY

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BRITISH TRADERS' INSURANCE COMPANY, LIMITED

ESTABLISHED 1865

Head Office: HONG KONG

Head Office for Canada: TORONTO

FIRE & MARINE INSURANCE

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

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

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HEAD OFFICE: MONTREAL,

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

"To Such Ideals There Is An Assured Future."