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Banking, Insurance and Finance

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THE GENERAL FINANCIAL SITUATION

With regard to the activity which has developed during the past week upon the local Stock Exchange, it should be borne in mind that the increase in transactions is very largely the result of manipulation by insiders of one or two special stocks. The activity is not in fact the consequence of any easing-up of the local money situation, which is authentically reported to be as tight as ever—in fact there has been some further calling of brokers loans during the week. Of the stocks which have been specially prominent during the last few days, it is well known that the rise in Brompton, which has lately created a market sensation, has been engineered by insiders, originally apparently with the idea of securing more capital. The considerable earning power of the Company, which has recently been revealed, is said to have resulted in a modification of the original plans in this connection, and possibly something spectacular in the way of a re-organization will eventually be adumbrated. As regards Atlantic Sugar, this stock is of course, in the control of the same clique that ran the notorious boom in Ames-Holden common last year, though it must be said that their present operations have probably a considerably better basis in earning power than the earlier ones. In the recent wild rush after the spectacular paper stocks, a number of the old speculative favorites have been put into a neglected corner, and at current low levels would seem to afford attractive opportunities for a "long pull" to those who can finance their purchases. Brazilian, which in recent weeks has been depreciated to an altogether unreasonable extent, is a case in point; and while possibly the opportunity for appreciation is less marked, such former favorites as Montreal Power and Shawinigan Power would appear to offer some opportunities in this connection for conservative speculation. Neither are likely to rival the recent meteoric performances of the paper stocks; but to an even greater extent than Brazilian which is working into a remarkably strong position, they have an assured future.

In present day conditions, developments in the United States are of great interest to the economic student, as an index of the trend of affairs internationally as affecting Canada, and it is worth while paying careful attention to them. The preliminaries for the presidential election in the fall so far seems to have had very little influence upon the markets. It is to be expected that both of the two great political parties in the United States will elaborate in their programmes, at some length, theories how the cost of living may be reduced, and the credit structure drawn down in places. But meantime, it is pointed out, the United States will have gone some distance in meeting current problems under the direction of natural laws. There has been during the last few weeks a considerable re-adjustment of the prices of goods to a public opinion which began to discountenance purchases at extraordinarily high prices. In addition to the cut price retail sales, which gained great headway a fortnight ago, there is now in evidence four days a week operations at many textile mills in New England, and cancelled contracts in many lines of manufacturing. It is noted that while signs of hysteria among merchants are disappearing, nevertheless the tendency of prices continues downwards. Stocks of merchandise carried over the usual season of distribution are being centralized and disposed of in retail operations of unusual magnitude at lower than listed quotations. "The decline in wholesale prices has not followed that in retail lines," says the Federal Reserve Bank of New York in its June letter, "but domestic and foreign demands have lost the insistence of the past year and production is catching up." While the United States excess of exports is continuing heavy in contrast with pre-war years, the latest figures disclose a tendency which is not to be ignored. While it does not necessarily forecast a continuous decline of prices in the domestic markets, the peak of demand and consequently of prices has almost certainly been passed.

Bondholders of a number of small Western towns, which have got into financial difficulties, are taking steps to protect their interests, and last week a conference was held in Toronto with a view

The Royal Indemnity Company

is now transacting business

In the Provinces of Quebec and Ontario

PERSONAL
ACCIDENT

GUARANTEE
BONDS

BOILER AND
FLY WHEEL

BURGLARY



SICKNESS

LIABILITY

AUTOMOBILE
LIABILITY

PROPERTY DAMAGE

COLLISION

CHARLES H. HOLLAND, President

CANADIAN OFFICES

Montreal

Royal Insurance Building
RICHARD J. BOND,
Superintendent for Canada

Toronto

Royal Insurance Building
JULIAN H. FERGUSON,
Superintendent for Ontario

The Chronicle

Banking, Insurance and Finance

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MONTREAL, FRIDAY, JUNE 11th, 1920

(Continued from front Page)

of devising ways and means of securing an adjustment. The number of towns affected, which are in arrears in payment of interest and principal to bondholders, is some seven or eight—a disturbing factor in itself but fortunately none of the defaulting centres are of any considerable importance. There is the advantage in these cases that the bonds of the towns in question are mostly in very few hands, being mainly held by institutional investors, so that it is not a matter of difficulty to bring pressure to bear upon the defaulters. But it is to be hoped that the municipal departments of the Governments of the provinces in which these towns are situated; will co-operate to the fullest extent with bondholders, in order that satisfactory settlements may be arrived at as soon as possible, and the towns be forced to pay what they really can pay immediately. While, as has been said, none of the towns affected are important ones, even minor happenings of this kind have an extremely prejudicial effect upon the market for municipal debentures of the smaller centres of the Western provinces, and it is in fact, we believe extremely difficult at present to dispose of any bonds of this kind.

Crop conditions in the Canadian west appear to be developing very satisfactorily. In fact, the present condition of the crops is said to indicate the best condition of crops at this date of any year since 1904, with possibly the single exception of 1912. The strong feature of present conditions, as noted last week, is the abundant supply of moisture throughout the entire West. Only a few points report any need of rain and these points add that there is plenty of surface moisture, but that showers are needed to help germinate the last grain sown. In regard to the disposition of the crop, the matter of the continuance of control through the Wheat Board appears to be still undecided. Control lapses in the United States this summer, and the marketing of the American crop will be done in the normal manner. This, however, is hardly a guide to Canadian action, in view of the

fact that the United States will have scarcely any exportable surplus this year, while Canada will be required to supply about 300,000,000 bushels to Europe, and a normal condition of affairs, where business can be done with trustworthy individual buyers there, has not yet developed. In any case, the price secured for their products by the Western farmers this year is likely to be a higher one, whether it is a fixed figure, or that resulting from a free market.

Hon. W. J. Shaughnessy Joins Canadian Directorate of Yorkshire Insurance Company

Mr. P. M. Wickham, Canadian Manager of the Yorkshire Insurance Company, Limited, announces the appointment of Lieut.-Colonel, the Hon. W. J. Shaughnessy, as a director of the Canadian board. The addition of such an influential business man to an already strong board of directors of this well known Company may be considered of the greatest value. Lieut.-Colonel Shaughnessy's military career is well known, by his services to the Empire in the late war. He is now the commanding officer of the Irish Rangers, Montreal, and is bringing that Regiment to a high state of efficiency.

TRAFFIC RETURNS

Canadian Pacific Railway

Year to date	1918	1919	1920	Increase
April 30.	\$45,161,000	\$48,570,000	\$57,972,000	\$9,402,000

Week ending	1918	1919	1920	Increase
May 7	\$3,033,000	\$2,856,000	\$3,320,000	\$664,000
May 14	3,109,000	2,959,000	3,576,000	617,000
May 21	2,847,000	2,957,000	3,633,000	676,000
May 31	4,035,000	4,505,000	5,432,000	937,000

Grand Trunk Railway

Year to date	1918	1919	1920	Increase
April 30.	\$19,002,937	\$19,361,387	\$20,949,325	\$1,587,938

Week ending	1918	1919	1920	Increase
May 7	\$1,434,727	\$1,130,352	\$1,256,047	\$125,695
May 14	1,480,903	1,614,162	1,664,627	50,465
May 21	1,576,508	1,669,112	1,704,935	35,823
May 31	1,507,723	2,433,260	2,644,111	210,851

Canadian National Railways

Year to date	1918	1919	1920	Increase
April 30.	\$27,159,550	\$29,492,425	\$23,332,875	

Week ending	1918	1919	1920	Increase
May 7		\$1,064,679	\$1,896,301	\$831,622
May 14		1,848,536	2,073,563	225,027
May 21		1,591,532	1,946,107	354,575
May 31		2,498,746	2,380,889	Dec. 108,857

CANADA PERMANENT MORTGAGE CORPORATION

NOTICE is hereby given that a Dividend of TWO and ONE-HALF PER CENT., for the current quarter, being at the rate of TEN 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 FRIDAY, the SECOND day of JULY next, to the Shareholders of record at the close of business on the Fifteenth day of JUNE. By order of the Board.

GEO. H. SMITH,

Assistant General Manager.

Toronto, 26th May, 1920.

The Trust and Loan Co.

OF CANADA

Capital Subscribed _____ \$14,630,000.00
 Paid-up Capital _____ 2,000,000.00
 Reserve Funds _____ 2,000,000.00

MONEY TO LOAN ON REAL ESTATE

30 St. James Street - Montreal

The MERCHANTS BANK OF CANADA

HEAD OFFICE - MONTREAL

Capital Paid-up	\$ 8,400,000
Reserves and Undivided Profits	8,660,774
Total Deposits (April 30, 1920)	163,000,000
Total Assets (April 30, 1920)	197,000,000

SIR H. MONTAGU ALLAN, C.V.O., President
 K. W. BLACKWELL, Vice-President



Collections for Business Houses

The Satisfactory service which The Merchants Bank renders to Business Houses, in the matter of collecting Notes, Drafts and other financial paper, is due to the number and strategic location of its branches throughout Canada, and the efficient system in force.

Special attention is given to Collections, returns are promptly made and credited, losses are often prevented by the care and thoroughness with which we do this part of our work.

391 Branches in Canada

Extending from the Atlantic to the Pacific
 New York Agency: 63 & 65 Wall Street



THROUGH good times and bad times for the past 45 years this Bank has steadily given its best efforts to the development and upbuilding of the agricultural, manufacturing and commercial business of this Country. Our efficient service is available for the benefit of all customers.

THE Standard Bank

of CANADA

Montreal Branch, 136 St. James St.
 E. C. GREEN, Manager

BUSINESS ACCOUNTS

The complete banking facilities provided at all our branches enable this Bank to give Business Accounts the care and attention they need and deserve.

The Merchant and the Manufacturer will find the services rendered by this Bank of the greatest assistance in conducting their business.

ESTABLISHED - 1878

IMPERIAL BANK OF CANADA

180 BRANCHES IN CANADA

AGENTS IN GREAT BRITAIN

England: Lloyd's Bank Limited, London and Branches
 Scotland: The Commercial Bank of Scotland, Limited, Edinburgh and Branches.

Ireland: Bank of Ireland, Dublin and Branches

AGENTS IN FRANCE

Credit Lyonnais, Lloyd's and National Provincial Foreign Bank Limited

THE MERCHANTS BANK OF CANADA

The Merchants Bank, is deservedly one of the most popular banking institutions in Canada, and this has been more especially in evidence during recent years, under the management of Mr. D. C. Macarow. Sir Montagu Allan, the Bank's President, occupied the chair at its fifty-seventh annual meeting last week, and the occasion was one for general satisfaction, as the bank has closed a profitable year. The growth of the bank's operations generally is a strong testimony to its popularity and public confidence. It is worthy of attention, in these days of frequent mergers, that the substantial increase in business and resources of the Merchants Bank, has resulted only from conservative management, coupled with the rendering of excellent service to its clients.

The balance sheet of the bank for the year ending April 30th, shows Assets at \$197,387,855, as compared with \$166,725,404 in the preceding year, indicating a growth for the year under review of nearly \$31,000,000, and despite the fact that operating costs have continued their upward course, the net profits resulting from the years business were \$1,686,156 being an increase over 1918 of \$302,586. Circulation has increased from \$13,316,033 to \$14,791,027. The deposit accounts are particularly satisfactory, non-interest bearing deposits being up from \$43,552,214 to \$45,368,876 and interest-earning deposits from \$91,904,993 to \$114,132,175, a growth of no less than \$23,227,182, compared with a growth of \$15,958,008 in 1918 over 1917.

Deposits in Central Gold Reserves have increased from \$7,000,000 to \$7,500,000. Commercial Discounts have increased by \$17,324,000 during the year, the total amount being \$113,198,000. These figures indicate that the Merchants Bank is continuing to carry its full share of the load, in a period when the support and encouragement of the productive capacity, and energies of the country is a matter of paramount importance.

The paid up Capital of the bank which was increased last year to \$8,400,000 by a stock issue of \$1,400,000 will be further increased by a new issue of \$2,100,000 bringing the total up to \$10,500,000, supplemented by a reserve of \$9,450,000. This is in line with the growth of the bank, and with a view of keeping pace with the requirements of its increasing clientele.

The General Manager, Mr. Macarow, in the course of a very illuminating address published on another page, referred to the importance of the Canadian Mercantile Marine. He said:—

"I might here venture to say that it is a matter of gratification to see our mercantile marine growing apace and to know that the Government will

have, it is understood, some 45 merchant vessels in commission by the end of July next. I mentioned last year, and I reaffirm the opinion then expressed, that there is nothing of greater national importance than the establishment of our own lines of ocean transport, and what has been and is being accomplished in this direction, both by the Government and by private enterprise, augurs well for the future safety and stability of the country's trade and commerce."

Mr. Macarow expresses no compunctions as to the future of Canada commercially. It has, indeed, become necessary for the banks to cast an anchor at the windward in order to arrest credit expansion and to check operations conducive to higher prices, but there is plenty of banking accommodation for legitimate business. A policy of "selective curtailment," in the apt phrase of Mr. Macarow, is being adopted towards borrowers, and in his opinion such policy applied with due judgment, discrimination and consistency, cannot but prove a beneficial corrective and an important factor towards restoring, with a minimum of dislocation and disturbance, healthy and normal conditions.

PLATE GLASS SITUATION, BAD

In connection with the bad situation in the plate glass field Edward M. Ridley, manager of the New York Plate Glass Insurance Exchange, recently said:

"In New York there are only 500 glass setters who do big jobs, and these men are out on strike for ridiculous demands. One insurance company has about 300 windows waiting for glass to be replaced. If the glass is set by nonunion men it is often found broken again. All over the city are windows which need new panes, but it is impossible to get them.

"The condition is largely a question of supply and demand. Before the war part of our supply came from Belgium and Northern France, but this has been cut off, and instead of importing we are exporting to those countries as well as to South America. During our part in the war American manufacturers were obliged to reduce their output by one-half, with the result that they lost many skilled workers who were diverted to other lines of industry. Since the armistice the manufacturers have been trying to enlarge their forces, but the task of developing skilled workers is a slow one, and they have been unable thus far to meet the demand for plate glass.

"The condition that exists in New York is country-wide. Prices in Boston and Detroit have been much higher than here. It will be a long time before the supply will meet the requirements of the public."



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

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



**THE LIVERPOOL - MANITOBA
ASSURANCE COMPANY**

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

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

FIRE INSURANCE



**The Globe Indemnity Company
of Canada**

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

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

== FIRE INSURANCE ==

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

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

INSURANCE COMPANY OF NORTH AMERICA

CAPITAL - - - \$5,000,000

ASSETS IN EXCESS OF \$36,000,000

Issues specially desirable forms of Use and Occupancy, Rental and Leasehold Insurance
Agents in all the principal Cities of Canada and the United States

ROBERT HAMPSON & SON, LIMITED

General Agents for Canada - - - - 1 ST. JOHN STREET, MONTREAL

THE BRITISH GENERAL INSURANCE CO. LIMITED
OF LONDON, ENGLAND

FIRE INSURANCE

Head Office for Canada : Lewis Building, Montreal

THOMAS F. DOBBIN, Manager for Canada

EDMUND FOSTER, Assistant Manager

JOHNSON-JENNINGS, Inc.

AGENTS - - - - INSURANCE - - - - BROKERS

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

25 ST. SACRAMENT STREET
MONTECAL, P.Q.

THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY, LIMITED

Operating in most of the well-defined branches of insurance enterprise, The Liverpool & London & Globe Insurance Company, holds a position of great eminence in the ranks of giant insurance offices, and with old established and excellent connections, it continues to develop at a rate commensurate with past achievements.

The results of the Company's operations for the year 1919 reveals a total income from all departments of \$41,944,080, as compared with \$36,824,073 in 1918, indicating an impressive growth of well over \$5,000,000 for the year under review. The expert underwriting, and excellent equipment which has contributed to the conspicuous success of a business of such magnitude, is evidenced in each department, and congratulations were never more in order to Mr. A. G. Dent (General Manager), and those associated with him in the direction of the Company's affairs.

The Fire Department

For very many years without a break, the Liverpool & London & Globe holds a high record for magnitude of fire premium income. Net fire premiums, for the year under review, totalled \$22,810,845, showing a growth of over \$2,500,000, as compared with 1918. The loss ratio accompanying this substantial growth, figuring at 42.17 per cent., was probably one of the most satisfactory in the history of the Company. After providing for expenses, the surplus amounts to \$4,477,260 of which \$1,002,785 has been added to the Reserve for unexpired risk which now amounts to \$9,124,337. The balance \$3,474,475 has been carried to Profit and Loss account. A sum of \$1,000,000 has been transferred from Profit and Loss to the additional Reserve which now amounts to \$6,500,000, making the total Fire Reserve Funds \$15,624,340, as compared with \$13,621,555 in 1918. The total Assets of the Company has increased from \$87,089,995 to \$95,140,762.

Both the Accident department, and the Marine department, contributed most satisfactory results from the years operations, thereby adding to the great resources, and unexcelled security available to the policyholders of this great institution.

Canadian Branch

The fire business of the Liverpool & London & Globe in Canada continues to be very extensive, in keeping with its powerful financial standing. The Company is also one of the oldest established in the Dominion, and it is gratifying to know that during the past 17 years, under the management of Mr. J. Gardner Thompson, the Canadian branch has contributed its quota to the excellent results that has attended the Company's operations. The Liverpool & London & Globe is certain to always continue holding a leading position in Canada with its splendid traditions, and the unparalleled security behind its policy contracts, it is but natural to assume that the Company's policies should be in demand by the insuring public. A substantial volume of Casualty business has been conducted through the medium of the Globe Indemnity Co. for some years under the management of Mr. John Eimo. Including this, and its other subsidiary company the Liverpool Manitoba, the total income in Canada of the Liverpool & London & Globe Insurance Co. for 1919, exceeded \$2,500,000, with a most satisfactory loss ratio.

Commercial Union Assurance Company Limited

of London, England

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

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

Palatine Insurance Company Limited

of London, England

as at 31st Dec., 1918.

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

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

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

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

W. S. JOPLING, Manager

THE CANADA

ACCIDENT & FIRE
ASSURANCE COMPANY

Head Office, - - MONTREAL

H. F. RODEN, Manager, Casualty Department

Local General Agents, (Fire)

G. U. PRICE & CO., LIMITED
Bank of Toronto Bldg., Montreal

T. H. HUDSON, Manager, Fire Department.

Policies Guaranteed by
Commercial Union Assurance
Company Limited

GUARANTEED BY EAGLE STAR AND BRITISH DOMINIONS INSURANCE COMPANY LIMITED, OF LONDON, ENGLAND

SECURITY OVER
\$93,000,000

FIRE
AUTOMOBILE

THE

BRITISH CROWN



ASSURANCE CORPORATION LIMITED

OF GLASGOW, SCOTLAND

J. H. RIDDEL,

Manager

HEAD OFFICE FOR CANADA - - TORONTO

E. C. G. JOHNSON,

Asst. Manager

JOSEPH ROWAT - GENERAL AGENT - MONTREAL

THE FIRE INSURANCE COMPANY OF CANADA MONTREAL

Authorized Capital, \$1,000,000 Subscribed Capital, \$500,000 Paid Up Capital, \$200,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

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

**MR. ARTHUR WORLEY, General Manager,
NORTH BRITISH & MERCANTILE**

Mr. Arthur Worley, general manager of the North British & Mercantile Insurance Company who has been visiting the United States for past three weeks, is expected to visit Canada before returning to Scotland at the end of the present month. During his stay in the United States Mr. Worley was present at the Annual Meeting of the National Board of Fire Underwriters. In an interview with our contemporary "The Insurance Field." Mr. Worley referred to the proposed extension of American Fire Insurance Companies to foreign countries, which has naturally attracted very considerable interest in British Insurance circles, and said there is a universal desire in these circles to welcome cordially and assist their American friends in their efforts to establish themselves successfully in a sphere that for many years has been successfully operated by the British companies.

"Not only would the English companies be glad to have an opportunity of returning the many courtesies extended to them for many years by their American friends but there is little doubt that the closer association between the insurance companies of the two countries that would be established as a result of their working side by side throughout the world would also have a widespread beneficial effect and assist in cementing the friendly relations that have existed so long between the American and British companies operating in the United States.

In this connection "The Chronicle" feels that it would have been quite in order, had Mr. Worley taken advantage of the occasion to congratulate the American companies who have successfully established themselves in the Canadian field, which for many years had been successfully operated by the British and Canadian Companies. The popularity of, and the demand for American Fire Companies protection is evidenced by the net premiums received by these companies operating in Canada during 1919, as follows:—

American Companies	\$13,000,000
Canadian Companies	6,398,098
British Companies	20,383,000

It will thus be seen that the American (licensed) Companies received in the Canadian field approximately fifty per cent. of the combined premium income of the Canadian and British Companies. This, however, is legitimate business, and has no connection with the premiums collected each year by American unlicensed Companies, operating in

Canada as there is no record of the exact premiums received by the latter, but which is considered to total very many millions of dollars annually, on choice risks. It might also be said that the latter companies had established themselves successfully in a field outside the United States. Adding the premium income of the latter to that of licensed American Companies, might probably produce figures that would make the combined income of British and Canadian Companies operating in the Dominion appear not quite so considerable.

ALLIANCE ASSURANCE CO. LIMITED

The Alliance Assurance Company Limited of London, England, announce the appointment of Mr. E. L. Kenyon as assistant manager for Canada. Mr. Kenyon is already well known in Canada, having been for some years prior to the war, in charge of the Casualty department of the Guardian Insurance Company of Canada. Mr. Kenyon has had fourteen years experience in the Casualty business all in the service of the Casualty department of the Guardian Assurance Co. of London, and the Guardian Insurance Company of Canada. As is already well known the Alliance are now operating an important Casualty branch in Canada. In addition to his insurance qualifications Mr. Kenyon has distinction of having some military qualifications, having served overseas in the late war with the 87th Battalion (Canadian Grenadiers Guards). The Alliance of London has been operating in Canada for nearly thirty years, and enjoys the same high prestige with which it is characterized in all parts of the world, to which its business extends.

SUBSTANDARD SCHEME

The subject of state insurance for substandard men as a result of experiences overseas, is being considered by the Pensions Committee of the Canadian parliament and it is expected that recommendations in this direction will be made in the report of the committee which will be submitted to parliament during the present session. G. D. Finlayson, Dominion superintendent of insurance has been in consultation with the committee and other insurance experts are being asked for their opinions in the matter. It is not likely that the recommendations will be made to the House in time for action to be taken during the present session, although there is a possibility that some plan may be suggested in such detail that action will be possible before prorogation.

THE MERCHANTS BANK OF CANADA

Proceedings of the Fifty-seventh Annual Meeting of the Shareholders on June 2nd, 1920

The Fifty-seventh Annual Meeting of the Shareholders of the Merchants' Bank of Canada was held Wednesday, June 2nd., in the Board Room at the Bank's Head Office at Montreal. The meeting was called to order at 12 o'clock, noon.

Among those in attendance were: Sir H. Montagu Allan, M. K. W. Blackwell, Mr. Thomas Long, Mr. A. J. Dawes, Mr. F. Howard Wilson, Mr. Farquhar Robertson, Mr. George L. Cains, Mr. Alfred B. Evans, Lt.-Col. Jas. R. Moodie, Hon. Lorne C. Webster, Mr. E. W. Kneeland, Directors, and Messrs. Walter Wilson, John Patterson, Edward Fisks (Jollet) Arthur Browning, A. D. Thornton, Colin Campbell, Thomas Stapleton (Oshawa), R. S. White, S. M. Baylis, W. B. Blackader, David Kinghorn, A. Haig Sims, Andrew A. MacDougall, W. M. Ramsay, T. E. Merrett, A. B. Patterson, P. C. Schaefer, W. J. Finucan, F. J. Shreve, W. A. Meldrum, J. N. Lorrain, J. M. Kilbourn, F. L. MacGachen, J. G. Muir, James Elmsly, H. R. Little, A. McFayden, C. A. Harcourt, R. H. Arkell, W. B. Leitch.

On motion of Mr. John Patterson, the President, Sir H. Montagu Allan, was asked to take the chair.

Mr. J. M. Kilbourn was appointed Secretary of the meeting and read the notice calling the meeting.

The minutes of the last Annual Meeting were taken as read.

THE ANNUAL REPORT

The President, Sir H. Montagu Allan, then presented the Annual Report as follows:

I beg to submit, on behalf of the Directors, the Fifty-seventh Annual Statement of The Merchants' Bank of Canada as at the close of business on the evening of the 30th April, 1920, together with a statement of the Profits covering the relative period.

Despite the fact that operating costs have continued their upward course, the net profits resulting from the year's business were \$1,686,156.15, being an increase over last year of \$302,586.75.

The financial position of the Bank, as reflected in detail in the Balance Sheet before you, will, I hope, meet with your full approbation.

In the Directors' Report of a year ago, I mentioned that an issue of \$1,400,000 of new stock was being made, and that, owing to the date of allotment, this step would fall for comment more appropriately at the next Annual Meeting. I am now pleased to advise you that the issue was promptly taken up and long since paid for in full by the shareholders. The Paid-up Capital of the Bank, therefore, stands today at \$8,400,000, while the \$700,000 premium received from the new issue and \$700,000 transferred from Profit and Loss Account have been added to the Reserve, thus maintaining that Fund upon an equal basis with the Paid-up Capital.

You have already been advised that, in line with the growth of the Bank, and with a view of keeping pace fairly and reasonably with the legitimate requirements of our ever-growing clientele, a further issue of \$2,100,000 of new stock, upon the same favorable terms to the shareholders, is now under way. This new issue will appropriately be referred to again a year hence.

It may be of interest to mention that the Bank's shareholders now number 2,622, as against 2,405 in 1919, and 2,340 in 1918.

At the commencement of the Bank's fiscal year presently under review, the Directors felt warranted in placing the Dividend on a regular 12% basis, and also, later, in distributing a bonus of 1%, making in all 13% received by the shareholders during the twelve month period. No doubt their action in this respect will have your full approval.

During the year we opened 65 Branches, with a number of sub-agencies as feeders, and I may say that results have amply justified our action, as evidenced by the fact that we have only closed 2 Branches during the period.

In December last our office in London, England, was opened for business and already gratifying progress has been made in the building up of a London connection, while the facilities afforded our clientele on this side have greatly enlarged the value of the services we are enabled to extend to them. It had been apparent for some time that the growth and increasing importance of the institution called for the completion of our organization by the establishment of an office in the Capital of the Empire.

During the year we conceived it to be advisable and expedient, in keeping with modern and approved practice, to liquidate to some extent the inactive asset represented by Bank Premises Account, which, as you are aware, must, with the growth of the Bank, be an ever-expanding one. We accordingly turned over certain of our

THE MERCHANTS BANK OF CANADA—Continued.

premises to a subsidiary company called the Merchants' Realty Corporation, who in turn issued Bonds against the respective properties to the amount of \$4,000,000, the proceeds of the sale of which have been appropriately applied. These Bonds are of a serial nature and will be thus automatically amortized as they fall in for payment, control of the property being held by the Bank through the ownership of all the stock of the Company] thus being shown upon our books at a nominal figure.

Since the last Meeting, death has removed from our midst Mr. E. F. Hebden, formerly General Manager of the Bank and, for a period, Managing Director. His service in the institution was lifelong and in his demise the financial community lost a distinctive and distinguished personality, the Bank an able and experienced administrator. His death is regarded with deep regret by all.

The vacancy upon the Board has been filled by the appointment of Mr. E. W. Kneeland, of Winnipeg, a business man of wide experience and influence in the West.

In view of the continued growth of the Bank's business, the Directors are of opinion it would be desirable to enlarge the numerical strength of the Board by adding one more to their number, and an amendment to this effect of the relative by-law will be submitted for your approval. The name of Mr. Gordon M. McGregor, of Windsor, Vice-President of the Ford Motor Company of Canada, will accordingly be included in the list, which will be submitted to you in due course. He is a man of high standing in the commercial community, and we are sure of your agreement with the Directors that he will prove an acquisition to the Board.

You may be interested to learn that I made a trip last autumn through Ontario and the West—accompanied by some of the Directors and the General Manager. We met all the senior officers, and I have pleasure in saying that I found the trip both inspiring and beneficial to a degree.

We have undoubtedly an efficient staff and you will, I am sure, join with the Directors in extended to its members, one and all, a word of cordial appreciation for their capable and loyal services, to which the measure of progress the Bank has enjoyed is in no small extent attributable.

All the various offices of the Bank have been inspected during the past twelve months.

The Auditors' Certificate is appended.

All of which is respectfully submitted.

H. MONTAGU ALLAN,
President.

STATEMENT OF THE RESULT OF THE BUSINESS OF THE BANK FOR THE YEAR
ENDED 30th APRIL, 1920.

The Net Profits of the year, after payment of charges, rebate on discounts, interest on deposits, and making full provision for bad and doubtful debts, have amounted to	\$1,686,156.15
Premium on New Stock	700,000.00
The Balance brought forward from 30th April, 1919, was	574,043.32
Making a total of	<u>\$2,960,199.47</u>

This has been disposed of as follows:

Dividend No. 128, at the rate of 12 per cent. per annum	\$238,416.01	
Dividend No. 129, at the rate of 12 per cent. per annum	243,726.44	
Dividend No. 130 at the rate of 12 per cent. per annum	250,805.76	
Bonus 1 per cent	83,271.00	
Dividend, No. 131, at the rate of 12 per cent. per annum	252,074.56	
		\$1,068,293.77
Government War Tax on Note Circulation		81,138.72
Transferred to Reserve Fund from Premium on New Stock		700,000.00
Transferred to Reserve Fund out of Profits		700,000.00
Written off Bank Premises Account		100,000.00
Contribution to Officers' Pension Fund		50,000.00
Balance carried forward		260,774.98
		<u>\$2,960,199.47</u>

RESERVE FUND ACCOUNT

Balance, 30th April, 1919	\$7,000,000.00
Premium on New Stock	700,000.00
Transferred from Profits	700,000.00
	<u>\$8,400,000.00</u>
Average Paid-Up Capital during year	<u>\$8,230,539.00</u>

H. MONTAGU ALLAN,
President.

D. C. MACAROW,
General Manager

THE MERCHANTS BANK OF CANADA—Continued.

STATEMENT OF LIABILITIES AND ASSETS AT 30TH APRIL, 1920

	Liabilities	
	1920	1919
1. To the Shareholders.		
Capital Stock paid in	\$8,400,000.00	\$7,000,000.00
Reserve Fund	8,400,000.00	7,000,000.00
Dividends declared and unpaid	338,159.22	194,194.00
Balance of Profits as per Profit and Loss Account submitted herewith	260,774.98	574,043.32
	<u>\$17,998,934.90</u>	<u>\$14,768,237.32</u>
2. To the Public		
Notes of the Bank in Circulation	14,791,027.00	13,316,033.00
Deposits not bearing interest	45,368,876.69	43,552,214.61
Deposits bearing interest (including interest accrued to date of Statement)	114,132,175.79	91,904,993.37
Balances due to other Banks in Canada	2,747,402.86	2,614,696.64
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries	331,997.30	105,076.96
Bills payable	2,117,441.21	464,153.05
Acceptances under Letters of Credit	2,117,441.21	464,153.05
Liabilities not included in the foregoing	—	—
	<u>\$197,387,855.14</u>	<u>\$166,725,404.95</u>
ASSETS		
Current Coin	\$4,193,117.50	\$4,946,946.33
Deposit in the Central Gold Reserves	7,500,000.00	7,000,000.00
Dominion Notes	8,407,003.25	8,405,692.50
Notes of other Banks	1,170,482.00	985,044.00
Cheques on other Banks	11,093,195.77	6,082,616.99
Balances due by other Banks in Canada	9,400.50	3,215.80
Balances due by Banks and Banking Correspondents in the United Kingdom	445,034.79	123,496.50
Balances due by Banks and Banking Correspondents elsewhere than in Canada and United Kingdom	1,361,157.87	1,903,040.10
Dominion and Provincial Government Securities, not exceeding market value	7,893,929.90	6,005,573.65
Railway and other Bonds, Debentures and Stocks, not exceeding market value	4,507,688.10	4,119,705.32
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian	13,259,204.50	15,238,599.32
Call Loans in Canada on Bonds, Debentures and Stocks	6,471,494.31	5,134,690.71
Call Loans elsewhere than in Canada	6,206,537.78	2,801,857.72
	<u>\$72,697,546.33</u>	<u>\$62,750,188.94</u>
Current Loans and Discounts in Canada (less Rebate of Interest)	\$113,198,913.90	—
Loan to Cities, Towns, Municipalities and School Districts	3,587,491.69	—
	<u>116,786,405.59</u>	<u>95,874,426.04</u>
Current Loans and Discounts elsewhere than in Canada (less Rebate of Interest)	1,117,268.51	352,918.12
Liabilities of Customers under Letters of Credit as per contra	2,117,441.21	464,153.05
Real Estate other than Bank Premises	694,325.33	782,326.64
Overdue Debts, estimated loss provided for	352,737.25	386,973.56
Bank Premises at not more than cost (less amounts written off)	*2,576,630.21	5,253,269.48
Deposit with the Minister for the purposes of the Circulation Fund	377,000.00	366,000.00
Other Assets not included in the foregoing	758,500.68	515,149.12
	<u>\$197,387,855.14</u>	<u>\$166,725,404.95</u>

*After crediting amount received in respect of Premises transferred to The Merchants Realty Corporation, Limited.

H. MONTAGU ALLAN,

President.

D. C. MACAROW,

General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE MERCHANTS BANK OF CANADA.

In accordance with the provisions of sub-Sections 19 and 20 of Section 56 of the Bank Act, we report to the shareholders as follows:—

We have examined the above Balance Sheet with the Books of Account and other records at the Chief Office of the Bank and with the signed returns from the Branches and Agencies and have checked the cash and verified the securities of the Bank at the Chief Office against the entries in regard thereto in the books of the Bank at 30th April, 1920, and at a different time during the year and found them to agree with such entries. We also attended at some of the Branches during the year and checked the cash and verified the securities held at the dates of our attendances and found them to agree with the entries in regard thereto in the books of the Bank.

We have obtained all the information and explanations we have required. In our opinion, the transactions of the Bank which have come under our notice have been within the powers of the Bank, and the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

VIVIAN HARCOURT,

GORDON TANSLEY,

Auditors.

Montreal, 25th May, 1920.

(of the firm of Deloitte, Plender, Griffiths & Co.)

THE MERCHANTS BANK OF CANADA—Continued.

PRESIDENT'S ADDRESS

In moving the adoption of the report, Sir Montagu Allan said: "After my formal address I wish to add just a few words, and I apologize to Mr. Macarow for doing so, because it is somewhat of a personal matter, but I think on this occasion it should be referred to.

"I wish to say that the day before yesterday I and the members of the board were notified by a member of the staff of the bank that a very important affair was to take place in the board room here yesterday afternoon. We attended, and were agreeably surprised to find that the business in hand was a presentation to our General Manager, Mr. D. C. Macarow.

"I have not secured his permission to mention this matter, but take the opportunity of doing so, because it was a decidedly unique event, of which neither he nor I nor the directors and any previous knowledge.

It turned out to be a spontaneous gift from all the members of the bank's staff from Vancouver to Halifax, a magnificent silver tea service, one of the most beautiful things I have ever seen, with other objects d'art.

"The presentation was the occasion of several very happy addresses from members of the staff, with an address which they presented Mr. Macarow, along with their gift, and led to a particularly illuminating reply from the General Manager, which, needless to say, brought down the house.

"It is with particular pleasure that I inform the shareholders of this event, because it is of interest to you all to know that the General Manager and the staff are in such close accord, and have such friendly personal relations. We of the board have every confidence in Mr. Macarow, and, from what we saw in the west last year, there was no doubt of the friendly feelings of the staff everywhere towards him. As an evidence of the friendly and confident relations that exist between Mr. Macarow and the staff all over Canada I think yesterday's function was one of the most agreeable and unique I have been privileged to witness for a long time, and I congratulate Mr. Macarow on the regard he has won from the bank staff throughout the whole Dominion." (Applause.)

The president then made the formal resolution for the adoption of the annual report, seconded by Mr. K. W. Blackwell.

THE GENERAL MANAGER'S ADDRESS

The General Manager, Mr. D. C. Macarow, in rising to make his address, was received with much applause from the shareholders. He said:

"In the first place I must say that the personal onslaught made upon myself by the president is as unexpected as it is kindly. I was deeply touched by the presentation so spontaneously made to myself by the staff throughout the country. I view the presentation with mixed feelings, appreciation of the kindly intent it showed, and doubt as to my own merits. However, I accepted it in the spirit in which it was given and it will always be one of my most prized possessions.

The President's address forms a comprehensive epitome of all the important phases of the Bank's present position, and has appropriately dealt with or touched upon the several outstanding developments which have taken place during the past fiscal year.

I shall therefore, but add a brief word of amplification as to some features of the statement which it occurs to me may be enlarged upon without unnecessary repetition.

Another Victory Loan last autumn was again heavily subscribed to by the Bank's clientele throughout the country, their total subscriptions reaching the large sum of \$41,770,000, practically all of which (conversions being negligible in amount) was a direct charge against our deposits. Yet the resultant heavy withdrawal was not only overtaken, but deposit totals show an increase, in addition, over last year, of \$24,900,000. This must be considered a satisfactory achievement, I think.

Commercial Discounts have, in natural course, advanced also, and the total now stands at \$113,198,000, being an increase during the year of \$17,324,000. These figures indicate that the Bank is continuing to carry its full share of the load in a period when the support and encouragement of the productive capacity and energies of the country is a matter of paramount importance. If stable conditions are to be reasonably maintained, it is essential that the vital channels of commerce and industry be kept open and, I venture to assert, in functioning as the above figures reflect, the Bank is playing its part to that end.

At last year's Annual Meeting I made reference to our Asset column as representing dollar for dollar of actual value, and I make the same assertion today with equal emphasis.

The record of growth this year leads me to feel that a few figures showing our progress, taking the last five years as a basis of comparison, may be of some interest to you. The totals and percentages are as follows, based on the year-end figures as at 30th April, 1915, and 30th April this present year.

	1915	1920	Gain
Total Deposits	\$64,829,000	\$163,080,000	151%
Current Loans and			
Discounts	47,401,000	113,198,000	138%
Total Assets	86,190,000	197,387,000	129%

a satisfactory and evenly balanced measure of development, you will, I am sure, agree.

If I may be permitted to add a word as to conditions I will be brief, for the subject has been dealt with from platform, pulpit and press so exhaustively that I cannot say much without wearisome reiteration. I fear it must be admitted, however, that the progress of this country, and indeed of the world at large, toward normal peace conditions has not been what we looked forward to a year ago. Unsettlement continues, labor and other difficulties abound, and the dominant need of the time. Production, is palpably inert and backward. So long as production lags, so long will high prices and general inflation continue. Costs are mounting to ever higher levels and the process of deflation with the necessary changes in ideas,

THE MERCHANTS BANK OF CANADA—*Continued.*

in habits and in outlook to something more approaching those of normal conditions can hardly be said yet to be in real evidence, though sporadic and somewhat spectacular cutting of prices in certain seasonal lines of manufactured goods may perhaps be accepted as a psychological sign showing that the trend, at least, is in the right direction.

The demand for borrowed capital continues to be more or less importunate and it is in the conservation of credit and the equitable rationing of it that Banks can play and, indeed, are playing a sound constructive role. Legitimate productive enterprises are being fostered and encouraged fairly, while at the same time a firmly restraining hand is held upon unproductive, non-essential and speculative undertakings. This policy of selective curtailment, so to put it, operating as it does at the very root of existing evils, and applied with due judgment, discrimination, and consistency, cannot but prove a beneficial corrective and an importantly contributing factor towards restoring, with a minimum of dislocation and disturbance, healthy and normal conditions in the body politic.

I might here venture to say that it is a matter of gratification to see our mercantile marine growing apace and to know that the Government will have it is understood, some 45 merchant vessels in commission by the end of July next. I mentioned last year, and I reaffirm the opinion then expressed, that there is nothing of greater national importance than the establishment of our own lines of ocean transport, and what has been and is being accomplished in this direction, both by the Government and by private enterprise, augurs well for the future safety and stability of the country's trade and commerce.

After what looked like in some respects an ominous start the crop situation throughout the country now seems to justify the belief that good yields will be secured this year. Predictions, however, are futile and we can only nurse the hope that actual results will fairly measure up to present optimistic estimates. Certainly, on the theory of averages alone, we are entitled to look for some redress in the crop situation this year. Much depends upon it, more especially in view of the disappointing results of the last two years, and if nature is benevolent in the coming harvest this country will benefit to an unmeasured extent, and we shall be reasonably in a position to view the period of deflation, upon the threshold of which we stand, with feelings of confidence as to our immediate future—as to our ultimate future there need be no misgiving, for it must be borne in mind that Canada is a young and virile country of almost limitless possibilities and immense natural resources awaiting development, that its manhood is strong, enterprising, thoughtful and sane.

While we have our readjustment difficulties to deal with, our progress through the transition period will be orderly and well-conducted if there is a fair measure of mutual appreciation of surrounding difficulties, and reasonable co-operation and good will all along the line in surmounting them. In a word, if the wise and reasonable policy so briefly and clearly condensed in the three simple words "give and take" continues to operate with cordial uninterrupted, we shall move with steady and assured step to the great destiny which lies before us through wide-open avenues of peace, progress and prosperity.

Before closing I would like to add my tribute of appreciation to the staff of the Bank for their devotion and efficiency. I cannot do so better than by saying that the President's apt and graceful remarks thereon have my unqualified and unrestricted endorsement. It is true, indeed, that the progress of the Bank is in no small measure due to the co-operative efforts of a loyal capable and contended staff. That, I know, we have.

Before putting the motion for the adoption of the Report, the Chairman invited questions or discussion. There being none, he put the motion, which was unanimously adopted.

It was moved by Mr. A. Haig Sims, seconded by David Kinghorn, that Messrs. Vivian Harcourt and Gordon Tansley, of Deloitte, Plendor, Griffiths & Co., be re-appointed Auditors of the Bank, to hold office until the next Annual Meeting.

On motion of Messrs. K. W. Blackwell and Farquhar Robertson, it was proposed: "That By-Law III, enacted by the Shareholders of the Bank, be and is hereby amended by substituting the word 'fifteen' for the word 'fourteen' in the first line thereof." This was unanimously adopted.

On motion of Messrs. A. Haig Sims and David Kinghorn, Messrs. John Patterson and Arthur Browning were, by unanimous vote, appointed Scrutineers, and instructed to cast one ballot for the election of the following persons as directors.

Sir Montagu Allan
Mr. K. W. Blackwell
Mr. Thomas Long
Sir Frederick Orr Lewis, Bart.
Hon. C. C. Ballantyne.
Mr. A. J. Dawes
Mr. F. Howard Wilson
Mr. Farquhar Robertson
Mr. Geo. L. Cains
Mr. Alfred B. Evans
Mr. T. Ahearn
Lt.-Col. Jas. R. Moodie
Hon. Lorne C. Webster
Mr. E. W. Kneeland
Mr. Gordon M. McGregor

The ballot having been cast, the Directors as named were declared to be elected.

Mr. A. Haig Sims—"Before this meeting concludes I wish to move a hearty vote of thanks and appreciation to the President and Directors for their services during the past year, which have made it possible to present the splendid report we have heard today. With this I would like to couple the thanks of the Shareholders to the General Manager and all members of the staff throughout the country for their efficient and loyal services to the Bank, which have contributed in no small degree to enabling the Directors to carry on their work for the advancement of the Bank."

This was seconded by Mr. A. A. MacDougall, and carried with applause, after which a brief address of thanks was made by the President for himself and the Directors, and by the General Manager for himself and the Staff.

This concluded the business of the meeting, which then adjourned.

At a subsequent special meeting of the Directors, Sir H. Montagu Allan was re-elected President, and Mr. K. C. Blackwell, Vice-President.

THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY, LIMITED

Extracts from the Report for the Year 1919

Net Premiums (Fire, Life, Accident, Marine, etc.)	\$39,223,645
Considerations for Annuities Granted	38,810
Net Interest derived from Investments	2,697,855
Total	<u>\$41,960,310</u>
Total Assets of the Company	<u>\$95,140,760</u>
Total Claims paid by the Company since its commencement	<u>\$486,680,875</u>

FUNDS OF THE COMPANY

The Funds of the Company are as follows:—

Capital (paid up)	\$2,655,250
Four per cent. Perpetual Debenture Stock	\$4,029,000
Four per cent. "Thames and Mersey" Debenture Stock.	2,253,475
	<u>\$6,282,475</u>
Four per cent. Perpetual Debenture Stock Premium Fund	1,343,000
General Reserve Fund	5,000,000
Fire Reserve Funds	15,624,340
Life Funds	21,944,440
Annuity Funds	2,925,830
Leasehold Redemption Fund	108,845
Marine Reserve Funds	2,933,935
Accident Reserve Funds	10,069,595
Staff Pension Fund	529,095
Profit and Loss Account after payment of Dividend for 1918	2,119,855
Investment Fluctuation Fund	8,000,000
	<u><u>\$79,536,660</u></u>

(\$5 taken as equivalent of £1 sterling.)

Canadian Branch - - Company's Building, Montreal

CANADIAN DIRECTORS :

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

J. GARDNER THOMPSON, Manager	LEWIS LAING, Asst. Manager
J. D. SIMPSON, Deputy Asst. Manager	



FIRE CASUALTY
The Northern Assurance Co. Limited
 of England

ACCUMULATED FUNDS, 1918 . \$75,229,000.00
 including Paid up Capital of \$4,010,100.00

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

ALEX. HURRY, Manager Casualty Department

G. E. MOBERLY, Manager

FIRE

THE

FIRE



Royal Scottish

INSURANCE COMPANY LIMITED
 of Glasgow, Scotland

HEAD OFFICE FOR CANADA
 17 ST. JOHN STREET
 MONTREAL

G. E. MOBERLY,
 MANAGER

This Company's contracts are guaranteed by
 The Northern Assurance Company Limited, of England

THE ST. PAUL FIRE AND MARINE INSURANCE COMPANY

INCORPORATED 1866

REPRESENTED IN TORONTO BY

ASSETS OVER \$2,000,000

McADAM, SHERRITT & COMPANY

Essex Life Building

General Agents

25 Toronto Street

BRITISH TRADERS' INSURANCE COMPANY, LIMITED

Head Office: HONG KONG

ESTABLISHED 1866

Head Office for Canada: TORONTO

FIRE & MARINE INSURANCE

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

JOHNSON-JERVIS, Inc., General Agents,
 MONTREAL

Manager for Canada, G. E. DRAYTON

THE STRATHCONA
FIRE INSURANCE COMPANY

HEAD OFFICE: MONTREAL,

99 ST. JAMES ST.

"For ten years the STRATHCONA has pursued a safe and steady course and is now beginning to gather the fruits of its wise and sound policy."

AUTOMOBILE INSURANCE

FIRE, THEFT, COLLISION
AND PROPERTY DAMAGE

THE NEW YORK UNDERWRITERS
AGENCY

Announces the establishment of an
AUTOMOBILE
DEPARTMENT

Issuing a full coverage policy, except personal liability. Service and facilities to Agents will parallel the same unexcelled standard of efficiency which has characterized every undertaking of this organization during its entire career of more than a half century.

A. and J. H. STODDART
100 WILLIAM STREET, NEW YORK

1300 RECIPROCAL MEMBERS SUED

The members of the defunct Commercial Underwriters of San Antonio, Tex., have had a nightmare of several months duration. The receiver of this interinsurer brought suit against all the members for their proportion as "underwriters" for all loss claimants, reinsurers and other creditors.

The Texas supreme court last week ruled that the defendant individual members of the reciprocal exchange are liable to loss claimants and to their

manager only to the extent of premiums on policies in force. This is bad for the loss claimants indeed.

But the 1300 trembling members of the association did not get off so easily after all.

The court held them liable as principals for all reinsurance claims, and for services and for supplies, etc.

The noble 1300 have discovered that the "inter-insurance" game is not what it is crooked up to be. They do not, always have the lead and hold the best suits and 13 trumps.—*Coast Review*.



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



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

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

Mount Royal Assurance Company

SURPLUS and RESERVES, \$1,415,740.57 TOTAL FUNDS, \$1,708,120.67
TOTAL LOSSES PAID, \$3,180,308.63

Application for Agencies Invited

Head Office - - - MONTREAL

P. J. PERRIN - - - - - Manager

Established in Canada in 1821
 1819 **AETNA (FIRE)** 1920
 HARTFORD, CONN., U.S.A.

Losses Paid over \$183,000,000

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

Union Assurance Society, Ltd.

OF LONDON, ENGLAND
 (Fire Insurance class A.B. 7/18)

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

Agencies throughout the Dominion

EXCELSIOR INSURANCE LIFE COMPANY

A Strong Canadian Company

FOR PROTECTION OR INVESTMENT
 BUY EXCELSIOR POLICIES

J. J. Robichaud, Prov. Man., Montreal

The Law Union & Rock

INSURANCE CO. LIMITED, LONDON. Founded in 1806

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,
 Accident Dept.

COLIN E. SWORD
 Canadian Manager.

SUCCESS IN SELLING LIFE INSURANCE Depends chiefly upon how hard Salesmen work, and the excellence of their service to clients. The more you put into it the more you will get out of it. Let "Greater Service to Policyholders" be your motto for 1920, and if you want a good position with a progressive Company, apply stating experience and references, to

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

THE CONTINENTAL LIFE INSURANCE CO.

GEORGE B. WOODS, President

TORONTO, Ont.

CHAS. H. FULLER, Secretary

CANADIAN FIRE RECORD

Fire at Ottawa.—By the fire which occurred on May 30th (already reported) in the lumber yards of Sheppard & Morse the following companies are interested:—Manufacturing Wood Workers Underwriters, Chicago, \$35,000; Lumbermen's Underwriting Alliance, Kansas City, \$63,000; Manufacturing Lumbermen's Underwriters, Kansas City \$50,000; National Lumber Manufacturers Inter-Insurance Exchange, Chicago, \$15,000; Lumber Mutual Fire Insurance Co. of Boston, \$7,000; Lumbermen's Mutual Mansfield, Ohio, \$7,000; Pennsylvania Lumbermen's Mutual, Philadelphia, \$7,000; Indiana Lumbermen's Mutual, Indianapolis, \$7,000; Minnesota Implement Mutual Ins. Co., Owatonna, Minn., \$3,000; Grain Dealers Nat. Mutual, Indianapolis, \$4,000; Pennsylvania Millers Mutual, Wilkes-Barre, Pa., \$4,000; Central Manufacturers Mutual, \$7,000; Van Wert, Ohio, \$7,000; Millers Mutual Fort Worth, Texas, \$7,000; Mill Owners Mutual, Des Moines, Iowa, \$4,000; Northwestern Mutual, Seattle, Wash., \$3,500; Fitchburg Mutual, Fitchburg, Mass., \$3,500. Total \$227,000. Loss estimated at about 50 per cent.

Fire at Toronto.—On the 3rd instant a two storey building owned and occupied by the Hortop Milling Co., Corner of Florence and Dufferin Sts., was destroyed. Loss about \$20,000.

Fire at Midland, Ont.—On the 3rd instant the residence of H. E. Macartney was badly damaged by fire.

Fire at Gore Bay—On the 6th instant a fire destroyed the Pacific Hotel together with contents and \$500-in cash, partly covered.

Fire at Hillhurst, P.Q.—On the 1st instant a fire broke out in a barn at the rear of the general store occupied by A. Beaudin, spreading rapidly, the store and contents were destroyed, as were also a grist mill and two residences. Loss about \$15,000.

Fire at Belanger Siding, P.Q.—On the 3rd inst. a fire broke out in the Lumber Yards of the Gravel Lumber Co. Insurance \$9,500.

Fire at Glendine, P.Q.—On the 3rd instant, a fire broke out in the Lumber Yards of the Gravel Lumber Co. Insurance \$60,000. Loss about \$15,000.

GROUP INSURANCE UNPROFITABLE

Where life insurance is issued on a group of employees a low rate of premium and with a small commission, it is a question whether the "fine showing" of a new business warrants the risk assumed. The low premium is a permitted rebate, and the margin of profit for the company—if any—is on the vanishing edge.

The president of a Canadian company which declines to write this class of business has circularized his agents, presenting a conservative view and questioning whether either the company or the agent will find any profit in the business. If there ever was any profit for the insurers the influenza wiped it out, and left large liabilities without any reserve to meet them.

Only a few companies in this country—where the plan originated—have so far deemed it profitable and prudent to write group insurance; and it is just as well for companies and their agents to wait awhile before risking money and time.

Coast Review.

"The great world spins forever down the ringing groves of change".—Tennyson.

The Continental turns each progressive spin of the insurance world to the profit of its agents. The unvarying CONTINENTAL slogan is "SERVICE-TO-THE AGENT," and the Company's great strides during the past few years indicate the agent's appreciation of that service. Ask for particulars of our Agency Business Development System. The price of a postage stamp can open to you new avenues of advancement and gain.

The Continental Insurance Company

OF NEW YORK.

HENRY EVANS, President.

FIRE TORNADO AUTOMOBILE HAIL PROFITS
USE AND OCCUPANCY

CANADIAN HEAD OFFICE: 17 ST. JOHN STREET, MONTREAL.

W. E. BALDWIN, Manager

MANAGER WANTED

The new "Fire Prevention Board" of Nova Scotia wants a man to assist in organization to manager its affairs, and to carry out the Provisions of the "Fire Protection Act" of Nova Scotia being chapter 30 of the Acts of 1919.

He must have executive and administrative ability, good address, and a general knowledge of **business affairs.**

Initial Salary \$3,500.

As the work expands salary will respond if the manager develops with the work.

Applicants will please give following particulars:—Age, education, business experience, and such other particulars as in their opinion show qualifications for the appointment.

Reference to accompany application. A copy of the "Fire Prevention Act" above referred to may be had upon application to the Deputy Provincial Secretary, Halifax.

W. E. Thompson, Hon. Secretary,
Thompson, Adams & Co. Ltd.,
166 Holliss St., Halifax, N.S.

WANTED

By a fire insurance office mapping clerk.
Apply to,

B. C.,
Care The Chronicle,
Montreal.

DETERMINING FIRE UNDERWRITING PROFIT

In a pamphlet issued by the National Board of Fire Underwriters on "What constitutes Underwriting Profit" and "Method of Determining Same" in such a hazardous business. On the method of determining underwriting profit, whether on a paid or earned premium and a paid or incurred loss and expense basis, the pamphlet says in part:

"The laws of the several States very properly require that the portion of the premiums unearned be set aside in a reserve fund and until such earnings accrue. Since the company's surplus is augmented only by the portion of the premiums earned and removed from such reserve and only the portion earned can be treated as an element in computing the profit result as shown in the annual statements, made in accordance with such legal requirements, companies should not be expected to return the full amount of premiums paid in, but only such amount as is earned.

"As to losses, the principle is even more obvious that incurred losses, and not paid, is the only

THE MONTREAL CITY AND DISTRICT SAVINGS BANK

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

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

Montreal, 28th May, 1920.

proper basis. A simple and convincing illustration of this principle is afforded by the case of a company which suffers a conflagration loss or losses of considerable magnitude just prior to the end of the year. In reporting on a paid basis such losses would not appear at all, owing to the fact that there had not been sufficient opportunity to adjust and pay them before the end of the year, consequently the result would be wholly inaccurate and misleading.

"Expenses incurred are usually also paid, but at the end of the year there are quite large sums, particularly of Federal, State and other taxes, which companies have incurred by doing business for the year then ending, but which are not payable until some date in the following year and which have not even been determined when the year closes. Necessarily reserves have to be set up for items of this character, whether taxes or otherwise, and to this extent incurred expenses should be allowed for."

As to whether in such calculations income and excess profits taxes are to be allowed as an expense, the pamphlet says in part:

"It is idle as well as unjust to compute a paper profit from which further deductions must be made before an actual profit is available as a result of doing business to the parties whose capital is hazarded in the enterprise. All deductions of losses and expenses should be made before the production of any figure regarded as profit.

"No corporation organized for profit and depending for its existence upon a reasonable return to its stockholders from its operations could continue if due credit were not given for all costs of operation which go to reduce the amount of its net income upon which its return to stockholders is predicated."

POLICY LOANS

Most policy loans come to the notice of agents before they are made and the agent who can and will use his influence to persuade the policyholder against it will be doing the highest duty of his business. Far better that luxuries be sold at a sacrifice than that the reserve money which protects the family in case of death be dissipated in paying for luxuries or for expenditure in the vain hope that the ways to easy money will return. It is the money of wife and children, or creditors, that is being borrowed on insurance policies and the agent's appeals ought to be as persuasive as possible and as firm as he can make them. Any man may conceivably spend what is his but the money he has accumulated in life insurance is not his if his beneficiaries ever need it. It is theirs. Hard times are sure to come to most families. Life insurance is the sheet anchor for just such times.

It is notable that banks are said to be frowning upon loaning money for the purchase of pleasure automobiles. All over the country there are persons, firms and associations financing the purchase of automobiles but the way to life insurance reserves will prove easier since the borrower will easily be obsessed with the idea that he is borrowing "his own money," when in fact he is borrowing the money of his wife and children. There are many other luxuries besides automobiles for which people have been and yet are spending money madly. Musical machinery, costly furniture and furnishings, jewelry and personal adornments have been moving out in a steady stream. The taste for them among those who never had them before grows by what it feeds upon. There will probably be no way of stopping it short of some general

stringency that cuts off the supply of cheap money. And when that process starts the borrowing begins.

The Insurance Field.

NOVA SCOTIA FIRE PREVENTION ACT

With the object of conserving the Country's Assets, by minimizing the awful fire waste, the Fire Prevention Act of Nova Scotia (passed last year) is doing good work. With a view to the practical administration of the Act, and the carrying out of its provisions, the new Fire Prevention Board propose to appoint a qualified man as manager, and attention is directed to an advertisement on another page. The Fire Prevention Board is chiefly composed of a body of most influential insurance men, who may be depended upon to see that the provisions of the Act is carried out, and it is fully expected that the future results of fire underwriting in such a leading Province as Nova Scotia will be most favourable. The head office of the Board is at Halifax, and is constituted as follows:—

Appointed by the Governor in Council, A. Handfield Whitman of Robin, Jones, & Whitman, Halifax, and C. V. Wetmore of Sydney.

Appointed by the Nova Scotia Board of Fire Underwriters, Col. W. E. Thompson of Thompson Adams & Co. Ltd. and B. P. Saunders of Saunders & Duffus, Halifax.

Appointed by the Union of Nova Scotia Municipalities, Lt.-Col. F. W. W. Doane, Halifax City, Engineer, and James Sealy of Kentville.

Mr. A. H. Whitman is chairman of the Board, and Col. W. E. Thompson, Hon. Secretary.

NIAGARA FIRE INSURANCE COMPANY

HEAD OFFICE, NEW YORK

INCORPORATED 1850

Cash Capital

\$1,000,000.00

Net Surplus 31st Dec., 1919

\$3,393,907.58

CANADIAN DEPARTMENT

22 ST. JOHN STREET, MONTREAL

W. E. FINDLAY, MANAGER

AGENTS WANTED

"THE OLDEST SCOTTISH FIRE OFFICE"

Caledonian Insurance Company

OF EDINBURGH

FOUNDED 1805

Caledonian-American Insurance Company

OF NEW YORK

Head Offices for Canada: - DOMINION EXPRESS BUILDING, - MONTREAL

JOHN G. BORTHWICK, Canadian Manager

AS TO INCREASED COMMISSIONS

In discussing the request of Southern local agents, who wanted a compromise with the companies, who refused (in view of existing conditions) any increase in commissions.

The Insurance Field says:—It is only fair to say that the companies were under quite as much pressure to refuse, as the agents were to request.

During the period of world unrest fire insurance has been the one business interest that has not increased its prices, although its expenses have mounted. It has been able to do this only because of increased intensive production. In 1915, the first year of the great war, the net American premiums were \$350,000,000. In 1919 they amounted to \$692,000,000, an increase of almost 100 per cent. Much of this was upon other lines than fire, much of it on new lines produced by our entry upon the war. The present high prices, which also affect replacements of real property, leave no doubt that the bulk of the increase was increase on the same property and the cover has hardly yet been brought up to the exposed value. Agents have increased their earnings on the average in the same proportion that the business has increased. If they have not it would seem to be due to neglect of opportunity. Energetic agents have made more money than ever before and we hope the wise ones have given the cold eye to extravagance and saved some of it.

It is probable that no class of business men have worked harder than insurance agents in the past three years. They had no wage increase. It was all "over time" effort and yet they have not as a rule more than kept up with the increased cost of living. All around they have seen wages and profits mounting up in every line of commerce and production. They alone found no increased value put upon their time and training. What increase of earnings they got they did increased work for.

Without increased rates in the face of the anxiously expected slump in prices and business

the companies fear to increase any charges upon premiums. Insurance is a peculiar business. The average man who never has had a loss does not often appreciate the value of mere protection evidenced only by a policy contract. He pays the premium with a certain reluctance and as long as he has no loss he thinks he is entitled to a reduction instead of an increase in rate and expense. The public made up of such general opinion will look with disfavor on any increase in commissions to agents or in any other expense that can be avoided. If the companies prove to have made any large profits out of their recent experience it is well to remember that we are facing conditions that may require all they have made and more. We are dealing with unrest, industrial uncertainty and vast financial problems that may strain every department of business. Agents no less than others are protected in their own business by having the strength of their companies increased to the utmost to meet any emergency that may arise in the future.

PERSONALS

Mr. George Weir, General Manager for Canada, London Guarantee and Accident Co. Ltd., Toronto, has left for an extended business and pleasure trip in England and Scotland. Mr. Weir has been successful in winning his place on the rifle team to represent Canada at Bisley this year. Mr. Weir is no novice at shooting, having at the Ontario Rifle Association meet at Long Branch last Fall, secured first place for the City of Toronto prize, and also for the MacKenzie prize, and having also won at that meet the Lieutenant Governor's gold medal.

Mr. H. J. May, Superintendent of the Casualty department of the Alliance Assurance Co. of London, England, who has been visiting important agencies of the Company in Canada for some weeks sailed for home on the 9th instant, per S.S. Victoria from Quebec.

IN ALL **INSURANCE** BRANCHES

STRENGTH REPUTATION SERVICE

THE MONTREAL SECURITIES CORPORATION LIMITED

Dominion Express Building - MONTREAL

GENERAL AGENTS FOR

The **GLOBE INDEMNITY COMPANY** of Canada

The **CANADIAN FIRE INSURANCE COMPANY**

Applications for Agencies Solicited



THE EMPLOYER'S

Liability Assurance Corporation, Limited
of London England

Transacts
AUTOMOBILE INSURANCE, covering ACCIDENT, PROPERTY DAMAGE, COLLISION,
FIRE, THEFT and TRANSPORTATION
Personal Accident, Sickness, Passenger and Freight Elevator,
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Canadian
Government
Deposit
\$1,622,000.00

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



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The Ocean Accident & Guarantee Corporation Limited

AUTOMOBILE INSURANCE

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

The "OCEAN" can meet these requirements under one contract

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**The Oldest and
Strongest Canadian
Casualty Company**

ACCIDENT SICKNESS PLATE GLASS
BURGLARY AUTOMOBILE INSURANCE
GUARANTEE BONDS FIRE INSURANCE

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Branches: **WINNIPEG CALGARY VANCOUVER**

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1833

Fire, Marine, Hail and Automobile

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Old	Reliable	Progressive
ASSETS	over	\$1,300,000.00
Losses paid since organization over		
		\$17,000,000.00

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INSURANCE COMPANY
ESTABLISHED 1869

Assets \$819,069.05
Surplus to Policyholders . . . 358,322.48



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17 St. John Street, - MONTREAL

NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST

**Fire, Accident and Sickness
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Head Office for Canada, - - TORONTO
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THE NORTH EMPIRE FIRE INSURANCE COMPANY

Policies guaranteed by the London Guarantee & Accident Co., Limited, London, Eng.

HEAD OFFICE, PARIS BLDG., WINNIPEG

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Head Office: Threadneedle St., London, Eng.

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15 Wellington St. East
TORONTO, Ont.

**LYMAN ROOT
Manager**