

# The Chronicle

Banking, Insurance and Finance

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## THE GENERAL FINANCIAL SITUATION.

Some two months ago, when following a special message of President Wilson to Congress, the United States Government inaugurated a noisy campaign having as its professed object the reduction of food prices, scepticism was expressed in this column in regard to the likelihood of that campaign resulting in any really worth-while effects. The course of events since that time has fully justified the scepticism then expressed. It now appears that in the month of August, at the time when this campaign was being most enthusiastically and energetically undertaken, retail food prices reached their highest point in the history of the United States, exceeding July's level of prices by one per cent. This fact can only surprise and disappoint those who are foolish enough to believe that the world's present economic malaise, can be cured by cheap-jack methods which do not touch the root of the evil. The theory at the back of the United States Government's campaign was that the principal cause of present-day high prices are profiteering and unjustifiable hoarding, and that theory was wrong. That profiteering is not only in existence, but is very widely-spread, no one who has the least real knowledge of present-day business conditions will deny. But that it is the principal cause of present-day high prices, is certainly not true. The opportunity for profiteering arises out of the principal cause, which is simply under-production. Prices will come down when the world gets to work again and not before, and while the prosecution of a profiteer here and there may be useful as a moral lesson, it will have no better real success in stopping the flood of high prices, than the prohibition of King Canute's courtiers had upon the tides. Canadians who realise that fact will save themselves a good deal of disappointment as to the possible results to be obtained from cost of living investigations and the like.

At this distance, it appears that the extraordinary railway strike in Great Britain, as well as the steel workers' strike in the United States, are, in effect, larger editions of the trouble which Canadians experienced at Winnipeg some months ago,

that is to say, the strikes have a political rather than an economic object and significance. The circumstances in the case of the British strike make this perfectly clear, and there is plenty of evidence tending to this conclusion in the case of the steel-workers. These strikes are, in reality, attempts by gangs of revolutionists to upset control of the established order by what is known as "direct action"—in other words, by the simple process of browbeating the community into submission. The Kaiser and his advisers had much the same idea five years ago, that the whole world must bow to their demands, and there is no real difference in principle between the German autocracy of five years ago and the Bolshevik revolutionaries of to-day. In Canada, particularly, this battle between autocratic revolutionaries and the community was fought out at Winnipeg to a finish, and the whole Dominion has benefited thereby, though doubtless sooner or later, in some other centre, it will have to be fought over again. The fight for freedom, political and industrial, can never be said to be absolutely won. That the present British strike will seriously retard the process of British economic recuperation after the war, even if it has no worse results, is evident, and the stoppage of transport facilities will in due course have a hampering effect upon Canadian trade, both export and import.

The August bank returns indicate a continuance of the tendencies that have been noted in connection with the returns of immediately preceding months. There is an accumulation in the banks of idle funds, and current loans are at a standstill—this increase in comparison with twelve months ago is probably to be accounted for almost entirely by higher values, and indicates no real expansion in the volume of commodities in course of production and distribution. Notice deposits reached a new high level at the end of August of \$1,196,632,931, a growth during the month of \$21,540,778, while both demand deposits and current loans in Canada show little change, the former recording a nominal increase of \$124,090 to \$584,300,855 and the latter being down by \$2,-

(Continued on Page 1001)

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Rest, \$20,000,000

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# The Chronicle

## Banking, Insurance and Finance

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

Office:

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MONTREAL, FRIDAY, SEPTEMBER 26th, 1919

### GENERAL FINANCIAL SITUATION.

(Continued from front page)

601,782 to \$1,011,785,424. At the same time, circulation increased by no less than \$15,554,974, in a month when the seasonal expansion of currency due to harvesting operations is only in the preliminary stage. This expansion, there is no doubt, is largely a result of holiday expenditures. Holiday travel has this year reached a maximum, and there is no doubt that an immense amount of additional currency has been called for as a result of heavy expenditures on this account by temporarily prosperous folk.

In connection with current loans, it is to be borne in mind that in many lines of staple production, manufacturing and distribution are now being carried on upon an entirely different basis than that existing prior to the war, as a result of the difficulty in obtaining raw materials. In the old days, a manufacturer would frequently very willingly take orders for an output considerably in excess of the raw material for which he had immediately contracted, relying, as he could well rely, on getting additional raw material at the time and in the quantities that he needed, and on terms showing no great variation from those current. Under present circumstances, that course of action is, however, no longer possible. A shoe manufacturer, for instance, in these days, lays hold (with considerable difficulty) on sufficient leather for, say, 50,000 pairs of shoes. His salesmen go out under instructions to return home when they have got orders for those 50,000 pairs; the manufacturer cannot afford to take the risk of contracting to supply, say, 60,000 pairs, and then not be able to secure the leather, or only be able to secure it at an enhanced figure which would mean doing business at a heavy loss. Thus, as a result of the shortage and high price of leather, production is limited, and the price of shoes to the consumer, is forced up. The same condition of things applies in other lines of business, and will undoubtedly continue, until there is some easing up in the supply of essential raw materials, since manufacturers can hardly be expected to run risks which might easily result in heavy loss.

The heavy holiday travel to which reference has been made above is reflected in C.P.R.'s showing of net earnings for the month of August. These amounted to \$3,773,167, an increase of \$569,536 or 17-75 per cent. over the total reported for the same month a year ago. Gross earnings during the month were \$15,283,653, compared with \$13,109,753, operating expenses thus taking practically 75 per cent. of the increased takings. It is, however, to be noted that these operating expenses were for the month of August about one per cent. lower than in the corresponding month of last year, and while one swallow does not make a summer, the fact affords some ground for belief that the peak in operating expenses has been about reached.

It is noteworthy also in this connection that some of the large gold-bearing mines in Northern Ontario have lately been showing a decreased ratio of operating expenses, in a proportion, which if not particularly substantial, is yet sufficient to constitute a real factor in the 'mines' showing of profits. Decreases in the prices of chemicals and other materials used in production are the main causes of this decrease, which has already been sufficient to stimulate the recommencement of active operations by several mines, which had shut down owing to the high cost of production, with a fixed price for the product, having made operations unprofitable.

While no doubt, the favorable outlook for several of the leading Canadian industries, notably milling and paper, justifies the increases in value which the local stock exchanges have lately been putting upon the stocks of the companies, engaged in them, it is difficult to see, how the recent rises in some other low-priced industrial common stocks can be justified by any possibilities of the companies' earnings in the not too far distant future. To be quite frank, it looks as if manipulation, and not an intelligent anticipation of events had something to do with sundry of these advances, and while it is possible, that these advances will be continued for some little time, it is well to remember that the only real sustaining power for the price of any stock over a prolonged period is earning power and dividend return, and that a low-priced non-dividend paying stock bought at an inflated level, may easily prove to be a very expensive and worrying luxury.

### FOREIGN TRADE OF GREAT BRITAIN.

The foreign trade of Great Britain is still growing. The export figures for August are the highest on record, and the imports for the month were only exceeded in July. According to the monthly statement of the Board of Trade imports totalled £148,831,141 and exports £74,773,237. Exports consisted mainly of manufactured products.

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Life insurance is of supreme value in these uncertain times. Life insurance should not only be jealously guarded and kept in full force but it should be increased if at all possible. It is a well known fact that the dollar has greatly diminished in value so that a given income will not purchase much more than one half the amount that it would have yielded in pre-war days. Not only therefore should we resist every inducement to relinquish our insurance, we should rather increase our protection to the limit of our ability. There is nothing else to be compared with a life insurance policy as a protection for the home. During the policy holder's life it is an asset of ever increasing value; at death it is the financial anchor of one's dependents. Do not allow your "best friend" to induce you to give up a policy in a sound company. Take a new policy if you can but never give up the old.

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THE CHRONICLE - - MONTREAL

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**DEATH OF MR. E. F. HEBDEN.**

We regret to announce the death of Mr. E. F. Hebden, on Sept. 30th, following an operation. The deceased gentleman was general manager of the Merchants' Bank of Canada for many years up to 1916, when he was appointed managing director.

On his appointment as managing director, Mr. Hebden, owing to physical infirmities, retired from the active control of the bank, and spent most of his time at his home, 445 Sherbrooke street west, enjoying the respite from work due to his declining years, although until a comparatively short time ago he kept up his active connection with the bank in a consultative capacity.

A circular was sent out by Mr. Macarow, as general manager of the Merchants Bank, to the managers of all branches, expressing the feelings of the Bank on the death of Mr. Hebden, in the following terms:

"With feelings of deep regret we have to inform you of Mr. Hebden's death, after a somewhat brief illness.

"Mr. Hebden's period of service in the bank was lifelong, and his record was one of close, conscientious and unremitting devotion to duty.

"We cannot but feel that in his demise an inspiring landmark is removed, and we all unite in sincerely deploring the disappearance from our midst of a distinctive personality, so well and favorably known, so highly respected and esteemed. His memory will long survive."

In the death of Edward Field Hebden one of the notable men of Canada's financial and banking circles has been removed. He was a man of outstanding capacity and personality, whose influence was profoundly marked on the bank with which he had been associated during his whole business life, while his far-sighted and conservative methods were reflected on Canadian finance and banking through the annual reports he submitted to the Merchants Bank of Canada during many years, which were regarded as classics in their expression of the financial position and prospects of the Dominion. To those familiar with his attendance at the annual meetings of the Merchants Bank in years past, who realized his strong and sober sense of banking responsibility, his death comes with a sense of both personal and national loss.

**SUMMARY OF THE TRADE OF CANADA.**

	Imports for consumption:		
	Twelve Months Ending 1917	1918	August 1919
Dutiable goods ...	\$538,513,387	\$516,474,858	\$536,990,829
Free goods .....	459,673,559	386,383,092	335,271,252
<b>Total imports, mdse. ....</b>	<b>998,186,946</b>	<b>902,857,950</b>	<b>872,262,081</b>
Duty collected . .	165,163,067	155,502,162	155,477,445
<b>Exports:</b>			
Canadian . . . .	1,359,181,695	1,334,972,342	1,232,875,681
Foreign . . . . .	37,320,780	41,190,665	59,812,687
<b>Total exports, mdse. . . . .</b>	<b>1,396,502,475</b>	<b>1,376,163,007</b>	<b>1,292,688,368</b>

**REDUCTION OF FOOD COST.**

Doubtless a good deal has been done for getting a readjustment of supplies to meet demands fairly, and to insure fairness in distribution and retail trade, but how far prices can be reduced or kept down it is still not possible to calculate. A good deal of stored up articles of food of various kinds have been let out and scattered among the markets, and the demand from other countries keeps above the normal and will do so until they get to producing more for themselves than they have been able to do this year. Our stored up supply being a good deal lessened in this move for getting prices down, the relation of supply to demand after that process is over is liable to be such that they cannot go lower and may rise again until the output of food products is increased to meet the market demand. It will probably take a year more to get a normal adjustment and in the meantime those who can afford to be extravagant ought to restrain themselves for the benefit of those who can only afford to live simply, and may even be made to go hungry.

**TRAFFIC RETURNS.**

Year to date	Canadian Pacific Railway			Increase
	1917	1918	1919	
Aug. 31 . . . . .	\$94,523,000	\$94,846,000	\$103,958,000	\$9,112,000
Week ending	1917	1918	1919	Increase
Sept. 7 . . . . .	2,666,000	3,053,000	3,599,000	546,000
" 14 . . . . .	2,691,000	2,915,000	3,763,000	848,000
" 21 . . . . .	2,964,000	3,114,000	3,893,000	779,000

Year to date	Grand Trunk Railway.			Increase
	1917	1918	1919	
Aug. 31 . . . . .	\$41,082,168	\$34,408,155	\$41,322,909	\$6,914,754
Week ending	1917	1918	1919	Increase
Sept. 7 . . . . .	922,615	1,346,536	1,422,955	76,414
" 14 . . . . .	977,154	1,415,000	1,647,304	232,809
" 21 . . . . .	1,336,312	.....	.....	.....

Year to date	Canadian National Railways.			Increase
	1917	1918	1919	
Aug. 31 . . . . .	.....	\$49,434,472	\$55,941,869	\$6,507,397
Week ending	1917	1918	1919	Increase
Sept. 7 . . . . .	.....	1,504,832	1,737,454	232,627
" 14 . . . . .	.....	1,593,343	2,017,960	424,612
" 21 . . . . .	.....	1,607,019	2,033,374	426,356



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**SANITY OF CONDUCT.**

The greatest need of the time, in this country as well as those that have suffered far more, is to maintain their mental and moral balance and not act like lunatics. Labor strikers or capital "profiteers" in England or France or Italy at such a time must seem crazy to sober Canadians. In Germany or Russia nothing may be surprising. There are terrible reasons for the mental and moral upsetting over there. But it seems as though Canadians ought to be capable of keeping their heads and maintaining their balance, at least recovering it when shaken by the sudden changes of the last months. It is largely a foreign element that makes it so difficult, but even

that ought to be brought to reason. It includes many who are intelligent and well-balanced, and it is only necessary for them to gain control of their forces. Capital may have been much at fault in past conflicts with labor, and there is need of bringing about better relations and a reasonable agreement upon rights and interests; but in this present strike situation there is only one side that sound public sentiment can support, whatever it may cost for the time being. It is necessary for that situation to be overcome or abandoned. Then there may come conferences and possible agreements that will restore sanity of conduct.

**COMPARATIVE ABSTRACT OF THE BANK STATEMENT FOR AUGUST 1919**

(Compiled by the Chronicle)

	August 31 1919	August 31 1919	Month's Movement 1919	August 31 1918	Month's Movement 1918	Year's Movement
<b>ASSETS</b>						
Specie .....	\$ 80,824,700	\$ 80,203,533	+\$ 621,167	\$ 75,222,384	-\$ 1,355,882	+\$ 5,602,316
Dominion Notes .....	170,100,535	180,823,245	- 10,732,710	186,256,488	- 263,684	16,155,953
Deposits in Central Gold Reserve	106,400,000	108,400,000	- 2,000,000	91,470,000	+ 2,600,000	14,930,000
Notes of other Banks .....	31,556,831	29,616,212	+ 1,940,619	25,854,067	+ 881,429	5,702,764
Cheques on other Banks .....	85,659,833	97,213,334	- 11,553,501	73,238,661	- 9,768,514	12,421,172
Deposit to secure Note issues ..	5,935,805	5,931,480	+ 4,325	5,845,902	- 2,197	89,903
Deposits with and balances due from other Banks in Canada	3,906,961	3,858,427	+ 48,534	4,840,301	+ 756,619	933,340
Due from Banks, etc., in U.K. ...	9,924,266	15,531,796	- 5,607,530	9,108,360	+ 809,548	815,906
Due from Banks, etc., elsewhere	46,286,574	84,255,121	- 37,968,547	54,455,629	+ 8,719,631	8,169,055
Dom. and Prov. Securities ....	273,332,930	278,190,601	- 4,857,671	179,039,711	+ 35,265,286	94,293,219
Can. Mun. Brit., For. & Col. Pub. Securities .....	254,235,984	253,490,909	+ 745,075	252,239,043	- 2,916,395	1,996,941
Rlwy. and other Bonds & Stocks	52,679,157	55,214,138	- 2,534,951	56,190,748	- 1,637,557	3,511,591
Total Securities held .....	580,248,071	586,895,648	- 6,647,577	487,469,502	+ 30,711,334	92,778,569
Call Loans in Canada .....	95,899,836	93,587,497	+ 2,312,339	73,509,571	- 873,191	22,390,265
Call Loans outside Canada ....	174,176,578	178,098,434	- 3,921,856	160,544,990	- 6,567,846	13,631,588
Total Call and Short Loans ....	270,076,414	271,685,931	- 1,609,517	234,054,561	- 7,441,937	36,021,853
Current Loans and Discounts in Canada .....	1,011,785,424	1,014,387,206	- 2,601,782	920,775,269	+ 15,098,036	91,010,155
Current Loans and Discounts outside .....	146,964,315	138,217,957	+ 8,746,351	101,551,546	+ 1,848,627	45,412,769
Total Current Loans and Dis- counts .....	1,158,749,739	1,152,605,163	+ 6,144,576	1,022,326,815	+ 16,946,663	136,422,924
Loans to Dominion Government	.....	.....	.....	.....	.....	.....
Loans to Provincial Gov'ts ....	4,846,194	3,700,208	+ 1,145,986	3,107,083	+ 665,037	1,739,111
Loans to Cities, Towns, etc. ....	57,536,867	54,455,738	+ 3,081,129	56,662,931	+ 73,758	873,936
Bank Premises .....	56,014,766	54,667,642	+ 1,347,124	53,333,467	+ 378,773	2,681,299
Total Assets .....	2,713,809,056	2,772,742,588	- 58,933,538	2,423,466,887	+ 43,954,236	290,342,163
<b>LIABILITIES</b>						
Notes in Circulation .....	222,461,915	206,906,941	+ 15,554,974	200,839,660	+ 12,973,827	21,622,255
Due to Dominion Government ..	100,639,909	140,575,172	- 39,935,263	85,393,676	- 1,907,930	15,246,233
Due to Provincial Governments	23,552,757	23,499,116	+ 153,641	22,037,448	- 585,921	1,515,309
Deposits in Canada, payable on demand .....	584,300,855	584,176,765	+ 124,090	554,906,517	+ 5,837,866	29,394,338
Deposits in Canada, payable after notice .....	1,196,632,931	1,175,092,155	+ 21,540,776	1,014,711,865	+ 22,696,728	181,921,066
Total Deposits of Public in Can.	1,780,933,786	1,759,268,920	+ 21,664,866	1,569,618,382	+ 28,534,594	211,315,404
Deposits elsewhere than in Can.	238,363,859	294,650,777	- 56,286,918	220,124,417	+ 4,120,613	18,239,442
Total Deposits other than Govt.	2,019,297,645	2,053,919,697	- 34,622,052	1,789,742,799	+ 32,655,207	229,554,846
Dep. and Bal., other Can. Bks.	7,860,268	8,773,045	- 912,777	8,406,023	- 1,409,394	545,755
Due to Bks. & Corres. in U.K.	7,439,436	6,938,194	+ 501,242	3,757,405	- 1,402,567	3,682,031
Due to Bks. & Corres. elsewhere	29,407,035	32,955,659	- 3,548,624	26,778,640	+ 1,914,013	2,628,395
Total Liabilities .....	2,449,685,030	2,509,820,518	- 60,135,488	2,169,483,583	+ 41,664,049	280,201,447
<b>CAPITAL, ETC.</b>						
Capital paid up .....	115,834,923	115,721,629	+ 113,294	111,451,963	+ 1,283	4,382,960
Reserve .....	122,273,225	122,230,372	+ 42,853	114,141,248	+ 1,100	8,131,977
Loans to Directors & their Firms	8,645,891	8,645,725	+ 99,834	7,544,298	- 97,982	1,001,593
Greatest Circulation in Month..	223,454,556	223,662,648	- 208,092	202,489,039	+ 3,709,644	20,965,517

**THE PACIFIC COAST FIRE INSURANCE CO.**

Head Office - - VANCOUVER, B. C.

Established 1890

Surplus security for Policy-holders  
Over \$700,000.00

LIBERAL ADJUSTMENTS  
PROMPT PAYMENTS

**J. W. GRIER & CO.,**

Managers Prov. of Quebec  
**MONTREAL**

"The Oldest Scottish Fire Office"

**The Caledonian  
Insurance Co. of Edinburgh**

Founded 1808.

Head Office for Canada,  
Dominion Express Building  
**Montreal**

JOHN G. BORTHWICK,  
Canadian Manager

First British Insurance Office Established in Canada, 1804

**INTENDING ASSURERS**

Should read the "THREE MINUTES" Leaflet  
of the

**PHENIX 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. Francis-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  
year 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**

**NIAGARA FIRE INSURANCE COMPANY**

HEAD OFFICE, NEW YORK

INCORPORATED 1880

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  
Life & General Assurance Association, Limited.

**ACCIDENT AND SICKNESS**  
Most Liberal and Up-to-date Policies  
**GUARANTEE BONDS**  
**ELEVATOR AND GENERAL LIABILITY**



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

**AUTOMOBILE LIABILITY AND FIRE**  
Individual or Combined Policies

**EMPLOYERS LIABILITY**  
**PUBLIC AND TEAMS LIABILITY**

**HEAD OFFICE FOR CANADA . . . . . 164 ST. JAMES STREET, MONTREAL**  
**APPLICATIONS FOR AGENCIES INVITED**

**CANADA'S FAVOURABLE POSITION.**

This country, relatively speaking, is in a favourable position. Our debt abroad has not increased materially since the outbreak of the war; our chief products are foodstuffs for which the demand remains great, while under the stress of war the machinery for their production has gained efficiency. Favourable as these conditions are, we can reap the advantage from them only by husbanding our resources in credit and goods. By unnecessary personal expenditure, or by state interference in maintaining and artificially creating more costly standards of living which are not conducive to efficiency or social contentment, the advantages of the position now enjoyed by Canada may easily be lost. Social justice and prosperity have attained their fullest development in those countries where individual initiative has been least hampered by governmental restrictions, and such conditions have not only attracted commercial and industrial enterprises, but have fostered the best forms of humanitarian effort; all elements of a contentment which is the true measure of prosperity. It is a good augury at the present time that there is pressure to obtain passages to Canada by many who seek opportunity to recommence their careers free from the fear of undue state interference with their personal liberties.

One of the chief obstacles to progress in reconstruction and repair will be removed when the peace terms are enforced and the political and geographical status of the reconstructed nations is definitely settled. The waning but still persistent belief in several European countries that the people as a whole would be better off if the state were to confiscate private property, is another difficulty that will have to be overcome before conditions are conducive to stable trade relations. The example of Russia is doing much to remove unrest on that account, and the stern and painful experience of that country is dissipating the illusion that when the products of labour go to the state for the use of the community, thus eliminating individual ownership and initiative, social ease and contentment must ensue.

While the rebuilding of states is in progress, Canada should be ready to take advantage of her position by being prepared to extend credits to them. This cannot be done unless her people continue to produce and save and until they manifest greater confidence in those on whom rests the responsibility of developing and extending trade. Disappointment will inevitably ensue if dependence for the maintenance of Canada's foreign trade is to be placed solely on the state. — Canadian Bank of Commerce Monthly Letter.

**GREAT BRITAIN'S PREFERENTIAL TARIFF RATES.**

The announcement of Great Britain's preferential tariff rates in favor of the British Colonies has caused general satisfaction in Canada, where it is felt "preference" will be a great aid in developing the country. Canada can to-day manufacture practically anything, and cheaply too, owing to her enormous water power.

A new order from Greece for \$25,000,000 worth of Canadian goods has been reported by the Canadian Trade Commission. This is the second order of similar size from Greece. Orders for like amounts from Belgium and Rumania have been completed.

The wool clip of Canada for 1919 has been estimated at 15,000,000 pounds. The 1918 production was 12,000,000 pounds. Very high wool prices are expected during the whole of the present year, even though rates will have to be fixed and settled in competition with Australian and New Zealand wool.

Canadian foreign trade for the month of July amounted to \$198,000,000 with a favorable balance of \$29,000,000 in exports above imports.

Two new steamship lines have been opened by the Canadian Pacific Ocean Service; one from Vancouver, B.C., to Singapore, and the other from Montreal to Christiania, Norway. Both lines are for freight only.

**MEDICAL PROFESSION AND A RECURRENCE OF THE EPIDEMIC.**

It will do no harm to inquire why so many people, especially the medical profession, are so certain of a recurrence of the epidemic. Power of mind over matter is well known and if the medical profession continue to insist on a return of the influenza and dwell upon the matter long enough and strong enough, it may bring on another epidemic. It is well to note, however, that conditions have changed since last year, the nervous strain is reduced, the voluntary abstinence from such necessary foods as sugars and fats is no longer required, and in general people are in a healthier condition to resist an attack of influenza.

Life insurance figures show that the average age of those who died was about 33 years, few deaths occurring at the older ages, which appeared to be immune, because of inoculation against the disease by earlier attacks. If this is a good theory, nearly everybody must be immune this year, and we can sound a note of cheerfulness and hope for the coming winter.

# THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1853

**Fire, Marine, Hail and Automobile**

HEAD OFFICE: TORONTO

<b>Old</b>	<b>Reliable</b>	<b>Progressive</b>
Assets over	- - -	\$4,000,000.00
Losses paid since organization	over	- - - \$45,000,000.00

**DIRECTORS:**

**W. B. MEIKLE, President**

Sir JOHN AIRD	D. B. HANNA
ROBT. BICKERDIE, Montreal	Z. A. LAMB, K.C., LL.D.
LT.-COL. HENRY BROCK	Geo. A. MORROW, O.B.E.
ALFRED COOPER, London, Eng.	LT.-COL. THE HON. FREDERIC NICHOLIS
H. C. COX	BRIG.-GEN. SIR HENRY PELLATT, C.V.O.
JOHN H. FULTON, New York	E. R. WOOD
JOHN HOSKIN, K.C., LL.D.	

<b>W. B. MEIKLE</b>	<b>JOHN SIME</b>	<b>E. F. GARROW</b>
Pres. and Gen. Man.	Ast. Gen. Man.	Secretary

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

# THE LONDON MUTUAL FIRE

**INSURANCE COMPANY**  
ESTABLISHED 1869

Assets	- - - - -	\$639,691.53
Surplus to Policyholders	- - - - -	184,317.87



**DIRECTORS:**

<b>A. H. C. CARSON, Toronto</b>	- - - - -	<b>President</b>
<b>F. D. WILLIAMS</b>	- - - - -	<b>Vice-President</b>
<b>A. C. McMASTER, K.C.</b>	<b>W. T. KERNAHAN</b>	
<b>S. G. M. NESBITT</b>	<b>H. N. COWAN</b>	
<b>W. H. HUNTER</b>		

HEAD OFFICE - 33 SCOTT ST., TORONTO

QUEBEC BRANCH OFFICE

**W. J. CLEARY,**

BRANCH MANAGER.

17 St. John Street, - MONTREAL

# NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST

**Fire, Accident and Sickness**  
**Employers' Liability**  
**Automobile, Plate Glass**

AGENTS WANTED FOR THE ACCIDENT BRANCH.

Head Office for Canada, - - - TORONTO  
Head Office for Province of Quebec, MONTREAL

F. A. TANKER, Branch Manager.

FOUNDED A. D. 1819

# THE PHENIX FIRE INSURANCE COMPANY OF PARIS, FRANCE

SURPLUS TO POLICYHOLDERS, \$6,820,000

**THOMAS F. DOBBIN, Manager for Canada.**  
**EDMUND FOSTER, Assistant Manager.**

**Lewis Building, St. John Street, - MONTREAL**  
Applications for Agencies invited.

# The Travellers Life Assurance Company

of Canada

HEAD OFFICE: MONTREAL

Hon. GEO. F. GRAHAM, President

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

ESTABLISHED 1864.

# New York Underwriters Agency

**A. & J. H. STODDART**  
REGISTERED

100 William Street - New York

**Provincial Agents**

**MURPHY, LOVE, HAMILTON & BASSON,**  
Toronto, Ont.  
**OSLER, HAMMOND & NANTON,**  
Winnipeg, Man.  
**ALFRED J. BELL & CO.**  
Halifax, N.S.

**JOHN WIL. MOLSON & ROBERT V. HUNTER**  
Montreal, Que.  
**WHITE & CALKIN**  
St. John, N.B.  
**ATY & SON, 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 BOOP**  
Manager

**MR. G. D. FINLAYSON.**

Mr. G. D. Finlayson, Superintendent of Insurance, Ottawa, was among the visitors to The Chronicle office this week. While much impressed with the unusually large volume of business written by life companies this year, which will also mean increased reserves, Mr. Finlayson was much gratified to feel that there is not any danger of the companies generally unduly straining their resources in the matter of securing too much new business, which he incidentally remarked costs the companies considerably over 100 per cent. Mr. Finlayson expressed great satisfaction with the Fire Prevention campaign and its commendable activities in the right direction, which must finally result in assisting the reduction of the great fire waste in Canada. The conflagration hazard which is ever present in this country provides a problem to be dealt with, especially as to the amount of funds which might be considered adequate for the companies to set aside each year as a special reserve to provide for all possibilities.

Referring to the regrettable large amount of unlicensed insurance transacted in Canada, Mr. Finlayson drew attention to the fact that under the provisions of the Insurance Act 1917 unlicensed insurance is only permitted if such insurance is effected outside of Canada without any soliciting for business by such companies through circulars or otherwise. This latter is, however, not by any means strictly complied with by unlicensed insurance concerns. Mr. Finlayson's report for 1918 points out that property owners effecting such insurance as a result of solicitation are together with the representatives of unlicensed companies inspecting risks and adjusting losses, subject to the penalties prescribed by Section 508 (C) of the Criminal Code. The report further states:— Owners of property effecting insurance in unlicensed companies should also be advised that default in making return of such insurance renders them liable to a penalty of \$10. for each day during which default continues.

**FIRE PREVENTION DAY OCT. 9TH.**

That there are special reasons for a great observance of the day this year is set forth clearly by the National Board of Fire Underwriters in a statement, in part as follows:—

"This year, as never before, there is need for a Fire Prevention Day observance that shall be thorough-going and effective. Last year, when the nation was at war, the patriotic necessity for learning the lessons of this observance seemed to have reached its highest possible point. This year, the reasons, while totally different, may be considered as even more far-reaching and urgent. This year, although speaking in a figurative sense,

it is not too much to say that a conflagration of the nation is seriously threatened. Today the country seems to be fast drifting into a whirlpool of discontent and violence in which organized forces of lawlessness are operating with a degree of boldness which never would have been believed possible. To say, then, that the nation is threatened with a conflagration is understandable; indeed, it is scarcely figurative, since literal flames have marked the process of destruction at countless points."

**Appeal to Patriotism.**

Appealing especially to patriotism in its broadest sense, the National Board says:

"Most people act as though they believe that their own personal habits and the condition of their own premises concern no one except themselves. This short-sighted, self-limited view of personal responsibility has been getting the world into trouble for many thousands of years, and it will continue to get the world into trouble until people gain a new and truer viewpoint. Fundamentally, man's need today is for a spiritual awakening. . . . and his recognition of his moral responsibility.

"Fire Prevention Day offers a peculiarly valuable opportunity for emphasizing this fact. While fire in its service to humanity may stand for much that is good; fire in its destructive capacity is an almost perfect symbol of evil. It is self-propagating and spreads with startling swiftness wherever it finds fuel. It destroys that which it touches. It seizes upon beauty and leaves ugliness behind it. In all of these respects fire typifies the spread of evil and disintegrating ideas throughout the world. . . . The appeal today is for a grade of constructive patriotism, of high ideals of citizenship, of real regard for the safety and welfare of the public and of devotion to the principles of human liberty that is not less in degree than that which was manifested during the years of actual warfare."

**NEW CANADIAN FIRE COMPANY.**

Mr. C. E. Berg, of Vancouver, B.C., passed through Montreal recently en route to England. We understand Mr. Berg is promoting a new company to be called the United Canadian Fire Insurance Company, and while every legitimate enterprise is susceptible of success in this country, when well managed, we must not overlook the fact that in so far as the fire insurance business is concerned, with all its problems, the Canadian field is now densely occupied by keen and active companies, and Mr. Berg should be aware that he has a very hard proposition ahead of him. Mr. Berg is known through his connection with the Hudson Bay Insurance Company, some years ago.

# 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, 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  
\$50,000,000

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  
\$50,000,000

## JOHNSON—JENNINGS, Inc.

AGENTS

INSURANCE

BROKERS

AEWA 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

### AMERICAN EQUITABLE ASSURANCE COMPANY TO ENTER CANADA.

The American Equitable Assurance Company of New York, organized in 1918, has applied for a license for the transaction of fire insurance in Canada. Mr. J. E. Clement, Montreal, has been appointed Canadian manager. The financial statement of the Company as of June 30th, 1919, shows a paid-up capital of \$400,000 and a surplus of \$519,180. Its total assets amount to \$1,988,884. The Company is under reputable and experienced management. It commenced its career with no organization expenses. The securities owned by the Company are of excellent character and include \$1,225,000 U.S. Government Liberty Bonds. Mr. Clement will leave next week for British Columbia in connection with the Company's organization in Canada.

### GRAIN DUST EXPLOSIONS.

#### Combatting a New and Serious Hazard.

The explosion of the Murray grain elevator at Kansas City is the third great catastrophe of this kind within a short period of time, and the losses resulting from the destruction of property as a result of these explosions are so heavy as to cause the Bureau of Chemistry to investigate.

The first explosion occurred at Cedar Rapids, Iowa, causing a great loss of life, as well as of property. The government elevator at Port Colborne, Ontario, was the second great loss, and last week the Murray elevator at Kansas City was the third to be destroyed. These explosions, with their resulting losses, illustrate the fallacy of predicting a good experience on a class of large risks because the past experience has been good.

The first year that the Underwriters' Grain Association insured the elevators and grain the losses were not large, and as a consequence this form of underwriting was considered to be of low hazard. But these three explosions show clearly that this class of risk is subject to very heavy losses. The following is the report of the United States Grain Corporation on the Kansas City disaster:

Immediate investigation into the causes of the recent grain dust explosion which wrecked the Murray elevator in Kansas City, Mo., Saturday, causing nine deaths, injuries to six others, and a property loss amounting to half a million dollars, is to be carried on by officials of the Bureau of Chemistry, Department of Agriculture, who are in charge of the grain dust explosion prevention campaign recently launched by the United States Grain Corporation at the suggestion of Julius H. Barnes, United States wheat director. The fire

occurred at 2 o'clock Saturday afternoon, and the elevator, which had a capacity of 1,600,000 bushels, was completely destroyed with large quantities of wheat belonging to the grain corporation.

### CANADA LIFE ASSURANCE COMPANY.

General Wilson, manager at Montreal of the Canada Life Assurance Company, after four years devoted largely to military affairs in his capacity of G.O.C., is now devoting his whole time to the Company's interests in the Province of Quebec, and considerable energy and enthusiasm is displayed by the strong organization under his direction, with the result that great strides forward are being made. Canadians are justly proud of the Canada Life, which is conservatively and well managed in every department. Its record for amount of new business written during the present year has never before been approached in the branch under General Wilson's management during any one year. The Company's total new business during the present year has already passed the inspiring amount of thirty millions.

### PRUDENTIAL OF LONDON ENTERS THE FIRE FIELD.

The Prudential Assurance Company of London, the largest of all British insurance companies, has formally entered the fire insurance field and announces the issuance of a very comprehensive dwelling house policy covering all risks, including fire and liability. Some time ago it was announced in the Journal of Commerce that the Prudential would increase its capital to £2,000,000 and enter the fire insurance business. It has now announced the issuance of "Hearth and Home" policy, which is claimed to provide the fullest indemnity ever offered to householders in one document.

The risks covered under the Prudential's policy include fire and lightning, burglary, housebreaking and larceny, storm, gas explosion, bursting or overflowing of water tanks, etc., whether due to frost or otherwise, riot, strikes and labor disturbances and aeroplane risks. It also covers loss of rent through fire, liability under Workmen's Compensation and other acts, liability to the public and fatal accident to the extent to which the furniture and other effects are insured, but not exceeding £1,000.

The rate for this policy is announced as 5 shillings per cent. or 1-4 of 1 per cent. with a minimum premium of 12 shillings and 6 pence. These rates for the extensive form of cover will be interesting to American underwriters.

# "The Oldest Life Company in America"

*Issued the First Policy in 1848*

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. 1790

CAPITAL PAID UP - - - - - \$ 8,741,875  
TOTAL ASSETS EXCEED - - - - - 43,500,000

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

# Fidelity Insurance

**Manufacturers—Contractors—Merchants**

The Workmen's Compensation Act imposes upon you serious obligations respecting your liability for injuries or death suffered by your employees by reason of or in course of their work.

The Provident Assurance Company issues, at reasonable cost, an Employers' Liability Policy that provides complete indemnity against all liability imposed by law upon the assured for injuries to his employees, including all legal expenses.

**The Provident Assurance Company**  
189 St. James Street, Montreal. Tel. Main 1636-7.  
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 - - - - - 25,198,205

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. HENNIE, 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 6,792,000.00  
Available Balance from Profit and Loss Account. . . . . 118,405.00  
Net Premiums in 1918. . . . . 7,105,053.00  
Total Losses paid to 31 Dec., 1918. . . . . 108,718,000.00

Canadian Branch:

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

**CANADIAN FIRE RECORD.**

**Fire at Antigonish, N.S.**—On Sept. 25th, a fire destroyed the dormitory and class room in central building of the St. Francis Xavier College.

**Fire at Sussex, N.S.**—On Sept. 25th two warehouses of the Wallace machinery works were destroyed by fire. Loss about \$15,000, partly insured.

**Fire at Halifax, N.S.**—On Sept. 25th, a fire occurred in the Camp Hill Military Hospital. Loss about \$2,000.

**Fire at Belleville, Ont.**—On Sept. 24th Ruttan & Ellis, planing mill was badly damaged by fire. Loss about \$3,000.

**Fire at Brantford, Ont.**—For the tenth consecutive night the Brantford fire department was called out on Sept. 24th. An incipient fire was discovered in the Heyd Block, a three-storey building, the result of fire bugs. The fire was started by someone pouring gasoline in the partition on the top storey, and was extinguished before much damage was done.

**Forest Fires in B.C.**—On Sept. 29th forest fires along the line of the Pacific Great Eastern Railway above Squamish were so intense during the week-end that steel rails were twisted and melted, a wooden railway bridge was destroyed, and giant rocks crumbled and crashed down upon the right of way.

Great trees fell everywhere. A train with 45 passengers was held up for two days by the fire, which swept through the Cheakumus Valley, driven by a heavy wind.

**Fire at Orinecto, N.B.**—On Sept. 30th a fire broke out in the saw mill of the River Valley Lumber Company, which was completely destroyed, causing a loss of over \$100,000. In addition to the milling property four churches, twenty-four dwellings, four stores, two blacksmith shops, one public hall, one boarding house, and one hotel were destroyed. The total loss will exceed \$250,000. There is no fire protection in Orinecto, notwithstanding the heavy losses through fire in 1918.

Est'd 1840

**WELLINGTON**  
FIRE INSURANCE COMPANY

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CLAIMS PAID EXCEED  
\$3,000,000

80 Years Honorable Record

**WANTED**

Party desiring change, experienced in all branches of Casualty Insurance, and capable of taking full charge solicits an interview when full particulars will be given—Address

CASUALTY,  
c/o The Chronicle,  
Montreal.

**WANTED**

RETURNED SOLDIER, 1916 R.C.R. man desires immediate position thoroughly experienced in Fire Insurance or any Accountant work. Prefer Toronto, but would go to good outside town—Address

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**WANTED**

Assistant Accountant for large Fire Office. Preference given to one with knowledge of Insurance Accountancy. Apply—

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**WANTED**

RETURNED SOLDIER, 20 years thorough experience Agency and Head Office Fire Insurance, desires immediate position. Previous to going overseas, own business was Fire, Life, Accident, Marine and Plate Glass. All round inside or outside man, capable of managing Office and accounting, but prefer Inspector's work.

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**LONDON &  
LANCASHIRE  
FIRE**  
INSURANCE COMPANY  
LIMITED

**Security - - \$42,000,000**

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14 Richmond Street, East, TORONTO

**PROVINCE OF QUEBEC BRANCH**  
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**LONDON &  
LANCASHIRE**  
GUARANTEE &  
ACCIDENT

**PERSONAL ACCIDENT  
SICKNESS  
FIDELITY GUARANTEE**

**FLATE GLASS  
AUTOMOBILE  
GENERAL LIABILITY**

*Head Office, TORONTO*  
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## Mount Royal Assurance Company

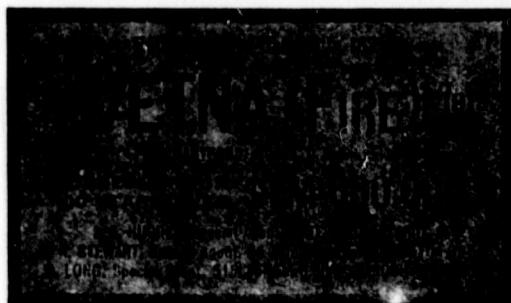
**SURPLUS AND RESERVES, \$1,214,457                      TOTAL FUNDS, \$1,436,842**

**TOTAL LOSSES PAID, \$2,692,201**

Applications for Agencies Invited

**HEAD OFFICE - - - - MONTREAL**

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



### Union Assurance Society, Ltd.

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

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T. L. MORRISSEY, Resident Manager.

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INSURANCE LIFE COMPANY  
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Canadian Head Office: 377 Beaver Hall Bldg.  
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Agents wanted in unrepresented towns in Canada.  
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Accident Dept.    { Canadian Manager.

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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.,

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## THE CONTINENTAL LIFE INSURANCE CO.

GEORGE B. WOODS, President.                      TORONTO, Ont.                      CHAS. H. FULLER, Secretary

## THE EXTENSION OF AMERICAN INSURANCE INTO FOREIGN FIELDS.

It is easy enough to will the extension of our insurance to foreign countries. The countries are willing; we have the capital; we have experienced men; we have the daring and initiative; we have the companies—many of them—big enough to compete with the biggest abroad. But the rub is found in our own insurance system and laws. Insurance here has developed as a local institution, responsive to State and local jealousies.

The basic difficulty is, of course, our dual system of government—a nation of States, each independent of the other in insurance laws and supervisory practice. So long as the doctrine of Paul vs. Virginia is adhered to by the Supreme Court, this cannot be changed, and our present companies that seek business beyond seas must continue State companies, as distinguished from national companies as are their competitors from other lands. This, in itself, is perhaps not a serious handicap. The difficulty arises, rather from certain limitations on their underwriting and financial power, which are the natural outgrowth of our State system, and of the provincialism of our insurance outlook heretofore.

One of these limitations is the unreasonable and, therefore, unwarranted attitude of some of the States in requiring special deposits as a condition of entry, even by companies incorporated in a neighboring State. Of course, this limitation is not a real difficulty to any company large enough to compete successfully abroad. But out of it has grown another limitation that does present difficulties—the so-called Burlington rule.

### The Burlington Rule.

I will not say that there is not, in a legal sense, much reason back of that rule. Securities on which there is a prior lien, either by law or contract, are worth to their title holder only their value after subtracting the lien. I will not say, either, that the American requirement that the foreign company coming here deposit funds in considerable amount for the primary protection of American policyholders is unreasonable. It has proved a valuable reservoir against conflagration or other calamity both here and abroad. But we must all admit that our action in requiring special deposits from State to State and from all foreign companies has proved a good-enough-morgan for other countries in prescribing likewise when our companies seek business abroad.

Which leads me to review somewhat the present deposit requirements of foreign governments. At one extreme is Canada, where, with a \$50,000 minimum, the outlander must also keep in the Dominion its loss and reinsurance reserves plus 10 per cent. of the same. At the other extreme are New Zealand and Australia, where, save in one

State of the Commonwealth, no deposit is required. The deposit requirements of some of the other nations, as gathered from various sources, seem to be as follows:

England: \$97,000 for each line, no deposit, however, for marine or direct reinsurance. France: At present apparently the amount required of French companies by the applicant company's home nation or State. Norway: \$13,400 to \$26,800. Spain: 5 per cent. of capital (not exceeding 100,000 pesetas). Argentine: \$127,300 for one line, as fire, with \$42,460 for each additional line. Chile: \$100,000. Brazil: \$50,000 minimum. Mexico: \$25,000. Cuba: \$75,000 for one line, with \$25,000 for each additional line. Japan: \$50,000 plus the reserves, much as in Canada.

All of these amounts, save that reciprocally required in France and potentially in reserve deposit countries like Canada and Japan, are much less than New York's requirements of \$500,000 for fire and \$300,000 for marine. But the point made is that, as our laws now stand, the entry of a company into, say, all the countries above enumerated will so deplete its "statement" assets as to make such entry practically impossible save for a few of the strongest. Any general imposition of the reciprocal rule (as now imposed by France), which is not at all likely, would, of course, make the entry by our companies into more than two or three foreign countries impossible.

Similarly, our asset laws stand in the way. Most of the nations require all deposits to be in the securities of their own government—again following, and to an extent outdoing, our deposit laws. But such securities would then, even to the amount of the excess over the local lien or liability, be no longer "assets" in the home statement.

Similarly, the non-admission as assets by the Convention blank of agents' balances more than 90 days past due, would seriously affect our companies in world-wide competition, both because of the extension of longer credits in some foreign territory, and due to necessary delays in transmitting reports and funds from distant points.

### Our System Impedes Progress.

In short, our American system, developed by domestic needs, regulated by State, not Federal laws, worked out without regard to world insurance practices or a world trade, has set large hurdles in the way of our companies' progress. The American Foreign Insurance Association has already memorialized this body for help. Meanwhile, it is entering one or more of its members in different countries, under a reinsurance agreement whereby its associated companies share in the business, and meeting, so far as it may, the restrictive provisions from which it seeks relief.



## THE EMPLOYERS'

**Liability Assurance Corporation, Limited**  
of LONDON, England

*Transacts*

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

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

**APPLICATIONS FOR AGENCIES INVITED**

Canadian Government Deposit

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**\$1,622,000.00**

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**Stands First**

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



**TRANSACTS :**

Personal Accident	Automobile
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Fidelity Guarantees.	Plate Glass.

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**HEAD OFFICE 302 St. James Street, MONTREAL**  
ROBERT WELCH, General Manager

**Applications for direct Agencies invited.**

## 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*

Branch Office:	JOHN W. WETMORE, Superintendent.	W. T. PERRY, Manager for Canada
MERCHANTS BANK BLDG, MONTREAL	Canadian Head Office: Ocean Insurance Building, TORONTO	

**The Oldest and Strongest Canadian Casualty Company**

ACCIDENT  
BURGLARY  
GUARANTEE BONDS

**TRANSACTS:**

SICKNESS	PLATE GLASS
AUTOMOBILE INSURANCE	FIRE INSURANCE

**E. ROBERTS, Manager**  
101. LEWIS BUILDING, MONTREAL

**C. A. WITHERS, General Manager**  
TORONTO

Branches: WINNIPEG    CALGARY    VANCOUVER

### A PARABLE FOR GOLFERS.

Insurance men in Canada, many of whom are also dexterous in the handling of a golf stick, and who at the same time realize the advantages which some times may accrue from this fact, will no doubt appreciate the following parable:—

A man who came from a very large, and busy, and beautiful city in the west country, was once sojourning in a somewhat less large, and busy, though perhaps even more beautiful city, in the east country. The latter city prided itself upon its intellectuality and gentility, while the former had to be content with an acknowledged industrial supremacy.

Now, this man was not a golfer. This was not because he had not sufficient intellect. It was more because he had worked hard all his life. He never had enough time, and thought he never had enough money to play games with. But his sons were different. They had much more time, and they obtained the necessary money from their father in the form of liberal allowances for education and training in special subjects at universities. So they were all good golfers through much practice. Their father, however, knew it not. He was an innocent man and simple in his ways, but his sons knew a thing or two. Yet, one after another, they all failed in their examinations, because the things they knew did not happen to be the ones which would have enabled them to pass. So that their poor father was in despair, and did not know what to do with them, because their special training seemed to have unfitted them for carrying on his own business.

#### The Only Way.

It was just at this period that he paid the visit to the east country city.

He was not a particularly observant man, but as he walked about the streets with his host, he could not avoid noticing that many young men carried upon their backs canvas bags containing each a number of curious implements, and he inquired of his host the meaning of these things, saying, "Are these the implements of their trade, or do they carry these things for fun?"

Now the man's host was a man of humour, though he had been a golfer from his youth. So he replied to his guest that the young men he saw were studying a special subject called golf, and that all those who became proficient enough in it could command good positions in certain professions, particularly in the insurance line. Therefore, he said, it is the proper study for a young man.

So the man went home, and calling his eldest son to him, said, "I am sorry I did not know to advise you sooner. The proper subject for you to study, I am told, is golf. I know nothing of it myself; but here is money. Go to the city in the

east, and when you have become proficient in this subject, then go and become an Insurance Manager."

"Thank you, father," replied his son. "But having already studied the subject, instead of amusing myself as might have done in my spare time, I am fairly proficient, so I shall apply at once for a post."

So he went; and the man who interviewed him said:—

"Do you golf?"

"Yes."

"How many can you go round in?"

"Seventy-four."

"Very good. Start to-morrow."

He started; and in a few years he was manager of the company.

#### To Success?

Meantime, the father had sent his second son also to the city in the east. The man who interviewed him asked:—

"What is your name?"

"Swiper."

"What? Any relation of Swiper of the Bogey Insurance Company?"

"Yes. I'm his cousin."

"Good! How do you manage when you play against him?"

"Fairly well. I often divide a hole with him."

"Good again! Start work on Monday. But come in to-morrow at 2 p.m., and bring your sticks with you. We'll need you in the match against the Bogeys."

### THE EXCELSIOR LIFE INSURANCE COMPANY.

The Managing Director announces the appointment of Mr. Charles Q. Parker, for many years secretary-treasurer of the Company, as its Western manager with headquarters at Winnipeg.

Mr. Parker will have general oversight of the Company's Western business, especially its large mortgage investments.

Mr. T. Dark, F.A.S., actuary of the Company, has assumed the duties of secretary, and will now hold the dual position of secretary and actuary.

Mr. Charles P. Muckle, A.A.S., has been appointed treasurer of the Company.

#### FIRE PREVENTION.

Any public effort towards reduction of fire waste is so much good done for the community at large. Every wise man in the community will be well covered for fire risks, and it follows that the less waste the lower the rate charged for insurance. In furtherance of this laudable object every city and municipality is expected to encourage fire protection propaganda, the cost of which will more than recoup itself. October 9th will be Fire Prevention Day throughout the Dominion.

### TENANTS OF BOATHOUSE PERMITTED TO REFIL YACHT TANKS WITH GASOLINE IN BOATHOUSE.

The Court of Appeal at Montreal, on the 18th inst., unanimously confirmed judgment of the Superior Court and dismissed the appeal of the General Fire Insurance Company of Paris, France, against condemnation to pay \$1,091 to compensate Henri Claprod for the loss of his yacht in the fire which destroyed the boathouse at St. Johns, Que., on August 30, 1918.

It was urged in support of the appeal that the insurance policy had been invalidated by violation

of the clause which prohibited gasoline being taken into the insured premises.

Judgment of first instance found there was no breach of conditions, as it was practically impossible for tenants of the boathouse to refill the tanks of their yachts with gasoline in any other way than by taking gasoline into the boat house.

In the circumstances, the Court of Appeal found there was no error in the judgment appealed from, and the appeal was dismissed with costs.

Claxton & Co. for the company appellant; G. Fortin for respondent.

## CANADA LIFE

### Factors that help the LIFE INSURANCE MAN

1. The Canada Life is the Oldest Canadian Company and has a record of 72 years of steady, solid growth.
2. The Strength and Safety of the Company need no demonstration.
3. Service and Return to Policyholders give the satisfaction that builds up a permanent business.
4. Canada Life Policies meet every insurance need and contain all that is best in Life Insurance.
5. The exceptional backing and co-operation of Home Office insure the success of any man with selling ability.

Good opportunities for the right men. Write Agency Department

## CANADA LIFE ASSURANCE COMPANY

Home Office - TORONTO

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

Licensed by the Dominion  
Government



W. E. BALDWIN,  
MANAGER  
CANADIAN HEAD OFFICE  
17 ST. JOHN ST. MONTREAL

## THE FIDELITY-PHENIX

FIRE INSURANCE COMPANY OF NEW YORK

HENRY EVANS, President

**NOW WRITING PROFIT INSURANCE  
FIRE-USE AND OCCUPANCY-MARINE-TORNADO**

**Assets Exceed \$24,000,000**

PHONE MAIN 1140

### FARM MORTGAGE LOANS AS RELATED TO LIFE INSURANCE INVESTMENTS.

The characteristic which distinguishes life insurance investments from most other trust fund investments is their permanency. Not that the investment of money paid in by a particular policyholder can be invested permanently, since in actual practice it is frequently held by the company for a very brief period of time. But the history of successful life insurance companies is that their assets continue to increase from year to year, notwithstanding the enormous disbursements they are required to make each year in discharge of their maturing policy contract obligations. So in actual practice, life insurance companies not only carry along investments once made but in addition invest each year a substantial amount of new money. Unlike banks, they are not required to have a large percentage of what are termed liquid assets. Life insurance companies in the investment field are what might be called the "ultimate consumers." It is the life insurance companies principally who buy securities to hold until they mature.

The farm loan investments of companies are increasing from year to year in much larger percentage than their increase in assets. Why shouldn't they? Nothing but the Federal Government can stop it by monopolizing the field for itself.

Can we find therefore anything of more certain value in years to come than the farm lands of the world? Is there any class of people whose future is so well secured or who have less to fear in the way of famine or want than those who, under Government guarantees of their right to private ownership, are exclusively in possession of a substantial portion of the earth's most productive areas? Is there any class who should ask less from its Government in the way of special favors or binding guarantees than they who collectively have come into a monopoly of the great food factories upon which all mankind must draw for subsistence hereafter?

Is there any enterprise more certain to be able to repay the money it may need to borrow temporarily or that can offer as security property of more stable value than those who now find themselves in control of the land, which must supply the prime necessities for the maintenance of human life—food and raiment?—A. E. Childs.

### QUEBEC COMPENSATION LAW APPLIES TO LUMBERING.

An axeman employed at a lumber shanty was severely hurt by a fellow workman through being struck on the foot by his axe. He brought action against his employer under the Workmen's Compensation Act of Quebec, claiming \$162.50 for

temporary incapacity and \$250 for permanent partial incapacity, estimated at 10 per cent. The defendant, who was under contract as a jobber to cut wood for the Belgo-Canadian Pulp and Paper Company from its own timber limits, claimed that the nature of this work was agricultural, not industrial, and consequently the law did not apply. The defendant proved that he was a farmer and that, like all the farmers in that neighborhood, he cultivated his own land in the summer and in the winter took small contracts for cutting wood. The law of France upon which the Quebec law was based, and which declares that forestry operations are agricultural, was also quoted in support of his contention.

It was held by the Court, in accordance with a recent judgment of the Court of Appeal, that lumbering operations carried on in connection with a particular mill cannot be separated from the actual work of the mill and are therefore industrial. It was further held that it made no difference whether the lumbering was carried on directly by the industrial company operating the mill, or by a jobber under contract with the company. Neither did the fact that the defendant was a farmer make all the work performed by him agricultural. The Court, therefore, ruled that the law of industrial accidents applied to this case and judgment was given in favor of the plaintiff for \$370. (Quebec—Perron vs. Veillette.)

### PERSONALS.

Mr. W. E. Baldwin, manager for Canada of the Continental Fire, returned this week from a three weeks trip to the Maritime Provinces and Newfoundland. Mr. Baldwin found business conditions generally good, the fish industry is especially prosperous, owing to high prices and large demand. He states, however, that the lumber business is still suffering from a lack of tonnage.

Mr. L. Goldman, President of the North American Life Insurance Company, spent a few days in Montreal recently. Mr. Goldman informs us that his Company has written a largely increased volume of business this year. Mr. Burke, manager at Montreal, has made a most gratifying success of the branch under his control, and the volume of business for the present year in Montreal is far ahead of any year in the history of the Company.

Mr. T. D. Belfield, manager for Canada of the Alliance of London, has returned from a business trip to Winnipeg. He states that business in that city is excellent.



# The Northern Assurance Co. Limited

Of England

**ACCUMULATED FUNDS, 1918 - \$75,229,660.00**

Including Paid up Capital of \$4,010 100 00

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

G. E. MOBERLY, Manager



## RAILWAY PASSENGERS ASSURANCE CO. OF LONDON ENGLAND

DEPARTMENTS:

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

Head Office for Canada and Newfoundland - - - TORONTO

F. H. RUSSELL, General Manager

## THE ST. PAUL FIRE AND MARINE INSURANCE COMPANY

INCORPORATED 1868

REPRESENTED IN TORONTO BY

ASSETS OVER \$13,000,000

**McADAM, SHERRITT & COMPANY**

Excelsior Life Building

General Agents

36 Toronto Street

## BRITISH TRADERS' INSURANCE COMPANY, LIMITED

ESTABLISHED 1868

Head Office: HONG KONG

Head Office for Canada: TORONTO

### FIRE & MARINE INSURANCE

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

JOHNSON-JENNINGS, Inc., General Agents,  
MONTREAL

Manager for Canada, C. R. DRAYTON

## THE STRATHCONA FIRE INSURANCE COMPANY

HEAD OFFICE: MONTREAL,

'90 ST. JAMES ST.

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

"To Such Ideals There Is An Assured Future."

**STATE INSURANCE.**

By Arthur E. Childs.

The world of finance has two great divisions, banking and insurance. Each has its several functions to perform and both are essential to the prosperity of a nation and its citizens.

Insurance, however, bids fair to outrank banking in invested assets and as a guarantor of obligations, if, like banking, insurance can be left in the hands of private initiative, and not become a part of the business of our Federal or State Governments.

If we have one duty to perform greater than another, it is to turn the tide of public opinion against all kinds of Federal and State insurance schemes.

It seems to me that the present time is the most opportune to strike the death blow. The public mind is more receptive toward insurance. The Government's recognition of insurance as the best means of protection against the pecuniary loss following death and disability, and the payment of millions of dollars to the beneficiaries of the thousands of people who died during the influenza pandemic, has cleared the atmosphere of much of the old time prejudice in the minds of many toward insurance. The one proof of this is seen in the tremendous increase in the volume of Life Insurance written by all companies this year.

These two factors have kindled a more kindly feeling toward insurance, and if we are to take advantage of the present opportunity to further foster the growth of a favorable public opinion toward the insurance business as conducted by the Insurance Companies—and it is only by this means, in my opinion, that we can keep the Government Insurance spectre buried—it behooves the insurance fraternity as a whole to labor diligently through the International Association of Casualty and Surety Underwriters, the National Association of Casualty and Surety Agents, the Insurance Federations and kindred associations. The insurance companies should be most mindful of passing events and move more rapidly to adopt needed reforms.

Any insurance company falls short of its mission when it fails to give its policyholder the kind of protection the average policyholder has a right to believe he is securing when he takes out the insurance.

It is the duty of the insurance company to see to it that its policies give complete coverage, that the benefits are expressed clearly in contracts free from unnecessary conditions and restrictions. While this applies particularly to accident and disability policies, it is equally applicable to automobile and other forms of liability and burglary policies; surety and fidelity bonds, and many other kinds.

It is a great mistake for any insurance company to issue limited forms of policies easily capable of misinterpretation and misunderstandings on the part of the policyholder. The public wants complete protection and prefers to pay a fair price to get it. When it comes to a limited policy it is classed as a poor article dear at any price, and if the public understood the limitations very little such insurance could be sold.

The reason why life insurance stands to-day on its present high plane is that the life insurance policy for years has been what might properly be considered as an unconditional contract to pay a certain sum of money on the death of the insured. When the insured dies the beneficiary receives the proceeds of the policy. It is only the very exceptional case where fraud necessitates denial of liability and litigation. You can readily picture how very different life insurance would be regarded if the policy only covered deaths resulting from certain causes or occurring under varying conditions. What is true in this respect of life insurance is true, without exception, of all kinds of insurance.

Next in importance to the issuance of a broad coverage unlimited policy is the question of how and when the Company does its underwriting. The acceptance of the risk cannot be dissociated with the payment of the claim. Unless the insurance company shapes its entire business policy so it can promptly pay its claims to the satisfaction of the policyholders, it is breeding prejudice against the whole insurance structure.

No company can do this unless it is careful in the selection of its agents, and its risks, and also makes it an infallible rule to do its entire underwriting at the time the application is received, and not when the claim is presented. If we expect to be successful in heading off State insurance, it seems to me, the insurance companies must be more careful in their underwriting.

The cost of insurance is secondary to the protection granted. There is no such thing as a bargain in insurance. The policyholder gets only what he pays for, and the point I wish to drive home is, that it is essential that each should do his part voluntarily in this direction before legislation requires it.

It behooves insurance company officials to feel more frequently the public pulse and to shape their general policy so that we may merit the confidence and good will of the public at large because of good service rendered.

---

Mr. W. S. Jopling, manager for Canada of the Commercial Union, has returned from a trip to St. John, where he visited the important agency of the Palatine Insurance Company, of which he is also manager.



# 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 \$39,000,000

**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. Doherty, 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**

### A SOUND WELL MANAGED LIFE INSURANCE COMPANY

stands as a bulwark against poverty. In a financial crisis, or in a bad money market a life insurance policy is possibly the only asset in a man's estate which upon his death would bring its face value. The financial strength of the Company with which he places his insurance should, therefore, be a man's first consideration, and his consideration should be along the line of Security, for that is what he wants.

During two decades, The National Life has pursued a policy of "Security First" in connection with its investments until to-day as a result of this policy, together with steady conservative growth, and economical management, the Company is in a financial position second to none.

## THE NATIONAL LIFE ASSURANCE COMPANY OF CANADA

Head Office      National Life Chambers      TORONTO

### 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 NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE

SUBSCRIBED CAPITAL.....	\$3,000,000
TOTAL FUNDS.....	7,491,000
NET SURPLUS.....	1,847,100

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