

The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXIX. No. 4.

MONTREAL, JANUARY 24, 1919

Single Copy 10c
Annual Subscription \$3.00

THE GENERAL FINANCIAL SITUATION.

While the business community has been well prepared for announcements of new banking developments, it must be admitted that the pace of the last few weeks, and particularly, the announcement of the Nova Scotia-Ottawa amalgamation this week, has occasioned some surprise. The sanction of the Minister of Finance to the latest merger has presumably been given on the ground that public facilities will not be thereby restricted, the two banks having competing branches at only eleven points, and those the larger cities, where banking facilities are certainly not lacking. Otherwise the two systems of branches dovetail into one another admirably, the Bank of Ottawa being particularly strong in the Ottawa Valley territory, and in the West, where the Bank of Nova Scotia is not as well represented as in other parts of the Canadian field. While the business community as a whole is certainly not adverse to any forward policy by the banks which will result in the strengthening of their position and increase their ability to forward Canadian industry and commerce of all kinds both at home and abroad, there is, it must be frankly said, an under-current of nervousness in some very responsible and by no means radical quarters, lest legitimate forward policies should at any time be turned into something of an effort at self-aggrandisement. The fact that there is this feeling in quarters which are not uninfluential, is possibly an effective safeguard against any present day development of this kind.

In the security markets, the feature of the trading is the great activity in bonds and relative quiescence in stocks. This bond-market activity is a new and extremely interesting development. Undoubtedly, very considerable amounts of investment funds which formerly went into high-grade stocks are now going into bonds, and the probabilities are that at the present time, the safe deposit boxes of Canadian investors are being stocked with bonds on a scale which has never been known before. In fact, hitherto, Canadians have not been a nation of bond-buyers. Bonds have either been sold abroad, or been absorbed by the great institutional investors such as the life insurance companies. The Canadian private investor has preferred the chances of increasing his capital afforded by the purchase of stocks.

For the evident present change in Canadian investment habits, there are several contributory

causes. In the first place, experience in recent years with various classes of stocks which formerly were held in high esteem as investment mediums, has not been fortunate. At one time, and that not many years ago, no securities were more highly regarded by the local investor than the stocks of the public utility companies. But experience during the war years has shown that these stocks are by no means proof against exceedingly heavy losses, and while some have maintained and even improved their position, the record of others has been distinctly unfortunate. Then there has to be taken into consideration the great educational influence of the War Loan campaigns, and the practical advantages, in these days of an income tax which is likely to be permanent, of a long-term, high yielding bond, the income from which is not liable to this taxation. The influence exerted by the War Loans in this connection has certainly been very great. Add to it, the present-day uncertainties attaching to industry and commerce, and the fact that under existing circumstances, as was mentioned in this column last week, profits made in the last few years can now be taken out of the undertakings in which they were made, and "salted away", and there is an ample explanation of the present interest of Canadians in the bond market.

A further important influence is, of course, American buying, which there is good reason to believe, is now attaining very large dimensions. The existing substantial premium on New York Funds makes the purchase of Canadian bonds even more attractive to the American investor than to his Canadian brother, and American buying is likely to be an important factor in the local bond market while this premium persists. In this connection it is interesting to note the commencement this week of the purchase by the National City Company of New York, which has lately formed a Canadian organization, in association with two other prominent American financial houses, of \$3,000,000 Province of Ontario 3-year 5 per cent. gold bonds, which have been offered publicly in the United States. The National City Company, which is a subsidiary of the National City Bank of New York, is closely allied to most principal American financial interests, and its entrance into the Canadian field with an apparently aggressive policy, is an event of decided interest.

(Continued on page 89)

BANK OF MONTREAL

Capital Paid up, \$16,000,000

ESTABLISHED OVER 100 YEARS (1817-1918)

Rest, \$16,000,000

Total Assets - - \$558,413,546

Undivided Profits, \$1,901,613

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Established 1867 Head Office: TORONTO

Paid-up Capital - \$15,000,000

Rest - - - - 15,000,000

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The Molsons Bank

Incorporated by Act of Parliament 1855

Paid-up Capital - \$4,000,000

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The Chronicle

Banking, Insurance and Finance

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

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

MONTREAL, FRIDAY, JANUARY 24th, 1919

THE GENERAL FINANCIAL SITUATION.

(Continued from page 85)

Publication of the Canadian trade figures for the month of December throws some interesting light on the present-day position of our export trade. It is now well-known that there has been a distinct easing-off in the demand from Europe for our grain since the signing of the armistice and that much larger stocks of grain and flour are being stored here than had been expected. As a result, banking credit is being tied up somewhat unexpectedly in the financing of large stocks, and it is expected that the December bank statement will, in consequence, show the Canadian current loans and discount of the banks at an exceedingly high level. Our exports in December, which totalled \$107,474,401 were the lowest of any month in three years, while on the other hand, imports of \$73,341,265 were the largest on record for the month. Consequently, the December balance of exports over imports was reduced to \$34,000,000 against \$86,000,000 in 1917, \$62,000,000 in 1916 and \$46,000,000 in 1915.

The totals of our trade for the twelve months of the calendar year also show a very marked falling off in comparison with the record of the year preceding. Our exports during 1918 totalled \$1,229,208,244, compared with \$1,547,430,855 in 1917, \$1,091,706,403 in 1916, and \$614,129,845 in 1915. Imports were \$906,670,404 in 1918, \$1,005,071,716 in 1917, \$766,501,512 in 1915 and \$450,517,774 in 1914. Thus Canada's favourable balance of trade for 1918 is cut to \$322,537,840 against \$542,359,139 in 1917, but it still compares favourably with 1916 when the balance was \$325,204,891 and with 1915 when it was \$163,612,071. The course of our foreign trade during the current year depends apparently mainly upon our success in getting orders for purposes of re-construction. As to this, it may be said to be becoming more apparent that the main demand from Europe will be for our raw materials, and not for our manufactures. Industry in the principal Allied countries, keyed up to a point of efficiency unknown before, by the demands of the war, is being rapidly switched over to purposes of reconstruction, and it seems likely that Canadian manufacturers will not find much "velvet" in Europe under the new conditions, although no doubt, enterprise and energy by individual manufacturers will meet with a reasonable reward.

It may be noted that the Minister of Finance has now removed the prohibition upon issues of new securities of all kinds without his consent, and once more security dealers and company promoters are free to put forward their flotations as they please. The opinion has been expressed that the removal of this precaution will be followed by an outpouring of new security issues of a not very desirable character from which the ignorant investors should be protected. There are ways and means of protection, which under certain circumstances are desirable, but it may be said that the present outlook is that there is not likely for some time to be any boom in new industrial offerings locally, until conditions become decidedly more settled.

BUSINESS "READJUSTMENTS."

Much has been said of "readjustment" by persons who seemed to suppose that it was an easy process partly to be carried through by Government aid and in any case involving nothing more serious than the name itself implied. It is still proper to hope that such an outcome may be realized. The thoughtful man should, however, frankly recognize that the indications of the day are all against any such ready settlement of the economic problems growing out of the war and should try to prepare himself for possibilities of many kinds.

How can demand be increased, operations maintained at their present level and labour be offered continuous employment? Only by bringing about a readjustment of conditions which will enable consumption to be resumed upon a normal footing, free of the artificial disturbances of the past two or three years. For many months past, luxuries have been freely produced, but necessities have been in scant supply and their prices have been almost as great as those of the luxuries. Ordinary goods have been out of the reach of many of those who ought to have bought a good deal more freely but who failed to do so simply because they had not the means. The end of the war came most opportunely to prevent a very serious disorganization of living conditions, and a still more serious depression on the part of the so-called middle classes of consumers. It is, however, over, and what must be done now is to restore the regular and normal relationships between buyers and sellers, producers and consumers. The theory that, as a result of the war, some new situation has been brought about which cannot, or at least should not, be changed is erroneous. The longer such conditions last the longer it will take to recover from them eventually. Our community will be wise to meet the situation now and to accept a period of industrial reorganization which will place us on a permanent and solid basis.

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

NATIONAL LIFE ASSURANCE CO. OF CANADA.

The National Life Assurance Company, whose annual statement is published in this issue, report results of an all round satisfactory character for 1918, especially in view of the fact that the year just closed, has witnessed a severe test on the strength and ability of all life companies. Not only had the mortality from regular sources to be reckoned with, but also losses arising from the war, followed during the last three months of the year by an entirely unexpected drain on all companies of many millions of dollars as a result of the world-wide epidemic of influenza. The heavy mortality from all sources during 1918 may be said to have been borne heavily by all companies, but it may also be said that the manner in which companies operating in Canada have withstood the strain, has been such, as to inspire added public confidence.

The National Life has never lost a dollar of its invested funds. Covering now a period of over nineteen years, this very fine record results from the company's well-known policy of restricting its investments to Government and municipal and school district bonds. These securities comprise 775 separate and distinct investments selected from every Province in the Dominion and it worthy of note that there are practically no arrears of interest or principal on invested funds of the Company. This may be considered a record to be proud of, in view of the Company's wide distribution of investments throughout Canada.


Such a clean showing must necessarily continue to be a matter of great satisfaction to Albert J. Ralston, the National Life's first Vice-President and Managing Director under whose active direction the Company's policy has been maintained.

Policies issued and placed last year totalled \$3,715,718 a decrease compared with the amount of business written in 1917, but indicating the carrying out of the conservative policy adopted by the Company during war times. Business in force, a more vital factor, shows a satisfactory increase to \$24,192,062 as at 31st December, 1918, a growth of \$1,505,245. The Company's income showed correspondingly favourable development reaching a total of \$1,014,938 an increase of \$72,511 as compared with 1917. Of this amount premiums contributed \$795,398, and interest, etc., \$219,540. The average rate of interest on investments (which are unexcelled from the standpoint of security) was 5.61 per cent. a most satisfactory rate. Total Assets have been increased to \$4,228,406 as compared with \$3,781,263 in 1917. Payments to policyholders for the year 1918 amounted to \$348,645 an increase over 1917 of \$103,433. The total amount of influenza and war claims for the year under review are given as amounting to \$150,000.

After calculation of liabilities on a conservative basis, there is a surplus to policyholders, including paid-up capital of \$381,964 against \$350,014 a year ago, an improvement of nearly \$32,000. The policy of the Company during the coming year

will no doubt be directed towards the further enlargement of this surplus, indicating a continuation of a conservative management, in the interests of the policyholders.





The Dominion of Canada seeks your co-operation in the popularizing of

War-Savings Stamps

First—W-S.S. will enable the Government to raise millions of dollars to be used for Reconstruction. Second — It promotes THRIFT among the masses and educates people to buy bonds.

NATIONAL WAR-SAVINGS COMMITTEE, OTTAWA

SIR HERBERT B. AMES, Chairman.

- | | |
|------------------------------|---------------------------------------|
| JOHN BLUE, Edmonton. | GEO. M. REID, London. |
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| JOHN GALT, Winnipeg. | W. A. BLACK, Halifax. |
| SIR GEORGE BURN, Ottawa. | HON. MURDOCK McKINNON, Charlottetown. |

TRAFFIC RETURNS

Canadian Pacific Railway				
Year to date	1916	1917	1918	Increase
Dec. 31.....	\$136,321,000	\$148,937,000	\$154,024,000	\$5,087,000
Week ending	1917	1918	1919	Increase
Jan. 7.....	2,238,000	2,343,000	2,856,000	513,000
Jan. 14.....	2,417,000	2,368,000	2,891,000	523,000
Grand Trunk Railway				
Year to date	1916	1917	1918	Increase
Dec. 31.....	60,260,630	58,057,913	70,704,132	12,646,219
Week ending	1917	1918	1919	Increase
Jan. 7.....	1,076,606	.....	.....	.....
Jan. 14.....	1,072,915	654,794	1,029,578	374,784
Canadian National Railways				
Year to date	1916	1917	1918	Increase
Week ending	1917	1918	1919	Increase
Jan. 7.....	.....	900,157	1,294,039	393,882
Jan. 14.....	.....	1,056,607	1,420,433	364,825

The Home Bank of Canada



Original Charter 1854

Branches and Connections throughout Canada

MONTREAL OFFICES:
Transportation Bldg., St. James Street

Hochelaga Branch:
Cor. Davidson and Ontario Streets

Verdun Branch:
1318 Wellington Street

THE CANADIAN BANK OF COMMERCE.

Last week's annual meeting of the shareholders of the Canadian Bank of Commerce was marked as usual by extremely interesting addresses from Sir Edmund Walker (president) and Sir John Aird (general manager). The addresses of both gentlemen are given elsewhere in this issue of the Chronicle, and are well worthy of perusal at this epoch in the history of the country. Marked by that easy and lucid diction which is always a feature of Sir Edmund Walker's utterances, this year's address concerned itself with Canada's commercial and industrial situation after the war. He indicated the scale of industrial events by a review of our foreign trade. During the last two years both imports and exports have reached unusual figures. In 1917 the excess of exports over imports was \$502,321,000, and in 1918 it was \$623,647,000. The excess in each of the two years was greater than the total yearly value of exports before the war period. The record for the last six months—April-September—indicates that the foreign trade is declining, but there is still a surplus of exports. The falling away is due to lowered exports of manufactures and of wheat, a natural outcome of conditions both in Canada and abroad. Sir Edmund referred to the sale of \$763,968,449 Canadian securities in 1918, of which amount \$724,849,216, or almost 95 per cent. were taken in Canada. Not only have we taken care of all new requirements, but we have paid off loans maturing in the United States to the amount of about \$40,000,000. If we are to secure the increased production necessary to pay our debts, we must be able to lend money to many of the purchasing countries, a condition never before present in our export trade, and we can only keep export trade permanently by a superiority over other manufacturing nations in, at least, some respects.

Sir Edmund's remarks, dealing with every phase of the business situation, are marked with perception and judgment guided by long study of world-trade conditions, and we commend their perusal to every business man, coming, as they do, from one of the most distinguished bankers on this continent at a most critical period (at a time necessary for reconstruction), in spite of the widely-spread prosperity in Canada.

Sir John Aird, in an impressive address, dealt more closely with the affairs of the bank. In his opening remarks he said that the past year had been pleasantly marked by the jubilee of the President, who celebrated the fiftieth anniversary of the day on which he entered the service of the bank. The excellent statement is a great tribute to the general manager's able direction of the affairs of an institution that for so many years has taken a particularly prominent share in the task of providing for the financial requirements of Canada's commercial community, a condition of things which is reflected in its premier position among the Canadian banking institutions as regards current loans and discounts in Canada.

The Canadian Bank of Commerce, in the fiscal year ended November 30th last, enjoyed twelve months of great prosperity and wide expansion. During that period the assets reached the huge total of \$440,310,703.22, as against \$344,375,232.64 in the preceding year, an increase of \$95,935,470.58, while the deposits aggregated \$353,158,816.04, an increase of \$76,733,161.63. Of these deposits \$202,148,245.47 bear interest and \$151,010,570.57 are non-interest bearing.

The Bank carries an exceptionally large proportion of its assets in liquid form. In gold and silver coin there was held at the end of the year the sum of \$22,186,046.24, and in Dominion notes the sum of \$39,785,117.25. The total of these two items, \$61,971,163.49, compares with \$54,652,247.21 in 1917, an increase of \$7,318,916.28. In addition the Dominion and Government securities held by the bank reach a total of \$36,165,259.20, an increase of \$8,568,838.98, and the British, foreign and colonial securities held amount to \$29,884,242.13, an increase of \$7,789,108.84. The bank notes in circulation total \$31,583,694.63, an increase in the twelve months of \$7,588,450.00.

Current loans and discounts in Canada at the end of the year reached the sum of \$199,672,294.63, compared with \$149,822,028.44, an increase of \$49,850,266.19. Current loans and discounts outside of Canada aggregated \$17,617,641.44, compared with \$14,846,130.56 in the previous year, an increase of \$2,771,510.88. Call loans in Canada total \$13,843,130.58, an increase of \$382,267.96.

The Rest Account now stands at the same amount as the Paid-up Capital, namely, \$15,000,000, having been increased during the year by the sum of \$1,500,000.

The net profits of the Bank for the year were \$2,850,318.16, as compared with \$2,637,555.43, an increase of \$212,762.73 in 1917. With the balance brought forward from the previous year and another item of a special character there was \$5,182,392.63 available for distribution. Of this sum \$1,500,000 was paid out in dividends, \$300,000 in two bonuses, \$150,000 in war tax on Bank note circulation, \$85,000 was transferred to the Pension Fund, \$100,000 was reserved for a Memorial Fund for the officials of the Bank who served in the war, \$1,500,000 was transferred to the Rest Account, \$102,550 went in various subscriptions of a patriotic character, and \$1,444,842.68 was carried forward as a balance to the present year.

The principal items of the statement are compared in the tables below:

	1917.	1918.
Notes in circulation ..	\$ 23,995,244	\$ 31,583,694
Deposits	276,425,654	353,158,816
Specie and Dominion		
Notes	54,652,247	61,971,163
Total Quick Assets ..	167,336,942	203,018,982
Commercial Loans . . .	164,668,159	217,289,936
Total Assets	344,375,232	440,310,703
Net Profits	2,637,555	2,850,318

THE CANADIAN BANK OF COMMERCE.

The Fifty-Second Annual Meeting of the Shareholders of The Canadian Bank of Commerce took place on the 14th instant at the Head Office of the Bank. The report submitted, which has recently been made public, was of an unusually satisfactory character. The President, Sir Edmund Walker, took the Chair, and after the Report had been read he requested the General Manager, Sir John Aird, to address the Shareholders. The General Manager then said :

For the first time since January, 1914, we meet without the sinister shadow of the great war upon us. Difficult as is the outlook before many of the warring nations, and perplexing as are the problems for which a solution has to be found before a satisfactory peace can be concluded, hostilities have ceased and cannot be renewed on the same colossal scale. We rejoice that the sacrifice of life has come to an end and that those members of our staff at the front who have survived the conflict, and others who are near and dear to many of us, can now look forward with assurance to the welcome that awaits them at their home-coming.

Fifty Years' Service.

The past year has been pleasurablely marked by the jubilees of both our President and Vice-President in their respective callings. On July 24th our honored President, Sir Edmund Walker, celebrated the fiftieth anniversary of the day on which he entered the service of this Bank, and the occasion was marked by a dinner tendered to him by the Board of Directors. An account of this has been printed and copies of the pamphlet are available for any of you who may desire them. The addresses of the evening, and the extracts from the many letters and telegrams of congratulation which came from all over the country upon the happy event becoming known, tell more eloquently than any words of mine could do, the esteem in which he is held by all classes of the community.

Rest Equals Capital.

The day was further commemorated by our making it the occasion upon which the five and ten dollar notes of the new issue of this Bank, to which I referred at the last annual meeting, were first paid out. The artistic quality of the designs of these notes, for which Sir Edmund is personally responsible, and his well-known interest in matters of art, seemed to make this a fitting compliment to him. Just a few weeks earlier, on May 19th, Mr. Z. A. Lash, our esteemed Vice-President, and trusted legal adviser during so many years, has celebrated the fiftieth anniversary of his call to the Bar of Ontario. The close coincidence of these two events, so unusual in themselves, with the fiftieth anniversary of the Bank itself and with the consummation of our long-deferred wish to see the rest equal to the paid-up capital, was very remarkable; and being followed so closely by the close of the great war, makes the past year a very notable one in the history of the institution.

An Excellent Statement.

We have, therefore, many reasons for a feeling of jubilation on this occasion, and this is added to by the excellence of the statement which we have pleasure in presenting to you. The earnings of the Bank have been good, and the profits have again reached a new high level, amounting to \$2,850,000, or \$212,000 more than a year ago. We confess to a feeling of pride that we have been able to maintain the premier place among Canadian banks in this, to you, important item. Notwithstanding the apparent size of the figures, however, it must not be forgotten that the rate of earnings of this Bank, as of Canadian banks in general, is steadily decreasing, when measured by the services rendered and the extent of the effort put forth by our staff. On the average of our total assets during the year we have earned only 7-10ths of one per cent., as compared with 1.27 per cent. in 1913, the last year prior to the war, and 1.37 per cent. ten years ago.

Increased Services.

The main causes of this, as I have pointed out in previous years, are, on the one hand, the enormous increase in the volume of those banking services which are performed for the public without remuneration, and the fact that banking is one of the few businesses in which charges are sometimes lowered but seldom increased, in spite of the general increase in the cost of everything else; and, on the other, the increases in salaries and wages which are inevitable to enable our men to meet the great increase in the cost of living. It must not be forgotten that salaries and wages constitute the most formidable item of expense in the budget of a bank, and it will readily be understood that the responsibilities and the difficulties of dealing fairly with the members of our staff, in view of the high level of the cost of living, are not small.

Depreciation Unnecessary.

An unusual item in our Profit and Loss account this year, which affords us much gratification, is the recovery of the appropriation of \$1,000,000 set aside in the year 1915 to provide for the depreciation of securities. We then expressed the hope of saving this, or at least a part of it, at the end of the war, and it is a source of satisfaction to find our prediction fulfilled.

On the other side of the account, our disbursements in the way of dividends and bonuses to shareholders, and the amounts required to pay the special war tax on bank-note circulation and for the Officers' Pension Fund, are the same as a year ago. Subscriptions to various funds of a patriotic nature, almost all of them the direct outcome of the war, have called for \$102,550.

A War Memorial.

We have set aside \$100,000 to defray the cost of a memorial we propose to raise in honor of the officers of the Bank who served in the great war, and for the cost of the history of the Bank to which I referred a year ago. The form of the

memorial is not yet decided, but it will probably take shape when we come to erect a new building on our site here, an undertaking which cannot long be delayed if the natural development of the business of the Bank is not to be hindered by cramped and unsuitable quarters. After doing all this we have been able to transfer \$1,500,000 to Rest Account, which thus becomes equal to the paid-up capital, a goal which we have aimed to reach for many a day, but which has called for long years of tireless striving, before we could consider it as fairly won. We might perhaps have made a better showing on the surface and have seemed to reach our goal in a shorter period of time, but our wish has been to build surely and carefully upon a firm foundation, and in the meantime to provide beyond peradventure for every weak spot in our loans and securities. We carry forward into the new financial year an undivided balance of profits amounting to \$1,444,842, or \$112,000 more than a year ago.

Note Circulation.

Turning now to the General Statement, the first item of our liabilities is notes in circulation. These amount to the very large sum of \$31,583,000, or \$7,588,000 more than a year ago. This increase is not far from double the large increase reported last year, but we think that the reasons advanced for it then still hold good, although it is possible that in addition there may be a certain amount of hoarding by a class of munition-workers who adhere to old habits, and hide their savings rather than entrust them to the care of a bank. If so, this cause should soon cease to operate and we shall watch with much interest the course of the note circulation during the next few months, in which the greatest amount of contraction always takes place each year.

Increased Deposits.

The increase in our total deposits is \$76,733,000, or 27.7 per cent., and the greater part of this is under the heading of deposits not bearing interest, which account for \$64,552,000. Deposits bearing interest show an increase of \$12,181,000, an amount which would have been much greater had it not been for the Victory Loan of 1918. If we turn to the monthly statements of the Government we shall find that deposits payable after notice dropped \$18,853,000 during November, which is solely due to the Victory Loan. On the other hand, it must be remembered that under the arrangements made by the Government for the deposit of the proceeds of the Victory Loan with the banks from which the money was withdrawn, a large part of this money is still at the credit of the Dominion Government, subject to its requirements.

How to Save.

Once again the Minister of Finance and the organization which controlled the Victory Loan campaigns have won an outstanding success. The Victory Loan of 1918 was over-subscribed many times, and without the use of any compulsion save the mere breath of public opinion, the Government has been provided with more than the sum which it required. Yet, as I pointed out last year, the lesson in how to save, so strongly impressed upon the community by these campaigns is their great

result from the national point of view. Who may venture to predict what the knowledge thus acquired of how to invest savings wisely may mean to Canada in the years to come? Except for the increase in the productive capacity of the country, this is perhaps the greatest material benefit derived from the war. Alongside it the loss of a few millions of deposits to individual banks, is a very small matter, which, if the lesson is thoroughly learnt, will require only a short period of time to remedy itself.

Bank Helped Loan.

Our efforts to assist the Minister of Finance in obtaining subscriptions to the Loan have resulted in our securing through this Bank the large sum of \$104,543,000, represented by 150,773 individual subscriptions. This amount includes \$100,000,000 of new money and represents 15 per cent. of the total. It is gratifying to know that we have far exceeded the proportion which might be reasonably expected from us. This result has not been obtained without very strenuous efforts on the part of our staff, and also the expenditure of a large amount of money by the Bank. Unfortunately, the heavy task came upon our staff just at the moment when their ranks were depleted by the ravages of influenza. In connection with this, as well as previous loans, we shall also be required to perform for the Government special services, such as the payment of coupons and interest during the term of the loans, the last of which does not mature until the year 1937. The Canadian banks were also called upon during the year to assist in the Dominion Government financing to a large amount, and we assumed our full share of these advances. In addition, we participated in a loan of \$100,000,000 to the Imperial Government against Treasury bills and renewed the advances made against similar security to the Imperial Munitions Board.

Finance Food Supplies.

Acceptances under Letters of Credit, offset in our balance sheets by the corresponding liability of our customers which appears among the assets, show a large increase, represented by advances in Canada and the United States, secured in nearly every case by food supplies purchased for account of the Allies. Cash on hand, consisting of gold and silver coin and Dominion notes, amounts to \$61,971,000, as compared with \$54,652,000 a year ago, an increase of \$7,319,000. Of this we had \$17,500,000 in the Central Gold Reserves, to provide cover for our excess note circulation. Our total holdings of gold and silver coin—principally gold, but including the necessary silver for the tills of the branches—are slightly lower than a year ago. We hold, however, a much larger amount in Canada in the carrying out of the views I expressed last year in referring to this subject.

Maintain Gold Standard.

This was not accomplished without difficulty, owing to the embargo placed on exports of gold by the United States Government and to the demands of that Government; and the effort to increase our holdings has been further hampered by the decline in the output of the Canadian mines caused by the present high cost of production. It is gratifying to find a substantial agreement with our views on this subject in the report of the Imperial "Committee on Currency and Foreign Exchanges after the War," of which Lord Cunliffe, Governor of the Bank of England, was Chairman. In its first interim report this commit-

tee has emphasized the imperative need that the gold standard should be effectively maintained in Great Britain, and that the necessary measures to this end should be taken without delay. Similar measures are being urged in the United States by a not unimportant section of the press, and it is disquieting to hear a discordant note sounded in certain influential financial circles in this country. We think that the Government could well afford to pay a small royalty to encourage an increase in the production of the gold mines of Canada. The conditions of the last two years have very adversely affected the mining of gold, especially as compared with silver, and in the interests of the country we believe that the Government should seriously consider some plan for placing this industry on a profitable footing.

Large Volume of Transactions.

The next item of the assets, consisting of notes and cheques and balances due by other banks, shows an increase of \$3,830,000, almost all of which is made up of larger holdings of cheques on other banks, which constitute the daily exchanges. This increase is due solely to an increased volume of current banking transactions. Securities of various kinds have increased \$16,183,000, represented principally by larger holdings of British and Canadian Government securities. On the other hand, railway and miscellaneous securities have decreased slightly. Call and short loans show an increase of \$8,324,000, of which the greater part is in loans outside Canada, and immediately available assets are \$35,682,000 greater, standing at about 50 per cent. of our liabilities to the public. Commercial loans show an increase of \$52,621,000, nearly all of which is lent in Canada. While there is no doubt a good deal of activity in such manufacturing as can be carried on under the circumstances of the past few months, a large part of this increase is due to high prices and to delay in realizing on our wheat and other produce, which has been reserved by the Government. The delay in this connection, while no doubt largely inevitable under existing conditions, has a prejudicial effect on those immediately concerned. With the passing of the era of high prices, especially those of farm produce, and a return of wages to a more normal level than that of munition making, we must expect to see decreases in the volume of both our loans and deposits. Indeed, it will not be surprising if the figures of the present balance sheet are not exceeded for several years to come.

Total Assets Increase.

The principal change in the item of Real Estate other than Bank Premises is occasioned by our having paid off a mortgage on the Eastern Townships Bank building in Montreal. We also paid at maturity the mortgage on part of the property adjoining the site of this building, acquired some years ago for the extension of our Head Office premises; this, and the purchase and remodelling of a building for the use of our Three Rivers branch are the principal items accounting for the net increase of \$254,000 in Bank Premises account. Total assets have increased \$95,935,000, and now amount to the very large sum of \$440,310,000. This increase is 27.8 per cent. over the figures of last year, a remarkable showing when it is recalled that we have been marking time in the opening of new branches, and that we have not taken over the business of any other bank.

Mexico Branch.

We have continued to keep our office open in Mexico in the expectation that general conditions in that unhappy country would so improve that it would enable us to operate at some profit. We hope, now that the great European war is over, that the Mexican authorities will see their way to guard the interests of foreign corporations, so that we shall not be compelled to withdraw from what would be, under ordinary conditions, a profitable field for banking. Should we be disappointed in our expectations, however, we should not be exposed to any undue loss, as we have from time to time continued to make appropriations against our investments there.

Reinstate Returned Men.

* With regard to the staff, it is our desire to reinstate all officers who wish to come back to our service from military duty, and at the same time to avoid any hardship

which might be created by dispensing with the services of the members of the temporary staff, who have filled the breach so acceptably during the past four years.

With sorrow we record the death in action of eighty-five additional members of our staff during the past year, making a total of 226 who have been killed in action, or have died of wounds, since the outbreak of the war. The number of wounded men reported to us has now reached 294; 7 are still recorded as missing, and 23 as in the prison camps. Under the terms of the armistice we trust that these prisoners have now been successful in reaching allied or neutral countries.

Increase Export Trade.

A year ago I urged the importance to Canada of stimulating the production and export of food, the need of organization for the purpose, and the attractiveness of the outlook for this branch of commerce. The ending of the war has in no wise dimmed the prospect. The last number of the Agricultural Gazette, the official publication of the Dominion Department of Agriculture, contains an appeal from the Dominion Government along similar lines, and particularly emphasizes the bright prospects of the meat export trade. Speaking of the outlook before this country now that the war has ended, the Minister of Finance, Sir Thomas White, writes: "There would seem no reason to apprehend any failure of markets for all the food that Canada can produce. Our grain, live stock, and their products, with those of our fisheries, should all be in keen demand at high prices. . . . Increase in our agricultural production will not only help to furnish food for a hungry Europe, but will be a chief factor in maintaining our favourable international trade balance as well." All countries are seeking to increase their export trade; all are hoping to be sellers and to limit their purchases. Under such conditions the successful ones will be those which have special natural advantages for a certain line of production and which can find a market for the same line of goods. Is there any country better fitted than Canada for the production of food, or any branch of commerce in which an ample market is more assured?

Sane Spending.

Any number of plans are afloat for the carrying on of large public works after the war. These are advocated on all sides in the hope that the era of free spending may tide over that of falling prices. Few of the promoters, however, appear to have considered where the money is to come from. By all means let a wise and statesman-like view of the matter prevail, and all public works be undertaken which are in the best interests of the community, having regard to all aspects of the question. But let it not be forgotten that such works have to be paid for sooner or later out of the taxes, and the hope of every citizen at the present moment, I may safely say, is to see his tax bills reduced rather than largely increased. Even public borrowing cannot indefinitely postpone the evil day of payment.

Reconstruct With Savings.

Some of our municipalities are already hampered by the load of debt incurred in former eras of prosperity, and no one would advocate any considerable increase at this time in the national debt of the Dominion. The safe course is wisely set out in the Cunliffe report to which I have already referred. After speaking of the pressure that is sure to be brought to bear upon the state for capital expenditure in many forms for reconstruction purposes, it points out that all money expended on reconstruction work should come out of savings and not be obtained by the creation of new credit. The burden of prevailing, high interest rates in the case of such works has also to be considered, and although the outlook as to the value of money after the war is uncertain, it seems probable that current rates in England are held below the natural level at present by war-time regulations, and that when these restrictions are removed, rates may tend upward rather than downward. It is clear that the importance of saving and economy in personal expenditures as a public duty will not be lessened by the ending of the war, but, if possible, increased.

Trade Problems.

The task of dealing with the trade problems of Canada has already been taken up in earnest by a number

of association, and some good preparatory work has been done. Attention is also being devoted in various quarters to scientific research into the problems of business and manufacturing, which proved such a valuable feature of the German methods. The value of co-operation among exporters in the development of export trade has been recognized by law in the United States, and it is in the field of foreign trade that banking credit has also a part to play. Is not this one direction in which we have an advantage over the United States, through the existence of banking institutions experienced in the granting of the necessary credit, whereas much of the machinery for this purpose in the United States has been called into existence solely for the occasion, and is forced to work along unfamiliar lines? On the other hand, we must not forget the energy with which our neighbors carry out any task they undertake, lest we should ultimately discover that the new broom has swept the field bare. It is interesting to note in this connection that the London Statist is of the opinion that after the war Canada will prove more attractive to emigrants than the United States, and that thus the drain upon the man-power of this country made by the war will be more than remedied.

The Future.

As to the future we feel that we can look forward with quiet confidence. The multifarious restrictions which have necessarily been placed on business during the war will doubtless disappear before long, and they should be removed by the Government as speedily as possible. This will aid in lessening unemployment at home, and enable our exporters to resume their operations in other countries before the field is occupied. Attention should also be given to the prompt settlement of all outstanding contracts and obligations of the Government, and to the claims arising out of the cancellation of contracts. These are sometimes allowed to drag, causing great injustice to individuals and corporations, and preventing them from resuming their accustomed place in the peace activities of the nation. By prompt attention to such matters the Government can assist materially in the restoration of a normal state of affairs in the business world. We have been fortunate in this country in that our participation in the war has not involved material damage at home. Our efforts have entailed no exhaustion on our part, and while the problems before us are many and difficult, we believe that a satisfactory solution will be found for all of them.

The President then said:

PRESIDENT'S ADDRESS.

The war is over and we are struggling with the terms which we intend to impose on Germany. One turn of the kaleidoscope has changed the aspect of almost everything in our daily life and in our mental horizon. Only yesterday we were bending every faculty as a nation and as individuals to the thousand different kinds of effort necessary to win the war. We had completely disrupted the co-operation of individuals in the various pursuits of life which are necessary to the happiness of society in times of peace, and men and women were drawn either into military and munition work, or into the production of food, almost to the limit of our powers. Now the work in munition factories has stopped, our armies will return, and from 500,000 to 600,000 men and women, an enormous proportion of our small population, will have to find new kinds of employment. The enlistment of soldiers, and the withdrawal of others from peaceful occupations to the making of munitions, took four years to reach a climax, but the reverse process comes upon us in an instant. We shall in the end have work for all, but much that could have been started at once in spring or summer is impossible in winter. The troops will come home gradually, and as six months' pay is to be given to some of them, and smaller allowances to others, our anxiety regarding them is partly removed. The munition workers, however, cannot be shifted to new employment fast enough to prevent there being a considerable number out of work during this winter.

Our Foreign Trade.

In order to appreciate the scale of industrial events we turn as usual to the figures of our foreign trade. Disregarding coin and bullion, which have fallen to inconceivable figures, the excess of exports, for the fiscal year

ending 31st March, amounted to \$623,647,000. The excess for the two previous years, large as it was when compared with the past, was \$563,795,000, or considerably less than for the one year under consideration. Our total foreign trade was \$2,548,691,000, as against a total of \$1,129,616,000 in the year ending 31st March, 1914, but we had passed the crest of the wave before the war ended. The year ending September 1918, consisting of the halves of two fiscal years, shows a smaller volume of trade and surplus exports of \$504,242,000. Now that the war is over, we shall study with intense interest the figures of our foreign trade in the immediate future.

The decline in foreign trade for the year ending in September was partly due to smaller exports of manufactures, but mainly to smaller exports of wheat. The enormous surplus of \$623,647,000 during the fiscal year ending in March, was due to an increase in exports of \$406,958,000, while imports increased only \$98,017,000. The increase in pastoral and agricultural products was \$241,442,000, and in manufactures \$173,527,000. This would seem to be very satisfactory, indeed, were it not that for the bulk of our exports we give long credit to Great Britain, while for our imports we must pay in international money; so that this surplus in exports, much as it adds to our prosperity, carries with it difficult financial problems. It is interesting, therefore, to turn to our imports and to consider how far we ought to be able to produce them ourselves.

Unnecessary Imports.

For iron and steel, in forms used as raw material for manufacturers, we spent abroad over seventy-five millions; for carriages of all sorts, including motor carriages, wagons, railroad cars, horse carriages and for rubber tires, etc., we spent twenty-five millions; for gasoline, steam and other engines and for electrical apparatus, we spent twenty-five millions; for petroleum, twenty millions, and for paper in various forms seven millions. I mention these particular items because we already produce part, and we expect eventually to produce the whole, of our requirements in all of them. If we could do so now we could face the future with complete assurance as to our financial position as a nation, and with the best possible market for our farm products that at home. We cannot avoid the purchase of coal for some parts of Canada, great as our supply is in other parts, but an expenditure abroad of eighty-two millions for coal and coke raises sharply the question of whether we are doing the best that is possible under the circumstances. Our import figures, as in other war years, are swollen by an item of \$130,773,000, covering military stores, munitions of war, etc., "imported and remaining the property of the Imperial Government," and we can judge of the sudden change that peace will bring by an item among our exports; cartridges—gun, rifle and pistol—\$351,539,000.

The field crops of Canada for 1918, the figures of the last month being only an estimate, are valued at \$1,383,000,000, as against \$1,145,000,000 for 1917, the actual value that year being larger than the estimate. The total production from our mines is estimated at \$220,000,000, as compared with \$189,646,000 in 1917, and \$177,201,000 in 1916.

International Balance.

Such a surplus of exports over imports as \$623,000,000 would, if we were paid in international money, make us financially rich beyond imagination, and it would put New York exchange, the real test of our international position, at a discount. As a matter of fact New York exchange has lately been at a high premium, because with all our exports we cannot command enough international money to keep the balance even. At the moment, because of transportation difficulties, we are carrying a very large amount of wheat sold to the British Government. If in settlement we received even a moderate payment in cash, we could keep the rate for New York exchange fairly low, but there is no assurance that any part of what is due will be paid in money useful for international settlements. We have pointed out before the extent to which we make purchases from the United States which must be settled in cash, and for which, directly or indirectly, we receive from Great Britain only long-term obligations. This year conditions are not improved, despite large orders for munitions given by the United States to Canada.

Comparing the year ending 31st March, 1918, with the previous one, we imported from the United States goods to the value of \$792,000,000, as against \$678,000,000, and we exported to them \$418,000,000, as against \$290,000,000, so that we owed them on balance \$374,000,000 instead of \$388,000,000. During the six months ending September, 1918, matters did not improve; the scale of imports and exports was larger, but the resulting difference against us was proportionately about the same.

Cost of the War.

The cost of the war to Canada as at 30th November, with all outstanding items carefully computed, was about \$1,125,000,000 as compared with \$685,000,00 up to the corresponding date a year ago. The balance due to Canada by Great Britain, in the open accounts between the two countries, is about \$170,000,000. If we desire to consider the extent to which Great Britain's debt to Canada on war account may help our finances by its liquidation at a future time, we have to add to this \$200,000,000 due to the Canadian banks by the Imperial Government.

The Victory Loans.

In November, 1917, the first Victory Loan (the fourth Canadian War Loan) was offered. The sum asked was \$150,000,000, and 875,000 people subscribed \$421,000,000. The figures we quoted a year ago were largely exceeded when the returns were completed. This issue was made at 98.67, and if it had followed the fate of most war loans, it would have declined in price somewhat before the next loan appeared, but the organization which made the issue so successful took care of the market so well that, while a very considerable percentage of the loan was turned over from day to day, the issue price was not merely maintained, but was raised to par by July, 1918. As a consequence, when the second Victory Loan came out in October last, the Finance Minister was able to make the issue price par with accrued interest. The latest figures for this loan show that, while \$300,000,000 was asked, 1,080,000 people have subscribed for \$690,000,000. We were very proud that the subscriptions to the loan of 1917 reached a total of \$53.37 per head of our population, but the amount subscribed to the 1918 loan was \$88.10 per head. In 1917 one citizen in ever 9.02 bought a bond, and, in 1918, one in every 7.25. The largest amount subscribed per head was in Ontario, where the average was \$128.75, and where one in every 4.94 bought bonds. The smallest was in Prince Edward Island, where the average was \$32.13, and one in every 17.33 bought bonds. In these calculations the population is estimated at 7,821,200. This is not an official estimate, but it was made with great care.

Canadian Securities

Sales of Canadian securities were only a trifle larger than for the calendar year 1917, but the table below will show that they were almost entirely absorbed in Canada:—

Securities.	Total sold.	In Canada.		States.	Britain.
		In Canada.	States.		
† Govern'mt . . .	\$704,632,729	\$675,869,396	\$25,600,000	\$3,163,333	
Municipal . . .	45,805,720	43,099,820	2,705,900		
Railway . . .	5,000,000		5,000,000		
Public Service Corp.	2,375,000	1,375,000	1,000,000		
Miscellaneous.	5,155,000	3,505,000	1,650,000		

Total 1918 . \$763,968,449 \$724,849,216 \$35,955,900 \$3,163,333
 Percentage . . . 100% 94.87% 4.70% .43%

†—Government issues include \$3,500,000 Government of Newfoundland Bonds and \$2,000,000 of the French Republic Bond issue, which were absorbed by the Canadian market.

This, as compared with anything in our past, is very surprising. Not only are both of our huge Victory Loans at a premium, but the general course of our bond market has shown a corresponding improvement. While it opened in 1918 at the lowest level of prices, and therefore at the highest yield in interest, that we have seen for years, it has improved so that the yield is now from one-quarter to one-half of one per cent. less than at the beginning of the year. Not only have we taken care of all new requirements, but we have paid off loans maturing in the United States to the amount of about \$40,000,000. Now that the war is ended, we must expect large issues of provincial and municipal bonds, and these should find a ready market either in Canada or in the United States.

American Finance.

The financial and trade situation in the latter country is very fully set forth by our New York agent and the history of American finance during the war is dealt with at length. It is difficult to realize that, in spite of their coming into the war so late, their industries were apparently almost as completely diverted to war purposes as those of other Allied countries, the expansion in particular directions, and in foreign trade generally, being without example and beyond our imagination of what was possible. One or two items from his report give us some idea of the scale of their operations. The disbursements of the Government for the fiscal year ending June, 1918, were about \$13,000,000,000, of which \$4,738,000,000 were loans to Allies. The estimated expenditure for the year ending June, 1919, was \$24,000,000,000, but it is thought that in view of the armistice, this will be reduced to \$18,000,000,000. The total loans to Allies in November last were stated to be \$8,185,000,000. Nothing is more impressive than the fact that of these colossal expenditures, one-third is raised by taxation. It has been frequently said that without the Federal Reserve System of banking the United States could probably not have financed the war without more or less collapse of her financial system. It is equally true that the System has permitted an expansion of credit which, notwithstanding the importation of over \$1,000,000,000 in gold since the war began, has gone far enough to require a very conservative course for the immediate future.

Great Britain's Task.

This may be a good point at which to consider the position of Great Britain. The report of our London manager should be read by everyone who desires to realize the part that country has played in the war. Unprepared—except as to that navy which by blockading Germany really won the war—she raised a vast army which, like none of the other armies, fought in all the widely separated areas of the conflict. For two years, while we awaited the entry of the United States, she bore the heavy part of the whole war, lending money, supplying munitions, coal, food, sympathy and advice to her allies. In resourcefulness, invention, daring and unyielding courage, whether in the trenches, at sea, or especially in the air, she astonished her own children and she amazed that part of the world which has never understood her, unless it be now that the war is won.

When the war began she had a debt of three and a half billions of dollars. If we deduct what she has lent to her allies, and certain other recoverable items, she will probably owe twenty-two billions of dollars at a rough estimate. From the first report of the Committee on Currency and Foreign Exchanges after the War, it is clear that the mind of the British banker is steadily bent not upon further possibilities of inflation, but upon recovering the gold position of Great Britain as soon as possible.

Gold Reserve.

The Bank of England has the largest quantity of gold in its history, but its ratio of reserve is low, and the new Government issues of £1 and 10-shilling notes have reached the large total of £293,790,000. Great Britain controls a large percentage of the new gold produced throughout the world, and in the scramble for gold which we shall doubtless see for many years to come, she will have the best position. In raising money for the prosecution of the war she has shown a wonderful confidence in her people as to their power, as well as to their willingness, to provide whatever was necessary, week by week, and she has latterly avoided the large issues at particular moments which have so disturbed finance elsewhere. She at first alarmed some of us by the vast amount of Treasury Bills which she kept afloat, but later in 1917 she seemed to have "found herself," and sold National War Bonds and War Savings Certificates in a steady stream through banks and post offices, to a sufficient extent to meet her needs of £25,000,000 per week.

War Finance.

What she was not able to pay was her indebtedness to the United States and Canada for munitions supplied, as this required international money, that is, gold or balances due by foreign countries. She had shipped to the United States, either directly or through other countries,

over \$1,000,000,000 in gold, as well as a large amount of securities, and had closed down her manufactures for export in order to produce munitions, and thus, after making huge loans to the Allies, she began to require those outside loans which are now roughly estimated at about \$5,000,000,000. Her loans to the Allies are supposed to balance the loans she obtained abroad, and we need have little fear that she will not very soon re-establish her supremacy in the field of finance throughout the world, great as are the difficulties surrounding her position. Committees are discussing every phase of her industrial and financial feature, and it is realized by her, as we wish it were in some other countries, that uncertainty as to the conditions which will surround her industries is the greatest of all enemies to progress. She will doubtless relax only slowly the regulations of trade and finance made necessary by the war, perhaps still rationing raw materials, reorganizing the priority of essential industries, supervising new issues of securities and checking the export of capital.

War Production.

We have endeavored during the war to give some idea, even if the information were fragmentary, of the scope of munition-making in Canada, especially the work of the Imperial Munitions Board. This year we have been anticipated by the excellent Government publication entitled "Canada's War Effort, 1914-1918," published not as a final record but as an inspiration for the "fifth year of the war," "the prelude of a greater effort still to come." That the work being done was beyond all expectation we felt to be our excuse for special reference to it, but few of us were prepared for the unstinted praise given by the Premier, Mr. Lloyd George, and by Mr. Churchill, shortly after hostilities ceased. Mr. Churchill telegraphed to Sir Joseph Flavelle as follows:

"As an armistice with Germany has now been concluded, I wish, as Minister of Munitions, to congratulate you, and through you all your staff, on the splendid work of the Imperial Munitions Board during the last three years. You have carried through a work of the greatest magnitude with uniform success and efficiency, and I wish to pay my personal tribute to the great ability, energy, and organizing power you, as chairman, have shown. Canada's remarkable output of munitions has played a large part in the munitioning of the British armies, and will remain a testimony to the high value of the work of the Board in this great struggle Before August, 1914, no Canadian manufacturer had ever made a shell or a cartridge case or a fuse, but already in the second half of 1917 it was producing 55 per cent. of the shrapnel shells, 42 per cent. of the 4.5 shells 27 per cent. of the 6-inch, 15 per cent. of the 8-inch, and 16 per cent. of the 9.2 inch shells used by the British armies. The Imperial Munitions Board, created in November, 1915, is an integral part of the British Ministry of Munitions, directly responsible to the Minister, and the British Government was financially responsible for all its expenditure."

Vast Orders.

We have already been told that the value of the orders placed in Canada on British account exceeded \$1,200,000,000, covering munitions, ships, aeroplane timber, and sundry war supplies, but it is more interesting to hear that actual cash disbursements had been made down to two months ago, amounting to \$1,075,000,000. Some of the material represented in these purchases is as follows:—

Steel forgings	\$75,600,000
Shells	68,300,000
In the production of these forgings and shells upwards of 2,100,000 tons of steel have been used, of which 1,600,000 tons were produced in Canada.	
Copper bands	73,600,000
of which 23,000,000 were produced in Canada.	
Fuses	29,000,000
of which 19,000,000 were produced in Canada.	
Powder	\$1,000,000 lb.

High explosives	75,000,000 lb.
Steamships built, under construction and under contract:	
Wooden	46
Steel	44
with an aggregate of 340,100 tons dead-weight and an aggregate value of	\$64,500,000
Aeroplanes built	3,000

In addition to these seven national plants were built at a cost of over 15 millions, the capital being largely written off already as part of the cost of manufacture. Acetic acid was being made in a plant costing over a million and ferrosilicon in two plants. Carbide was being shipped at the rate of 700 tons monthly. The Board arranged the purchase of timber in Canada for all purposes in Great Britain, private as well as Government. Of the special timber used in constructing aeroplanes in Great Britain, Canada supplied 40 per cent. How important this was may be gathered from the following statement telegraphed by the Controller of Timber:

"It is a notable performance. To have increased production to this extent is a great achievement. This increase should enable us to look forward with some confidence to being able to meet the requirements of the Aircraft Production Department during the year."

Some idea of the work of the Transportation Department of the Board may be gathered from the fact that the volume of inland traffic to and from machinery plants in 1917 was 1,600,000 tons, while 785,000 tons were shipped overseas.

It is interesting to record that, to the mutual advantage of both countries, as our equipment and organization had been released from the production of ammunition for Great Britain, orders were placed in Canada by the United States Ordnance Department.

Agricultural Supplies.

The expenditure for war supplies, apart from those of the Imperial Munitions Board, are more difficult to trace than last year. During the period of the war the Department of Agriculture bought, for the British Government, oats, hay and flour to the value of a little less than 100 million dollars, and before the war ended they had already begun to buy hay for the United States Government. The War Purchasing Commission recently undertook to supervise the expenditure of other departments, in addition to war disbursements, and these two cannot be readily separated, but altogether we can trace expenditures on war account of from 70 to 80 millions during the past year.

Except in this part of Canada few people realize what the work of the Royal Air Force in its six camps has meant in the successful prosecution of the war. Upwards of 20 millions have been spent on equipment and maintenance, and although it is a branch of the British service and not of the Canadian, we have the proud satisfaction of know that among those trained in these camps were 3,500 Canadian officers and 6,000 Canadian mechanics.

War Accomplishment.

It may be well to recall what we have accomplished during the period of the war in matters which have a bearing on our industrial and financial future. We have increased the deposits by the public in our banks, from July, 1914, to November, 1918, by 587 millions, of which 268 millions is of the interest-bearing or savings class. We have purchased securities issued by the Dominion Government and others amounting roughly to one billion four hundred millions, having regard to securities issued in Canada but since sold abroad, and securities brought back from foreign holders. The Dominion Government and the banks have lent to the Imperial Government at least 370 million dollars. We are also carrying on behalf of the Imperial Government a large part of the wheat crop of 1918. The circulation of bank notes has increased by 140 millions, of which, however, 127 millions is covered by deposits of gold or legal tenders in the Central Gold Reserve.

Balance Our Borrowings.

The issue of legal tender notes by the Dominion Government, not covered by gold, was at 30th November 221

millions; but while some of this is an addition to the national debt, a considerable part of it is issued under the Finance Act to facilitate the movement of products and should thus in time disappear. In the early years of the war we sold securities in the United States, and if in winding up our war accounts we find that Great Britain owes us about as much as we have borrowed abroad since August, 1914, we shall have the proud satisfaction of having paid our share of the cost of the war out of our own pockets. On the one hand, we shall know that in the greatest emergency in the history of the world we did our part; on the other, that we now have a sort of great national ledger in which vast sums stand at the credit of some of our people, to be paid by our people as a whole over a series of years.

New Activities.

So far as tangible objects of wealth are concerned we are hardly better off than when the war began. We have created many new factories and plants to make instruments of war, and acquired much skill in working these plants, we have large additions to steel and other plants immediately available for works of peace, and we have new shipyards, but because of four years of concentration on war, we are in need of supplies in many directions. In addition to the resumption of activities in every form of production existing before the war and the beginning of many new activities, we need large expenditures to make our country roads fit for modern systems of transportation and, frankly, we have waited long enough for this. Anyone acquainted with the traffic on the Toronto and Hamilton Highway will need no further argument as to the business utility of such improvements. We need dwelling houses by the thousand in many districts, and other buildings only await a reasonable adjustment of the present high cost of erection. Our farmers are richer than ever before and will doubtless require farm improvements on a very large scale. We need large expenditures on railways in every direction, greater mileage, more engines, more cars, and better terminals. We need ocean ships to help us compete for the trade of the world.

Finance Reconstruction.

There will doubtless be considerable foreign trade open to those who can compete for it, but it will not be obtained without a struggle which leaves no room for lack of skill in manufacturing, of the knowledge of costs, of the power of finance, and of the facilities for transportation. If we can finance part of the reconstruction of Europe as we have financed the making of munitions for Great Britain, we shall probably get a fair share of the business now that we have a trade mission in existence for this purpose. For a time there will apparently be a market for all food-stuffs, and the demand for agricultural implements should keep our factories very fully employed. Lumber mills should readily sell their products, and doubtless many industries which attained success under our rather difficult pre-war conditions will battle successfully for a share of foreign trade. The recent announcement that orders for lumber valued at forty millions of dollars will be placed in Canada, and will be financed by the Dominion Government, is the first result of our trade commission.

Cattle Market Abroad.

There is such a scarcity of cattle throughout Europe, and the work of building up reserves is so slow, that we may expect a good market for some years to come. An admirable report by the Canada Food Board shows that, based on the number of animals to every hundred acres of farm lands, we are still at the bottom of the list as producers of cattle, sheep and hogs. That we should have only about one-fourth as many cattle per hundred acres as Holland or Denmark, and only about one-half as many as Great Britain or France, is not so strange as that we have not as many as the United States. Of Great Britain's immense requirements we supply only about three per cent. We do not count at all so far as sheep raising is concerned, and if, as is estimated, the world's supply of wool will not be normal for six years, the opportunity is evident.

Hog Production.

It is, however, our relative standing as a producer of hogs that is most surprising. We raise only 3 hogs per hundred acres of farm lands, against every 8 in the United States, 19 in Holland, and 22 in Denmark, and we supply

England with only ten per cent. of her requirements. To repeat the words of this report, "the enormous possibility for development of the Canadian live stock industry is apparent. Our farmers have much more capital than ever before, and we hope that not only a large annual supply of animals for the market will result, but much larger herds as the basis of supply.

Finance Purchasing Countries.

If we are to secure the increased production necessary to pay our debts and to prosper, we must recognize certain main points as essential to success. We must be able to lend money to many of the purchasing countries, a condition never present in our export trade before the war. We can readily sell at good prices the products of our farms and pastoral areas, and of our forests and mines. We can find good markets for the manufactured goods which appeared in our exports before the war; agricultural, traction and electrical machinery, paper, pulp, and other articles. For the time being, and we hope permanently, we can build ships, railroad cars and engines, for other countries as well as for ourselves. But we can only keep export trade permanently by a superiority over other manufacturing nations in at least some respects.

Water Power Asset.

We have at least one asset of great significance. We are possibly better supplied with water powers of great future possibilities than any other country in the world. Except in the Maritime Provinces and in one prairie province, we can provide almost every important industrial centre with hydro-electric power. In many countries possessing water powers their value as a national asset is prized so highly, that we may be left in the background if the problem of gradual development at the minimum of cost is not soon solved. This must be worked out on terms of equity both as to the proper distribution of such a priceless asset, and as to the rights of the private capital invested therein, with full assurance as to the sacredness of contract. We have more than once drawn attention to the necessity for industrial bureaus where some of the troubles of the manufacturers can be solved, and for such investigations as those carried on by the Honorary Advisory Council for Scientific and Industrial Research at Ottawa. We are told that we have not in Canada a sufficient number of students available for research work, and this is no doubt quite true. It unfortunately reflects the inability of our universities because of quite inadequate incomes, to afford the opportunities for training and study which the conditions of our country demand.

Peace Problems

We can now start afresh with the problems of peace, conscious that greater effort is necessary for the future, but that we are able to do many things thought impossible before the war; that our war burden, heavy as it is, is lighter than that of several of the leading nations, and that with our small population and vast country we should be able to attract immigration more successfully than ever in the past. Our war debt, at least that part of it which is held at home, will not seriously interfere with our power of production. Our heaviest burden will still be the annual sum we must pay for interest on our debts to other countries. Because of securities floated in the United States during the war, this is now about 185 millions. If, therefore, living in our comfortable way, we could provide for our public and private improvements by loans at home, and export more than we import to a sufficient extent to enable us to pay this foreign interest, we should prosper and not feel the cost of the war too much. I am aware, however, that we have a small population and a great country to develop, that immigrants may come in large numbers, that railway building is far from being at an end, and that our credit will be good in all markets where money can be obtained. So that, although our Victory loans have taught our people to invest their savings in securities, and have made manifest an ability to absorb securities which has amazed us, we shall doubtless, as in the past, borrow abroad for our larger schemes of development and thus still further mortgage the future of this country. The wisdom of borrowing depends in each case upon the resulting gain in productive power, but as a rule we shall do well in the near future to look with suspicion upon loans obtained abroad, and to remember that the interest and amortization of such loans

is, like the farmer's mortgage, the shadow over every working day.

A Development.

I must not close my remarks without a reference to the very marked change which has come about in the banking institutions of the world. Before the war modern transportation and the cable were so increasing the transactions between the various nations, that bankers in Great Britain and the United States, not hitherto dealing in foreign exchange, were beginning to discuss the establishment of foreign branches. The war, by its huge demands on finance, accentuated by high prices, has had the effect of causing amalgamations of banks on a large scale, in order that adequate support to business might be possible under the new conditions. Several of these amalgamations have, however, been mainly for the purpose of joining British banks of deposit and discount of the ordinary type, to banks established for foreign business. One great American bank which has lately gone into foreign fields has already established 39 foreign branches, and announces that it will before long have one hundred such establishments; so that we, who have always been more or less in the foreign banking business, must look to our laurels. In the meantime, without any recent amalgamations, our own figures have reached a total which would have been most noticeable in any financial centre twenty years ago. We have not, however, even in connection with the several amalgamations in past years, asked you to reconsider the remuneration of your directors and a resolution in that connection will be proposed later by the Vice-President.

The report was then adopted unanimously. Some amendments were made to the by-laws of the Bank, one of which increases the number of directors to twenty-two, and eventually to twenty-five. The retiring auditors were re-elected and the usual votes of thanks to directors and staff were passed. The new Board consists of the following gentlemen:

Sir Edmund Walker, C.V.O., Z. A. Lash, K.C., John Hoskin, K.C., Sir Joseph Flavelle, Bart., A. Kingman, Hon. W. C. Edwards, E. R. Wood, Sir John Morison Gibson, K.C.M.G.; Robert Stuart, George F. Galt, A. C. Flumerfelt, Hon. George G. Foster, K.C., Charles Colby, George W. Allan, K.C., M.P., H. J. Fuller, F. P. Jones, H. C. Cox, Charles N. Candee, J. S. Mitchell, Thomas Findley, W. W. Hutchison and H. R. Silver.

Sir Edmund Walker was subsequently re-elected President, and Mr. Lash, Vice-President.

CANADIAN FIRE RECORD.

Fire at Chicoutimi, P.Q.—On the 16th instant a fire destroyed the Catholic Cathedral at Chicoutimi. It is stated that an explosion of the heating plant started the fire. The property loss will exceed \$300,000, which includes an original painting by Reubens, valued at \$100,000. The insurance carried, however, only amounted to \$105,000, as follows: Liverpool & London & Globe, \$15,000; Commercial Union, \$10,000; Phoenix of London, \$5,000; Royal, \$15,000; Fabrique, \$60,000. Total loss.

Fire at Roberval, P.Q.—On the 21st instant a fire broke out in the Ursuline Convent, Roberval; the fire broke out in the laundry, and is thought to have been caused by an explosion in one of the boilers. The flames spread rapidly, destroying the laundry, day school and school for house-keeping. The main building was saved.

Fire at St. John, N.B.—On the 12th inst. a fire destroyed the Gem Theatre. Three other build-

ings were badly damaged. Insurance stated to be \$13,500. Loss total.

Fire at South Mountain, Ont.—On the 19th inst. a fire destroyed the large Continuation School erected four years ago at South Mountain. It was a most modern school building, equipped with a splendid library and science room.

Fire at Birchcliffe, near Toronto.—On the 19th instant a fire broke out in the large residence of Mr. Guy Bilkie at Birchcliffe. Lost about \$7,500.

Fire at Longue Pointe, P.Q.—On the 16th instant a fire occurred in the dwelling of Jos. Veczisa. Longue Pointe. Loss about \$2,200. Insured in North America, \$4,500.

DEATH OF MR. F. W. G. JOHNSON.

The death of Mr. F. W. G. Johnson, Montreal, on the 15th instant, after a few days illness, was the cause of considerable regret in insurance circles in this city, where Mr. Johnson was a well-known insurance broker. He was a son of the late Sir Francis Johnson, Chief Justice of the Superior Court of the Province of Quebec. Mr. Johnson had a considerable insurance connection, and we understand that arrangements have been made to carry on the business by his son, Mr. H. V. G. Johnson, who has been connected with the business of fire insurance for some years.

NORWICH UNION FIRE INSURANCE SOCIETY, LIMITED.

Mr. William MacInnes has been appointed accident superintendent at the Montreal Branch of the Norwich Union. Mr. MacInnes was for some years Inspector of the Phenix of Paris and General of Paris which position he has relinquished and has now entered upon his new duties. He has had considerable casualty experience in Great Britain having been accident superintendent for the London & Lancashire Life at Glasgow, Scotland, for a few years. His qualifications for his new position will no doubt be productive of satisfactory results for all concerned.

CANADIAN BANKING PRACTICE

ON SALE BY

THE CHRONICLE, - MONTREAL

THE TWENTIETH CENTURY

THE NATIONAL LIFE ASSURANCE COMPANY

SUBMITTED TO THE SHAREHOLDERS AND POLICYHOLDERS AT THE ANNUAL MEETING

FINANCIAL STATEMENT

LIABILITIES		ASSETS	
Reserves, Om. (5) 3 1/2% basis	\$3,432,912.00	Dominion of Canada Bonds, carried out at market value, Dec. 31st, 1918	\$552,507.00
Extra Reserves for 3% Guaranteed Policies at end of twenty years	88,998.00	Provincial Government, Cities, Towns, Counties and School District Bonds (par value \$2,742,860.54) carried out at book value	2,609,086.00
Death Claims outstanding, awaiting completed claim proof papers	80,729.60	Bank Stocks (Imperial, Royal, Dominion and Bank of Toronto) carried out at book value	157,342.00
Special Contingency Reserve, voluntary set aside for possible death claims	20,000.00	Toronto Consumers' Gas Stock, carried out at book value	16,403.00
Matured Endowments and Dividends set aside for policyholders	16,505.74	Head Office Building (recent valuation \$323,000.00) carried out at book value	250,000.00
Commissions due Agents, and Medical Fees	5,217.75	Real Estate Mortgage Loan	4,249.00
Interest and Premiums paid in advance	12,542.95	Policy Loans (secured by legal Reserve)	393,957.00
Taxes payable in 1919	9,535.95	Cash in Banks and at Head Office	69,543.00
Instalments Victory Loan, not yet due	180,000.00	Accrued Interest	42,617.00
Surplus for additional protection of policyholders	381,964.15	Outstanding deferred Premiums (less full first year and renewal commissions)	132,699.00
(Including paid up Capital Stock of \$250,000.00).			
	\$4,228,406.14		\$4,228,406.14

We have examined the above statement of Receipts and Disbursements and the Balance Sheet with the Books and Vouchers of the Company, and hereby certify to their correctness. We have examined the securities, the Cash and Bank Balances, and four months ending 31st of December, 1918. A monthly audit has been made of the books of account for the twelve months ending 31st of December, 1918.

Dated, January 7th, 1919.

J. P. LANGLEY }
HARRY VIGEON } Chartered Accountants.

POINTS OF INTEREST

Provincial Government, City, Town, County, Village, Township and School Debentures are taken in the statement at approximately \$140,000.00 below the par value. The bank stocks and Toronto Consumers' Gas Stock are taken in at Book Value.

The Head Office Building market value as per valuation of 1918 is \$323,000.00 and has been taken in the statement at Book Value, \$250,000.00. Formerly the Treasury Vault and Steel Vault equipment were taken into the statement as a separate asset. This is now included in the Head Office building item.

The items including supplies and office furniture, costing approximately \$40,000.00, and formerly taken into the statement as a separate asset have now been eliminated.

Increase in actual cash receipts for the year 1918, as compared with the year 1917, was \$72,511.33.

Apart from the Reserves based on the Om- (5) 3 1/2% Table, we have provided for and charged as a liability the sum of \$88,998.00, as additional Reserves.

The total amount of Influenza and War Claims for the year 1918 were \$150,000.00.

Payments to Policyholders for the year 1918 amount to \$348,645.30, an increase over 1917 of \$103,433.04.

After making provision for Taxes, payable in 1919, amounting to \$9,535.95, and after deducting interest on loans paid in advance amounting to \$11,818.70, leaves a Surplus on Policyholders Account of \$381,964.15 being an increase over 1917 of \$31,949.78.

R. C. MATTHEWS & CO.,

Government, Municipal and Corporation Bonds

Cable Address: "Matco." C.P.R. Building, Toronto, January 6, 1919.

A. J. Ralston, Esq.,
Managing Director,
National Life Assurance Co.,
Toronto, Ontario.

Dear Sir:—

We have to-day looked over the list of Dominion Government, Provincial and Municipal bonds submitted to us by your Company.

We believe that this list is unexcelled from the standpoint of genuine security. Your Directors have shown exceptional judgment and foresight in purchasing securities of the highest class. This policy is very distinctly in the interests of your policyholders, and we think they are to be congratulated on being associated with an institution that has so consistently refrained from speculative investments and has purchased only those of the highest class.

Thanking you,
We are
Yours very truly,
(Signed) R. C. MATTHEWS & CO.

COMPARATIVE STATEMENT	
1903 (4 1/2 year)	
Premium and Interest Income \$	135,568.00
Business in Force.....	4,086,112.00
Total Assets.....	273,605.00



ANNUAL STATEMENT

FINANCE COMPANY OF CANADA

ANNUAL GENERAL MEETING HELD ON THE 15th DAY OF JANUARY, 1919

31st DECEMBER, 1918

RECEIPTS

First Year Premiums	\$111,356 30
Renewal Premiums	684,041 65
Interest, Rents, etc.	219,540 37

DISBURSEMENTS

Payments to Policyholders:—	
Death Claims, Matured Endowments,	
Cash Surrenders, Profits	\$267,915 70
First Year Commissions	77,099 09
Agents' Advances	3,051 66
Agents' Guarantees	13,028 09
Branch Office and Travelling Expenses	21,567 82
Renewal Commissions	11,335 55
Head Office Salaries	49,903 23
Maintenance Head Office Building	2,189 05
Postage, Telegrams, Express, Stationery, Printing,	
Equipment, Patriotic and Red Cross sub-	
scriptions, Bond Premiums, Advertising, etc.	18,175 77
Legal Fees, Medical Fees	14,170 01
Directors' Fees, Audit Fees	6,900 00
Head Office Rent	11,520 00
Taxes	17,654 32
Re-insurance Premiums	44,702 69
Dividends to Shareholders	20,000 00
Balance	\$436,325 14

\$1,014,938 32

\$1,014,938 32

INTEREST

Increase in Assets for the year was \$447,142.99.

The amount set aside for Reserves for the year 1918 was \$353,926.00.

Assuming that the Company's Reserves were based on the 4% Reserve Table, the Surplus would be approximately \$575,000.00, and on a 4½% basis approximately \$750,000.00

The volume of business in force at the 31st of December, 1918, \$24,192,062.00, an increase for the year of \$1,505,245.00.

The Annual Premium Income on the insurance in force as at 31st of December, 1918, is \$831,770.64, an increase for the year of \$53,915.67.

The average rate of interest on investments is 5.61%.

No interest or principal is overdue or in arrears on any of the invested funds of the Company, with the exception of one. The total number of investments being 775.

The amount of new assurance received for the year 1918 was approximately \$4,500,000.00.

The Mortuary experience for the year 1918 was 110% of the expected. This is made up of Ordinary Claims 31%, War Claims 24%, and Influenza Claims 55%.

Wm. C. Brent. BRENT, NOXON & CO., Cable Address:
H. Brent. Investment Bankers, Municipal Bonds "Debedent."
Dominion Bank Bldg.,

Albert J. Ralston, Esq., Toronto, January 8th, 1919
Managing Director,
National Life Assurance Co.,
25 Toronto Street, City.

Dear Sir:—

In accordance with your request of recent date, we have examined the list of Investments of Canadian Government and Municipal Bonds held by the National Life Assurance Company. Your action in buying extensively during the last few years is a very wise one, as there is no doubt those securities will eventually show a substantial appreciation in value, in fact, many of your holdings to-day could be sold at a great deal more than the purchase price.

We wish to commend you on your excellent judgment in selecting Municipal Bonds for investment, selecting same conservatively from every Province of the Dominion. From a standpoint of safety and income they are, in our minds, beyond criticism.

Yours very truly,

BRENT, NOXON & CO.,

HB/AW.

per: H. Brent (Signed)

IN FIVE YEAR PERIODS

1908	1913	1918
\$ 396,017.00	\$ 739,665.00	\$1,014,938.00
8,625,509.00	22,299,079.00	24,192,062.00
1,085,228.00	2,438,240.00	4,227,187.00



**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.
M. Chevalier, Esq. Sir Alexandre Lacoste A. G. Dent, Esq. John Emo, Esq.
J. C. Rimmer, 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 ==

DIRECTORS

John Emo Secretary and General Manager
Lewis Laing Fire Manager
J. D. Simpson Assistant Fire Manager

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

**410 TONS OF GOLD HAVE BEEN PAID TO
POLICYHOLDERS BY
Insurance Company of North America**

THE OLDEST AMERICAN STOCK FIRE INSURANCE COMPANY

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

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

**LONDON & LANCASHIRE LIFE
AND GENERAL ASSURANCE ASSOCIATION
LIMITED**

of LONDON, ENGLAND

ESTABLISHED IN CANADA, 1863

ASSETS EXCEED \$24,500,000

DIRECTORS FOR CANADA:
A. J. DAWSON, Esq. H. B. MACKENZIE, Esq.
E. F. HEDDEN, Esq. E. C. PRATT, Esq.
Manager for Canada: ALEX. BISSETT

BRANCHES THROUGHOUT THE DOMINION

HEAD OFFICE FOR CANADA:
LONDON AND LANCASHIRE LIFE BUILDING
164 St. James Street, Montreal, P.Q.

Take Your Choice

We have several good openings for General Agents, both in urban and rural districts. Keen, energetic men, looking for advancement, will find it to their interest to connect themselves with a progressive Company like The Manufacturers Life which stands foursquare on the principles of sound Life Insurance.

**THE MANUFACTURERS LIFE
INSURANCE COMPANY**

TORONTO - - CANADA

THE BANK OF NOVA SCOTIA.

The Bank of Nova Scotia's statement for the year ended December 31st, 1918, made its appearance at the same time, as its absorption of the Bank of Ottawa was announced. This arrangement places the Bank of Nova Scotia in the position of being the fourth largest bank in Canada, with total assets of almost \$234,000,000; it also reduces the number of chartered banks in Canada to 18. The two banks are peculiarly adapted to the union now under way. The acquisition of the Bank of Ottawa's branches in the West is a welcome addition to the Bank of Nova Scotia, where the latter is most anxious to expand. Incorporated nearly ninety years ago, the Bank of Nova Scotia will, under the new arrangement, have about 300 branches throughout Canada, in Newfoundland, the West Indies and the United States, and is now proposing to open in London, Eng. In 1913 the bank absorbed the Bank of New Brunswick, and in 1914 the Metropolitan Bank, the Bank of Ottawa making the third absorption in six years. The Bank of Nova Scotia is now well equipped to meet the growing competition in banking for not only domestic business, but for the foreign trade which Canada must develop, if she is to maintain favourable trade balances. Banks should have such a chain of branches in Canada as will enable them to provide the most complete facilities for their customers.

The Bank of Nova Scotia's statement for the year 1918 is characterized by a considerable enlargement of resources, and by yet further strengthening of the very fine liquid position reported in recent years. This fact indicates very clearly the conservative course pursued by the Bank under Mr. H. A. Richardson's conservative management.

The Balance Sheet.

Following are the leading items of the Bank's balance sheet in comparison with those of the preceding year:—

	1918.	1917.
Circulation	\$ 17,568,924	\$ 12,171,423
Deposits not bearing interest	47,696,581	26,102,810
Deposits bearing interest	74,531,580	78,235,361
Total liabilities to public	139,797,086	116,509,593
Specie and Legals	23,257,766	20,128,004
Central Gold Reserve	12,000,000	6,500,000
Bank Balances Abroad	5,219,499	5,438,103
Call and demand Loans in Canada	14,075,536	14,238,103
Call and demand Loans Abroad	11,535,041	7,928,753
Securities held	30,638,180	29,603,471
Total of Quick Assets	107,776,259	92,035,247
Current Loans in Canada	39,819,493	34,145,581
Current Loans Abroad	9,682,644	7,373,290
Total Assets	161,329,703	138,297,245

Total assets have grown from \$138,297,245 to \$161,329,703, the larger part of the increase being represented in the growth of quick assets which are now reported as amounting to \$107,776,259, against \$92,035,247 a year ago. The great demand for currency at the present time is shown in the Bank's circulation, which at \$17,568,924, shows an increase of \$5,397,501 over 1917. This additional circulation has been covered by fresh deposits of \$5,500,000 in the Cen-

tral Gold Reserve. The liability side of the balance sheet shows deposits by the public of \$122,228,161, a growth of \$17,890,000.

Net profits for the year were \$1,411,925, indicating an increase of \$116,610. The profits may be considered moderate enough, considering the larger resources of the bank, but satisfactory considering the heavier expenses entailed in banking at the present time. Including the balance of \$560,269 brought forward, the amount available on profit and loss account was \$1,972,194. Of this amount the 14 per cent. dividend absorbed \$910,000; war tax on the bank's circulation, \$65,000, and \$150,000 is written off bank premises. After making the usual contribution of \$50,000 to the Officers' Pension Fund, and contributions to Patriotic and other funds of \$47,500 the substantial balance of \$749,694 is carried forward.

THE MUTUAL LIFE INSURANCE CO., OF NEW YORK.

The Second Vice-President, George T. Dexter, of the Mutual Life Insurance Co., of New York, has announced that the same dividends, which have been paid by the company during 1918, will be maintained during 1919.

It is estimated that the cost of mortality from influenza alone, will probably exceed \$2,000,000, but owing to the ample provisions made in the prosperous years of the past, for just such a contingency as this, by strengthening the contingency reserve year after year, instead of distributing all accruing surplus in the form of dividends, the Mutual Life of New York is undisturbed, and accordingly will not reduce its annual dividend scale for the present year.

EQUITABLE LIFE.

Big Increase in New Paid For Insurance.

The Equitable Life Assurance Society closed the year 1918 with \$203,200,000 new insurance paid for, in addition to \$68,500,000 of group insurance. This compares with \$184,252,691 regular new insurance paid for, and \$67,091,961 of group insurance in 1917.

The Metropolitan department of the Equitable produced a total of \$50,900,000 paid for insurance in 1918, exceeding its pledge to President Day by \$900,000. During the last three days of the year the agents secured \$2,422,800 of business, of which \$1,311,060 was settled for on December 31.

SUN FIRE OFFICE.

The appointment of W. W. Otter Barry as assistant secretary to The Sun Fire Office was announced in the Post Magazine of 30th Nov. last. Formerly, Mr. Barry was assistant secretary to the Fire Offices Committee.

Mention is made of his book on the Law of Fire Insurance in the announcement of his new appointment by the Post Magazine.

EIGHTY-SEVENTH ANNUAL REPORT

The Bank of Nova Scotia

Capital Paid Up, \$6,500,000 Reserve Fund, \$12,000,000

PROFIT AND LOSS.

Balance Dec. 31st., 1917	\$ 560,269 47
Net profits for year, losses by bad debts estimated and provided for	1,411,925 04
	\$1,972,194 51

Dividends for year at 14%	\$ 910,000 00
War Tax on circulation to December 31st, 1918	65,000 00
Contributions to Canadian Patriotic, British Red Cross and other Funds	47,500 00
Contribution to Officers' Pension Fund	50,000 00
Written off Bank Premises Account	150,000 00
Balance carried forward December 31st, 1918	749,694 51
	\$ 1,972,194 51

RESERVE FUND.

Balance December 31st, 1917	\$12,000,000 00
Balance forward December 31st, 1918	\$12,000,000 00

General Statement as at December 31st, 1918

LIABILITIES.

Capital Stock paid in		\$ 6,500,000 00
Reserve Fund		12,000,000 00
Balance of Profits, as per Profit and Loss Account		749,694 51
Dividends declared and unpaid		229,953 50
		\$19,479,648 01
Notes of the Bank in circulation		17,568,924 51
Deposits not bearing interest		\$47,696,581 39
Deposits bearing interest, including interest accrued to date		74,531,580 24
		122,228,161 63
Balances due to other Banks in Canada		139,797,086 14
Balances due to Banks and Banking Correspondents in the United Kingdom		344,880 33
Balances due to Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom		110,118 51
		1,222,220 68
Acceptances under Letters of Credit		141,474,305 66
		375,749 51
		\$161,320,703 18

ASSETS.

Current Coin		\$ 9,586,983 62
Dominion Notes		13,670,782 50
Notes of other Banks		1,904,842 39
Cheques on other Banks		9,145,394 88
Balances due by Banks and Banking Correspondents in the United Kingdom, and sterling exchange		2,666,367 40
Balances due by Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom		2,653,131 19
		39,527,501 98
Deposit in the Central Gold Reserves		12,000,000 00
Dominion and Provincial Government securities, not exceeding market value		12,284,706 04
Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian, not exceeding market value		14,966,283 07
Railway and other bonds, debentures and stocks, not exceeding market value		3,387,190 96
Demand loans in Canada secured by grain and other staple commodities		10,243,399 64
Call and demand loans elsewhere than in Canada		11,535,041 55
		103,944,123 24
Call and demand loans in Canada secured by bonds, debentures and stocks		3,832,136 28
		107,776,259 52
Deposit with the Minister of Finance for the purposes of the circulation fund		330,640 19
Loans to governments and municipalities		386,805 68
Other current loans and discounts in Canada (less rebate of interest)		39,819,493 26
Other current loans and discounts elsewhere than in Canada (less rebate of interest)		9,682,644 37
Liabilities of Customers under Letters of Credit, as per contra		375,749 51
Overdue debts, estimated loss provided for		16,412 89
Bank Premises at not more than cost, less amounts written off		2,798,825 74
Real Estate other than Bank Premises		81,800 00
Other assets not included in the foregoing		61,072 02
		\$161,320,703 18

CHARLES ARCHIBALD, President.

H. A. RICHARDSON, General Manager.

AUDITORS' CERTIFICATE

We have examined the books and accounts of The Bank of Nova Scotia at its Chief Office and have been furnished with certified returns from the Branches, and we find that the above statement of Liabilities and Assets as at December 31st, 1918, is in accordance therewith. The Bank's investments and the securities and cash on hand at the Chief Office and at several of the principal Branches of the Bank were verified by us as at the close of business December 31st, 1918, and in addition we visited the Chief Office and certain Branches during the year, when we checked the cash and verified the securities and found them to be in agreement with the books. We have obtained all information and explanation required, and all transactions of the Bank which have come under our notice, have, in our opinion, been within the powers of the Bank. And we certify that the above statement of Liabilities and Assets as at December 31st, 1918, 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.

A. B. BRODIE, C.A.
D. McK. McCLELLAND, C.A.

Auditors.
of the firm of Price, Waterhouse & Co.

Commercial Union

ASSURANCE COMPANY LIMITED
of LONDON, England

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

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

Palatine

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December, 1917)

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

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

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH
COMMERCIAL UNION BUILDING, - 232-236 St. James Street, - MONTREAL
J. McGREGOR, Manager W. S. JOPLING, Assistant Manager

Head Office
for Canada;
TORONTO



Assets
Exceed
\$65,000,000

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

Head Office
for Canada
TORONTO



Security
over
\$65,000,000

The
BRITISH CROWN

Assurance Corporation Limited
Of Glasgow, Scotland

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

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

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

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

AGENTS INSURANCE BROKERS

AEONA 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

FIRE INSURANCE IN CANADA DURING 1918

(By C. S. Wainwright.)

Taxation.

The heavy burden of taxation upon the fire insurance companies continues to be added to and while no patriotic company is unwilling to assume its proper share of the cost of carrying on the affairs of the country, it would seem that the time has come, in view of the important part which the companies perform in the financial and industrial welfare of the Dominion, when they and their agents should endeavour to obtain some measure of relief in this respect.

Legislation.

No legislation of a drastic nature adversely affecting the interests of the companies has been enacted during the year. In the House of Commons at Ottawa a Bill was introduced at the last Session to amend the Insurance Act of 1917. Some of the provisions of this Bill as originally drawn were strongly objected to by a number of the companies. Their representations were received sympathetically by the Minister of Finance and the Superintendent of Insurance and as a result the provisions of the Bill were considerably modified. In view of the lateness of the Session it was withdrawn, but it will probably be re-introduced in its modified form during the coming Session.

Companies Licensed in Canada.

These are divided into three classes—known as "Canadian," "British" and "Foreign," respectively, and it is interesting to note the increase in the number of these licenses since 31st December, 1914 (the first year of the War) and also since the end of 1917.

	Can.	Brit.	For'n.	Total.
Dec. 1914 ..	24	24	34	82
Dec. 1917 ..	24	30	42	96
Dec. 1918 ..	23	37	48	108

An interesting feature connected with the publication in the "Canada Gazette" of Notices from the Dominion Insurance Department is the fact that some of these now give notice that the Department has issued a License to the Licensee to do business in a single province. Formerly such notices were to the effect that the company had received a License from the Dominion Insurance Department to transact business throughout Canada. The change is a result of the re-enactment in 1917 of the Dominion Insurance Act following upon the Privy Council's (England) decision on the question of Dominion and Provincial regulation of companies.

Unrest and Unionism in Police and Fire Brigades.

Three regrettable incidents occurred during the year. The first was the strike of the Winnipeg Fire Brigade, which occurred in May and lasted for about a fortnight. It was participated in sympathetically by thousands of Union men. Two or three serious fires occurred during its continuance, but there were no disorders. The second was the strike on December 12th of the Montreal Police and Fire Brigades and of the Water-

works Engineers. The strike lasted for thirty-three hours and during that time lawlessness was rampant in some parts of the city and considerable damage was done through robberies and hoodlumism. Moreover, some of the volunteer firemen (including amongst them a number of the younger fire insurance men) were "man-handled" when answering alarms. A large number of false alarms were turned in and one or two rather serious fires occurred. The principal cause of the strike was the revolt of the men against three of the chief officials. The latter were retired by the municipal authorities and the strike ended, much to the relief of the citizens generally and of the fire underwriters in particular. The consequences of a prolongation of the strike are too appalling to contemplate when one thinks of the immense values in the city being without police or fire protection, either from robbers or firebugs, and thus subject to a disastrous conflagration from fires started either accidentally or malevolently.

The other regrettable incident occurred in Toronto. On the 18th of December the Toronto Police Force went out on strike. They had formed a Union and obtained a charter from the Trades and Labour Council and had made several demands upon the Police Commissioners, amongst them being an increase in pay and a better distribution of the hours of work. The Police Commissioners were prepared to meet them on most of the important points, including permission to form a Union amongst themselves, but absolutely declined to countenance any recognition of a charter from the Trades and Labour Council, contending that an affiliation of this nature might be fraught with grave danger in the event of labour strikes. A compromise settlement was arrived at after four days by an agreement that the charter should be retained pending a decision by a Royal Commission to be appointed by the Government. If the Commission decides against the retention of the charter the men must give it up. It is pleasing to note that during the period of the strike no serious fires or disorders occurred in the city.

Standardization of Policy Forms.

Efforts by various interests to secure a standard policy form for use throughout all the provinces of the Dominion have recently been supplemented by the action of the Ontario Bar Association, which body has, of its own accord, actively taken up this question and is lending its influence and advice towards this desirable end.

Increasing Values and Co-insurance.

The effect of the co-insurance clause upon the settlement of losses in view of the heavy increases in values and the latter's effect upon the "cost of replacement" has been very marked since the beginning of the War; so much so that the attention of the public has in various ways been directed to the necessity of a revision of their insurance prior to the occurrence of a loss. Similar conditions are likely to prevail for some time to come.

What An Agent Wants

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

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

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

For terms to producing Agents address:

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

34 Nassau Street . . . New York City

THE London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1720

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

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

THE PROVIDENT ASSURANCE COMPANY

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

Head Office

189 St. James St. - - Montreal

REPRESENTATIVE WANTED FOR ONTARIO AND MARITIME-PROVINCES

ATLAS ASSURANCE COMPANY LIMITED

Founded in the Reign of George III

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

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

Head Office for Canada:

260 St. James St., MONTREAL

MATTHEW C. HINSHAW, Branch Manager

Established 1886

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

Capital Paid Up \$1,250,000 Assets \$3,185,605

Agents Wanted in Unrepresented Districts.

Managers for Canada:

Montreal Agencies Limited, Montreal



Assets:
\$22,022,227.19

Surplus:
\$7,426,114.26

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

L'UNION

FIRE INSURANCE COMPANY, Limited
Established 1826 Head Office: PARIS, France.

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

Canadian Branch:

LEWIS BUILDING, 17 St. John St, MONTREAL

Manager for Canada: MAURICE FERRAND.

FIRE INSURE IN CANADA DURING 1918.

(By C. S. Wainwright.)

The excessive and inexcusable destruction of property by fire (so fittingly termed the "fire waste") goes on apace in the Dominion; so much so that the Canadian Government has recognized the seriousness of this condition of affairs and is trying to devise some plan to remedy it. It is estimated that the total value of the property destroyed in Canada during the year will reach no less a sum than the huge total of \$35,000,000, as compared with \$20,000,000 for the previous year. A considerable portion of the former amount represents uninsured property. The Province of Ontario has the unenviable distinction of having a fire waste record for the ten months ending 31st October, 1918, of \$13,000,000, as against \$8,000,000 for the corresponding months of 1917. The heaviest loss of the year was the fire in October, which destroyed part of the plant of the British Chemical Company at Trenton, Ontario. This plant consisted of about one hundred buildings and was constructed at a cost of ten million dollars for the manufacture of explosives. The damage has been estimated as high as \$2,500,000. No insurance was carried on it.

To enumerate the fires of \$100,000 and over (as has been usual in some of the previous annual reviews) would, it is regrettable to state, take up too much space. Those amounting to \$200,000 and over (using the perhaps inflated estimates of the newspapers in cases where other figures are not procurable) are as follows:

January.—Winnipeg, Man., Mercantile Block, \$400,000; Peterborough, Ont., Business Block, \$400,000.

February.—Winnipeg, Man., Business Block, \$400,000.

April.—Saskatoon, Sask., Hardware Store, etc., \$300,000; Toronto, Ont., Shipbuilding Yards, \$300,000; Toronto, Oil Storage, etc., \$200,000; Toronto, Abattoir, \$750,000.

May.—Vancouver, B.C., Shipbldg. Yards, \$200,000.

June.—Shaunavon, Sask., Hotel and Shops, \$250,000; Pembroke, Ont., Large portion of business district, \$750,000.

July.—Pembroke, Ont., Muniton Plant, etc., \$300,000.

October.—Trenton, Ont., Explosives Factory, \$2,500,000; Winnipeg, Man., Mercantile Building, \$300,000.

November.—Toronto, Ont., Muniton Plant, \$200,000.

Year's Estimated Results.

It is not likely that the Companies will show more than a small margin of profit on the year's Canadian business because of the heavy increase in the "fire waste" above referred to, coupled with the large increases in expenses as a result of the onerous advancement in taxes (both war and ordinary) and the increasing totals of fixed charges of various kinds.

Premiums and Losses for 48 Years.

In this connection it is interesting to note that the total premiums received and losses paid by fire insurance companies in Canada during the 48 years from 1869-1917 (the period covered by the Dominion Insurance Department's Report) are as follows:

Premiums received	\$481,986,090
Losses paid	288,621,047

These represent a loss ratio of 59.88% and after allowing for a moderate average expense ratio during all these years and making provision for increase in unearned premium liability, the results are certainly such as to constitute a conclusive answer to any charge of excessive profits by the Companies.

Fire Prevention and the Public.

The most important event of the year bearing upon the business (or rather progression of events) has been the growing interest referred to in the beginning of this article on the part of the Dominion Government and of the public generally in the question of Fire Prevention. For years the Insurance Companies have spent large sums of money in the inspection of towns, their fire brigades, waterworks and police departments. Their recommendations for an improvement in these important civic departments and for a betterment in building laws, have, however, only too frequently been received by the municipal authorities with scant courtesy and often with the unfair comment that the reason for these recommendations was that the Fire Insurance Companies did not wish to run any risk, but wanted the municipalities to spend their money to protect the Companies' interests. Gradually, however, the public seems to be arriving at a realization of the truth that this work which has been carried on by the Companies at their own expense, and the carrying out of their recommendations for improved conditions, are as much to the benefit and advantage of the public as they are in the interests of the Companies—if not more so. The Companies, however, are perhaps to a certain extent to blame for the lack of appreciation by the public some of the real and useful functions of a fire insurance company, inasmuch as they might have done a great deal towards informing the public on these points and removing the prejudice which seems to exist in the minds of a considerable portion of the public towards the Companies.

A "Publicity Bureau" Desirable.

These erroneous prejudices might have been averted by the establishment of some kind of a "publicity bureau" having the above objects in view and also for the purpose of refuting or correcting through the daily press the misleading articles regarding fire insurance which appear in its columns from time to time. While these items are generally inserted through ignorance, their effect upon the public mind is none the less effective.

(Continued on page 111.)

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1833

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

HEAD OFFICE: TORONTO

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

DIRECTORS:

W. B. MEIKLE, President

SIR JOHN AIRD
ROBT. BICKERDIKE, Montreal
LT.-COL. HENRY BROCK
ALFRED COOPER, London, Eng.
H. C. COX
JOHN H. FULTON, New York
E. HAY
JOHN HOBKIN, K.C., LL.D.

D. B. HANNA
Z. A. LASH, K.C., LL.D.
GEO. A. MORROW, O.B.E.
LT.-COL. THE HON. FREDERIC
NICHOLLS
BRIG.-GEN. SIR HENRY PELLATT,
C.V.O.
E. R. WOOD

W. B. MEIKLE **JOHN SIME** **E. F. GARROW**
Pres. and Gen. Man. Asst. Gen. Man. Secretary

**THOMAS F. DOBBIN, Resident Manager
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
P. A. TASKER, Branch Manager.

FOUNDED A. D. 1519

THE GENERAL FIRE INSURANCE COMPANY OF PARIS, FRANCE

SURPLUS TO POLICYHOLDERS, \$5,525,500

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

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

The Life Agent's Manual
Published by The Chronicle, Montreal

First British Insurance Office Established in Canada, 1804

INTENDING ASSURERS

Should read the "THREE MINUTES" Leaflet
of the

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

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

100 St. Francois-Xavier Street, Montreal

The Company offers to the Public every advantage which

LIFE ASSURANCE

conducted under the most favourable conditions is capable of affording:

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

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

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

Agents Wanted

ESTABLISHED 1864.

New York Underwriters Agency

A. & J. H. STODDART
REGISTERED

100 William Street - New York

Provincial Agents

MURPHY, LOVE, HAMILTON & BASCOM,
Toronto, Ont.
OSLER, HAMMOND & NANTON,
Winnipeg, Man.
ALFRED J. BELL & Co.
Halifax, N.S.

JOHN WM. MOLSON & ROBERT Y. HUNTER
Montreal, Que.
WHITE & CALVIN
St. John, N.B.
AYRE & SONS, LTD.
St. Johns, Nfld.

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

Founded
A. D.
1710

SUN INSURANCE OFFICE

Head Office: Threadneedle St., London, Eng.

**THE OLDEST INSURANCE
OFFICE IN THE WORLD**

Canadian Branch:
15 Wellington St. East
TORONTO, Ont.

**LYMAN ROOT
Manager**

(Continued from page 109)

tive and unfortunate. One of the most common forms of misleading information is that contained in articles which show merely the "premiums received" and "losses paid" by fire insurance companies in various provinces, leaving it to be inferred—if indeed the article does not specifically state—that the difference between these two amounts represents net profits to the companies. In some cases the figures given have actually merely been those of the "amounts insured" and the "losses paid"! We should follow the lead of our confreres in the Life Insurance business and start a campaign of enlightenment through the public press along the lines of the excellent editorials published in fire insurance journals, but which latter unfortunately do not meet the eye of the general public.

One of the leading insurance journals in the United States in its issue of a few days ago refers scathingly to the lack of vision which the companies possess as evidenced by the fact that at the great Reconstruction Congress held a few days ago at Atlantic City, no one was present to speak on behalf of the huge interests represented by fire insurance companies and to remind the important bodies represented at that meeting how large a part these companies play in the everyday business welfare and progress of the country. This same charge of shortsightedness may, it is feared, very properly be applied to fire companies in Canada and other countries.

Governmental Interest in Fire Prevention.

However, a few days ago a most important meeting was held in Ottawa at the instance of the Acting Prime Minister, Sir Thomas White, who is also the Minister of Finance for the Dominion and as such has immediate supervision over the Canadian Insurance Department. The meeting followed as a result of answers received to a list of "questionnaires" sent out by the Insurance Department a few weeks ago, soliciting suggestions as to the best means of dealing with questions of fire prevention, etc. The meeting was attended by representatives of such important bodies as the Canadian Bankers Association, Canadian Fire Underwriters' Association, Non-Tariff Companies, Canadian Manufacturers' Association, Canadian Credit Men's Trust Association, Retail Merchants' Association, United Farmers of Alberta, United Farmers of Ontario, Wholesale Grocers' Association, the Government's Commission of Conservation and by the Dominion Insurance Superintendent, as well as by Sir Thomas White and the President of the Privy Council. At this meeting resolutions were adopted favouring amongst other things:—

- (a) A public campaign of education by the Government along the line of fire protection;
- (b) The introduction into the Canadian school curriculum of instruction on this point;
- (c) The inspection by the Government of buildings;

- (d) The filing of an application before or shortly after a policy is issued;
- (e) The compelling of the removal of objectionable and dangerous conditions;
- (f) The enactment of legislation fixing some measure of responsibility for fires occurring after a failure to comply with requirements for improvements;
- (g) The enactment of better municipal by-laws;
- (h) The compulsory "sprinklering" of risks in excess of a certain value and area;
- (i) The restriction as far as possible of shingle roofs;
- (j) The adoption of uniform hose couplings or adapters.

The ball having been started rolling by such powerful influences will surely not be allowed to stop until at least some of the most desirable of the objects sought to be attained are reached.

SUN LIFE ASSURANCE COMPANY.

The Montreal Agency of the Sun Life under the management of Mr. J. C. Stanton, Jr., reports the following results for the year 1918. The large volume of business was secured almost entirely from the City of Montreal.

Written business, January 1st to
 December 23rd, 1918 \$4,643,674.57
 Paid-for business, that is, business under which the full first year's premium was paid in cash 4,031,361.00
 New Premiums 148,607.14
 The total premium collection during 1918 was 969,920.51

Considering the population of the agency as a whole, the paid-for business of 1918 represents on a per capita basis—\$4.03 for every man, woman and child in the entire territory.

This business of the Montreal Agency for many years has been noted for its continual growth in keeping with the progressive policy of the Sun Life of Canada wherever it operates throughout foreign countries in addition to Canada.

NORTH AMERICAN LIFE.

Received Business for December 1918 amounted to over \$1,700,000, the largest in the history of the Company; while the total amount of the applications received during 1918 amounted to over \$14,700,000, an increase of 16% over last year.

The Nalaco Cup contest closed for the year with British Columbia agency winners under Manager E. W. Keenleyside. They hold the Cup during 1919.

H. W. Slipchenko, Saskatoon, A. R. Piper, Moose Jaw and J. A. Collins, Edmonton, led in personal production during December.

New agents appointed were:—Benjamin Renshaw, Cloud Bay, Ont., S. M. Lowe, Amherst, N.S.; E. T. Burke, Amherst, N.S.; F. J. Jones, Fort William, Ont.; W. G. White, Blind River, Ont.; Calvin Hurst, Midland, Ont.; Wm. P. Bradley, Neudorf, Sask.; W. E. Bayeroff, Beeton, Ont.

WANTED

PLAN CLERK wanted by the Atlas Assurance Company, Ltd. Reply, in writing, giving particulars of previous experience, to the **MANAGER**,
260 St. James Street,
Montreal.

NOTICE

Notice is hereby given that the Continental Insurance Company of New York has been granted license by the Government of the Dominion of Canada to transact the business of Hail Insurance in Canada, under License No. 771, dated January 10th, 1919.

NOTICE

Notice is hereby given that the Fidelity-Phenix Fire Insurance Company of New York has been granted license by the Government of the Dominion of Canada to transact the business of Hail Insurance in Canada, under License No. 772, dated January 10th, 1919.

"The Oldest Scottish Fire Office"

The Caledonian Insurance Co. of Edinburgh

Founded 1805.

*Head Office for Canada,
Dominion Express Building
Montreal*

JOHN G. BOETHWICK,
Canadian Manager.

HAIL

Established firm, with good connection through Alberta, invites correspondence with Insurance Companies writing Hail Insurance, income guaranteed. Bank reference.

HAIL AGENT,
c/o The Chronicle, Montreal.

THE LONDON MUTUAL FIRE INSURANCE COMPANY

ESTABLISHED 1859

Assets - - - - - \$753,417.06
Surplus to Policyholders - - - - - 411,808.66



DIRECTORS:

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

HEAD OFFICE - 33 SCOTT ST., TORONTO

QUEBEC BRANCH OFFICE

LEWIS BUILDING, ST. JOHN STREET MONTREAL
BRANCH MANAGER, W. J. CLEARY

WANTED

Inspector for Ontario. A strong Tariff Company requires the services of a capable and energetic young man as Inspector for Ontario. Apply, stating age, experience and full particulars to

F. I. P.
c/o The Chronicle,
Montreal.

WANTED

Tariff Fire Company, with large writing facilities, requires General Agencies for the Provinces of Manitoba, Saskatchewan, Alberta, and British Columbia. Apply, giving full particulars, to

TARIFF FIRE COMPANY,
c/o The Chronicle,
Montreal.

General Insurance Agency In Calgary

Well established—highest references—solicits correspondence with Insurance Companies for Fire, Bonds, Boiler, Plate Glass, Live Stock, Hail—any kind of insurance.

GENERAL AGENT,
c/o The Chronicle, Montreal.

Canadian Banking Practice

On Sale by The Chronicle, Montreal