

# The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY



Vol. XXXV. No. 3

MONTREAL, JANUARY 15, 1915.

Single Copy 10c  
Annual Subscription, \$3.00

## WANTED: EFFICIENT PRODUCTION.

It was suggested on this page a month ago that those students of the Canadian position who have lately been proclaiming from the housetops the necessity of increased production might now not unprofitably insist that increased production does not necessarily mean the spreading of energies over a larger area. Our present methods of production are grossly wasteful and a vast increase of production could be made without seeding another acre of ground, or adding another machine to our plants, were more efficient methods followed and an end put to waste. This matter of an increase in production through an improvement in methods rather than by the seeding of larger areas of land, important as that may be in its way, is discussed at length by Mr. Vere C. Brown, superintendent of Central Western branches of the Canadian Bank of Commerce, in his annual review of conditions in the prairie provinces. There is no keener observer of the prairie provinces than Mr. Brown, and he places considerable stress upon the necessity for improved methods of production if the West's agricultural industry is to be placed permanently on a profitable footing.

\* \* \* \*

Agricultural production in the West, says Mr. Brown, has been adversely affected in a serious degree by indifferent farming methods. As is natural enough in a country settling so rapidly, the percentage of farmers possessing an inadequate knowledge of tillage is very large, while the number of really high-class farmers is extremely small. A large number of the settlers never farmed until they came to this country, and have no knowledge of the manner in which their land should be prepared in order to produce results. Under such circumstances, says Mr. Brown, some more effective means than now exist must be found of inducing the well-intentioned and industrious element of the farming community to adopt approved methods of tillage and to balance their operations with some stock raising in all districts suited to the latter industry. While there is an excellent system of government experimental

and demonstration farms in the West, it is beyond question, in Mr. Brown's view, that at present the work of these institutions effectively reaches only that small percentage of farmers who rank in the highest class and that there is crying need for an organization by means of which the practical information offered by our agricultural institutions may be made available to the farmers generally, and pressure brought to have it applied in some degree by every farmer possessed of the virtue of industry. If the great mass of mediocre farmers were set right as to the first principles of tillage, this alone would enormously increase production, and would suffice, in view of the fertility of our soil, to establish agriculture in Western Canada on a profitable footing.

\* \* \* \*

Not only is more efficient production required in the interests of a re-adjustment of our trade balance, but it will also, in Mr. Brown's opinion, help considerably towards the settlement of the political problems which are being raised by the spirit of growing antagonism between the western agricultural interests and the commercial East. The unsuccessful farmer attributes his non-success to conditions arising from the tariff, to high interest rates, high freight rates and high cost of what he has to buy—to anything at all but the underlying cause. While it will be agreed that the Western farmer cannot attain a satisfactory degree of prosperity until interest rates and the cost of all the goods and services which the farmer has to buy have been reduced, nevertheless, says Mr. Brown, as regards the material prosperity of Western farmers, the only underlying problem facing us is how to bring about most quickly a general adoption of efficient farming methods, and so increase the profitableness of farming on the producing side. This accomplished, losses through credit extended to unsuccessful farmers would be reduced to a minimum, and there would inevitably follow a lowering of all rates and costs to the farmer.

\* \* \* \*

The banks' recent experience is cited by Mr. Brown as an excellent illustration of the last point.  
(Continued on p. 61.)

Established 1817

# BANK OF MONTREAL

Incorporated by Act of Parliament

Capital Paid Up, \$16,000,000.00

Reserve, \$16,000,000.00.

Undivided Profits, \$1,232,669.42

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Reserve - 13,500,000

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JOHN AIRD, Assistant General Manager.

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Capital Paid up - - - - \$4,000,000  
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Lethbridge	Frankford	Teeswater	Cote des Neiges
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<b>British Columbia</b>	James Street	Bay Street	Boul. Br.
Revelstoke	Market Br.	Queen St. W	Cote St. Paul
Vancouver	Hensall	Trenton	Branch
Main Street	Highgate	Wales	Park & Bernard
Hastings St.	Iroquois	West Toronto	Ave. Branch
	Kingsville	Williamsburg	Trevauxville
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<b>Manitoba</b>	Lambton Mills	Zurich	Mont-Joli
Winnipeg—	London		Pierreville
Portage Av.	Lacknow	<b>Quebec</b>	Quebec
Main St.	Meaford	Arthabaska	Richmond
<b>Ontario</b>	Merlin	Beaufort	Riviere du Loup
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Amherstburg	Norwich	Cowansville	St. Cessaire
Aylmer	Ottawa	Drummondville	Sorel
Belleville	Owen Sound	Fraserville	St. Marie Beauce
Berlin	Port Arthur	Knowlton	St. Ours
Brockville	Ridgetown	Lachine	St. Therese de
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Drumbo		Market & Har-	Ville St. Pierre
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Collections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange. Commercial Letters of Credit and Travellers' Circular Letters issued, available in all parts of the world.

# The Chronicle

## Banking Insurance and Finance

ESTABLISHED 1881.

PUBLISHED EVERY FRIDAY.

F. WILSON-SMITH,

ARTHUR H. ROWLAND,

Proprietor.

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 15, 1915.

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### INDEX TO VOLUME XXXIV.

The index and title page to Volume XXXIV of THE CHRONICLE (January 1 to December 31, 1914) are now ready and copies can be obtained on application.

## THE BANKERS NOT DISCOURAGED.

The bank meetings have taken up a considerable share of the attention of our financiers this week. While the annual reports show profits somewhat less than last year, the bankers on the whole are apparently not discouraged over the outlook. It is clear that the appropriations for depreciation in bond investments have taken up an abnormal proportion of the net earnings. Several of the banks show very large deductions for this purpose; and others have stated that, although the amount of their appropriations are not published, they required to provide a considerable sum. There is a general disposition to consider that investment values will shortly recover to some extent, and that the amounts now written off will not be lost, serving instead as an addition to the reserves.

Of course, these expectations depend for their realization upon a comparatively early ending of the war. It is scarcely possible to conceive of any important rise in security values until the financiers become convinced that the costly struggle is proceeding satisfactorily towards a complete victory for the Allies. Any news of a decisive German or Austrian

defeat must necessarily tend to strengthen the markets. Until Lord Kitchener's new army takes its place at the front in April or May, our hopes in this direction are largely centred on the Russians. There appear to be fair prospects of Russia's being able to hold Von Hindenburg in check before Warsaw and press energetically after the receding Austrian line. If at the same time it transpires that Roumania and possibly Italy join the cause, everything would point to a very speedy collapse of the Teutonic resistance.

### THE RISE IN WHEAT.

After last week's sensational rise, the wheat market has naturally undergone extensive fluctuation. However, the level of values has been pretty well maintained. Under ordinary circumstances a great rise in the price of wheat in America is often taken as a bear point on stocks, as it sometimes indicates a great shortage in the American yield. On the present occasion, however, the Americans have in hand a large crop and a substantial rise in the price would indicate enhanced prosperity for agriculturists and might be expected to inspire the financial markets with confidence. As a market factor this has been complicated somewhat by the war developments.

One of the news items used while the wheat market was reacting from the extreme high level of last week was the story that the British and French fleets were meeting with success in their efforts to force the passage of the Dardanelles. If these operations should be brought to a successful termination and the gains substantiated by the holding of the forts by an allied force, it would mean that Russia's wheat would find its way into the British and French markets, and thus disturb the American monopoly. Also of course it would be a very important step towards the conquest of the Germans and Austrians. So if the story was taken as reliable its natural effect would be to depress wheat prices and put up the stock market.

### THE MONEY MARKETS.

Conditions have not changed greatly in the home money markets. Surface indications are that there is an increasing supply of funds available for short date loans. There seems to be also a tendency towards the reduction of net yields on municipal debenture issues. As yet, of course, there is no free market for new issues, but things are working towards an improvement in this respect, and we may shortly have the opportunity of liquefying some of the special loans of the banks on municipal and provincial debentures.

Call loans in Montreal and Toronto are at 6 to 6½ p.c. as heretofore; and commercial paper rules at 6 to 7 p.c. Call money in London is 1 p.c.; short bills, 2½ to 2¾; three months bills, 2¼ to 2¾. Bank of England rate is 5 p.c. The Bank of France and the Imperial Bank of Germany both quote 5.



Private discount rates in France and Germany are nominal and it is perhaps idle to quote them.

#### NEW YORK POSITION.

Call loans in New York ranged from  $2\frac{1}{4}$  to  $2\frac{1}{2}$  p.c., most of the business being at the higher level. Time money has been rather easy. Sixty days,  $3\frac{1}{2}$  to  $3\frac{3}{4}$ ; ninety days,  $3\frac{1}{2}$  to  $3\frac{3}{4}$ ; six months,  $3\frac{1}{2}$  to 4 p.c. In their Saturday statement the clearing house banks at New York showed strengthened reserves. Loans decreased \$2,600,000; net deposits increased \$6,000,000; note circulation decreased \$2,300,000; aggregate reserves increased \$8,100,000; and excess reserves increased \$6,500,000, standing at \$120,500,000. There has been not very much change in the position of the various federal reserve banks. The New York bank shows, however, a decrease of over \$5,000,000 in its cash. This is supposed to represent purchase of New York city warrants. The bank still has about 99 per cent. of its deposits in the form of hard cash; and as most of the others are in much the same position, it is hard to see how they are going to make any profits of consequence. The rediscounts are very small, and do not seem to be increasing. Thus New York has only \$565,000 in rediscounts; Philadelphia \$244,000; Chicago \$3,045,000; Boston \$153,000. The national banks appear to be staying with the big reserve banks in New York and Chicago, which have carried their accounts in the past; and unless there is a decided change in this respect the new banking system will prove to be a most expensive affair.

The official rates of discount quoted by the several reserve banks have been tending downwards. For thirty day paper San Francisco quotes 4 p.c., and all the others excepting Dallas and Cleveland quote  $4\frac{1}{2}$ . For longer periods the discount rate ranges from 5 to 6 p.c., New York, Boston and Philadelphia being at the straight 5 p.c. level.

#### WHERE CIRCUMSTANCES ALTER CASES.

The true story is told of a man who went to the office of one of the American Insurance Commissioners and asked if the Commissioner of Insurance had authority to reduce his fire-insurance rates. A copy of the law was given him, with the explanation that, upon reading it carefully, he would find the commissioner had no such authority. He then volunteered the opinion that the authority should be given him. Upon inquiry it developed that he was engaged in the hotel business. The Commissioner asked how his visitor would like a law establishing an office of Commissioner of Hotels, with the right to lower hotel rates. To this he indignantly objected as being unfair; he could see no parallel in the two cases. When asked to point out wherein the difference lay, he stated that there was all the difference in the world; "to lower hotel rates would take money right out of my pocket, but an insurance company is a corporation."

#### WANTED: EFFICIENT PRODUCTION.

(Continued from front page.)

Under the conditions which have existed latterly, the losses through bad debts in Western farmers' accounts by those banks which have fully recognized their obligations to finance the farming community are equivalent to at least 2 per cent. annually on the amount loaned. Reduce such losses to the trifling percentage which prevails, say, in Ontario, and the banks could afford to reduce their lending rates to Western farmers proportionately. Then, too, given a condition of prosperity which would permit farmers to obtain all their credit from the banks and to pay cash for their purchases, the general storekeepers would be enabled to lower very greatly their price lists. It is the same all along the line.

\* \* \* \*

The whole matter, it will be seen, is of Dominion-wide interest. A prosperous farming community in the West will go a long way towards ensuring a prosperous Canada. We have been dissipating our energies over too wide a field too long. Is it too much to expect that Cabinet Ministers and others who pride themselves on being the leaders of the country will lend a practical hand towards solving the present problem of more production through concentration of energies, the elimination of waste, better methods and greater efficiency of production. Spouting common-places is no use.

#### METROPOLITAN LIFE'S MUTUALISATION COMPLETED.

The Metropolitan Life Insurance Company has notified policyholders who, under the law, were entitled to vote on the proposed mutualization plan that the four steps necessary for the mutualization have been completed. The final step was the approval of the Superintendent of Insurance of New York State, which has been given in writing. Policies now on the books, written as non-participating, will automatically become participating. The first policies issued by the Company as a mutual company will bear the date of January 7, 1915.

#### MUTUAL LIFE OF CANADA'S INVESTMENTS: A GOOD REPORT.

Mr. P. D. McKinnon, manager of the loan department of the Mutual Life of Canada at Winnipeg, reports that interest payments on an investment of \$5,000,000 in Manitoba are being well met, but that there would probably be a loss in deferred interest payments this year as compared with 1913 of between \$10,000 and \$20,000. The accounts for 1914 have been made up and instead of a decrease as compared with 1913 there had been a slight increase. The actual sum paid in 1913 was \$299,000 while in 1914 the amount was in excess of \$300,000. The results thus reported were obtained in the territory covered in Manitoba and south-eastern Saskatchewan. In addition to its investment of \$5,000,000 in Manitoba, the Mutual Life has \$3,000,000 invested in Saskatchewan from which province the reports of interest payments are also satisfactory. In Winnipeg interest in arrears is less than 5 per cent. of this total.

# THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid up \$11,560,000 Reserves \$13,174,062  
Assets \$179,404,054

HEAD OFFICE - MONTREAL.

340 BRANCHES THROUGHOUT CANADA

28 Branches in Cuba, Porto Rico and Dominican Republic

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LONDON Eng.  
Princes St. E. C.

NEW YORK,  
Cor. William & Cedar Sts.

SAVINGS  
DEPARTMENT

In connection with all Branches. Accounts opened with deposits of ONE DOLLAR and upwards. Interest paid, or credited at highest current rates.

# The Dominion Bank

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

W. D. MATTHEWS, Vice-President

C. A. BOGERT, General Manager

## TRUST FUNDS SHOULD BE DEPOSITED

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

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

Head Office, Toronto

# THE BANK OF TORONTO

Incorporated 1855.

Head Office: TORONTO, Canada.

PAID UP CAPITAL.....\$5,000,000  
RESERVED FUNDS.....\$6,402,810

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

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

### YOUR BANKING SERVICE.

All who have Banking business, of whatever nature, to transact will find the modern Banking Service offered by the Bank of Toronto most satisfactory.

Long experience, ample resources, up-to-date equipment, and extensive foreign and domestic connections enable The Bank of Toronto to provide adequate facilities for all Banking transaction

# THE BANK OF NOVA SCOTIA

INCORPORATED 1832.

CAPITAL.....\$6,500,000.00  
RESERVE FUND.....11,900,000.00  
TOTAL ASSETS.....\$8,151,929.99

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190 BRANCHES

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

# THE HOME BANK OF CANADA

Original Charter 1854

Branches and Connections throughout Canada.

SIX OFFICES IN MONTREAL

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

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

AMES MASON - General Manager.

# The Bank of Ottawa

Established 1874

Paid-up Capital - - - \$4,000,000  
Ret and Undivided Profits - - - 4,952,759  
Total Assets, over - - - 53,000,000

This Bank in transacting a general banking business gives the most careful attention to any banking or financial matters entrusted to it.

GEORGE BURN,  
General Manager

## THE CANADIAN BANK OF COMMERCE.

The annual address of Sir Edmund Walker at the meeting on Tuesday of the shareholders of the Canadian Bank of Commerce will be read and studied perhaps this year with even keener interest than usual by all who are interested in Canada's economic position and prospects and all who wish to keep *au courant* with the trend of affairs throughout the Dominion. The impression that a sane and healthy confidence is justified at the present time and that business men may go forward in a spirit of sober optimism, if also with caution, may be derived from it. The wise words in which Sir Edmund urged the necessity of intelligent economy and efficient production at the present time deserve not only a Dominion wide circulation, but careful heed by every class of the community.

"Probably of great economic importance," he said, "will be the result of the wave of economy which has swept over Canada, mainly an enforced economy, but affecting all alike whether incomes are reduced or not. The effect of the careful use of food alone, the realization of the value of a bit of unused land as a garden plot, the little or great increase in production of almost every farm in Canada, east or west, the willingness to wear out old clothes and to put off the purchase of all luxuries—no matter how desirable—the cry for goods "made in Canada," and the slow but gradual realization that every unnecessary import may be a wrong to Canada even if the purchaser himself can afford it—all of these things must, taken together, materially increase our financial ability to bear the strain of the war."

### ENCOURAGING FACTS.

The careful chronicle of the sequence of world-wide as well as Canadian economic events, which preceded the outbreak of war forms an exceedingly valuable key to the course of events since that outbreak. It was to a chastened but distinctly hopeful business community in Canada that the rumours of war came at the end of July. That we were already chastened may be accounted a piece of excellent good fortune, for it is certain that otherwise with the pause of London, "the great power house of the world"—an admirable phrase—to consider how the new conditions were to be faced, there would have been a crisis in Canada that would have far exceeded in intensity and ill-effect anything that we have hitherto experienced. As it is we are pulling through in a creditable fashion that should mean a steady deepening of the spirit of confidence in the soundness of the structure of Canadian credit and in the conservative management of our leading banking and financial institutions which should be of inestimable importance to us in the future. Various details of Sir Edmund Walker's speech indicate a soundness of position at present that is thoroughly encouraging. It is perhaps with some satisfaction that THE CHRONICLE notes his opinion that as soon as Great Britain begins to buy any securities other than war-issues, she

will buy ours. The figures given showing the way in which interest on mortgages has been met show a thoroughly sound position. The experience of four large lenders on mortgage, the total principal of whose loans amount to \$60,000,000, is that in the East there is only a very trifling percentage of arrears, while in the West about 92 to 94 per cent. of all interest has been paid either at the moment when due or within three months thereafter. Again, one company owning about fifteen million dollars in Canadian municipal bonds had at the end of the year only three town and three school section bonds, aggregating \$4,500 of principal, in default, and this temporary default had taken place since August, and has no real significance. Such facts, in a sense prosaic and ordinary enough, have at the present time a distinctly cheerful significance.

### IMPORTS AND EXPORTS.

Sir Edmund Walker again referred at considerable length to the important subject of our balance of trade, and here again the address is distinctly encouraging in tone.

From this time forward, imports should show a very great decline, while, because of high prices for grain, the carrying out of war contracts for the allied countries, and the general desire to sell all that is available and to buy nothing that is not a necessity, our exports and imports should in the near future more nearly meet than at any time since the early years of this century. This will be a highly creditable accomplishment, showing that without undue pressure we could in two or three years do what our unfriendly critics thought impossible, that is, adjust the very large trade balance against us. Of course, we have still our interest to pay, and this country, in order to meet the most conservative demands for development, must be a borrower for many years to come, but I think we need have no great fear of the future in this respect if we take sufficient care of our credit. During the year 1914, although the markets were only favorable at times, and, since the war, have been practically closed to us, we sold securities abroad amounting to over 225 millions.

### THE BANK'S YEAR.

We have already referred to the satisfactory character of the annual statement recently issued by the Canadian Bank of Commerce. The year's net profits ended November 30, are \$2,668,233, as against \$2,992,951 for 1913, and equal to 9.4 per cent. upon the combined paid-up capital and rest. A balance brought forward on profit and loss account of \$384,530 makes the total available on this account \$3,052,763. Of this amount the ten per cent. dividend plus the bonus of 2 per cent. absorbs \$1,800,000; the annual contribution of \$80,000 is made to the pension fund; subscriptions of \$50,000 to the Canadian Patriotic Fund and of \$5,000 to the Canadian Red Cross Society are allocated, and the largely increased balance of \$1,117,763 is carried forward.

The following are the leading figures of the balance

# National Trust Co.,

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

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

**MONTRÉAL DIRECTORS**

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

**TEMPORARY OFFICES:**

**179 St. James Street**

PERCIVAL MOLSON, Manager.

# The Royal Trust Co.

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

**EXECUTORS AND TRUSTEES**

**BOARD OF DIRECTORS:**

H. V. Meredith, President.

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

Sir H. MONTAGU ALLAN, E. B. GREENHIELDS  
 K. B. ANDERSON, C. R. HOSMER  
 A. BAUMGARTEN, SIR W. C. MACDONALD  
 A. J. BRAITHVAITE, HON. R. MACRAY  
 H. R. DRUMMOND, SIR T. G. SHAUGHNESSY,  
 C. B. GORDON, K.C.V.O.  
 SIR LOWEY GOTTIN, K.C.M.G.  
 SIR FREDERICK WILLIAMS-TAYLOR

A. E. HOLT, Manager

**OFFICE AND SAFETY DEPOSIT VAULTS:**

**107 St. James St., MONTREAL.**

**BRANCHES:** Calgary, Edmonton, Ottawa, Quebec, Regina,  
 St. John, N.B., St. John's, Nfld., Toronto, Vancouver,  
 Victoria, Winnipeg.

# THE EASTERN TRUST CO.

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

IN BUSINESS 21 YEARS

Carries on a fiduciary Trust business  
 on conservative lines only.

HALIFAX ST. JOHN MONTREAL CHARLOTTETOWN  
 ST. JOHNS, N.F.L.

**MADE-IN-CANADA**

# THE CANADIAN SURETY CO

Investments of Capital, Surplus  
 and Earnings are

**MADE-IN-CANADA**

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

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

# The Imperial Guarantee

AND ACCIDENT INSURANCE CO., OF CANADA

Head Office: 46 King Street W.,

TORONTO, Ont.

**A Strong Canadian Company.**

ACCIDENT AND SICKNESS INSURANCE  
 GUARANTEE BONDS

PLATE GLASS AND AUTOMOBILE INSURANCE

E. WILLIAMS,  
 General Manager.

FRANK W. COX,  
 Secretary.



# THE CROWN TRUST COMPANY

145 ST. JAMES STREET, MONTREAL

## Trust Company Service

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

# PRUDENTIAL TRUST COMPANY

LIMITED

HEAD OFFICE  
 9 ST. JOHN  
 STREET  
 MONTREAL.

Trustee for Bondholders  
 Transfer Agent & Registrar  
 Administrator Receiver Executor  
 Liquidator Guardian Assignee  
 Trustee Custodian  
 Real Estate and Insurance Departments  
 Insurance of every kind placed  
 at lowest possible rates

**Safety  
 Deposit Vault**  
 Terms exceptionally  
 moderate.  
 Correspondence  
 invited.

B. HAL. BROWN, President and Gen. Manager

# The Trust and Loan Co.

OF CANADA

Capital Subscribed. . . . \$14,600,000 00  
 Paid-up Capital. . . . 2,520,000.00  
 Reserve Funds. . . . 2,511 049.15

MONEY TO LOAN ON REAL ESTATE AND  
 GUARANTEE VALUE OF LIFE POLICIES

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



sheet in comparison with those of the two previous years:—

	1914.	1913.	1912.
	\$	\$	\$
Capital Stock . . . . .	15,000,000	15,000,000	15,000,000
Reserve . . . . .	13,500,000	13,500,000	12,500,000
Circulation . . . . .	14,942,558	15,642,923	16,422,865
Deposits (not bearing interest) . . . . .	41,690,512	52,798,206	58,586,814
Deposits (bearing interest) . . . . .	139,818,297	140,015,509	139,030,648
Total Liabilities to Public . . . . .	215,218,904	230,618,524	217,768,281
Spectre and Legals . . . . .	30,337,215	30,415,656	27,454,966
Call Loans Abroad . . . . .	18,750,527	16,154,361	9,003,599
Total of Quick Assets . . . . .	92,983,653	97,308,316	77,229,029
Current loans and discounts . . . . .	142,588,077	154,576,890	163,753,559
Total Assets . . . . .	245,364,399	260,030,721	246,571,290

**A STRONG POSITION.**

In regard to the reserve position of the Bank, a strong position is shown. Total liabilities to the public are over fifteen millions lower than last year at \$215,218,904, but the total of quick assets is lowered by only about \$4,325,000, to \$92,983,653, so that their proportion to liabilities to the public is raised to 43.2 per cent. Moreover, this strong position was secured, as Mr. Alexander Laird, the general manager mentioned, without any credit usually granted to the Bank's customers being curtailed during this very trying year.

A further interesting point made by Mr. Laird was the slight decrease of less than \$200,000 in ordinary deposits bearing interest, a remarkable exhibit considering the probable requirements of small depositors under existing conditions and the extraordinary opportunities which have offered for investing in first-class securities at remunerative rates. Mr. Laird also mentioned that in accordance with an understanding acted upon by all the Canadian banks in London as to the moratorium in respect of bills of exchange, the Bank adopted the policy agreed upon by the clearing banks, and re-accepted, with a few trifling exceptions, all bills which matured in August, although during the whole period the Bank was carrying bank balances more than sufficient to meet these commitments. At the expiration of the thirty days the Bank resumed paying all its bills without exception. The Bank did not take advantage of the moratorium in any other respect, and did so in respect of bills merely to join in a united front to the public.

**LOSSES NOT EXPENSES RESPONSIBLE FOR HIGH RATES.**

The fire loss in the United States per \$100 of insured property is more than twice that of England and more than five times that of Germany.

If the fire waste of the United States were as low as that of Germany, insurance rates in the United States would be lower than theirs, says the Colorado Insurance Commissioner. The fire loss in Germany is 12 cents per \$100 of insurance. To take care of this 12-cent loss, the German rate is 22½ cents; to take care of the 64-cent loss in the United States, the rate charged is \$1.11. To get a proper com-

parison of these rates, it is necessary to multiply the German loss and rate by 5 1-3 to have it upon the United States basis of 64 cents of loss. This makes the German rate \$1.20, as against the \$1.11 in the United States. Plainly, therefore, the rate in the United States is 9 cents lower than in Germany, if the losses are put upon the same basis.

The same situation can be looked at from a different angle. In Germany it costs 10½ cents to take care of the 22½-cent rate; the expense ratio is therefore 47 per cent. In the United States it costs 47 cents to take care of the \$1.11; the expense ratio is therefore 42 per cent. Thus, taken as a whole, the fire insurance business is more economically managed in the United States than in Germany, the difference being 5 per cent. in favor of the States.

Indeed, considering all the facts, fire insurance rates cannot be said to be unreasonably high. Some companies make money and some companies lose money; some states are profitable and some states are unprofitable. Taken as a whole, the experience in the United States shows that the average annual underwriting profit is only about 2½ per cent.

**THIRTY-SEVEN YEARS' LIFE INSURANCE.**

*The Insurance Age* contains "A Record of American Life Insurance for Thirty-Seven Years," which is very interesting, being the record of growth of each year from 1877 to 1913, inclusive, and showing aggregates by subjects as follows:

Aggregate premiums received . . . . .	\$ 9,687,519,615
Aggregate paid to policyholders . . . . .	6,065,569,770
Aggregate dividends to policyholders . . . . .	1,053,072,245
Aggregate total taxes paid . . . . .	194,850,353
Aggregate insurance written . . . . .	35,085,499,127
Insurance in force December 31, 1914 . . . . .	14,304,638,791
Assets, December, 913 . . . . .	4,417,298,211
Total receipts from policyholders in 37 years . . . . .	9,687,519,615
Total paid to policyholders, plus assets held for their benefit . . . . .	10,482,867,981
Balance in favor of policyholders . . . . .	795,348,366

**THE WORKING LIFETIME.**

The thirty-four years from the ages of 33 to 67 are the best working years of a lifetime. The first third of life comprises infancy, childhood, youth and early manhood; the last third is a period of senescence.

During the thirty-four years following the age of 33 the number per 100,000 born living at this age is reduced from about 59,500 to about 32,400 living at the age of 67, the deaths being about 45.5 per cent. of the number living at 33. The whole number of years of life lived between the ages of 33 and 67 by the survivors and the dying would, if averaged among the 59,500 living at 33, give to each about 26 out of the 34 years of the period.

Statistics such as these are the material for the every-day work of an actuary, involving many computations dependent on the duration of life. The essential point here brought out is that, although the extreme duration of life may be 100 years, only one year more than one-fourth of that period is allotted as the working lifetime of all who attain the age of 33.

In view of the facts shown by the above authentic figures every man who reflects on their significance should not evade nor delay, but meet and fulfill, the great duty of insuring his life, and thus secure at once, in case of his death, the realization of the results of a lifetime's activities for an amount equal to his possible savings out of his probable earnings.

# CANADA PERMANENT MORTGAGE CORPORATION

Established 1855. Toronto Street, Toronto

President, W. G. GOODERHAM.

First Vice-President, W. D. MATTHEWS; Second Vice-President, G. W. MONK;

Joint General Managers, R. S. HUDSON, JOHN MASSEY Superintendent of Branches and Secretary, GEORGE H. SMITH.

PAID-UP CAPITAL, \$6,000,000.00 RESERVE FUND (earned) \$4,250,000.00 INVESTMENTS, \$31,826,618.37

## DEBENTURES

For sums of one hundred dollars and upwards, we issue Debentures bearing a special rate of interest, for which coupons payable half-yearly are attached. They may be made payable in one or more years, as desired. They are a

LEGAL INVESTMENT for TRUST FUNDS.

The

# WESTERN

Assurance Company

Incorporated in 1851

ASSETS OVCR \$3,500,000.00

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

### DIRECTORS

W. B. BROCK, President.

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

ROBT. BICKERDIKE, M.P.

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

D. B. MANNA

GEO. A. MORROW

JOHN BOSKIN, K.C., LL.D

FREDERIC NICHOLLS [C.V.O

ALEX. LAIRD

COL. SIR HENRY M. PELLATT

AUGUSTUS MYERS

E. R. WOOD

JAMES KERR OSBORNE

H. C. COX

HEAD OFFICE . TORONTO

ESTABLISHED 1809

Total Funds Exceed

\$109,798,258.00

Canadian Investments Over

\$9,000,000.00

FIRE AND LIFE

## North British and Mercantile

INSURANCE COMPANY

DIRECTORS

WM. MCMASTER Esq. G. N. MONCEL, Esq.

E. L. PHARR, Esq.

Head Office for the Dominion;

80 St. Francois Xavier Street - MONTREAL.

Agents in all the principal Towns in Canada.

RANDALL DAVIDSON, Manager.

Organized



Assets

\$8,020,276.62

Surplus to  
Policyholders

\$3,615,126.66

Applications for Agencies invited.

Canadian Head Office

MONTREAL

J. W. BINNIE . . . Manager

THE LIFE AGENTS MANUAL, \$3.00

THE CHRONICLE, MONTREAL

# CANADIAN BANKING PRACTICE

THIRD EDITION.

(HANDSOMELY BOUND IN CLOTH, \$4 PER COPY)

QUESTIONS ON CUSTOM AND USAGE AND LAW. Published under the Auspices of the  
Canadian Bankers' Association (Compiled by John T. P. Knight).

ON SALE AT THE CHRONICLE OFFICE,

10 ST. JOHN STREET, MONTREAL

## THE ONTARIO COMMISSIONERS' PROTEST.

The statement issued this week by the Commissioners administering the new Government scheme of workmen's compensation in Ontario is a decidedly interesting official document. The statement has been evoked it appears by the mass of criticism which has been directed against the Commissioners on account of the rates of assessment of the various industries which they have recently made. We have reason to believe that the protests against the rates imposed on many industries are well-founded. For instance, a case has come under our attention where a special arrangement has been in force for some years past between a leading insurance company and an Ontario firm whereby the company not only protected the firm against their legal liability for accidents, but also guaranteed to pay half wages to injured workmen—contracted, in fact, to pay practically the same indemnity as is secured to workmen under the present Act. For that protection against liability and guarantee of half wages to injured workmen, the Ontario firm paid a premium to the insurance company in an ordinarily active and prosperous year of between \$4,000 and \$5,000. Under similar circumstances, the firm are being compelled under the new Act to pay between \$20,000 and \$30,000 that their workmen may receive practically the same benefits as before. It can hardly be considered a matter for surprise that the Ontario firm are kicking vigorously, though in Ontario, at present, kicking in the matter of workmen's compensation merely means "kicking against the pricks." There is no escape.

### AN UNFAIR COMPARISON.

As a matter of fact, the rates which have been drawn up by the Workmen's Compensation Board show that the Board knows mighty little about the subject of workmen's compensation from the underwriting end, however profound its knowledge of other aspects of the subject. The rates appear to alternate between being too high and too low. Saw mills at 1.80 are pretty clearly too low. Biscuit manufacturing and printing are put on the same level at 0.50, though it is well known to every underwriter that the risks of the latter industry are considerably greater than those of the former. Examples of the same kind of thing could be multiplied indefinitely. The Board seek to defend their scale of rates by quoting rates charged under the new Workmen's Compensation Act in the State of New York. "Making due allowance for a comparatively slight difference in scale of compensation," they say, "it may, without unfairness, be presumed that the present New York insurance rates approximate very nearly the rates companies in Ontario would have charged had they been required to insure against claims for compensation under the present law." The rates quoted for New York are, of course, away higher than those

quoted for Ontario. But the comparison is not fair at all. It does not appear whether the New York rates quoted are those employed in the heart of New York City or in the country towns of the State. The Commissioners must know, or, if they don't know, they are ignorant of one of the most elementary facts of workmen's compensation underwriting, that rates are not the same for the great centres of population, for small towns and for country districts. The quotation of the New York figures by the Board proves nothing at all.

### IGNORING POPULATION.

But the quotation does serve to bring into prominence an aspect of the rating problem on which the new Ontario board appears to have fallen down very badly. Apparently they have entirely ignored the fundamental axiom of scientific underwriting that accidents increase proportionately to the density of population. Workmen's compensation business can be and constantly is being written in the country districts and in the smaller centres of population at markedly lower rates than in the large centres, when the same compensation law applies to both large and small centres alike. The lower rates are justified by the experience; manufacturers favorably located get the benefit of their favorable location in reduced rates. But apparently the new Ontario rates entirely ignore this. Manufacturers in the same classification wherever they may be located throughout the province are to be called upon for identical assessments. Such an arrangement is obviously grossly unfair to the manufacturers located in the smaller towns and in the country districts who will in effect be paying more than they should be called upon to pay on their own experience and will be paying for the higher accident ratio of their competitors located in the large centres. They are being compelled to do this; there is no alternative.

### CLAP-TRAP.

The Commissioners protest is not without some touches of sheer clap-trap. They state quite solemnly:—

"The board cannot, in consideration of the present financial stringency, levy a lighter assessment this year with the thought and intention of making up the deficiency by higher assessments in future and more prosperous years, as some evidently think they ought to have done."

It is really difficult of belief that such a childish suggestion was ever seriously put forward.

Again, the Commissioners say:

"The liability companies insured only against claims up to \$1,500, while protection now is practically unlimited. Besides with the defences provided them by the old law, the companies had, in the unwillingness or inability of workmen or their dependents to face the risk and undertake the expense of costly lawsuits, a pretty effectual guarantee against having to pay even the restricted claims of the injured, and the settlement of claims for trivial sums became an actual scandal."



**CANADA BRANCH HEAD OFFICE, MONTREAL.**

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



Head Office : 112 St. James Street, Montreal;

**DIRECTORS:**

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



**The Northern Assurance Co. Limited**

**"Strong as the Strongest"**

**Accumulated Funds, \$41,265,000** HEAD OFFICE FOR CANADA,  
 88 NOTRE DAME STREET WEST,  
 MONTREAL.

G. E. MOBERLY, Supt. of Agencies.

ROBERT W. TYRE, Manager.

"THE OLDEST SCOTTISH FIRE OFFICE"

**THE CALEDONIAN**

INSURANCE CO. OF EDINBURGH.

Founded 1805.

**Head Office for Canada,**  
 DOMINION EXPRESS BUILDING  
 Montreal

JOHN G. BORTHWICK  
 Canadian Manager

.. THE ..

**London Assurance CORPORATION OF ENGLAND.**

INCORPORATED BY ROYAL CHARTER A.D. 1720

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

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

**ATLAS ASSURANCE COMPANY LIMITED, of LONDON, ENGLAND**

Established in the REIGN of GEORGE III

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

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

**Head Office for Canada - MONTREAL**

MATTHEW C. HINSHAW, Branch Manager

Active and Influential Agents Wanted

**C. R. G. JOHNSON, POIRIER & JENNINGS, INC.**  
 AGENTS — INSURANCE — BROKERS

ETNA INSURANCE CO. OF HARTFORD  
 ST. PAUL FIRE & MARINE INS. CO.

11 ST. SACRAMENT STREET  
 MONTREAL, P.Q.

These are merely the stock-in-trade assertions of the demagogue. Does the Board know how many employers in Ontario under the old law held policies covering up to \$5,000? It appears to have been the usual practice of many insurance companies to pay up to that sum.

#### COMPANIES' SETTLEMENTS.

Under the old law, every man who was injured had to prove the liability of his employer before he was entitled to recover compensation. It is a simple fact that within recent years at all events no man ever had a serious injury who could fail to find a lawyer unwilling to take his case up "on spec." Records of settlements show in ninety-nine cases out of a hundred lump-sum payments in excess of the benefits of the new Compensation Law. Insurance companies were forced into the necessity of litigating cases by a type of lawyer who would not settle until a certain amount of expense had been incurred, and the companies have been unable to recover their costs even if they won these "blackmailing" cases. Juries too are notoriously biased in cases of this kind. There is on record one case in Ontario where a claimant's lawyer advised his client to settle for a certain sum. The claimant refused and insisted on going to Court. In Court, the claimant's lawyer asked for \$3,500 for his client. The jury awarded \$4,000!

It can be safely said that in the overwhelming majority of accidents happening within the province of Ontario within the last few years and covered by the insurance companies the policy was satisfied by a payment in a lump sum equal to half-wages and doctor's bills, in many cases to full wages, and in some cases by lump-sum payments representing much more. The number of accidents where no payments whatever were made would not amount to more than one per cent., and of these a good many were cases verging on fraud. The companies, it may be said, have within the last few years paid just as much to settle claims under the old form of law as the new Board will be compelled to pay under the new form. And in face of this, the Board calmly asserts that "the settlement of claims for trivial sums became an actual scandal." A statement like that will only mislead those who know nothing about the subject.

### UNION BANK OF CANADA.

The addresses made at the Union Bank of Canada's annual meeting were of a tone and quality to inspire confidence in this western banking institution not only on the part of its shareholders but also on the part of the public. That this Bank has withstood without strain the shocks which have been given to finance and credit the world over is indicated by the intimation of the president (Mr. John Galt) that the Bank's policy remains unchanged. Customers are being taken care of; loans for legitimate purposes have not been curtailed, and it is the Bank's intention to keep things moving as far as possible in a normal manner. An intimation of this kind at the present is of wider interest than to those immediately concerned. It is an indication of the utmost value of the soundness of the financial structure and of the fact that the machinery of Canadian commerce can be kept steadily going financially.

#### A NOTE OF CONFIDENCE.

Throughout the interesting addresses of both Mr. Galt, the president, and Mr. G. H. Balfour, the general manager, the latter's speech being read in his absence owing to a recent regrettable accident, there was the note of confidence. While we cannot expect to obtain so much capital from abroad as in the past, we have an excellent equipment for the development of our resources which are needed by the world more acutely probably than at any time before in history. Both Mr. Galt and Mr. Balfour touched on the question of an increase of production through an improvement in methods in the West. The former emphasized the necessity for help being given to farmers to improve both their breeding stock and their methods of farming, and indicated that results already achieved in regard to mixed farming indicate that in it is to be found one of the main props of future western prosperity if it is properly encouraged. "Hard work, courage, and intelligent economy will undoubtedly bring us safely through the present ordeal," said Mr. Galt, and this admirably summarizes the qualities which need to be brought into prominence in business affairs throughout the Dominion at the present time.

#### THE ANNUAL REPORT.

The leading feature of the Bank's annual report - its fiftieth—were indicated in our last week's issue. Profits are declared at \$712,440 against \$750,095 in 1913, but an advance upon those of 1912. The 8 per cent. dividend plus a bonus to shareholders of 1 per cent. absorbs \$450,000; \$215,000 is reserved for depreciation in securities; \$25,000 is contributed to the Canadian Patriotic Fund and \$10,000 to the Officers' Pension Fund, leaving an increased balance of \$103,019 to be carried forward.

The following table shows the leading items of the bank's balance sheet in comparison with last year:—

	1914.	1913.
Capital Stock .....	\$ 5,000,000	\$ 5,000,000
Reserve .....	3,400,000	3,400,000
Circulation .....	6,382,214	6,287,179
Deposits (not bearing interest) .....	17,578,733	19,038,076
Deposits (bearing interest) .....	45,867,181	45,557,212
Total Liabilities to Public .....	72,905,762	72,122,625
Specie and Legals .....	17,110,067	*7,266,831
Call loans .....	7,030,415	11,859,650
Total of Quick Assets .....	26,449,540	27,655,780
Current loans and discounts .....	51,339,120	48,439,442
Total Assets .....	81,561,850	80,766,532

\* Plus \$1,300,000 deposit in Central Gold Reserve.

† Plus \$1,700,000 deposit in Central Gold Reserve.

#### KEEPING COMMERCE MOVING.

The net decrease in deposits of about \$1,150,000 had been expected and further withdrawals are anticipated during the coming year as the Bank is at present carrying large deposits on account of provincial governments for specific purposes which will be paid out from time to time. As it is, deposits by the public last year increased by over \$380,000. Canadian current loans were increased during the year by \$4,067,335—which is practical evidence that loans for legitimate purposes are not being curtailed and that the Bank is doing its part in keeping the machinery of commerce moving. At the same time, a strong position has been maintained, liquid assets being 34.9 per cent. of liabilities to the public, in addition to which the Bank has other sources from which its position can be strengthened at any time should occasion require it. On the whole, an excellent showing.

# COMMERCIAL UNION

ASSURANCE COMPANY LIMITED  
of LONDON, England

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

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

APPLICATIONS FOR AGENCIES SOLICITED  
IN UNREPRESENTED DISTRICTS.

Head Office: Canadian Branch:—

**Commercial Union Building,  
MONTREAL**

J. McGREGOR,  
Manager

W. S. JOPLING,  
Assistant Manager

# PALATINE

INSURANCE COMPANY LIMITED  
of LONDON, England

(As at 31st December 1913)

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

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

APPLICATIONS FOR AGENCIES SOLICITED  
IN UNREPRESENTED DISTRICTS.

Head Office: Canadian Branch:—

**Commercial Union Building,  
MONTREAL**

J. McGREGOR,  
Manager

W. S. JOPLING,  
Assistant Manager

# SUN INSURANCE OFFICE

FOUNDED A.D. 1710

Head Office:

Threadneedle Street - London, England

**THE OLDEST INSURANCE  
OFFICE IN THE WORLD.**

Canadian Branch:

15 Wellington Street East, Toronto, Ont.

H. M. BLACKBURN,  
Manager.

LYMAN ROOT,  
Assistant Manager.

# Scottish Union and National Insurance Co., of Edinburgh, Scotland

ESTABLISHED 1794

Capital, . . . . .	\$30,000,000
Total Assets, . . . . .	\$6,646,846
Deposited with Dominion Gov't,	\$20,648
Invested Assets in Canada, . . .	\$,188,556

NORTH AMERICAN DEPT., HARTFORD, CONN. U.S.A.

JAMES H. BREWSTER, Manager

ESINHART & EVANS, Resident Agents . . . . . Montreal  
MEDLAND & SON . . . . . Toronto  
ALLAN KILLAM & McKEV, LTD. . . . . Winnipeg

# THE CANADA NATIONAL FIRE INSURANCE COMPANY.

Authorized Capital . . . . .	\$3,000,000.00
Subscribed Capital . . . . .	2,055,450.00
Paid in Capital . . . . .	1,100,000.00
Assets . . . . .	1,408,795.00
<b>SURPLUS TO POLICY HOLDERS</b>	<b>1,308,664.00</b>

Board of Directors:

President: CAPT. Wm Routhroy

Vice-Presidents: D. E. Sprague, F. H. Alexander

Managing Director: W. T. Alexander.

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

General Fire Insurance Business Transacted

Business Solicited Prompt Settlement of Losses  
Liberal Policy

Head Office, 356 MAIN STREET, WINNIPEG

INSURANCE

# Phoenix of Hartford

Company

Total Cash Assets : \$11,404,634.19

Total Losses Paid : 70,700,545.46

J. W. Tatley, Manager.  
MONTREAL.

Applications for Agencies Invited.

**Traffic Returns.**

CANADIAN PACIFIC RAILWAY. 1914.				
Year to date.	1912.	1913.	1914.	Decrease
Dec. 31	\$131,404,000	\$138,068,000	\$107,257,000	\$30,811,000
Week ending	1913.	1914.	1915.	Decrease
Jan. 7....	\$2,149,000	\$1,850,000	1,316,000	534,000

  

GRAND TRUNK RAILWAY. 1914.				
Year to date.	1912.	1913.	1914.	Decrease
Dec. 31....	\$52,620,403	\$56,557,776	\$51,476,191	\$5,081,585
Week ending	1913.	1914.	1915.	Decrease
Jan. 7....	\$850,889	\$797,268	743,522	53,746

  

CANADIAN NORTHERN RAILWAY. 1914.				
Year to date.	1912.	1913.	1914.	Decrease
Nov. 30....	\$19,311,800	\$21,848,800	\$17,973,100	\$3,875,700
Week ending	1912.	1913.	1914.	Decrease
Dec. 7....	\$567,900	\$583,500	\$394,200	\$189,300
" 14....	471,600	503,200	319,300	183,900
" 21....	477,200	515,400	306,200	209,200
" 31....	615,000	653,900	..	..

  

TWIN CITY RAPID TRANSIT COMPANY. 1914.				
Year to date.	1912.	1913.	1914.	Increase
Dec. 31....	\$8,113,804	\$8,785,968	\$9,194,169	\$408,201
Week ending	1912.	1913.	1914.	Increase
Dec. 7....	\$158,892	\$172,616	\$173,987	\$1,371
" 14....	160,824	172,596	172,966	307
" 21....	167,303	175,743	177,031	1,288
" 31....	..	222,794	218,450	Dec. 4,344

HAVANA ELECTRIC RAILWAY COMPANY				
Week ending	1914.	1915.	Decrease	
Jan. 3....	\$55,914	\$48,172	\$7,742	
" 10....	54,316	51,300	3,016	

  

DULUTH SUPERIOR TRACTION CO.				
Week ending	1913.	1914.	1915.	Decrease
Jan. 7....	..	22,977	22,403	574

**MONEY RATES.**

	To-day	Last Week	A Year Ago
Call money in Montreal...	6-64%	6-64%	6 1/2%
" " Toronto...	6-64%	6-64%	6 1/2%
" " New York...	2 1/2%	2 1/2%	2 1/2%
" " London....	1%	1 1/2%	2 1/2-3%
Bank of England rate....	5%	5%	4 1/2%

**CANADIAN BANK CLEARINGS.**

	Week ending Jan. 15, 1915	Week ending Jan. 8, 1915	Week ending Jan. 16, 1914	Week ending Jan. 17, 1913
Montreal..	\$43,810,979	\$41,670,530	\$48,815,400	\$59,567,196
Toronto...	36,059,891	37,167,667	39,634,013	..
Ottawa....	3,479,512	3,980,655	3,821,509	4,304,072

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

**Lachine :**  
From Post Office—  
10 min. service 5.40 a.m. to 8.00 a.m. 10 min. service 4 p.m. to 7.10 p.m.  
20 " " 8.00 " 4 p.m. 20 " " 7.10 p.m. to 12.00 mid.

**From Lachine—**  
20 min. service 5.30 a.m. to 5.50 a.m. 10 min. service 4 p.m. to 8.00 p.m.  
10 " " 5.50 " 9.00 " 20 " " 8.00 p.m. to 12.10 a.m.  
20 " " 9.00 " 4 p.m. Extra last car at 12.50 a.m.

**Sault aux Recollet and St. Vincent de Paul:**  
From St. Denis to St. Vincent—  
15 min. service 5.15 a.m. to 8.00 a.m. 30 min. service 8.00 p.m. to 11.30 p.m.  
20 " " 8.00 " 4.00 p.m. Car to Hendersons only 12.00 mid.  
15 " " 4.00 p.m. 7.00 p.m. Car to St. Vincent 12.40 a.m.  
20 " " 7.00 " 8.00 "

**Montreal Tramways Company.**  
**DIVIDEND NOTICE.**

NOTICE is hereby given that a quarterly dividend of two and one half per cent (2 1/2%) for the quarter ending December 31st, 1914, has been declared upon the Capital Stock of the Company paid in, to shareholders of record on Friday the 15th January next, at 4 o'clock p.m. payable on Monday the 1st February, 1915.

By order of the Board,  
**PATRICK DUBEE,**  
Secretary-Treasurer.

January 12th, 1915.

**The Montreal City and District**  
**Savings Bank**

The ANNUAL GENERAL MEETING of the Shareholders of this Bank will be held at its Head Office, St. James Street, on Monday, the Eighth day of February next, at 12 o'clock noon, for the reception of the Annual Reports and Statements, and the election of Directors.

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

Montreal, January 7th 1915.

In reviewing the past year, we cannot but be impressed with the fact that Canada has had a remarkable escape from untoward disaster in financial matters, and we should realize that worse might have been our fate. With a courage begotten of experience, we shall face the future with full confidence that much good will eventually come out of the present situation.—*Mr. Alexander Laird.*

Industry in this country is without doubt being financed by the banks whenever opportunity offers for the profitable employment of funds, but as the proceeds of the war loan are disbursed by the Government there will possibly be a cheapening of money, and, unless it becomes necessary to reborrow it for war purposes, the investor may want to find an outlet for it.—*London Economist.*

# UNION BANK OF CANADA

50TH ANNUAL MEETING HELD AT WINNIPEG, JANUARY 6TH, 1915.

## LIABILITIES.

Capital Stock .....		\$5,000,000.00
Res. Account .....	\$3,400,000.00	
Balance of Profit and Loss Account carried forward .....	103,019.51	
	\$3,503,019.51	
Unclaimed Dividends .....	3,068.28	
Dividend No. 111 .....	100,000.00	
Bonus payable 1st March, 1915, to Shareholders of record as on 13th February, 1915 .....	50,000.00	
		\$3,556,087.79
		\$8,656,087.79
Notes of the Bank in circulation .....	\$ 6,382,214.00	
Deposits not bearing interest .....	17,578,733.38	
Deposits bearing interest .....	45,867,181.32	
Balances due to other Banks in Canada .....	28,075.45	
Balances due to Banks and Banking Correspondents elsewhere than in Canada .....	949,381.56	
Bills payable .....	97,333.33	
		\$70,902,919.04
Acceptances under Letters of Credit .....		1,988,590.91
Liabilities not included in the foregoing .....		14,252.20
		<b>\$81,561,849.94</b>

## ASSETS.

Gold and Silver Coin .....	\$1,161,052.58	
Dominion Government Notes .....	5,949,614.00	
		\$7,110,666.58
Deposit in the Central Gold Reserves .....		1,700,000.00
Notes of other Banks .....		649,580.00
Cheques on other Banks .....		2,436,309.10
Balances due by other Banks in Canada .....		96,561.62
Balances due by Banks and Banking Correspondents elsewhere than in Canada .....		2,980,292.19
Dominion and Provincial Government Securities not exceeding market value .....		570,707.50
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian .....		420,207.63
Railway and other Bonds, Debentures and Stocks, not exceeding market value .....		3,454,799.73
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks .....		3,122,068.74
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada .....		3,908,346.51
		\$26,449,539.60
Other Current Loans and Discounts in Canada (less rebate of interest) .....		50,866,304.58
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) .....		472,815.49
Liabilities of customers under Letters of Credit, as per contra .....		1,988,590.91
Real Estate other than Bank Premises .....		165,784.80
Mortgages on Real Estate sold by the Bank .....		113,499.22
Overdue Debts, estimated loss provided for .....		310,561.51
Bank Premises at not more than cost, less amounts written off .....		929,020.14
Deposit with the Minister of Finance for the purposes of the Circulation Fund .....		260,000.00
Other Assets not included in the foregoing .....		5,733.69
		<b>\$81,561,849.94</b>

JOHN GALT, PRESIDENT.

G. H. BALFOUR, GENERAL MANAGER.



**UNION BANK OF CANADA—Continued.  
PROFIT AND LOSS ACCOUNT.**

Balance at credit of account, 29th November, 1913 .....	\$ 90,579.03
Net profits for the year, after deducting expenses of management, interest due depositors, reserving for interest and exchange, and making provision for bad and doubtful debts, and for rebate on bills under discount, have amounted to .....	712,440.48
	<b>\$803,019.51</b>
Which has been applied as follows:	
Dividend No. 108, 2 per cent., paid 2nd March, 1914 .....	\$100,000.00
Dividend No. 109, 2 per cent., paid 1st June, 1914 .....	100,000.00
Dividend No. 110, 2 per cent., paid 1st September, 1914 .....	100,000.00
Dividend No. 111, 2 per cent., payable 1st December, 1914 .....	100,000.00
Bonus of 1 per cent., payable 1st March, 1915, to shareholders of record as on 13th February, 1915 .....	50,000.00
Reserved for depreciation in securities owned by the Bank .....	215,000.00
Contribution to Canadian Patriotic Fund .....	25,000.00
Contribution to Officers' Pension Fund .....	10,000.00
Balance of Profits carried forward .....	103,019.51
	<b>\$803,019.51</b>

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE UNION BANK OF CANADA.**

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

We have audited the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the branches.

We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In addition to our verification at the 30th November, we have, during the year, checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches and found them to be in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank, according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, E. S. READ, C. R. HEGAN, Auditors,  
of the firm of  
WEBB, READ, HEGAN, CALINGHAM & CO.,  
Chartered Accountants.

The President, Mr. John Galt, in moving the adoption of the Report, referred to the strong position which the Bank had maintained during the financial crisis and that they had not found it necessary to curtail loans for legitimate purposes. During the present war conditions our first duty is to defend the Empire; our next to devote all our energy to replacing the wastage of the war by increased production, and it is to our farmers chiefly that this must be looked for. A splendid beginning has been made in an increase of about 20 per cent. in the land ready for next year's crop. Hard work, courage, and intelligent economy will undoubtedly bring us safely through the present ordeal. We have a fertile land with a hardy, vigorous and industrious population, and though for the time being our progress may be checked, nothing can stop Canada from becoming a great and prosperous country.

In closing, he expressed the regret which he knew would be felt by all the Shareholders, at the unavoidable absence of Mr. G. H. Balfour, the General Manager, on account of his serious illness, and requested Mr. H. B. Shaw, the Assistant General Manager, to read the report.

**GENERAL MANAGER'S ADDRESS.**

The General Manager referred to the unsettled financial conditions which are gradually righting themselves, but it would be necessary to continue a policy of extreme caution, and maintain a strong financial position.

The action of the Finance Minister in making Bank Notes legal tender and in promising financial assistance to the Banks (if required) had been of great assistance in steadying the financial situation and in avoiding anything in the nature of a panic.

It is a hopeful sign that the necessity for economy has been universally recognized, and that efforts have been put forth generally to develop our natural resources along lines that will give the best results.

The profits were at the rate of 14.25% on the Paid-up Capital and were slightly less than last year. Securities have been written down by the sum of \$215,000, which is merely a reasonable precaution in view of the present unsettled conditions. \$25,000 has been donated to the Canadian Patriotic Fund.

The policy of maintaining a strong position has been continued and our Liquid Assets are 34.90% of our

Liabilities to the Public, with other sources of strengthening our position available.

Provincial Government Deposits show a decrease, but Public Deposits show an increase of \$386,409.75.

Amount due by Banks and Banking correspondents, elsewhere than in Canada, shows an increase of \$2,363,261.11, which is immediately available.

Bonds, Debentures and Stocks show an increase of \$1,242,528.57.

We have subscribed for £50,000 of the recent British War Loan.

Call and Short Loans, elsewhere than in Canada, show a decrease of \$4,700,409.65. Other current Loans and Discounts, elsewhere than in Canada, show a decrease of \$1,167,657.35. Current Loans in Canada show an increase of over \$4,000,000.00.

Total Assets amount to \$81,561,849.94, showing an increase of approximately \$800,000.

Mr. R. T. Riley, the Vice-President, in seconding the motion for the adoption of the Report, referred to the fact that for fifty years the Union Bank has stood the test of time and with "business as usual" for our motto, we look forward with confidence to what the next fifty years has in store for us.

**AUDITORS.**

Messrs. T. Harry Webb, C.A.; E. S. Read, C.A.; and C. R. Hegan, C.A., were re-appointed Auditors of the Bank.

A resolution of sympathy for the General Manager, Mr. G. H. Balfour, during his serious illness, was passed, and the hope was expressed that he might be speedily restored to health and strength.

The customary resolutions of thanks to the Directors and Staff were passed.

The Scrutineers reported the following gentlemen elected as directors for the ensuing year: Sir William Price, Messrs. John Galt, R. T. Riley, Geo. H. Thomson, E. L. Drewry, F. E. Kenaston, Wm. Shaw, W. R. Allan, M. Bull, Hon. Samuel Barker, P.C., M.P.; E. E. A. DuVernet, K.C.; Stephen Haas, Lieut.-Col. John Carson, J. S. Hough, K.C.; P. B. Cronyn.

The Meeting then adjourned.

At a subsequent meeting of the newly elected Board, Sir William Price was elected Honorary President; Mr. John Galt, President; Mr. R. T. Riley and Mr. Geo. H. Thomson, Vice-Presidents.

# THE CANADIAN BANK OF COMMERCE

## Report of the Proceedings of the Annual Meeting of Shareholders Tuesday, 12th January, 1915.

The forty-eighth Annual Meeting of the Shareholders of the Canadian Bank of Commerce was held in the banking house at Toronto on Tuesday, January 12, at 12 o'clock.

The President, Sir Edmund Walker, having taken the chair, Mr. A. St. L. Triggs was appointed to act as Secretary, and Messrs. W. S. Hodgins and E. M. Saunders were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:

### REPORT.

The Directors beg to present to the Shareholders the forty-eighth Annual Report for the year ending 30th November, 1914, together with the usual statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account, brought forward from last year, was . . . . .	\$ 384,529.98
The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to . . . . .	2,668,232.29
	<b>\$3,052,762.27</b>

This has been appropriated as follows:

Dividends Nos. 108, 109, 110 and 111, at ten per cent. per annum . . . . .	\$1,500,000.00
Bonus of one per cent., payable 1st June . . . . .	150,000.00
Bonus of one per cent., payable 1st December . . . . .	150,000.00
Transferred to Pension Fund (annual contribution) . . . . .	80,000.00
Subscription to Canadian Patriotic Fund . . . . .	50,000.00
Subscription to The Canadian Red Cross Society . . . . .	5,000.00
Balance carried forward . . . . .	1,117,762.27
	<b>\$3,052,762.27</b>

The assets of the Bank have been, as usual, carefully revalued and ample provision has been made for all bad and doubtful debts.

During the year the Bank has opened the following new branches: In British Columbia: Alma Road (Vancouver); in Alberta: Rockyford; in Saskatchewan: Admiral, Central Butte, Gilroy, Hafford, River Street (Prince Albert); in Ontario: Grimsby, Madoc, Page and Queenston (St. Catharines), Bloor and Lippincott and Yonge and Eglinton (Toronto); in Quebec: Chicoutimi and St. Denis and Duluth (Montreal); in New Brunswick: Bath and Bristol, which, however, have since been closed. A sub-agency of the Coaticook Branch has been opened at Compton, Que., and the sub-agency at Bic, Que., has been made an independent branch. The branches at New Dayton and Tilley, Alta., River Street (Prince Albert), Sask., Gowganda, Ont., Fraserville, Que., West St. John, N.B., and the sub-agencies at Bromptonville and Foster, Que., have also been closed. Since the end of the year the sub-agency at Comox, B.C., has been closed.

Your directors record with regret the death of their late colleague, Hon. George A. Cox, during the past year. Mr. Cox had been a Director of this Bank for nearly twenty-eight years, during twenty of which he filled the offices first of Vice-President and then of President. By his death the Bank lost a strong friend and adviser whose business judgment was unusually sound. In accordance with the provisions of the by-laws as amended at the last annual meeting, the vacancy created by his death was not filled.

In acknowledgment of our duty to the Empire and of the obligations placed upon us by the terrible conflict now raging in Europe, your Directors voted the sum of \$50,000 to the Canadian Patriotic Fund, \$5,000 to the Canadian Red Cross Society and \$2,500 to the Belgian Relief Fund of the Toronto Board of Trade. The last-named sum will appear in the accounts of next year.

During the year, the first audit of the Bank has been made by the auditors appointed at the last annual meeting in conformity with the requirements of Section 56 of the Bank Act. In addition, the branches and agencies of the Bank in Canada, the United States, Great Britain and Newfoundland, and the Departments of the Head Office have, as usual been inspected during the year by the staff of our own Inspection Department.

Your Directors have pleasure in again recording their appreciation of the efficiency and zeal with which the officers of the Bank continue to perform their respective duties.

**ALEXANDER LAIRD, General Manager.**  
Toronto, 5th January, 1915.

**B. E. WALKER, President.**

**GENERAL STATEMENT, 30th November, 1914.**

**30TH NOVEMBER, 1914.**

**LIABILITIES.**

Notes of the Bank in circulation .....		\$14,942,557.68
Deposits not bearing interest .....	\$41,690,512.29	
Deposits bearing interest, including interest accrued to date .....	139,818,297.45	181,508,809.74
Balances due to other Banks in Canada .....		933,800.59
Balances due to Banks and Banking Correspondents elsewhere than in Canada .....		11,163,568.73
Bills payable .....		3,924,151.28
Acceptances under Letters of Credit .....		2,746,016.07
		<b>\$215,218,904.09</b>
Dividends unpaid .....		2,731.28
Dividend No. 111 and bonus, payable 1st December .....		525,000.00
Capital paid up .....	\$15,000,000.00	
Reserve Account .....	13,500,000.00	
Balance of Profits as per Profit and Loss Account .....	1,117,763.27	29,617,763.27
		<b>\$245,364,398.64</b>

**ASSETS.**

Current Coin .....	\$16,923,230.20	
Dominion Notes .....	13,413,985.15	\$30,337,215.35
Notes of other Banks .....	\$2,019,301.00	
Cheques on other Banks .....	5,197,975.85	
Balances due by other Banks in Canada .....	17,500.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada .....	5,782,385.67	13,017,162.52
Dominion and Provincial Government Securities not exceeding market value .....		3,295,411.87
British, Foreign and Colonial Public Securities and Canadian Municipal Securities .....		1,791,071.90
Railway and other Bonds, Debentures and Stocks not exceeding market value .....		16,104,763.57
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks .....		8,926,859.91
Call and short Loans (not exceeding 30 days) elsewhere than in Canada .....		18,750,526.81
Deposit with the Minister of Finance for the purposes of the Circulation Fund .....		760,641.36
		<b>\$92,983,653.09</b>
Other Current Loans and Discounts in Canada (less rebate of interest) .....		132,168,482.26
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) .....		10,419,594.36
Liabilities of Customers under Letters of Credit, as per contra .....		2,746,016.07
Overdue Debts (estimated loss provided for) .....		733,826.88
Real Estate other than Bank Premises (including the unsold balance of former premises of the Eastern Townships Bank) .....	\$1,252,344.80	
Less mortgage assumed .....	100,000.00	1,152,344.80
Mortgages on Real Estate sold by the Bank .....		382,002.93
Bank Premises at cost, less amounts written off .....	\$4,986,991.69	
Less mortgage assumed on property recently purchased .....	300,000.00	4,686,991.69
Other Assets not included in the foregoing .....		91,486.56
		<b>\$245,364,398.64</b>

**B. E. WALKER, President.**

**ALEXANDER LAIRD, General Manager.**

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE CANADIAN BANK OF COMMERCE.**

In accordance with the provisions of subsections 19 and 20 of Section 56 of the Bank Act, 1913, we report as follows:

We have audited the above Balance Sheet with the books and vouchers at Head Office, and with the certified returns from the branches, and have obtained all the information and explanations that we have required, and we are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We have checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than and in addition to the verification at 30th November, and found that they were in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of affairs of the Bank according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, C.A., of Webb, Read, Hegan, Callingham & Co.	} Auditors.
JAMES MARWICK, C.A., of Marwick, Mitchell, Peat & Co.	

Before moving the adoption of the report, the President called upon the General Manager to address the shareholders:

#### GENERAL MANAGER'S ADDRESS.

When we had the pleasure of addressing you on the occasion of our annual meeting for 1913, we had every reason to look forward with apparently well-founded expectations that the year just ended would prove not less favorable than the preceding one. There was a movement during the first months of the year so world-wide in its scope as to lead many to infer that the drift of financial affairs towards a moderate prosperity had become unmistakable. The uneasiness regarding the settlement of the Balkan question had almost disappeared, and with the gradual adjustment of other political and international difficulties there was an apparent readiness to return to normal conditions. This enabled a large volume of securities to be marketed, which did much to relieve a very acute situation. As the season advanced the prospect of satisfactory crops and of fairly good returns from every legitimate enterprise should have assured a financial and industrial revival. Then came the outbreak of the European war, an event so tremendous in its import that at first we failed to realize the extent of the dislocation of business that it would entail, and the consequent hardship and loss to every conceivable interest the world over; yet we have stood the shock with remarkable fortitude and courage.

Considering all these untoward circumstances, the report and statements now presented to you bring us the satisfaction that we have not labored in vain. In consequence of the extraordinary depreciation in the prices of all securities, we have made a careful revaluation on very strict lines; and having in the past been conservative and prudent with the disposition of our returns from this source, we were enabled to make all our adjustments without interfering with current profits. Our usual care has been exercised in providing for bad and doubtful debts, and with the return of more propitious times we should derive very important recoveries.

The net profits for the year were \$2,668,233.29, a decrease of \$324,717 from last year, and amounted to 9.36 per cent. on the Capital and Rest combined. We were enabled to pay dividends amounting to \$1,800,000, these being at the usual rate of 10 per cent. per annum, with extra bonus dividends of 2 per cent. The regular appropriation for the Pension Fund required \$80,000, and subscriptions to Patriotic Funds amounted to \$55,000. We are carrying forward in Profit and Loss Account a balance of \$1,117,763.27, as against \$384,529.98 a year ago.

You will notice that no appropriation has been made in Bank Premises Account, which shows an increase over last year of \$405,510. This increase is mainly accounted for by the final payments on some of our larger buildings and by the sums expended in purchasing sites for a number of the smaller offices. As we indicated in the report presented to you in January, 1910, we have in the past endeavored to keep the figures of this account within 50 per cent. of the value of the properties which it covers. During the past year we obtained from reliable outside experts an appraisal of all the premises belonging to or controlled by the Bank, instead of relying, as formerly, upon the best information available through our various managers; and the result of this indicates that the figures given in our balance-sheet are well below the limit of 50 per cent. just referred to. This is a source of much gratification to us, emphasizing, as it does, the conservative estimates of our managers. In this connection we may add that the Bank owns and controls the stock of The Dominion Realty Company, Limited, by which Company our smaller buildings are erected and owned. This stock is carried on our books at the nominal value of \$1. The last annual statement of this Company, bearing even date with our own, shows a surplus of \$3,240,411.78.

The Bank's notes in circulation stood at \$14,942,557 at the close of our year, this account showing important fluctuations during the period under review, from a minimum in July of \$11,934,000 to a maximum in October of \$16,679,038. Our deposits decreased \$11,304,995, accounted for by a general reduction in current account balances, which is not unnatural under the circumstances; the ordinary deposits bearing interest show a decrease of only \$197,211, a remarkable exhibit when we consider the probable requirements of small depositors under existing conditions and the extraordinary opportunities which have been offered for investing in first-class securities at remunerative rates. Bills Payable Account, representing our participation in international exchange transactions, amounted

to \$3,924,151, being a reduction of \$5,591,636 from the figures of our last report. We wish to place on record that in accordance with an understanding acted upon by all the Canadian banks in London as to the moratorium in respect of bills of exchange, we adopted the policy agreed upon by the clearing banks, and reaccepted, with a few trifling exceptions, all our bills which matured in August, although during the whole period we were carrying bank balances more than sufficient to meet these commitments. At the expiration of the thirty days we resumed paying all our bills without exception. We did not take advantage of the moratorium in any other respect, and did so in respect of our bills merely to join in a united front to the public.

Call and Short Loans were \$27,677,386 and other Current Loans and Discounts \$142,588,076, as compared with \$25,764,910 and \$154,576,889 in our last report, the total being \$170,265,463, a decrease of \$10,076,337 for the year. Government and other securities were \$21,191,247, a decrease of \$2,766,571. The percentage of quick assets to liabilities to the public was 43.20. In thus strengthening our position we have the satisfaction of knowing that no credit usually granted to any of our customers was curtailed during this very trying year.

In accordance with the resolution passed at the annual meeting in January, 1912, and taking advantage of the provision for this purpose contained in the revised Bank Act, the directors passed a by-law on April 17th last providing for the change of the par value of the shares of the capital stock of the bank from \$50 to \$100 each. Steps were at once taken to notify the shareholders of the change, and to communicate with those who held an odd number of shares, offering to arrange the purchase or sale of one share for them on being notified of their wishes. As a result, although approximately 1,400 shareholders held an odd number of shares, only twenty-four of these remained to be adjusted when the time limit set for the change expired on August 15th last. These twenty-four shares were subsequently sold and the proceeds remitted to the former owners in accordance with the provisions of Section 35a of the Bank Act. It is interesting to note, as indicating the loyalty of our shareholders to this bank, that out of the large number affected by the change practically two-thirds preferred to add to their holdings rather than to part with even the small amount of stock represented by a fractional share. The number of the Bank's shareholders is now 6,147, as against 6,026 a year ago. The following table indicates how widely our shareholders are scattered, not only in Canada but abroad:

	No. of Shareholders.	No. of Shares.
Ontario .. .. .	1,385	40,367
Quebec .. .. .	1,193	30,354
Maritime Provinces.. .. .	778	15,454
Western Provinces .. .. .	161	2,959
<b>In Canada .. .. .</b>	<b>3,517</b>	<b>89,134</b>
Great Britain.. .. .	1,816	33,283
United States .. .. .	707	25,690
Other Countries .. .. .	107	1,893
<b>Total .. .. .</b>	<b>6,147</b>	<b>150,000</b>

We have not thought it advisable to open many new branches, but are confining ourselves to districts giving unusual promise of future development, and in several instances we have closed branches that had not proved profitable after a fair trial. We shall pursue this policy whenever possible, and thus endeavor to escape needless expense and loss. The net increase of branches during the year was six, the geographical distribution being as follows:

Alberta .. .. .	52
British Columbia .. .. .	44
Manitoba .. .. .	23
New Brunswick .. .. .	4
Nova Scotia .. .. .	13
Ontario .. .. .	87
Prince Edward Island .. .. .	5
Quebec .. .. .	82
Saskatchewan .. .. .	60
Yukon .. .. .	2
<b>In Canada .. .. .</b>	<b>372</b>
Newfoundland .. .. .	1
London, England .. .. .	1
United States of America .. .. .	4
Mexico .. .. .	1
<b>Total .. .. .</b>	<b>379</b>

The members of the staff now number 3,536, a slight decrease from the figures of last year, but, with the decline of business, sufficient to equip every department efficiently. We include in this number those on our honor roll who have temporarily left our service at the call of duty. We have given leave of absence to these officers on terms which should be very satisfactory to them, and it will be our pleasure and duty as far as possible to reinstate them when they return. Between 325 and 350 of our men have volunteered for military service of various kinds at home and abroad, besides very many others who are preparing for any emergency during the continuance of the war. This contribution of men and money and, what is more important, the loyal spirit manifested throughout our service, are creditable to our staff and to the Bank.

In reviewing the past year, we cannot but be impressed with the fact that Canada has had a remarkable escape from untoward disaster in financial matters, and we should realize that worse might have been our fate. With a courage begotten of experience, we shall face the future with full confidence that much good will eventually come out of the present situation.

The President then said:

#### PRESIDENT'S ADDRESS.

The war has so changed all business conditions that it may seem unnecessary to describe those previously existing, and yet without doing so it is difficult to estimate our present position. We had passed a period of trade expansion throughout the world which in our case had been sharply exemplified by our foreign trade returns for the year ending in March, 1913, when the excess of our imports over exports fell just short of 300 million dollars, and in addition to this we had to provide interest and dividends on securities sold abroad of from 100 to 125 millions. To meet this we can trace the sale of securities during the year 1913 to the extent of at least 350 millions. In the sharp contraction throughout the world which followed, the question confronting us was how well we could bear the loss of power to sell securities and the shrinkage of trade caused by the stoppage of the building operations based upon our sales of securities.

The more important of our public and private improvements were nearing completion, and the fact that we must in any event pause to demonstrate, by increased production, the wisdom of building them was clear to many, but the enforced contraction, though it naturally went too far in the other direction, was necessary to bring us to a halt. The world had gone through the severer phases of this contraction, and had entered upon the year 1914 with distinct hopes for improvement in many countries, notably in Canada. The great banks of Europe were able to increase their reserves, money was growing easier, the market for securities was improving, and, indeed, by February many issues, which had been held back for some time, were successfully placed. In the United States the new tariff legislation and the new Bank Act were events of the highest importance, and, if the effects of these were still somewhat uncertain, at least a great deal of painful doubt had been removed. Later on the prospect of a great crop left the question of improved rates for railroad freights the main point to be settled in order to put the United States again on the high road to prosperity. In Canada, while trade was still lessening in activity, and money still hard to obtain, and the prospect for our crops less hopeful than that of the United States, we felt that in order to make our future secure we had only to lessen our pace and to turn our minds more to immediate production than to permanent improvements. Elsewhere, in France, in the Balkans, and in the Latin American republics, there was still much financial trouble to overcome, but conditions in London continued steadily to improve, and with that improvement the power to sell our securities seemed to be rapidly returning. It was, therefore, to a somewhat chastened, but distinctly hopeful business community in Canada that the rumors of war at the end of July came with portents of evil in every direction.

It is not my part to-day to speak of what war means to us in its effect on our lives, on our hopes for our beloved Empire, or on the happiness of our families—I may speak of it only in its less important effect, that on our material prosperity. As we know, the first effect on finance and trade was the closing of almost all the stock and merchandise exchanges in the world, the cessation of the enormous trade, not only between the countries now engaged

in the war, but to a very large degree between neutral countries and those at war which were blockaded by the fleets of the allies, and the breaking down for the moment of all dealings in foreign exchange, letters of credit, and in the vast number of credit arrangements existing between banks in different countries throughout the world. This paralysis affecting for the moment a large part of the international trade of the world estimated at about forty billions of dollars annually, and also disturbing countless millions of domestic trade in all leading countries, was nearly universal in its effect merely because London, the great power house of the world, had to pause for a few days in order to consider how the new conditions were to be faced. I need not tell you what was accomplished in the way of remedial measures by the wisdom of the British Government and the leading bankers, merchants and men of affairs generally, but the few words which make the sufficient defence of the Chancellor of the Exchequer are pregnant with a meaning which cannot escape the historian of British affairs for centuries to come. He said: "There is no doubt that we have, I will not say, departed from any principles which have been accepted in this country, but that we have undertaken responsibilities which no Government has ever been called upon to undertake in the past." In the report of our London manager, which appears in our Review of Business Conditions, a most admirable summary is made of the various events in London bearing on the finance and trade of the world. In our own country, while the issues were smaller, they were of the most profound importance to us, and we can never be too thankful for the high intelligence and the quickness of action of our Minister of Finance. Our gold supply is not important in amount as compared with that of the greater nations, but its preservation is vitally important to us. To convince people that the hoarding of gold was unnecessary, and in any event to make it nearly impossible, was part of the task here, as it was in England. One of the most effective means of accomplishing this was, as far as possible, to make sure that the inevitable result of war in curtailing business would not be intensified by a lack of currency with which to carry on our daily affairs. The arrangements proposed by the Minister of Finance, approved by his Government and put into operation, all within twenty-four hours, were as follows:

(1) For the first time in the history of Canada banks were empowered to pay their debts in their own notes. When these notes reached the clearing-house, however, they were redeemed in Government legal tenders or in gold. The notes were not, as many people suppose, made a legal tender as between individuals, and the main object of this arrangement was to prevent people from securing actual gold coin in order to hoard it, a process which would have been ruinous to the nation as a whole, although comforting to the individual who secured the gold.

(2) The banks would have been able under the Bank Act to issue the usual emergency circulation for crop-moving in September and this date was set back to August.

(3) The Government raised somewhat the limit for that part of its legal tender issues which is not entirely based on gold.

(4) The Government undertook to make loans to banks on approved security in order to aid them in carrying on the business of the country.

At that moment no machinery existed by which Canadian banks with call loans or actual cash, in either London or New York, could use such resources to pay debts in Canada. It seemed at first as if it would be necessary to declare several bank holidays in succession to afford time in which to work out remedial measures, but the latter were provided so promptly by the Government that no general cessation of business took place. The value of such measures is not to be judged by the use made of them. On the contrary, we are proud that they were used so little. Their real value consists in the assurance to the public and to the banks that steps have been taken, so far as lies in the power of the Government, to enable business to go on as usual. Since the passage of these measures the effect of the really wonderful provisions for financial relief set in force by the Imperial Government, the consequent ending of the British moratorium, the recovery of British and the partial recovery of other international exchange markets, the removal of nearly all enemies of the peace on the high seas, and the lowering, therefore, of the charge for the war risk in insurance, the partial resumption of operations by stock and merchandise exchanges, and many other remedial features, all these have helped largely to restore the broken

machinery of the world by which, before the war, all international and much of our domestic business transactions were carried on.

The only moratorium legislation put into effect in Canada thus far is in Manitoba and Saskatchewan. In Manitoba proceedings to enforce mortgage security on land are delayed for six months, while the period allowed for redemption is increased one year. The act does not affect trust deeds securing bonds, debentures or stocks. In Saskatchewan an act was passed giving wide powers to the Lieutenant-Governor for the protection of debtors, and these powers have been exercised by a proclamation extending protection to volunteers and reservists from all legal processes for six months, and by a further proclamation giving protection to all debtors against legal process under chattel mortgage, conditional sale or hire receipt, except with the approval of the sheriff.

In Ontario the Government have intimated their intention to introduce legislation requiring mortgagees and holders of similar securities to obtain an order from a judge before foreclosing, and giving the judge power in cases of great hardship to extend the time of payment. It is not intended to interfere with the collection of interest, rent or other debts of like character.

In Alberta a new act has been passed in connection with the proceedings for the foreclosure of mortgages and similar securities, but this is not in the nature of moratorium or other legislation caused by the war.

In this connection it may be well to say that the speaker has recently seen the returns of four large lenders by mortgage, the total principal of whose loans amounted to \$60,000,000. On these loans interest has been paid in the east with only a very trifling percentage of arrears, while in the west about 92 to 94 per cent. of all interest has been paid, either at the moment when due or within three months thereafter. Any one who can remember the conditions in the now rich Province of Ontario twenty-five years ago will think this a very good showing indeed.

In Saskatchewan there are now commissioners whose duty it is to look after the finances of the various municipalities in the province. It is interesting to learn that one company owning about fifteen million dollars in Canadian municipal bonds had at the end of the year only three town and three school section bonds, aggregating \$4,500 of principal, in default, and this temporary default had taken place since August, and has no real significance.

We have in each year remarked upon the condition of our foreign trade, partly because in the disparity between imports and exports the danger line of our expansion is most easily found. We have to sell securities to settle this difference and we have to pay the interest on these securities. Frankly, with the balance against us at March, 1913, of \$298,711,000, already referred to, we had gone far enough. The contraction in building operations and the general economy which had already begun helped to bring this debt balance down so that by March, 1914, it had fallen to \$171,620,000. The improvement, however, was caused by a reduction of only \$41,325,000 in imports, while there was an increase in exports of \$85,765,000. In these figures the export and import of coin and bullion are included. Heretofore it has not seemed worth while to adjust the official figures by leaving these items out, but during the half year ending September, 1914, the shipments of gold to Canada were so large as to render an adjustment imperative. The official excess of imports over exports for the half year was \$89,213,000, but omitting shipments of coin and bullion it was only \$64,022,000. From this time forward, imports should show a very great decline, while, because of high prices for grain, the carrying out of war contracts for the allied countries, and the general desire to sell all that is available and to buy nothing that is not a necessity, our exports and imports should in the near future more nearly meet than at any time since the early years of this century. This will be a highly creditable accomplishment, showing that without undue pressure we could in two or three years do what our unfriendly critics thought impossible, that is, adjust the very large trade balance against us. Of course, we have still our interest to pay, and this country, in order to meet the most conservative demands for development, must be a borrower for many years to come, but I think we need have no great fear of the future in this respect if we take sufficient care of our credit. During the year 1914, although the markets were only favorable at times, and, since the war, have been practically closed to us, we sold securities abroad amounting to over 225 millions.

As soon as Great Britain begins to buy any new securities other than war issues, she will buy ours, and meantime we must hope that the market for our bonds in the

United States will continue to grow. We cannot too often draw the attention of that country to the fact that when our foreign trade is analysed the net debit for the difference between our sales and our purchases is payable to them and not to Europe. If the war prevents London from buying our securities, either the United States must buy them or our great trade with that country must fall away, and the cry of "Made in Canada" would then have even a wider significance than it has to-day. During the year ending March, 1914, again omitting the figures for coin and bullion, we made purchases from the United States to the value of \$409,818,000 and we sold them goods to the value of \$178,282,000, so that with a net excess of imports from all countries of \$179,945,000, the excess in the case of the United States was actually \$231,536,000. Part of this is, of course, offset by the actual cash brought into Canada by settlers from the United States, part by investments made here by Americans, and part by the purchase of our securities, but it has mainly been settled in the past out of the proceeds of our sales of securities in London and on the Continent.

It is not possible to forecast the effect of the war upon our economic position, and we must be prepared to meet each new condition as it arises, but we can learn something from the events of the war, and gain courage or caution as a result. The cost of the war to Canada is already arranged for in London, so that no money is being withdrawn from Canadian money markets on that account, and to the extent of 60 per cent., representing that part of the war expenditure which is paid out in Canada, we obtain money in London with which debts abroad can be paid. The war has brought us military contracts and purchases of supplies on account of Great Britain, France and Russia, the amount of which has been estimated at much higher figures, but may safely be placed at about \$30,000,000; our exports are thus increased and a corresponding ability to pay debts abroad created. One estimate of the result of the war on our foreign trade places the annual value of the imports into Canada, the movement of which is either directly or indirectly affected because of the war, at \$110,000,000. We can gather from this some rough idea of the extent to which our imports will be restricted by inability to obtain the particular articles we desire. It is already clear, however, that reduction will also come from lessened imports due directly to lessened trade at home. On the other hand, exports will be enlarged in quantity and value by the foreign demand for foodstuffs of all kinds, and already the preparations for next year's crop exceed anything known heretofore. Less noticeable, but probably of great economic importance will be the result of the wave of economy which has swept over Canada, mainly an enforced economy, but affecting all alike whether incomes are reduced or not. The effect of the careful use of food alone, the realization of the value of a bit of unused land as a garden plot, the little or great increase in production of almost every farm in Canada, east and west, the willingness to wear out old clothes and to put off the purchase of all luxuries—no matter how desirable—the cry for goods "made in Canada," and the slow but gradual realization that every unnecessary import may be a wrong to Canada even if the purchaser himself can afford it—all of these things must, taken together, materially increase our financial ability to bear the strain of the war. On the other hand, many of our greatest industries are working on short time, or are practically closed down, our railroad earnings speak eloquently of the contraction of business, men are not thinking so much of making money as of conserving their position for better times, unemployment as a problem faces us as rarely before, and the daily newspaper makes it impossible to forget that our material affairs are a secondary consideration while we rest under the vast shadow of the war.

The clearing-house returns are, as usual, full of interest. For 1912 we had to record the highest figures reached up to that time in our clearing houses—\$9,146,236,000, a gain of 23.74 per cent. over the figures of 1911. In 1913 there was still a gain, but one of only 1.27 per cent., and there was a decline in most of the western cities. This year there is a decline in every city except one, the total for Canada being \$8,070,120,000, a reduction of 12.87 per cent. It will be seen, however, that the figures for 1914 are still well in advance of those for 1911.

We continue our figures for the building permits of the four leading cities:

	1911.	1912.	1913.	1914.
Montreal . . . . .	\$14,580,000	\$19,642,000	\$27,032,000	\$17,619,126
Toronto . . . . .	24,374,000	27,401,000	27,038,000	20,672,498
Winnipeg . . . . .	17,550,000	20,478,000	18,621,000	12,160,960
Vancouver . . . . .	17,652,000	19,388,000	10,423,000	6,484,476

Immigration has nearly stopped for the time being, except from the United States and the Orient, but, owing to the war, it is impossible to obtain figures showing present conditions. We have, of course, lost for a time a large number of our best people by the despatch of our own contingent, by the return of reservists, and in other ways.

The reports of our superintendents and others on the business conditions in the various areas in which the Bank is interested are, needless to say, of more than usual importance. They range from references to the greatest financial events in the history of the world to the price of the agricultural products of a locality, and they give faithful representations of the various elements working for or against our prosperity. If we consider the awful effects of the war, we can but congratulate ourselves on the manner in which Canada has stood up under the strain and on the spirit shown by her people, while, if we look beyond the war, we cannot doubt the ability of this country to carry out every prophecy made as to her future. In connection with the success which has attended our confederation of the North American provinces in one Dominion of self-governing people, we draw attention to the report of our Newfoundland manager, in which the hope is expressed that the last step contemplated by the Fathers of Confederation is now possible of attainment.

The motion for the adoption of the Report was then put to the meeting and carried. The retiring auditors, Messrs. T. Harry Webb, C.A., of Messrs. Webb, Read, Hogan & Callingham, Montreal and Winnipeg, and James Marwick, C.A., of Messrs. Marwick, Mitchell, Peat & Company, Montreal, were re-appointed auditors of the Bank for the ensuing year. The usual resolutions expressing the thanks of the shareholders to the Board of Directors, and also to the staff of the Bank, were unanimously carried. Upon motion, the meeting proceeded to elect Directors for the coming year, and then adjourned.

The scrutineers subsequently announced the following gentlemen to be elected as Directors for the coming year: Sir Edmund Walker, C.V.O., LL.D., D.C.L., John Hoskin, K.C., LL.D., D.C.L., J. W. Flavell, LL.D., A. Kingman, Hon. Sir Lyman Melvin Jones, Hon. W. C. Edwards, Z. A. Lash, K.C., LL.D., E. R. Wood, Sir John M. Gibson, K.C.M.G., K.C., LL.D., Robert Stuart, George F. Galt, Alexander Laird, William Farwell, D.C.L., Gardner Stevens, A. C. Flumerfelt, George G. Foster, K.C., Charles Colby, M.A., Ph.D., George W. Allan, H. J. Fuller, F. P. Jones.

At a meeting of the newly elected Board of Directors held subsequently, Sir Edmund Walker, C.V.O., LL.D., D.C.L., was elected President.

## CANADIAN FIRE RECORD

(Specially compiled for The Chronicle.)

NORTH BAY, ONT.—Angus block damaged, January 8.

MONTREAL.—A. Desrosier's Apartment, Prince Arthur Apartments, damaged, January 11.

P. Grossman's loss at 1425 St. Catherine Street east, on stock of men's furnishings is between \$3,000 and \$4,000. Insurance as follows:—Western, \$5,000; Guardian, \$5,000; Phenix of London, \$5,000; Commercial Union, \$3,500; Caledonian, \$4,000; London Mutual, \$3,500; Hartford, \$3,000; Mount Royal, \$2,500; Aetna, \$5,000; Royal, \$5,000; Home, \$5,000; Sun, \$5,000; total, \$51,500.

COLBORNE, ONT.—Lemon Bros.' store damaged, January 10. Third fire in two years. Suspected origin, incendiary.

LOWER DERBY, N.B.—New Brunswick Pulp and Paper Mill's loss \$90,000. Insurance, total, \$96,750. Fidelity Fire, \$3,000; North British, \$500; L'Union, \$2,500; Commercial Union, \$1,500; Fidelity-Phenix, \$3,000; Fidelity-Phenix, \$1,250; United States Fire, \$5,000; North River Insurance Company, \$3,500; Stuyvesant Insurance Company, \$2,500; Russian Transport, \$3,750; British Crown, \$2,500; Pacific Coast, \$5,000; Anglo-American, \$2,000; Lloyds', \$2,250; Yorkshire, \$1,500; British Colonial, \$2,000; Merchants Fire, \$2,500; Wilmington Fire, \$1,000; Great Southern Fire, \$2,000; Montreal-Canada, \$2,500; Northwest Fire, \$5,000; Liverpool & London & Globe, \$2,500; National Fire, \$2,500; National Union, \$7,500; Factories Underwriters, \$2,500; Factories Insurance Company, \$2,500; North America, \$2,500; National Benefit, \$2,500; Palatine, \$2,500; Yorkshire, \$2,500; Queen, \$5,000; North America, \$1,000; London Mutual, \$1,500; British Crown, \$3,000; Fidelity Fire, \$2,000.

Between 325 and 350 members of the staff of the Canadian Bank of Commerce—about one-tenth of the whole staff—have volunteered for military service of various kinds at home and abroad.

## VALUING ONE'S LIFE.

What amount would you advise your wife to sue for in the event of a fatal accident to you, due to negligence?

Would \$5,000 or \$10,000 yield a sufficient income to replace your earnings if they were suddenly taken from your family?

In short, what do you think your life is worth to your family?

When you arrive at the sum which you consider sufficient, compare it with the amount of life insurance you are carrying.

You will then know the real extent to which you are protecting your family.

For you must know that the loss to them would be the same, whatever the cause of such a calamity might be.

## METROPOLITAN'S DISABILITY CLAUSE LEGAL.

The Supreme Court of Massachusetts has sustained the legality of the disability clause proposed by the Metropolitan to be inserted in its policies and objected to by Commissioner Hardison as not being in accordance with the law.

The statute provides that the provisions of the policy "shall state the special benefits to be granted thereunder and the cost of such concessions to the insured." In a ruling, the Massachusetts attorney general held the clause to be illegal because there is no way fixed by law by which the insurance department can compute the necessary reserve to be carried by the company against the disability insurance for which the clause provides. The court holds, however, that the insurance commissioner is not confined to an inflexible rule of computing the reserve but is given power to use such methods as special cases may demand.

The Metropolitan contended that the concession being granted without additional cost to the insured, the statement in its disability clause to that effect satisfied the requirements of the law. The court sustained this contention.



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

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**PAID UP CAPITAL** . . . . . \$250,000.00  
**TOTAL FUNDS** . . . . . 729,967.36  
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H. H. YORK, Inspector for Ontario.

L. C. VALLE, Inspector for Quebec.

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**SUBSCRIBED CAPITAL** . . . . . \$2,000,000  
**TOTAL FUNDS** . . . . . 7,491,390  
**NET SURPLUS** . . . . . 1,867,160