

The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXIX. No. 40

MONTREAL, OCTOBER 17, 1919

Single Copy 10c
Annual Subscription \$3.00

THE GENERAL FINANCIAL SITUATION.

The evidence given before the House of Commons Committee on soldiers' gratuities by Sir Thomas White, Mr. R. W. Breadner and others, while to some extent merely expressing what every well-informed business man knows, should be extremely useful in dissipating the idea—which the events of a time of war have a natural tendency to foster—that the Dominion Government has a bottomless purse capable of meeting every conceivable demand, reasonable or unreasonable, that may be made by any section of the community. Sir Thomas White frankly told the Committee, that while the financial position of the Dominion Government should not be called critical, it is still sufficiently serious, because of five years' war expenditures, to call for most careful consideration. About \$225,000,000 of the forthcoming Loan is required to meet maturing temporary borrowings, and while Sir Thomas thinks that the proceeds of the new Loan may reach \$500,000,000, these will all have been absorbed by the Fall of 1920, and a further loan be then necessary, though possibly for not so large an amount. The bulk of a further loan, in Sir Thomas White's opinion, would have to be raised at home, the United States market being good for not more than \$75,000,000 of new borrowings. Mr. Breadner, who, as Commissioner of Taxation since the establishment of the Business Profits War Tax, has had an unrivalled experience in dealing with Canadian taxation problems, told the Committee that the 1919 scale of Income Taxation, which is, of course, very much higher than that of 1917, would not bring in more than \$25,000,000 to \$30,000,000, and that as Canada is a country with a small population and limited capital, he did not expect any great increase for years. Mr. Breadner emphasized the obvious point that as Canada is a country needing both population and capital it would be folly to have income taxation here higher than in other countries, particularly in the United States.

The whole trend of this expert evidence is to show that not merely is the preposterous demand for a \$2,000 gratuity to every returned man, hope-

lessly impracticable, but also that the slightly more modest request put forward by the G.W.V.A. for gratuities involving an expenditure of some \$200,000,000 is also beyond the country's capacity. The outstanding fact is that Canada has dealt more generously with her returned men than any other belligerent country—and every sensible man is glad of that fact—but that while there may be modifications of the present system of gratuities and pensions necessary here and there, no further large reward can be given. The claim for gratuities is, in fact, reaching an absurdity as instances the demand for gratuities of munition workers who went over from Canada to Great Britain, and earned rates of wages they had never dreamed of in their lives, in perfect safety. There is only one way of dealing with folks of that type, and it is to be hoped that the Committee, which is now en delibere, will take that way, and whatever decisions it may come to, recognize the seriousness of placing the country under further financial obligations on this score.

The announcement that after negotiations lasting nearly two years, an agreement has been reached for the acquisition by the Dominion Government of the Grand Trunk and Grand Trunk Pacific Railway Systems, compensation to the present proprietors to be settled by arbitration, marks a vitally important development in Canadian railway policy. In brief, the terms of the arrangement are that the Government will undertake to pay the interest upon the present issue of \$50,000,000 4 p.c. guaranteed stock, and will undertake to acquire by the issue of new 4 p.c. stock to an amount to be fixed by the board of arbitrators, the four junior stock issues of the Grand Trunk. The present guaranteed stock and the new stock will be redeemable by the Government at any time, after the expiration of 30 years from the completion of the agreement to arbitrate. Thus, the Government, instead of paying a rental under a long lease of the Grand Trunk System, as was originally proposed, will pay interest upon an issue of stock which it can purchase at par in thirty years. The obligations upon the bonded

Continued on page 1057

BANK OF MONTREAL

ESTABLISHED OVER 100 YEARS (1817-1919)

Capital Paid up, \$20,000,000

Rest, \$20,000,000

Undivided Profits, \$1,001,014

Total Assets - - \$40,000,000

BOARD OF DIRECTORS:

Sir Vincent Meredith, Bart., President
 Sir Charles Gordon, G.B.E., Vice-President
 R. B. Angus, Esq. Wm. McMaster, Esq.
 Lord Shaughnessy, K.V.O. Lieut.-Col. Molson, M.C.
 C. R. Hosmer, Esq. Harold Kennedy, Esq.
 H. R. Drummond, Esq. H. W. Beauclerk, Esq.
 D. Forbes Angus, Esq. G. B. Fraser, Esq.
 Colonel Henry Cockshutt J. H. Ashdown, Esq.
 E. W. Beatty, Esq., K.C.

Head Office: MONTREAL

Sir Frederick Williams-Taylor—General Manager

BRANCHES OF THE BANK LOCATED IN ALL IMPORTANT CITIES AND TOWNS IN THE DOMINION.

Savings Department connected with each Canadian Branch and interest allowed at current rates.

Collections at all points throughout the world undertaken at favorable rates.

Travellers' Cheques, Limited Cheques and Travellers' Letters of Credit issued, negotiable in all parts of the world.

This Bank, with its Branches at every important point in Canada, offers exceptional facilities for the transaction of a general banking business.

PRINCIPAL BRANCHES OUTSIDE OF CANADA:

LONDON, Eng.: 47 Threadneedle St., E.C.

G. C. CASSELS, Manager.

Sub-Agency: 9 Waterloo Place

Pall Mall, S.W.

Trafalgar Square Branch

In the United States:—

NEW YORK CHICAGO SPOKANE.
 SAN FRANCISCO—British American Bank
 (owned and controlled by Bank of Montreal)
 and at MEXICO CITY

PARIS, FRANCE—Bank of Montreal—(France) 17 Place Vendome,

NEWFOUNDLAND: St. John's, Carbonear, Curling G and Falls, and Greenspond.

THE CANADIAN BANK OF COMMERCE

Established 1867 Head Office: TORONTO

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

Rest - - - - 15,000,000

SIR EDMUND WALKER, C.V.O., LL.D., D.O.L.
President

SIR JOHN AIRD, General Manager.

H. V. F. JONES, Assistant General Manager.

BRANCHES OF THE BANK IN EVERY PROVINCE OF CANADA AND AT THE FOLLOWING POINTS OUTSIDE CANADA:

Great Britain—London. Mexico—Mexico City.
 UNITED STATES—NEW YORK; PORTLAND, ORE; SAN
 FRANCISCO, CAL.; Seattle, Wash.; NEWFOUNDLAND—
 ST. JOHN'S; BELLEORAM, BURIN, GRAND BANK,
 HARBOUR BRETON.

Agents and Correspondents throughout the World

THE MOLSONS BANK

Incorporated in 1855

CAPITAL AND RESERVE \$8,800,000

Over 100 Branches

Open an account with the Molsons Bank and
 put aside part of your earnings. What you save
 can profitably swell your subscription to the
 coming Victory Loan.

Savings Department at all Branches.

E. C. PRATT, General Manager

The Chronicle

Banking, Insurance and Finance

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

Office:

406-408 LAKE OF THE WOODS BUILDING,
10 ST. JOHN STREET, MONTREAL.

Annual Subscription, \$3.00 Single Copy, 10 cents.

MONTREAL, FRIDAY, OCTOBER 17th, 1919

GENERAL FINANCIAL SITUATION.

(Continued from front page)

indebtedness of the System will, of course, likewise be taken over by the Government.

There will, doubtless, be ample discussion of the plan before it is finally passed. Leaving, however, details on one side, it may be said that the main point in the minds of the business community at present is as to the wisdom of this immense new addition to the national railway system. From the railway point of view, it may be argued with some cogency that the present deal is highly desirable in order to "round out" the national system, to which the Government fell heir as the result of a series of fortuitous circumstances, and which it must be confessed, is more conspicuous in the comparatively undeveloped portions of the Dominion, than in those of a reasonable traffic density. The Grand Trunk, running, as it does, through the most densely populated part of the Dominion, and with a large suburban traffic at both Montreal and Toronto, should compensate in this respect to some extent. When this, however, is conceded, there remains a general feeling of uneasiness regarding the effects of governmental operation of railways upon such a large scale as the new system will reach to.

One curious effect of the present premium upon New York's funds in Canada is that a good many wide-awake Canadian holders of bonds with interest payable at both the Canadian centres and in New York, are claiming the right to payment of interest at New York, and thereby securing the advantage of the premium on their interest. This can be done, we believe, in the case of the third Dominion War Loan (that issued in the early part of 1917), and it certainly applies to a great volume of the bonds of the provinces and municipalities issued during recent years. The principal and interest of these bonds were made payable in New York in order to secure absorption of these issues by United States bond buyers, but at the same time, a very fair proportion of those securities was taken by institutional and other investors in Canada, who, if they are wide-awake enough, can

now reap a considerable advantage in exchange when collecting their interest. The point was, of course, not foreseen when these issues were originally made, but it illustrates a point to the old adage, that "it's an ill-wind"—and shows that there are other folks in Canada besides the pulp and paper companies, with their heavy exports, to whom a depreciated New York exchange is not altogether a disadvantage. Incidentally, the borrowers must find a considerable addition to their interest obligations semi-annually through this development, as long as exchange continues at its present depreciated level.

The Chronicle may be pardoned for deriving a certain amount of satisfaction from the announcements which are now coming over the cables that British capitalists have under way large plans for capital investment in Canada, to be carried out as soon as conditions are propitious. The Chronicle has firmly held to the opinion and frequently expressed it, since 1914, that the close of hostilities would see a large influx of British capital into the Dominion. In this view, The Chronicle was going contrary to the opinions frankly expressed by some of those in high financial position in Canada, views expressed not merely during the actual years of war, but quite recently, and the course of events is now showing that The Chronicle was right, and that the pessimists were wrong. It is true that owing to the immense social and financial upheaval as a result of the prolonged character of the struggle, this movement is being delayed beyond what might have been reasonably expected. But the important fact is that the movement is now getting under way, and The Chronicle has reliable information of at least two sets of negotiations now actually in progress, but which may yet take some little time to come to formation, the result of which successfully carried through, will go to show that not merely is British capital available for investment in Canada in large amounts, but that leading British capitalists are prepared to take an even more active part in the development of Canadian resources than they did formerly.

FIREMEN'S INSURANCE CO. OF NEWARK, N. J.

Messrs. M. J. Walsh and Son, Montreal, have been appointed Chief Agents for the Province of Quebec of the Firemen's Insurance Company, of Newark, N.J. The Company has been operating in Canada with a Dominion license since 1912 with head office in Winnipeg. At 31st December, 1918, the Company had a paid-up capital of \$1,250,000 in addition to a net surplus of nearly \$2,250,000. Its total assets amounted to \$8,530,979. Messrs. Walsh and Son are experienced insurance brokers, with considerable business connections.

The Trust and Loan Co.

OF CANADA

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

MONEY TO LOAN ON REAL ESTATE

30 St. James Street, Montreal

A Profitable Investment Without Risk

One of the functions of this Corporation is to accept the funds of many small investors, thus making them available to those wishing to borrow. As security for such funds, it issues Bonds, which are a first charge against all its assets, and which yield the highest rate of interest any institution can afford to pay which invests, as we do, only in the highest possible class of securities.

These Bonds are available to everyone, as they are issued for sums as small as one hundred dollars and for terms of from one to five years. Interest is payable half-yearly on dates to suit the convenience or requirement of the investor.

We will gladly send specimen Bond and full information on request.

Canada Permanent Mortgage Corporation

Paid Up Capital and Surplus \$11,672,509.77

TORONTO STREET - TORONTO

Established 1855

Prudential Trust Company

LIMITED

<p>Head Office</p> <p>111 St. John St., Montreal</p>	<p>Trustees for Bondholders</p> <p>Transfer Agent & Registrar Administrator Receiver Executor Liquidator Guardian Assignee Trustee Custodian</p> <p>Real Estate and Insurance Departments Insurance of every kind placed at lowest possible rates.</p>	<p>Safety Deposit</p> <p>Vaults</p> <p>Terms Exceptionally moderate.</p> <p>Correspondence invited</p>
---	---	---

B. HAL. BROWN, President and Gen. Manager

Western

Assurance Company

Incorporated in 1851

FIRE, MARINE, AUTOMOBILE, EXPLOSION, RIOTS, CIVIL COMMOTIONS AND STRIKES

ASSETS over \$7,000,000.00

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

DIRECTORS

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

<p>W. B. MEIKLE, Pres. and Gen. Man.</p> <p>JOHN SIMS, Asst. Gen. Man.</p>	<p>C. E. WAINWRIGHT, Secretary</p> <p>A. E. PRINGLE Asst. Secretary</p>
--	---

HEAD OFFICE - TORONTO

LIFE INSURANCE AS PROTECTION.

The motive that prompted the inventors of Life Insurance was the desire to furnish protection. Savings and Investment are invaluable accompaniments, but the feature that sells Life Insurance is protection. That Company confers the greatest benefit upon its members that gives "the greatest amount of genuine life insurance protection for the least possible outlay." This aim has ever been the guiding star of The Mutual Life Assurance Company. Following out the principle of co-operation as the Mutual has done means that the Company allots the whole of its profit from all sources whatsoever, to the policy-holders, thus reducing their expense for insurance to actual cost—the only Canadian Company operating on this principle. The experience of the Mutual has fully justified the hopes of its founders who fifty years ago planned the Institution on the basis of **CO-OPERATIVE SERVICE.**

The Mutual Life Assurance Co. of Canada

WATERLOO, - - ONTARIO

The LIFE AGENTS' MANUAL

THE CHRONICLE - - MONTREAL

A BRITISH COMPANY

Union Insurance Society of Canton, Limited

ESTABLISHED 1836

Head Office: HONGKONG **Assets over \$18,000,000**

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

FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 26 Toronto Street, TORONTO

General Agent Montreal, JOSEPH ROWAT **Manager for Canada, C. R. DRAYTON**

THE ECONOMICS OF INVESTMENT.

Perhaps there is no better description of the work of the great Victory Loan organization, which did so much successfully to float the loans necessary for the support of the Government in the prosecution of the war, than to say that it was educating investors.

It was because they succeeded in producing a large number of such wise investors that a proper market for the bonds was created, and the loans floated. The results of this work, undoubtedly, will be lasting, even though the war is over. It will prove invaluable, as a convincing answer to the cheap and unpatriotic arguments of the demagogue, and socialist, internationalists of various stripes, who have made themselves so notoriously prominent during the past three or four years.

Professor Thomas N. Carver, of Harvard, in a clever and illuminating essay upon the general subject of the foundations of national prosperity, recently has clarified the economic necessity of investors in a few pregnant sentences which are worthy of wide circulation. In fact, he holds that perhaps the most needed men at the present time in our industrial system are wise investors, for an investor is one who, after all, is "automatically charged with the responsibility of preventing the productive energy of the community from going to waste."

An investor is merely a person who buys producers' goods rather than consumers' goods, producers' goods being those which may be rendered more usable and useful and hence are not destroyed in value but are reused for other and often more socially valuable purposes. Professor Carver rightly observes that for this reason nothing can be more important than that there should be a large number of wise investors. "The more such men there are and the wiser they are, the more rapidly will our industries expand, the more employment there will be for labor and the higher the laborer's wages will be."

Furthermore, Professor Carver rightly maintains that the work of investment is one of the most delicate, as well as one of the most important, of all economic functions. He says that "on the choice of the investor depends the whole question of the direction in which the productive power of the community is to be turned. A mistake on his part occasions greater economic loss than a mistake on the part of anyone else." Now if this be true, then that community in which investors are not unfairly interfered with, but "are encouraged to exercise their skill, to profit by it, and to reinvest their increasing incomes, is the community where production increases most

rapidly, where the opportunities for other people expand most rapidly and to which other people as well as investors flock in the greatest number." It hardly should be necessary to point out that the community mentioned above must be the people of the entire nation, for until this social and business as well as political unity is realized by our citizens there will be a continuation of class warfare, class legislation and narrow or sectional objects as the main interest of life.

URGES NECESSITY OF STABILIZATION OF INTERNATIONAL EXCHANGE.

Marshall Stevens, Member of Parliament, and one of the British commercial delegates to the International Trade Congress to be held in Atlantic City this month, is out in a statement in which he urges the necessity of stabilization of international exchange. "In the eyes of the world," he says, "the gambling element of exchange rates looms larger than legitimate trade profits. It is, of course, possible for those who in pre-war times had their trade connections in other countries firmly established to hitch along more or less satisfactorily. But all other international trading that is now attempted is purely speculative and must continue to be so until more stable conditions of exchange prevail."

TRAFFIC RETURNS.

Canadian Pacific Railway

Year to date	1917	1918	1919	Increase
Aug. 31.....	\$94,523,000	\$94,846,000	\$103,958,000	\$9,112,000
Week ending	1917	1918	1919	Increase
Sept. 7.....	2,666,000	3,053,000	3,599,000	546,000
" 14.....	2,691,000	2,915,000	3,763,000	848,000
" 21.....	2,964,000	3,114,000	3,893,000	779,000
" 30.....	3,631,000	4,210,000	5,063,000	1,753,000
Oct. 7.....	2,842,000	3,458,000	3,965,000	507,000

Grand Trunk Railway.

Year to date	1917	1918	1919	Increase
Aug. 31.....	\$41,082,168	\$34,408,155	\$41,322,909	\$6,914,754
Week ending	1917	1918	1919	Increase
Sep. 7.....	922,615	1,346,536	1,422,955	76,414
" 14.....	977,154	1,415,000	1,647,304	232,309
" 21.....	1,336,312
" 30.....	1,455,133	2,126,177	2,304,676	178,499
Oct. 7.....	1,014,812

Canadian National Railways.

Year to date	1917	1918	1919	Increase
Aug. 31.....	\$49,434,472	\$55,941,869	\$6,507,397
Week ending	1917	1918	1919	Increase
Sep. 7.....	1,504,832	1,737,454	232,627
" 14.....	1,593,343	2,017,960	424,614
" 21.....	1,607,019	2,033,374	526,355
" 30.....	2,353,187	2,838,480	485,293
Oct. 7.....	1,789,180	2,102,281	313,101



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

DIRECTORS:

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



THE LIVERPOOL - MANITOBA ASSURANCE COMPANY

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

DIRECTORS:

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

FIRE - LANCASHIRE



The Globe Indemnity Company of Canada

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

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

== FIRE INSURANCE ==

DIRECTORS

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

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

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

THE OLDEST AMERICAN STOCK FIRE INSURANCE COMPANY

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

ROBERT HAMPSON & SON, LIMITED GENERAL AGENTS FOR CANADA MONTREAL

LONDON & LANCASHIRE LIFE AND GENERAL ASSURANCE ASSOCIATION LIMITED OF LONDON, ENGLAND

ESTABLISHED IN CANADA, 1863

ASSETS EXCEED \$24,500,000

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

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

GENERAL FIRE

ACCIDENT AND LIFE
ASSURANCE CORPORATION LIMITED
OF PERTH, SCOTLAND.

Total security to Policyholders now exceed - \$12,500,000.

PELEG HOWLAND Esq.

Chairman Advisory Board.

T. H. HALL

Manager for Canada.

JUDSON G. LEE

General Agent Montreal.

THE OGILVIE FLOUR MILLS COMPANY

The annual statement for the year ended August 31st last of the Ogilvie Flour Mills Company, published on another page, shows moderate recessions from the record profit levels established by the Company for the preceding year. Profits from flour milling for the 1918-19 period were \$649,777, compared with \$832,910 in the previous twelve months, while those "from other sources" were \$982,738, against \$1,122,504 a year ago. The total for 1918-19 amounted to \$1,623,516, compared with \$1,955,414 in the preceding period, a decrease of \$322,898, or equal to slightly less than 12 per cent.

The year's showing, while not up to the record level of 1917-18, was, however, better by a considerable margin than the display in 1915, which up to last year was the banner one in the history of the company. In the latter period net profits were \$1,519,594, compared with the \$1,632,516 shown in the statement submitted at yesterday's annual meeting of the shareholders.

Surplus for the twelve-monthly period, after the payment of preferred and common dividends, amounting to \$815,000, is shown at \$817,516, against \$1,140,414 last year and \$593,847 in the preceding one. With the addition of the surplus from last year there remained to be carried forward into the current year's profit and loss account the sum of \$2,148,108, but from this the company deducted the sum of \$903,592 to be applied to the special contingent account established last year, rounding out this to an even \$2,500,000 in addition to the rest account of a similar amount.

Comparisons of the profit and loss figures for the three years follow:

	1919.	1918.	1917.
Mill profits	\$649,777	\$832,910	\$721,038
Other	982,739	1,122,504	637,809
Net prof.	\$1,632,516	\$1,955,414	\$1,358,847
Pfd. div.	140,000	140,000	140,000
Balance	\$1,492,516	\$1,815,414	\$1,218,847
Com. divid.	675,000	675,000	625,000
Surplus	\$817,516	\$1,140,414	\$593,847
Prev. surp.	1,330,592	190,177	846,330
Tot. surp.	\$2,148,108	\$1,330,592	\$1,440,177
Cont. acc.	903,592	1,250,000
P. and L. bal. . . .	\$1,244,516	\$1,330,592	\$190,177

The year's figures show that earnings on the common stock of the company were at the rate

of 59.7 per cent., compared with 72.6 per cent. last year, 48.7 per cent. in 1917, 25.4 per cent. in 1916, and 55.1 per cent. in the excellent year of 1915.

In this connection, the vice-president and managing director of the company, W. A. Black, in addressing the shareholders, stated:

"The capital of the shareholders invested in the business at the commencement of the year was \$9,926,999, so that the profits of \$1,632,516 represent 16.4 per cent. on the capital, not including the bonds. If the bonds were included as capital, the percentage earned would be 13.3 per cent. It will be noted that the shareholders' invested capital at the close of the year amounted to \$10,744,516.

"As a result of the armistice, there was a material reduction in the volume of business in all departments. There was, also, a slight reduction in the percentage of profits on the turnover, which were a little under 2 per cent., as against being a little over that figure last year. This must be admitted as a very small margin and would not make a reasonable return but for the large volume of business."

Another interesting phase of the vice-president's address was contained in the statement that the shares of the company continue to be widely held, the holdings at the end of the company's last fiscal year averaging only 33 shares. The stock is a high-priced one, but the small average of the holdings will, probably cause some surprise in market circles.

The Milling Outlook.

Referring to the outlook in the milling industry, Mr. Black stated in his address to the shareholders:

"The outlook now is for the early return to the sharp competition for export business which existed prior to the war. Duties on flour imports, which were removed in some countries during the war, are being put on again with the idea of encouraging and stimulating manufacture at home to provide work for their people, and securing the wheat offals which are necessary for dairying and general livestock feeding. It is most essential, however, that our own farmers and dairymen be supplied with the necessary feed for their livestock, and the Government may yet find it necessary to take steps to assist the mills in retaining a large export trade in flour if the dairying and stock interest is to continue, at least, on its present basis."

Fire at Hochelaga, P.Q.—On the 9th instant, a fire occurred in the coal plant of the Montreal Light Heat and Power Co., entailing a loss of about \$1,500.

Commercial Union Assurance Company Limited

of London, England

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

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

Palatine Insurance Company Limited

of London, England

as at 31st Dec., 1918.

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

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

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

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

W. S. JOPLING, Assistant Manager

Head Office
for Canada;
TORONTO



Assets
Exceed
\$80,000,000

Eagle Star

British Dominions
Insurance Company Limited

Of London, England

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

DALE & COMPANY, LIMITED
GENERAL AGENTS
MONTREAL AND TORONTO

Head Office
for Canada
TORONTO



Security
over
\$80,000,000

The
BRITISH CROWN

ASSURANCE CORPORATION LIMITED
Of Glasgow, Scotland

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

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

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

JOHNSON—JENNINGS, INC.

AGENTS ——— INSURANCE ——— BROKERS

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

11 ST. SACRAMENT STREET
MONTREAL, P.Q.

THE FIRE INSURANCE COMPANY OF CANADA MONTREAL

Authorized Capital, \$1,000,000

Subscribed Capital, \$250,000

Paid Up Capital, \$100,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

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

THE OGILVIE FLOUR MILL COMPANY, LIMITED
BALANCE SHEET

For the year ending August 31st, 1919, presented to the Shareholders at the Eighth Annual Meeting held at Montreal, Q. e., October 9th, 1919.
Balance Statement, 31st August, 1919.

ASSETS.		LIABILITIES.	
Cash	\$2,226,123.62	Accounts Payable (including provision for War Taxes to date)	\$2,445,786.08
Accounts and Bills Receivable, after making provision for bad and doubtful debts.	1,700,081.70	Provision for Bond Interest and Dividends to date	520,250.00
Stocks on hand of Wheat, Flour, Oatmeal, Coarse Grains, Bags and Barrels.	658,200.02	Total Current Liabilities	2,966,036.08
Dominion of Canada War Loans and other Investments.	5,780,568.06	Officers Pension Fund.	350,000.00
Total Active Assets	10,345,042.40	First Mortgage Bonds	2,350,000.00
Investments for Pension Fund	253,501.00	Capital Stock—Preferred.	\$2,000,000.00
Real Estate, Water Powers and Mill Plants in Montreal, Fort William, Winnipeg and Medicine Hat; Elevators in Manitoba, Saskatchewan and Alberta; Property in St. John, N.B., and Ottawa; Stable Plant and Office Equipment	5,812,605.84	Common	2,500,000.00
Goodwill, Trade Marks, Patent Rights, &c.	1.00	Rest Account.	2,500,000.00
		Profit and Loss Account:	
		Amount at credit 31st August, 1918	\$1,330,502.61
		Less transferred to Contingent Account	903,592.55
			427,000.06
		Profits for the year after payment of Bond Interest and making provision for War Tax:	
		Flour Milling Profits \$649,777.73	
		Profits from Other Sources and Investment Income.	982,738.85
			1,632,516.58
		Less—Dividends on Preferred and Common Stocks	815,000.00
			817,516.58
			1,244,516.64
			10,744,516.64
			\$16,411,240.24

\$16,411,240.²⁴

Approved on behalf of the Board:
C. R. HOSMER
H. S. HOLT,
 Directors.

To the Shareholders:

We have audited the books of The Ogilvie Flour Mills Company, Limited, at Montreal, Fort William, Winnipeg and Medicine Hat for the year ending 31st August, 1919, and have obtained all the information and explanations we have required; and we certify that in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

CREAK, CUSHING & HODGSON,
 Chartered Accountants.

In his remarks to the Shareholders, Mr. W. A. Black, Vice-President and Managing Director, called attention to the fact that the profits for the year under review were less than those of the previous year by \$322,898.26.

The Capital of the Shareholders invested in the business at the commencement of the year was \$9,926,999.06, so that the profits of \$1,632,516.58 represent 16.4% on the Capital, not including the Bonds. If the Bonds were included as Capital, the percentage earned would be 13.3%. It will be noted from the Balance Sheet that the Shareholders' Invested Capital at the close of the year amounted to \$10,744,516.64.

Mr. Black also stated:

"As a result of the Armistice, there was a material reduction in the volume of business in all Departments. There was also a slight reduction in the percentage of profits on the turnover, which were a little under 2%, as against being a little over that figure last year. This must be admitted as being a very small margin and would not make a reasonable return but for the large volume of business.

"The outlook now is for an early return to the sharp competition for export business which existed prior to the war. Duties on flour imports, which were removed in some countries during the war, are being put on again, with the idea of encouraging and stimulating manufacture at home to provide work for their people, and securing the wheat offalls, which are necessary for dairy and general livestock feeding. It is most essential, however, that our own farmers and dairymen be supplied with the necessary feed for their livestock, and the Government may yet find it necessary to take steps to assist the mills in retaining a large export trade in flour if the dairying and stock interest is to continue at least on its present basis."




**LONDON &
LANCASHIRE
FIRE**
INSURANCE COMPANY
LIMITED

Security - - \$42,000,000

ONTARIO AND NORTH WEST BRANCH
14 Richmond Street, East, TORONTO

PROVINCE OF QUEBEC BRANCH
164 St. James St., Cor. St. John St., MONTREAL.



**LONDON &
LANCASHIRE
GUARANTEE &
ACCIDENT**

**PERSONAL ACCIDENT
SICKNESS
FIDELITY GUARANTEE**

**PLATE GLASS
AUTOMOBILE
GENERAL LIABILITY**

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

Mount Royal Assurance Company

SURPLUS AND RESERVES, \$1,214,467 **TOTAL FUNDS, \$1,436,842**

TOTAL LOSSES PAID, \$2,692,201

Applications for Agencies Invited

HEAD OFFICE - - - - - MONTREAL

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

Established in Canada in 1821

1819 **ÆTNA (FIRE)** 1919

HARTFORD, CONN., U. S. A.

LOSSES PAID OVER \$175,000,000

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

Union Assurance Society, Ltd.

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

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

Agencies throughout the Dominion

EXCELSIOR

INSURANCE LIFE COMPANY
A Strong Canadian Company

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

The Law Union & Rock

INSURANCE CO. LIMITED, LONDON. Founded in 1800

Assets Exceed - - \$50,000,000.00
Over \$10,000,000 Invested in Canada

FIRE and ACCIDENT RISKS accepted.
Canadian Head Office: 277 Beaver Hall Bldg.,
MONTREAL

Agents wanted in unrepresented towns in Canada.
W. D. AIKEN, Superintendent, J. E. E. DICKSON
Accident Dept. Canadian Manager.

GOOD SALESMAN WANTED IN MONTREAL

If you are a good salesman, a hard worker and ambitious, we will help you to make good, whether experienced in Life Insurance or not. Attractive openings for men of fair education and good records. Apply stating experiences and references, to

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

THE CONTINENTAL LIFE INSURANCE CO.

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

PROFITS OF FIRE INSURANCE COMPANIES

The newly-published report of the Superintendent of Insurance, a volume, the development of which in recent years, does Mr. Findlayson much credit, contains an interesting compilation showing in summary form, the experience of the fire companies in Canada from the point of view of profits during the whole period of fifty years, for which statistics are now available. The present compilation amply supports the contention of The Chronicle for many years past, that taking it by and large, the business of fire insurance in the Dominion is by no means remunerated on a scale commensurate with the responsibilities which it assumes. The whole story of 50 years is briefly told in the following figures:

Canadian Companies.

	Cash Premiums.	Underwriting Profits.	Rate of Profits % of last Premiums
1869-78 . . .	\$11,152,050	—\$1,573,433	—15.01
1879-88 . . .	11,233,998	— 239,699	— 2.13
1889-98 . . .	11,356,824	— 59,153	— 0.52
1899-1908 . .	24,923,206	— 410,307	— 1.65
1909-18 . . .	47,735,334	— 1,374,386	— 2.88
Totals . . .	106,401,414	— 889,900	— 0.84

British Companies.

1869-78 . . .	\$15,889,898	— 2,790,580	—17.56
1879-88 . . .	30,218,934	— 3,082,288	—10.20
1889-98 . . .	46,058,237	— 1,767,839	— 3.84
1899-1908 . .	77,125,320	— 4,190,785	— 5.43
1909-18 . . .	132,991,741	— 12,829,474	— 9.65
Totals . . .	302,284,130	— 19,079,806	— 6.31

Foreign Companies.

1869-78 . . .	\$2,536,720	— 57,776	— 2.28
1879-88 . . .	3,382,384	— 561,216	— 16.59
1889-98 . . .	8,722,057	— 74,293	— 0.85
1899-1908 . .	21,091,374	— 1,910,877	— 9.06
1909-18 . . .	73,522,420	— 5,336,774	— 7.26
Totals . . .	109,254,955	— 7,676,798	— 7.03
Grand Tot.	517,940,497	— 25,866,704	— 4.99

Thus taking the whole aggregate of Dominion licensed fire insurance during the last fifty years, the underwriting profits realised is hardly 5 per cent., and this, be it noted, before any allowance is made for conflagration reserve. The latter, however, it may reasonably be argued, would be offset by earnings on invested assets, so that the figures above constitute a very fair approximation

to the real profit-earning capacity of the companies, so far as their underwriting operations in Canada are concerned.

New cash premiums in fire insurance correspond very fairly with gross turnover, or sales in an ordinary commercial business. They are not exactly similar, of course, but sufficiently similar for legitimate use in the present connection. How many business men, carrying on ordinary commercial operations, would be satisfied if at the end of a long term of years, they could show no better results than an average profit of 5 per cent. upon their turnover? How many executives of large corporations would be contented with such a showing? It is to be remembered also that in the case of fire insurance, the risks assumed are very much larger than in the case of ordinary commercial enterprises engaged in dealing in staple commodities. It is a business truism that the greater the risk undertaken, the greater the return which may be fairly asked by those undertaking the risk. But any attempt to supply this sound business principle to fire insurance by way of a moderate increase in rates usually result in loud protests from those who would hesitate before undertaking such risks themselves for prospects of a similar rate of remuneration.

It will be noted from the table above that in the case of the Canadian companies, whose business in the Dominion is alone taken into consideration, including operations as a whole, have been conducted at an actual loss during the period under review. In fact, the history of Canadian fire insurance, until comparatively recent years, contains an almost continuous record of ill-starred ventures in this field of activity by native companies, which have come to a disastrous end through bad management, poor underwriting or the sheer ill-luck of the business. The fact emphasizes the enormous dependence of the Dominion upon fire companies from abroad, and particularly the great British companies, in the maintenance of the industrial and commercial structure by their protection from the disastrous financial consequences of fire, and obviously suggests the un wisdom of the policy of placing any hindrance, legislative or development, in the way of their legitimate development in the Dominion. Incidentally, also, the present figures show that from the point of view of the Canadian investor, fire insurance is decidedly not attractive.

Number, please?

Never mind, Central, I wanted the fire department, but the house has burned down now.—Life.



EVERY AGENT WANTS

to represent a Company whose name is his introduction. One whose policies are unexcelled. Liberal dividends. Strength and security unsurpassed.

The figures for 1918 emphasize these points in the North American Life.

Business in Force	over ..	\$70,900,000
Assets	" ..	18,100,000
Net Surplus	" ..	2,750,000
Payments to Policyholders	" ..	1,700,000

These are reasons why the Company is known as "Solid as the Continent."

Correspond with E. J. Harvey, Supervisor of Agencies.

NORTH AMERICAN LIFE ASSURANCE COMPANY

HEAD OFFICE - - TORONTO, CAN.

SIZE, STRENGTH, LIBERALITY

The Sun Life Assurance Company of Canada, with over \$340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over \$97,000,000 and surplus of over \$8,000,000 it has decided strength and safety.

Its policy conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

For information as to contracts, communicate with the nearest Division Office, or with the Company's Head Office in Montreal.

SUN LIFE ASSURANCE COMPANY OF CANADA

Head Office: Montreal.

T. B. Macaulay, President.

COMMENCED BUSINESS 1901

RECEIVED DOMINION CHARTER 17th JUNE 1906

Capital Stock Authorized and Subscribed	Capital Stock Paid up
\$500,000.00	\$174,762.70

The OCCIDENTAL FIRE

INSURANCE COMPANY

Under the control of the North British & Mercantile Insurance Company

RANDALL DAVIDSON, President

C. A. RICHARDSON, Vice-President and Secretary.

DIRECTORS

S. E. RICHARDS W. A. T. SWATHMAN S. G. DOBSON

Head Office - - WINNIPEG, MAN.
AGENTS REQUIRED AT UNREPRESENTED POINTS

ESTABLISHED 1869

Total Funds Exceed	Canadian Investments Over
\$109,798,258.00	\$9,000,000.00

Capital Authorized	\$29,300,000.00
Amount Subscribed for	31,900,000.00
Amount Paid-Up in Cash	11,962,500.00

FIRE AND LIFE

NORTH BRITISH AND MERCANTILE

INSURANCE COMPANY

DIRECTORS

WM. McMASTER, Esq. G. N. MORGAN, Esq. R. L. FRANK, Esq.

Head Office for the Dominion:

80 St. Francois Xavier Street - MONTREAL

Agents in all the principal Towns in Canada.

RANDALL DAVIDSON, Manager.

HENRY N. BOYD, Manager, Life Dept.

The Imperial Guarantee

And Accident Insurance Co. of Canada

Head Office, 46 King St. W., TORONTO, Ont.

A Strong Canadian Company

Accident and Sickness Insurance
Guarantee Bonds

Plate Glass & Automobile Insurance

E. WILLIAMS, General Manager FRANK W. COX, Secretary

METROPOLITAN LIFE

INSURANCE COMPANY OF NEW YORK

PAID FOR NEW BUSINESS IN CANADA DURING YEAR 1918	Ordinary	\$34,919,021
	Industrial	20,868,736
	Total	\$55,787,757

Largest amount ever issued in Canada by any Company.
Amount of Insurance in force in Canada December 31, 1918,

Largest number in force in any company in Canada
Number of METROPOLITAN policies held by Canadians December 31, 1918,

Largest number in force in any company in Canada
Investments in Canada exceed,

Subscriptions to Victory Loans,

The Company had nearly 1,500 employees in Canada at the end of 1918.

Home Office, 1 Madison Ave., New York City

THE LIFE AGENTS' MANUAL

THE CHRONICLE - - MONTREAL



CANADA'S PROSPERITY RESTS WITH YOU

**Continued Business Activity and Good Wages
Depend on Canada's New Victory Loan**

DURING the past four years Canada's prosperity has been due largely to orders from Great Britain and our Allies.

Canada was able to obtain these orders because she advanced credit to these countries.

Canada was able to give this credit only because you bought Victory Bonds.

Great Britain, with France, Belgium, and other Allies, are now prepared to place large orders with us for the products of our factories, farms, forests and fisheries—provided Canada again gives them credit.

Credit must be given if we are to have any guarantee of good times

and good wages. But our workers on these orders must be paid their wages in cash; so, much of the money that you invest in Victory Bonds will go out in wages to Canadians.

You will be absolutely protected—you will get a good rate of interest and all of your money will be paid back at the time stated in the Bond.

Every cent will be spent in Canada, and ultimately circulate to the benefit of all.

Canada can give this credit only if you again buy Victory Bonds.

If Canada is not able to give this credit, other countries will.

Therefore Canada's continued prosperity rests with you.

Victory Loan 1919

"Every Dollar Spent in Canada"

Issued by Canada's Victory Loan Committee,
in co-operation with the Minister of Finance
of the Dominion of Canada

"The Oldest Life Company in America"

Issued its First Policy in 1848

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

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

For terms to producing Agents address

The Mutual Life Insurance Company
OF NEW YORK
34 Nassau Street, New York City

THE London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1770

CAPITAL PAID UP - - - - - \$ 2,741,275
TOTAL ASSETS EXCEED - - - - - 42,500,000

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

Automobile Insurance

FIRE:-TRANSPORTATION:-THEFT:

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

For further particulars and rates apply to

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

ATLAS ASSURANCE COMPANY LIMITED

Founded in the Reign of George III

Subscribed Capital - - - \$ 11,000,000
Capital Paid Up - - - - - 1,320,000
Additional Funds - - - - - 25,198,205

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

Head Office for Canada:

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

Established 1886

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

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

Agents Wanted in Unrepresented Districts.

Managers for Canada:

Montreal Agencies Limited, Montreal



Assets:
\$30,389,461.55

Surplus:
\$8,824,000.31

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

L'UNION

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

Capital fully subscribed. . . \$2,000,000.00
25 p.c. paid-up

Fire and General Reserve Funds 6,792,000.00
Available Balance from Profit

and Loss Account. 118,405.00
Net Premiums in 1918. 7,105,053.00

Total Losses paid to 31 Dec.,
1918. 108,718,000.00

Canadian Branch:

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

CONFLICTING IDEAS.

In an article by a Member of Parliament, R. P. Houston, published in England, in reply to optimistic views of Mackay Edgar, well-known in Montreal, both men seem to go rather to extremes, in opposite directions. Houston enumerates many items as to production and trade in which United States prices are now much below those of England and U.S. output much greater in volume. The latter are exporting things, he says, in great volume and variety, including coal and iron and steel, are building ships to double the tonnage per month of Great Britain, and capturing trade in many directions which that country has controlled in the past. Mr. Edgar assumes that this can be gradually overcome, but Houston thinks such talk is nonsense, as England has to import materials and food products and has interest to meet on a tremendous debt, all of which can only be overcome by export trade, which is now only half in value of the imports.

This is a situation that Edgar may treat too lightly, but it is certainly one that will be gradually modified and in an increasing degree in the next few years. It is by no means to America's advantage to have foreign trade, with Great Britain or any other nation, remain one-sided very long. As labor troubles settle down, costs over there will lessen rapidly after a while, and production will increase. America shall also have to get things differently adjusted, especially in foreign trade. It cannot indefinitely export so much more than it imports without its being paid for in corresponding values. England has a hard task on its hands, but is entitled to take a hopeful view of what it can accomplish with all its outside possessions of value and the necessity of others to help build up international trade for their own benefit. Getting back to a balanced situation is a tremendous task for the nations, but it will have to be worked out and England is likely to do her part.

GIRARD FIRE AND MARINE INSURANCE COMPANY.

Mr. D. R. Simmons, representing the Girard Fire and Marine Insurance Company of Philadelphia, informed The Chronicle this week that the Company has appointed the Permanent Agencies, Limited, Montreal, of which Mr. Hal Macd. Brown is managing director, its general agents for the Province of Quebec. The Girard Fire and Marine is controlled by the Firemen's Insurance Company of Newark, N.J., and was incorporated in 1853. The Company has an excellent reputation concerning its general treatment of loss claims. It writes a full volume of business in proportion to its net resources. In addition to a paid-up capital of \$500,000, the Company's net surplus at 31st December, 1918, amounted to over \$373,000, while its assets total \$2,881,417.

STATE INSURANCE AND GRAFT.

Scandalous grafting is reported from the investigation into the New York State fund for compensation insurance, says The Insurance Field. The eminence that the Washington fund enjoyed for a time has gone glimmering by comparison with the revelations from the Empire State where the opportunities were greater. Washington did the best it could, perhaps, but New York was evidently out for the record. It has been testified that adjusters and medical examiners had a habit of getting one-third of the awards they made to claimants and where such arrangements were possible it was, of course, to the advantage of all concerned to make the awards "all that the traffic would bear." One witness participated in sixty-nine such divisions and looked longingly on at ninety-four other cases in which he could not ethically partake—as the whack belonged to others.

A complicated but smooth system of coaching claimants and arranging the basis for lump settlements as against weekly payments was worked out. It appears to have been a sordid system of sophisticated scoundrelism having its root in politics and its effloration in the fact that as it was public funds there was nobody to suffer from their diversion from honest purposes. That is always the trouble about government handling of business and money. It is nobody's money in particular, deficits can be made up by increased taxation against which no successful protest can be made and the patient public suffers.

There is dishonesty in private business, of course. Conspiracies have been unearthed between employees of private companies to defraud their employers. But they do not get far. There is private capital at stake, the diminution of which by fraud is instantly felt and the causes inquired into. Somebody feels the loss, somebody definite—not the indefinite tax payer—must make the loss good, with the result that the responsibility of grafters and conspirators is far more closely brought home and the extent of their swindles much more limited under private control than it ever can be under government operation.

Men who are willing to hold mere stop-gaps of "jobs" in politics instead of bending their energies to productive work in the open market of private competitive activities, have no real interest in business. They are mere routine performers, clock-watchers and business lounge lizards; they may not and, indeed, most generally are not dishonest—they are merely incompetent and half asleep and the minority of rascals have pretty easy sledding. The competent ones soon break the bonds and make successes in private business. There is always waste and worse in government business.



THE EMPLOYERS'

Liability Assurance Corporation, Limited

of LONDON, England

Transacts

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

PERSONAL ACCIDENT, HEALTH, LIABILITY, PASSENGER and FREIGHT
ELEVATOR, FIDELITY GUARANTEE, CONTRACT BONDS
and FIRE INSURANCE

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

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


APPLICATIONS FOR AGENCIES INVITED

Canadian
Government
Deposit

\$1,622,000.00

Stands First

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



TRANSACTS :

Personal Accident	Automobile
Sickness	Burglary
Liability <i>[All Kinds]</i>	Postal
Fidelity Guarantees.	Plate Glass.

HEAD OFFICE 302 St. James Street, MONTREAL

ROBERT WELCH, General Manager

Applications for direct Agencies invited.

The Ocean Accident & Guarantee Corporation Limited

AUTOMOBILE INSURANCE

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

The "OCEAN" can meet these requirements under one contract

Branch Office: MERCHANTS BANK BLDG, MONTREAL	JOHN W. WETHORE, Superintendent.	W. T. PERRY, Manager for Canada
--	-------------------------------------	------------------------------------

Canadian Head Office: Ocean Insurance Building, TORONTO

The Dominion of Canada Guarantee & Accident Ins. Co.

**The Oldest and
Strongest Canadian
Casualty Company**

TRANSACTS:

ACCIDENT	SICKNESS	PLATE GLASS
BURGLARY	AUTOMOBILE INSURANCE	
GUARANTEE BONDS	FIRE INSURANCE	

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

C. A. WITHERS, *General Manager*
TORONTO

Branches: WINNIPEG CALGARY VANCOUVER

MR. R. HILL STEWART.

Mr. R. Hill Stewart, general manager of the Caledonian, is visting this side of the Atlantic for the first time, and arrived in Montreal on the 8th instant, where he spent a couple of days. Mr. Stewart expressed himself as being much impressed with the evidence of wealth and industrial activity everywhere apparent in the metropolitan city of the Dominion. He was particularly interested with the excellent manner in which grain is handled and trans-shipped, while inspecting the fine grain elevators on the city's harbour front. Although this is Mr. Stewart's first visit to Canada, his name is a most familiar one to those connected with the 'oldest' Scottish Company, owing to his official position as secretary of the Caledonian for very many years, previous to his assuming the position of general manager about two years ago, on the retirement of Mr. Chapman. Mr. Stewart left Montreal on the 10th instant, accompanied by the Canadian manager, Mr. J. G. Borthwick, for the Coast. While en route, he will visit important centres such as Winnipeg, Regina, Edmonton, Calgary, Vancouver and Victoria, etc., where the Caledonian is well represented, and most popular.

NORTHERN ASSURANCE COMPANY.

Mr. Alex. Hurry, the newly-appointed manager of the Casualty Department of the Northern Assurance Company, in Canada, arrived in Montreal on the 11th instant, to assume his new duties. Mr. Hurry has been connected with the Northern, during his whole business career of twenty-two years, in the Head Offices at Aberdeen and London. He has in addition to this, an extensive experience in the field. He is now engaged at the Company's Head Office for Canada, in Montreal, in the necessary work to enable the Company to commence its operations in the casualty field at an early date throughout the Dominion, for which a license has already been granted. The standing of the Northern and its well-known reputation for liberality and service to its policy-holders, will no doubt ensure the success of the new department in Canada. We have no doubt that Mr. G. E. Moberley, the Company's Canadian manager, will find the new department a considerable acquisition to his branch.

CAN'T RECOGNIZE HIGH PRICES OF LAND

A. L. Crossin, of the financial firm of Oldfield, Kirby and Gardner, Winnipeg, has called attention to an interesting situation in connection with farm mortgages and an increase in land values.

From all parts of the province there have come statements with reference to large increases in these values. In certain districts these prices

have risen to \$60, \$80 and \$100 an acre or more.

The owners of these properties are asking the loan companies to recognize the new scale of values and to make loans in corresponding volume.

Mr. Crossin states that it is quite legitimate for owners of farm lands to adopt a new scale of prices, but that they are not going to do it on mortgage company money. For one reason, he says, there is not the money in the country to do it. There is no money coming into this province from Britain or the continent of Europe. On the other hand large sums are being recalled to those nations. Manitoba has to rely on its native wealth for increases in the sums available for loaning, and there is no great surplus to provide for these extraordinary advances in the quotations on farm lands.

Borrowers write in from the country asking for loans, fixing the value of the lands at \$60 an acre or more, but the mortgage companies are not inclined to accept these figures, and in any case the sums which they have for loaning purposes are limited. There is no apparent way of providing at the present time for unprecedented increases in market quotations.

"CASUALTY'S GREATEST NEED."

There is something especially admirable in the way that casualty insurance is tackling the problems of the reconstruction era. It is going at them with a vim and vigor that makes for certainty in the matter of great future success.

Changed conditions are being met with new plans and methods that cannot fail to result in safe and sure running through the trying uncertain period in which all businesses find themselves now wading, and out into the calmer times which, inevitably, thank goodness, lie not far ahead. Happily the extensive labor troubles do not affect casualty insurance deeply, the reason being too well known to need mentioning. The innocent bystander may "get his," but "he is altogether too few" for casualty to notice.

With the tightening of rates and conditions on which business is written, casualty meets the something of increase of losses with more of a smile than a frown and no particle of fear. Its volume of writing has increased largely of late, and with greater effort put forth to expand its agency forces—greater effort through the insurance press of the country—it should readily increase its business. Casualty officials themselves have recently been heard to reiterate the opinion that the greatest need of the business is more men in the field, men particularly strong at meeting the new demands of this reconstruction era.—Western Insurance Review.

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1853

Fire, Marine, Hail and Automobile

HEAD OFFICE: TORONTO

Old Reliable Progressive
 Assets over \$4,000,000.00
 Losses paid since organization
 over \$45,000,000.00

DIRECTORS:

W. B. MEIKLE, President

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

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

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

THOMAS F. DOBBIN, Resident Manager
 MONTREAL

THE LONDON MUTUAL FIRE

INSURANCE COMPANY
 ESTABLISHED 1869

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



DIRECTORS:

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

HEAD OFFICE - 33 SCOTT ST., TORONTO

QUEBEC BRANCH OFFICE
W. J. CLEARY,
 BRANCH MANAGER,
 17 St. John Street, - MONTREAL

NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST

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

AGENTS WANTED FOR THE ACCIDENT BRANCH.

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

FOUNDED A. D. 1819

THE GENERAL FIRE INSURANCE COMPANY OF PARIS, FRANCE

SURPLUS TO POLICYHOLDERS, \$5,526,000

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

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

The Travellers Life Assurance Company

of Canada

HEAD OFFICE: MONTREAL

Hon. CHD. B. GRAHAM, President

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

ESTABLISHED 1864.

New York Underwriters Agency

A. & J. H. STODDART
 REGISTERED

100 William Street - New York

Provincial Agents

MURPHY, LOWE, HAMILTON
 & BASCOM,
 Toronto, Ont.
 OULIN, HAMMOND & NAWTON,
 Winnipeg, Man.
 ALPHEE J. HELL & Co.
 Halifax, N.S.

JOHN Wm. MOLSON
 & BOWEN, J. HUNTER
 Montreal, Que.
 WHITE & CALVIN
 St. John, N.B.
 AYAS & BONS, Ltd.
 St. Johns, Nfld.

T. D. RICHARDSON, Supt. for Canada
 TORONTO

Founded
 A. D.
 1710

SUN INSURANCE OFFICE

Head Office: Threadneedle St., London, Eng.

THE OLDEST INSURANCE OFFICE IN THE WORLD

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

LYMAN BOGOT
 Manager

NATIONAL BEN FRANKLIN INS. CO. WINS CASE.

Mr. Justice MacLennan, in a second judgment last week, found in favor of plaintiff, the National Ben Franklin Fire Insurance Company, on a claim to \$399.40 from the Montreal Tramways Company.

On November 28 last one of the defendant company's cars collided with an automobile belonging to J. Fred. Fetherston, on Sherbrooke street, near Oxford avenue. The auto was damaged, and as it was insured with the National Ben Franklin Company, Mr. Fetherston called upon it to pay \$399.40, the costs of repairing the damages. The insurance company was subrogated in the claim, and accordingly pressed it against the Tramways Company.

Justice MacLennan found, on the evidence, that the collision was caused by the negligence of the company defendant's motorman running the tram car at an excessive speed, and not taking reasonable care and precaution to avoid the collision. The amount claimed was therefore awarded to the insurance company, and the costs of the action.

NEW INSURANCE

Owing to the prevailing conditions in this country, manufacturers and others are taking advantage of the new class of insurance, known as Strike and Civil Riot Insurance. It is being increasingly written during this period of unrest, and business is glad to have this class of insurance, as a guarantee against loss during these troublesome times.

The prevalence of strikes, the high cost of living, riots and even bloodshed, have made men, who have fortunes invested in manufacturing and other large enterprises, very uneasy, and this new class of insurance comes as a boon to them, as it guarantees their property from destruction by strikes and mob violence. Insurance is keeping pace with the needs of the country, and is progressing, and wide awake, to new opportunities for serving the public, and is another argument against Government insurance, and in favour of our splendid system of insurance. These companies, both life, fire and casualty, have done more business so far this year than during the entire year of 1918.

Automobile insurance has grown wonderfully in the past two years, and more companies are covering this class of insurance than ever before. So that this year will undoubtedly be the greatest year in the history of insurance in Canada.

CANADIAN FIRE RECORD.

Fire at St. Raphael, P.Q.—On the 14th instant a fire occurred in the Village of St. Raphael resulting in the total destruction of twenty-two houses and six stores. The Quebec fire brigade were promptly in attendance, but as there was no apparatus at the start it was of little avail in preventing a conflagration. The loss entailed will probably amount to \$75,000.

Fire at Simcoe, Ont.—On the 11th instant, a fire occurred in the St. James Methodist Church. Loss about \$1,500, fully insured.

INCREMENT!

We hear a great deal of the "unearned increment" nowadays. What of the EARNED increment? The profits of Wholesalers and Retailers. Consider the lost profits when a Warehouse or Shop burns down.

The CONTINENTAL INSURANCE COMPANY'S profit insurance policy will protect you from loss of net profits which you are prevented from realising by the destruction of your merchandise by Fire.

THE CONTINENTAL INSURANCE COMPANY

HENRY EVANS, PRESIDENT

INSURANCE POLICIES COVERING LOSS OF PROFITS
FIRE - HAIL - USE AND OCCUPANCY - TORNADO - MARINE

W. E. BALDWIN, Manager

Canadian Head Office: 17 St. John Street, Montreal

**THE
CENTURY INSURANCE CO.
LIMITED**
of Edinburgh Scotland
ESTABLISHED 1863

Assets
\$11,000,000.00
Allied Companies
Over \$30,000,000.00

Canadian Head Office - VANCOUVER, B.C.

GEO. W. PACAUD,
General Agent for Quebec

80 St. Francois Xavier Street
MONTREAL

1850 1919

**THE
UNITED STATES
LIFE
INSURANCE COMPANY**
In the City of New York
Issued Guaranteed Contracts

<p>JOHN P. MUNN, M.D. President</p> <p>FINANCE COMMITTEE CLARENCE H. KELSEY, <i>Pres. Title Guarantee & Trust Co.</i> WILLIAM I. POTTER, <i>Banker</i> EDWARD TOWNSEND <i>Pres. Importers & Traders Nat. Bank</i></p>	<p>Good men, whether experienced in life insurance or not, may make direct contracts with this company, for a limited territory if desired, and secure for themselves, in addition to first year's commission, a renewal interest insuring an income for the future. Address the Company at its Home Office, No. 277 Broadway, New York City.</p>
--	---

"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 WATERLOO
Mutual Fire Insurance Co.**
ESTABLISHED IN 1863

Head Office - - - Waterloo, Ont.
TOTAL ASSETS 31st DEC., 1918, Over \$1,000,000
Policies in Force in Western Ontario Over 30,000

GEO. DIEBEL, **ALLAN BOWMAN,**
President Vice-President

L. W. SHUH,
Manager

NIAGARA FIRE INSURANCE COMPANY
HEAD OFFICE, NEW YORK **INCORPORATED 1850**

Cash Capital
\$1,000,000.00

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

CANADIAN DEPARTMENT 22 ST. JOHN STREET, MONTREAL
W. E. FINDLAY, Manager **AGENTS REQUIRED**

SCOTTISH METROPOLITAN ASSURANCE COMPANY LIMITED,
Of Edinburgh, Scotland

Owned and Operated by the London & Lancashire Life & General Assurance Association, Limited.

ACCIDENT AND SICKNESS
Most Liberal and Up-to-date Policies

GUARANTEE BONDS

ELEVATOR AND GENERAL LIABILITY



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

AUTOMOBILE LIABILITY AND FIRE
Individual or Combined Policies

EMPLOYERS LIABILITY

PUBLIC AND TEAMS LIABILITY

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

RELIANCE ON BRITISH BANKS.

The Journal of Commerce, New York, has the following:—

The unwisdom of the policy pursued by some of our banks in establishing their foreign connections through British banks is now clear. It has been the belief of some American bankers that it was not wise for them to compete in foreign markets with British bankers, but rather to establish friendly or co-operative relations with them by naming them as their correspondents and then relying on them to grant a due share of their business to the American institutions that were keeping funds with them. This is somewhat like expecting a coal or grocery merchant to sell coal or groceries on commission for a man in another town when he can take the trade for himself. It expects too much of the foreign banker, and, as a matter of fact, while it works well enough during the periods when foreign remittances are habitually drawn in sterling and there was no particular reason for changing the practice, the case is different as soon as a time comes when there is competition and the problem of drawing in one currency rather than in another comes to the front as an immediate issue. In the opinion of not a few careful students of the foreign trade situation, the New York market, however attractive as a place for disposing of foreign bills and for foreign dealings generally, will never succeed in stating its dealings in dollars until the time comes when our bankers provide actual direct facilities abroad. This they have not done up to the present time. It is, unfortunately, not a thing that can be remedied without considerable delay, as the process of establishing the right kind of foreign connections is one of difficulty and technical detail and requires time.

VICTORY BONDS ARE IDEAL INVESTMENT. Security Is The Best, Interest High and Absolute Protection Is Unsurpassed.

When a man contemplates making an investment he considers several things.

The first of these is the security behind the concern or corporation in which he purposes to invest:

Another is the interest he will gain:

A third is the possibility of requiring the capital so invested for other purposes and the likelihood of finding it available.

A Victory Bond fills all these requirements satisfactorily. There is no other way in which you can invest your money with such absolute security. In most investments the security is represented in values subject to fluctuation: in the case of a Victory Bond there is no fluctuation, because the security is the entire wealth of Canada—its mines, fisheries, forests—everything to which we refer as "resources."

The rate of interest is high. Most investments which yield a high rate of interest have the element of speculation about them: usually they are subject to fluctuation and there is always the possibility of losing money. In the case of a Victory Bond the rate of interest is not only high but it will remain high.

And it is paid half-yearly.

As for the third requirement, there is no more liquid form of investment than Victory Bonds. They can be turned into cash at any time. Banks are always ready to loan cash on them.

A Canadian Victory Bond answers every requirement of an ideal investment.

CANADA LIFE

Factors that help the LIFE INSURANCE MAN


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

Good opportunities for the right men.


Write Agency Department

CANADA LIFE ASSURANCE COMPANY

Home Office - TORONTO



The Northern Assurance Co. Limited
 Of England
ACCUMULATED FUNDS, 1918 - \$75,229,660.00
 Including Paid up Capital of \$4,010 100.00
 Head Office for Canada: Lewis Building, 17 St. John Street, Montreal
 G. E. MOBERLY, Manager



RAILWAY PASSENGERS ASSURANCE CO.
 OF LONDON ENGLAND

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

Head Office for Canada and Newfoundland . . . TORONTO
 F. H. RUSSELL, General Manager

THE ST. PAUL FIRE AND MARINE INSURANCE COMPANY
 INCORPORATED 1866 ASSETS OVER \$13,000,000

REPRESENTED IN TORONTO BY
McADAM, SHERRITT & COMPANY
 General Agents

Excelsior Life Building 36 Toronto Street

BRITISH TRADERS' INSURANCE COMPANY, LIMITED
 ESTABLISHED 1865

Head Office: HONG KONG Head Office for Canada: TORONTO

FIRE & MARINE INSURANCE

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

JOHNSON—JENNINGS, Inc., General Agents, MONTREAL Manager for Canada, C. E. DRAYTON

THE STRATHCONA FIRE INSURANCE COMPANY

HEAD OFFICE: MONTREAL,
 90 ST. JAMES ST.

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

"To Such Ideals There Is An Assured Future."

THE NEW TERROR TO LIFE

How this world is given to fashions—especially new ones. Dentists are now urging the inclusion of examination of the teeth as a requisite for life insurance. The reasons for it are, of course, because so little is known of the effects of dental septicity that it is quite easy to scare anybody or to give hope to anybody as the case may be. The formula for the propaganda is that 85 per cent. of children have curable diseases of the teeth, tonsils or adenoids and that 95 per cent. of all persons of 45 years have septic mouths. Medical men “believe” that many diseases have their origin in disorders of the teeth. That is, they believe it for the present—it is the fashion. A few years ago “malaria” was the dreaded and obscure cause. All of the elderly people of this generation remember when malaria was caused by inhaling the miasma that floated about on the night air and caught folks who—didn’t—watch—out!”

That was before Anopheles culex was discovered feeding cutaneously on mortals and paying their board bills in drops of toxic poison. Since then night air has become so healthful that the doctors urge you to breathe all of it you can through open windows.

WANTED

Young man with eight years experience of Fire Insurance business, dealing with ten different Companies, seeks position as Inspector or Office work with a reliable Insurance Company. English and French, willing to go any where. Excellent reputation and highest recommendation—Address,

Lock Box 26,
Chrysler, Ont.

First British Insurance Company Established in Canada
A.D. 1804

Phoenix Assurance Co. Limited
OF LONDON, ENGLAND (Founded 1782)

FIRE LIFE MARINE

TOTAL RESOURCES, over \$97,000,000.00
CLAIMS PAID EXCEED 500,000,000.00
DEPOSITS with Federal Government and Investments in Canada, for security of Canadian policyholders only, exceed . 3,000,000.00

AGENTS WANTED IN BOTH BRANCHES. Apply to

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

100 Francois Xavier Street - MONTREAL

REGARDING ADEQUATE FIRE RESERVES

In an article on “the importance of adequate reserves,” a valued English contemporary has the following:

It is evident that the public needs more educating, otherwise we should not hear so much about the nationalization of this and that class of business. The insurance companies know perfectly well the risks they would be running by charging excessive rates, and it is for that purpose that the various tariffs have been formed. It would surprise most people to know how small is the average percentage of profit earned over a term of years from “home” business. It would perhaps not be a bad thing if the companies were to give now and again some comparisons between the profits earned on “home” and “foreign” insurance. It would prove an eye-opener, and do away with a great deal of the criticism which is now heard.

Until much more is done in the way of educating the public as to the law of average and the absolute necessity for adequate reserves, the assumption that largely reduced rates are feasible will, we fear, remain a belief with many of the insured.

WANTED

A young man, having 15 years experience in Fire Insurance, and with a thorough knowledge of the business, would like to secure a responsible position. Has a good knowledge of French. Address,

L,
c/o. The Chronicle,
Montreal

NOTICE

Notice is hereby given that the NORTHERN ASSURANCE COMPANY LIMITED of London England, has been granted Dominion License No. 819, dated 24th Sept., 1919, to transact in Canada the business of GUARANTEE Insurance and PLATE GLASS Insurance, in addition to the classes for which it is already licensed, namely, FIRE ACCIDENT, SICKNESS and AUTOMOBILE Insurance.

SCOTTISH UNION AND NATIONAL

INSURANCE COMPANY, OF EDINBURGH, SCOTLAND
ESTABLISHED 1824

Capital, - - - - - \$30,000,000
Total Assets, - - - - - 79,656,734
Deposited with Dominion Gov't, - - - 391,883
Invested Assets in Canada, - - - 7,695,338

NORTH AMERICAN DEPT., HARTFORD, CONN. U.S.A.
JAMES H. BREWSTER, Manager
ESINHART & EVANS, Resident Agents Montreal
MEDLAND & SON Toronto
ALLAN, KILLAM & MCKAY, LTD. Winnipeg

PRESENT DAY LIFE INSURANCE PROBLEMS

The following excerpts from an article by Mr. E. E. Rhodes, Vice-President Mutual Benefit Life, are of considerable interest.

Mr. Rhodes, in discussing the general problem of securing a life insurance company against the general hazards to which it is exposed, said:

There cannot be security unless the assets be safely invested, and unless there be a conservative selection of insurance risks, but I shall dwell very briefly upon these phases of the problem.

Regarding investments, let me content myself with saying that in my opinion there is great need for caution. The inflated land values, the high price of labor and of building materials, the uncertainty regarding the railroads and other public utilities, the rapidly increasing needs of municipalities, and financial conditions generally, tend to disturb the equilibrium of investments. In some cases a loan of 50 per cent. of present farm values is equivalent to a loan of 100 per cent. of pre-war values. What is a safe valuation for loaning purposes? Loans on city properties present same question. It is unthinkable that the underlying bonds of the great railroad systems are not sound investments, for as they stand or fall, the country will stand or fall. We are in the position of the automobilist who, travelling a new road, instinctively becomes more careful than he is on a road with which he is entirely familiar.

The purpose of a contingency reserve is to offset fluctuations in the value of assets and in mortality and income. A contingency reserve intended to provide for fluctuations in mortality might be based upon a percentage of the tabular cost of insurance. This percentage should be equal to the difference between 100 per cent. and the per cent. of the tabular cost of insurance, which is required for the dividend scale, and for such portion of the acquisition expenses as is met out of mortality gains. In those years in which the actual mortality was less than the percentage thus determined, the difference might be added to the contingency reserve. In those years in which actual mortality exceeded that percentage, the contingency reserve might be drawn upon. In this way the contingency reserve would follow the fluctuations in the death rate, the unusual savings of one year being held to meet the unusual claims of another, thus stabilizing the dividend fund. In some cases it might not be practicable to establish a fund in this manner, and an alternative suggestion would be to maintain such a sum as will suffice to meet any reasonable temporary increase in the death

rate. For example, if it be found that the actual mortality averages 75 per cent. of the expected mortality, provision might be made for a mortality of, say 80 per cent. during the three or four or five succeeding years. Under this method the fund would follow the cost of insurance, but would be subject to the same variations as the first plan. The basis of either fund may be changed from time to time as the company's experience may change. Due regard should be given to any change in the company's rules with respect to the maximum amount of insurance written upon a single life, or to any change in the standard of selection.

If this analysis of the contingencies which confront a life insurance company has any merit, it establishes the unwisdom of the laws which limit the contingency reserve to a percentage of the net reserve. It is clear that the percentage which is right for one company may be wrong for another. The percentages should not be alike for a company which has 60 per cent. of its assets invested in mortgage loans, and for another company which has 60 per cent. of its assets invested in bonds. Two companies may even have the same proportion of their assets invested in bonds, but the bond investments of the one may differ so in character from the bond investments of the other as to require a different contingency reserve therefor.

If contingency reserves are to be maintained in the manner set forth, and if the desired dividend scale is to be adhered to, it is essential that the increase in the volume of new business shall not be proportionately greater than that which prevailed during the years the experience of which served as a basis for establishing the several funds. If the future volume of new business be proportionately greater than that of the past, such increased volume will call for the investment of more working capital than therefore, and such additional capital cannot be provided without depleting the contingency reserve, or reducing the dividend scale. On the other hand, if during the years of the experience of which the contingency reserve and dividend scale are based, there was a decreasing amount of new business written each year, the normal yearly earnings would have been supplemented by a certain amount of capital being released through the decreasing amount of new business. In this case a continuation of the dividend scale and the maintenance of the contingency reserve would only be possible if each year the normal earnings are increased by the working capital released through the continually decreasing new business. By "working capital" is meant the amount required for reserves, expenses and death claims on the new business in excess of income thereon.

Guardian Assurance Co.

LIMITED, OF LONDON, ENGLAND

Capital Subscribed . . . \$10,000,000
 Capital Paid-up . . . \$5,000,000
 Invested Funds Exceed . . . \$40,000,000

Fire Insurances at
 Moderate Rates

The Guardian Insurance Company of Canada

TRANSACTS

Accident, Liability, Automobile,
 Guarantee, Plate Glass, Burglary
 and Fire Insurance

APPLICATIONS FOR AGENCIES INVITED

Head Offices: Guardian Building, 160 St. James St., Montreal

Confederation Life Association

Head Office - - Toronto, Canada

Insurance in force over . \$108,000,000.00

POLICIES ISSUED UPON ALL APPROVED PLANS
 Annuities granted on favorable terms

The Confederation is an old established Canadian Company with a long record of honest and upright dealing with its policyholders, and an excellent record as to dividends to policyholders.

Liberal Agency contracts may be secured by men of high standing and business ability on

Application to

J. TOWER BOYD - General Manager of Agencies **TORONTO**

THE ROYAL INSURANCE COMPANY, LIMITED

LIFE DEPARTMENT

MAINTAINS UNALTERED
 DURING THE WAR
 the high uniform rate of
PROFITS

paid to policy-holders for the past
FIFTY YEARS

GUARANTEES
PROFITS at the FULL RATE
 of \$15 PER ANNUM
 per \$1,000 assured, on ALL
 participating policies be-
 coming claims before 1920,
whether newly effected or not

HAS RECENTLY
REDUCED ITS RATES
 for whole of life non-profit
 policies, and now offers
PERMANENT PROTECTION
 at the
MINIMUM OF COST

ENORMOUS FINANCIAL STRENGTH — PRUDENT ADMINISTRATION.

QUEEN INSURANCE COMPANY

FIRE AND AUTOMOBILE INSURANCE — ABSOLUTE SECURITY

W. MACKAY, Manager

J. H. LABELLE, Asst. Manager