

The Chronicle

Banking, Insurance & Finance.

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ASPECTS OF THE OUTLOOK.

There is a considerable difference between the state of mind of Canadian business men now and twelve months ago. Last year the general attitude was that things would take a turn for the better a month or two ahead, and that attitude persisted for a considerable period in spite of the fact that the due date for revival was passed a number of times without the anticipated happening. This year, the expectation of an immediate revival has disappeared. It is frankly confessed on the street that no favorable development in trade is likely until it is seen that this year's harvest is favorable. And there are some authorities who express the opinion that it will require two years' good crops to start another spell of old-time activity such as that which existed between the years 1909 and 1912.

However that may be, it is satisfactory to observe that the prospects for this year's crops, and particularly those in the West, are of a favorable character. It is early yet, of course, and probably enough there will be a conjunction of weather and other circumstances leading to a scare or two, before the crops have been safely gathered. But at all events, in regard to grain, a considerably larger acreage has been seeded than before, and the crop has begun to grow under conditions which are decidedly favorable. Beyond grain, there is no doubt that considerably increased attention is being given in the West to mixed farming. Competent authorities have been urging its enlargement for years past, and it appears that it is at length being developed. Such development cannot but have a very important influence on Western conditions. The whole outlook in the West, indeed, according to the reports of Western observers, is most hopeful. It has been realised that a condition of permanent prosperity cannot be secured through the constant exchange of squares of prairie land at fabulous prices, and that the only basis of real and continued prosperity is production. Hence the retirement into obscurity of the real estate artist and the advance into prominence of the scientific farmer and the manufacturer.

Of even more far-reaching importance than the favorable crop outlook and the change of mind which has come over the West, is the fact that all over the Dominion there has been for some time past and now is a very decided movement towards economy and thrift. It cannot be seriously pretended that in the past years of plenty, speaking generally, thrift either in public or in private matters has been an outstanding Canadian virtue. But within the last two years a considerable change has been made in this respect and one which makes for a hopeful outlook regarding the future. The necessity of taking care of commitments entered upon, rather lightly, in the days of plenty and of nursing them along until such time as they can be realised to advantage, has forced the restriction of unnecessary and unproductive personal and public expenditure. Not only has economy thus been forced for the present, but probably also the lesson has been widely learned that the fat years do not last for ever, and that it is not a prudent policy to base expenditure on the supposition that they will last. Both in the East and in the West there has been a great wave of economy in the last two years, and it is safe to say that in many cases the lesson has been so hardly learned that the practice will continue when the present urgent need for it has gone, to the great and lasting benefit of the country.

One of the tangible and encouraging signs of this economy has been the increase in the deposits of the banks during recent months. The low point of a downward swing in the banks' deposits which began in December, 1912, seems to have been reached in January last, when their aggregate was \$1,109,827,468 or \$37,000,000 less than the record for December, 1912. Since January, each month has shown an increase. In February the increase was \$34,400,000; in March it was \$13,000,000 (with the March increase the deposits reached a new high record); and in April a further increase of \$9,300,000 was scored, bringing the total to \$1,166,675,024, a new high figure. While probably a large part of this increase was due to the payments

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The Chronicle

Banking, Insurance and Finance

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F. WILSON-SMITH, ARTHUR H. ROWLAND,

Proprietor.

Editor.

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MONTREAL, FRIDAY, JUNE 12, 1914.

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A GLOOMY WEEK.

Unsettlement and depression among Canadian industrials characterized the home financial markets during the past week. A well equipped bear faction in Toronto gets credit for making large profits by means of short sales of industrial stocks which have declined heavily. The traders belonging to this faction are said to have been among the first to sell Dominion Cannery prior to its recent drop; and their selling orders have been in evidence also in case of the Nova Scotia Steel movements of the present week. Of course the trade depression is primarily responsible for much of the weakness in industrial stocks. The falling off in orders has affected the several industries severely, especially the iron and steel industry.

THE LONDON FAILURES.

Then all classes of Canadian securities have been affected adversely by the breakdown of the Grenfell companies in London. These companies have taken a very prominent part in placing Canadian issues in the overseas markets, and there is no doubt they will be missed.

The failures have precipitated heavy declines in

quotations for debentures of the Southern Alberta Land Co. which are rather widely held in England. When British investors have suffered losses in connection with so many of their Canadian ventures, it is unfortunate that a fresh case of this kind should be encountered.

FAVORABLE CROP OUTLOOK.

In Canada itself it does not appear that the depression is growing any worse. Many of the financial and industrial leaders declare that they see signs of improvement. It is certain that the crop outlook in the Eastern and Western provinces is extremely favorable, and if June continues to furnish good weather the crop prospects ought to stimulate trade to some extent in July and August. The bank clearings for May make a fair showing as compared with preceding months in 1914, but they are 10 per cent. less than in May 1913—the heaviest decreases being in the Western cities. Railway earnings for the last week of May and first week of June continue to show important decreases, and apparently there is nothing in sight to cause marked improvement for some months yet.

LESSENER DEMAND FOR BANK CREDITS.

Although the banks are still carrying large loans for account of important industrial concerns, the demands on them for fresh credits are not at all extensive. On the whole the mercantile and industrial concerns are probably giving up capital instead of absorbing it. Most of them are intent upon collecting accounts, reducing stocks of merchandise and reducing expenses. Then the state of affairs existing in the stock market is making for cheaper money, or at any rate for lessened demand for bank credits. Call loans in Montreal and Toronto are quoted 5½ to 6 per cent., and mercantile loans and discounts range from 6 to 7 per cent. as heretofore.

LONDON'S POSITION.

The London market has not been unduly disturbed or upset over the banking failures above referred to. Call money is quoted 1½ to 2 per cent., short bills are 2 5-8 per cent., and three months' bills 2 11-16 to 2¾. Bank rate is maintained unchanged at 3 per cent. The Bank of France and the Imperial Bank of Germany also maintain their official rates unchanged—the former at 3½ and the latter at 4 per cent. In the open market at Paris 2¾ per cent. is quoted for discounts, and the same rate prevails in the Berlin market. Besides the London failures the European markets have been obliged to take account of an unsatisfactory condition of affairs in Paris and a weak position in Austria.

NEW YORK SITUATION.

In New York call loans are 1 7-8 to 2 per cent.; sixty day loans, 2 to 2¼ per cent.; ninety days, 2¼ to 2½; and six months, 3 to 3¼ per cent. In their Saturday statement the clearing house institu-

tions in New York (all members) reported increase of \$3,245,700 in their surplus, bringing it up to \$52,229,900, a new high record for this movement. The gain was effected as a result of cash increase of \$5,034,000 and loan contraction of \$4,093,000. The banks, taken by themselves, had a loan contraction of \$7,813,000 and cash gain of \$7,630,000—the net result being increase of \$7,100,000 in surplus. However, the great ease in money at New York is causing Europe to look there for gold. On Monday and Tuesday this week \$10,500,000 were taken for export bringing the total for the present movement to \$30,000,000.

FAVORABLE FACTORS.

Two favorable factors have contributed to give the securities market in New York an undertone of strength. The first is the crop outlook, and the second the Supreme Court's decision in the Shreveport rate case. The Government's June estimate places the indicated total yield of spring and winter wheat in the United States at 900,000,000 bushels, as against a previous maximum of 763,000,000 bushels. The gain is principally in winter wheat, but spring wheat accounts for an increase of 23,000,000 bushels as compared with last year's actual yield. This wheat outlook is most important in its bearing on the stock and money markets. Hay is also understood to be a bumper crop, and a good feature of the hay and winter wheat crops is that they are already made. Sooner or later, it would seem that there must be a revival of trade in the United States, as a direct result of this crop outlook—it is said that a noticeable increase occurred in iron and steel orders during the first week of June—and Canada is very likely to benefit when the revival materializes.

A SATISFACTORY DECISION.

The court decision in the Shreveport case serves to make it clear that the Interstate Commerce Commission has power to override the various state commissions in the matter of interstate rates, and also intra-state rates when the states seek to put into effect rates which are out of harmony with the general system. The Texas railroad commission had ordered the establishing of certain rates, while the Interstate Commerce Commission held that higher rates should be fixed. The Supreme Court decided in favor of the Interstate Commerce Commission, and the decision is regarded by railways as highly satisfactory.

The records of the Montreal Fire Commissioner's office show an increased number of fires for May as compared with the same month last year. In May, 1913, there were 218 fires and 20 inquiries were held, while during the past month there were 223 fires and 27 inquiries. All the fires were investigated but the causes were so apparent in the majority of cases that no inquiry was deemed necessary.

ASPECTS OF THE OUTLOOK.

(Continued from front page.)

on the Canadian Pacific's note issue, at the same time the increase in deposits is undoubtedly due in part at least to healthier conditions in the Dominion by which a certain amount of real money is being accumulated instead of fresh stock certificates or real estate agreements. It has been pointed out that as the last great upward swing in the banks' deposits from 1908 to 1912 was mainly due to the sale of securities abroad that it is not to be expected that there will be the same marked advance in deposits in the immediate future, owing to the fact that London is not now inclined to take our securities so freely as heretofore. However, even if some of our young financiers in a hurry find it "hard sledding" when they go to London in search of funds, there will always be a steady stream of capital for our high-class loans and undertakings with favorable prospects. This stream of capital, combined with home savings, and the contraction of loans as a result of the trade depression, will probably result in a large growth in the banks' deposits in the comparatively near future, which in time will become available for the next forward movement.

On the whole it would appear that while much depends upon the crop developments of the next few months, there is good ground for an attitude of conservative optimism at the present time. The lessons learned in many cases by harsh experience are now being profited by, and in this way will help to bring about a more cheerful condition of affairs. With regard to the pronounced wave of pessimism on the local Stock Exchanges this week, too much importance can easily be attached to it. Stock Exchange sentiment notoriously runs to extremes.

FILM DEVELOPING HAZARD.

In an interesting review of a recent fire, Superintendent F. J. T. Stewart of the New York Board of Fire Underwriters submits the following conclusions:

"The process of developing and printing nitro-cellulose motion picture films is unusually hazardous and should be isolated in a separate building. If permitted in a building with other occupancies the construction should be fireproof, with standard protection at floor openings. The amount of film in process should be limited to a small quantity in any one room by subdividing with numerous fire resisting partitions and fire doors. The building should be equipped throughout with automatic sprinklers. The use of portable electric lamps, also swinging drops, in occupancies of this character are dangerous and lights in rooms where films are stored or handled should be protected by wire guards or vapor-proof globes."

Bank of England rate was continued yesterday at 3 p.c.

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid up \$11,560,000 Reserves \$13,000,000
Assets \$180,000,000

HEAD OFFICE - MONTREAL.

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service of efficient
and accurate officers
are some of the
advantages gained by
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THE BANK OF NOVA SCOTIA

INCORPORATED 1832.

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Established 1874

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Bank Draft, Telegraphic
Transfer or Cable Transfer

WE CAN TRANSMIT MONEY FOR YOU TO
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GEORGE BURN,
General Manager.

THE IMPERIAL BANK OF CANADA.

Under the skilful guidance of Col. D. R. Wilkie, President and General Manager, the Imperial Bank of Canada has within recent years made great advances both in the scope of its operations and in prestige among the Canadian banking institutions, and at the present time it occupies a position of notable importance which is likely to be further enhanced in the future. Last year on an average paid up capital and reserve fund approaching \$14,000,000, net profits were \$1,236,985, or at the rate of 8.30 per cent. Premiums upon new stock and the large balance forward of \$1,003,989 made the total available on profit and loss account \$2,452,804. Of this amount the 12 per cent. dividend absorbed only \$834,784, and after making various contributions, including \$250,000 provision for depreciation in securities and for contingencies, the increased balance of \$1,265,919 is carried forward.

The balance sheet is notable for the strong liquid position maintained by the Bank. Cash reserves with liquid assets that are realizable irrespective of the condition of trade, represent over 50 per cent. of the Bank's total liabilities to the public. As a result of the shrinkage in trade throughout the country and of the early marketing of last year's grain crops there is a fall in the Bank's note circulation from \$5,803,794 at April 30 last year to \$4,762,347 this year. Deposits, however, show a substantial increase and stand in the present balance sheet at \$58,238,855. Total liabilities to the public are \$63,387,456, against which there are held cash and liquid assets aggregating \$34,473,459, a ratio of liabilities to the public, as indicated above, of over 50 per cent. Current loans and discounts stand at \$41,331,017, compared with \$40,502,609 a year ago, an increase of some \$800,000, occasioned, Mr. Wilkie stated, entirely by renewals of loans which under ordinary circumstances would have been liquidated. The total assets of the Bank are \$78,863,252.

THE BURDEN OF TAXATION.

President Wilkie's speech at the recent annual meeting of shareholders contained, as usual, timely references to a number of matters of present day importance in the commercial and financial development of Canada. In regard to the taxation of the banks, which is ever becoming more burdensome, President Wilkie pointed out that within the last year the provincial taxation upon these institutions has been nearly doubled in British Columbia and almost trebled in Ontario. He continued in reference to this matter:—

The Dominion has exclusive legislative authority over banking, the incorporation of Banks, and the issuing of paper currency. It also has exclusive rights to raise money by any mode or system of taxation. Provincial Legislatures are empowered to levy direct taxation within the Province for Provincial purposes. The Dominion Parliament, for its own uses, has power to duplicate every tax which may be

imposed by any Province. If such a power is ever exercised by the Dominion the consequences to Banks would be serious.

Admitting the authority of the Provincial Legislatures to impose taxation on Banks, there still remains the question as to the extent to which such taxation could be imposed, and it is more than probable that the taxation would be declared unconstitutional, in so far as it might be excessive or hamper the operations of the Banks, created by the Dominion Parliament for the purpose of carrying out the policy of the Dominion Parliament, in providing for and developing the agricultural, manufacturing, mining, lumbering and general interests of the Dominion. It is premature to say that the Provincial and Municipal taxation at present is excessive, but it is unquestionably true that these taxes are already so burdensome as to be a deterrent to the opening of new Branches and to the granting of Banking facilities.

THE BALANCE OF TRADE.

The accounts which President Wilkie gave in regard to the condition of the crops, and the commercial position of the country were, generally speaking, satisfactory. He noted with pleasure the fact that the total imports of the Dominion for the last financial year ended March 31, fell short of those of the previous year by over \$40,000,000, that the exports of the financial year exceeded the exports of 1913 by \$38,000,000, and that the total balance of trade against Canada for the twelve months was only \$172,000,000, as compared with \$300,000,000 for the year ending 31st March, 1913. The adverse balance, President Wilkie pointed out, has been more than provided for by large borrowings abroad on the part of the Provinces, Municipalities, Railway Companies and others, and it has not occasioned the slightest strain upon the financial resources of the Dominion.

A further interesting point made by President Wilkie was that it may be necessary in consequence of the Dominion's growth and development, to establish at a comparatively early date in Canada a bank of re-discount under the patronage of the Dominion Government, with somewhat similar powers to those which have been granted to the reserve banks of the United States. Col. Wilkie's whole address is exceedingly informing in regard to commercial and financial conditions, and both interesting and stimulating in regard to the considerations advanced.

PRESENTATION TO MR. A. MACKAY.

The late General Manager and Secretary of the Law Union and Rock Insurance Company, Mr. Alexander Mackay, has recently been the recipient of a handsome testimonial from the Company's representatives in Canada. The presentation consists of a very valuable service of silver, in a beautiful Old English pattern. The tray which forms part of the service is engraved with the following inscription:—

"Presented to Alexander Mackay, Esquire, by the Law Union and Rock Insurance Company's Canadian Representatives, as a token of their esteem."

Several of the British fire offices, it is said, have suffered losses caused by suffragettes' fires this year of over £20,000 each.

National Trust Co.,

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

**Acts as executor and trustee under will.
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 W. M. BIRKS

TEMPORARY OFFICES:

179 St. James Street

PERCIVAL MOLSON, Manager.

The Royal Trust Co.

ROYAL TRUST BUILDING, 107 St. James St. MONTREAL
Capital Fully Paid - - - - \$1,000,000
Reserve Fund - - - - 1,000,000

BOARD OF DIRECTORS:

H. V. Meredith, President.

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SAFETY DEPOSIT VAULTS:

Bank of Montreal Bldg., 109 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, Nfld.

DIVIDEND NOTICE

Dominion Trust Company

Head Office: VANCOUVER, B.C.

DIVIDEND No. 18

Notice is hereby given that an interim dividend at the rate of 5% per annum upon the capital stock of this Company will be paid on July 2nd, 1914, for the quarter ending June 30th, 1914, to shareholders of record June 13th, 1914.

Holders of share warrants will receive dividends on presentation of Coupon No. 7 at any of the offices of the Company.

The transfer books will be closed from June 15th to 20th, both days inclusive.

By Order of the Board,

A. H. BAIN, Secretary.

VANCOUVER, B.C., JUNE 1st, 1911.

EDWIN P. PEARSON

AGENT

OFFICES:

Adelaide St. East, Toronto

NORTHERN

ASSURANCE CO.



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
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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
 Paid-up Capital, 2,920,000
 Reserve Fund, 1,713,193
 Special Reserve Fund 577,000

MONEY TO LOAN ON REAL ESTATE AND
 SURRENDER VALUES OF LIFE POLICIES.

30 St. James St., Montreal

CANADIAN EXCHANGE SITUATION.

During the latter part of May the market for New York exchange in Montreal and Toronto has been affected by the appearance of grain drafts covering shipments for export released with the opening of inland navigation on May 1. Although an unusually large proportion of the 1913 crop was carried out in the fall of that year there was no sensational decrease in the amount of grain in store this spring ready for shipment at the Lake Superior ports. It appears that practically all the remaining surplus had been carried to the terminals, and the interior elevators were about bare when navigation opened. As soon as the fleet of boats cleared from Fort William and Port Arthur the grain bills covering their cargo would be dispatched to the Eastern centres; and a considerable amount of exchange would be available in New York about the middle of May. The grain exporters, writes a Montreal correspondent, have profited nicely from the fact that New York happened to be exporting gold coin to Europe just at the time their bills on Liverpool or other European ports were available for marketing; not for several years past have they been able to get such high rates for sterling exchange as have recently prevailed.

The exchange situation at the beginning of the spring grain movement favored the Canadian exporters in another way. Their bankers were enabled to bid higher rates for the sterling exchange offered by the exporters owing to the circumstance that New York funds were quoted at a premium in Canadian centres. Thus the bank could sell the sterling exchange at high rates in New York and then it could sell the New York funds (representing proceeds of the sale of sterling) at a premium.

EXCHANGES NOW FAVORABLE.

For the time being the increased supply of grain drafts has apparently turned the exchanges favorable to Canada. For over three months in 1914 New York funds have ruled at a premium—and most of the time the premium has been in the neighborhood of 5.54 per cent—the gold export point. For a week at the end of April the exchange market turned favorable to Canada and New York funds went to a discount of 1-16 per cent. That was thought to have been due to calling of loans in New York by one or two of the large Canadian banks for the purpose of transferring funds to Canada. On May 1, however, New York drafts were again selling at a premium, and they continued to sell above par until the 14th. Since the 15th of May a discount has been quoted.

It is scarcely thought that the grain movement will cause an important movement of gold to Canada at this time. As the supplies of grain at Canadian interior points are very light there will not be much exchange coming on the market after the first rush is over. But, of course, a gold movement to Montreal might be started any time if the large Canadian banks were obliged to call New York loans to meet withdrawal of special deposits. A little later in the year the Montreal and Toronto banks would, perhaps, require to import gold from New York to serve as cover for excess note issues. So if a movement of gold occurs now it would probably serve to lessen the export of metal to Canada in August or September.

WORLD'S GREAT BANKS

A compilation by the London *Statist* showing the deposits and current accounts of sixty-one of the world's great banks, having deposits and current accounts of more than \$100,000,000 includes three of the Canadian banks, the Bank of Montreal, Canadian Bank of Commerce and the Royal Bank. The first two of these, it is interesting to note, stand in this relationship in about the same position as the Imperial Bank of Germany. At the head of the list comes the Imperial Bank of Russia, with deposits and current accounts aggregating \$630,000,000. Lloyds' Bank with approximately \$520,000,000 deposits and current accounts comes second, and the London City and Midland Bank third. The Bank of England is eighth with deposits and current accounts of about \$355,000,000.

GROWTH OF BANKING POWER.

No statement that can be presented will strike the imagination more forcibly than one which gives the individual deposits of all the great banks of the world possessing deposits of \$100,000,000 and over, says the *Statist*. If it be borne in mind that a generation ago the number of great banks with deposits of this sum and over could be counted on one's fingers, that the greatest of them in those days had deposits of no more than \$180,000,000, that at the present time there are no less than 61 banks with deposits exceeding \$100,000,000, and that the deposits of individual banks in these days range up to \$630,000,000, some conception can be gained of the influence now exerted by banking upon the world's affairs. It is true that the great increase in deposits of individual banks has come in some measure from combinations and absorptions. But while this circumstance explains in part the really enormous growth in the deposits of certain banks, it does not affect the great increase in the number of banks possessing deposits of over \$100,000,000 per institution. Indeed, had there been no amalgamations the number of banks possessing this amount of deposits would probably have been still greater than 61.

VALUE OF BANKERS' SERVICES.

The growth in the size of the deposits of individual banks in itself reflects the spirit of the time—the desire to act in co-operation and in combination with others. In the old days people with money favored the private banker, who was entrusted with the secrets of his customers and who guided them with his advice. In these days the private banker has almost ceased to exist, the great banks offering a much greater measure of security to depositors and performing many other services for them at small or no charge. Just as thousands of persons will in these days entrust themselves to the care of the captain of a single great ship and derive an increased measure of safety and protection, so multitudes of persons entrust their cash balances to the care of a single institution, believing their money to be safer and more secure the greater the institution. This tendency to combine and co-operate for mutual advantage has extended to every country, and all over the world great banks have arisen which gather together money that would otherwise lie idle in tills and in boxes, and thus render the sums of great value not only to those who possess them, but to the whole community.

The Basis of the Nation's Wealth

Real Estate is the basis of the Nation's Wealth. It produces that which both man and beast must have to sustain life. With our rapidly increasing population comes the demand for a corresponding increase in the products of the soil, and this demand will never be less than now. Land cannot be destroyed, and with proper care, its producing power may be maintained intact. Land values, therefore, possess that element of permanency that reduces the speculative feature to the minimum.

This Corporation's borrowed funds (Deposits and Debentures) and by far the larger proportion of its shareholder's moneys (Capital Stock and Reserve) are invested in first mortgages on improved, productive real estate. They afford an opportunity to all of investing their money with such absolute safety, we issue our Debentures in sums of one hundred dollars. They are a security in which Trustees are authorized to invest Trust Funds. Write for specimen debenture and copy of Annual Report.

CANADA PERMANENT MORTGAGE CORPORATION

Paid up Capital and Reserve Fund exceed TEN MILLION DOLLARS.

Established 1855

Toronto Street, TORONTO.

AUSTRALIA and NEW ZEALAND

BANK OF NEW SOUTH WALES

(ESTABLISHED 1817)

Paid-up Capital	-	-	-	-	-	-	\$17,500,000
Reserve Fund	-	-	-	-	-	-	11,750,000
Reserve Liability of Proprietors	-	-	-	-	-	-	17,500,000
							<u>\$46,750,000</u>
Aggregate Assets 31st March, 1913							\$236,841,080.00



J. RUSSELL FRENCH, General Manager.

336 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea), and London. The Bank transacts every description of Australian Banking Business. Wool and Produce Credits arranged.

Head Office:
GEORGE STREET, SYDNEY.

London Office:
29, THREADNEEDLE STREET, C.E.

THE HOME BANK OF CANADA

INCORPORATED 1854

SIX OFFICES IN MONTREAL

NINE OFFICES IN TORONTO

Branches and Connections throughout Canada

British and Foreign Correspondents in all the principal cities of the world.

Letters of Credit issued enabling Canadians travelling abroad to have ready access to funds in any foreign city.

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Stocks Bonds and Investments

22 St. John Street,
MONTREAL.

Telephone Main 2540

ROBERT MILLER & CO.

CHARTERED ACCOUNTANTS

Commercial and Municipal Audits and Investigations
Liquidations and Insolvencies.

ROBERT MILLER, C.A., F.C.A., (Can.) C.A. (Scot.)
Cable Address, Western Union Code, "Accuracy" Montreal

Quebec Bank Building

MONTREAL

YOU WOULD LIKE

To write more guarantee bond business?

Give better service to patrons?

Furnish a broader fidelity guarantee?

Obtain Court and Contract bonds promptly?

You can do this if you represent

THE CANADIAN SURETY COMPANY

Head Office, Toronto, Ont.

Agency Applications invited

GOVERNMENT, MUNICIPAL AND CORPORATION BONDS

Our list comprises carefully selected offerings of Canadian Municipal, Government and some of the best class of corporation bond issues suitable for the investment of the funds of banks, trust and insurance companies, estates and private investors. The securities we offer combine the two essentials of a satisfactory investment, namely, safety and good interest return.

WOOD, GUNDY & COMPANY.

LONDON, ENG.

TORONTO, CAN.

ROYAL INSURANCE COMPANY, LIMITED

Directed with both enterprise and discretion, the Royal Insurance Company long since attained that goal of all fire insurance offices—a position where its great wealth and ample resources make it practically invulnerable. Following the last conflagration of world-wide importance, that at San Francisco in 1906, the Royal paid out in losses no less a sum than \$6,250,000. But in the four following years, it restored the ratio of its reserve to the level at which it stood prior to the San Francisco disaster while it also wiped out the draft upon floating funds which the payment of losses entailed. Since then, the position of the Company has been yet further strengthened. Upon such sound and stable foundations, an edifice of imposing dimensions has been erected, and is being steadily added to year by year. At the present time the Company's assets total nearly \$106,000,000, while its annual premium income approaches \$33,000,000. There is every indication also that continued success and prosperity lie before the Company, and that there will be in the future, year by year, a natural extension of its vast operations and a steady increase in wealth and resources.

A FAVORABLE EXPERIENCE.

The following is a comparison of the Company's fire business for 1913 with that of 1912:—

	1913.	1912.
Premiums after deduction of re-insurances	\$20,068,777.95	\$19,991,336.75
Net Losses	10,514,623.86	10,132,172.55
Ratio of Losses to Premiums	52.4	50.7
Fire Fund at end of year	16,060,000.00	16,060,000.00

Again last year a new high record in the amount of premiums received was achieved, bringing them to over \$20,000,000. The loss experience of the year, while not quite so satisfactory as that of 1912, was still favorable, and there was a welcome decrease in the expense ratio. Claims at \$10,514,624 equal 52.4 per cent. of the premiums and are much below the Company's average during its entire career. It is interesting to note that since its organisation, during the 68½ years from June, 1845, to December, 1913, the Royal has paid out in fire losses an enormous sum aggregating \$250,000,000.

GREAT RESOURCES.

The Royal's Fire Fund is maintained at \$16,060,000. Besides this Fire Fund, there is available to meet the obligations of the Royal's fire department, a reserve fund of \$7,786,667 and a profit and loss balance of \$5,107,836, making with the Fire Fund of \$16,060,000, a total of \$28,954,503, equal to 145 p.c. of the premiums of 1913. It is a position of magnificent financial strength.

As usual, we show in the following table the Royal's net premiums, net losses and loss ratio since the opening of the present century. It will be readily seen that since 1901 the fire premiums of the

Company have increased by over 64 per cent. At the same time, the normal loss experience has been such as to allow the building up of reserves of such substantial character as to permit huge conflagration losses to be met with equanimity.

	Net Fire Premiums.	Net Losses.	Loss Ratio.
1901	\$12,213,000	\$ 7,225,000	59
1902	13,448,000	7,038,000	52.3
1903	13,862,000	6,749,000	48.8
1904	14,578,000	8,443,000	58
1905	14,863,000	6,700,000	45
1906	16,699,000	13,145,000	78.8†
1907	17,860,000	8,559,000	47.9
1908	17,975,000	9,439,000	52.5
1909	18,436,000	9,026,000	48.9
1910	18,956,000	9,369,000	49.4
1911	19,240,000	10,240,000	53.2
1912	19,991,000	10,132,000	50.7
1913	20,069,000	10,515,000	52.4

*Baltimore and Toronto conflagrations.
†San Francisco conflagration.

THE LIFE DEPARTMENT.

For no less than 45 years, the Royal has paid the same ratio of profits on its participating life contracts. A new quinquennium closes with the current year, and it is safe to prophesy that policyholders will not be disappointed in the results to be shown by the actuary's valuation. Last year, the Royal issued new life policies for \$9,359,880, this being a record year's life business in the history of the Company. Total premiums for the year, after deducting reassurances, amounted to \$3,930,197, and interest, less income tax, to \$1,943,388. Claims including bonus additions absorbed \$3,308,686. The life fund, which at the beginning of the year stood at \$49,514,489, was increased at its close to \$51,245,246.

THE ROYAL IN CANADA.

The Royal entered the Canadian field sixty-three years ago, and occupies a notable position in Canadian underwriting commensurate with its ample resources and great strength. Its Canadian manager, Mr. William Mackay, and assistant manager, Mr. J. H. Labelle, are well-known throughout the Dominion, and under their able direction a large and increasing fire business is transacted in all parts of the country. Last year the Royal received in Canada net fire premiums, \$1,291,623 and paid out for losses \$767,703. The Royal's life department, of which Mr. R. A. Mannings, of Montreal, is secretary, also shows steady expansion in its Canadian business. Last year new policies were issued in Canada aggregating \$1,493,302, the net amount in force at the close of the year being \$7,100,648. In view of the magnificent position occupied by the Royal and the skilful Canadian management at its disposal, it is to be anticipated that year by year the Royal's Canadian interests will continue to advance and become an increasingly important factor in the progress of this great Company.

Guardian Assurance Company

Limited, of London, England

Subscribed Capital, \$10,000,000 Paid-up Capital, \$5,000,000

Total Assets, over \$33,000,000

Deposited with Dominion Government, over \$600,000

Canadian Branch: Head Office, Guardian Building, MONTREAL.

CANADIAN TRUSTEES

**J. O. GRAVEL,
K. W. BLACKWELL,
TANCREDE BIENVENU.**

H. M. LAMBERT, Manager.

**BERTRAM E. HARDS,
Assistant Manager.**

SIX FACTS

from the 67th ANNUAL REPORT of the Canada Life Assurance Company

In important respects the Company in 1913 excelled its record for any previous year in its history.

1. THE SURPLUS EARNED in 1913 was \$1,709,959.66, exceeding by over \$179,000 the earnings of 1912, and by a much larger amount the earnings of any previous year. The present net surplus is \$6,183,278.39.
2. THE INCOME of \$8,094,885.70 was greater than that of the previous year by \$698,125.96, and the greatest in the Company's history. The rate of interest earned, which had been steadily advancing since 1899, was further improved in 1913. This is an important factor in producing surplus.
3. THE ASSETS were increased by \$3,860,271.32, and now stand at \$52,161,794.81.
4. THE TOTAL ASSURANCES now in force are for \$153,121,363.94, an increase of over \$8,273,000 in the year.
5. THE PAYMENTS TO POLICYHOLDERS in 1913 totalled \$2,878,016.11, an increase of \$415,051.31 over those of 1912. In addition to this, LOANS TO POLICYHOLDERS on security of their policy contracts were made for \$1,692,248.71.
6. THE MORTALITY of the year was again more favorable than the expectation, and this, with a continued LOW EXPENSE RATIO, contributed to the earning of a record surplus.

ROYAL INSURANCE COMPANY LIMITED.

NOTICE TO AGENTS.

Agents of this Company can refer prospective assurers to our unique record of having paid the same rate of profits to our policyholders for the past 45 years. Insurances in force over \$112,000,000, Assets over \$48,000,000. Most favourable terms to Agents. Address the Secretary, Royal Insurance Company Limited, Life Department, Montreal.

QUEEN INSURANCE COMPANY.

FIRE INSURANCE ONLY—ABSOLUTE SECURITY

WM. MACKAY, Manager.

J. H. LABELLE, Asst. Manager

VANCOUVER JOURNAL'S "INSURANCE SECTION": AN EXAMPLE OF ITS METHODS.

The following correspondence with and extracts from a weekly journal called *Saturday Sunset* of Vancouver, speak so clearly for themselves as to require no comment. They will doubtless be read with keen interest by insurance managers throughout Canada. The addresses given are as in the originals.

(Copy).

April 3, 1914.

Messrs. North British & Mercantile Insurance Co.,
Messrs. Randall & Davidson,
Toronto, Ont.

Dear Sirs:—

Did you purposely ignore our letter of recent date asking for copies of your last two annual reports, or have you delayed answering for some other reason?

Gentlemen, this matter is of importance to you. In the Insurance section which we will open very shortly in the *Saturday Sunset*, we will probably be called upon for information or advice about your company. Now you know we can obtain this information elsewhere, but we believe it is only right to go to headquarters for it first. Will you also send us samples of each of the policies which you issue?

There is no doubt you will find it a profitable investment to be represented in this section in an advertising way after the work has started. Why not obtain the added prestige by having an advertisement beginning with the first issue?

In any case let us hear from you with the information requested, by return.

Yours very truly,

SATURDAY SUNSET.

(signed) L. L. BAIR.

(Copy).

Montreal, 13th April, 1914.

L. L. Bair Esq.,

"Saturday Sunset,"

Vancouver, B.C.

Dear Sir:—

You order me in your letter of the 3rd inst., to at once supply you with our last two annual reports, and with a sample of our policy.

I am not aware that I received a previous communication from you. You will get the necessary information you seek from the Blue Book, and I cannot give you a sample of our policy, but I might say, that, as you possibly know, we, and all other companies, are subject to B. C. Government Statutory Conditions.

Believe me,

Yours faithfully,

(signed) R. DAVIDSON,

Manager.

N. B. & M. Ins. Co.

(Copy).

Vancouver, April 20th, 1914.

Mr. R. Davidson Esq.,

North British & Mercantile Ins. Co.,
Montreal.

Dear Sir:—

Your favor of the 13th inst., is at hand and carefully noted. We will be guided accordingly.

Yours very truly,

SATURDAY SUNSET.

(signed) L. L. BAIR.

Extract from issue of *Saturday Sunset*, Vancouver,
June 6th, 1914.

IS SOMEWHAT DISTURBED.

Kerrisdale—

Editor Insurance Department,
"Saturday Sunset."

Dear Sir:—

An acquaintance of mine only secured a part of his policy by adjustment, when a loss was by fire. The policy was in the North British & Mercantile Insurance Co. I have a policy in the same company, and have been somewhat disturbed by the affair. Can you give me any information about this company. I understand that it is an old and strong company.—C.A.B.

C.A.B.—When will people fully understand that insurance is the most important thing they buy. When a policy becomes payable, be it fire or life, we usually need it badly, and it is at such times that a company may take advantage of an individual to settle a claim for less than the face of the policy on some technicality. The Company you mention is an old and strong company, but I notice in the last report of the United States office that I have where claims aggregating about \$75,000 have been resisted, and that \$384,000 are in course of adjustment.

The Head Office for Canada refused to furnish me with either financial statement or sample of policy, and I cannot, in view of circumstances, and your own statement, recommend it.

The Company which this new "insurance expert" cannot recommend has been transacting business in Canada since 1862, and as every insurance man will bear witness has a record for probity and fairness that any company might envy.

The calibre of this new "expert" can be gauged from the fact that he cites the figures of claims in course of adjustment (at the close of the year, be it noted) as telling against the company. Any fool—except this insurance "expert"—knows that in the course of business some transactions are in suspense at the close of the financial year. But apparently this "expert" (a blessed word this) thinks that if a fire company receives a claim for a fire at ten minutes to six p.m. on December 31, it ought to pay it before the office closes at six p.m. without troubling to verify, it in order to have no losses unadjusted at the close of the financial year.



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, **\$38,800,000**

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

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

11 ST. SACRAMENT STREET
 MONTREAL, P.Q.

INSPECTION OF MONTREAL'S WATER SYSTEM.

Last Saturday a delegation of the Canadian Fire Underwriters' Association waited upon the Mayor and Controllers of Montreal, to ask that an inspection should be made of the water works system, and generally the fire protection arrangements of the City by the engineers of the National Board of Fire Underwriters, who have inspected many hundreds of the cities of the United States. Since the interview the underwriters have sent to the city authorities a number of reports on various cities made by these engineers, and stating that they hope to have to-day (Friday) a definite reply from the city authorities as promised, and that the city authorities will be willing to co-operate with the Fire Underwriters in this inspection.

It was explained by the delegation that their suggestion arose as a result of the water famine last December, and of the shortage of water at various fires. At the same time, they did not contemplate the criticism of any particular official or ask for an enquiry as to the cause of the break in the conduit. Mr. Harold Hampson, President of the Association, stated he was not satisfied that things were all right with the city water works, but being a layman he preferred not to express his own opinion more definitely, and he added that some of the underwriters seriously considered last winter withdrawing from Montreal.

Controller McDonald said he understood the proposed report of the inspection would state whether the city was sufficiently protected with a water supply or not, as the case might be, and that the report would not suggest how the water supply should be improved, that being for the city to decide.

To this the delegation replied in the affirmative. To the suggestion of Mr. Cote on having the opinion of the engineers of the underwriters on the fire protection from the pump house to the city, the delegation said they were agreeable.

"I suppose," said Controller McDonald, "that if your report shows the fire protection is very good, the insurance rates will go down, and if very bad they will go up."

Mr. Hampson replied that last winter the underwriters had played the part of good citizens and had decided not to raise the rates.

"Then unless the report is very pessimistic you will not raise the rates," asked Mr. McDonald, and to that the reply was "No."

In the course of the interview it transpired that the city authorities contemplate a high pressure system in the business district. In regard to this question of inspection it is to be hoped that the city authorities will cordially co-operate with the underwriters. An inspection of this kind by competent engineers will give an unprejudiced and full statement regarding Montreal's position in regard to its water supply and fire protection facilities. If the city authorities do not feel inclined to co-operate it would seem to be an opportunity for business men's organisations to bring pressure to bear on them to compel them to do so.

A FOOLISH ARGUMENT.

The agency journal of a Canadian fire company which has apparently been inoculated with some of Mr. Henri Bourassa's nationalist theories, prints a table showing the amount of the expenses paid by Canadian, British and Foreign fire companies operating in Canada in 1912, and propounds the query "which of the foregoing is returning the most to the Canadian ratepayer"?

As it happens, the Canadian fire companies paid out more in expenses than the British companies, although their premium income in 1912 was only 75 per cent. of that of the British companies. But we should hardly have thought that the 40 per cent. expense ratio, such as the Canadian companies have, was a thing to be proud of and boast about. A high expense ratio as a reason why a company should be patronised is new—and *naïf*.

The queer thing is that a company which has sufficient merits of its own to justify an ample patronage, should go to the expense of putting forward in print stupid arguments of this kind, which are ridiculous to anybody but the profoundly ignorant. Is it the idea to impress these?

THE MAY FIRE LOSS.

The losses by fire in the United States and Canada during the month of May, as compiled from the records of the New York *Journal of Commerce*, aggregated \$15,507,800, as compared with \$17,225,850 reported in May last year. The following table gives a comparison of the losses by months this year with those of the same months in 1913 and 1912, together with the monthly record for the balance of those years:

	1912.	1913.	1914.
January.....	\$35,653,150	\$20,193,250	\$23,204,700
February.....	28,601,650	22,084,600	21,744,200
March.....	16,650,850	17,511,000	25,512,750
April.....	16,349,400	16,738,250	17,700,800
May.....	21,013,950	17,225,850	15,507,800
T'1 5 months...	\$118,269,000	\$93,751,950	\$103,670,250
June.....	16,103,450	24,942,706
July.....	15,219,100	20,660,900
August.....	14,158,800	21,180,700
September.....	13,779,300	17,919,300
October.....	13,651,650	14,932,750
November.....	16,172,300	15,207,600
December.....	17,967,000	16,126,450
Total for year..	\$225,320,900	\$224,723,350

There were during May some 241 fires each of which caused an estimated property damage of \$10,000 or over.

The May fires were as a rule of moderate size and well distributed over the field, except that there was a large cotton fire at Galveston, Texas, and an expensive lumber loss at Cleveland, Ohio. While May, 1914, shows a reduction as compared with the aggregate for May, 1913, the total for the year so far exceeds the sum chargeable against the same period of 1913 by about ten million dollars.

New York bankers are recorded as anticipating that the present gold movement to Europe will pass the \$100,000,000 mark before ending.

GROWTH OF THE WORLD'S WEALTH.

(By Sir George Paish.)

At no time in history has the economic condition of the world improved as rapidly or as much as in the past hundred years, and at no time has the mental uplift of the average man been greater. Nor has progress been confined to one or two nations, as it was apt to be in former times; it has extended round the world from East to West and from North to South. All countries have not advanced at an equal rate, but all have progressed in a marvellous manner. To describe in detail the economic and mental improvement of the past century would need volumes. One has, however, merely to refer to a few things to show the greatness of the progress.

EUROPEAN INCREASES.

The wealth of the United Kingdom in 1814 was computed at about £2,500,000,000, while a conservative estimate would place it now at about £17,000,000,000, a sixfold increase, while population has grown less than two-and-a-half-fold, or 130 per cent. The income of the British people in this period has increased about eightfold, from £300,000,000 to £2,400,000,000. The wealth of France has expanded five-fold, from under £2,000,000,000 to nearly £10,000,000,000, while her income has risen from £250,000,000 to about £1,200,000,000 with only a one-third-fold (33 per cent.) increase in population. The progress of Germany has been equally remarkable. A century ago there was no Germany—only a number of German States by no means over-burdened with income or with riches. Their aggregate wealth and income were probably less than France's. Now United Germany is estimated to possess an income of nearly £2,000,000,000 and accumulated wealth of about £16,000,000,000. During the century Germany's population has grown from 24 millions to over 67 millions, or 180 per cent.

GROWTH IN YOUNGER COUNTRIES.

But if the economic welfare of the older countries has improved in this remarkable manner, what of the younger States, which have attracted vast numbers of persons from the densely populated districts of Europe? The progress of the new countries is still more noteworthy, and the advance in the well-being of their cities still more marked. For the most part the persons who migrated to them were inconceivably poor and destitute, and these have attained incomes and wealth much greater, on the average, than persons who elected to remain in the older countries. During the last hundred years the wealth of the United States has increased from about £350,000,000 to something like £30,000,000,000, or nearly ninetyfold; and the income has risen from less than £100,000,000 to about £7,000,000,000 a year, while population has grown from 8 millions to 98 millions, a twelvefold expansion. The progress of the other young countries has been small in comparison with the growth of wealth in the United States; nevertheless, when one remembers the meagreness of the population of Canada, of Australia, of the Cape, and of South America, and the smallness of their incomes in the early part of last century, the really wonderful advance in their economic well-being becomes apparent.

THE CREDIT SYSTEM—GREAT BRITAIN.

In no other country is the credit system as highly developed as in Great Britain. Environment and

character seem to have created a spirit of enterprise, a willingness to take risks, and a confidence in the integrity of others in greater measure in the British than in other nations. But, whatever may be the cause of their action, the fact is that the British people have provided a larger amount of capital than any other country for developing the supplies of natural wealth throughout the world wherever found. Beyond this, British bankers, by means of the large sums deposited with them, finance the larger part of the world's international commerce, and it is computed that about £450,000,000 of British money is employed in the discount of international bills. Furthermore, the British people lend large sums to individuals, corporations and governments in many countries for temporary purposes, over and above the vast sums supplied as permanent capital. Lastly, British banks have been created to operate in a great many colonial and foreign countries, and not only is the capital of these institutions British, but they are supplied with large amounts of deposits obtained in this country. In fact the spirit of confidence and of trust, which has animated the people of Great Britain in an increased degree in the past century, has caused them to place the greater part of their rapidly growing savings at the service of others, both at home and abroad. It is evident that upwards of £10,000,000,000 of British capital out of £17,000,000,000 is now employed by other than the owners, and that of this sum about £4,000,000,000 is embarked in colonial and foreign countries. Could the spirit of trust and of confidence in the good faith of others be greater than this? One has difficulty in realizing that only a century ago almost the whole of the country's wealth, which then was so small, was carefully guarded by its possessors, who employed it mainly in the cultivation of land, in the construction of houses, in factories, and in mercantile establishments, to which they gave personal supervision.

INCREASED WEALTH OF YOUNG COUNTRIES.

No group of countries has derived greater advantage from the credit system than the various agricultural States of the New World, which have obtained vast supplies of capital from Europe.

It is evident that the young countries would have developed very slowly indeed if they had been unable to borrow the capital needed by incoming immigrants to place them on the land and in the mines, and thus to gain access to the inexhaustible supplies of natural wealth which these countries contain. The amount of capital obtained by the United States from abroad is calculated to reach £1,200,000,000, while the amount of foreign capital invested in Canada is about £700,000,000. In Argentina foreign investments of capital now exceed £500,000,000, and in Brazil about £300,000,000. In the whole of North and South America the investments of foreign countries are not far short of £4,000,000,000, including the investments of the United States in Mexico, Canada and other countries. Of this total Great Britain has supplied about £2,300,000,000. Australia and New Zealand have been supplied with nearly £500,000,000 of foreign capital, almost entirely British, and South Africa with about £450,000,000. The capital entrusted to Russia, largely by France, but also by Germany, Holland, Belgium and Great Britain, is about £800,000,000. The expenditure of these vast sums has transformed the wilderness into cultivated farms,

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	124,500,000
Total Fire Losses Paid	164,420,280
Deposit with Dominion Government	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

Surplus over Capital and all Liabilities exceeds

\$10,000,000

Canadian Branch:

15 Wellington Street East, Toronto, Ont.

H. M. BLACKBURN,

LYMAN ROOT,

Manager.

Assistant Manager.

This Company commenced business in Canada by depositing \$300,000 with the Dominion Government for security of Canadian Policy-holders.

ESTABLISHED 1808

Total Funds Exceed

\$109,798,258.00

Canadian Investments Over

\$9,000,000.00

FIRE AND LIFE

North British and Mercantile

INSURANCE COMPANY

DIRECTORS

CHAS. F. SISE, ESQ., G. N. MONCEL, ESQ.,
W. M. MCMASTER ESQ.

Head Office for the Dominion:

80 St. Francois Xavier Street - MONTREAL.

Agents in all the principal Towns in Canada.

RANDALL DAVIDSON, Manager.

INSURANCE Phoenix of Hartford Company

Total Cash Assets : \$11,404,634.79

Total Losses Paid : 70,700,545.46

J. W. Tatley, Manager.
MONTREAL.

Applications for Agencies Invited.

— THE —

Continental Reinsurance Syndicate

CAPITAL STOCK

Subscribed \$10,862,507

Paid Up 2,036,538

Surplus, 1912 1,488,906

Premium and Loss Reserve,
\$6,827,138

General Agents:

BRANDT & FISHER,
22 MÖNCKEBERG-STR., RATHAUS-HÖRN,
HAMBURG, GERMANY.

and has opened up for the use of the whole world inexhaustible supplies of vegetable and mineral wealth.

But the advantages of the credit system are infinitely greater than the mere investment of foreign capital in these countries. By means of the foreign capital tens of millions of persons have been transported from the densely populated countries of Europe to lands where there was practically no population and where there was the opportunity of gaining incomes not only large enough to supply the newcomers with food and clothing in abundance, but to enable them to provide themselves with great quantities of additional capital. In the earlier part of last century the United States depended on Europe, and especially on Great Britain, for the greater part of the new capital needed for their development. To-day the accumulations of the American people are greater than those of any other nation. It is true that additional amounts of foreign capital are still invested in the United States, but the amount is insignificant in comparison with the country's own savings. The wealth of the United States is growing at the rate of about £1,400,000,000 per annum, whereas the investments of Europe in the country rarely exceed £60,000,000 in a single year, and in some years are nothing at all on balance.

UNLICENSED FIRE INSURANCE IN CANADA.

A table in the newly published preliminary annual report of the Dominion Superintendent of Insurance refers to the fire insurance carried on property in Canada by fire insurance companies, associations or underwriters, unlicensed to transact business in the Dominion. This return is made under the provisions of section 139 of the Insurance Act of 1910. By this section, it will be within recollection, it is provided that "any person may insure any property situated in Canada with any British or foreign unlicensed company or underwriters and may also insure with persons who reciprocally insure for protection only and not for profit; and any property insured or to be insured under the provisions of this section may be inspected and any loss incurred in respect thereof adjusted: provided such insurance is effected outside of Canada and without any solicitation whatever directly or indirectly on the part of such company, underwriters or persons, by which or whom the insurance is made."

INCREASING BUSINESS TRANSACTED.

The present table published by the Superintendent of insurance is compiled from returns made by people who thus insure their property. These returns are required to include the location and a brief description of the property insured, the amount of the insurance, and with what class of insurers the business is done. Under this section 139, which was strongly protested against by licensed underwriters at the time of the passing of the Act, a considerable and increasing business is done. The amount of insurance of this kind in force in Canada, according to the preliminary report now issued, was at December 31, 1913, \$238,221,143, or about 7.7 per cent. of the amount which the licensed companies reporting to the Dominion Government had in force on the same date.

It is to be noted in this connection that between the preliminary and final reports last year there was

a difference of about \$17,000,000 in the amount of this unlicensed insurance reported. Assuming that the present return is incomplete to a similar extent, the amount of this unlicensed insurance in force at December 31 last was over \$250,000,000.

LLOYDS MAKING HEADWAY.

The following tables show the amount of this insurance in force for both 1912 and 1913. In regard to the comparative figures for reciprocal underwriters and mutual companies, apparently the Government departments classify these figures very loosely at first and afterwards re-classify them. Last year in the preliminary report reciprocal underwriters were credited with about \$14,000,000 of this insurance and mutual companies with \$86,000,000, but in the full report the figures were almost reversed. It is evident Lloyds associations made pronounced headway in the Canadian fire business last year. In 1912, they showed a gain of but \$12,000,000 business in force. But last year there was an advance of nearly \$23,000,000 and probably the final figures will show their gain to be even larger than this.

SITUATION OF PROPERTY BY PROVINCES.

	1913.	1912.
Nova Scotia.....	\$ 5,356,818	\$ 6,248,355
New Brunswick.....	13,572,462	6,016,120
Quebec.....	70,608,950	65,989,072
Ontario.....	93,065,462	86,195,135
Manitoba.....	13,393,694	14,042,584
Saskatchewan.....	9,330,760	7,691,890
Alberta.....	12,042,668	10,490,611
British Columbia.....	20,146,029	17,971,201
Prince Edward Island.....	2,300	1,000
Yukon.....	702,000
	\$238,221,143	\$214,645,888

NATURE OF PROPERTY INSURED.

Lumber and lumber mills.....	\$16,008,121	\$17,760,827
Other industrial plants and mercantile establishments.....	135,176,889	117,327,225
Stock and merchandise.....	31,744,363	54,390,476
Railway property and equipment.....	54,481,273	23,842,465
Miscellaneous.....	720,493	1,324,965
	\$238,221,143	\$214,645,988

NATURE OF INSURERS.

Lloyds Associations.....	\$94,294,773	\$71,776,895
Reciprocal Underwriters.....	22,604,843	90,216,190
Mutual Companies.....	94,226,666	15,215,432
Stock Companies.....	27,094,861	37,437,471
	\$238,221,143	\$214,645,988

Colonel Edye, Chief Commissioner, Trust & Loan Company of Canada, arrived in Montreal this week from England where he has spent the last few weeks. Colonel Edye while in London attended the annual meeting of the Company.

Mr. C. W. I. Woodland, joint manager for Canada, Employers' Liability Assurance Corporation, Limited, left for England this week. He was accompanied by Mr. John Jenkins, Fire Superintendent for Canada of the Corporation.

London cables announce that of the £5,000,000 new Dominion Government loan 12 per cent. has been subscribed by the public. In consequence, the balance of £4,400,000 is left with the underwriters. However, the entire loan had been underwritten by some of the most powerful financial houses in London.



The Employers' Liability

Assurance Corporation Limited

" " " OF LONDON, ENGLAND " " "

TRANSACTS:

Personal Accident, Health, Liability,
Fidelity Guarantee and Fire Insurance.

Most Liberal Policies Issued

Offices: **MONTREAL, TORONTO**

Managers for Canada, **GRIFFIN & WOODLAND.**

JOHN JENKINS, Fire Superintendent.

Canadian
Government
Deposit : : :

\$1,021,187

STANDS FIRST
In the liberality of its Policy Contracts, in financial strength, and in the liberality of its loss settlements

THE CANADA ACCIDENT ASSURANCE COMPANY

HEAD OFFICE: **Commercial Union Building, MONTREAL**

CAPITAL \$500,000.00

Personal Accident, Sickness, Plate-Glass, Guarantee and Liability Insurance.

Board of Directors:

S. H. EWING, President **J. S. N. DOUGALL, Vice-President**
HON. N. CURRY, **JAMES MCGREGOR,** **J. K. OSBORNE,** **T. H. HUDSON**
T. H. HUDSON, Manager.

TORONTO:
Traders Bank Building

VANCOUVER

WINNIPEG

MONTREAL
Merchants Bank Building

FOUNDED 1871

The OCEAN ACCIDENT & GUARANTEE CORPORATION, Limited

of LONDON, England

Accident, Health, Employers' Liability, Guarantee and Plate Glass Insurance
UNRIVALLED SECURITY LIBERAL POLICIES

ASSETS EXCEED - - - \$11,250,000
CLAIMS PAID, over - - - \$45,000,000

Canadian Head Office - - - - **TORONTO, Ontario**

CHARLES H. NEELY, General Manager for Canada and Newfoundland

The CANADIAN RAILWAY ACCIDENT INSURANCE COMPANY,

112 ST. JAMES STREET, MONTREAL, CANADA

All classes of Personal Accident and Health Insurance, Employers' Liability, Elevator Liability, Teams Liability and Automobile Insurance.

LOWEST RATES CONSISTENT WITH SAFETY.

All Policies Guaranteed by The Liverpool and London and Globe Insurance Co., Limited.

ASSETS OVER FIFTY-SIX MILLION DOLLARS.

WORKMEN'S COMPENSATION RATES.

In view of the Workmen's Compensation developments in Ontario and elsewhere in Canada, it is of interest to note that the New York Insurance Department has determined a basis of adequate minimum rates for insurers of employers against liability for compensation under the Workmen's Compensation Law, in accordance with which the adequacy of rates to be filed by insurance corporations and associations shall be judged for approval.

The conclusions of the Department have been reached only after most thorough investigation on the part of its experts who have been employed upon the work not only since the passage of the Workmen's Compensation Law, but for months prior thereto, in anticipation of its passage; and also after repeated conferences with representatives of insurance companies engaged in the business of liability insurance, at which the subject was very fully discussed.

At all the conferences held upon the subject, Governor Glynn has insisted, in the interest of the manufacturers and employers of labor of the state, that the new burden put upon them by this new law should be as light as possible. This view of the Governor has had the sympathetic support of the Insurance Department, and the effort has been at all times, while determining what would be adequate rates, to have these rates as reasonable as it was possible to make them consistent with the solvency of the insurance carriers.

Of course, the large compensation given to injured workmen and to the dependents of those who are killed—much larger than provided in similar laws of any other state—necessitates a larger premium for this liability and compensation insurance than is necessary in these other states.

ADEQUATE RATES INSISTED UPON.

The legislature has imposed upon the superintendent of insurance the duty of approving the adequacy of rates to be charged for compensation insurance by stock and mutual companies. This has placed upon the superintendent the responsibility of determining not only adequate but reasonable rates to be paid by the employers in this state. In order to ascertain the facts, the department has made a careful investigation of the subject and has invited the views of all the best experts thereon. Differences of opinion have developed among such experts as to what is the proper basis for New York rates. All of them, however, have agreed that Massachusetts experience is a substantial basis for rate-making in New York. The principal elements about which the discussion revolved itself were: first, what factor should be allowed for the incompleteness of experience of the Massachusetts outstanding claims; second, what was the proper factor representing the difference between the laws of New York and Massachusetts; and, third, what was a proper loading for administration and acquisition expenses.

The Superintendent, acting in conformity with the views of the Governor, has determined to reject all conclusions which appear to be extreme and to adopt a formula for the calculation of rates which will produce a loss ratio of 66 2-3 per cent. and an expense ratio of 33 1-3 per cent. The conclusions of the department as to what will constitute adequate minimum rates are embodied in the memorandum which follows:

SCHEDULE OF RATE BASIS.

Schedules of rates to be filed by companies pursuant to the provisions of section 67 of the insurance law, in order to receive department approval as to adequacy, must be constructed on the following basis:

1st. Pure premiums as shown by Massachusetts Schedule Z modified by the experience in other compensation states and by the grouping of analogous hazards in minor classifications.

2nd. To such pure premiums should be added a loading of at least 8%, for the purpose of covering incompleteness of experience on outstanding claims, and the catastrophe hazard.

3rd. For the difference representing the greater benefits provided by the New York Law above those of the Massachusetts law, a factor of 2 should be used as a multiplier.

4th. For administration expenses, including acquisition, loss adjustments, inspections, taxes, and all other expenses, a loading of 33 1-3% of the gross premiums will be required. The department will not prescribe the manner in which the 33 1-3% margin allowed for expenses shall be distributed by the companies. It will, however, require that the companies do not expend a greater amount of the premium for the purposes above indicated.

With this information in their possession, the department will expect the companies to proceed immediately with the printing of the manual of rates, and to submit the same for approval not later than Monday, June 15th. The department now has in preparation a manual constructed on the above mentioned basis. Companies that submit manuals which conform to the department minimum rates, or that provide for adequate rates in excess of such minimum rates, will receive department approval as a matter of course. Manuals prepared on different formulae will require a reasonable time for consideration.

Minimum rates prepared in accordance with the formula outlined here will be subject to the following reductions:

1st. On policies excluding the medical benefits provided in section 13 of the Workmen's Compensation Law, a discount of 20% will be permitted.

2nd. On policies of employers whose plants have been inspected in accordance with a schedule filed with this department, such schedule taking into consideration the accident experience of the plant, reductions will be granted to the extent of the results shown by the inspection report and record of experience. In no case, however, will a reduction be permitted that is greater than 40% of the manual rate. A plan is now being formed by which employers will receive the benefit of an early credit on basis of inspection and experience by a central inspection rating bureau. Such bureau will be composed of the various insurance carriers in this state, and will be under the immediate supervision of the department.

With the reductions as above indicated, the gross premium shown by manual rates will be subject to a reduction of approximately fifty per cent. Employers securing the benefits of above reductions, will have their premiums practically cut in half. It is confidently expected that the work of inspections and merit rating will be completed by September 1, 1914.

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated : 1833.

HEAD OFFICE : TORONTO

Old Reliable Progressive
Assets over - - \$2,300,000.00
Losses paid since organization
over - - \$37,000,000.00

DIRECTORS:

W. R. BROCK, President

W. B. MEIKLE, Vice-President

ROBT. BICKERDIKE, M.P.
E. W. COX
H. C. COX
JOHN HOSKIN, K.C., LL.D.
D. B. HANNA
ALEX. LAIRD

Z. A. LASH, K.C., LL.D.
GEO. A. MORROW
AUGUSTUS MYERS
FREDERIC NICHOLLS
JAMES KERR OSBORNE
COL. SIR HENRY M. PELLATT
K. R. WOOD

W. B. MEIKLE,

General Manager

E. F. GARROW,

Secretary

THOMAS F. DOBBIN, Resident Manager
MONTREAL



**NORWICH UNION
FIRE INSURANCE
SOCIETY LIMITED**
Norwich, England

INSURANCE AGAINST:
FIRE ACCIDENT AND SICKNESS
EMPLOYERS' LIABILITY PLATE GLASS

Head Office for Canada TORONTO
Head Office for Province of Quebec, MONTREAL
Agents wanted for the Accident Branch.

JOHN MacEWEN, Superintendent for Quebec.

The LIFE AGENTS MANUAL, \$3.00
THE CHRONICLE - MONTREAL

First British Insurance Company Established in Canada

A. D. 1804

Phœnix Assurance Co. Ltd.

OF LONDON, ENGLAND. (Founded 1782)

FIRE

LIFE

TOTAL RESOURCES, over - - \$78,500,000.00
FIRE LOSSES PAID - - 425,000,000.00

DEPOSITS with Federal Government and
Investments in Canada, for security
of Canadian policyholders only, exceed 2,500,000.00

AGENTS WANTED IN BOTH BRANCHES. Apply to

R. MacD. Paterson, | Managers.
J. B. Paterson,

100 St. Francois Xavier St. - Montreal

Established 1864.

New York Underwriters Agency.

A. & J. H. STODDART REGISTERED
100 William Street, NEW YORK

PROVINCIAL AGENTS.

MURPHY, LOVE, HAMILTON
& BASCOM,
Toronto, Ont.

OSLER, HAMMOND & NANTON,
Winnipeg, Man.

ALFRED J. BELL,
Halifax, N.S.

AYRE & SONS, LTD., St. John's, Nfld.

JOHN. WM. MOLSON
& ROBERT Y. HUNTER
Montreal, Que.

WHITE & CALKIN,
St. John, N.B.

EDMUND T. HIGGS,
Charlottetown, P.E.I.

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

L'UNION

FIRE INSURANCE COMPANY, Limited

Head Office : PARIS, France.

Established 1828

Capital fully subscribed . . \$ 2,000,000.00
Net Premiums in 1912 . . . 5,303,255.00
Total Losses paid to 31st Dec., 1912 86,000,000.00

Canadian Branch :

LEWIS BUILDING 17 ST. JOHN STREET, MONTREAL

Manager for Canada :

MAURICE FERRAND

BRITISH COLONIAL FIRE INSURANCE COMPANY

Office : ROYAL BUILDING, 2 Place d'Armes, - Montreal.

STRONG AS THE STRONGEST

Agents wanted in Unrepresented Districts

President : HON. C. E. DUBORD

Director and Secretary : THEODORE MEUNIER

Manager : H. W. THOMSON.

INSPECTORS.

GAVIN BROWN, Jr., 51 Yonge Street, Toronto, Ontario.

R. T. BROWN, P. O. Box 849, Regina, Sask.

B. A. CHARLEBOIS, P. O. Box 208, Montreal, Que.

THE "OLD MASTERS" CASE: JUDGMENT FOR THE FIRE COMPANIES.

The eight fire companies who resisted a claim by Mr. Robillard de Mezuel, of Sherbrooke street, Montreal, for some \$55,000 damage to alleged "old masters" by fire have been justified in their action by the Montreal courts, Mr. Justice Panneton having upheld the companies' contention that the alleged "old masters" are not "old masters" at all. His Lordship, in reviewing at great length the evidence adduced pro and con in the case, pointed out that the testimony of the three experts who attested to the authenticity of the paintings was in no wise positive. They declared that if such and such a picture were by such and such an artist, it would be worth a certain price. On the other hand, the witnesses who were called on behalf of the insurance companies were most positive in their evidence, attacking the authenticity of the paintings. These witnesses were all men of undoubted experience in matters of art, and their testimony had been substantiated by a mass of data showing just where certain paintings known to be originals were located.

His Lordship found that the plaintiff, de Mezuel, had suffered loss to the extent of \$1,433.50, this amount being made up as follows: \$992 cost of restoring and repairing the paintings injured in the fire; \$40 covering the loss of two alleged Gobelins; \$401 damage to the house furniture. The plaintiff had claimed some \$55,000 to cover his loss. The court handed down judgment in the case against one of the insurance companies alone. This company had issued insurance to the extent of \$15,000 on the effects. The court found that its proportionate share in the covering of the loss was \$237.80. Judgment was accordingly handed down for this amount. The disposition of the other cases will be held over to avoid costs, pending a decision in a higher court, if an appeal, as is most likely, be taken thereto.

MONTREAL WATER & POWER COMPANY.

The Montreal Water and Power Co., at the annual meeting of shareholders held on Wednesday, reported for the year ended April 30th last a gross revenue of \$783,689, an increase of \$112,005 or nearly 17 per cent. over gross for the previous year, which was then the best in the history of the company. As operating expenses increased only about \$25,000 and fixed charges about \$10,000, the bulk of the gain in gross revenue was carried on into net profit, which amounted to \$208,812, an increase of \$77,414, or no less than 59 per cent. as compared with the previous year. The company is now amply able to pay a dividend on its preferred stock, as indeed it was a year ago, after conforming with the trust deed provision that a sinking fund of 1 per cent. on the outstanding bonds shall be provided before any dividends can be paid, but a dividend policy is again deferred for reasons altogether apart from the earning position.

On both classes of stock, the company earned over 12 per cent., but in view of the right of the city of Montreal to purchase the property, the question of payment of dividends is deferred.

CANADIAN FIRE RECORD

(Specially compiled by the Chronicle)

MONTREAL.—A. St. Pierre's home, 219 Bourbonniere street gutted and part of furniture destroyed, June 8. Origin, defective stove pipe.

N. Brossard's barn, Wiseman avenue, Outremont, occupied by D. Bissante, destroyed, June 8. Loss \$800.

Picture theatre at 16 Archibald street, Cote St. Paul, property of Mr. Moreau, 107 St. Denis street, destroyed, June 7. Loss \$4,000.

Restaurant at 476 St. Catherine street east, kept by E. Daoust, damaged, June 7. Fire originated in cellar.

Plant of G. & J. E. Grimson, glass manufacturers, 33 St. Antoine Street, damaged, June 8. Origin, overheated chimney of blast furnace..

St. Helene church, St. Maurice street, damaged, and row of sheds adjoining destroyed, June 8.

Premises of John Robertson & Son, 68 McGill street damaged, June 4. Loss \$3,000,

EMERSON, MAN.—Picture theatre owned by L. Carless destroyed, June 7. Loss \$3,000; insurance \$1,500. Origin, lightning.

FORT GEORGE, B.C.—Palace Hotel, South Fort George, destroyed, June 5. Loss \$20,000. Two dead.

STRATHROY, ONT.—Sawmill and stone works owned by James Dogue, of Strathroy, burned, June 3. Loss \$10,000, insured.

NEW WESTMINSTER, B.C.—Royal Shingle and Lumber Company's plant destroyed, May 27. Loss \$8,000.

MOOSE CREEK, ONT.—Twenty-five buildings destroyed, May 29. Loss \$100,000. Origin unknown. Among the stores destroyed were those owned by the following: S. D. Duinet's departmental store, stock valued at \$25,000; Frank Duinet's hotel, completely destroyed; bakery shop belonging to J. B. Villeneuve, post-office, town hall and furniture shop of A. A. McLean. The private residences destroyed were owned by the following: J. Racine, A. St. Pierre, S. T. Duinet, D. St. Denis, J. B. Villeneuve and barber shop.

POWASSAN, ONT.—Fire which started in cellar of Queen's Hotel, June 7 destroyed this and also following:—Kelly & Anderson's general store; A. Graway's store and residence; D. Cushman's residence, barber shop and pool room, with the office of Dr. Harcourt; R. Barrett's confectionery store; G. Drinkwater's dwelling and livery stable; James Arthur & Co.'s general store and dwelling; F. B. Backler's residence and office; R. Barrett's residence and photograph gallery, and one million feet of lumber, owned by the Trout Creek Lumber Company; two section houses on G. T. R.; A. Mitchell's residence and a quantity of pulp wood and bark. Insurance Loss as follows:

Acadia	\$1,500	North British	\$5,800
British America	1,500	Norwich Union	1,600
Caledonian	1,000	Nova Scotia	5,000
Commercial Union	4,667	Pacific Coast	1,200
Ins. Co. of N.A.	4,200	Queen	1,000
Liverpool-Manitoba ..	5,466	Royal	1,000
London Mutual	1,667	Sun	3,000
London & Lanes	200		
Mercantile	4,000		
		Total	\$48,000

Ability is What Counts



in selling Life Insurance. Contract with a Company that will help you develop that ability and that will put attractive and popular policies in your hands.

WRITE US ABOUT AN AGENCY.

THE PRUDENTIAL INSURANCE CO. OF AMERICA
 FORREST F. DRYDEN, President. Home Office, NEWARK, N.J.
 Incorporated as a Stock Company by the State of New Jersey

GENERAL

ACCIDENT **FIRE** AND LIFE

ASSURANCE CORPORATION, LTD.
 OF PERTH, SCOTLAND.

Total Security to Policyholders over \$8,600,000

PELEG HOWLAND, Chairman, Canadian Advisory Board
 D. R. WILKIE, Vice-Chairman, Canadian Advisory Board

T. H. HALL, Manager for Canada.
 JUDSON G. LEE, General Agent, Montreal.

The Equity Fire Insurance Co. TORONTO, CAN.

WM. GREENWOOD BROWN, General Manager

GENERAL AGENTS:

A. B. Powell, Interim Branch Manager, Montreal
 Brown Clarke Agency, Winnipeg
 Young & Lorway, Sydney, B.C.
 McCullum, Hill & Co., Regina.
 Faulkner & Co., Halifax
 W. S. Holland, Vancouver
 Geo. A. Lavis, Calgary,
 J. M. Queen, St. John, N.B.

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As a representative of the "Oldest Life Insurance Company in America" will prove your best introduction.

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

Impregnable Strength

Incomparable Dividends

Maximum Benefits

Minimum Net Cost

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2nd VICE PRESIDENT

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THE LAW UNION & ROCK

INSURANCE CO. LIMITED, LONDON. Founded in 1809

Assets Exceed - \$47,500,000.00

Over \$10,500,000 invested in Canada.
 FIRE and ACCIDENT RISKS accepted.

Canadian Head Office: 112 St. James Street, Corner Place d'Armes
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Agents wanted in unrepresented towns in Canada.
 W. D. AIKEN, Superintendent, J. E. E. DICKSON
 Accident Dept. Canadian Manager

MOUNT ROYAL ASSURANCE COMPANY

PAID UP CAPITAL	\$250,000.00
TOTAL FUNDS	729,957.36
NET SURPLUS	202,041.02

The NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE.

SUBSCRIBED CAPITAL	\$2,000,000
TOTAL FUNDS	7,491,390
NET SURPLUS	1,857,150

AGENTS WANTED IN UNREPRESENTED DISTRICTS.

HEAD OFFICE FOR CANADA - - - MONTREAL.

J. E. CLEMENT, General Manager.

H. H. YORK, Inspector for Ontario.

L. C. VALLE, Inspector for Quebec.

LIFE AGENTS' MANUAL.

New and Greatly Enlarged Edition now ready. Price \$3.00.

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THE CHRONICLE

Lake of the Woods Bldg., St. John St., Montreal.

WANTED.

Appointment as INSPECTOR for a Fire Insurance Company for the Province of Quebec by one with several years' experience in the same capacity. Controls a fair amount of personal business in Montreal and a staff of good agents in the Province. Address,

INSPECTOR, c/o The Chronicle, Montreal.

WANTED.

Thoroughly experienced FIRE INSPECTOR and active road man, with valuable Ontario and Quebec connections and Western knowledge would affiliate with progressive Company. Intimate knowledge of Specific Rating—Late with the C.F.U.A. Best references. Address, A.B.C. c/o The Chronicle, Montreal.

PRUDENTIAL TRUST COMPANY LIMITED

invites applicants for position of

Manager of the Real Estate Department

Head Office: 9 ST. JOHN ST., MONTREAL

A gentleman speaking English and French, who is capable of giving energetic personal attention to the development of business, will receive an attractive contract.

Written application requested. State experience and enclose testimonials.

Applications held in strict confidence.

LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY, LIMITED.

In connection with the publication of the Liverpool & London & Globe Insurance Co., Ltd., statement in last issue the "Total Claims paid by the Company since its commencement" should have been stated as \$385,240,950 instead of \$308,393,080. These figures are, of course, converted at \$5 to the £.

A convention is to be held this summer of presidents of insurance companies all over the United States for the purpose of formulating plans to secure legislation to have the business of insurance established as commerce in the meaning of the Federal Constitution. This action is to be taken in view of the recent Nebraska and Kansas decisions, which will, it is feared, lead to chaos in the insurance business.

Organized
1863 1852



Assets
\$8,020,276.62

Surplus to Policyholders
\$3,615,126.66

Applications for Agencies invited.

Canadian Head Office
MONTREAL
J. W. BINNIE Manager

Traffic Returns.

CANADIAN PACIFIC RAILWAY.				
Year to date.	1912.	1913.	1914.	Decrease
May 31 . . .	\$48,494,000	\$53,145,000	\$43,346,000	\$9,797,000
Week ending	1912.	1913.	1914.	Decrease
May 7	\$2,439,030	\$2,572,000	\$2,119,000	\$453,000
" 14	2,518,000	2,627,000	2,233,000	394,000
" 21	2,551,000	2,663,000	2,199,000	464,000
" 31	3,625, 00	3,788,000	2,982,000	806,000
June 7	2,520,000	2,627,000	2,171,000	456,000

GRAND TRUNK RAILWAY.				
Year to date.	1912.	1913.	1914.	Decrease
May 31 . . .	\$19,201,936	\$22,089,652	\$	\$
Week ending	1912.	1913.	1914.	Decrease
May 7	\$909,651	\$1,060,639	\$978,178	\$2,461
" 14	952,083	1,104,297	945,082	159,215
" 21	928,783	1,069,065	963,587	105,478
" 31	1,512,857	1,680,003		

CANADIAN NORTHERN RAILWAY.				
Year to date.	1912.	1913.	1914.	Decrease
April 30 . . .	\$7,434,400	\$8,561,700	\$7,680,400	\$881,300
Week ending	1912.	1913.	1914.	Decrease
June 7	\$403,000	\$481,800	\$383,800	\$98,000

TWIN CITY RAPID TRANSIT COMPANY.				
Year to date.	1912.	1913.	1914.	Increase
April 30 . . .	\$2,511,635	\$2,707,167	\$2,889,110	\$181,943
Week ending	1912.	1913.	1914.	Increase
May 7	\$153,671	\$170,181	\$171,704	\$11,515
" 14	151,137	160,578	171,760	11,182
" 31	149,503	163,994	187,408	23,414

HAVANA ELECTRIC RAILWAY COMPANY			
Week ending	1913.	1914.	Increase
June 7	\$55,008	\$57,170	Dec. \$2,162

DULUTH SUPERIOR TRACTION Co.				
	1912.	1913.	1914.	Increase
May 7	\$20,645	\$23,028	\$24,094	\$1,066
" 14	21,703	23,134	24,138	1,004
" 21	21,565	23,685	25,086	1,401
" 31	30,645	34,465	36,075	1,610

DETROIT UNITED RAILWAY.				
Week ending	1912.	1913.	1914.	Decrease
May 7	\$203,667	\$239,753	\$223,133	\$16,620
" 14	195,977	238,104	221,628	16,476

CANADIAN BANK CLEARINGS.

	Week ending June 11, 1914	Week ending June 4, 1914	Week ending June 12, 1913	Week ending June 13, 1912
Montreal . .	\$61,759,240	\$47,549,547	\$63,592,224	\$58,163,330
Toronto . . .	47,492,750	37,520,332	46,772,329	48,242,908
Ottawa	4,479,602	3,597,729	4,087,138	4,692,019

MONEY RATES.

	To-day	Last Week	A Year Ago
Call money in Montreal . . .	5½-6¼%	5½-6¼%	6-6¼%
" " Toronto . . .	5½-6¼%	5½-6¼%	6-6¼%
" " New York . . .	2%	2½-2¾%	2-2½%
" " London	1½-2%	1½%	3-3¼%
Bank of England rate	3%	3%	4½%

RAILWAY PASSENGERS ASSURANCE CO.

**OF LONDON,
ENGLAND**

E Established 1849.

OLDEST ACCIDENT COMPANY IN THE WORLD
ACCIDENTS OF ALL KINDS
AND ILLNESS
INSURED AGAINST

Also
**ALL KINDS of
EMPLOYERS' AND PUBLIC
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(INCLUDING AUTOMOBILE.)

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Head Office for Canada, **Confederation Life Building, TORONTO**

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Transacts:

PERSONAL ACCIDENT **FIDELITY GUARANTEE**
SICKNESS **BURGLARY and**
LIABILITY (all kinds) **LOSS OF MERCHANDISE and**
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Applications for direct Agencies invited.

ELECTRICAL BANK and STORE PROTECTION
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Head Office, GRESHAM BUILDING MONTREAL
502 ST. JAMES STREET

F. J. J. STARK, General Manager.

THE FEDERAL LIFE ASSURANCE COMPANY OF CANADA

made a record for 1913 that will be hard to surpass. The Annual Report just issued showed improvement and increase in every item of the Company's operations. One of the most gratifying was that the Total General Expenditure **WAS LESS THAN IN EITHER 1912 OR 1911**, despite a large increase in business in force and new business written. The percentage of General Expenses to Premium Income showed the large decrease of 2.2 per cent. An Agency with this Company would therefore be desirable.

—Write—

C. L. SWEENEY, Provincial Manager for Quebec, 180 St. James Street, Montreal.

Protect YOUR FAMILY while it is Dependent upon You!

Protect YOURSELF against Dependence on Your Family, in your OLD AGE!

HOW ?

By securing a "SPECIAL FAMILY POLICY" in

THE NATIONAL LIFE ASSURANCE COMPANY OF CANADA

For particulars, write direct to Head Office—NATIONAL LIFE CHAMBERS, TORONTO.

ALBERT J. RALSTON, Managing Director.

ELIAS ROGERS, President.

F. SPARLING, Secretary

Several good openings for producers.

List of Leading Stocks and Bonds

CORRECTED TO THURSDAY, JUNE 10th 1914

BANK STOCKS.	Closing price of Last sale.		Par value of one share.	Return per cent. on investment at present prices.	Rate of Annual Dividend	Capital subscribed	Capital paid up	Paid Fund	Per cent'ge of cost to paid up Capital	When dividend payable.
	Asked.	Bid.								
British North America										
Canadian Bank of Commerce	202 1/2	2 2	50	5 93	10 1/2	4,866,667	15,000,000	13,500,000	87.0	April, August
Hamilton			100		12 1/2	6,000,000	5,963,261	6,963,260	116.9	March, June, Sept., Dec
Home Bank of Canada	152	150	100	5 92	9	3,900,000	3,000,000	3,600,000	129.0	Jan., April, July, Oct
Imperial	216	212 1/2	100	5 55	12	4,000,000	4,009,000	3,625,000	90.6	March, June, Sept., Dec
Merchants Bank of Canada	188		100	5 31	10	2,000,000	1,943,968	630,000	31.4	March, June, Sept., Dec
Metropolitan			100		12	7,000,000	7,000,000	7,000,000	100.0	Feb., May, August, Nov
Molson's	205	199 1/2	100	5 10	11	7,000,000	7,000,000	6,600,000	94.3	March, June, Sept., Dec
Montreal	245	231	100	5 10	11	1,000,000	1,000,000	1,250,000	125.0	Jan., April, July, Oct.
National			100		10 1/2	4,000,000	4,000,000	4,800,000	120.0	Jan., April, July, Oct.
Northern Crown			100		8	16,000,000	16,000,000	16,000,000	100.0	March, June, Sept., Dec
Nova Scotia			100		6	2,900,000	2,000,000	1,700,000	81.0	Feb., May, August, Nov
Ottawa			100		14	2,862,400	2,839,175	350,000	12.3	January, July
Provincial Bank of Canada			100		12	6,000,000	6,000,000	11,000,000	183.3	Jan., April, July, Oct.
Quebec	120		100	5 83	7	1,900,000	1,000,000	625,000	32.5	March, June, Sept., Dec
Royal	221		100	5 42	12	1,800,000	1,000,000	625,000	32.5	Jan., April, July, Oct.
Standard			50		13	2,734,700	2,732,520	1,306,062	47.9	March, June, Sept., Dec
Sterling			100		13	11,560,000	11,560,000	12,500,000	108.6	March, June, Sept., Dec
Toronto	207 1/2		100	5 78	11 1/2	2,912,550	2,880,881	3,780,645	131.2	Feb., May, Aug, Nov.
Union Bank of Canada			100		8 1/2	1,250,000	1,184,353	300,000	25.5	March, June, Sept., Dec
Vancouver			100		8	5,000,000	5,000,000	6,000,000	120.0	March, June, Sept., Dec
Wayburn Security			100		5	1,174,700	878,018			March, June, Sept., Dec.
						632,300	316,100	100,000	31.6	
MISCELLANEOUS STOCKS.										
Bell Telephone	146	145 1/2	100	5 47	8	15,000,000	15,000,000			Jan., April, July, Oct.
Brazilian Traction	78	77 1/2	100	7 67	6	104,500,000	104,500,000			Feb., May, Aug, Nov.
B. G. Packers Assn., Pref.			100		7	511,000	450,000			May, Nov.
Canadian Pacific	126		100	4 76	6	1,511,400	1,511,400			Jan., April, July, Oct.
Canadian Car Com.	195 1/2	195	100	5 12	7 1/2	260,000,000	198,000,000			April, Nov.
do Pfd.	51	50	100	7 84	4	3,500,000	3,500,000			Jan., April, July, Oct.
Can. Cement Com.	29		100		7	6,100,000	6,100,000			Jan., April, July, Oct.
do Pfd.	91	28 1/2	100		7	13,800,000	13,500,000			
Can. Con. Rubber Com.	98	94	100	4 08	4	10,500,000	10,500,000			
do Prof.	97		100	7 21	4	2,405,500	2,401,500			Jan., April, July, Oct.
Canadian Convertible	37	35	100	10 31	4	1,300,000	1,300,000			Feb., May, Aug, Nov
Canadian General Electric	25	20	100	7 89	7 1/2	1,737,500	1,737,500			Jan., April, July, Oct.
Canadian Cottons	76	74 1/2	100		6	5,440,000	5,440,000			Jan., April, July, Oct.
do do Pfd.	25	20	100		6	2,715,000	2,715,000			
Canada Locomotive			100		6	3,611,500	3,611,500			Jan., April, July, Oct.
do do Pfd.			100		6	2,000,000	2,000,000			
Iron Industry	1.04	1.01	100		24	1,500,000	1,500,000			Jan., April, July, Oct.
Ottawa United Ry	66 1/2	66	100	8 92	6	1,900,957	1,900,957			Monthly
Dominion Cannery	32 1/2	31 1/2	100		6	12,900,000	12,900,000			March, June, Sept., Dec.
Dominion Coal Preferred			100		7	2,118,600	2,118,600			January, August.
Dominion Textile Co Com	69	68 1/2	100	8 69	6	3,000,000	3,000,000			Jan., April, July, Oct.
do Pfd.	101		100	7 00	7	5,000,000	5,000,000			Jan., April, July, Oct.
Dom. Iron & Steel Pfd.	70 1/2	70	100	9 93	7	1,850,000	1,850,000			April, October
Dominion Steel Corp.	21	20 1/2	100		8	5,000,000	5,000,000			Jan., April, July, Oct.
Dominion Trust Co.	112	111	100	7 14	8	35,658,800	35,658,800	800,000	36 91	Jan., April, July, Oct.
Quincy Superior Traction			100		4	2,500,000	2,167,570			Jan., April, July, Oct.
Railway Tramway Co			100		4	3,500,000	3,500,000			Jan., April, July, Oct.
Havana Electric Ry Com			100		4	1,400,000	1,400,000			Jan., April, July, Oct.
do Preferred			100		6	7,463,793	7,463,793			Jan., April, July, Oct.
Illinois Trac. Pfd.	95	93 1/2	100	6 31	6	5,000,000	5,000,000			Jan., April, July, Oct.
Kamhiatiqua Power			100		5	5,304,000	5,304,000			Jan., April, July, Oct.
Laurentide Com	177	176 1/2	100	4 51	8	2,000,000	2,000,000			Feb., May, August, Nov
Lake of the Woods Mill Co.	127 1/2	126 1/2	100	6 27	8	7,200,000	7,200,000			February, August.
do do Pfd.			100		7	2,100,000	2,100,000			Mar., June, Sept., Dec.
Mankey Companies Com.	82	80	100	6 09	7	1,500,000	1,500,000			Jan., April, July, Oct.
do Pfd.	80	78	100	5 71	4	41,380,400	41,380,400			Jan., April, July, Oct.
Mexican Light & Power Co	46	43	100	8 69	7	50,000,000	50,000,000			Jan., April, July, Oct.
do do Pfd.			100		4	13,585,000	13,585,000			Jan., April, July, Oct.
Min. St. Paul & S.M. Com	128	123	100	5 46	7	2,400,000	2,400,000			May, November
do Pfd.			100		7	26,832,000	26,832,000			April, October
Montreal Cottons	52 1/2	50	100	7 62	4	19,418,000	19,418,000			April, October
Montreal Light, Ht. & Pwr. Co.	224 1/2	224	100	4 46	10	3,000,000	3,000,000			March, June, Sept., Dec
Montreal Telegraph	136 1/2		40	5 88	8	17,000,000	17,000,000			Feb., May, August, Nov.
Northern Ohio Traction Co.			100		8	2,000,000	2,000,000			Jan., April, July, Oct.
N. Scotia Steel & Coal Co. Com.	43 1/2	43 1/2	100		6	9,000,000	9,000,000			March, June, Sept., Dec
do Pfd.			100	6 83	8	6,000,000	6,000,000			Jan., April, July, Oct.
Ogishia Stone Mills Com	113	110	100	7 07	8	1,000,000	1,000,000			Jan., April, July, Oct.
do Pfd.			100		8	2,500,000	2,500,000			Jan., April, July, Oct.
Panman's Ltd. Com	52	50	100	7 63	4	2,000,000	2,000,000			March, June, Sept., Dec
do Prof.	83	80	100	7 22	4	3,158,000	2,150,000			Feb, May, August, Nov
Quebec Ry. L. & P. Co.	14	13 1/2	100		6	1,075,000	1,075,000			Feb, May, August, Nov
Ridgillan & Ont. Nav. Co.	87	86	100	9 19	8	9,900,500	9,900,500			
Sawmilling Water & Power Co	132	130	100	4 54	6	3,132,000	3,132,000			March, June, Sept., Dec
do			100		8	10,000,000	10,000,000			Jan. April, July, Oct.
Toledo Ry & Light Co			100		8	13,875,000	13,875,000			
Toronto Street Railway	129 1/2	129	100	6 29	8	10,968,383	10,968,383			Jan., April, July, Oct
Toronto Preferred			100		6	2,828,200	2,828,200			Jan., April, July, Oct.
Twin City Rapid Transit Co	106	106 1/2	100	5 66	6	20,100,000	20,100,000			Jan., April, July, Oct.
West India Electric			100		7	3,000,000	3,000,000			Jan., April, July, Oct.
Windsor Hotel			100		5	800,000	800,000			Jan., April, July, Oct.
Winnipeg Electric Railway Co			100		8	3,000,000	3,000,000			May, November
			100		12	6,000,000	4,000,000			Jan., April, July, Oct.

GRESHAM

Life Assurance Society, Limited
Founded 1848

Funds : FIFTY MILLION DOLLARS

Applications are wanted for
Agencies. Liberal commissions
would be arranged for Agents
and Brokers.

ADDRESS :

ARCH. R. HOWELL,
Manager for Canada,
MONTREAL.

THE EFFICIENT COMPANY

That servant is termed "efficient" who does well the thing he was employed to do. The Mutual Life of Canada, the servant of the Canadian people, has demonstrated its efficiency. It has

Paid to bereaved relatives	\$ 6,190,921
Paid in endowments	3,326,241
Paid in dividends	2,664,077
Paid for surrendered policies	2,077,260
Paid in all	14,258,499
And it holds to guarantee absolutely the payment of future obligations	18,095,939

The Mutual Life Assurance Co.

Of Canada,
WATERLOO - - - - - ONTARIO
Is therefore termed "The Efficient Company."

WANT A BETTER JOB?

The Imperial Life has some splendid openings on its field force for men who can sell life assurance. Energy, persistence, enthusiasm are required. In return we offer liberal agents' contracts, attractive policies and a reputation for properly safeguarding policyholders' interests.

For further particulars, write

THE
IMPERIAL LIFE ASSURANCE COMPANY
Head Office - TORONTO

PROVINCE OF QUEBEC { To Wit :-
CITY OF MONTREAL

IN THE MATTER of the appointment of a
Provincial Manager by the CONTINENTAL LIFE
INSURANCE COMPANY, HEAD OFFICE, TORONTO

GEORGE B. WOODS, President.
CHARLES H. FULLER, Secretary

ANGLO-AMERICAN

FIRE INSURANCE COMPANY

MONTREAL-CANADA

FIRE INSURANCE COMPANY

Established 1859

H. H. BECK, President. A. B. DUFRESNE, Provincial Agent.
ROOM 21, DULUTH BUILDING,
Head Office: Cor. Notre Dame and St. Sulpice Sts.

Scottish Union and National

Insurance Co., of Edinburgh, Scotland

ESTABLISHED 1824

Capital,	\$30,000,000
Total Assets,	56,646,549
Deposited with Dominion Gov't,	320,645
Invested Assets in Canada,	5,188,555

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

Union Assurance Society Limited

OF LONDON, ENGLAND.
[Fire Insurance since A.D. 1714]

Canadian Branch :
Corner St. James and McGill Streets, Montreal
T. L. MORRISEY, - Resident Manager
Agencies throughout the Dominion.

CANADIAN BANKING PRACTICE

THIRD EDITION.

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

FOR SALE AT THE CHRONICLE OFFICE,

10 ST. JOHN STREET, MONTREAL

IMPERIAL BANK OF CANADA

Proceedings of the Thirty-Ninth Annual Meeting of the Shareholders.

Held at the Banking House of the Institution in Toronto, on Wednesday, 27th May, 1914, at 12 Noon.

The Twenty-ninth Annual General Meeting of the Imperial Bank of Canada was held, in pursuance of the terms of the Charter, at the Banking House of the Institution, 27th May, 1914.

THE REPORT

The Directors have much pleasure in submitting to the Shareholders the Thirty-ninth Annual Report and Balance Sheet of the affairs of the Bank as on 30th April, 1914, together with Statement of Profit and Loss Account, showing the result of the operations of the Bank for the year ended on that day.

The net profits of the Bank, after making full provision for all bad and doubtful debts, for interest on bills under discount not yet matured, and for payment of all Provincial and Municipal taxes amount-
ed to \$1,236,984.76
being at the rate of 8.30 per cent. upon the average paid-up Capital and Reserve Fund.

There was received from Shareholders by way of premium upon New Stock the sum of 211,830.82

(The receipt of this sum was anticipated in 1913 by a charge against Profit and Loss Account to credit of Reserve Account so as to make that account \$7,000,000, and it is now properly re-credited to Profit and Loss Account.

There was brought from 1913, the balance of Profit and Loss Account 1,003,988.55

Making a total available Surplus of \$2,452,804.13

This surplus has been applied as follows:—

(a) For Dividends at the rate of 12 per cent. per annum, amounting to	\$ 834,783.96
(b) Special contribution to Officers' Pension Fund, By-law No. 30	20,000.00
(c) Annual contribution to Officers' Pension and Guarantee Funds	7,500.00
(d) Provision for depreciation in Securities and for contingencies	250,000.00
(e) Written off Bank Premises and Furniture Account	74,601.05
(f) Balance of account carried forward	1,265,919.12
	<u>\$2,452,804.13</u>

New Branches have been opened during the year:

In Ontario—At Preston, Niagara Falls South, Wellerley and Sherbourne streets, Toronto, and at Humber Bay. In Saskatchewan—At Kandahar.

The Branches at Michel, B.C., McLean, Sask., and at St. Roch, in the City of Quebec, have been closed.

It is with the deepest regret that we announce the death of our late colleague, Sir William Whyte, who passed away, after a painful illness, on the 14th April, 1914. Although Sir William Whyte could not be a regular attendant at the meetings of the Board in Toronto, yet his care and watchfulness of the interests of the Bank at Winnipeg and throughout the Northwest were of great service to the Bank, and have always been highly appreciated.

It is our opinion that it would be advisable to add to the number of Directors; a by-law to that end will be presented for your approval, and you will be asked to make suitable provision for the additional member.

Under the Bank Act (1913) you will, for the first time, be called upon to appoint auditors for the Bank and to fix their remuneration.

The Head Office and Branches of the Bank, now numbering 127, have been carefully inspected during the year, and your Directors have much pleasure in testifying to the faithfulness and efficiency of the staff.

The whole respectfully submitted.

D. R. WILKIE, President.

PROFIT AND LOSS ACCOUNT.

Dividend No. 92, for three months at the rate of 12 per cent. per annum (paid 1st of August, 1913)	\$ 207,269.31	Balance at credit of account 30th April, 1913, brought forward	\$1,003,988.55
Dividend No. 93, for three months at the rate of 12 per cent. per annum (paid 1st of November, 1913)	208,322.88	Profits for the twelve months ended 30th April, 1914, after deducting charges of management and interest due depositors, and after making full provision for all bad and doubtful debts and for rebate on bills under discount	1,236,984.76
Dividend No. 94, for three months at the rate of 12 per cent. per annum (paid 1st of February, 1914)	209,315.34	Amount taken from Profits of 1913 to make Reserve Fund \$7,000,000, in anticipation of Premiums on New Capital Stock since collected	211,830.82
Dividend No. 95, for three months at the rate of 12 per cent. per annum (paid 1st of May, 1914)	209,876.43		
	\$ 834,783.96		
Special Contribution to Officers' Pension and Guarantee Fund	20,000.00		
Annual Contribution to Officers' Pension and Guarantee Fund	7,500.00		
Provision for depreciation in Securities and for contingencies	250,000.00		
Written off Bank Premises and Furniture Account	74,601.05		
Balance of account carried forward	1,265,919.12		
	<u>\$2,452,804.13</u>		<u>\$2,452,804.13</u>

RESERVE FUND.

Balance at Credit of Account \$ 7,000,000

D. R. WILKIE, General Manager.

IMPERIAL BANK OF CANADA—Continued.

LIABILITIES.

Notes of the Bank in circulation	\$ 4,762,347.00
Deposits not bearing interest	\$ 9,060,814.12
Deposits bearing interest, including interest accrued to date of Statement	49,178,040.42
	\$58,238,854.54
Balances due to other Banks in Canada	169,072.29
Balances due to Banks and Banking Correspondents in United Kingdom and foreign countries	41,583.10
Acceptances under Letters of Credit (as per contra)	175,599.28
Total Liabilities to the public	\$63,387,456.21
Capital Stock paid in	7,000,000.00
Reserve Fund Account	\$7,000,000.00
Dividend No. 95 (payable 1st May, 1914), for three months, at the rate of 12 p.c. per annum	209,876.43
Balance of Profit and Loss Account carried forward	1,265,919.12
	\$ 8,475,795.55
	\$78,863,251.76

ASSETS.

Gold and Silver Coin	\$ 1,706,919.61
Dominion Government Notes	11,237,087.00
	\$12,944,006.61
Deposit with the Minister for the purpose of the Circulation Fund	338,220.44
Notes of other Banks	452,979.00
Cheques on other Banks	2,701,524.12
Balance due by other Banks in Canada	894,109.74
Balance due by Banks and Banking Correspondents elsewhere than in Canada	6,969,689.25
	\$24,300,529.16
Dominion and Provincial Government Securities not exceeding market value	\$603,173.25
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian	840,081.11
Railway and other Bonds, Debentures and Stocks, not exceeding market value	997,612.97
	\$ 2,440,867.33
Loans to Provincial Governments	25,023.55
Loans to Cities, Towns, Municipalities and School Districts	3,656,228.38
Call and Short Loans (not exceeding thirty days) in Canada on Bonds, Debentures and Stocks	4,050,811.07
	\$34,473,459.49
Other Current Loans and Discounts in Canada (less rebate of interest)	41,331,017.36
Liabilities to Customers under Letters of Credit (as per contra)	175,599.28
Overdue Debts (estimated loss provided for)	52,026.39
Real Estate (other than Bank premises)	122,817.31
Mortgages on Real Estate sold by the Bank	474,834.61
Bank Premises, at not more than cost, less amounts written off	2,200,000.00
Other Assets, not included in the foregoing heads	33,497.29
	\$78,863,251.76

THE PRESIDENT'S ADDRESS.

Gentlemen,—In rising to move the adoption of the Report, I could not enter into an explanation of the year's operations until I had, on behalf of the Board, given expression to our feelings of sorrow at the passing of our late colleague, Sir William Whyte, and had invited you to join in a resolution of sympathy and condolence to Lady Whyte and her children, whose affliction is shared in by many thousands from the Atlantic to the Pacific. Sir William Whyte became a member of the Board on May 23rd, 1906, and, although not a regular attendant at our meetings, was in almost constant attendance at our Winnipeg Branch, always giving the Bank's interests his first consideration. Sir William died at Colorado Beach, in California, on the 14th April, 1914, in the seventy-first year of his age.

You are asked to elect in Sir William Whyte's stead Mr. J. A. M. Aikins, K.C., M.P., of Winnipeg, who from the very start of our business in Manitoba—thirty-four years ago—has been our invaluable legal adviser for that Province.

You are also asked to approve of a by-law increasing the number of Directors from 11 to 12. I take this opportunity to say that Mr. Ed. W. Cox, President of the Canada Life Assurance Company, has consented to allow his name to be presented to you for election.

PROFIT AND LOSS.

The net profits after all losses have been provided for are better than we dared look forward to early and late in the year, as one political or financial disturbance followed the other in quick succession. The net return upon our Capital—and for this calculation I include the Reserve Fund as part and parcel of our Capital—has been at the rate of 8.90 per cent. per annum. Under the "Old Style" the rate would appear as 17.80 per cent., and would be calculated upon Capital alone, but such a version has in the past misled the critics—our Reserve Fund, to the extent of 66 per cent., represents premiums upon New Issues of Shares paid in by ourselves from time to time, and the remaining 34 per cent. is undivided profit put aside during the past 39 years. It cannot be claimed by us, or charged against us, that our profits were realized upon \$7,000,000 fixed capital, instead of upon \$14,000,000 fixed capital and Reserve Fund.

Conditions in Canada and abroad are not too promising, and we have considered it advisable to provide for further possible shrinkages in the value of investments, and for contingencies, we have laid aside the sum of \$250,000 to provide for these. Within the past two years, stocks and bonds dealt in on the World's Exchanges have

IMPERIAL BANK OF CANADA—Continued.

depreciated in value considerably. The shrinkage during the past year of the leading financial, industrial and railway securities actively dealt in on the Exchanges of Montreal and Toronto represents no less a sum than \$188,000,000—Canada has borne her full share of this loss.

We have also to regret the delay, the disappointing delay, in the liquidation of the Sovereign Bank; we have thought it well to provide for a possible loss upon advances which we made, in conjunction with other Banks, to enable that Bank to liquidate with open doors, upon securities which at the time were represented to be, and which to experts appeared to be ample to protect the assisting Banks, but a large portion of which are still unrealized.

The writing off of \$74,601.05 from Bank Premises Account is in line with our policy for many years—it is not money lost or given away, but is a wise provision for what may be, sooner or later, actual depreciation in value in that important item of our Assets.

Before I pass from the Profit and Loss Account let me draw attention to the item credited to Profit and Loss Account, \$211,830.82. This sum was taken from Profit and Loss Account in 1913 to make up Reserve Account to an even \$7,000,000, and in anticipation of Premiums to be received upon subscriptions to new stock—these Premiums have since been paid in, and very properly have been returned to Profit and Loss Account.

The net result is, that after paying \$834,783.06 in Dividends, writing off \$74,601.05 from Bank Premises Account, contributing \$27,500 to the Bank's Pension and Guarantee Funds, setting aside \$250,000 for possible depreciation in securities and for contingencies, we carry forward a Profit and Loss Account of \$1,265,919.12, as compared with \$1,003,988.55, with which we started the year.

Let us turn to the General Balance Sheet—

NOTE CIRCULATION—The reduction in this item from \$5,803,794 to \$4,762,347, is the result of shrinkage in trade throughout the country, and of the early marketing of last year's grain crops.

OUR DEPOSITS, however, show a respectable increase of \$1,436,000.

On the **ASSETS** side of the Balance Sheet you will find that we maintain our policy of keeping substantial **CASH RESERVES**, which, with liquid assets that are realizable, irrespective of the condition of trade, represent over 50 per cent. of our total liabilities to the public.

LOANS AND DISCOUNTS—The trade discounts stand at \$41,331,017, as compared with \$40,502,609, in 1913, an increase occasioned, I think, entirely by renewals of loans which, under ordinary circumstances, would have been liquidated.

NEW CAPITAL—The allotment of new Shares authorized on 5th June, 1912, and which took place on 30th June, 1912, at a premium of 100 per cent., has been entirely taken up and paid for.

SHAREHOLDERS—Our Shareholders now number 1,729, as compared with 1,586 last year.

STAFF—The staff of the Bank are 985 in number, an increase of 80 during the year.

PENSION FUND—It will not be necessary this year to ask you to make any special contribution to the Pension Fund, the income from present investments and the Annual Grant being more than sufficient to provide for all existing pensions.

NEW BRANCHES AND TAXATION—The contraction of business throughout the Dominion has not encouraged the opening of new Branches. Moreover, the policy on the part of some of the Provinces and Municipalities must tend to discourage expansion.

The annual taxation of Banks by Provinces and Municipalities is ever becoming more burdensome. Since we last met Provincial taxes have been nearly doubled in British Columbia, and have been about trebled in Ontario.

The Dominion has exclusive legislative authority over banking, the incorporation of Banks and the issuing of paper currency. It also has exclusive rights to raise money by any mode or system of taxation. Provincial Legislatures are empowered to levy direct taxation within the Province for Provincial purposes. The Dominion Parliament, for its own uses, has power to duplicate every tax which may be imposed by any Province. If such a power is ever exercised by the Dominion the consequences to Banks would be serious.

Admitting the authority of the Provincial Legislatures to impose taxation on Banks, there still remains the question as to the extent to which such taxation could be imposed, and it is more than probable that the taxation would be declared unconstitutional, in so far as it might be excessive or hamper the operations of the Banks created by the Dominion Parliament for the purpose of carrying out the policy of the Dominion Parliament, in providing for and developing the agricultural, manufacturing, mining, lumbering and general interests of the Dominion. It is premature to say that the Provincial and Municipal taxation at present is excessive, but it is unquestionably true that these taxes are already so burdensome as to be a deterrent to the opening of new Branches, and to the granting of Banking facilities.

BANK PREMISES.

We have expended in connection with Bank Premises during the year the sum of \$375,000, of which about \$75,000 has been provided from Profits of the year. At the moment we have under construction new buildings at Timins, Thorold, Sparta, and at Yonge and Queen streets, in the City of Toronto. New buildings have been completed during the year at Quebec, Ingersoll, Cochrane, and Redcliff. Buildings and sites have been purchased at Victoria, B.C., Galt, Belwood, Niagara-on-the-Lake, Preston, Aurora, and in Toronto at Wellesley and Sherbourne streets, as well as this very building where we are now assembled, No. 30 Wellington street.

Our holdings of real estate for Bank Premises are all in evidence. We have no inside corporation to which the Bank can dispose of its properties with a view to their disappearance from the Balance Sheet and their lease by the Bank from the same Corporation on purchase terms. The adoption of the "new method" would admit of the investment by the Bank of large sums in the purchase or construction of Bank Premises without the fact being made apparent to the Shareholders, the Government, or the public, and of the creation of liabilities for corresponding amounts, no trace of which could be discovered in the Balance Sheet. It would be equally proper to extend the operations of such a corporation by including in its range of purchases from the Bank (of which it would be an adjunct), such assets as overdue debts, real estate, dead and other undesirable loans, etc., etc., and vitalizing these, through a process of bookkeeping into lively-looking bonds and debentures of corporations, which would later on, and until disposed of, make their appearance amongst the liquid Reserves of the Bank.

AUDITORS—You will be called upon to elect Auditors for the now current year, whose duties are fully described in Section 56 of the Bank Act. Sub-sections 19, 20, 21, 22, 23 and Section 56A.

We shall welcome to our confidence those whom you elect, and shall afford them every assistance to perform their very responsible duties.

HARVEST PROSPECTS.

From **ALBERTA** we hear that there has been an increase of 20 per cent. to 25 per cent. in the acreage under crop. The seed has been put in to the very best advantage, and there has been sufficient rain. It is to be noted that the raising of fall wheat in this Province is on the decline, owing to the greater certainty of a crop from "Marquis" wheat, planted in the spring, and which ripens ten days earlier than the ordinary Red Fife wheat. There is a very large increase in the quantity of live stock, especially in hogs, which have a high-priced market in Edmonton, Calgary, and elsewhere in the Province. Prospects are not only very bright, but prices for all kinds of stock are high.

The discovery of oil in this Province is likely to be of great assistance to the Province, introducing, as it is sure to do, large sums of capital, which will be employed in the development of the industry, besides affording a new source of heat, light and power. It is to be hoped that this development will not lead to wild speculation or to frauds, which too often follow upon such discoveries.

In **SASKATCHEWAN** there is an increase of 150,000 acres in the wheat area, and there is an increase in oats of no less than 300,000 acres. Barley and flax do not show an equal expansion. The cattle industry is satisfactory.

IMPERIAL BANK OF CANADA—Continued.

Crop conditions generally may be looked upon as most encouraging.

In MANITOBA there is no increase in the crop acreage; the quantity stands at about the same—6,300,000 acres, of which half is in wheat, but this acreage is but a very small proportion of the 74,000,000 of acres which, it is estimated, is fit for farm land. Manitoba is now an old-timer. Progress is more striking in regard to the growth of manufacturing industries, the creation of electrical energy, to say nothing of the great strides made by Winnipeg as an emporium and in attaining to the position of being one of the greatest, if not the greatest, grain centres in the world.

In the PROVINCE OF QUEBEC hay and clover are the principal agricultural products; oats follow with a substantial yield. In this Province, as a result of the large amount of Government money—upwards of \$2,000,000—which has been expended in improving the roadways of the Province the farmer has been helped to market his products and has been given easy access to financial centres. It is unfortunate that this policy has not been adopted by other Provinces as heartily as it has been in the Province of Quebec. The prospects for an excellent harvest are exceptionally good. The prosperity enjoyed by the agricultural population of Quebec and by the people generally of that Province is the result of industry and thrift on the part of the population rather than of the richness of the soil or of weather conditions. The acreage of Quebec under hay and clover is about 3,000,000; oats claim 1,200,000, with 600,000 devoted to all other kinds of vegetables and grains.

The interests of BRITISH COLUMBIA are not so much bound up in agriculture as they are in lumbering, mining and fisheries. These last three furnish 75 per cent. of the total amount realized from the various industries. The lumber interests have been sorely tried by the present policy of "Free" lumber which has almost driven Canadian lumber companies off the plains; the absence of an outside market makes matters so much worse. The lumber interests deserve some efforts on the part of the Dominion Government to find new markets particularly so in view of the fact that in order to propitiate the interests of other Provinces the lumber interests of British Columbia have had to suffer. Mining, however, continues prosperous and the yield from that source was no less than \$30,000,000 during the year 1913, with fisheries realizing as much as \$14,500,000. The opening of the Panama Canal will be of enormous benefit to British Columbia. I am told that contracts have already been made for the carrying of 15,000,000 feet of lumber from Vancouver to Toronto Bay, at a saving in freight of from three to four dollars per 1,000 feet.

MARITIME PROVINCES.—Although we are not represented in the Maritime Provinces, yet we have had opportunities of obtaining information regarding that section, and are assured that general conditions throughout are better than in any other section of the Dominion. The Steel and Car Industries and factories that have been depending on the West as a market for their output are feeling the depression, but lumbering, fishing and agriculture are prospering, and these, after all, are the backbone of the East. The Fox Industry of Prince Edward Island is the one threatening feature of the situation. Not that it has not brought large sums of money into the Province, but, as it has been wisely said, it is undermining the native thrift for which the Province has always been noted. If the number of foxes increases as rapidly as has been promised by the prospectuses, it will need as much capital to carry on the business as it does to move a good-sized grain crop.

ONTARIO—In our own Province the outlook for a good crop is improving, and we can only hope that the results will justify the present expectations. The value of Ontario's agricultural yields last year amounted to \$185,790,341 of the total yield of the Dominion of about \$600,000,000. The condition of live stock remains generally satisfactory, being reported all over Canada as over 90 per cent. of the standard of health and perfect state.

POPULATION AND IMMIGRATION.

It is estimated that the population of Canada as on 31st March, 1914, amounted to 8,075,000, as compared with 7,758,000 for the corresponding period of 1913. There was an actual addition to the population by immigration of 384,878, of whom 142,622 were British, 167,530 came from the United States, and 134,726 from other countries.

REVENUE AND EXPENDITURE.

There has been a falling off in the revenue of the Dominion for April, 1914, as compared with April, 1913, and for the year which ended 31st March, 1914, there was a falling off as compared with the same period of 1913 from \$168,690,000 to \$162,521,000. The amount realized was, however, not only sufficient to meet all expenditures on Consolidated Fund Account, but furnished \$45,000,000 out of the \$56,000,000 required for capital expenditure. It is gratifying to note that the total imports of the financial year fell short of the previous year by over \$40,000,000, and that the exports of the year exceeded the exports of 1913 by \$38,000,000—the total balance of trade against Canada for the twelve months was only \$172,000,000, as compared with \$300,000,000 for the year ending 31st March, 1913. The adverse balance has been more than provided for by large borrowings abroad on the part of the Provinces, Municipalities, Railway Companies, etc., and it has not occasioned the slightest strain upon the financial resources of the Dominion.

UNITED STATES.

The amendments to the Banking Laws of the United States and the incorporation of the "Federal Reserve Banks" have already inspired confidence throughout the United States, and have removed for the time being, at any rate, all fears of money stringency, the result of the crop movements, which has more than once intercepted the flow of prosperity. The Federal Reserve Banks will furnish all other Banks who are members of the Reserve Bank System, with facilities for borrowing on short notice upon such of their assets as consist of "negotiable paper issued or drawn for agricultural, industrial or commercial purposes," and New York and Chicago will no longer be called upon to bear the whole strain and responsibility of East, West, North and South. I have gone carefully over the "Federal Reserve Act," and although it contains features which might be criticized adversely, yet on the whole it is a great piece of legislation, and has removed many of the dangers which are incidental to the National Bank System, but without leaning in the direction of encouraging unhealthy expansion. It places at the disposal of every section of the community and of every industrial and agricultural centre not only the whole Reserves of the District to which they are tributary, but the surplus funds of every other Reserve Centre can be made available. It comes as close as it can to our Canadian system in providing a flexible currency, and in one respect it is better than our system, in so far that it binds its members together in one helpful, sympathetic body, and provides an emergency currency and emergency capital of great value. The time will come when Canada, and come early, when we will find it advisable, yes, necessary, with our growth and development, to establish a Bank of re-discount under the patronage of the Dominion Government, and with somewhat similar powers to those that have been granted to the Reserve Banks of the United States.

In accordance with notice already given, the nomination of Mr. R. J. Dilworth, C.A., of Toronto, and Mr. George Hyde, C.A., of Montreal, as Auditors of the Bank, was made by Mr. Walter J. Barr and seconded by Mr. John B. Laidlaw, and they were duly appointed to the position of Auditors for the current year, and on motion the remuneration of the Auditors was fixed at the sum of \$5,000.

By-laws were passed increasing the number of Directors to twelve, and providing for their remuneration, also limiting the amount of donations by the Directors for charitable and other purposes in any one year to \$250.

A resolution of sympathy with Lady Whyte and the family of the late Sir Wm. Whyte was moved and carried. The customary motions were made and carried unanimously.

The Scrutineers appointed at the Meeting reported the following Shareholders duly elected Directors for the ensuing year:—Messrs. D. R. Wilkie, Hon. Robert Jaffray, Wm. Ramsay (of Bowland, Stow, Scotland), Elias Rogers, J. Kerr Osborne, Peleg Howland, Cawthra Mulock, Hon. Richard Turner (Quebec) Wm. Hamilton Merritt M.D. (St. Catharines), W. J. Gage, J. A. M. Alkins, K.C., (Winnipeg), E. W. Cox.

At a subsequent Meeting of the Directors Mr. D. R. Wilkie was re-elected President, and the Hon. Robert Jaffray, Vice-President, for the ensuing year.

E. HAY, Asst. General Manager.
D. R. WILKIE, President.

TH. CHASE-CASGRAIN, K.C.
A. CHASE-CASGRAIN,
JOHN J. CREELMAN,
PIERRE F. CASGRAIN.
McGIBBON, CASGRAIN, MITCHELL, & CASGRAIN
CASGRAIN, MITCHELL, McDOUGALL & CREELMAN
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ERROL M. MACDOUGALL,
GILBERT S. STAIRS,

ATWATER, DUCLOS & BOND
ADVOCATES

Guardian Building, 166 St. James Street, Montreal.

A. W. ATWATER, K.C. C. A. DUCLOS, K.C.
W. L. BOND, K.C.

McCarthy, Osler, Hoskin & Harcourt

BARRISTERS, SOLICITORS, ETC.

HOME LIFE BUILDING,
VICTORIA STREET, TORONTO

JOHN HOSKIN, K.C. P. W. HARCOURT, K.C. H. S. OSLER, K.C.
L. RICHMOND MCCARTHY, K.C. D. L. MCCARTHY, K.C.
BRITTON OSLER. J. P. H. MCCARTHY.
COUNSEL: WALLACE NESBIT, K.C.

Hon. Sir Alexandre Lacoste, K.C.
Kavanagh, Lajoie & Lacoste

ADVOCATES, SOLICITORS, ETC.

Provincial Bank Building, 7 Place d'Armes.
H. J. Kavanagh, K.C. Paul Lacoste, LL.B.
H. Gerin-Lajoie, K.C. Jules Mathieu, LL.B.

G. DURNFORD AND COMPANY Ltd.,

Auditors and Accountants

Room 35, Canada Life Building, 189 St. James Street, MONTREAL

G. DURNFORD, C.A., F.C.A., Can. E. ROSS-ROSS

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General Manager. Secretary.

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capable of handling a staff of
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and casualty agencies



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