

The Chronicle

Banking, Insurance & Finance.

ESTABLISHED JANUARY, 1881

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A NEW COMPANIES' LAW.

Reports are emanating from Ottawa that the Dominion Government is looking into the question of a revision of the existing companies' law of the Dominion with a view to new legislation. It is to be cordially hoped that such is the case, although action at the present juncture after a several years' orgy of high-financing seems not unlike shutting the stable-door when the horse has been stolen. However, if the Government can elaborate a code which will put Dominion legislation regarding limited liability companies in line with modern legislation elsewhere, and at the same time avoid being foolishly fussy, a substantial piece of work will have been accomplished which should have a considerable effect in sustaining and increasing the credit of Canadian industrial and commercial undertakings in the eyes of investors abroad.

Apparently one matter in connection with this new legislation to which the Government are now giving some attention is the question of over-capitalisation. It is not an exaggeration to say that no single factor has done more harm to Canadian credit in recent years than this. A certain class of Canadian promoters have carried beyond all bounds the practise which is entirely legitimate up to a point, of capitalisation of good-will and future earning power. In their simple greed of profits for themselves they have watered the capital accounts of their undertakings to the point of saturation. In more than one instance in recent years, this watered common stock has been deftly made the basis of a stock exchange gamble; all sorts of bull tips have been given in strict confidence on the street; insiders have unloaded at handsome profits—and, finally, as in recent months, the public has been left "to carry the baby." The discovery is duly made that, at best, the undertaking has insufficient working capital and hopelessly extravagant terms have to be arranged to make up the deficiency; at worst, that an entire re-organization has to be taken in hand.

No one supposes that any changes in the law, however drastic, will be sufficient entirely to put a stop to this and other undesirable practises of promoters, but it can hardly be beyond the powers of Ministers of the Crown to come down

heavily on some of the more glaring doings of this kind, if they have a mind to. Another matter to which the Government may profitably give its attention is publicity. At the present time the directors of a corporation whose shares are held by the public and actively traded in on the local stock exchanges need not give any information at all beyond the hasty reading out of such figures as it is considered necessary to reveal at the shareholders' annual meetings. It is somewhat astonishing that the committees of the Canadian stock exchanges, who have a duty to the public as well as to their own members, have hitherto permitted the stocks of companies following this indefensible policy of silence to be quoted on the exchanges. They could, no doubt, bring very powerful pressure to bear upon boards of directors who follow this practise to amend their ways, and make available for public scrutiny not trade secrets, but a financial statement in such a form that there can be obtained from it the essential facts regarding a corporation's financial standing and its earning capacity. It is to be hoped that the Government will insist in any forthcoming revision of the Companies' Acts on drastic provisions in favor of greater publicity and more information both in regard to annual statements and to prospectuses. Judging by the lack of information about the average prospectus now in circulation, the promoter usually imagines that the public is willing to buy a pig in a poke, or has a confident faith which regards as mere encumbrances any such trifling things as facts.

Restrictions upon over-capitalisation, compulsory publicity in regard to annual statements and more information in prospectuses are merely three out of many points, which in regard to company legislation need attention at the present time. Thanks to the greed of our promoters and the corresponding undesirability of some of their promotions, British investors at the present time regard Canadian industrials with a considerable suspicion, for which they can hardly be blamed. A thorough overhauling of the companies' law of the Dominion would at least show the determination of Canadian authorities to protect so far as is possible the interests of investors sending capital to Canada—a determination which has not up to the present time been very obvious.

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The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881.
R. WILSON-SMITH,
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Chief Office:

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MONTREAL, FRIDAY, NOVEMBER 28, 1913.

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PROSPECTS FOR EASIER MONEY

Throughout the week there have been reports of calling of loans by the banks, such calling being supposedly for the purpose of strengthening balance sheets for the annual reports to be dated November 30th. If the calling was for window-dressing purposes to any extent it can be presumed now that it is over for the time being. Next week the banks will not have the same occasion for making a display; and another thing contributing towards an easing of the monetary strain in the next week or so will be the December 1st dividend and interest payments. These now amount to quite a respectable figure, and doubtless the several corporations immediately concerned would be obliged to undertake a considerable aggregate of financing.

GROWTH OF THESE PAYMENTS.

It is doubtful if the street and the general public realize the extent to which the local payments of dividends and interest have increased in the past few years. Six or seven years ago they were not a very important factor; but latterly the number of concerns with payments to make has greatly increased and the capitalization of old companies has grown

considerably. The bank dividends for example are mostly payable locally. Taking the three leading banks the capitalization exceeds \$40,000,000; and the annual dividend payments approximate \$5,000,000, or an average of \$1,250,000 per quarter. Besides providing for their own dividends the banks must discount paper or make temporary loans to enable many of their industrial and other customers to make their distributions also.

The gold movement from New York to Montreal has proved more important than was expected, and it appears that the supply or stock of the metal in Canada must approach the level of a year ago.

NEW ISSUES IN LONDON.

Although the London market is supposed to be practically closed to new issues of securities, Canada continues to get occasional supplies of funds at the Imperial capital.

The City of Montreal loan of \$7,500,000 and sundry issues of short term notes by industrial concerns were announced in the past fortnight. And this week the City of Saskatoon got approximately \$840,000 through the issue of 5 per cents at 93. These issues together with the heavy export movement of agricultural produce probably account in large measure for our ability to draw gold from abroad.

Call loan rates in Montreal and Toronto are 6 to 6½ p.c. as heretofore and commercial lines of credit are carried at from 6 to 7.

EUROPEAN DEVELOPMENTS.

The African gold offered in London on Tuesday amounted to \$5,750,000 and the Bank of England secured \$4,500,000 of it. Bank rate is held at 5 p.c. In the open market call money is quoted 4½ to 4¾ p.c. Short bills are 4 15-16 p.c., and three months' bills, 4 15-16 to 5 p.c. Bank rate at Paris is 4 p.c. and private rate of discount, 3½ p.c.; and at Berlin the Imperial Bank quotes 5½ while discounts in the private market rule at 4½. It is noted in London that the money situation is improving. Some authorities hope that after 1st December the return of harvesting money to the capital will serve to ease the situation. But on the other hand it is remembered that at Berlin and other European centres the year-end settlements will occasion a considerable demand for credits. So there may be more or less tightness in the markets until the second or third week in January.

The military successes of the constitutionalists in Mexico are taken in Europe as indicating that President Wilson's policy will probably be effective in securing Huerta's elimination and perhaps in permitting Mexico to obtain a government representative to some extent of the Mexican people.

NEW YORK POSITION.

Call loans in New York are 2¾ to 3½ p.c. Time loans have been firm: rates, 60 days, 5 p.c.; 90 days, 5 p.c.; and six months, 4¾ to 5 p.c.

The Bank of British North America

Established in 1838. Incorporated by Royal Charter in 1840

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 Savings Bank Department

From the stock market point of view the Saturday bank statement at New York was unfavorable. In case of all members of the clearing house loans increased \$21,744,000 and cash decreased \$1,300,000—the net result being a decrease of \$6,065,000 in the surplus reserve. And in case of the banks alone the loans increased \$16,547,000 while the cash decreased \$2,100,000, reducing the surplus by \$6,027,000. The surplus remaining was \$12,338,500 for all members, and \$11,527,250 for the banks alone. A peculiar circumstance in connection with the exhibit was that according to the average statement the loan expansion was only \$9,662,000 and a cash gain of \$5,000,000 was shown. This difference, indicates that a very heavy loss of cash and heavy loan expansion were experienced at the close of the week. No doubt the shipments of gold to Canada contributed importantly towards the loss of cash.

THREATENED SECURITIES.

Apparently the comparative scarcity of money is not a controlling factor in Wall Street just now. Even if there were plenty of funds available at low rates of interest speculators would hesitate to buy stocks under present conditions. Apart from government and municipal bonds it is difficult to find good securities yielding fair returns that are not threatened in some way by the socialistic tendencies of the age.

THE RAILWAYS CASE.

The case of the railways in the matter of the proposed 5 p.c. increase in freight rates is now being argued before the Interstate Commerce Commission. There has been some disposition among certain classes of shippers to acquiesce in the demand for an increase. But many shippers are stoutly opposed to it and it is by no means a sure thing that the railways will win their case. They would have a better chance of success if revelations like those in the case of the Frisco System (wherein insiders made large profits through building a subsidiary line and foisting it off on the parent company at high prices) were not in evidence.

COST OF NEW FINANCING.

Dominion Steel's new financing, which has just been completed in London, has cost that Corporation in the neighborhood of eight per cent. The yield of these notes to the public was 6¾ per cent. on high-class security, but the public only took 28 per cent. of the issue at the time of offering.

New financing comes high in these days. And at the high figures the British public does not appear particularly keen to get in on Canadian industrials at present.

The Bank of England's rate was continued at 5 p.c. yesterday.

WHY SHORT TERM INVESTMENTS?

Figures compiled by the New York *Journal of Commerce*, show \$953,000,000 of maturities of corporate obligations in the next three years, and exhibit an unexampled excess of short term notes over long term bonds. This disparity appears to apply only to the first of the three years, but it is to be remembered, points out the *Journal of Commerce*, that the bonds have been already running for a long period, while notes are being constantly put out and new ones are likely to exceed considerably in amount those paid off in each year, so that the tendency is for the present a continuing one. One reason given for this large investment in short term notes in comparison with bonds is that capital is timid and will not venture into enterprises for new development on account of uncertain risks. It is characterized as a form of hoarding to await a more settled and assured condition.

SCARCITY OF FLOATING CAPITAL.

There is no doubt something in this, but the fundamental reason is the large absorption of accumulated capital in the recent past and the relative scarcity of a floating supply. The result is a demand which cannot be fully met and the necessity of offering high rates to attract what is available. Railroad and industrial corporations are averse to offering such rates beyond what is immediately necessary or contracting obligations for their payment over long periods, hoping for an easier time for borrowing in the years to come. Investors are disposed to get the highest rates they can, if only for a short time, and will not take bonds at lower rates. The borrowers will pay the higher rates for a year or two or three, but will not engage to do it for long terms.

UNCERTAINTY ABOUT FUTURE.

There is a feeling of uncertainty about the future which has much to do with this situation, but if capital were plentiful and seeking investment, as it was fifteen or twenty years ago, it would have to accept lower rates for long terms or lie idle, and prosperous corporations would not be offering high rates for loans which would have to be taken up, renewed or converted in a short time. The fact is that great armaments, public loans and recent enterprises which require much capital from which no immediate return can be expected, have so depleted the supply of capital that it is not to be had on the old terms, and development and progress are under a check on account of past extravagance and waste. At the same time, concludes the *Journal of Commerce*, and partly as a result, there is hesitation and a doubtful situation, aggravated by the menace of political schemes, especially in the United States, the consequences of which cannot be foreseen.

Mr. J. A. Innes has been appointed manager of the Bank of Nova Scotia at Bonavista, Nfld., and Mr. A. G. Bremmer has been appointed acting manager at Carbonear, Nfld.

* * * * *

A London cable says that the Property Insurance Company, Limited, has gone into liquidation. For several months it has been in a precarious condition and its creditors will probably suffer considerably in the settlement of their accounts. It had been doing a surplus line business on this side.

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid up \$11,500,000 Reserves \$13,000,000
Assets \$180,000,000

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DEPARTMENT

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

The Dominion Bank

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

W. D. MATTHEWS, Vice-President

C. A. BOGERT, General Manager

TRUST FUNDS SHOULD BE DEPOSITED

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

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

Head Office 9th FLOOR, C.P.R. BUILDING, Toronto

THE BANK OF TORONTO

Incorporated 1855.

Head Office: TORONTO, Canada.

Paid-up Capital, \$5,000,000 .: Reserved Funds, \$6,176,578

GENERAL BANKING BUSINESS. Business Men's Banking Accounts given prompt and accurate attention. Extensive connections for a quick and economical collection service. Travellers' and Commercial Letters of Credit, Drafts, Foreign Cheques and Money Orders issued.

DIRECTORS:

Hon. C. S. Hyman DUNCAN COULSON, President
W. G. GOODERHAM, Vice-President JOSEPH HENDERSON, 2nd Vice-President
William Stone John Macdonald, Lt. Col. A. E. Gooderham, Nicholas Bawlf,
Lt. Col. Frank S. Meighen, J. L. Englehart, Wm. I. Gear.

THOMAS F. HOW, General Manager. T. A. BIRD, Chief Inspector.

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

THE BANK OF NOVA SCOTIA

INCORPORATED 1832.

CAPITAL \$5,985,810
RESERVE FUND 10,870,134
TOTAL ASSETS 80,000,000

HEAD OFFICE: HALIFAX, N.S.

DIRECTORS

JOHN Y. PAYZANT, President. CHARLES ARCHIBALD, Vice-President.
G. S. Campbell, J. W. Allison, Hector McInnes
Hon. N. Curry, J. H. Plummer, R. E. Harris
James Manchester, Walter W. White, M. D.
General Manager's Office, TORONTO, ONT.
H. A. Richardson, General Manager. D. Waters, Asst. Gen. Manager
Supts. of Branches: J. A. McLeod, Geo. Sanderson. R. Crockett,
Chief Inspector, C. D. Schurman.

140 BRANCHES 140

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

The Metropolitan Bank

Capital Paid Up - - - \$1,000,000.00
Reserve Fund - - - 1,250,000.00
Undivided Profits - - - 181,888.26

Head Office - - - TORONTO

S. J. MOORE, President W. D. ROSS, General Manager

A GENERAL BANKING BUSINESS TRANSACTED

The Bank of Ottawa

DIVIDEND No. 89.

NOTICE is hereby given that a dividend of Three per cent. being at the rate of Twelve per cent. per annum upon the paid-up capital stock of this Bank, has this day been declared for the current three months, and that the said dividend will be payable at the Bank and its branches on and after Monday, the First day of December, 1913, to shareholders of record at the close of business on the 17th November next.

By Order of the Board,

GEORGE BURN,

General Manager.

Ottawa, Ont., Oct. 21st, 1913.

THE OCTOBER BANK RETURN.

The October bank return is encouraging. There is a substantial increase in the demand deposits amounting to over \$8,000,000 and bringing them up to the new high level of \$389,856,507. However, this \$8,000,000 increase during October compares with one of 9½ millions in October, 1912, and an advance of over 18 millions in October, 1911. So that last month's advance is nothing to boast about, though as an indication of a definite turn in the tide of the deposits it is distinctly encouraging. Notice deposits at \$621,511,207 show a change upward of about \$260,000 from the September total. Foreign deposits are up by nearly \$5,000,000, and are no less than \$22,374,000 higher than at the corresponding date of 1912—a result of the grain export movement.

In regard to the loans, the most interesting change is in current loans which standing at \$903,717,013 at September 30, were reduced during the month to \$900,159,736 at October 31, or by \$3,557,277. This change is not brought about through a further decrease in the loans to municipalities, since these were actually advanced by about \$400,000 and it appears, therefore, that the change is really due to a lessening of demands by industrial and commercial interests owing to the slackening of trade. In comparison with last year, the change is striking since in October, 1912, these loans increased over 20 millions while in October, 1911, the increase was over 10½ millions. Canadian call loans were increased by about a million last month, but are still nearly three millions lower than a year ago; call loans abroad which had been drifting downward for some time were increased by \$6,700,000 to \$93,346,810—an evident sign that the banks were using a considerable proportion of their increased resources for the purpose of improving their reserve position. There is an unusual increase of nearly \$12,000,000 in the foreign current loans, probably due to a special operation, which will be explained later.

The banks' circulation after reaching a maximum of \$124,201,527 closed the month at \$118,234,359, a gain for October, of over \$7,000,000 and in comparison with last year of over 7½ millions. Deposits in the new Central Gold Reserve were more than doubled during the month and aggregate at October 31, \$7,373,977.

ONTARIO FIRE'S LICENSE CANCELLED.

Notice is given by the Superintendent of Insurance at Ottawa of the cancellation of the license of the Ontario Fire Insurance Company, of Calgary.

The Ontario Fire began to do business in 1907, its head office at first being located in Eastern Canada, but about two years ago it was transferred to Calgary. According to the latest insurance report its paid-up capital at December 31, 1912, was \$117,250 of \$232,000 subscribed. The stock is mainly distributed in small amounts throughout the West, holders of \$1,000 and upward paid-up being as follows:—

R. Bayne, Cowley, Alta.	\$ 1,400
John Craig, Calgary, Alta.	5,000
Mrs. J. B. S. Craig, Calgary	5,000
R. J. Dale, Montreal	12,500
John Emery, Calgary	1,600
J. D. Fraser, Tuxford, Sask.	2,000
H. R. Foulger, Chigwell, Alta.	1,000
L. S. Haslam, St. Louis, Mo.	1,000
P. A. Holmes, Calgary	1,400
W. S. Holland, Vancouver	2,200
S. Laurendeau, Calgary	1,250
G. S. Mayes, St. John, N.B.	2,000
W. W. Miller, Somers, Mont.	2,400
E. L. McCormick, Calgary	1,750
J. L. Robins, St. John, N.B.	1,000
Mrs. M. B. Rlee, Calgary	1,400
J. E. Rlee, Calgary (in trust)	7,900
J. E. Rlee	5,000
D. H. Rlee, Calgary	1,250
F. S. Sayre, Richibucto, N.B.	1,000

At December 31 last, the Company's assets amounted to \$188,256, of which \$130,291 were ledger assets. Liabilities were \$126,215, so that paid-up capital was impaired to the extent of over \$55,000. Last year's total income was \$219,983 and expenditure \$203,986 of which \$118,975 was for losses and the remainder for commissions, expenses and taxes.

The loss record of the Company—percentage of losses incurred to premiums received—is as follows:

1907	39.0	1910	83.29
1908	77.1	1911	85.33
1909	70.4	1912	58.21

The Montreal Life Underwriters' Association propose to memorialise the provincial legislature in regard to the licensing of agents.

ABSTRACT OF THE BANK STATEMENT FOR OCTOBER, 1913

(Compiled by the Chronicle).

	October 31, 1913.	September 30, 1913.	October, 31 1912	Month's change.	Year's change*
LIABILITIES.					
Circulation	\$ 118,234,359	\$ 111,075,519	\$ 110,696,877	+ \$7,158,840	+ \$7,537,482
Demand deposits	389,856,507	381,737,513	383,814,572	+ 8,118,994	+ 6,041,935
Notice deposits	621,511,207	621,249,585	640,097,928	+ 261,622	-18,586,721
Foreign deposits	100,892,180	95,941,227	78,518,407	+ 4,950,953	+22,373,773
Total liabilities	\$1,328,497,371	\$1,306,715,560	\$1,283,211,402	+21,781,811	+45,285,969
ASSETS.					
Specie	\$ 44,386,542	\$ 42,802,022	\$ 37,126,294	+ 1,584,520	+ 7,260,248
Dominion Notes	90,111,738	90,533,859	94,673,129	- 422,121	- 4,561,391
Deposit in Central Gold Reserve	7,373,977	3,350,000	.....	+ 4,023,977	.....
Securities held	106,437,013	106,994,530	95,709,858	+ 557,517	-10,727,155
Canadian call loans	71,118,255	70,047,291	73,959,866	+ 1,070,964	- 2,841,611
Foreign call loans	93,346,810	86,639,411	101,186,983	+ 6,707,399	+ 7,840,173
Foreign current loans	*900,159,736	*903,717,013	879,676,655	+ 3,557,277	+20,483,081
Canadian current loans	58,171,884	46,402,913	41,300,588	+11,768,971	+16,871,296
Foreign current loans	37,846,369	37,465,383	.....	+ 380,986	.....
Loans to municipalities, etc. . . . .	.....	.....	.....	+21,468,949	+54,445,884
Total assets	\$1,575,550,980	\$1,554,082,031	\$1,521,105,096	+21,468,949	+54,445,884

* Inclusive of loans to municipalities, etc.

National Trust Co.,

LIMITED

CAPITAL	-	\$1,500,000
RESERVE	-	1,400,000

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

MONTREAL DIRECTORS

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

Offices:

National Trust Bldg.

153 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:

Rt. Hon. Lord Strathcona and Mount Royal, G.C.M.G., President.
H. V. Meredith, Vice-President.

SIR H. MONTAGU ALLAN,	E. B. GREENSHIELDS	A. MACNIDER
K. B. ANGUS	C. R. HOSMER	DAVID MORRICE
A. BAURGARTEN	SIR W. C. MACDONALD	
A. D. BRAITHWAITE	HON. R. MACKAY	
C. B. GORDON	SIR T. G. SHATCHESSBY, K.C.V.O.	
SIR LOWEY GOUIN, K.C.M.G.	SIR WILLIAM C. VAN HORNE, K.C.M.G.	

A. E. HOLT, Manager

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.

Montreal Trust Company

Incorporated 1889

CAPITAL	-	\$500,000.00
RESERVE	-	\$300,000.00

Our Booklet on Wills contains interesting and valuable information. It will be sent on application.

DIRECTORS

H. S. Holt, President	Hon. N. Curry	Hugh Paton
Robt. Archer, Vice-Pres.	Hon. R. Dandurand	E. L. Pease
Sir W. M. Aitken, M. P.	Geo. E. Drummond	James Redmond
J. E. Aldred	T. J. Drummond	F. W. Ross
A. J. Brown, K.C.	F. P. Jones	Hon. W. B. Ross, K.C.
Fayette Brown	Wm. Molson Macpherson	A. Haig Sims
Geo. Caverhill	C. E. Neill	

V. J. HUGHES, MANAGER

142 Notre Dame Street, W.



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

Dominion Trust Company

Head Office - VANCOUVER, B.C.

BRANCHES

Vancouver, B.C.	Victoria, B.C.	Nanaimo, B.C.	New Westminster, B.C.
Montreal, Que.	Calgary, Alta.	Winnipeg, Man.	Regina, Sask.
London, England	Charlottetown, P.E.I.	Antwerp, Belgium	

Subscribed Capital	-	\$2,500,000
Paid-up Capital	-	\$2,000,000
Reserve	-	\$ 800,000

Acts as executor, trustee, guardian, transfer agent, trustee for bond holders, agent for the investment of funds and in all other trust capacities.

Loans money for clients on first mortgages on improved real estate in amounts not exceeding 50% of conservative valuations, netting the investor 6% to 7 1/2%.

Deals in Municipal and industrial debentures.

W. R. ARNOLD, Managing Director.

PRUDENTIAL TRUST COMPANY

LIMITED

<p>HEAD OFFICE</p> <p>9 ST. JOHN STREET MONTREAL.</p>	<p>Trustee for Bondholders Transfer Agent & Registrar</p> <p>Administrator Receiver Executor Liquidator Guardian Assignee Trustee Custodian</p> <p>Real Estate and Insurance Departments</p> <p>Insurance of every kind placed at lowest possible rates.</p>	<p>Safety Deposit Vault</p> <p>Terms exceptionally moderate.</p> <p>Correspondence Invited.</p>
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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

HOW EXPORTS PAY FOR IMPORTS.

LONDON BANKER EXPLAINS EXCHANGE OPERATIONS BETWEEN CANADA AND OLD COUNTRY—EFFECT OF NEW ISSUES.

Sir Edward Holden, of the London City and Midland Bank, lecturing recently at Birmingham, made interesting reference to the exchange operations between Canada and Great Britain and to the effect upon banking operations of new issues in London. He said in part:—

EXPORTS PAY FOR IMPORTS.

Let me endeavor to explain how exports pay for imports, taking, as an example, wheat shipped from Canada to this country. The firm in Canada who purchases and ships the wheat on account of the buyer in England having received the bill of lading for the wheat, draws a bill of exchange on the buyer, which he sells. In technical terms, this is selling exchange, and the shipper of the wheat in Canada is the seller of exchange. In the same way there are sellers of exchange for all exports. There are many classes of buyers of exchange, but the most important are the importers. The sellers and buyers of exchange do not deal personally with each other, but through an intermediary called a broker. Brokers, therefore, sell exchange on account of exporters, and buy exchange on account of importers, but the brokers ultimately buy and sell through bankers in America or Canada. The bankers buying the export bills remit them for discount and credit to their agents in London. Against the credit balances thus created the bankers sell bills to importers, who use them to pay for the goods they purchase from abroad. You will thus see, when a bill is drawn against an export and sold to a banker, he uses the proceeds by drawing bills on London, which he sells to the importers. In this way the bills drawn against exports provide the means, through the banker, for paying for imports.

IMPORTS GREATER THAN EXPORTS.

The total imports of merchandise into Canada last year amounted to £130,000,000 and the total exports to £70,000,000. To the extent, therefore, of £70,000,000 her imports were paid for by her exports, leaving a balance of £60,000,000 to be paid in some other way. In addition to this import balance, Canada has to pay a large sum every year, amounting at the present time to about £15,000,000 sterling, in respect to interest on money borrowed. The total amount, therefore, to be paid otherwise than by means of exports was £75,000,000. How is this done? By borrowing in London through the issue of stock, Canada creates credit balances there against which she sells exchange to importers. If she cannot continue to put out her loans, she cannot continue to import commodities to such an extent as at present, because she would not have sufficient exchange to pay for them. Consequently, our traders must watch these issues carefully. If they continue, all will go well. If they do not, her imports must go down; therefore the exports to Canada of other countries, including our own, must also go down. The alternative would be to pay for her surplus imports in gold, but this would be manifestly impossible.

ISSUES ON THE LONDON MARKET.

When a loan is brought out on the London market

it is first underwritten. When the public apply for these loans they draw their cheques on the various banks to pay for the stock, and the balances at the banks are thereby diminished, while the aggregate of the amounts withdrawn from the banks becomes concentrated in one balance in the bank making the issue. Although the money is subscribed in London, it does not follow that the borrowing country actually spends the money here. Goods might be purchased in any part of the world and paid for by selling exchange against this aggregated balance in London. For example: Assume Canada issues a new loan for £500,000. Of this total £100,000 might be spent in Germany, £100,000 in the United States, £100,000 in France, and £200,000 in this country. To pay for the goods purchased, say, from Germany, cheques would be drawn against the London credit and paid in by the German merchants to their bankers, who would remit them to their London agents for collection and credit. Against this credit the German bankers might remit cheques to pay for goods exported to Germany by English merchants, who would receive credit for them in their banking accounts. In this way the money withdrawn to pay for the issue would ultimately return to the various banks from which it originally came.

It may be concluded from what I have said, although the foreign and colonial loans issued during the last three years in London have amounted to the enormous sum of about £500,000,000 sterling, that the actual credit created and circulating in our banks has only been increased in those cases where money has been borrowed from the banks for the purpose of taking up portions of these issues. In these cases, of course, the loans made by the bankers will have created credits; if, on the other hand, the issuing bank, by the clearance of the cheques sent to it to pay for the issue, accumulated a credit at the Bank of England, and withdrew from the banking department Bank of England notes, taking such notes to the issue department and exchanging them for gold which it shipped abroad, then there would be a cancellation of credits equal to the amount of gold so withdrawn. The amount of gold exported from this country during the last three years has been about £137,000,000 sterling, and, after providing for the requirements of India, the balance may have been mainly taken by means of exchange created by these issues. Thus, while, on the one hand, the country may have benefited from the increased trade arising from these issues, on the other hand, it has undoubtedly suffered by having to pay higher rates for money, causing large depreciations in securities and higher prices for commodities. We must, therefore, conclude that if loans continue to be issued in London the volume of our trade will continue, and if the issues be curtailed our trade also will be curtailed.

Superintendent of Insurance William T. Emmet, of New York, has addressed a letter to the members of the executive committee of the National Convention of Insurance Commissioners, calling their attention to the continued decline in market values of the principal issues of bonds held by casualty and fire insurance companies, and suggesting as a possible expedient to meet the present emergency that companies of these classes be allowed the use of amortized values in compiling their annual statements for December 31, 1913.

SINKING FUNDS.

"A sinking fund is a trust in the strictest sense of the word."—*Financial Post.*

This Corporation is a legal depository for Trust Funds. Its debentures are a legal investment for Trust funds. We offer our services to any who have sinking funds to invest. A number of municipalities have their sinking funds invested in our Debentures. We shall be glad to send you a copy of our Annual Report, with a specimen Debenture and full particulars.

CANADA PERMANENT MORTGAGE CORPORATION

Established 1855

Toronto Street, TORONTO.

THE HOME BANK OF CANADA

Notice of Quarterly Dividend.

Notice is hereby given that a Dividend at the rate of Seven per cent (7%) per annum upon the paid up Capital Stock of this Bank has been declared for the three months ending the 30th November, 1913, and that the same will be payable at its Head Office and Branches on and after Monday, December 1st, 1913. The Transfer Books will be closed from the 17th to the 30th November, 1913, both days inclusive.

By Order of the Board,

JAMES MASON,

Toronto, Oct. 23rd, 1913

General Manager

CABLE ADDRESS "RYKERT"

E. G. RYKERT & COMPANY

Stocks Bonds and Investments
22 St. John Street,
MONTREAL.

British American Bank Note Co., Ltd.

Head Office: WELLINGTON STREET, OTTAWA, CANADA

Most modern and complete appliances for the production and protection against counterfeiting of BANK NOTES, BONDS, CHECK CERTIFICATES, POSTAGE and REVENUE STAMPS and all documents of a Monetary value.

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Traders' Bank Building, Toronto

EDWIN P. PEARSON

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OFFICES:

Adelaide St. East, Toronto

NORTHERN

ASSURANCE CO.

EDWIN HANSON

WILLIAM HANSON

Hanson Brothers

London & Lancashire Life Bldg.
MONTREAL

Investment Brokers

Government, Municipal, Railway and Industrial Bonds and Securities BOUGHT and SOLD.

Investments suitable for Insurance Companies and Trust Estates always on hand

Members Montreal Stock Exchange.

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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

Union Assurance Society Limited

OF LONDON, ENGLAND.

[Fire Insurance since A.D. 1714]

Canadian Branch:

Corner St. James and McGill Streets, Montreal

T. L. MORRISSEY, - Resident Manager

Agencies throughout the Dominion.

THE CHRONICLE

is filed regularly in leading offices
throughout Canada; advertising in
its columns has a *permanent*
value.

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.

QUEBEC'S FINANCES.

Hon. P. S. G. Mackenzie, provincial treasurer of Quebec, presented his budget on Tuesday. With an ordinary revenue amounting to \$8,382,737 and an ordinary expenditure of \$7,612,161 there was a surplus of \$770,575, which was reduced, however, to the actual surplus of \$428,752 by the outlay of \$341,823, under the head of extraordinary expenditure. The budget further showed that the actual ordinary revenue exceeded the estimate by \$1,249,515 and that the estimate of the ordinary and extraordinary expenditure was exceeded by \$1,198,164. The chief items of increase in revenue were from lands and forests, \$250,466; from taxes on commercial corporations, \$280,500; duties and successions, \$214,108. As to the increased expenditure of \$1,198,164 the chief item was \$709,125 authorized by special warrants, with various smaller amounts including grants to McGill and Laval.

ESTIMATE FOR 1914.

With regard to the estimated revenue of 1914-15 the provincial treasurer promised another surplus, but on a reduced scale. The estimated revenue also points to a probable decrease as compared with the year ended last June. The estimated and ordinary revenue for the year ending June 30, 1915, was put at \$7,777,956 and the ordinary and the extraordinary expenditure at \$7,439,534 which would give a surplus of \$338,421.

THE FUNDED DEBT.

With regard to the funded debt, Mr. Mackenzie gave the following figures:—

On the 30th June, 1912, the funded debt outstanding was	\$25,341,157
On the 30th June, 1913, the funded debt outstanding was	24,759,798
<hr/>	
Reduction of funded debt outstanding during the year 1912-13	\$ 581,358
Accounted for as follows:—	
Bonds of loan of 1880 redeemed	\$ 125,365
Bonds of loan of 1882, redeemed	2,405,580
	<hr/>
	\$ 2,530,945
Increase, good roads' loan	1,949,586
	<hr/>
	\$ 581,358

The funded debt at 30th June, 1913, he said, consisting of the bonds and stocks outstanding of the various loans of the Province was \$24,759,798; against which the sinking fund invested amounted to \$1,207,164, leaving a net balance of funded debt of \$23,552,634. The net balance of funded debt at 30th June, 1913, shows a decrease from the net balance of funded debt at 30th June, 1912, of \$617,147. This decrease is caused by the redemption of \$125,365 of the loan of 1880, \$2,405,580 of the loan of 1882, and the purchase of \$35,788 of 3 per cent. inscribed stock on account of sinking fund, and has been increased by \$1,949,586 of inscribed stock, issued on account of the Good Roads' loans.

From now forward, he explained, there will necessarily ensue a gradual increase in the funded debt. There is no doubt that in the course of the next two or three years the amount authorized to be borrowed under the Good Roads' Act, \$10,000,000, will be fully issued.

HEAVY GOLD MOVEMENT INTO CANADA.

Aggregate of \$10,500,000—The Result of Grain Exports and Recent Loans in London.

Further importations of gold from New York to Canada have been made this week making a total of about \$10,500,000 on the current movement. This is in line with the usual tendencies at this time of year when Canada is a heavy seller of grain bills in New York, while probably also recent issues in London have had the effect of accelerating the movement. Referring to one of this week's shipments, the *New York Journal of Commerce* says that the shipment is very largely on London account, it is understood, although being a triangular transaction it would be difficult to trace it out in detail. However, the City of Montreal and other Canadian municipalities have recently been selling bonds at the British centre the proceeds of which will be financed through New York, as this is the usual way of doing business. Aside from this Canada has been selling grain bills against shipments of Canadian wheat. These bills have been sold in the New York market and, of course, must be remitted for. It seems evident therefore that as the financing of the bond issues in London would naturally be through Canadian banks they have drawn on their New York credits instead of their London credits in making the transfer of funds. New York is quite able to stand this movement, notwithstanding that New York bankers have substantial balances in London they can draw on if necessary. But with business receding at the rate it is, the prospects seem to favor a particularly comfortable money situation in the country during the next few months, now that the crop demands have been fully supplied. New York bankers will, it is argued, find it more profitable to use their balances abroad than at home, especially when the tremendous flotations of securities that will soon take place in the Paris market are taken into consideration.

THE UNION LIFE INQUIRY.

Mr. H. Pollman Evans, president of the defunct Union Life Assurance Company of Toronto, gave evidence at the enquiry into the causes of its failure which was continued in Toronto this week. He stated that the cost of the flotation of \$785,000 stock of the Company in England in 1911 was \$152,440, or about 19 per cent. The proceeds of this issue were in part invested as follows:—\$65,000 loan to the defunct National Land, Fruit & Packing Company, whose plant and property at the time the loan was made were said to be worth only that figure, although Mr. Evans said he went on a valuation which was given him of \$110,000; \$60,000 loan to the Imperial Loan and Investment Company, which has now an application standing for liquidation; \$340,000 loan to the Canada Provident Investment & Loan Corporation, whose assets now are largely shares in the Imperial Loan Company, the National Agency, and the National Land, Fruit & Packing Company; deposits with the Imperial Loan & Investment Company from time to time, amounting to \$44,000; \$60,000 in mortgages in the northwest. The enquiry was again adjourned.

Mr. J. B. Laidlaw, Canadian manager of the Norwich Union Fire, is in the West.

Saskatoon has floated in London a new 5 p.c. loan of £169,700 at 93.

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.

M. M. LAMBERT, Manager.

BERTRAM E. HARDS,
Assistant Manager.



CANADA BRANCH HEAD OFFICE, MONTREAL.

DIRECTORS:

Sir Alexandre Lacoste, M. Chevalier, Esq., William Molson Macpherson, Esq.
T. J. Drummond, Esq., J. W. Binnie, Deputy Manager.
J. Gardner Thompson, Manager.



Head Office: 112 St. James Street, Montreal

DIRECTORS:

J. Gardner Thompson, President and Managing Director.
J. W. Binnie, Vice-President and Secretary.
Sir Alexandre Lacoste, M. Chevalier, Esq., Wm. Molson Macpherson, Esq.
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The Northern Assurance Co. Limited

"Strong as the Strongest"

Accumulated Funds, \$38,800,000

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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.

WORKMEN'S COMPENSATION IN SASKATCHEWAN*.

The plan for the government operation of workmen's compensation in Saskatchewan is being pushed by the builders' exchanges. The move is an astute one on their part. They hope to kill two birds with one stone—lower the cost of this insurance to themselves while at the same time obtaining the favor of the labor unions.

AN UNFORTUNATE MODEL.

It is stated that the recommendations to be made to the Saskatchewan Government are likely to be based upon the scheme now in force in the state of Washington. If this be the case, those concerned with the new movement appear to have chosen a particularly unfortunate model. The state of Washington scheme includes the "current-cost" fallacy, which is akin to the fallacy upon which assessment life insurance is going to smash and has been definitely and explicitly rejected by Sir William Meredith in his recommendations for a new workmen's compensation law in the province of Ontario. The operation of the state of Washington law early gave an illustration of the remarkable results which may be achieved through this "current-cost" plan. Two years ago eight girls were killed in a powder mill. Under the state scheme of compensation insurance, in the powder mill class there were five risks who were compelled to insure each other, these five risks totalling 196 employees. Of this number of employees, there were in one plant 160, and that plant was accordingly compelled to insure approximately 82 per cent. of the risk on every plant. This large plant used every known precaution for safeguarding their plant and employees from accidents; the small plant where the accident took place did not. The commission figured out the total compensation to be awarded for the accident in question at \$8,250, the large plant being called upon for \$7,600. At that time the powder mill class fund had assets of \$463, plus a law suit. The large powder plant refused to pay; the fund was insolvent and the majority of claimants instead of getting cash compensation were awarded warrants drawn on the insolvent fund. Whether they have yet succeeded in cashing those warrants, we are not aware; probably not, for there began a long train of litigation from this case which would probably take years to settle.

TWO IMPORTANT POINTS.

This concrete instance of how in one case the state of Washington law worked brings out two important points. In the first place, the employees fared badly. If the insurance fund had been established on a sound footing or if the various powder

mills had been insured in casualty companies the claims would have been paid promptly; as it was claimants were compelled to wait indefinitely pending the settlement of complex litigation. Secondly, this case brings out the fact that under legislation of this kind, careful employers are compelled to pay for the accidents of those less careful. Not only so, but there is an actual incentive in this sort of legislation for the employer who hitherto has taken a great amount of care to safeguard his workmen to lower his standard, since it is fairly obvious that the amount which he would be called upon to pay as the proportion of his own compensation for additional accidents would be somewhat less than the cost of his former standard of safety appliances and care in operation.

"If insurance," says Mr. Tecumseh Sherman, "enables an employer to shift the excess of his liabilities (over the average) upon his competitors, the effect will be to encourage him to continue the use of dangerous processes, practises and equipment, obsolete machinery and cheap and unskilled labour, to increase the intensity of his labor and to relax his care and efforts for safety."

How do the Saskatchewan labour unions—in whose interests partly the builders' exchanges are pushing these new proposals—like that outlook?

PROBLEMATICAL CHEAPNESS.

Again, it is claimed by the builders' exchanges that the system of compensation by commission which they advocate would be cheaper than insurance with the casualty companies now transacting business in the province. Such a claim may be a pious hope, but it is nothing more, since there is no accumulated experience under the existing workmen's compensation Act of the province to show what the proper charge for that compensation should be. Ever since that Act came into operation the builders' exchanges have been busy trying to persuade the companies to cut rates, and as a matter of fact rates in the province of Saskatchewan have always been below the companies' manual rates. It must be remembered in this connection that the indefinite character of the Saskatchewan Act gives the insurers no material on which to base their rates. No schedule of compensation appears in the Act, and until that is added or the rates of compensation are defined authoritatively by the Courts, rate-making for workmen's compensation business in Saskatchewan will be the merest guess-work, with the odds in favor of the fact that universal experience will be followed and the companies' rates be below what it will be found that they should be when an experience has been developed. It would be a remarkable fact if at the outset of such a plan of action as

* A previous article on this subject appeared in our issue of November 14 (page 1575).



ONTARIO AND NORTH WEST BRANCH
 8 Richmond Street, East, TORONTO
PROVINCE OF QUEBEC BRANCH
 164 St. James St., Cor. St. John St., MONTREAL



HEAD OFFICE - - - TORONTO
 MONTREAL BRANCH: Thomas F. Dobbin, Resident Secretary, 164 St. James St.
 QUEBEC BRANCH: C. E. Sword, Resident Secretary, 81 St. Peter St.
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of YORK ENGLAND.

Established 1824.

ASSETS, \$13,000,000

FIRE INSURANCE granted on every description of property at Tariff rates.

LIVE STOCK INSURANCE. This Company has a large Live Stock business in England and elsewhere, and is the

FIRST COMPANY, licensed by the FEDERAL GOVERNMENT, to transact Live Stock Insurance in the Dominion.

APPLICATIONS FOR AGENCIES are invited from responsible persons.

ACCIDENT DEPARTMENT. Personal Accident, Sickness, Employers' Liability, Elevator Liability, Teams Liability, Public Liability, Plate Glass.

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G. N. Bosworth, Esq.

Alex. L. MacLaurin, Esq.

Canadian Manager, P. M. WICKHAM, Montreal.

The WESTERN

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Incorporated in 1851.

ASSETS over \$3,000,000.00

LOSSES paid since organization of Company over \$56,000,000

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GEO. A. MORROW

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FREDERIC NICHOLLS [C.V.O.]

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COL. SIR HENRY M. PELLATT,

JAMES KERR OSBORNE

E. R. WOOD

HEAD OFFICE - TORONTO

FOUNDED 1792. INSURANCE COMPANY OF NORTH AMERICA

PHILADELPHIA, PA.

CAPITAL, \$4,000,000.00
 SURPLUS TO POLICY HOLDERS . 8,844,871.95
 ASSETS 17,816,188.57
 LOSSES PAID EXCEED . 199,000,000.00

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

LONDON MUTUAL FIRE INSURANCE CO.

HEAD OFFICE TORONTO
 ESTABLISHED 1859

Assets on December 31st, 1912 . - \$1,012,673.58
 Liabilities on December 31st, 1912 . - \$368,334.81

SURPLUS on December 31st, 1912 \$644,338.77

Security for Policy Holders . - \$1,031,161.17

F. D. WILLIAMS,
 Managing Director

THE LIFE AGENTS' MANUAL - - \$3.00
 Published by The Chronicle, Montreal.

that proposed, the suggested commission, who would be necessarily amateurs in the business of insurance, succeeded in getting any nearer a true and equitable rate than trained insurance men. If they proceeded on the "current-cost" plan, and pitched their assessments at first too low, employers who came into the scheme after its inauguration would have the pleasure of paying up for accidents which occurred before they entered; if they made them too high there would be the pulling of political wires to get the commissioners turned out of office. But there is in point of fact not one shred of material in the Saskatchewan Act on which to base rates. It would be at the outset the merest guess-work, and later apparently depend on the decisions of the commissioners themselves in regard to the scale of compensation awarded. The whole business would be a thorough speculation at the start and probably afterwards result in the direct encouragement of malingering and similar evils and possibly in the building-up of a political machine.

CANADA LIFE OFFICERS' ASSOCIATION.

ANNUAL MEETING AT WATERLOO—DISCUSSION OF QUESTION OF TAXATION OF PREMIUMS—NEW OFFICERS ELECTED.

The members of the Canadian Life Officers' Association held their annual meeting at the home office of the Mutual Life of Canada at Waterloo, Ont., on Friday. It has been the custom in the past to convene in Toronto, inasmuch as a majority of the companies' head offices are located there. This year, however, in response to an invitation of the retiring president, Mr. George Wegenast, the members agreed to foregather in Waterloo. To this Anglo-German town the phrase "the Hartford of Canada" has been applied, three fire and two life companies having originated here. This year it has been doubly honored, first, in that a Waterloo life official has occupied the president's chair of the Canadian Life Officers' Association during the past year, and, second, that his invitation for the annual meeting has been accepted.

A REPRESENTATIVE ATTENDANCE.

The following were present: Messrs. L. Goldman, managing director North American Life Assurance Company; Col. W. C. Macdonald, secretary and actuary Confederation Life Association; G. A. Somerville, general manager Manufacturers Life Insurance Company; Geo. B. Woods, president Continental Life Insurance Company; A. N. Mitchell, general manager Federal Life Assurance Company; Alex. Bissett, manager for Canada London and Lancashire Life and General Assurance Association, Limited; A. B. Wood, actuary Sun Life Assurance Company; F. C. Cope, assistant secretary Sun Life Assurance Company; W. A. P. Wood, actuary Canada Life Assurance Company; D. E. Kilgour, actuary North American Life Assurance Company; J. B. McKechnie, actuary Manufacturers Life Insurance Company; E. Marshall, general manager, Excelsior Life Insurance Company; J. F. Weston, general

manager Imperial Life Insurance Company; J. C. Richter, manager London Life Insurance Company; A. R. Howell, manager for Canada the Gresham Life Assurance Society; John Milne, Northern Life Assurance Company; J. G. Parker, associate actuary Imperial Life Assurance Company; A. H. Selwyn Marks, secretary Crown Life Insurance Company; L. A. Stewart, manager for Canada United States Life Insurance Company; Thos. Hilliard, president Dominion Life Assurance Company; R. A. Mannings, Royal Insurance Company; George Wegenast, managing director Mutual Life of Canada.

At one o'clock the members of the Association sat down to lunch in the dining-room of the home office of the Mutual Life. The members then adjourned to the directors' room and proceeded with the more practical business. At intervals during the day, as opportunity offered, the members of the Association were shown through the new home office of the Mutual, one of the most recent additions to the insurance head offices of the Dominion.

TAXATION OF LIFE PREMIUMS.

At the afternoon session the principal subject discussed was the taxation of life insurance premiums. The much-discussed question of co-operative publicity was not touched upon. In regard to the question of taxation of life companies' premium income, the net result of the conference indicated an unanimous feeling that life insurance taxation, more particularly in the Province of Quebec, should be more consistent and uniform and less burdensome to policyholders. It is believed that the concerted effort which will be put forth on behalf of the relief of the policyholder will bear fruit. The awakened public sentiment has shown that, whatever be the burdens or exactions placed upon the companies, these in the end are transferred to the policyholders, and are therefore of vital interest to them and their dependents. Taxation of all kinds, when levied on the premiums in particular directly increases the cost of the policy or reduces the results under the policy. This in many cases becomes a great hardship to the insurer of small means, particularly of the laboring classes.

At the request of Dr. H. Rogers, Chief Medical director of the New York Life Insurance Company, and chairman of the Medical Index Bureau Committee, the Association has been asked to take over the supervision of the Library Bureau Interchange System for Canada. The Assistant Secretary, Mr. W. G. Reburn, was delegated to take charge of the work.

NEW OFFICERS.

Application for membership to the Association has been received from the Mutual Life and Citizens Assurance Company, Limited, of Australia. In accordance with the by-laws of the Association, Mr. A. B. Wood gave notice that he would move at the next meeting that the Mutual Life and Citizens Assurance Company, Limited, of Australia, be admitted to membership.

The newly-elected officers are: President, Mr. T. B. Macaulay, F.I.A., F.A.S.; First Vice-President, Mr. A. Bissett; Second Vice-President, Mr. G. A. Somerville; Hon. Secretary-Treasurer, Mr. D. E. Kilgour; Assistant Secretary-Treasurer; Mr. W. G. Reburn. Executive Committee—The above and Messrs. Geo. Wegenast, J. E. Kavanagh, A. R. Howell, Col. W. C. Macdonald and J. F. Weston.

COMMERCIAL UNION

ASSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December 1912)

Capital Fully Subscribed . . .	\$14,750,000
Capital Paid Up	1,475,000
Life Fund, and Special Trust Funds,	68,056,830
Total Annual Income exceeds	39,500,000
Total Funds exceed	118,000,000
Total Fire Losses Paid	155,780,550
Deposit with Dominion Govern- ment	1,284,327

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 1912)

Capital Fully Paid	\$500,000
Fire Premiums 1912, Net	\$2,421,745
Interest, Net	127,350
Total Income	\$2,549,095
Funds	\$4,000,000
Deposit with Dominion Gov't	\$105,666

In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$118,000,000

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, Manager

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

ESTABLISHED 1809

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

FIRE AND LIFE

North British and Mercantile

INSURANCE COMPANY

DIRECTORS
A. MACNIDER, Esq., Chairman CHAS. F. SIBB, Esq.
G. N. MONCEL, Esq. WM. MCMASTER Esq.

Head Office for the Dominion:
80 St. Francois Xavier Street - MONTREAL.
Agents in all the principal Towns in Canada.
RANDALL DAVIDSON, Manager.

ANGLO-AMERICAN

FIRE INSURANCE COMPANY

Head Office, 61-65 Adelaide St. East, Toronto

E. E. A. DU VERNET, R.C., President
H. H. BECK, Manager

INSURANCE

Phoenix of Hartford

Company

Total Cash Assets : \$11,404,634.19
Total Losses Paid : 70,700,545.46

J. W. Tatley, Manager.
MONTREAL.

Applications for Agencies Invited.

The MONTREAL-CANADA

FIRE INSURANCE COMPANY

ESTABLISHED 1869.

L. A. LAVALLÉE, President. F. PAGE, Provincial Manager.
Head Office: ROOM 21, DULUTH BUILDING.
Cor. Notre Dame & St. Sulpice Sts
MONTREAL.

INTEREST EARNINGS OF LIFE COMPANIES IN CANADA IN 1912.

NOTE.—The demand for last week's issue containing the subjoined article and tables was so unexpectedly large as to entirely exhaust the issue within a few hours of publication. In order to comply with the wishes of many subscribers, the article and tables are accordingly reprinted.

The statistics published on another page of this issue regarding the interest earnings of the life companies doing business in Canada show that in the main these continue on the upward grade. The method of compiling these statistics which has been used by THE CHRONICLE for many years is as follows:—The mean of the assets is determined by dividing by two the sum of ledger assets as at December 31, 1912, and at the same date a year earlier and adding thereto the market values of bonds, stocks, etc., over book values, except where, in the case of the British and certain of the United States companies, the Government Blue Book gives ledger values without information as to market divergence. The interest is considered as made up by receipts from interest and rents during the twelve months ending December 31, 1912, adding thereto the interest and rents due and accrued at the end of the year, less the same items outstanding in 1911. This method has been found generally satisfactory. There are occasional differences in the form of returns made by individual companies, but these do not materially affect the results shown. With regard to the British companies, it is to be noted that the interest figures used are *net*, i.e., the interest earned less income tax paid upon it.

CANADIAN COMPANIES' EARNINGS.

Last year, there was again a distinct advance in the average rate of interest earned by the Canadian life companies as a whole. This rate was for 1912, 5.87 per cent. comparing with 5.72 per cent. in 1911 and 5.45 per cent. in 1910. The steady and even pronounced upward trend in these earnings is shown in the following summary:—

1900.	1901.	1902.	1903.	1904.	1905.	1906.
4.56	4.66	4.75	4.80	4.80	4.93	4.98
1907.	1908.	1909.	1910.	1911.	1912.	
5.24	5.30	5.41	5.45	5.72	5.87	

Thus last year, the Canadian companies were on an average earning 1.12 per cent. more upon their assets than they were ten years previously, in 1902.

This remarkable advance which is probably unique, has no doubt continued over the present year. While the exceptionally high figures returned by some of the companies are due to their investments in western mortgages, it is to be supposed that the rise in the rate of interest generally during the past year will have an effect upon all the companies. They will have been able to make purchases of bonds at figures which give very handsome returns, while in cases where there has been a decrease in the market value of securities already held, the effect of the writing-down will be to increase the interest

yield still further. With regard to the effect of western mortgage loans upon the interest earnings, the following table shows the percentage to total invested assets of the loans on real estate held by the various companies and the rate of their interest earnings:—

	A*	B†
British Columbia...	48.49	8.00
Canada...	36.34	5.39
Confederation...	37.32	5.59
Continental...	28.88	5.47
Crown...	41.87	5.47
Dominion...	85.77	7.47
Excelsior...	84.78	7.54
Federal...	36.07	5.80
Great West...	76.74	7.54
Home...	41.63	5.84
Imperial...	74.66	6.60
London of Canada...	87.42	6.49
Manufacturers...	52.11	6.13
Monarch...	81.84	8.00
Mutual of Canada...	58.58	5.91
National...	None	4.56
North American...	32.80	5.63
Northern of Canada...	63.02	6.22
Security...	None	3.46
Sovereign...	48.79	6.24
Sun of Canada...	4.53	5.73
Travellers of Canada...	None	4.68
Union of Canada...	12.16	6.61

* Percentage to total invested assets, December 31, 1912 of loans on real estate. † Rate of Interest earned, 1912.

It will be seen from this table that there is a distinct relationship traceable in a number of instances between a high proportion of invested assets in loans on mortgages and an exceptionally high interest return. The following is a summary table of the Canadian companies' invested assets as at the close of December, 1912, and December, 1911:—

	1912.	1911.
Real Estate Owned...	\$ 8,893,197	\$ 7,958,157
Mortgages on Real Estate...	75,205,667	63,443,648
Loans on Collaterals...	3,229,833	2,388,758
Loans on Policies, etc...	25,810,787	22,896,068
Bonds and Debentures...	69,782,629	68,099,271
Stocks...	16,307,053	14,328,472
Totals (Unadjusted)...	\$199,229,167	\$179,114,376

DRAWBACKS AND ADVANTAGES.

Nearly two-thirds of the \$20,000,000 by which the Canadian life companies' invested assets were increased last year went into mortgages on real estate, which were advanced from \$63,443,648 at December 31, 1911, to \$75,205,667 at December 31, 1912, thus increasing their proportion to the whole of the companies' invested assets from 35.42 to 37.75. While these mortgages are at the present time in great and increasing favour with the insurance companies they have their drawbacks, particularly the necessity for the constant re-investment of funds and heavy administration expenses. Probably, however, the companies consider these drawbacks compensated for not only by the

(Continued on p. 1613.)



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.

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J. S. N. DOUGALL, Vice-President

HON. N. CURRY,

JAMES MCGRIGOR,

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.

INTEREST EARNINGS OF LIFE INSURANCE COMPANIES OPERATING IN CANADA

(Compiled exclusively by THE CHRONICLE)

CANADIAN LIFE COMPANIES

COMPANY.	Rate.	Mean Amount of Assets.				Interest Earned.			Rate.		
	1909	1910	1911	1912	1910	1911	1912	1910	1911	1912	
		\$	\$	\$	\$	\$	\$	\$			
British Columbia.....				106,531	.....	.....	8,523	.....	.....	8.00
Canada.....	4.88	38,931,617	41,090,388	44,638,326	1,959,825	2,126,813	2,405,030	5.03	5.17	5.39	
Consideration.....	5.30	14,116,955	15,000,987	15,329,811	762,505	832,919	890,420	5.40	5.55	5.79	
Continental.....	5.47	954,823	1,132,792	1,315,029	52,549	62,237	72,081	5.50	5.49	5.47	
Crown.....	5.65	713,710	832,996	943,826	42,480	50,152	51,656	5.95	6.02	5.47	
Dominion.....	7.21	1,886,591	2,194,459	2,222,819	140,235	163,264	188,423	7.43	7.42	7.47	
Excelsior.....	7.06	1,868,589	2,149,678	2,466,954	133,680	164,617	186,023	7.15	7.66	7.54	
Federal.....	5.32	3,551,147	3,946,218	4,383,739	188,878	219,140	254,262	5.32	5.55	5.80	
Great West.....	7.65	7,159,239	8,775,060	10,488,421	531,871	664,532	790,472	7.43	7.57	7.54	
Home.....	5.85	1,119,174	1,252,517	1,221,124	67,632	74,489	67,720	6.04	5.95	5.84	
Imperial.....	6.62	5,386,319	6,210,335	7,142,088	339,974	408,957	471,691	6.31	6.58	6.60	
London of Canada.....	6.33	2,973,424	3,283,256	3,638,147	188,202	207,783	237,480	6.33	6.33	6.49	
Manufacturers.....	5.70	11,631,692	13,070,202	14,504,999	643,273	755,187	888,752	5.53	5.78	6.13	
Monarch.....	6.67	231,007	265,820	320,906	17,768	19,798	25,631	7.69	7.45	8.00	
Mutual of Canada.....	5.68	14,707,436	16,438,112	18,240,906	829,756	945,593	1,078,205	5.64	5.75	5.91	
National.....	4.87	1,225,593	1,496,438	1,736,758	61,861	70,399	81,955	4.89	4.70	4.56	
North American.....	5.13	10,661,869	11,586,036	12,453,743	562,932	629,941	700,931	5.28	5.44	5.63	
Northern of Canada.....	5.90	1,256,769	1,421,815	1,598,096	73,374	83,275	98,106	5.84	5.86	6.22	
Security.....				69,646	.....	.....	2,412	.....	.....	3.46
Sovereign.....	4.50	665,562	795,430	876,144	32,855	43,286	54,633	4.94	5.44	6.24	
Sun of Canada.....	5.30	34,544,696	39,959,845	45,524,164	1,765,321	2,281,134	2,611,239	5.11	5.71	5.73	
Travellers of Canada.....				116,135	.....	.....	3,166	.....	.....	3.37
Union of Canada.....	3.23	955,132	1,286,956	1,830,994	35,491	56,769	65,018	3.72	4.41	6.61	
Totals.....	5.41	154,581,344	172,287,786	191,301,406	8,430,462	9,863,441	11,236,107	5.45	5.72	5.87	

BRITISH LIFE COMPANIES

COMPANY.	Rate.	Mean Amount of Assets.			Interest Earned.			Rate.		
	1909	1910	1911	1912	1910	1911	1912	1910	1911	1912
		\$	\$	\$	\$	\$	\$			
Gresham.....				51,604,363	.....	.....	2,078,945	.....	.....	4.03
London & Lancashire.....	4.22	12,783,569	13,619,578	14,215,852	525,776	522,144	613,015	4.11	3.83	4.31
Phoenix.....				53,524,693	.....	.....	2,113,048	.....	.....	3.95
Standard.....	4.36	63,006,290	64,332,928	66,054,444	2,693,116	2,710,861	2,750,981	4.27	4.21	4.23
Totals.....	4.34	75,789,859	77,952,506	185,399,352	3,218,892	8,233,005	7,595,989	4.25	4.15	4.10

NOTE—The Royal's figures are not given, the form of that Company's balance sheet precluding calculations on the lines here followed.

AMERICAN LIFE COMPANIES

COMPANY.	Rate.	Mean Amount of Assets.			Interest Earned.			Rate.		
	1909	1910	1911	1912	1910	1911	1912	1910	1911	1912
		\$	\$	\$	\$	\$	\$			
Elma.....	4.65	90,861,511	94,317,342	97,459,925	4,400,007	4,483,564	4,723,156	4.84	4.75	4.85
Equitable.....	4.58	476,038,606	487,189,717	498,811,104	21,860,810	22,394,728	22,323,654	4.59	4.60	4.47
Metropolitan.....	4.96	287,832,348	324,747,516	363,323,889	14,155,235	16,091,760	17,984,740	4.92	4.95	4.95
Mutual of N. Y.....	4.60	557,755,547	570,379,510	582,672,735	25,864,609	26,356,651	27,043,901	4.64	4.62	4.64
New York.....	4.51	604,756,552	654,453,855	686,271,550	27,474,426	29,522,208	31,749,565	4.54	4.51	4.63
Provident Savings.....	6.16			10,033,937	.....	.....	603,629	.....	.....	6.02
Prudential.....	4.66	207,110,318	236,448,008	266,319,957	9,584,065	11,194,745	12,822,319	4.63	4.73	4.80
State.....	5.86	8,966,153	10,099,233	11,216,769	519,408	587,413	665,288	5.79	5.82	5.93
Travelers.....	4.98	54,860,323	59,043,720	63,604,937	2,693,077	2,970,526	3,144,941	4.91	5.03	4.94
Union Mutual.....	4.51	16,178,525	17,099,717	17,681,858	747,473	785,327	823,342	4.62	4.59	4.66
United States.....	5.15	8,463,824	8,378,547	8,156,108	435,323	441,732	411,906	5.14	5.27	5.05
Totals.....	4.64	2,312,823,707	2,462,157,165	2,605,514,599	107,734,373	114,828,654	122,296,444	4.61	4.66	4.60

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated : 1833.

HEAD OFFICE: TORONTO

Old Reliably Progressive
 Assets over - - \$2,000,000.00
 Losses paid since organization
 over - - \$36,000,000.00

DIRECTORS:

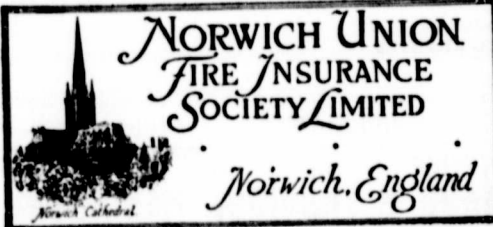
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First British Insurance Company Established in Canada
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FIRE LIFE

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

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New York Underwriters Agency.

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 ALFRED J. BELL, Halifax, N.S.
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JOHN, Wm. MOLSON & ROBERT Y. HUNTER, Montreal, Que.
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FIRE INSURANCE COMPANY, Limited

Head Office: PARIS, France.

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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:

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Manager for Canada:

MAURICE FERRAND

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

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Agents wanted in Unrepresented Districts

President: HON. C. E. DUBORD, Director and Secretary: THEODORE MEUNIER, Manager: H. W. THOMSON.

INSPECTORS.

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

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

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

INTEREST EARNINGS OF LIFE COMPANIES IN CANADA, 1912.

(Continued from p. 1609.)

high interest return but also by the fact that mortgage investments form a good talking point for agents. Bond investments, even when of a local character, do not mean very much to the average prospect, but the fact that Bill Jones, who has the next farm, secured a much-needed loan from the Company which now solicits the honor of John Smith's patronage, does mean something. And perhaps—for human nature is a queer thing—it may be one of the factors in deciding John Smith to take a policy in a company which thus "keeps the money at home." However, the insurance companies have had the best opportunities this year of adding to their bond holdings on most favorable terms, and those companies who have taken the present opportunity to make large additions to the former holdings of long-term securities, should find them highly satisfactory investments.

IMPORTANCE OF RATE OF INTEREST.

Recently, Mr. Henry Moir, the well-known New York actuary, commented upon the necessity of life insurance companies being conservative in regard to the rate which they assume for their calculations, in view of the fact that life insurance contracts run for very long periods. "It is much better for policyholders," he said, "that companies should use a very low rate of interest and carry complete and satisfactory reserves, whereby their claims will be guaranteed beyond peradventure, rather than that companies should be optimistic—should assume that they can earn a high rate of interest and thereby incur a danger, arising from economic causes which cannot be controlled, that the rate of interest should fall to such an extent that policy contracts would be impaired. If the rate of interest rises it is easy for participating companies to make an adjustment by increased dividends—a tendency which has been noticeable on the part of many of the best companies during the past six or seven years. But, on the other hand, if a high rate of interest be assumed and a serious fall take place in the future, the result might be insolvency with all its attendant evils. Accordingly, the companies are, in my judgment, to be highly commended for their present conservative attitude. The majority of them assume only $3\frac{1}{2}$ per cent. for all their new business, and many of the best companies even use 3 per cent. only. This low rate means that participation in dividends is being preserved for policyholders on an increasing scale for the future, so long as the actual interest rates on the invested funds remain satisfactory."

In regard to this important matter, it may be noted with satisfaction that generally speaking the practise of the Canadian companies follows the best models. The assumed interest rate is a low one for the majority of the companies, and in instances where it has not already been done steps are being taken to bring down the assumed rate to the minimum of 3 per cent. There can be no doubt that the earning power of the Canadian life companies is likely to be very high for many years to come and with capable management dividends to policyholders should be, generally speaking, on an increasing and decidedly satisfactory scale.

THE FORTHCOMING LIFE PRESIDENTS' MEETING.

Hon. William H. Taft, ex-president of the United States, is among those scheduled to speak at the seventh annual meeting of the Association of Life Insurance Presidents to be held in New York on December 11th and 12th. President George E. Ide, of the Home Life Insurance Company, will be the chairman of the meeting.

The preliminary programme, just issued, shows that Company executives from the extreme Eastern and Western limits of the country will join in the presentation of addresses under the general theme of "Response of Life Insurance to Present-Day Economic Needs." These officers will include President W. A. Day, of the Equitable Life Assurance Society, President Sylvester C. Dunham, of the Travelers Insurance Company, President George I. Cochran, of the Pacific Mutual Life Insurance Company, President Arthur E. Childs, of the Columbia National Life Insurance Company and Actuary Henry Moir, of the Home Life Insurance Company. Time will be set aside for a general discussion of these papers.

Much interest will centre upon an address on "Federal Supervision of Insurance" to be delivered by the Hon. Burton Mansfield, Commissioner of Insurance for Connecticut. The midwinter meeting of the National Convention of Insurance Commissioners will be held a few days after this meeting, and it is expected that a number of the members will be present to hear their associate talk on this subject, as well as to be in attendance when President Young, of the Commissioners Convention, delivers an address or another subject.

Continuing its study of health reforms related to the business side of life insurance, the Association will listen to addresses from sanitary students and experts. A section of the programme will be devoted to a discussion of the interdependence between relationships in the life insurance field. Those presenting papers will be President James R. Young, of the National Convention of Insurance Commissioners, President Henry Abels, of the American Life Convention and President Ernest J. Clark, of the National Association of Life Underwriters.

FIREMEN AND FIRES.

1. Firemen operate first by putting out fires. This calls for a good water supply and proper equipment and trained men, each of which is an important factor in the work.

2. The firemen operate also in preventing fires. This can be done by requiring that only proper and safe buildings shall be erected, and that when erected they shall be as nearly fireproof as possible, with safe flues and chimneys. Again, they prevent fires by proper inspections. These inspections make the firemen acquainted with the different buildings and premises, which is of great value when it becomes necessary to fight fire.

But the mere inspection of fire risks and notifying the people what improvements can and should be made to prevent the danger of fires, is not sufficient; and unless these inspections are followed up by other inspections in which the former inspection is checked up and it is found what attention, if any, has been paid to the suggestions and directions to have deficiencies removed, practically nothing will be accomplished.

**BRITISH AND CANADIAN
UNDERWRITERS**

**of NORWICH, ENGLAND,
ISSUING POLICIES OF THE
Norwich Union Fire Insurance Society
Limited, of NORWICH, ENGLAND.**

AGENTS WANTED AT ALL POINTS IN THE DOMINION.

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Head Office for Province of Quebec, MONTREAL**

JOHN MacEWEN, Superintendent for Quebec

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**AUTHORIZED CAPITAL, . . . \$1,000,000
HEAD OFFICE: . . . MONTREAL**

**President, Hon. H. B. Reinville Vice-President, J. M. Wilson
J. E. CLEMENT, Jr., General Manager
Responsible Agents wanted in Montreal and Province of Quebec**

Union Mutual Life Insurance Co.

Of Portland Maine.

FRED. E. RICHARDS, President.

**Accepted value of Canadian Securities held
by Federal Government for protection of policy-
holders, \$1,206,576.**

**All policies issued with Annual Dividends on
payment of second year's annual premium.**

**Exceptional opening for Agents, Province of
Quebec and Eastern Ontario.**

WALTER I. JOSEPH, Manager,

151 St. James Street, Montreal.

YOUR CARD

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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34 Nassau Street

New York, N.Y.

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**

**THE DOMINION OF CANADA
GUARANTEE AND ACCIDENT INSURANCE COMPANY**

**ACCIDENT INSURANCE SICKNESS INSURANCE GUARANTEE BONDS
PLATE GLASS INSURANCE BURGLARY INSURANCE**

THE OLDEST AND STRONGEST ACCIDENT INSURANCE COMPANY

**MONTREAL
J. E. ROBERTS, President.**

**TORONTO OFFICES
C. A. WITHERS, General Manager.
E. ROBERTS, Manager, Montreal Branch.**

**CALGARY VANCOUVER
J. L. TURQUAND, Secretary-Treasurer.**

Fire Agents' Text Book, \$2.00

by J. Griswold,

THE CHRONICLE . MONTREAL

The LIFE AGENTS' MANUAL

PRICE, \$3.00

Published by The Chronicle, Montreal

HOW TO PREVENT LAPSES.

(By President Forrest F. Dryden, Prudential of America.)

Among a variety of causes, familiar to all, which produce lapses are lack of funds, indifference and overinsurance. Probably the majority of all cancellations may be attributed to these factors, each of which requires analysis to determine the treatment necessary in dealing with individual policyholders. No company or manager can do other than deplore the cases of real hardship, where it is actually impossible for the insured to pay premiums. These, however, are far more limited in number than is generally supposed. Strong evidence on this line is furnished by the tenacity with which the wage-earning classes cling to their industrial policies.

WHAT THE AGENT MUST DO.

Frequently the plea of "no funds" is due to a desire to spend the money for something else, or to failure to apportion wisely even a limited income, so as to be ready for the premium notice when received. First impressions have faded, and the sense of relative values has disappeared. Here the work of salvage must be pushed. The agent must again etch deeply on the mind of the insured, and without offence, that the need of protection for the beneficiary still exists. He must burn into his client's conscience the fact that it is not the part of wisdom to indulge in any luxury or careless expenditure, or make any commitments which will jeopardize the payment of his insurance premium. The so-called necessities of life are no more necessary to him than the imperative need of his wife and children for the protection which his policy will afford in the event of his death.

MUST LAY BROAD, FIRM FOUNDATION.

Paradoxically, one of the best means of preventing subsequent lapse must be employed before a policy is actually issued. In other words, the solicitor in securing the application must lay a broad, firm foundation upon which to establish lasting relations between the insured and the company. This involves a clear, concise statement of essential conditions of the contract, perfect candor, and the winning of the client's confidence.

If the insured is only half convinced of his need for a policy, he is ready to drop it without much thought as to consequences. Regular payments become irksome and excuses for neglect easy to find, especially where the agent has induced an applicant to accept a policy, the cost of which is beyond his means. The lapse-ratio is usually about three times as heavy in the second and twice as heavy in the third policy year as for several years thereafter. Hence business frequently needs to be recanvassed and fostered more than once during its early history.

MUST BE ADAPTED TO CLIENT'S NEEDS.

The contract should be adapted to the needs of the applicant rather than to the scale of commissions. Altruism in this respect is very apt to bring substantial returns in the form of additional insurance later on. It is desirable to collect the first premium on the annual basis, and, if possible, on or before the due date, thus cultivating in the insured the habit of prompt payment. The grace period is intended to cover emergencies and not as a peg upon which the policyholder may hang excuses for non-payment.

The agent who lacks the courage of his convictions or follows the line of least resistance at this point will pay the penalty in loss of business and renewals.

After a policy has been delivered, it is well to keep in touch with the insured. The personal equation is a vital factor, and a friendly interest tactfully exhibited from time to time emphasizes the family relation into which the policyholder has entered. Human nature responds to such treatment.

TREATMENT OF LAPSED POLICYHOLDER.

No policyholder should be allowed to lapse his insurance until every attempt has been made, during repeated interviews if necessary, to protect his interests. If in spite of this he cancels his policy, he should still be considered a member of the insurance family, although temporarily away from home. Thus he should be visited at reasonable intervals until revival application is secured, and reinstatement of the insurance should not be retarded by any unreasonable restrictions.

DISCOURAGE LOANS ON POLICIES.

Every legitimate means should be employed to discourage borrowing on the policy, and systematic efforts should be made to induce repayment of loans as quickly as possible, in order to restore to the policy its full value. In the last six years the loaning liability of the Prudential has increased 2.4 times, while the loans have increased 3.2 times. Since only 6 per cent. or 7 per cent. of the loans are repaid and the lapse-rate of policies upon which loans have been made is excessive, the importance of this matter is evident.

Special attention should be given to every case of change in residence, in order that the policyholders' welfare and convenience may be conserved.

In offices where enough men are employed to justify frequent conferences on methods, it is well to make the conservation of business one of the principal topics for discussion. While fundamental principles do not change, local and individual conditions or circumstances do vary, and the psychology of personal influence is worthy of constant study. Frequently a friendly rivalry between agents in the same office may stimulate all to greater effort or more resourceful methods.

COURTESY AND CONSIDERATION.

Every influence should be exerted to prevent the surrender of an old policy in order to take out new insurance.

Unfailing courtesy and consideration toward policyholders, exhibited with convincing sincerity on every possible occasion, will bind more closely the tie of insurance brotherhood in the interest of all concerned.

Speaking broadly, the agent, in his methods of salesmanship and subsequent contact with the insured, is the principal factor in the reduction or prevention of lapses. He it is, in the last analysis, who must always convince the policyholders that his personal financial interests will suffer if his contract becomes void, and that his beneficiaries need to have his constant care and thoughtfulness for their welfare protected into the unknown future by means of life insurance.

Are any life agents talking about "hard luck" these tight times? Let them try the never-failing remedy of hard work.—*Excelsior Record*.

**RAILWAY PASSENGERS
ASSURANCE CO.**
OF LONDON,
ENGLAND
Established 1840.

OLDEST ACCIDENT COMPANY IN THE WORLD

**ACCIDENTS OF ALL KINDS
AND ILLNESS**
INSURED AGAINST

Also
ALL KINDS of
EMPLOYERS' AND PUBLIC
LIABILITY
(INCLUDING AUTOMOBILE.)
PLATE GLASS AND FIDELITY GUARANTEES.

Head Office for Canada, Confederation Life Building, TORONTO
F. H. RUSSELL, Manager

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Head Office: 46 King Street W.,
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A Strong Canadian Company.

ACCIDENT AND SICKNESS INSURANCE
GUARANTEE BONDS

PLATE GLASS AND AUTOMOBILE INSURANCE

E. WILLANS, General Manager. **FRANK W. COX,** Secretary.

**The General Accident
Assurance Company
of CANADA**
Head Office, - - TORONTO, Ont

Personal Accident
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Insurance

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General Agents for PROVINCE of QUEBEC
ROLLAND, LYMAN & BURNETT, MONTREAL

ROYAL EXCHANGE ASSURANCE
Founded A.D. 1720

Losses paid exceed \$235,000,000

Head Office for Canada
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ARTHUR BARRY, Manager



Correspondence invited from responsible gentlemen in un-represented districts re fire and casualty agencies

Head Office: Royal Exchange, London

The Equity Fire Insurance Co.
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Brown Clarke Agency, Winnipeg	Geo. A. Lavis, Calgary
Young & Lorway, Sydney, B.C.	J. M. Queen, St. John, N.B.
McCallum, Hill & Co., Regina.	

THE FEDERAL LIFE ASSURANCE COMPANY
Home Office, HAMILTON, CANADA.

The year 1912 shows the largest gains in the Company's history - Substantial increases made in all departments.
Assets increased \$440,648.30; The Cash Income by \$130,808.60; Surplus earned during the year amounted to \$107,050.90; Assurances at risk now amount to \$25,555,267.00

Several attractive openings for live agents in the Province of Quebec. Apply to

C. L. SWEENEY, Provincial Manager,
Montreal, Quebec

DEFENCE OF GROUP INSURANCE

EQUITABLE LIFE OF NEW YORK IN LESSON TO AGENTS, EXPLAINS ITS PRINCIPLES—MORTALITY EXPERIENCE FAR BETTER THAN EXPECTED.

The Equitable Life of New York has lately inaugurated a correspondence course of instruction for its agents. One of the lessons, which constitutes an interesting defence of group insurance is as follows:—

Medical Examination, Why Necessary?—If the law of mortality indicates that people normally situated die in accordance with a fixed law, why does the life insurance company require each applicant to be examined by a physician and pronounced a satisfactory risk before it will issue a policy on his life? If the law of mortality is reliable, why the need of these examinations? If some policyholders die prematurely, will not the result on the average be satisfactory, whether applicants have been examined or not? This is a pertinent question and must be answered:

Insurance is not Compulsory.—If all the people in the United States, or all the people in a single State, were compelled to insure, or if they would all apply voluntarily, medical examinations could be dispensed with, because the law of mortality would then work without interference. As a matter of fact, it has often been said that if a life insurance company could insure the lives of all the people passing on the street in front of its office, the risks would be more desirable on the average than those obtained through medical selection, because few invalids and no bedridden people walk along the street, and among such pedestrians the young and vigorous preponderate.

Adverse Selection.—But the insurance company cannot compel people to insure. *It can only insure those who apply.* And if it announced that it would accept every person who applied, most of the healthy people would remain away, and all the invalids, including those with one foot in the grave, would flock to it. Thus what is called "adverse selection" would saddle upon it a body of policyholders, who, instead of dying in accordance with the mortality table, would die very much more rapidly.

RIGID CONDITIONS OF GROUP INSURANCE.

In Group Insurance Examinations are Unnecessary.—A clear understanding of this will show you that the Equitable acts prudently when it goes to a corporation or business firm and enables the employer to insure the lives of all the employees under one blanket policy, on what is called its group plan of insurance. In such a transaction medical examinations are dispensed with, because the society will not grant the insurance except under the following rigid conditions:

1. The group must be large enough to permit the law of mortality to work with precision.
2. The entire body of employees must be included.
3. They must consist of workers who on the average are young and vigorous and not aged and infirm.
4. The group must be a living, active body, renewed from time to time by the introduction of young and healthy lives as those who are old or infirm drop out.
5. The occupation and environment of the group must be wholesome and satisfactory in all respects.

When entering into such a transaction the society judges of the quality of the group as a whole. It would not insure at normal rates the patients in a

hospital, no matter how large the group. On the other hand, the employees of a business house (where the majority are young, vigorous and alert, and where their work is healthy), have proved to be better risks on the average, than an equal number of ordinary citizens who have passed a medical examination.

It is a big job to follow up individual insurers and find out all about their employment, habits, environment, etc. In the case of a large group the contrary is true. The company ought to be more successful in selecting these groups than in selecting an equal number of unrelated individual risks.

Such a group is held together by a tie far stronger than the value of the insurance. This gives it continuity and permanence. The company can, for example, well afford to insure the members of a stock exchange, because they are held together by their business and the value of their seats. In such a case the insurance is merely incidental, and the members are constantly retiring as they grow old, and young men are constantly coming in.

In the case of a fixed group on the other hand, the wisdom of insuring them would be less obvious, because the group might break up and no one be able to tell exactly what had become of the individual members. Moreover, each member would be constantly growing older, and as no new members would come in, the average age of the members as a body would steadily increase.

ONLY FAVORABLE GROUPS ACCEPTED.

Of course, it is essential to the permanency of group insurance that only obviously favorable groups should be accepted.

In the groups we are taking the automatic withdrawal of old lives and the automatic introduction of fresh lives results in keeping the mortality rate substantially uniform. This is indicated by the fact that the rates charged on such groups show a tendency to remain substantially uniform.

The experience of assessment companies is very different from this. Those who drop out are usually the vigorous and the young. The old and infirm hang on. Hence, after a time the condition of such an organization becomes impaired, and it becomes more and more difficult to secure new members.

When Examinations Can be Dispensed With in Individual Cases.—In England certain companies issue policies based on a certificate of health from the applicant and a lay inspection with the additional safeguard that only part of the insurance is paid if death intervenes during the first or second year.

Careful Inspection Means Profit.—Considering the insurance business as it is generally conducted; that is to say, subject in each case to a medical examination, it is important to note that the mortality experience of a company will depend largely on the character of the examinations made by its physicians. Every properly managed company assumes that its actual death rate will be at least as favorable as that indicated in the mortality table on which its premium charges are based. This might not be the case if these examinations were made carelessly. But no skilfully managed company would be content if its death rate barely corresponded with its mortality table. Its aim is to make its examinations so thorough, and to select its risks so carefully, that its death rate shall be lower than that shown in its mortality table. Then large savings will be made and credited to surplus, and that will enable the company to make larger *refunds* (mis-

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.

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 Montreal
 EINHART & EVANS, Resident Agents Toronto
 MEDLAND & SON Winnipeg
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Fire Insurance Expiration Books, 50c. & \$2.00
 THE CHRONICLE - MONTREAL

Life's Four Seasons

CHILDHOOD. The Springtime of life—is the period of happy-go-lucky irresponsibility.

YOUTH. Life's Summertime—is usually spent in acquiring an education and a trade or profession.

MANHOOD is the third of life's fleeting seasons.—It is the strenuous period during which the heavy burdens of life must be supported.

OLD AGE. The Winter of Life—should be given to rest, and the enjoyment of the comforts which the trials, struggles and sacrifices of earlier life have provided.

LIFE INSURANCE lightens the burdens of manhood and relieves the disabilities of old age.

All approved plans are issued by

The Mutual Life Assurance Co. of Canada
 Waterloo, Ontario

A TORONTO AGENCY

WITH
 Continuous Renewals for the RIGHT MAN
 SEE

CONTINENTAL LIFE

CONTRACT.

T. B. PARKINSON : Superintendent of Agencies
 Continental Life Building, TORONTO

THESE ARE FEATURES

That Make Imperial Policy Contracts desirable

- Large profits to policyholders.
- Unusually strong policy reserves.
- High interest rate on sound investments.
- Favorable mortality experience.
- And absolute security to policyholders.

Several good agency openings for producers.

THE IMPERIAL LIFE ASSURANCE COMPANY of CANADA

Head Office - TORONTO

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

THE NATIONAL LIFE ASSURANCE COMPANY OF CANADA.

Head Office: National Life Chambers, - - - Toronto, Ontario
 ELIAS ROGERS, President. ALBERT J. RALSTON, Vice-President and Managing Director.
 F. SPARLING, Secretary

Applications for new assurances received as from the first of January 1st to September 2nd, 1913, \$7,000,000.00.
 An increase of \$2,900,000 by way of comparison with the first eight months of 1912. By way of comparison with 1911 the increase is over \$4,000,000.00.
 The Company report on September 2nd no arrears of interest or principal on any of its invested funds, a continuous record for almost fifteen years.

For agencies apply direct to Head Office.

called "dividends") to its policyholders. Success in this direction will have a twofold advantage: the company will be stronger, and the cost to policyholders will be lower.

In the same way, although the tests are different, the Equitable's transactions on the group plan are so carefully selected that its mortality experience has been far better than the "expected;" i.e., than the rate indicated by the mortality table on which its premium charges are based.

UNINSURED.

The terrible significance of being uninsured is only fully realized and understood by innocent sufferers left behind at the death of parent or guardian to bear the brunt of being totally unprovided for, and this in a world which is harsh and unsympathetic, where preventable poverty is concerned. The sin of the head of a family in failing in his duty to make the utmost provision possible for those dependent upon him, by life assurance, is often visited upon innocent children and frail wives. We know of nothing more pathetic than the position of a woman, possibly with young children, from whom husband and father has been taken by a sudden calamity, in the prime of manhood, by some accident or totally unanticipated attack of disease—nothing more pathetic than to hear her tearfully confessing that the husband "Did not believe in insurance," or "Could not afford the premiums, as the children needed so many things," forgetting that their greatest need of all was protection by insurance. Dead men tell no tales, they say, but that is not the fact when applied to those who die uninsured. The tale of woe which invariably is the outcome of this evasion of moral responsibilities speaks in the most eloquent language. It could not be otherwise. Actions—or lack of them—speak louder than words. There is no question whatever that a man fails ignominiously in his duty if he neglects life assurance, by which, on the payment of the first premium, he automatically creates an estate. He has then only to keep up the premium payments.

MERE INTENTION ABSOLUTELY USELESS.

We believe there are many men who do give the question of insurance their attention at times. And it is verily their intention to take a policy for an amount commensurate with their family's needs, and their social position, but it often ends there. Mere intention is absolutely useless unless actual deed is done. Those who decide to "do something," but hopelessly procrastinate, form the large body of what are correctly described as the "putters-off;" those whose intentions are honourable, but who lack sufficient moral courage to immediately put their decision into action. There is, again, a large number who say they cannot afford the premiums necessary for insurance; and, what is more, honestly and sincerely believe it. Such men will not forego any pleasure or luxury to make provision for their dependents, which is moral cowardice of a particularly base sort. They form the selfish class for whom one can have only the greatest contempt. Then, there is another section, which, though not quite so deficient in realising their duty, carry it out only in a partial and grudging manner. They insure for the smallest possible amount, and consider they have done all that is required of them, oblivious of the fact that their

dependents could all exist, but a few days, so to speak, on the paltry sums which materialise at their demise. These men need awakening to a greater sense of their solemn obligations to their families, for, to all practical intents and purposes, they are uninsured. The position of widows and children is deplorable. In many cases, the amount of the policy does not suffice for more than the funeral expenses, the dependents being stranded for the most ordinary necessities of life. It is in these circumstances that the widow is faced with the greatest problem of life—how to feed and clothe her children. It is quite easy, but distinctly uncharitable to glibly say, "She can work." If private charity fails, she must inevitably make the attempt, and cruel it is to a mother who has hitherto lived in some degree of luxury.

HUMILIATION OF ACCEPTING CHARITY.

Another humiliation is accepting charity. This could largely, if not entirely, be avoided if, on the threshold of wedded life, the pair had invested in the charter of family security, a life policy, for a sufficient sum. A better present from a bridegroom to bride could not be made. It proves him to be a man of prudence and discretion, far-seeing and independent, understanding to the full all the obligations of married life. In these days of eugenic theories it is not uninteresting to point out also that the investment in a life policy generally means a medical examination, which, in effect, is a certificate of physical fitness for the great event of life. On the question of the uninsured, thoughtlessness on the husband's part is sometimes not the only regrettable feature. The wife forgets her part of the duty. She is more vitally concerned with the contract than anyone else. She should loyally support her husband in any inclination to assure his life, even if it may mean some self-denial. Often, alas! the wife deters the husband, preferring the transient pleasure of another hat or dress to the lasting benefit that is secured by the insurance premium; or, it may be she thoughtlessly prefers to see money evaporate in the passing delight of an extra whist party or two, or a few extra dinner parties or visits to the theatre. However, all this should hearten the agency staffs, for every proposal completed means a stronger foundation for some home or other. The agents, as the only links between the public and the offices, should ever remember that they have to think of the underinsured as well as the uninsured. A great many of the former would increase their insurances were the matter brought to their notice and argued with all the facts and figures which, in the hands of an intelligent, earnest and honest agent, form an unanswerable case.—*London Review*.

New financing of the Canadian Coal and Coke Company is now being completed. It is understood that \$750,000 2-year notes have been underwritten, which with \$500,000 American bankers are advancing, will be sufficient to clear off the Company's indebtedness and leave a balance of \$300,000 to \$400,000 to complete development work at the various properties. Sometime before the end of 1914 the temporary financing will be replaced by an issue of \$2,000,000 to \$3,000,000 bonds, which will have the entire properties of the company as an unencumbered security.

THE CONTROL OF FIRE INSURANCE RATES.

(By David Rumsey, Continental Insurance Company.)

(Continued from p. 1625.)

HONESTY AND EFFICIENCY.

To what agency, then, shall the work of apportioning fire hazard as between insurers be confided? The problem is one of first securing honesty of administration and second, the highest measure of efficiency. The task requires broad experience, a technical insurance training and a tenure of office sufficient to permit the application of a uniform policy and the opportunity to develop and perfect a uniform plan. It is not only a man's job, it is the task of an expert. But perhaps above all other considerations it should be recognized that as the accuracy of apportionment between properties can probably never be demonstrated so that the conclusions stand by themselves regardless of the agency which produces them, it is of vital importance that insurance rating be conducted by a tribunal which has the confidence of both the public and the companies. It may be commented that this statement of qualifications of a rating board, viewed in the light of past experience, is an attractive but impossible idea. However, I again suggest that we should first know what we ought to have and then discuss our restricted ability to secure it. Public officers who are capable of viewing this subject independently of their political ambitions and their personal ideas of what certain of their constituents who are ill-informed as to the nature of fire insurance problems may desire, will concede that the tribunal to make rates must be created out of the fire insurance business and that the men who are capable of making schedules and rates for insurance can only be recruited from the ranks of underwriters. It is also apparent that such work cannot be done efficiently if it be tainted by favoritism or warped by the desire to extend favors to the public with a view to securing political preferment. If these propositions are acceded to as being sound and just, rating by State boards in any such form as has been tried in the past becomes eliminated from further consideration. On the other hand, I consider it only fair to say that rating organizations maintained in the past wholly by the companies without State control have sometimes failed to maintain the principles of equity and have permitted a desire to secure premiums to outweigh considerations of entire fairness in apportioning the premiums among classes of insurers. There would seem to be, however, a middle course between the two extremes of State rate making on the one hand, with all the consequent defects of short tenure of office, the injection of politics into a business matter and the performance of a technical duty by amateurs unskilled in the business which they are conducting; and on the other hand, complete company control of rate making without the steadying influence for its control of laws and State supervision to hold the rate making body up to a full sense of responsibility for its action to the representatives of the people. The necessary joint control and balancing of influence can, I think, be secured by leaving with the companies selection of the person or persons who shall make rates but giving to the Superintendent of Insurance

the power of examining into the office and methods of the rate making body so that its defects can be subjected to the correcting influence of publicity which serves as a powerful and controlling influence for removal of inconsistencies and unequal treatment of insurers. Also, there may be given to the Superintendent of Insurance the power to compel removal of discrimination in rates as between properties of the same fire class hazard, together with jurisdiction to review complaints that the schedule used by the rate making body has not accurately been applied to a particular risk. It has been suggested that the State should have the power to review and reject a schedule proposed for use by a rating board but such a provision would seem to be unnecessary for the proper safeguarding of the public interest in fire insurance rates as it is subject to the serious criticism that, indirectly, but none the less effectively, the obligation to approve or reject a schedule involves a practical making of the schedule and creates for the public official an easy opportunity to use his supervising power effectively to create discriminations in rates rather than to remove them to the extent that such a course might be politically advisable or even justified by an erroneous judgment resulting from lack of experience.

ALBERTA'S CROP YIELD.

Statistics compiled from official reports to the provincial department of agriculture show that the total estimated crop yield in Alberta for 1913 is 81,535,000 bushels, an increase of 17,069,942 bushels over 1912. There was an increase of 189,862 head of live stock over last year. The cultivated area was increased by 417,558 acres, making a total of 2,809,310 acres. The farm value of the crop is placed at \$120,000,000.

The increase in the volume of oats and barley show that more attention is being devoted to mixed farming. The acreage in spring wheat also is large. Decreases are shown in acreage devoted to winter wheat and flax. The average acre yield of all cereal crops follows: Spring wheat, 19 bushels; winter wheat, 18 bushels; oats, 39 bushels; barley, 38 bushels; flax, 11 bushels; rye, 22 bushels, speltz, 15 bushels.

There were also substantial increases in the output of butter and cheese, cream and milk, wool, fish, fur and game, poultry and eggs and garden products, the total value being placed at \$8,000,000, as against \$6,750,000 in 1912.

The subjoined figures show the estimated heads of livestock in the province at present: Horses, 580,120; swine, 607,202; sheep, 417,657; dairy cows, 175,367; other cows, 150,032; beef cattle, 178,032; other cattle, 497,370.

The report shows that 1,000,000 acres of land were sown in spring wheat in 1913, the yield being 19,000,570 bushels, other grains being as follows: Winter wheat, 77,299 acres, 1,395,382 bushels; oats, 1,267,130 acres, 49,418,070 bushels; barley, 376,698 acres, 10,547,544 bushels; flax, 65,021 acres, 715,231 bushels; rye, 15,880 acres, 349,558 bushels; speltz, 7,243 acres, 108,645 bushels.

The yield in 1912 was: Spring wheat, 959,874 acres, 17,434,774 bushels; winter wheat, 120,811 acres, 2,305,875 bushels; oats, 971,969 acres, 37,085,234 bushels; barley, 255,955 acres, 6,287,112 bushels; flax, 112,776 acres, 1,196,413 bushels; rye, 2,493 acres, 54,119 bushels; speltz, 774 acres, 11,528 bushels.

CANADIAN FIRE RECORD

(Specially compiled by The Chronicle)

MONTREAL.—Maison Yvette millinery store, 142 and 144 St. Catherine Street east damaged, November 18.

Photographic studio of Ratkin & Pismenov, 823 St. Lawrence St., damaged, November 18. Loss, \$500. Origin, upset candle.

Home of E. Bedard, 114 D'Argenson Street, damaged, November 16. Origin, matches.

Factory of J. C. O. Bertrand, 64 Christopher Columbus Street damaged, November 3. The factory made pincushions stuffed with sawdust and the floor was littered with sawdust. Origin, matches or cigarettes.

Charles Landry's restaurant, 258 Marie Anne Street, damaged, November 3. Origin, matches.

S. Zazopky's home, 1126 Cadieux Street, damaged, November 5. Origin, overturned lamp.

Vacant stable in rear of D. Lalonde property, 1221 Clarke Street, destroyed, November 5.

Home of M. Eibel, 823 St. Lawrence Street damaged, November 17. Origin, children. Loss, \$300.

Fire at 439 Mentana Street, November 19, did \$700 damage. Insurance, \$500.

Residence, 282 Beaudry Street damaged, November 20. Loss, \$300. No insurance.

Dry goods store of S. B. Berman, 181 St. Lawrence Boulevard damaged, November 24. Loss, \$10,000.

M. Lafertiere's store at 1859 St. Catherine Street East, gutted November 20.

Frothingham & Workman Company's shed, corner of Eadie and Cabot Streets, destroyed with 18-foot gasoline yacht, November 21.

Premises of F. Nicolas & Co., 119 Bleury Street, damaged, November 23. One death.

Fire in cellar of store of M. Wolf, 462 St. Catherine Street West, November 27, spread to upper floor used by W. H. Scroggie, Ltd., and D. I. Reuben. Loss heavy.

OAKVILLE, ONT.—Town Hall destroyed, November 4.

LIONS HEAD, ONT.—Pedwell's Mill destroyed. Loss, \$30,000. Origin, unknown.

WIGWAM, B.C.—Lee Lumber Company's property burned, October 30. Loss, \$30,000. Origin, unknown.

COWANSVILLE, QUE.—R. E. Ruiter's barn destroyed, November 10. Loss, \$8,000. Insurance, \$1,800. Origin, unknown.

PORTAGE LA PRAIRIE, MAN.—J. H. Waind's stable and granary destroyed with contents, November 7. Supposed origin, tramp.

MOOSE JAW, SASK.—One of the cold storage departments at Gordon, Ironside, and Fair's abattoir and meat packing plant gutted, November 23.

ST. GENEVIEVE DE GILFORD, QUE.—Two residences burned, November 13. Loss, \$5,000, practically insured. Origin, unknown.

YARKER, ONT.—D. V. Bowerman's store, A. W. Benjamin's barn and old village hall destroyed, November 18, and Commercial Hotel damaged. Origin, unknown.

CUMBERLAND, B.C.—Saw mill, machinery and 2,000,000 feet of dried lumber at No. 8 mine, Canadian Collieries destroyed, November 13. Estimated loss, \$100,000.

HAZELBRIDGE, MAN.—Greek Catholic Church, in trust of Ivan Dubuy and A. Mazura, damaged. Loss, \$1,596. Insurance, \$1,000 in Winnipeg fire.

QUEBEC.—Premises and stock of J. B. Renaud & Co., wholesale provision merchants, St. Paul Street damaged, November 21. Loss, \$14,000, covered by insurance.

PINCHER CREEK, ALTA.—About half the town destroyed, November 23, by fire which originated in the Hudson Bay store. Loss about \$33,000, mostly insured.

MAYMONT, SASK.—Livery barn, 15 head of horses and a quantity of hay owned by Melrose & Evans; and chopping mill of Samuel Kerr destroyed. Total loss, about \$12,000, with insurance of \$1,000 on barn.

ST. MARIE DE BEAUCE, QUE.—Thirty-nine houses and some sixty barns and sheds and stable destroyed, November 21. Loss very heavy and only partially covered by insurance scattered amongst various companies.

HAMILTON, ONT.—Stable in rear of 343½ Macnab Street north, burned, November 22. Vacant house at 123 Kenilworth Avenue, owned by Alfred Hunter, destroyed, November 23, with \$50 goods stored in it. Insurance, \$600. Origin in each case, arson.

BRIGHTON, ONT.—A. A. Wade's livery barn and stables of Hotel Central burned with 13 horses and other contents, November 21. Wade's loss, \$5,000 with insurance of \$1,500. Building owned by Sam. Nesbitt, M.P.P. Insurance, \$1,800. Origin, arson.

CHILLIWACK, B.C.—Henderson Block damaged, November 13. Loss, building, \$8,000. Insurance, \$5,000. Occupants, Mr. Chapman, \$2,000; Mr. R. A. Henderson, \$1,000. Losses unknown.

NORTH VANCOUVER.—Fire destroyed residence of L. Koch, on St. Andrews Avenue and Twenty-First Street, November 16. Loss, \$2,000 on house, \$700 on contents, covered by insurance. The residence of C. L. Scott, next door, damaged \$175, house at rear of Koch residence damaged to extent of \$100 on house, \$50 on the furniture.

STROME, ALTA.—Five buildings destroyed, November 1. Following are the individual losses with insurance respectively: Douglas Brothers, general store, \$27,000, \$15,000; Strome Pharmacy, E. H. Hayman, \$7,000, \$3,000; Strome Restaurant, Pon Dick, \$6,000, \$4,000; millinery store, Miss B. C. Bite, \$3,000, none; poolroom, F. C. Freeman, loss and insurance unknown.

FIRE PROTECTION CAMPAIGN.

Mr. Franklin H. Wentworth, of Boston, secretary of the National Fire Protection Association, has spent the week in a speaking tour in Montreal, Toronto, Hamilton and Ottawa, his audiences including Canadian Clubs, Boards of Trade and the Toronto Insurance Institute. To-day he is speaking to the Montreal Canadian Club and in the evening will be entertained at dinner by the local committee on Fire Prevention. On Monday Mr. Wentworth visited the C.P.R. Angus shops, where a demonstration of the fire-fighting equipment was given. In an interview, Mr. Wentworth spoke favourably regarding Montreal's limitation of the heights of buildings, and commented approvingly on the system of inspection and investigation of fires. But he suggested that wider streets were wanted down-town.

Traffic Returns.

CANADIAN PACIFIC RAILWAY.				
Year to date.	1911.	1912.	1913.	Increase
Oct. 31	\$87,398,000	\$107,151,000	\$113,184,000	\$6,033,000
Week ending	1911.	1912.	1913.	Increase
Nov. 7	\$2,493,000	\$2,938,000	\$3,204,000	\$266,000
" 14	2,486,000	2,916,000	3,124,000	208,000
" 21	2,226,000	2,704,000	3,119,000	415,000
GRAND TRUNK RAILWAY				
Year to date.	1911.	1912.	1913.	Increase
Oct. 31	\$40,139,368	\$43,154,930	\$47,252,791	\$4,097,861
Week ending	1911.	1912.	1913.	Increase
Nov. 7	\$95,818	\$1,061,984	\$1,118,707	\$56,723
" 14	959,980	1,064,317	1,022,375	Dec. 41,942
" 21	951,384	1,033,798	1,080,010	26,212
CANADIAN NORTHERN RAILWAY.				
Year to date.	1911.	1912.	1913.	Increase
Oct. 31	\$13,654,400	\$16,802,100	\$19,175,500	\$2,373,400
Week ending	1911.	1912.	1913.	Increase
Nov. 7	\$526,000	\$590,300	\$620,400	\$30,100
" 14	504,000	609,500	643,500	34,000
" 21	403,000	561,500	608,000	46,500
TWIN CITY RAPID TRANSIT COMPANY.				
Year to date.	1911.	1912.	1913.	Increase
Oct. 31	\$6,428,918	\$6,704,335	\$7,265,080	\$560,745
Week ending	1911.	1912.	1913.	Increase
Nov. 7	\$147,041	\$161,800	\$173,311	\$11,511
" 14	143,019	168,669	173,063	14,394
HAVANA ELECTRIC RAILWAY CO.				
Week ending	1911.	1912.	1913.	Increase
Nov. 2 .....	.....	\$45,498	\$45,198	Dec. \$ 300
" 9 .....	.....	51,342	54,369	2,927
" 16 .....	.....	48,611	54,016	5,405
" 23 .....	.....	49,683	53,090	4,607
DULUTH SUPERIOR TRACTION CO.				
Year to date.	1911.	1912.	1913.	Increase
Nov. 7	\$21,468	\$20,465	\$25,184	\$4,729
" 14	20,855	20,247	24,656	4,409
" 21	21,937	21,195	.....	.....
DETROIT UNITED RAILWAY.				
Week ending	1911.	1912.	1913.	Increase
Oct. 7	\$183,471	\$220,494	\$221,118	\$ 624
" 17	190,009	214,468	216,418	1,950
" 21	183,429	216,284	213,411	Dec. 2,873

CANADIAN BANK CLEARINGS.

	Week ending Nov. 27 1913	Week ending Nov. 20, 1913	Week ending Nov. 28, 1912	Week ending Nov. 30, 1911
Montreal	\$5,815,711	\$6,767,506	\$5,121,071	\$4,811,654
Toronto	4,897,790	46,277,517	40,884,081	37,852,218
Ottawa	4,069,985	4,598,479	3,962,016	4,162,679

MONEY RATES.

	To-day	Last Week	A Year Ago
Call money in Montreal	6 1/2 %	6 1/2 %	6 %
" " in Toronto	6 1/2 %	6 1/2 %	6 %
" " in New York	2 1/2 - 3 1/2 %	2 1/2 - 3 %	9 - 12 %
" " in London	4 1/2 - 4 %	4 1/2 - 4 %	3 1/2 - 4 %
Bank of England rate	5 %	6 %	5 %

DOMINION CIRCULATION AND SPECIE.

Oct. 31, 1913	\$118,460,674	April 30, 1913	\$114,296,017
Sept. 30	115,496,540	March 31	112,101,886
August 31	113,401,170	February 28	110,484,879
July 31	116,363,538	January 31	113,602,030
June 30	113,746,734	December 31	115,836,488
May 31 .....	.....	Nov. 30	118,958,620

Specie held by Receiver-General and his assistants :-

Oct. 31, 1913	\$101,716,293	April 30, 1913	\$100,706,287
Sept. 30	98,986,515	March 31	98,507,113
August 31	91,593,052	February 28	98,782,004
July 31 .....	.....	January 31	101,893,960
June 30	100,437,594	December 31, 1912	104,076,547
May 31	100,481,562	Nov. 30	106,697,599



CANADIAN BANKING PRACTICE

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List of Leading Stocks and Bonds

CORRECTED TO THURSDAY, NOVEMBER 27th, 1913

Table with columns: BANK STOCKS, Closing price or Last sale, Par value of one share, Return per cent. on investment at present prices, Rate of Annual Dividend, Capital subscribed, Capital paid up, Rent Fund, Per centage of book to paid up Capital, When Dividend payable. Rows include various banks like British North America, Canadian Bank of Commerce, and utility companies like Montreal Light, Heat & Power Co.

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LIABILITY (all kinds)	LOSS OF MERCHANDISE and
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F. J. J. STARK, General Manager.

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Funds exceed	17,900,000

Including the Fully Subscribed Capital, the resources of the Company exceed \$28,900,000.

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Montreal.

STOCK AND BOND LIST, Continued

BONDS	Closing Quotations		Rate p.c of Interest per annum	Amount outstanding.	When Interest due.	Where Interest payable	Date of Maturity.	REMARKS
	Ask	Bid						
Bell Telephone Co.....	99	97	5	\$3,649,000	1st Oct. 1st Apl.	Bk. of Montreal, Mtl.	April 1st, 1925	Red. at 110 aft. Nov.'19 or in pt. aft. Nov. 11
Can. Car & Fdy.....	104	..	6	3,500,000	1st June 1st Dec.	.....	Dec. 1st, 1939	
Can. Converters.....	..	..	6	474,000	1st June 1st Dec.	.....	Dec. 1st, 1926	
Can. Cement Co.....	96½	95	6½	5,000,000	1st Apl. 1st Oct.	" "	Oct. 21st, 1929	Redeemable at 110
Dominion Coal Co.....	9½	..	5	6,300,000	1st May 1st Nov.	" "	April 1st, 1940	Red. at 105 and Int. after May 1st, 1910
Dom. Iron & Steel Co ...	85½	85	5½	7,332,000	1st Jan. 1st July	Bk. of Montreal, Mtl	July 1st, 1929	5 Redeemable at 110 and Interest.
Dom. Tex. Sers. "A" ...	99	97½	6	758,500	1 March 1 Sept.	Royal Trust Co. Mtl.	March 1st, 192	
" " "B"....	100	99	6	1,000,000	" "	" "	" "	Redeemable at par after 5 years
" " "C"....	..	..	6	1,000,000	" "	" "	" "	Red. at 105 and Interest
" " "D"....	..	..	....	450,000	" "	" "	" "	" "
Havana Electric Railway	100	..	5	7,824,731	1st Feb. 1st Aug.	52 Broadway, N.Y.	Feb. 1st, 1912	Redeemable at 105
Halifax Tram.....	100	..	5	600,000	1st Jan. 1st July	Bk. of Montreal, Mtl.	Jan. 1st, 1916	
Keewatin Mill Co.....	190	99½	6	750,000	1st March 1 Sept.	Royal Trust Co. Mtl.	Sept. 1st, 1916	Redeemable at 110
Lake of the Woods Mill Co	..	100	6	1,000,000	1st. June 1st Dec.	Merchants Bank of Canada, Montreal.	June 1st, 1932	
Laurentide Paper Co....	110	103	6	947,305	2 Jan. 2 July	Bk. of Montreal, Mtl.	Jan. 2nd, 1920	
Mexican Electric L. Co. .	..	..	5	5,778,600	1st Jan. 1st July	" "	July 1st, 1935	
Mex. L. & Power Co....	..	..	5	11,722,500	1st Feb. 1st Aug.	" "	Feb. 1st, 1933	
Montreal L. & Pow. Co..	97½	93	4½	6,787,000	1st Jan. 1st July	" "	Jan. 1st, 1932	Red. at 105 and Int. after 1912
Montreal Street Ry. Co..	..	100	4½	1,500,000	1st May 1st Nov.	Bk. of Montreal, Mtl.	May 1st, 1932	Redeemable at 105 and Interest
Ogilvie Flour Mills Co. .	..	..	6	1,750,000	1st June 1st Dec.	.....	July 1st, 1932	Redeemable at 110 after Nov. 1, 1911
Penmans	92½	89	5	2,000,000	1st May 1st Nov.	Bk. of M., Mtl. & Ln.	Nov. 1st, 1926	
Price Bros	80½	80	6	833,000	1st June 1st Dec.	.....	June 1st, 1925	
Quebec Ry. L. & P. Co..	44	41½	5	4,866,666	1st June 1st Dec.	.....	June 1st, 1929	
Rio Janeiro.....	..	..	5	25,000,000	1 Jan. 1 July	C. B. of C. London.	Jan. 1st, 1935	
Sao Paulo.....	..	..	5	6,000,000	1st June 1st Dec.	Nat. Trust Co. Tor.	June 1st, 1929	
Toronto & York Radial..	..	..	5	1,620,000	1 July 1st Jan	B. of M., Tor. & N.Y.	Feb. 1st, 1919	
Winnipeg Electric.....	9½	97	5	1,000,000	1st Apl. 1st Oct	Bk. of Montreal, Mtl.	Jan. 1st, 1927	
West India Electric.....	..	..	5	4,000,000	2 Jan. 2nd July	" "	Jan. 1st 1935	
				600,000	1st Jan. 1st July	.....	.....	1929

Montreal Tramways Company
SUBURBAN SUMMER TIME TABLE

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

From Lachine—
20 min. service 5.30 a.m. to 5.50 a.m. 10 min. service 12.00 noon to 8.00 p.m.
10 " " 5.50 " 9.00 " 20 " " 8.00 p.m. to 12.10 a.m.
20 " " 9.00 " 12.00 noon Extra last car at 12.50 a.m.

Sault aux Recoillets and St. Vincent de Paul:
From St. Denis to St. Vincent—
20 min. service 5.20 a.m. to 6.00 a.m. 30 min. service 8.00 p.m. to 11.00 p.m.
10 " " 6.00 " 8.00 " Car to St. Vincent 11.30 p.m.
10 " " 8.00 " 4.00 p.m. Car to Hendersons only 12.00 mid.
10 " " 4.00 p.m. to 7.00 " Car to St. Vincent 12.40 midnight
20 " " 7.00 " 8.00 " "

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