The Chronicle

Banking, Insurance & Finance.

ESTABLISHED JANUARY, 1881 PUBLISHED EVERY FRIDAY

Vol. XXXIV. No. 48 MONTREAL, NOVEMBER 27, 1914. Single Copy 10c
Annual Subscription, $3.00

TELL-TALE DISCOUNTS.

To those who recognise that sound finance is as important a factor in the successful waging of modern warfare as up-to-date armaments, there is distinct encouragement at the present time in the course which is being taken by German funds in neutral money markets. Germany, it is the general opinion of foreign financial critics, started her war-financing upon an unsound basis. Her issues of currency were enormously inflated. It is credibly said that the total issues of new currency and bank money in August and September, to avoid a technical moratorium and to make possible the recent loan, amounted to at least $1,100,000,000. The flotation of enormous quantities of incontrovertible paper money is a common enough expedient and some of Canada's amateur financiers have been lately urging the Dominion to take a somewhat similar course. But it is usually resorted to by countries of questionable financial standing and hardly ever with impunity. Almost inevitably this step means eventually a depreciated currency, a depreciated currency means difficulty in carrying on foreign trade, and in this way a steady multiplication of economic difficulties, which produce a deplorable effect.

* * * *

The consequences of Germany's unsound policy are already becoming visible in the neutral money market of New York. There the Reichsbank note has now depreciated to a figure which is fully 10 per cent. below the "mint par." In relation to the United States, Germany is a creditor nation as are Great Britain and France, but whereas at the outbreak of war, the rates for sterling and francs exchange rose to unheard of levels, owing to the desire of those countries to collect their balances, German Reichsbanks moved and have continued to move in exactly the opposite direction.

It is possible, of course, that the stoppage of Germany's overseas commerce may have something to do with the abnormality of German exchange in New York. But having made a suitable allowance for this, the marked depreciation in Reichsbank notes is not fully explained. It is evident in the opinion of competent critics that those who have funds in Germany are apparently willing to accept a very large discount on those funds in order to realise upon them, while at the same time francs and sterling are at the same time at or above par. Why this eagerness to realize on unfavorable terms?

* * * *

Apparently those who hold these funds have no very high opinion of the way in which Germany's finances have been handled, or of the manner in which they are shaping. A discount of as much as 10 per cent. would under ordinary circumstances reflect a strong suspicion that ultimately Germany might go off a specie basis. Possibly under the present circumstances, it is an indication of the opinion that economically and financially Germany is in a poor position to meet the wear and tear of the present struggle and that the measures taken to meet it have really been nothing else but steps on the road to ruin. If indeed, Germany's financial position be as serious as the discount on Reichsbank notes in the New York market suggests, then it is possible that Germany is in no position at all to stand the strain of a prolonged war—that economic and financial presure, inexorable and pitiless, will force her to give in, much sooner than any possible military successes on the part of the Allies.

* * * *

The foreign exchange market, mysterious at it is even to the average business man and excusably so, has an importance of its own. It is a sensitive and accurate barometer of coming conditions. When Reichsbank notes are at a 10 per cent. discount in New York and the German 100-mark note in Denmark has fallen to an equivalent of 113 francs, compared with a face value equivalent of 125 francs, then it can be said that things promise to be serious. Nothing less than the possibility of the wrecking of the whole fabric of German finance and credit can be said to be in sight. Of course, German methods may be changed for the better. But that is easier said than done under the pressure of such circumstances as exist at the present time, and when once the wrong policy has been got well under way.

The Chronicle

Banking Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY.

F. WILSON-SMITH, *Proprietor.* ARTHUR H. ROWLAND, *Editor.*

Office:

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10 ST. JOHN STREET, MONTREAL.

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

MONTREAL, FRIDAY, NOVEMBER 27, 1914

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THE WEEK'S FINANCIAL DEVELOPMENTS.

This week assurances have been received that the New York Stock Exchange will reopen on Saturday the 28th inst., for restricted dealings in listed bonds. The banking interests at New York are understood to have accorded their full approval, and the presumption is that they are ready to provide the necessary loans. Gradually the different parts of the financial mechanism are resuming activity. Within the last fortnight the Cotton Exchange resumed buying and selling; the other day the Chicago Stock Exchange reopened; and it is fully expected that the New York Exchange will before very long be the scene of buying and selling of stocks in a more or less active way.

RESTORATION OF FINANCIAL CONFIDENCE.

The inauguration of the new federal reserve banks has served, to a considerable extent, to restore financial confidence in America. One of the first results has been to enable the New York clearing house banks to show a very large surplus of reserves over the legal requirements. Under the old law the banks were required to carry a 25 p.c. reserve against their liabilities; the new law stipulates for an 18 p.c. reserve. So taking the items of the bank statement as published on Saturday, the reserve of the banks amounted to $176,830,450 in excess of the new requirement. The surplus shown at the end of the preceding week (on the old basis) was $7,413,900.

NOT A CHANGE IN CONDITION.

In submitting this statement of affairs the clearing house committee took pains to state emphatically that this is not a change in condition but simply a result of the change in the law. They also impressed on the borrowing public that it is probable that the weekly bank statement will continue to show a very large surplus over what the law requires. The bankers in charge of the more important institutions are well aware of the impracticability of carrying on their business as it should be carried on with an 18 per cent. reserve. Some of them have to carry very large amounts of specie so as to be in position to meet obligations, etc., arising out of their exchange business and out of that in connection with correspondent banks. However, notwithstanding this attitude of the New York bankers it is probable that in due course this large surplus of reserve will influence them to some extent in the direction of increasing their loans and discounts.

DOMINION GOVERNMENT'S FINANCES.

It is said that the Canadian Minister of Finance, while on his trip to New York this week, expected to confer with the American financiers as to the possibilities of a Canadian loan in that city. In the annual statement of the Bank of Montreal, just published, is an item of $5,000,000, "Loans to the Dominion Government"—showing that the Canadian banks have already begun to assist the Government with temporary loans. It will be desired to have these converted or funded as soon as practicable, so as to have the resources of the banks available for the needs of their commercial and industrial customers. Recent pronouncements of Secretary Bryan indicated that the Washington Government has modified its attitude in regard to loans to belligerent nations by the New York bankers; and there seem to be reasonable grounds for hoping that satisfactory arrangements may be completed. If a loan is floated in New York it would enable the Government to meet the monthly deficits arising from the decrease of revenue. So far as the expenditures for military purposes are concerned, they are covered by the arrangement with the Bank of England; but the London authorities were explicit in stating that the Bank of England loans must not be applied in any way for development purposes or for ordinary expenses. It was also stated that of the funds advanced by the Bank of England to the self-governing

The Bank of British North America

Established in 1836. Incorporated by Royal Charter in 1840

Paid-up Capital, $4,866,666.66
Reserve Fund, - 3,017,333.33

Head Office:

5 GRACECHURCH STREET, LONDON, E.C.

J. DODDS, Secretary W. S. GOLDBY, Manager

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G. D. Whatman, Esq.

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J. ANDERSON, Superintendent of Branches.
H. A. HARVEY, Superintendent of Eastern Branches Montreal.
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This Bank has Branches in all the principal Cities of Canada, including Dawson City (Y.T.), and Agencies at New York and San Francisco in the United States.

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G. B. GERRARD, Manager,
MONTREAL BRANCH

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Capital Paid-up $7,000,000 Reserve Funds $7,248,134

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E. F. HEBDEN, *General Manager.*
T. E. MERRETT, *Superintendent of Branches and Chief Inspector.*

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Bothwell	Mitchell
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Brantford	Newbury
Bronte	Oakville
Chatham	Orillia
Chatsworth	Ottawa
Chesley	Owen Sound
Clarkson	Perth
Creemore	Prescott
Delta	Preston
Eganville	Renfrew
Elgin	Sarnia
Elora	Stratford
Finch	St. Catharines
Ford	St. Eugene
Fort William	St. George
Galt	St. Thomas
Gananoque	Tara
Georgetown	Thamesville
Glencoe	Thorold
Gore Bay	Tilbury
Granton	Toronto
Guelph	" Dundas St.
Hamilton	" Parl. St.
" East End	" Parkdale
Hanover	Walkerton
Hespeler	Walkerville
Ingersoll	Wallaceburg
Kincardine	Watford
Kingston	West Lorne
Lancaster	Westport
Lansdowne	Wheatley
Leamington	Williamstown
Little Current	Windsor
London	Yarker
London, East	

Quebec

Montreal (Head Office) St. James St.
" 1255 St. Catherine St. East
" 320 St. Catherine St. West
" 1330 St. Lawrence Blvd.
" 1866 St. Lawrence Blvd.
" 672 Centre Street
" St. Denis Street

Beauharnois	Quebec, St. Sauveur	
Bury	Maisonneuve	
Chateauguay Basin	Ormstown	St. Jerome
	Quyon	St. Jovite
Huntingdon	Rigaud	St. Johns
Lachine	Shawville	Three Rivers
Napierville	Sherbrooke	Vaudreuil
Quebec	Ste. Agathe	

Manitoba

Brandon	Oak Lake
Carberry	Portage la Prairie
Gladstone	Russell
Hartney	Souris
Macgregor	Starbuck
Morris	Winnipeg
Napinka	" Bannerman Av.
Neepawa	

Alberta

Acme	Leduc
Brooks	Lethbridge
Calgary	Mannville
" 2nd St. E.	Medicine Hat
Camrose	Munson
Carstairs	Okotoks
Castor	Olds
Chauvin	Raymond
Coronation	Redcliff
Daysland	Red Deer
Delburne	Rimbey
Donalda	Rumsey
Edgerton	Sedgewick
Edmonton	Stettler
" Namayo Av.	Strome
" Alberta Av.	Tofield
" Athabasca Av.	Trochu
Edson	Vegreville
Hughenden	Viking
Islay	Wainwright
Killam	West Edmonton
Lacombe	Wetaskiwin

Saskatchewan

Antler	Limerick
Arcola	Maple Creek
Battleford	Melville
Carnduff	Moose Jaw
Frobisher	Oxbow
Gainsborough	Regina
Gull Lake	Saskatoon
Humboldt	Shaunavon
Kisbey	Unity
	Whitewood

British Columbia

Chilliwack	Oak Bay, Sidney
Elko	Vancouver
Ganges Harbour	" Hastings St.
Nanaimo	Victoria
New Westminster	

St. John, N.B. Halifax, New Glasgow, N.S.

SUB-AGENCIES—*Ontario*—Addison, Beachville, Calabogie, Frankville, Hawkestone, London South, Lyndhurst, Muirkirk, Newington, Pelee Island.
Manitoba—Austin, Griswold, Lauder, Sidney.
Alberta—Botha, Czar. *Saskatchewan*—Dollard, MacNutt.

IN UNITED STATES—New York Agency, 63 Wall Street.

BANKERS in GREAT BRITAIN—The London Joint Stock Bank, Limited.

D. C. MACAROW - - Local Manager, Montreal

IMPERIAL BANK OF CANADA

CAPITAL PAID UP - -	$ 7,000,000.00
RESERVE FUND - - - -	7,000,000.00
TOTAL ASSETS -	79,000,000.00

DIRECTORS:
HON. ROBERT JAFFRAY, Vice-President.
WILLIAM RAMSAY of Bowland, Stow, Scotland, ELIAS ROGERS, J. KERR OSBORNE, PELEG HOWLAND, CAWTHRA MULOCK, HON. RICHARD TURNER, Quebec.
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Belwood	Fonthill	Marshville	Port Robinson	St. Thomas (2)
Bolton	Fort William	Nashville	Preston	Thessalon
Brantford	Galt	New Liskeard	Ridgeway	Toronto (17)
Caledon E.	Hamilton	Niagara Falls (2)	South Porcupine	Timmins
Cobalt	Harrow	Niagara-on-the-Lake	South Woodslee	Welland
Cochrane	Humb'rstone	North Bay	Sparta	Woodstock
Cottam	Ingersoll	Ottawa	St. Catharines (2)	Windsor
Davisville	Jordan-Vineland	Palgrave		
Elk Lake	Kenora			

BRANCHES IN PROVINCE OF QUEBEC.
MONTREAL (3). QUEBEC (2).

BRANCHES IN PROVINCE OF MANITOBA.
Brandon Portage la Prairie Winnipeg (3)

BRANCHES IN PROVINCE OF SASKATCHEWAN.
Balgonie, Broadview, Fort Qu'Appelle, Hague, Kandahar, Moose Jaw, North Battleford, Prince Albert, Regina, Rosthern, Wilkie, Wynward.

BRANCHES IN PROVINCE OF ALBERTA.
Athabasca Landing, Banff, Calgary, Edmonton, (4) Lethbridge. Mulet, Red Deer, Strathcona, Wetaskiwin.

BRANCHES IN PROVINCE OF BRITISH COLUMBIA.
Arrowhead, Chase, Cranbrook, Fernie, Golden, Invermere, Kamloops, Moyie Natal, Nelson, Revelstoke, Vancouver (5), Victoria (2), Wilmer

Savings Bank Department

dominions, the greater part would be expended within the United Kingdom.

FAVORABLE DEVELOPMENTS.

The war in Europe has developed during the last week in such a manner as to permit the gradual rebuilding of financial confidence. The success of the Russians, in defeating the second invasion of Poland, in particular, must be taken as greatly enhancing the chances of success for the Allies; and the continued success of the British and French in withstanding the fierce German assaults in Flanders and Northern France appears to bear out the French official statements to the effect that the lines are now impregnable.

The great British war loan of £350,000,000 has been much oversubscribed, and the Imperial Government has thus received the best kind of assurance that it will be able to secure all the funds that are needed to bring the war to a successful conclusion.

Business conditions in Canada are as satisfactory as could be expected. Money rates are practically unchanged, call loans 6 to 6½ p.c.; and commercial discounts 6 to 7 p.c.

MONEY RATES ABROAD.

Bank rate in London is 5 p.c. Call money is 1 to 1¼ p.c.; short bills 3 p.c. The Bank of France quotes 5, and the Imperial Bank of Germany 6 p.c.; private rate of discount in Paris is 4, as against 6¾ p.c. quoted in Berlin.

Call money in New York has ruled easier this week —in some cases loans were made as low as 4½ p.c. For the whole week, however, the range has been from 4½ to 5½. Time money also has been easier, large amounts being offered at attractive rates. Lenders required more than the customary 20 p.c. margin, and they insisted upon a close scrutiny of the standing and strength of the borrower.

THE NEW YORK STOCK EXCHANGE OPENING.

With reference to the re-opening of the Stock Exchange the statement announcing the resumption declares specifically that all dealings are to be under the supervision of the special committee of five which has absolutely controlled the transactions since July 30th last. All transactions are to be for cash, thus reducing speculative purchases to the smallest minimum and also minimizing the prospective demands upon the banks for loans. Also there can be no transactions below the minimum prices authorized by the committee from time to time. There will be no ticker service, but prices will be issued at stated times during the day. It will be recognized that this by no means represents a free and open market. The organized attempt of high finance to prevent stock prices from falling to new low levels is still to be in evidence; and wise investors or speculators will probably be disposed, in most instances, to defer their purchases until they have an opportunity to see what the market will do when artificial restriction is removed.

THE BANK OF MONTREAL'S YEAR.

The report of the Bank of Montreal for the year ended October 31, affords striking evidence of the way in which the premier Canadian banking institution, and with it the Canadian banks generally, has maintained itself in a position of remarkable strength during a troubled and harassing period. Through that maintenance of strength, profits necessarily have had to be sacrificed. Cash reserves, desirable as they may be to the conservative banker, produce nothing in the way of interest and other assets essentially liquid do not return the rate of interest which can be secured from ordinary commercial loans and discounts.

PROFIT AND LOSS ACCOUNT.

However, under the direction of the President (Mr. H. V. Meredith), and general manager (Sir Frederick Williams-Taylor), results have been secured by the Bank of Montreal of which the shareholders will have no cause to complain. Profits for the year, after making the usual deductions, are $2,496,452, equal to 7.80 p.c. on the capital and rest combined. In 1913 profits were $2,648,-403, so that this year shows a falling off of about $150,000. The balance brought forward from the previous year was $1,046,218, making the total available on profit and loss account $3,542,669. Of this amount the annual dividend of 10 per cent. plus the bonus of 2 per cent. absorbs $1,920,000; $100,000 goes to the Canadian Patriotic Fund, and $290,000 is set aside as provision for bank premises, leaving an increased profit and loss balance of $1,232,669 to be carried forward. In connection with the expenditure on bank premises it may be noted that this year's figure of $290,000 compares with $485,000 in the previous year and $511,000 in the year 1912.

A STRONG POSITION.

Following is a comparison of the leading items of the bank's balance sheet for the last three years:—

	1914.	1913.	1912.
	$	$	$
Capital Stock	16,000,000	16,000,000	16,000,000
Rest	16,000,000	16,000,000	16,000,000
Circulation	17,231,502	17,061,665	16,131,862
Deposits (not bearing interest)	42,689,032	45,134,957	45,338,955
Deposits (bearing interest)	154,533,643	144,437,882	141,970,011
Total Liabilities to Public	221,350,378	208,656,751	203,563,201
Specie and Legals	40,661,762	22,164,800	19,311,086
Central Gold Reserve	1,500,000	1,000,000	....
Call Loans Abroad	41,502,122	51,240,795	55,158,633
Bank Balances Abr'd	15,900,037	6,126,730	14,133,604
Total of Quick Assets	122,658,003	103,699,427	113,651,121
Current loans and discounts	128,618,661	134,163,473	118,869,751
Total Assets	259,481,663	244 787,045	236,927,519

It will be seen that in comparison with last year, several very important and interesting changes have been made in the details of the Bank's assets. Holdings of specie and legals have almost doubled during the year, being $40,661,762 against $22,164,800 a year ago. In the case of specie the increase was about $4,450,000, while the holdings of Dominion notes were advanced by upwards of $14,000,000. Thus with the deposit in the Central Gold Reserve, the proportion of these assets to direct liabilities to the public is 19 per cent. against 10.65 per cent. a year ago. Total quick assets at $122,658,003 show a gain of practically $19,000,000 over last year's total

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid up $11,560,000 Reserves $13,575,000

Assets $185,000,000

HEAD OFFICE - MONTREAL.

340 BRANCHES THROUGHOUT CANADA

28 Branches in Cuba, Porto Rico and Dominican Republic

Kingston, Jamaica. Bridgetown, Barbados.
Nassau, Bahamas. St. George's, Grenada.
Port of Spain and San Fernando, Trinidad.
Georgetown and New Amsterdam, British Guiana.
Belize, British Honduras.

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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	$6,307,272

Directors

DUNCAN COULSON, President; W. G. GOODERHAM, Vice-Pres.; J. HENDERSON, 2nd Vice-Pres.; HON. C. S. HYMAN, WILLIAM STONE, JOHN MACDONALD, LT. COL. A. E. GOODERHAM, NICHOLAS BAWLF, LT. COL. F. S. MEIGHEN, J. L. ENGLEHART, WILLIAM I. GEAR.

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

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

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The Bank of Toronto offers to all business people the advantage of its most complete and modern banking service. Many years of experience in Canadian Banking, large resources, ample banking facilities, carefully chosen connections, and the service of efficient and accurate officers are some of the advantages gained by transacting your banking affairs with this Institution.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832.

CAPITAL	$6,500,000.00
RESERVE FUND	11,900,000.00
TOTAL ASSETS	80,151,829.99

HEAD OFFICE: HALIFAX, N.S.

DIRECTORS

JOHN Y. PAYZANT, President, CHARLES ARCHIBALD, Vice-President,
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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, Gen'l Manager. D. Waters, Asst. Gen. Manager.
Supts. of Branches, J. A. McLeod, Geo. Sanderson, E. Crockett.
Chief Inspector, C. D. Schurman,

190 - BRANCHES - 190

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UNITED STATES: Boston, Chicago, New York.
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Foreign and Domestic letters of credit issued. Collections on all points.

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1854

Branches and Connections throughout Canada.

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Bonaventure Branch, 523 St. James St.
Hochelaga Branch, Cor. Cuvillier and Ontario Sts.
Mount Royal Branch, Cor. Mount Royal & Papineau Av.
Papineau Branch, Papineau Square.
St. Denis Branch, 478 St. Denis St.

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

The Bank of Ottawa

DIVIDEND No. 93

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 Tuesday, the First day of December, 1914, 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., October 19th, 1914.

a proportion of 55.4 per cent. against 49.7 per cent. last year, to direct liabilities to the public.

INCREASE IN DEPOSITS.

A further satisfactory feature of the new statement is the substantial increase amounting to over $10,000,000 in interest-bearing deposits, the net gain in deposits being about $8,000,000. Call loans abroad are $10,000,000 lower than a year ago, but this reduction is offset by an equivalent rise in foreign bank balances. The current loan account is given in more detail than in previous balance sheets. Current loans and discounts in Canada are $108,845,333; over $9,000,000 has been lent to municipalities, $5,000,000 to the Dominion Government, and $5,756,003 in current loans and discounts abroad, making a total of $128,618,661 against $134,163,473 a year ago—a particularly small decrease considering that liquid reserves have been so largely increased this year and that in 1913 there was an advance of over $15,000,000 in current loans and discounts.

It is clear from the whole statement that the difficult problems of the year have been admirably met by the Bank's management and that the Bank is in an excellent position at present and well able to meet the problems and difficulties which will have to be encountered during the coming twelve months.

OCTOBER BANK STATEMENT.

The October bank statement was published yesterday. A welcome feature is the gain in notice deposits amounting to $1,405,181, and bringing up their total to $659,806,682, an increase of over 38 million dollars on the total reported at the corresponding date of last year. This October gain follows a sharp decrease in August of about 12 million dollars and a slighter one in September, of about a million dollars. Demand deposits also show a small increase of $468,624, but are 41 millions lower than a year ago at $348,752,830. These deposits fell eight millions in August, and 1½ millions in September. Foreign deposits are down by about 10 millions on the month to $90,866,894, the decrease for the year being also about ten millions.

Canadian call loans are $138,805 higher for the month at $70,201,939. Canadian current loans show a decrease of nearly 10 millions to $816,623,852, this decline following one of 3½ millions in August, and 10 millions in September. These current loans are about 46 millions lower than they were a year ago, showing the prevalent slackness of trade. Foreign call loans have been reduced by over 8 millions to $81,201,671, following reductions of 29 millions in August and seven millions in September. This reduction is in part offset by higher bank balances abroad.

Dominion notes continue to be accumulated by the banks. Their holdings at October 31 were $121,023,100, an increase of over 10 millions for the month. This is practically 31 millions more than the Dominion notes held a year ago. Specie holdings decreased over three millions on the month, but are nearly eighteen millions higher than a year ago. The banks' own circulation at October 31, was $123,744,682, an increase of $3,378,896 on the month and of about five and half millions for the year.

The Bank of England continued its official rate of discount yesterday at 5 p.c.

LOAN COMPANY'S BROAD-MINDED POLICY.

Some interesting details regarding the broad-minded and patriotic policy of one of the leading loan companies operating in Canada were given this week to THE CHRONICLE, by an executive officer of the company. The company in question has long been held in high repute and that it is fully living up to its reputation is shown by the following details.

The company finds that at the present time interest payments continue normal, but there has been a decided falling-off in the voluntary repayments of principal on the part of borrowers. On the other hand, the company has regularly to meet in London, the interest on very large amounts of debentures, to repay in Great Britain the principal sums of those debentures which fall due from time to time, and to maintain as far as possible, the dividends on its capital stock, which by reason of the high standing of the company, is well known as an excellent investment security, any passing or reduction in the dividends of which would, therefore, be a serious matter. In brief, while payments to the company are being made less freely than usual, the necessity is laid upon the company to continue its own payments to debenture and shareholders as before.

NO PRESSURE ON BORROWERS.

The crux of the problem is, of course, to be found in the necessity for provision for repayments of principal which have to be made by the company to its debenture-holders at due date. It might not be unfairly anticipated that in such circumstances the company would bring some pressure to bear upon borrowers and in turn insist upon repayments of principal being made to it promptly. The company in question is following, however, a much more broad-minded policy than this. It is bringing no pressure at all to bear upon its borrowers. It is well known that in many cases a slight pressure would result in the repayment of principal, though at some inconvenience to the borrower. But instead of bringing this pressure to bear the company is carrying exceptionally large balances to meet the demands of its debenture holders and allowing its borrowers to renew their loans, to their no small comfort and convenience.

A PATRIOTIC POLICY.

This broad-minded policy costs something. The company could employ the large balances which it is carrying in this way at attractive and profitable rates of interest. The renewals of loans, of course, are being made at rates consistent with the present circumstances, but these do not compensate for the non-employment of large amounts of funds. The company is in fact making a loss at present on a considerable amount of funds in order that it may meet the demands of its debenture-holders, who may in the event of renewal of their debentures exact a higher rate of

interest than before, in order to avoid bringing pressure to bear on its borrowers.

Such a policy is a patriotic policy. By the refusal to put borrowers "in a hole" the general well-being and future prosperity of the country is contributed to in the measure of the company's power, and the opportunities of securing the maximum of legitimate returns are being cheerfully given up in that interest. There is reason to believe that a similar policy, adapted to their own circumstances and environment is being pursued by other of the leading loan companies.

THE TRUST AND LOAN COMPANY OF CANADA.

The half yearly statement of the Trust and Loan Company of Canada has a particular interest at the present time in view of the difficult circumstances in which the loan companies are conducting their operations. The statement is for the period ended September 30, and it is clear from it, that this well-known old Company sustained the first shock of war conditions in very satisfactory manner. The Company's mortgages at the date named totalled $17,406,301, about $100,000 more than at the corresponding date of 1913, and the interest account for the six months was $681,105, yet the interest overdue at September 30th, was only $27,019, a very small figure which shows strikingly the admirably conservative way in which the Company's affairs are administered throughout the Dominion. This point is further brought out by the fact that at the present time interest collections continue on normal lines. The net profits for the six months amounted to $312,295, comparing with $360,915 in the corresponding six months of 1912. This falling-off would be accounted for by the cautious policy pursued in making new loans owing to the unsettled conditions of the period, and to the further fact that the Company would hold a larger amount than usual of liquid funds in order to provide for the due repayment of maturing debentures without pressing borrowers for repayments of principal due. The usual allocations have been made to the reserve funds bringing the statutory reserve up to $2,004,845 and the special reserve to $575,000. After writing down the cost of issue of debenture stock by $46,135 and making other customary allowances an interim dividend of 9 per cent. per annum for the six months is paid, free of income tax.

The borrowing powers of the Company upon debentures and debenture stock are limited by its special acts to $15,000,000 (£3,000,000 sterling) and it is interesting evidence of the confidence which continues to be displayed by British investors in the undertaking that the aggregate of these issues is maintained at about the same level as six months ago. Their total is in fact within $500,000 (£100,000) of the Company's authorised issue.

A queer development in workmen's compensation insurance in New York state is that a number of the recently organised mutual compensation insurance companies are forming a stock company to take over their excess lines. The new company is taking power to write direct lines. This is quite a compliment to the stock company system.

THE AGENT AND THE MORAL HAZARD.

A few weeks ago an editorial in THE CHRONICLE discussed the question of the probable increase in moral hazard in fire insurance this winter and pointed out the fact that the protection of the companies against this hazard lies almost wholly with the agents and the inspectors—particularly with the agents, owing to the unique store of local knowledge which they are able to acquire through moving about in their respective communities. The *Insurance Monitor* of New York, referring to this editorial, suggests apparently that THE CHRONICLE takes too hopeful a view of the agent's human nature and that the natural result of present-day methods of fire insurance business is that the agent acts "more in the capacity of a slot machine than one who uses grey matter as a filter."

The *Monitor's* experience of agents must have been unfortunate; it would be a sorry thing for the fire insurance business if all its agents were merely slot machines. In Canada, at all events, they are certainly not. There may be a certain number of agents of the type of which the *Monitor* speaks, but more than offsetting these are those agents throughout the length and breadth of the Dominion who take an intelligent interest in their business, are keen about the interests of the company they represent, and in such a matter as the moral hazard are those invaluable reservoirs of local knowledge to which THE CHRONICLE referred in the editorial in question.

The maxim that business worth doing at all is worth doing well applies to the fire insurance business as it does to everything else, and the *Insurance Monitor* will hardly contend that doing business in the manner of a "slot machine" is doing it well. Agents will be in the long run consulting their own best interests by backing up the additional efforts which the companies will be making this winter to keep down the losses from the moral hazard, conditions for the growth of which are so favorable at present. And fortunately there are many agents who know this and will act on it.

IMPERIAL BANK'S NEW PRESIDENT AND GENERAL MANAGER.

The directors of the Imperial Bank of Canada met on Wednesday to fill the vacancies caused by the death last week of Mr. D. R. Wilkie, general manager of the Bank since its establishment and since 1906, also its president.

Senator Jeffray, vice-president of the Bank, was unanimously elected president, and Mr. Peleg Howland, a director for many years, was appointed vice-president.

The board appointed Mr. E. Hay, who has been assistant general manager for some years as the new general manager of the Bank, and advanced Mr. W. Mofftt, chief inspector to the position of assistant general manager. These appointments are cordially welcomed in banking circles.

SMALL PROFITS FROM FIRE INSURANCE.

In 1913 the American fire insurance companies might have made a little over four per cent. upon the amount of their premiums written in that year had it not been for the fact that they were required to pay for taxes two-thirds of what would otherwise have been profit. The statistics of the National Board of Fire Underwriters show that the losses paid last year, the increase in liabilities during the year, and the expenses (except taxes) required all of the $321,554,975 of premium income except $12,900,778. This sum would have been little enough remuneration for the carrying of the billions of dollars of risks represented by the amount of premiums mentioned, but the Government required that of this $12,900,778, $8,501,927 should be paid out as taxes, leaving as net underwriting profit the meagre sum of $4,398,851, or 1.37 per cent. of the premiums. However, as though it was not enough to take two-thirds of the underwriting profit gained by the companies, the Federal Government has lately imposed a war tax of a half cent. per dollar of premium, which, upon the amount of premiums mentioned above, would aggregate more than $1,600,000. If this tax had been in existence in 1913 and the companies had assumed its payment, the net underwriting profit remaining would have been about $2,690,000, or about .84 of one per cent. of the premium income. Merchants and manufacturers who are members of Congress or of State legislatures would see no reason for remaining in business if their profits did not greatly exceed seven-eighths of one per cent. upon their annual turnover, says the New York *Spectator* commenting upon these facts. Such being the case, with their asets well secured, what would be their sentiment if, as is the case with the fire insurance companies, their assets were subject to obliteration over night, and they were still obliged to be contented with less than one per cent. profit upon their sales? The capital invested in the hazardous fire insurance business, which safeguards all other lines of business, is certainly entitled to as large a percentage of profit as is any mercantile or manufacturing enterprise, but it is not getting it now. Taxes on fire insurance should be cut down very materially. If the taxation on fire insurance companies was reduced two-thirds, in the aggregate, the governmental income from the business would still be more than sufficient to meet the expenditure involved in the supervision of the business, which is the only reasonably legitimate excuse for any taxation on fire insurance.

Mr. C. H. Currie, manager of the Royal Bank of Canada at North Battleford, has been transferred to Edmonston, N.B., and Mr. E. Bradish, formerly of Rosstown, Sask., goes to the branch at North Battleford.

* * * * *

There have been quite lately a number of enquiries in New York for war risk coverage on cotton exports to Bremen, but American underwriters are not accepting this business. Underwriters are still adhering to their former stand not to write war risk insurance on shipments of cotton to Germany until Great Britain goes on record specifically declaring that such shipments will not be detained for an undue length of time, nor will they be subject to seizure or capture.

REAL ESTATE HOLDINGS OF INSURANCE COMPANIES.

To the Editor of THE CHRONICLE:—

Sir—The adoption by the States of New York, New Jersey and Massachusetts of the valuation of railroad and other bonds at their amortized value has one especially gratifying result. It removes from the balance sheets of companies organized under the laws of these states practically every item of assets or liabilities that is not mathematically or exactly determined and about which there can be any room for argument or dispute as to the amount at which it should be included. This is as it should be, and is a step in the right direction both for the protection of the public and the companies. There is, however, one—and only one—important item about which uncertainty still exists and about which disputes are of frequent occurrence between the Departments and the Companies. I refer to the item of real estate. If some method could be adopted whereby a satisfactory value of the real estate held by each company could be determined by a general rule, the last difficulty in estimating the exact financial standing of the companies would be eliminated.

Would not the fairest method be to estimate the value of such real estate holdings by measure of the annual net return to the companies extending over a period of, say, five years? It would be very interesting and instructive—and I believe would be most helpful and beneficial—if the officials of our insurance companies would discuss this matter. The present method of valuation pending official determination (and even then, sometimes) offers opportunities for undue increase of the value of real estate owned by the companies, while it also offers opportunities to reduce the value below a fair figure, thereby, it may be, concealing a substantial enhancement of surplus which might be applicable to the payment of larger dividends to policyholders.

In view of the fact that the laws in regard to the maintenance of an adequate reserve by the Old Line Life Insurance Companies call for the assumption of a fixed interest return, it would seem that the valuation of real estate held by the companies on the basis of a fair return to them would prevent disputes between "Real Estate Experts" and would be, all things considered, a satisfactory method of valuation.

Yours truly,

AMERICUS.

24th November, 1914.

The Canadian Fire Underwriters' Association recently sent a report of one of their inspectors to the Montreal City Council, regarding the fire protection of the ward of Ahuntsic. The distance from the nearest fire station to this ward and to the north of Bordeaux ward is now over three miles. The matter has been referred to the fire chief for a report.

* * * * *

Mr. W. J. Ambrose, formerly manager of the Bank of Montreal in Spokane, has assumed the management of the St. John, N.B., branch, taking the place of Mr. H. M. Bancroft who will become manager of the Bank of Montreal in Quebec. Mr. William Dick, formerly manager in Chatham, N.B., has gone to Spokane to take the place of Mr. Ambrose. Mr. A. E. Nash, the present manager in Quebec, will take the place of Mr. W. B. Gravely, who will retire from active service after being manager of the Halifax branch for many years.

CHECKING LAPSES AND SURRENDERS.

(*A. B. Wayte, Mutual Life of Canada*).

We will first take a crack at Mr. General Agent, or Manager, and give him a prescription that will be beneficial to his malady. Don't be guilty of handing a poor unsuspecting freshman agent a rate book, result book and some applications and turning him loose to be a menace to the business in general, the exacting public and the Company. Give him a chance by putting him through at least some training before he sallies forth to be a salesman of the greatest goods of the finest business on earth. Other salesmen in merchandise lines spend several years learning the business and goods before they are even trusted to take an order. Why should then our business be so cheapened by the intimation of the agency head in sending a raw recruit out, that anybody can sell life insurance. Then, Mr. Agency Director, after he has had what little course of sprouts you can afford to infuse into him, don't leave him to grow without some cultivation and little refreshing, sprinkle of attention and encouragement. Every man isn't an Edison or Westinghouse and although their brains may be just as big, help him to use them. A representative with a thorough knowledge of his goods, the company's regulations, and his due portion of integrity cannot help but make good under ordinary conditions, and his business will be sold when the signature goes on the dotted line.

MORE DONT'S.

Now brother Agent take off your hat. You are the man who took the order—why is it being rescinded? A few dont's here may cover your case. Don't try to sell something you don't know anything about, bluffing will do to sell patent medicine but not life assurance. Don't be in a hurry to get your order, make sure it is well and truly sold. Don't forget your customer is living after you get his order, keep him on your next call list, for your competitor may have his eye on him. Don't be afraid to spend maybe fifteen minutes on him when his second and third payments are due, at least give him your attention then as once he is by that critical point he will only need a gentle reminder. I know you don't get much out of it, that is, not so much as if you were taking a new order, but you have him, why not keep him. He may be good for more some day. And last, but not least, don't forget books of instructions were printed because they have a value, and insurance publications contain lots of new ideas, new things you never heard of and you cannot do your work thoroughly without, if you intend to truly and surely sell the contracts of your company and keep them on the books.

CO-OPERATIVE SERVICE.

Now, Mr. and Miss Cashier, Stenographer and Office Boy, co-operative service is what is building up the great enterprises of the day. Don't be afraid to be kind, gracious and obliging to everybody who steps inside the door. It won't cost you anything and won't hurt you and if I am not mistaken you are paid for so doing. Your very manner when giving information may hold the customer. Know the business from A to Z and break your neck to correct any misunderstanding or difference your customer may have. He likes that, and will come back for more. Be on the job all the time.

NONDESCRIPT COMPENSATION INSURANCE.

The New York State Fund, the experimental insurance organization administered by the state Workmen's Compensation Commission, is a unique nondescript. It is not a stock company nor a state company, its only resources being the premiums it collects, and the state not being authorized by law to come to its financial assistance in case its premiums should prove insufficient to pay its losses as, sooner or later, they are expected by competent observers to do. It is a species of mutual organization with the mutuality eliminated from its make up, for the Commission holds that the law does not authorize it to levy any assessment on its policyholders in case their regular premium should prove inadequate. And it is independent of all supervision or control by the state insurance department. If it marches straight to insolvency, no one outside the commission can do anything to check the march. But it is collecting premiums galore, for the business on its books at the present time represents an annual premium income of $1,400,000, and the commission takes evident pride in the announcement that "this volume of premiums is larger than that obtained by all the sixteen mutual associations combined, and it is exceeded by only one of the thirty stock companies writing compensation insurance." The commission is, however, silent as to the resources by which the stock companies' insurance is backed. It evidently regards resources as a minor consideration. Such little surplus as may have been accumulated by the State Fund at the end of the year is to be distributed among the policyholders, and—presumably to prevent the accumulation of any resources next year—rates of insurances in the State Fund are to be reduced about twenty per cent. If at the end of the coming year, with a greatly increased volume of business on its books, its current income should be insufficient to pay losses without drawing upon its unearned premiums, it would be insolvent. But the policyholders would remain in ignorance of the fact. It could flounder along from bad to worse till the unearned premiums were exhausted, when the smash would become complete. Such, says a Boston journal, is the history of all insurance organization conducted, as it appears to be the policy of the Commission to conduct the State Fund, on the hand-to-mouth principle.

LIFE SUPERINTENDENT LEAVING FOR THE FRONT.

Mr. H. B. F. Bingham, life superintendent for Canada of the Phœnix Assurance Company, London, England, has volunteered for the front, and will leave with the Second Canadian contingent. Mr. Bingham will be connected with the Army Medical Corps, having the rank of Quartermaster, with the honorary rank of lieutenant.

Mr. Bingham's post, we understand, will be kept open for him by the Phœnix Assurance Company, and insurance men generally will join in wishing him good luck and a safe return.

The National Trust Company has appointed Mr. A. L. Nunns as their London representative, and opened offices at 28 Bishopsgate, London, E.C.

METROPOLITAN LIFE'S MUTUALIZATION.

As announced last week the Metropolitan Life Insurance Company has decided to present to its policyholders a plan for the mutualization of the company. The Metropolitan Life is a stock company operating under a special charter. Most of the policies are non-participating. The capital of the company is two millions of dollars, divided into 80,000 shares of $25 each, and the dividends to the shareholders are limited to 7 per cent. per annum. The charter of the company provides that the net surplus derived from the business of the Industrial Department shall be added to the capital stock as additional security to the policyholders.

The plan presented has been unanimously approved by the directors. It is to be submitted to the stockholders at a meeting to be held on December 4. The meeting of policyholders to vote upon the plan is called for December 28. The holders of practically all the capital stock have expressed their approval of the plan. The plan provides for the acquisition of the capital stock at the price of $75 per share. Its adoption will call for the return to the stockholders of two millions of dollars, the share capital, from the assets of the company, and four millions of dollars from its surplus. The total surplus at the end of September, 1914, was estimated at over forty millions of dollars.

ADVANTAGES OF THE SCHEME.

President John R. Hegeman, in referring to the scheme, says:—

The advantages to be derived by the policyholders from the adoption of the plan include:

1. The absolute control of the management by the policyholders. At present, under the charter, two-thirds of the membership of the Board of Directors must be stockholders owning together a majority of the capital stock.

2. The safeguarding of the Company for all time against schemes for obtaining stock control and for using such control to exploit the assets and income of the Company. It is a grave peril to the interests of policyholders that the control of the stock may, through the death of those who are now stockholders and deeply interested in the welfare of the Company and otherwise, be acquired by men who would seek to manage the Company in their own interests and against the interests of the policyholders and the public. The retirement of the stock avoids that peril.

3. The conversion of all the non-participating policies, except those excluded in accordance with provisins of law, into participating policies. The savings and surplus will belong to the policyholders, and their distribution, except the part held for the security of the policyholders, will under mutualization be equitably made for the benefit of the policyholders.

POLICIES WILL PARTICIPATE.

The Company has in force over fourteen and a half millions of policies. Of these over fourteen and a quarter millions are non-participating, that is, the policy contracts give no rights to the holders to share in the savings and surplus. The remaining policies, about 220,000 in number, are either Intermediate policies issued between 1895 and 1907, or Special Class policies issued between 1898 and 1907, or policies issued by other companies assumed by the Metropolitan, all of which are kept in separate classes and which share in the savings and surplus earned by the respective classes, but do not share in the general savings and surplus. No dividends or bonuses have ever been declared upon policies issued in the Ordinary Department since 1891, except upon the policies comprised in the classes mentioned above, and there are no participating policies issued by the Company outstanding issued prior to 1891. There are over a million of policies in the Ordinary Department which have never shared in the savings and surplus and have no right by their terms to share in them. There are over thirteen and a quarter millions of industrial policies which depend for any benefits out of the savings and surplus upon the voluntary action of the Company in distributing bonuses and not upon the contract rights of the policyholder. If the plan proposed be adopted, all these policies will participate in the savings and surplus under equitable rules prescribed by the directors who will be elected by the policyholders.

A FAIR PRICE.

The directors of the Company believe that the price proposed to be paid for the stock is a fair one. The following are some of the elements that constitute the value of the stock in the hands of the present holders: The payment of the dividend of seven per cent. is assured from year to year beyond peradventure. The stock is therefore, practically speaking, a permanent seven per cent. investment, which gives it a market value much above par. It has an additional value because of the control which it gives of the constitution of two-thirds of the membership of the Board of Directors. Another additional element of value is the provison of the charter which adds the net surplus of the Industrial Department to the capital, even though it is added as security to the policyholders. Under these circumstances an addition of fifty dollars to the par value of each share as a consideration for surrender would seem to be entirely fair, just and reasonable. There is no doubt that a larger price could have been obtained by the present stockholders if they had been willing to sell to men seeking control of the Company for their own benefit; but that they have refused to do.

BANK'S ESTIMATE OF GRAIN CROPS.

The estimated grain crops for the present year in the Prairie Provinces, compiled by the Canadian Bank of Commerce, based on figures supplied by the deputy ministers of agriculture, shows the following figures:

	Acreage.	Yield. (Bushels).
Wheat	11,125,979	140,261,000
Oats	6,236,571	144,437,000
Barley	1,963,791	35,763,000
Flax	1,004,513	5,738,000
Total	20,230,854	326,199,000

Montreal Power's earnings for the six months ended October 31, are reported as approximately 8 per cent. higher than in the corresponding period a year ago, while surplus after operating expenditure and fixed charges shows a gain of about 7¾ p.c.

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Among the speakers scheduled at the annual meeting of the Association of Life Insurance Presidents to be held at New York on December 10th and 11th, is Mr. Herbert C. Cox, president of the Canada Life, whose subject is "The Increasing Need of Insurance for Women."

WEEKLY PAY POLICIES.

The Prudential of America is again pioneering the way in life insurance. It has announced a new industrial policy, which is payable in weekly instalments instead of in one sum. It is the belief of the company that there is a widespread field of usefulness for an industrial policy providing for the payment of a certain amount each week in order to tide a household over a reasonable period until the members have had a chance to readjust themselves to the changed conditions after the breadwinner is gone. By the terms of this new policy the beneficiary named in the policy receives the amount of insurance in regular weekly instalments for thirteen or twenty-six weeks, as the insured elects at the time of his application. The announcement says:

It is not intended that the new offering shall replace the regular industrial policy, payable in one sum, but that it shall be supplementary to it, thus making the protection of the family more complete than has hitherto been possible for industrial policyholders.

CONTINUANCE OF INSURANCE.

Under the Prudential weekly income industrial policy wage-earners can assure to those dependent upon their earnings in any way for support, the continuance, for a reasonable time, of at least a part of the income which death would otherwise take from them. Too frequently, because of the desire of the members of the family to give a final expression of their love and devotion to the departed one, the entire amount received under the regular industrial policy is expended for funeral expenses, or it may be that the cost of medical attendance through a protracted illness has wiped out their resources, with the result that they are forced to begin their struggle with the world deprived of the breadwinner and practically penniless. It is to guard against such a condition that the new weekly income industrial policy is issued, and it is believed it will prove a bulwark of family safety, keeping the home together and giving the dependent ones an opportunity to consider and determine upon the best course to follow. With a regular industrial policy to meet funeral expenses and a weekly income policy to aid in caring for the family for three or six months' insurance protection of an ideal order is afforded.

SUN LIFE OF CANADA.

Mr. Wood, the actuary of the Sun Life of Canada, states that the Company has only a comparatively small amount of business in force on the Continent of Europe. The Company at one time operated in France and Belgium, but retired from the French field about nine years ago, and from Belgium about three years ago. The total amount of business in force at the present time in these two countries is approximately $2,750,000, against which are held reserves of about $740,000, making the net liability only $2,010,000. As the average present age of the Sun's policyholders in these countries is between 45 and 50 years, the war risk is comparatively small.

In Great Britain, the Sun Life has about $10,000,000 assurances in force, the net amount at risk, after deduction of reserves, being $7,250,000.

CANADIAN LIFE OFFICERS', ASSOCIATION.

Proposed Action against Unfair Taxation.

The annual meeting of the Canadian Life Insurance Officers' Association was held last Friday in the Board Room of the North American Life Assurance Co., at Toronto, with representatives present from some twenty-three Canadian, British, and American Companies, operating in Canada.

The result of the conference was a unanimous feeling against life insurance taxation. The Association having raised the question of the constitutionality of these taxes, secured opinions from several eminent counsel. In their view these taxes are unconstitutional. The Association, therefore, propose to test the constitutionality of the taxes and counsel has been retained for that purpose.

In connection with this matter, it is pointed out that the life insurance companies do not seek to avoid their fair share of responsibility in the matter of governmental taxation, but desire to protest against the burden imposed upon them in some of the Provinces, which they regard as excessive and relatively much greater than that imposed upon other classes of corporations. Life insurance, by protecting the home and the family, is safe-guarding the best interests of the country, and relieving it from possible burdens by caring for those who may be unable to support themselves in the event of the death of the bread-winner. It is accordingly fairly claimed that a tax upon life insurance is a tax upon thrift and foresight and therefore, should not be subjected to a high rate of taxation.

NEW OFFICERS.

The newly elected officers are:—President, T. B. Macaulay, managing director, Sun Life Assurance Co.; 1st Vice-President, Alex. Bissett, manager for Canada London and Lancashire Life; 2nd Vice-President, Col. W. C. Macdonald, managing director Confederation Life; Honorary Secretary-Treasurer, D. E. Kilgour, Actuary North American Life Insurance Co.; Asst. Secretary-Treasurer, W. G. Reburn, Imperial Life Assurance Co.; Auditors, J. F. Weston, managing director, Imperial Life Assurance Co., G. B. Woods, president and general manager, Continental Life Insurance Co.; Executive Committee; foregoing officers, George Wegenast, managing director Mutual Life Assurance Co., J. E. Kavanagh, Metropolitan Life; J. F. Weston, Imperial Life; H. C. Cox, president and general manager, Canada Life Assurance Co., and A. R. Howell, manager for Canada, Gresham Life.

FIRE UNDERWRITERS' AND THE HOME GUARD.

To take steps in furthering the formation of the Home Guard by union among the fire insurance interests of Montreal, the following committee has been appointed: Messrs. M. C. Hinshaw, Atlas Assurance Company; J. E. Clement, Mount Royal; W. E. Findley, Springfield and Niagara; C. E. Sword, London and Lancashire and Quebec; Arthur Barry, Royal Exchange; J. Jenkins, Employers' Liability, with F. W. Evans, as chairman.

A resolution has been adopted that in view of the fact that many members have already identified themselves with the movement, co-operation with the authorities rather than independent action by insurance interests is desirable.

INSURANCE FLAG WAVING.

The starting at this time of two new American reinsurance companies, one for casualty business and one for fire and marine business in the interests of purely "American" insurance seems to have been greeted with little enthusiasm. The prospectus issued calls attention, says one exchange, to the large volume of premiums, especially fire insurance premiums, which go abroad every year because of lack of facilities for placing same in the States, and special emphasis is placed upon what is termed an embarrassing situation in the reinsurance field due to chaotic conditions in Europe resulting from the great European war. An effort is made to show that the security offered in support of treaty obligations entered into by European companies doing a reinsurance business in this country, must of a necessity diminish as the war of devastation continues. An appeal to the patriotic spirit is made by urging independence of rather than dependence on foreign institutions. This sounds very well and will no doubt assist promoters in their work of promotion, but as a matter of fact steps were taken early in the war to insure a retention in the States of ample funds to protect obligations entered into and as the war becomes more involved, or gains in the magnitude of issues at stake, it is reasonable to assume that the supervision exercised will not become less exacting. However, present conditions doubtless afford an opportunity for launching an enterprise of this nature and pushing it to a success such as would not be possible at other times. That the move will prove to be a vital blow against the operations of London Lloyds in this country—as predicted—is not believed by insurance men. Lloyds concerns make a drive for direct business, rather than the taking of portions of risks not desired by regular writing companies.

CHROMOS ARE NOT OLD MASTERS FOR INSURANCE PURPOSES.

The New Jersey Supreme Court has just decided, in a valued policy case, that a chromo reproduction of an old master cannot be insured as an original and subsequently in the event of a loss, recovery be made as if the genuine work had been destroyed. "In every action upon a valued fire insurance policy the primary question to be determined is whether or not the property described in the policy has been injured or destroyed," said the Court," and there can be no recovery by the insured unless he proves that fact. He cannot insure a chromo reproduction of a painting by a Francisco Zurburan as the product of that distinguished artist's brush for a sum which would fairly represent the value of the original painting, and then, if the chromo burns up in a fire, recover for the destruction of a genuine work of that old master. And that is so even if, when he took out the policy of insurance, he mistakenly believed that the chromo was what he represented it to be; for what the company insured was not a chromo lithographic copy of that artist's work but an original production. In order to hold the company he must show that the very article described in the policy was so destroyed."

CANADIAN FIRE RECORD

(Specially compiled for The Chronicle.)

QUEBEC CITY.—Commercial Academy damaged, November 19. Loss, $60,000.

MONTREAL.—D. Jones' house, Beechborough Grange sub-division, gutted, November 22. Loss, $2,000.

Broadway Store, 34a St. Catherine Street West, damaged, November 22.

Houses of E. Bugeaud, 397 Chambly Street, and L. Morin, 399, gutted, November 22. Origin, overheated stove.

John Hutton's flat, 2390 St. Andre Street, gutted, November 23.Originated in flat above from bag of charcoal near stove.

Dwelling of E. Dumas, 734 Mount Royal Avenue east, damaged, November 22. Origin, defective stove-pipe.

Goldman & Son's, ladies' wear factory, 1262 St. Lawrence boulevard, damaged, November 22. Loss, $5,000.

B. Boileau's dwelling, 188 Masson Street, damaged, November 22. Origin, children playing with matches.

Premises of Brockton Shoe Company, 440 St. Catherine Street west, heavily damaged, November 25, with smoke and water damage in Stanford's market, 438 and Fit-Reform, 444. Fire started in basement.

A. Saad's general store, corner of Ninth Avenue and Notre Dame Street, Lachine, gutted, November 24. Supposed origin, defective electric wiring.

Grocery store, butcher shop and six tenements, cor- of St. Urbain and Villeneuve Streets, damaged, November 23.

Premises of Imperial Waste & Metal Co., 13 Queen Street, destroyed, November 22.

WINNIPEG.—Premises of A. C. Woods, printer, 157 Sherbrooke Street, damaged, November 17. Loss, $200.

S. Blumenburg's residence, 282 Good Street, damaged, November 20. Loss, $100.

LEVIS, QUE.—I.C.R. station and baggage rooms destroyed, November 24. Station cast $60,000 in 1902.

LISTOWEL, ONT.—Planing mill, stable, coal and wood sheds of Oliver & Ellis, damaged, November 24. Loss, $2,000, about half covered by insurance.

VANCOUVER, B.C.—Eagle Hotel, 115 Cordova St. West, damaged, November 9. Loss, unknown. Insurance, $19,000.

INSURANCE ON QUEBEC LOSS.

Insurance on P. J. Cote's stock and premises at Quebec City, recently damaged by fire, is as follows:

ON STOCK.

Liv. & Lon. & Globe	$5,000	Mount Royal	$2,500
Quebec	5,000	North America	2,500
Dominion	5,000	Alliance	2,500
London Mutual	5,000	Phoenix of London	2,500
Anglo-American	3,000	Royal	2,500
Montreal-Canada	3,000	Equity	2,500
Northern	3,000	Impl. Underwriters	1,000
Niagara	3,000		
Royal Exchange	2,500		$50,000

ON BUILDING.

Alliance	$3,000	Niagara	$2,500
Phoenix of London	2,500	North-Western	2,500
Strathcona	2,500		
Protection	2,500		$15,500

Loss 50 per cent.

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated : 1833.

HEAD OFFICE : TORONTO

Old Reliable Progressive

Assets over - - $2,300,000.00

Losses paid since organization over - - $37,000,000.00

DIRECTORS:

W. R. BROCK, President

W. B. MEIKLE, Vice-President

Robt. Bickerdike, M.P.
H. C. Cox
John Hoskin, K.C., LL.D.
D. B. Hanna
Alex. Laird

Z. A. Lash, K.C., LL.D.
Geo. A. Morrow
Augustus Myers
Frederic Nicholls
James Kerr Osborne
Col. Sir Henry M. Pellatt

E. R. Wood.

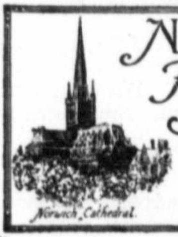
W. B. MEIKLE, General Manager

E. F. GARROW, Secretary

THOMAS F. DOBBIN, Resident Manager

MONTREAL

NORWICH UNION FIRE INSURANCE SOCIETY LIMITED



Norwich Cathedral.

Norwich, England

INSURANCE AGAINST:

FIRE ACCIDENT AND SICKNESS
EMPLOYERS' LIABILITY PLATE GLASS

Head Office for Canada . . . TORONTO
Head Office for Province of Quebec, MONTREAL

Agents wanted for the Accident Branch.

JOHN MacEWEN, Superintendent for Quebec.

The LIFE AGENTS MANUAL, $3.00
THE CHRONICLE - MONTREAL

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

Phœnix Assurance Co. Ltd.

OF LONDON, ENGLAND. (Founded 1782)

FIRE LIFE

TOTAL RESOURCES, over - - $78,500,000.00
FIRE LOSSES PAID - - 425,000,000.00
DEPOSITS with Federal Government and Investments in Canada, for security of Canadian policyholders only, exceed 2,500,000.00

AGENTS WANTED IN BOTH BRANCHES. Apply to

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

100 St. Francois Xavier St. - Montreal

Established 1864.

New York Underwriters Agency.

A. & J. H. STODDART REGISTERED

100 William Street, NEW YORK

PROVINCIAL AGENTS.

Murphy, Love, Hamilton & Bascom, Toronto, Ont.
Osler, Hammond & Nanton, Winnipeg, Man.
Alfred J. Bell, Halifax N.S.
John Wm. Molson & Robert Y. Hunter Montreal Que.
White & Calkin, St. John, N.B.
Edmund T. Higgs, Charlottetown, P.E.I.
Ayre & Sons, Ltd., St. Johns, Nfld.

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

L'UNION

FIRE INSURANCE COMPANY, Limited

Head Office : PARIS, France.

Established 1828

Capital fully subscribed . $ 2,000,000.00
Net Premiums in 1913 . . 5,561,441.00
Total Losses paid to 31st Dec., 1913 90,120,000.00

Canadian Branch:

LEWIS BUILDING 17 ST. JOHN STREET, MONTREAL

Manager for Canada:

MAURICE FERRAND

BRITISH COLONIAL FIRE INSURANCE COMPANY

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

STRONG AS THE STRONGEST

Agents wanted in Unrepresented Districts

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

INSPECTORS.

Gavin 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.

Traffic Returns.

Canadian Pacific Railway.

Year to date.	1912.	1913.	1914.	Decrease
Oct. 31..	$107,151,000	$113,193,000	$92,113,000	$21,080,000
Week ending	1912.	1913.	1914.	Decrease
Nov. 7....	$2,938,000	$3,204,000	$1,908,000	$1,296,000
" 14....	2,916,000	3,124,000	1,878,000	1,246,000
" 21....	2,704,000	3,119,000	1,729,000	1,390,000

Grand Trunk Railway.

Year to date.	1912.	1913.	1914.	Decrease
Oct. 31....	$43,154,930	$47,252,791	$43,617,818	$3,634,973
Week ending	1912.	1913.	1914.	Decrease
Nov. 7....	$1,061,984	$1,118,707	$906,941	$211,766
" 14....	1,064,317	1,022,375	860,676	161,699
" 21....	1,053,798	1,080,010	841,607	238,403

Canadian Northern Railway.

Year to date.	1912.	1913.	1914.	Decrease
Oct. 31...	$16,802,100	$19,175,500	$16,302,900	$2,872,600
Week ending	1912.	1913.	1914.	Decrease
Nov. 7.....	$590,300	$620,400	$384,300	$236,100
" 14.....	609,500	643,500	370,600	272,900
" 21.....	561,500	608,000	372,800	235,200

Twin City Rapid Transit Company.

Year to date.	1912.	1913.	1914.	Increase
Oct. 31...	$6,014,835	$7,265,080	$7,661,154	$396,074
Week ending	1912.	1913.	1914.	Increase
Nov. 7....	$161,800	$173,311	$174,617	$1,306

Havana Electric Railway Company

Week ending	1913.	1914.	Increaes
Nov. 1.....	45,198	50,271	5,073
" 8.....	54,269	55,467	1,198
" 15.....	54,016	53,564	Dec. 452
" 22.....	53,090	49,836	" 3,254

Duluth Superior Traction Co.

	1912.	1913.	1914.	Decrease
Nov. 7....	20,455	25,184	24,191	993
" 14....	20,247	24,666	—	—

CANADIAN BANK CLEARINGS.

	Week ending Nov. 26, 1914	Week ending Nov. 19, 1914	Week ending Nov. 27, 1912	Week ending Nov. 28, 1913
Montreal..	$45,445,581	$50,429,244	$54,815,511	$51,121,071
Toronto....	33,489,416	39,424,172	40,807,709	40,884,081
Ottawa....	4,126,936	4,443,591	4,009,935	3,962,016

MONEY RATES.

	To-day	Last Week	A Year Ago
Call money in Montreal...	6 -6½%	6 -6½%	6½ %
" Toronto ..	6 -6½%	6 -6½%	6½ %
" " New York..	5½%	5 %	2¾-3½ %
" " London	1-1½%	1 -1½%	4½-4¾ %
Bank of England rate.....	5 %	5 %	5 %

Montreal Tramways Company

SUBURBAN TIME TABLE, 1914

Lachine:

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

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

Sault aux Recollet and St. Vincent de Paul:

From St. Denis to St. Vincent—
20 min. service 5.20 a.m. to 6.00 a.m. | 30 min. service 8.00 p.m. to 11.30 p.m.
10 " " 6.00 " 8.00 " | Car to Hendersons only 12.00 mid.
20 " " 8.00 " 4.00 p.m. | Car to St. Vincent 12.40 a.m
10 " " 4.00 p.m. to 8.00 "

From St. Vincent to St. Denis—
20 min. service 5.50 a.m. to 6.30 a.m. | 30 min. service 8.30 p.m. to 12.00 mid.
10 " " 6.30 " 8.30 " | Car from Hendersons 12.20 a.m.
20 " " 8.30 " 4.30 p.m. | Car from St. Vincent 1.10 a.m.
10 " " 4.30 p.m. to 8 30 "

Cartierville:

From Snowdon's Junction— 20 min. service 5.20 a.m. to 10.40 p.m
40 " " 10.40 p.m. to 12.00. mid.

From Cartierville— 20 min. service 5.40 a.m. to 11.00 p.m
40 " " 11.00 p.m. to 12.20 mid.

Mountain:

From Park Avenue and Mount Royal—
20 min. service 5.40 a.m. to 12.00 midnight

From Victoria Avenue—
20 min. service 5.50 a.m. to 12.30 midnight

From Victoria Avenue to Snowdon,—
10 minutes service 5.50 a.m. to 8.50 p.m.

Bout de l'Ile:

30 min. service 5.00 a.m. to 9.00 p.m.
60 " " 9.00 p.m. to 12.00 midnight

Tetraultville:

15 min. service 5.00 a.m. to 6.30 p.m.
30 " " 6.30 " 8.30 p.m.

The Trust & Loan Company of Canada

REPORT

1. The following Report and Statement of Accounts for the Six Months ending the 30th September last are submitted.

2. The net profits for this period amounted to **£62,459 3s. 6d.**, and after carrying to the Reserve Fund the moiety of profits over 6 per cent. per annum on the paid-up Capital of the Company, as required by the Trust & Loan Company of Canada Act and Royal Charter, viz., **£22,229 11s. 9d.**, the amount at credit of Revenue, including **£1,635 8s. 9d.**, brought forward from March last, was **£41,865 0s. 6d.**

3. Out of this amount the Directors have written down the Cost of Issue of Debenture Stock by **£9,226 14s. 11d.**, placed **£1,150** to the Special Reserve Account (bringing the amount of this Fund to **£115,000**), and provided **£1,997 16s. 8d.**, for Income Tax, leaving a balance of **£29,490 8s. 11d.** available for distribution.

4. The Directors have decided to distribute out of this balance of **£29,490 8s. 11d.** an Interim Dividend at the rate of 9 per cent. per annum for the six months, free of Income Tax, on the paid-up Capital of the Company, leaving a balance of **£2,490 8s. 11d.** to be carried forward.

5. Owing to the closing of the Stock Exchange and the consequent impossibility of obtaining accurate valuations, the securities in the Statutory Reserve Fund are taken at the prices ruling at the date of the last Balance Sheet, 31st March, 1914. The Fund now amounts to **£400,969 5s. 11d.**, compared with **£378,295 2s. 2d.** on the 31st March last, being an increase of **£22,674 3s. 9d.**

7 Great Winchester Street,
5th November, 1914.

V. CAILLARD, Vice-President.
F. H. SCOTT, Director.

BALANCE SHEET

Dr.

	£	s.	d.	£	s.	d.
To Subscribed Capital—						
150,000 Shares, £20 each	3,000,000	0	0			
Paid-up Capital—						
100,000 Shares, £5 paid	500,000	0	0			
25,000 Shares, £3 paid	75,000	0	0			
25,000 Shares, £1 paid	25,000	0	0			
				600,000	0	0
Debentures				2,072,457	14	3
Debenture Stock				842,518	0	0
Accrued Interest on Debentures and Debenture Stock				37,765	9	8
Bank Loan				30,500	0	0
Statutory Reserve Fund (including £286,895 4s. 11d. invested as per Contra)				400,969	5	11
Income Tax Account				6,644	2	6
Special Reserve Account				115,000	0	0
Building and Improvements Fund Account				32,181	10	11
Sundry Creditors and Contingencies Account				22,433	15	1
Revenue Account				29,490	8	11
				£4,189,960	**7**	**3**

The Company is also under liability to advance $22,060.41 to sundry clients, generally on the fulfilment by them of conditions.

Cr.

		£	s.	d.	£	s.	d.
By Cash—							
At Banks		30,747	17	3			
Petty Cash		44	7	4			
					30,792	4	7
Statutory Reserve Fund Investments— At Market Prices as at 31st March, 1914.							
£53,958 17s. 10d. India 3 1-2% Stock		48,337	12	1			
£21,600 India 3% Stock		16,515	2	6			
£22,404 1s. 6d. Guaranteed 2 3-4% Stock		17,251	2	8			
£16,304 19s. 2d. Metropolitan 3 1-2% Stock (1929)		16,521	8	0			
£12,214 13s. 2d. Transvaal Government 3% Guaranteed Stock (1923-53)		11,359	12	6			
£204 East India Ry. Co. "B" Annuity (1953)		4,488	0	0			
£1,900 Gt. West Ry. 4 1-4% Deb. Stock		2,052	0	0			
£2,243 Gt. West. Ry. 4 1-2% Deb. Stock		2,579	9	0			
£5,157 13s. Newfoundland 3 1-2% Insd. Stock (1950)		4,641	17	7			
£3,725 S. E. Ry. Cons. 5% Pref. Stock		4,432	15	0			
£36,200 Grand Trunk Pacific Ry. Co. 3% 1st Mortgage Bonds (1962)		28,236	0	0			
£15,000 Canadian Northern Ry. Co. 4% 1st Mortgage Cons. Deb. Stock (1930)		14,100	0	0			
£11,200 Canadian Northern Ont. Ry. Co. 3 1-2% 1st Mort. Deb. Stock (1936)		9,482	4	0			
£1,157 Great Indian Peninsula Rly. "B" Annuities (1948)		22,561	10	0			
£500 Scinde Punjab & Delhi Ry. Co. "B" Annuity (1958)		11,000	0	0			
£10,000 New Zealand 4% Cons. Stock (1929)		10,200	0	0			
£10,000 Queensland 3 1-2% Inscribed Stock (1924)		9,600	0	0			
£10,000 Queensland 3 1-2% Inscribed Stock (1930)		9,500	0	0			
£10,000 New South Wales 3 1-2% Stock (1924)		9,775	0	0			
£5,000 New South Wales 3 1-2% Stock (1918)		4,975	0	0			
£3,500 New South Wales 4% Inscribed Stock (1942-62)		3,535	0	0			
£5,000 South Australian 3% Inscribed Stock (1916-26)		4,450	0	0			
£9,000 Victoria 3 1-2% Inscribed Stock (1921-6)		8,640	0	0			
£5,000 West. Aus. 3 1-2% Inscribed Stock (1927)		4,550	0	0			
School Debentures (Canada)		8,111	11	7			
					286,895	4	11
Investments—In Canada—		$ c.					
Mortgages		17,406,301.09					
Land Investments, &c. (properties bought in and held under foreclosure)		41,919.67					
		17,448,220.76					
Sundry Debtors—							
For Interest accrued and not due	$872,502.54						
" Interest overdue	27,019.02						
" Insurance, Taxes, Repairs, &c.	5,905.36						
" Sundries	5,517.65						
		910,944.57					
		$18,359,165.33 =			3,772,431	3	11
Suspense Account— Discount and cost of issue of Debenture Stock, less amounts written off					10,000	0	0
Canadian Office Premises					84,781	2	9
" **House Property**					5,060	11	1
					£4,189,960	**7**	**3**

R. KI[illegible]DON, Accountant. **PRICE, WATERHOUSE & CO., Auditors.**