

The Chronicle

Banking, Insurance and Finance

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GERMANY'S WAR FINANCE.

Great Britain's war expenditure, Mr. Asquith told the House of Commons this week, is now about \$21½ millions a day. Germany's daily war expenditure, which in the early stages of the war was consistently lower than that of Great Britain, cannot now be very far short of the same amount. In August last, the German finance minister admitted that the monthly war expenditure had reached \$500,000,000, and since then it is considered by English critics certainly to have increased, through the wide extension in military operations and the rapid rise in prices, while the fact is pointed to that a credit of \$2,500 millions voted at the end of August was eaten up in less than four months. The burden upon Great Britain of a daily war expenditure in excess of \$20 millions is a heavy one, but it can safely be said that it is comparatively a light load compared with the burden which a similar daily expenditure constitutes upon Germany, and that in spite of the fact that Great Britain's extensive war imports constitute a problem from which Germany, in comparative economic isolation, is relatively free. The known pre-war facts regarding the wealth of the two nations have only to be borne in mind to make assurance doubly sure on this point.

To meet its outlays, Germany has followed what is generally considered to be a well-thought-out financial policy. Loans have been raised amounting to \$6,400 millions, and a further loan is announced for the end of the present month. But, according to the London Economist, which has collected a budget of interesting facts in regard to Germany's war finance, these loans have been brought together only after a most extraordinary propaganda of advertisement and coercion and have been made possible only by the preliminary work of wholesale inflation through borrowing on Treasury bills from the Reichsbank. The amount of bills outstanding is not known, care being taken to conceal this item in the Reichsbank return. But the extent to which direct inflation of the currency has been carried on can be easily traced. Between July 23, 1914, and January 15, 1916, the amount of Reichsbank notes in circulation increased from \$475 millions to \$1,595 millions, the amount of Treasury notes from \$35 millions to \$80 millions; while another \$270 millions of paper was added in the form of Loan Office notes. That is to say, since the outbreak of war, the amount of paper currency has been increased from \$505 millions

to \$1,945 millions, or by 285 per cent. How much additional inflation has been produced by the extension of banking credits is not known, as the bi-monthly statements of the great banks have been discontinued. It is true that during the same period the gold in the Reichsbank has been increased by \$275 millions. But a large part of this increase has, so information goes, come from the reserves of the Austro-Hungarian Bank. In any case, too little has been withdrawn from circulation to have much effect in counteracting this flood of paper.

* * *

In regard to the effects of this inflation, the Economist has an interesting summary, which is heartening in regard to the present condition of things in Germany. The effects of inflation, the Economist points out, can be tested in two ways: by the movement of the exchanges against Germany, and by the rise in prices in Germany itself. At the end of December the Swiss exchange was 19 per cent. against Germany, the American 19.80 per cent., the Dutch 28.50 per cent., the Danish 22.50 per cent., the Norwegian 22.50 per cent., and the Swedish 23.30 per cent. Since that time American exchange has taken a further considerable dive downwards.

As to the rise in prices in Germany itself, a good deal of this, according to the London authority, is probably due to a real exhaustion of supplies, but is by no means due to this alone. In the earlier part of the war, the Government was quite content to see prices rise rapidly as it forced the country to economise, and made England, who was alleged to be responsible for this increase in the cost of living, intensely popular, while incidentally, it enabled the rich agricultural interests, the Junker party which controlled the direction of affairs, to reap huge profits at the expense of the poor. This policy eventually over-reached itself and the clumsy machinery of price regulation had to be improvised. For once, German organisation was unequal to the task and the only result is that prices continue to soar upward and distress and discontent grow stronger. Even official estimates admit that between July, 1914, and August, 1915, the cost of providing for a normal German family increased by 156 per cent. Since then prices have risen still more rapidly.

The war credits thus far voted by the Reichstag amount to \$10,000 millions, which at 5 per cent. means a yearly burden equal to more than two-thirds of the total yearly expenditure of the German Empire before the war. How is Germany going to pay?

BANK OF MONTREAL

Capital Paid Up, \$16,000,000

ESTABLISHED 1817
Rest, \$16,000,000
Total Assets, \$302,980,554

Undivided Profits, \$1,293,952

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 Collections at all points of the world undertaken at most favourable rates.
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ESTABLISHED 1867. Head Office: TORONTO

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 Rest - - - - - 13,500,000

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

Branches of the Bank in Canada are distributed geographically as follows.

Alberta	- - - -	51	Ontario	- - - -	88
British Columbia	-	42	Prince Edward Island	-	5
Manitoba	- - -	23	Quebec	- - - -	81
New Brunswick	- - -	4	Saskatchewan	- - -	59
Nova Scotia	- - -	13	Yukon Territory	-	2

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Collections effected promptly and at Reasonable Rates.

The Molsons Bank

Incorporated by Act of Parliament 1855

Paid Up Capital - \$4,000,000

Reserve Fund - 4,800,000

HEAD OFFICE - MONTREAL

COLLECTIONS

Collections made through this Bank in all parts of the Dominion, and in every part of the civilized world through our Agents and Correspondents, and returns promptly remitted at lowest rates of exchange.

Commercial Letters of Credit and Travellers' Circular Letters issued, available in all parts of the world.

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881.

PUBLISHED EVERY FRIDAY.

F. WILSON-SMITH,
Proprietor.

ARTHUR H. ROWLAND,
Editor.

Office:

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10 ST. JOHN STREET, MONTREAL.

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MONTREAL, FRIDAY, FEBRUARY 25, 1916.

BANKING PROFITS IN CANADA (III.)

To-day's table gives a broad, comprehensive view of the banking operations during the past eleven years. In previous articles it has been explained that in some years there were special items such as "recoveries" included in the net profits as shown in the lower table but not taken into the upper table. Again, absorptions and failures have affected the totals of profit and loss balances brought forward from one year into the next. The statement shows that net profits in 1915 were about \$2,500,000 less than in 1914, but the actual decrease was less than this amount—the 1915 figures of net profits do not include the results of the Bank of British North America and of the Weyburn Security Bank, which had not reported at date of writing the article. However, the averages of these two banks—capital, capital and rest, and total assets—were calculated from the monthly bank returns and are included in the totals shown for 1915. The percentages in regard to 1915 were calculated with all figures relating to these two banks excluded. But when their figures are taken in, the percentages will not be materially affected one way or the other.

SERIOUS FALLING-OFF IN NET PROFITS.

It is remarkable that notwithstanding the increase in average total resources, the falling off in net profits should be so serious. However, the reasons for the declining earnings were given in the preceding articles and it is not necessary to repeat them here. With reference to the total resources, it is to be remarked that if the average were taken for the calendar year 1915 in case of all banks, it would be somewhat higher than the amount shown in the table. Again, there ensued in the last five months of the calendar year a phenomenal increase in the assets of the banks. The aggregate rose from \$1,558,000,000 to about \$1,738,000,000 between July and December 31st. In other words, the banks are in another period of rising resources; and when that is the case the aver-

ages are considerably below the amount shown at the end of the period. This has significance in that it points to a considerable increase in the average resources controlled during the respective fiscal years for which results will be published in 1916. At the same time it looks as if by means of purchases of Government and municipal bonds, and special loans, etc., there would be, this year, somewhat better opportunities of employing the resources.

DECREASES IN RATIOS.

Even when allowance is made for the earnings of the two banks not included, it will be seen that the ordinary earnings of the banks in 1915 were smaller than in any year since 1910. Also, in the matter of percentage to average capital, average capital and rest, and average total resources, it is necessary to go back a considerable number of years to find figures so small as in 1915. Since the banks have continually added to their rests and undivided profits there should be a steady increase in the ratio of profits to average capital—this without any increase in the actual ratio of earnings on the capital invested by the proprietors. The ratio of profits to average capital and rest and to average total resources give the true reflection of the earning power of capital invested in banking. In both of these instances last year's figures were less than those of any other year appearing in the table.

A glance at the comparative amounts written off for depreciation, etc., shows how heavily the banks have cut into their profits for the purpose of bringing the book values down to a sound basis. The amount written off in 1915 exceeds the aggregate appropriations of the seven years 1906 to 1912 inclusive.

MR. DUNCAN COULSON.

The death of Mr. Duncan Coulson, president of the Bank of Toronto, on February 19th, removes not only a banker of prominence but one who constituted a most interesting link with the early days of the institution with which he was so long identified and with the upbuilding of which he had so much to do. It was so long ago as 1857—two years after its establishment—that Mr. Coulson first joined the Bank of Toronto's staff as a junior clerk. In the space of twenty years—a considerable part of which time was spent in Montreal as branch manager—Mr. Coulson had climbed to the general managership, and occupied that position for no less than 34 years, retiring only in 1911, at the age of 74, to become president.

Sir Edmund Walker, who knew Mr. Coulson nearly thirty years, describes him as probably one of the most industrious bankers we have ever had. A worthy monument of his industry, ability and fidelity is seen in the institution to which his whole business life was devoted.

The Bank of England continues its official rate of discount at 5 per cent.

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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Head Office in Canada: **ST. JAMES ST., MONTREAL**

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J. ANDERSON, Superintendent of Branches.
H. A. HARVEY, Superintendent of Eastern Branches,
Montreal.
J. McEACHERN, Superintendent of Central Branches,
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This Bank has Branches in all the principal
Cities of Canada, including Dawson City (Y.T.),
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in the United States.

Agents and Correspondents in every part of
the world.

Collections Made at Lowest Rates.

**Drafts, Money Orders, Circular Letters
of Credit and Travellers' Cheques issued,
Negotiable anywhere.**

Agents in Canada for Colonial Bank, London and West India.

G. B. GERRARD, Manager,
MONTREAL BRANCH

The Merchants' Bank of Canada

Head Office - MONTREAL

Capital Paid-up - - - - - \$7,000,000
Reserve Fund and Undivided Profits - 7,245,140

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206 BRANCHES AND AGENCIES IN CANADA

Extending from the Atlantic to the Pacific

SAVINGS DEPARTMENT AT ALL BRANCHES

Deposits received and Interest
allowed at best current rates

New York Agency: 63 and 65 WALL ST.

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INCORPORATED 1832.

CAPITAL	86,500,000.00
RESERVE FUND	12,000,000.00
TOTAL ASSETS over	100,000,000.00

Head Office - - - HALIFAX, N.S.

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Gen'l Manager's Office, TORONTO, ONT.

H. A. RICHARDSON, General Manager.

Branches throughout every Province in Canada,
and in Newfoundland, Jamaica and Cuba.

BOSTON CHICAGO NEW YORK

HOME BANK OF CANADA

ORIGINAL CHARTER
1854

Head Office: - TORONTO

JAMES MASON - General Manager

Branches and Connections throughout Canada.

MONTREAL OFFICES

Main Office: Transportation Building, St. James St.

Bonaventure Branch, 523 St. James St.

Notre-Dame Branch, Cor. Cuvillier and Ontario Sts.

Mount Royal Branch, Cor. Mount Royal & Papineau Av.

BANKING PROFITS IN CANADA: TABLE III.
(Compiled Exclusively for The Chronicle).

SUMMARY OF THE BANKS' OPERATIONS DURING ELEVEN YEARS.

	1915.	1914.	1913.	1912.	1911.	1910.	1909.	1908.	1907.	1906.	1905.
Average Capital Paid.....	\$ 113,900,250	\$ 112,928,107	\$ 111,731,763	\$ 103,623,455	\$ 98,735,350	\$ 94,850,097	\$ 93,437,945	\$ 92,543,865	\$ 94,945,190	\$ 87,920,049	\$ 80,410,569
Average Capital and Rest.....	\$ 226,961,953	\$ 224,007,126	\$ 218,995,429	\$ 201,945,132	\$ 185,683,791	\$ 173,466,893	\$ 168,349,840	\$ 163,566,349	\$ 164,424,032	\$ 149,263,819	\$ 135,324,194
Average Total Resources.....	\$ 1,575,509,546	\$ 1,538,269,467	\$ 1,512,301,893	\$ 1,394,846,889	\$ 1,274,631,501	\$ 1,187,543,106	\$ 1,025,920,764	\$ 916,245,586	\$ 939,239,392	\$ 847,537,380	\$ 745,327,472
Profits †.....	\$ 15,571,286	\$ 18,024,174	\$ 18,382,983	\$ 17,613,203	\$ 16,407,021	\$ 14,163,430	\$ 12,626,690	\$ 12,910,823	\$ 13,759,053	\$ 12,290,106	\$ 10,464,469
Per cent. Profits to Average Capital.....	14.32	15.96	16.45	17.00	16.62	14.93	13.51	13.95	14.49	13.98	13.01
Per cent. Profits to Average Capital and Rest.....	7.12	8.05	8.39	8.72	8.84	8.16	7.50	7.89	8.37	8.23	7.73
Per cent. Profits to Average Total Resources.....	1.03	1.17	1.22	1.26	1.29	1.19	1.23	1.41	1.47	1.45	1.40
Total Resources.....											

DISPOSITION OF PROFITS.

	1915.	1914.	1913.	1912.	1911.	1910.	1909.	1908.	1907.	1906.	1904.
Balance Brought in.....	\$ 6,315,272	\$ 6,168,278	\$ 5,987,472	\$ 5,418,967	\$ 4,326,930	\$ 4,635,063	\$ 4,260,767	\$ 4,522,929	\$ 2,180,917	\$ 2,736,039	\$ 2,270,565
Net Profits ‡.....	\$ 15,571,286	\$ 18,024,174	\$ 18,382,983	\$ 17,613,203	\$ 20,442,506	\$ 14,290,765	\$ 12,951,690	\$ 12,817,774	\$ 13,755,789	\$ 12,104,703	\$ 10,153,828
Premiums New Stock.....	\$ 140,314	\$ 1,915,897	\$ 5,114,595	\$ 12,251,921	\$ 6,563,821	\$ 3,049,274	\$ 1,708,918	\$ 469,075	\$ 2,789,677	\$ 6,371,151	\$ 591,380
Total.....	\$ 22,026,872	\$ 26,108,349	\$ 29,685,050	\$ 35,283,191	\$ 31,333,257	\$ 22,245,132	\$ 18,921,375	\$ 17,809,778	\$ 18,726,383	\$ 21,211,893	\$ 13,015,803
Dividends Paid.....	\$ 11,926,945	\$ 12,546,082	\$ 11,903,146	\$ 11,142,267	\$ 9,698,995	\$ 8,715,367	\$ 8,293,044	\$ 8,090,616	\$ 8,131,508	\$ 7,208,963	\$ 6,228,803
War Tax on Circulation.....	\$ 767,671	\$ 2,591,136	\$ 7,658,370	\$ 14,228,511	\$ 13,172,564	\$ 7,185,774	\$ 3,595,653	\$ 3,494,694	\$ 4,176,966	\$ 9,943,089	\$ 3,496,125
Added to Rest.....	\$ 404,289	\$ 1,190,679	\$ 2,145,699	\$ 2,174,229	\$ 2,177,944	\$ 1,427,701	\$ 1,436,469	\$ 1,355,718	\$ 1,758,300	\$ 1,331,982	\$ 897,707
Written off for Depreciation, etc.....	\$ 3,283,277	\$ 2,255,840	\$ 1,111,633	\$ 1,200,000	\$ 225,000	\$ 233,909	\$ 285,000	\$ 376,000	\$ 129,534	\$ 271,386	\$ 129,847
Contributions, Pensions, etc.....	\$ 449,766	\$ 962,081	\$ 500,377	\$ 499,730	\$ 393,871	\$ 341,574	\$ 296,776	\$ 231,166	\$ 220,518	\$ 189,333	\$ 189,847
Balance Carried out.....	\$ 5,730,485	\$ 6,562,531	\$ 6,365,825	\$ 6,638,454	\$ 5,664,883	\$ 4,340,807	\$ 4,994,433	\$ 4,261,584	\$ 4,309,467	\$ 2,266,940	\$ 2,263,321
Total.....	\$ 22,026,872	\$ 26,108,349	\$ 29,685,050	\$ 35,283,191	\$ 31,333,257	\$ 22,245,132	\$ 18,921,375	\$ 17,809,778	\$ 18,726,383	\$ 21,211,893	\$ 13,015,803

* In 1904 the amounts written off for depreciation, etc., were included in the amounts written off premises account.

† Deducted from Rest.

‡ Net profits for 1915 do not include Bank of British North America and Weyburn Security Bank, annual reports of which not published at date of writing.

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid up \$11,560,000 Reserves \$13,236,000
Assets \$200,000,000

HEAD OFFICE - MONTREAL.

325 BRANCHES THROUGHOUT CANADA

28 Branches in Cuba, Porto Rico, Dominican Republic and Costa Rica

BRITISH WEST INDIES

Branches in Antigua, Bahamas, Barbados, Dominica, Grenada, Jamaica, St. Kitts, Trinidad, British Guiana and British Honduras.

LONDON, Eng.
Princes St., E. C.

NEW YORK,
Cor. William & Cedar Sts.

SAVINGS
DEPARTMENT

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

The Dominion Bank

SIR EDMUND 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, Toronto

THE BANK OF TORONTO

Incorporated 1855.

Head Office: TORONTO, Canada.

ASSETS - - \$66,000,000

DIRECTORS.

W. G. GOODERHAM, *Vice-President*; J. HENDERSON, *2nd Vice-President*;
WILLIAM STONE, JOHN MACDONALD, LT. COL. A. E. GOODERHAM, BRIGADIER-GENERAL
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THOS. F. HOW, *General Manager*; T. A. BIRD, *Chief Inspector*; J. R. LAMB, *Supt. of Branches*.

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LONDON, Eng.—London City and Midland Bank, Limited.

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The Trust and Loan Co.

OF CANADA

Capital Subscribed. . . . \$14,600,000.00
Paid-up Capital. . . . 2,920,000.00
Reserve Funds. . . . 2,752,205.06

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PRUDENTIAL TRUST COMPANY LIMITED

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Transfer Agent & Registrar

Administrator Receiver Executor
Liquidator Guardian Assignee
Trustee Custodian

Real Estate and Insurance Departments
Insurance of every kind placed
at lowest possible rates.

Safety

Deposit Vault

Terms exceptionally
moderate.

Correspondence
Invited.

B. HAL. BROWN, President and Gen. Manager

The Bank of Ottawa

DIVIDEND No. 98

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 Wednesday, the First day of March, 1916, to shareholders of record at the close of business on the 16th of February next.

By order of the Board,

GEORGE BURN,
General Manager.

OTTAWA, ONT., JANUARY 24th, 1916.

THE NEW TAXATION.

The Minister of Finance announced on Tuesday, in connection with the new war tax of 25 per cent. on profits, that paid-up capital will be defined so as to embrace at least a portion of the reserves and accumulated profits. In the case of a company with comparatively small capitalisation which had been able over a course of years to build up large reserves, he said, a portion of such reserves would be considered as capital.

Presumably, this definition, when it is available, will straighten out the situation as it affects the banks and insurance companies concerning which at present much uncertainty exists. With regard to the fire insurance companies, there is not only the matter of their existing conflagration reserves to be taken into consideration—obviously some credit as capital should be given the companies for these—but also there is the problem of the building-up of reserves during the currency of the present taxation. This point comes home more particularly to the younger and less wealthy fire companies, which if not allowed to transfer to conflagration reserve after a year's good business a certain amount of funds before declaring their profits on which the 25 per cent. tax is to be paid, may quite possibly find the tax a somewhat severe handicap. With the old and wealthy companies, which are already equipped to take care of almost any possible contingency, this matter is not of such vital importance, although the inability to make in good years the full transfers to reserve would naturally be felt to some extent.

Settlement of these and other points, however, will come in due course. In any case the companies as a whole will pay up what is required of them in war taxation with a good grace, though we have no doubt that if it were decided that some particular point of the new taxation entailed hardship or operated with marked unfairness, that the Minister of Finance would be willing to give a sympathetic consideration to any representations it was considered advisable to make to him.

ENTHUSIASTS PRO AND CON.

One amusing result of the new Budget is the rapid development of opinion on "the street" that what Canada wants is a thumping income tax beginning at the top and not touching incomes below, say \$25,000 a year! While this sudden enthusiasm for income tax need not be taken too seriously, it may be well to point out that a year ago, the Minister of Finance went thoroughly into this matter, and then decided that he could get little revenue from this tax—perhaps not more than two millions. In any case, the establishment and development of the necessary administration would take a very considerable time, and taxes in volume are wanted now.

We hope the Minister of Finance will have nothing to do with the agitation in certain quarters to do away with the retroactive feature of the new taxation. To yield this means a cutting of the estimated revenue from the new tax at last in half, and that munition manufacturers and others would get away with 18 months' war profits—some of them at least, admittedly very handsome profits—without paying a cent in taxation. It is possible that in some cases a certain amount of inconvenience will be caused by the new taxes to those who have

re-invested profits in plant. But any inconvenience that is likely in this connection does not appear to be a sufficient argument for the withdrawal of the retroactive feature of the Budget.

CANADA'S FOREIGN TRADE.

December imports, as compared with those of a year ago, increased approximately \$15,000,000, and according to preliminary estimates the volume during January exceeds that of the same month a year ago by approximately the same proportion, says the monthly commercial letter of the Canadian Bank of Commerce. The Department of Customs reports imports into Canada for the calendar year ending December as being valued at \$450,640,000. For three years, January to December inclusive, imports and exports were as follows:

(Merchandise only).			
	1913.	1914.	1915.
Imports.....	\$659,064,871	\$481,319,309	\$450,650,000
Exports.....	460,519,246	410,993,041	4652,067,000

Balance... \$*198,545,625 *\$70,326,268 **\$201,417,000
 * Adverse. ** Favourable. † Not including re-exports of foreign merchandise in December.

To the extraordinary favourable balance for the year just past the chief contributing factors are manufactures and agricultural products, the figures for which, during the two years ending December 31st last, were as follows:—

	1914	% of Total Exports	1915	% of Total Exports
Agricultural	\$127,122,783	31%	\$230,643,710	35%
Mfrd Products	69,151,924	16%	151,664,113	23%

ESTABLISHED 1873

The

Standard Bank

of CANADA

Head Office, TORONTO

124 BRANCHES THROUGHOUT THE DOMINION



SECURITY for both principal and interest is the first essential of an investment; the ability to realize quickly the second. Judged by these standards, a deposit in the savings department of this Bank is an ideal form of investment.



Montreal Branch: 136 ST. JAMES STREET
 E. C. GREEN, Manager.

IMPERIAL BANK

OF CANADA

Head Office, - Toronto

Capital Paid Up - - - \$7,000,000
Reserve Fund - - - - \$7,000,000

PELEG HOWLAND,
President

E. HAY,
General Manager



Drafts, Money Orders and Letters of Credit issued available throughout the World.

Dealers in Government and Municipal Securities. Dealers in Foreign and Domestic Exchange. Savings Departments at all Branches.

Interest Credited Half-yearly at Current Rates. General Banking Business Transacted.

126 BRANCHES IN CANADA

The Royal Trust Co.

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

EXECUTORS AND TRUSTEES

BOARD OF DIRECTORS:

H.V. Meredith, President Sir H. Montagu Allan, C.V.O., Vice-President

R. B. ANGLIS	E. B. GREENSHIELDS
A. BAUMGARTEN	C. R. HORNER
A. D. BRATHWAITE	SIR W. C. MACDONALD
E. J. CHAMBERLIN	HON. R. MACCAY
H. R. DRUMMOND	HERBERT MOLSON
C. B. GORDON	LORD SHAUGHNESSY, K.C.V.O.
HON. SIR LOMER GOUIN,	SIR FREDERICK WILLIAMS-TAYLOR, LL.D.
K.C.M.G.	

A. E. HOLT, Manager

OFFICE AND SAFETY DEPOSIT VAULTS:
107 St. James St., MONTREAL.

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

WESTERN

Assurance Company

Incorporated in 1851

FIRE AND MARINE

ASSETS over \$3,700,000.00

LOSSES paid since organization of Company over \$61,000,000

DIRECTORS

W. R. BROCK, President

W. B. MEIKLE, Vice-President and General Manager

JOHN AIRD	AUGUSTUS MYERS
ROBT. BICKERDIKE, M.P.	Z. A. LASH, K.C., LL.D.
ALFRED COOPER	GEO. A. MORROW
H. C. COX	Lt. COL. FREDERIC NICHOLLS
D. B. HANNA	Col. Sir HENRY PELLATT C.V.O.
JOHN HOSKIN, K.C., LL.D.	E. R. WOOD

HEAD OFFICE TORONTO

National Trust Co.,

LIMITED

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

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

MONTREAL DIRECTORS

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

MONTREAL OFFICE:

153 St. James Street

PERCIVAL MOLSON, Manager.

FOUNDED A.D. 1819

THE PHENIX FIRE INSURANCE COMPANY OF PARIS, FRANCE

SURPLUS TO POLICY-HOLDERS, - \$5,754,937

EDMUND FOSTER, Supt. of Agencies. THOMAS F. DOBBIN, Manager for Canada.
LEWIS BUILDING, ST. JOHN STREET, MONTREAL.
Applications for agencies invited

MOUNT ROYAL ASSURANCE.

The Mount Royal Assurance Company of Montreal furnishes an example of a fire insurance organisation established in quite recent years which has achieved notable success. For the first decade of its existence, which began in 1902, the Company very wisely confined its operations to a limited field, but two or three years ago extended its operations to Ontario and the Western Provinces. The success which the Company achieved in its early years has been repeated in its enlarged sphere of operations, as a natural result of the prudence of management which has distinguished the Company since its inception. The Mount Royal, which has now reached the stage of reporting assets in excess of \$1,000,000, occupies a thoroughly sound and prosperous position and Mr. J. E. Clement, its general manager and secretary since its inception, may be cordially congratulated upon the great success which has been achieved—success which forms excellent evidence of the high degree of underwriting skill at the disposal of the Company.

Last year was for the Mount Royal a period of steadily expanding business and of a very favorable experience. The net premium income, after the deduction of re-insurances, amounted to \$402,847, this being an advance of \$23,605 upon the premium income of 1914. Interest received from investments amounted to \$41,694, making the total net income \$444,541. Net losses paid, including provision for all losses outstanding, were only \$159,453, showing the very low ratio to premium income of 39.58 per cent., a bettering of even the fine record of 41.45 per cent. reported for 1914. Expenses of management and commission amounted to \$138,260 or 34.32 per cent. of the premium income. After the transfer of \$37,761 to the re-insurance reserve, making this fund \$259,361, an amount of \$109,066 was available for the profit and loss account as a result of the year's operations. However, the 8 per cent. dividend and 2 per cent. bonus absorbed only \$25,000 of this amount, the remainder going to swell the balance of profit and loss account, and thereby substantially increase the security for policyholders. This security now amounts to the very satisfactory sum of \$882,034, an increase of nearly \$130,000 over last year and equivalent to well over two years' net premium income, and is made up as follows: paid-up capital, \$250,000; reserve, \$259,361; investment reserve, \$34,807; balance at profit and loss, \$337,865. The total assets aggregate \$1,043,527, of which over \$150,000 is cash in banks while \$819,180 represents the market value of bonds, debentures and other securities held.

The Mount Royal, in addition to occupying this satisfactory financial position, possesses an efficient organisation. As opportunity offers, the business will undoubtedly be steadily expanded, but the Company's past record and present position suggest that financial strength and conservatism of underwriting policy will continue to constitute the management's prime care.

EXIT THE PRUDENTIAL OF WINNIPEG.

The policies of the Prudential Life of Winnipeg have been re-insured by the Sun Life of Canada, and a liquidator appointed for the Prudential. This matter has been under way for several months, and the Manitoba Courts approved the proposal this week. The arrangement has the consent of the Dominion Superintendent of Insurance.

STANDARD BANK'S REPORT.

The statement of the Standard Bank of Canada, presented at Wednesday's annual meeting at Toronto, includes a number of interesting features. Not only has this Bank shared in the general increase in deposits, but it also reports that its Canadian loans to the public are \$2,500,000 in excess of those at January 31st, 1915. It is also noted in the report that the Bank subscribed for \$1,000,000 of the Dominion War Loan and was allotted \$857,800 on account of its subscription.

Net profits for the year ended January 31st last amount to \$563,401, equal to 8.04 per cent. on the capital and rest combined, and naturally a somewhat lower figure than was reported for the preceding year. A balance brought forward of \$53,141 makes the total available on profit and loss account \$616,542. Of this amount, the usual 13 per cent. dividend absorbs \$390,000 and the war tax on circulation \$28,995; \$15,000 is contributed to the Officers' Pension Fund; \$20,900 to Patriotic and other funds; and \$100,000 reserved to meet security depreciation, the enlarged balance of \$61,647 being carried forward to the current year.

Deposits at the close of the Bank's fiscal year amounted to \$43,099,051, an increase for the year of \$5,058,944. Circulation shows the substantial increase of \$574,560. On the other side of the account, there is an increase of nearly \$2,600,000 in quick assets which are brought up to \$18,414,819. Of these quick assets, \$12,893,147 are cash assets. Total loans to the public are reported as \$33,942,914 compared with \$31,426,114 a year ago, and the total assets of the Bank are increased to \$53,822,121.

While strengthening its reserve position last year, the Standard Bank, which is under the management of Mr. George P. Scholfield, has also found it possible to extend increased accommodation to its commercial customers. The two operations constitute a very satisfactory combination.

PERSONALS.

Mr. Edward Milligan, President of the Phoenix Fire Insurance Company of Hartford, spent some days in Montreal this week. Some twelve years have elapsed since the previous visit of this eminent underwriter to Montreal. He has no doubt been impressed with the growth of the Metropolitan City and the many imposing structures which now adorn its streets.

The Phoenix of Hartford was for many years the only company under the present management in Canada. Of late years, however, in addition to the Phoenix the following companies have been added:—The Equitable Fire & Marine, Providence, R.I.; Westchester Fire Insurance Co. of New York; The Connecticut Fire Insurance Co., Hartford, Conn.; and the Protector Underwriters. While we do not question Mr. Tatley's underwriting ability, the wisdom of concentrating so many companies' Canadian interests in one office may well be doubted.

Mr. J. H. Riddel, Secretary for Canada, British Crown Assurance Corporation, was in the city a few days ago on his return from the Lower Provinces where he spent some time visiting the agencies of his Company.

CANADA PERMANENT MORTGAGE CORPORATION QUARTERLY DIVIDEND

NOTICE is hereby given that a Dividend of TWO and ONE HALF PER CENT, for the current quarter, being at the rate of

TEN PER CENT PER ANNUM

on the paid-up capital Stock of the Corporation, has been declared, and that the same will be payable on and after

SATURDAY, THE FIRST DAY OF APRIL

next, to Shareholders of record at the close of business on the Fifteenth day of March.

By order of the Board,

Toronto, February 23rd, 1916.

GEO. H. SMITH, Secretary.

Representing

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

You will make money.

The great strength, big dividends and incomparable benefits of the "oldest company in America" mean certain success for you.

FOR TERMS TO PRODUCING AGENTS, ADDRESS:

George T. Dexter

2nd VICE PRESIDENT

34 Nassau Street

New York, N.Y.

Atlas Assurance Co., Limited of LONDON, ENGLAND

The Company commenced business in the REIGN OF GEORGE III and the following figures show its record—

	At the Accession of	Income	Funds
KING GEORGE IV.	\$ 387,065	\$ 800,605	
KING WILLIAM IV.	657,115	3,038,380	
QUEEN VICTORIA	789,865	4,575,410	
KING EDWARD VII.	3,500,670	11,185,405	
KING GEORGE V.	6,846,895	15,186,090	
and at			
31st DECEMBER, 1914	7,489,145	19,064,425	

In addition the Company has a Subscribed Capital of Eleven Million Dollars (of which \$1,320,000 is paid up).

Agents wanted in unrepresented districts.

Head Office for Canada:

179 St. James St., MONTREAL

MATTHEW C. HINSHAW, Branch Manager



Assets:
\$10,178,345.13
Surplus to
Policyholders:
\$5,169,684.89

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

THE DOMINION OF CANADA GUARANTEE & ACCIDENT INS. CO.

The OLDEST and
STRONGEST CANADIAN
CASUALTY COMPANY

ACCIDENT

TRANSACTS:

SICKNESS

PLATE GLASS

BURGLARY

AUTOMOBILE INSURANCE

GUARANTEE BONDS

FIRE INSURANCE

E. ROBERTS, Manager,
BANK OF OTTAWA BUILDING, MONTREAL

C. A. WITHERS, General Manager,
TORONTO

Branches: WINNIPEG CALGARY VANCOUVER

CANADIAN FIRE RECORD

Specially compiled by The Chronicle.

FACTORY FIRE AT MONCTON, N.B.

On the 20th instant, a fire broke out in the main building of the Record Foundry and Machine Company, Moncton, N.B. Insurance as follows:

Hartford.....	\$1,500.00	Insurance Co. of N.A.....	\$9,054.17
Northern.....	2,800.00	Anglo-American.....	5,527.09
Acadia.....	1,500.00	Montreal-Canada.....	3,527.08
British America.....	1,763.54	Providence-Wash.....	7,054.16
Quebec.....	4,500.00	British Crown.....	7,554.17
Atlas.....	3,527.08	Aetna.....	5,290.62
Aetna.....	1,500.00	Factories.....	7,054.18
Canada National.....	3,000.00	Boston.....	1,763.54
Federal Und.....	1,250.00	Hartford.....	8,817.71
Northern.....	8,700.00	Sun.....	3,527.08
Boston.....	2,500.00	General.....	3,081.24
N. Y. Underwriters.....	3,527.08	Northern.....	3,527.08
Phoenix.....	1,500.00	Union.....	5,800.00
Caledonian.....	2,500.00	Palatine.....	5,000.00
Canada National.....	1,500.00	Ocean.....	5,250.00
Employers Liability.....	2,600.00		
Providence-Wash.....	2,500.00		
			\$128,495.82

Loss, about \$80,000.

CHURCH FIRE AT BEAUPORT, QUE.

On the 21st instant, the Roman Catholic church at Beauport, Que., was destroyed by fire. Property loss about \$300,000, with insurance as follows:—

ON BUILDING.			
Sun.....	\$20,000	London Assurance.....	\$7,500
Alliance.....	10,000	Yorkshire.....	5,900
Liverpool-Manitoba.....	2,500		
	Total loss.....		\$45,000
ON ORGAN.			
London Assurance.....	\$5,000		
Liverpool-Manitoba.....	5,000		
	Total loss.....		\$10,000
GENERAL CONTENTS.			
Yorkshire.....	\$5,500		
	Loss total.....		\$5,500

AMERICAN CLUB FIRE AT TORONTO.

We append a corrected list of insurance interested in the fire at the American Club, Toronto.

ON BUILDING.			
Nova Scotia.....	\$5,000	Protector Underwriters.....	\$4,500
National.....	2,000	Western.....	5,000
London and Lancashire.....	2,000	Providence Wash.....	5,500
British Canadian Underwriters.....	2,500	North West Fire.....	5,000
Springfield.....	2,200	British Crown.....	5,000
German American.....	2,000	Dominion.....	9,000
General.....	5,000	North West Natl.....	10,000
Firemen's Fund.....	6,000	Liv-Manitoba.....	12,000
Canada National.....	5,000		
	Loss about \$50,000		\$88,700

ON PICTURES AND CONTENTS.

Scottish Union.....	\$7,000
	Total loss.....

MERLIN, ONT.—Business section completely destroyed February 22, as follows: J. A. Halliday's store and stock of groceries, \$6,000; Post Office; hardware store and stock of W. A. Barr, \$35,000; A. F. Johnston's dry goods store and stock, \$10,000; three brick buildings valued at \$18,000; office and drug store of Dr. Reed, \$3,500; blacksmith shop and carriage works of Z. Sale. Loss \$1,500.

NIAGARA FALLS, ONT.—Khaki Club, two-store. frame building adjoining Cataract Avenue Barracks, badly damaged February 20. Origin, explosion of can of gas oil.

FIRE AT TORONTO.

On the 22nd instant, a fire broke out on the premises of the Wm. Rennie Seed Co., Toronto. Insurance as follows:

Royal.....	\$48,000	British America.....	\$5,000
Mercantile.....	20,000	British Colonial.....	5,000
Occidental.....	15,000	British Crown.....	5,000
National of Hartford.....	15,000	Canada National.....	5,000
Atlas.....	15,000	Century.....	5,000
Guardian.....	15,000	Connecticut.....	5,000
British Dominions.....	10,000	Glen Falls.....	5,000
General of Paris.....	10,000	Hamilton.....	5,000
Hudson Bay.....	10,000	Phoenix of Hartford.....	5,000
Liverpool & London & Globe.....	10,000	Providence Wash- ton.....	5,000
Minnesota Under- writers.....	10,000	Protector Under- writers.....	5,000
North West.....	10,000	Queen.....	5,000
Nova Scotia.....	10,000	Sun.....	5,000
Mount Royal.....	9,000	Waterloo.....	5,000
Pennsylvania.....	5,000	Dominion.....	5,000
London Guarantee.....	5,000	Provincial.....	5,000
New York Under- writers.....	5,000	Nationale.....	3,000
North Empire.....	5,000	Gore.....	3,000
Pacific Coast.....	5,000	Wellington.....	2,000
Alliance.....	5,000		
	Total.....		\$332,000

Loss, about 25 per cent.

STORE FIRE AT BATHURST, N.B.

On the 18th instant, the general stores of W. J. Kent & Co., Bathurst, N.B., were completely gutted by fire. As we go to press we understand the following companies are interested:—

German American.....	\$5,000	Aetna.....	\$3,000
Home.....	1,500	Royal.....	1,000
British America.....	3,500	Queen.....	2,500
Springfield.....	2,000	Scottish Union.....	1,500
Protector Under- writers.....	1,500	Norwich Union.....	1,000
Guardian.....	2,000	Liv. & Lon. & Globe.....	3,000
North British and Mercantile.....	1,500		
Atlas.....	1,500	Other insurance.....	\$34,000
Hartford.....	3,500		\$41,000
	Total loss.....		\$75,000

FAIRBANK, ONT.—Three houses, Nos. 32, 34 and 36, Fairmount Avenue, damaged February 18. Two-storey frame building, No. 32, occupied by William Harris, damaged to extent of \$800, contents \$500, with insurance in British America, \$800 on house and \$300 on contents. No. 34, one-storey frame cottage unoccupied, damage \$400; No. 36, two-storey brick dwelling occupied by Robert Blair, damage to building \$1,500, to contents \$500. Fire originated in No. 36 from defective furnace.

BOWDEN, ALTA.—Post office, telephone exchange, and Barclay hardware store destroyed, February 13. Buildings owned by C. A. Johnston. Loss \$30,000 partly covered by insurance. Origin unknown.

GUELPH, ONT.—Weinrich fur and clothing store on Wyndham street and Patrick furniture store adjoining damaged, February 15. Loss covered by insurance. Fire originated from stove in Weinrich store.

CORNWALL, ONT.—House and outbuildings of Joseph Ramsay destroyed with quantity of machinery February 18. Small insurance carried. Origin, defective chimney.

PORT STANLEY, ONT.—Frame dwelling of John Erick completely gutted, February 13. Loss \$1,000, partly covered by insurance.

FORT WILLIAM, ONT.—St. Luke Presbyterian Church damaged to extent of \$5,000, February 21. Fire originated from furnace.



CANADA BRANCH HEAD OFFICE, MONTREAL.

DIRECTORS

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



Head Office: Cor. Dorchester Street West and Union Avenue.
 MONTREAL

DIRECTORS

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

Licensed for Fire Insurance by Dominion Government

THE Continental Insurance Company

of NEW YORK

INCORPORATED 1835

Authorized, Subscribed and Paid up Capital, \$2,000,000

Net Surplus, \$14,441,895

TOTAL ASSETS EXCEED \$28,000,000

HENRY EVANS, *President*

GEO. E. KLINE, *Vice-President*

SPECIAL AGENTS WANTED FOR MONTREAL

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 NEW YORK

W. E. BALDWIN,
Agency Supt.

MONTREAL BRANCH OFFICE
 Lewis Building, St. John Street
 JOSEPH ROWAT, *Resident Manager*



The Northern Assurance Co. Limited

"Strong as the Strongest"

Accumulated Funds 1914, \$41,615,000

HEAD OFFICE FOR CANADA,
 88 NOTRE DAME STREET WEST,
 MONTREAL.

G. E. MOBERLY, *Supt. of Agencies.*

ROBERT W. TYRE, *Manager.*

THE CONTINENTAL LIFE INSURANCE COMPANY

HEAD OFFICE - TORONTO

Protect your wife and family by a monthly income policy in THE CONTINENTAL LIFE INSURANCE COMPANY. An absolutely sure investment.

W. J. BROWN, *Provincial Manager.*

180 ST. JAMES STREET, MONTREAL.

COMPULSORY CANADIAN INVESTMENTS FOR LIFE COMPANIES.

Further study of the effect of the legislative provisions made by the Canadian Minister of Finance in connection with his new Budget proposals, for compulsory investment in the securities of the Dominion Government by the life insurance companies transacting business in Canada, confirm a first impression that the requirements are not over-onerous. It is important to note that the requirements are to invest in those Canadian Government securities which are "payable only in the currency of Canada." That is to say, neither sterling issues made in London nor the \$45 million issue made in New York last year are eligible investments under the new legislation. The investments must be made either in the existing domestic War Loan or in subsequent domestic loans, which are practically the only Canadian Government securities in existence or contemplated that are "payable only in the currency of Canada." It should be noted further that failure to comply with any of the provisions of the new Act, the short title of which is the Life Insurance Companies Investment Act, 1916, renders a company liable to have its license summarily cancelled.

REQUIREMENTS FOR CANADIAN COMPANIES.

The requirements of the Act for Canadian life companies (*i. e.*, those incorporated in Canada) are as follows:—

"3. On or before the thirty-first day of December, one thousand nine hundred and sixteen, every Canadian company licensed under The Insurance Act, 1910, to transact the business of life insurance, shall invest in, and, on the said thirty-first day of December, shall hold and own, securities of Canada to the amount of not less than fifty per cent. of the increase in the net ledger assets of such company during the year one thousand nine hundred and fifteen after deducting from such increase (a) the amount of increase during the said year in the actuarial reserves held by the company in respect of its policies in force outside of Canada, and (b) the amount of increase during the said year in loans, liens and premium obligations on its policies in force in Canada."

Section 4 of the Act similarly provides for investments on the same principle during the year 1917.

No complete figures are yet available regarding the companies' net ledger assets, net reserves on policies abroad and policy loans for the year 1915. But it is possible to get a very fair idea of the effect of these new provisions by study of the course of the items named during the last two or three years. The following figures describe themselves.

CANADIAN LIFE COMPANIES' NET LEDGER ASSETS.	
1914	\$244,216,058
1913	222,451,840
1912	201,271,832
THEIR NET RESERVES ON POLICIES OUTSIDE CANADA.	
1914	\$54,515,574
1913	48,606,846
1912	41,054,516

THEIR POLICY LOANS.

1914	\$36,204,417
1913	30,875,309
1912	25,879,863

1915'S PROBABLE INCREASES.

From this tabulation, it appears that the increase in the companies' net ledger assets during 1914 was \$21,764,218 over 1913, which year in turn showed an increase of \$21,180,008 over 1912. We think that the companies' increase in net ledger assets for 1915 over 1914 may be estimated at about \$22 millions, bringing the net ledger assets up to over \$266 millions.

The increase in the net reserves on policies outside Canada was during 1914, \$5,908,728, and during 1913, \$7,552,330. In view of the worldwide unsettlement, and the fact that in Great Britain, where several of the Canadian companies do quite an important business, conditions have been extremely unfavourable for life insurance during the last twelve months, probably \$5 millions will be sufficient to allow for this increase during 1915, making these net reserves \$59 1-2 millions.

Policy loans, which increased \$5,329,108 in 1914 and \$4,995,446 in 1913, seem likely to record for 1915 a smaller advance, less perhaps owing to a decrease in the borrowing habit than to the fact that borrowing powers have been exhausted and surrenders supervened. We do not think that policy loans will be much over \$40 millions for 1915, say an increase of \$4 millions over 1914.

PROBABLE EXTENT OF COMPULSORY INVESTMENT.

Assuming, then, that the increase in the net ledger assets of the Canadian companies during 1915 will prove to be approximately \$22 millions; the increase in net reserves on policies outside Canada, \$5 millions, and the increase in policy loans, \$4 millions, there will be for 1915 a net increase of \$13 millions in net ledger assets, 50 per cent. of which, or \$6 1-2 millions, will have to be invested during the current year in securities issued by the Canadian Government.

In the aggregate, the Canadian life companies have already put up this amount, their subscriptions to the domestic War Loan when issued last November, aggregating over \$8 millions. The companies whose subscriptions were equal to or above the 50 per cent. net increase in their net ledger assets during 1915 have nothing further to worry about at present as their subscriptions count towards their contributions under the present legislation. In cases where the subscriptions to the War Loan did not equal 50 per cent. of the increase in

(Continued on page 237)

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1833.

FIRE, MARINE and HAIL

HEAD OFFICE: TORONTO

Old Reliable Progressive
Assets over - - \$2,000,000.00
Losses paid since organization
over - - \$38,000,000.00

DIRECTORS

W. R. BROCK, President

W. B. MEIKLE, Vice-President

JOHN AIRD
ROBT. HICKERDIE, M.P.
ALFRED COOPER
H. C. COX
JOHN HOSKIN, K.C., LL.D.
D. B. HANNA

Z. A. LASH, K.C., LL.D.
GEO. A. MORROW
AUGUSTUS MYERS
LT. COL. FREDERIC NICHOLS
COL. SIR HENRY PELLATT
E. R. WOOD.

W. B. MEIKLE,
General Manager

E. F. GARROW,
Secretary

THOMAS F. DOBBIN, Resident Manager
MONTREAL

First British Insurance Company Established in Canada

A. D. 1804

Phœnix Assurance Co. Ltd.

OF LONDON, ENGLAND. (Founded 1782)

FIRE

LIFE

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

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

AGENTS WANTED IN BOTH BRANCHES. Apply to

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

100 St. Francois Xavier St. - Montreal

Established 1864.

New York Underwriters Agency.

A. & J. H. STODDART REGISTERED

100 William Street, NEW YORK

PROVINCIAL AGENTS.

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& BARCOM,
TORONTO, Ont.
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Winnipeg, Man.
ALFRED J. BELL & Co.
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JOHN WM. MOLSON
& ROBERT Y. HUNTER
Montreal, Que.
WHITE & CALKIN
St. John, N.B.
AYER & SONS, LTD.
St. John's, Nfld.

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

NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST

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

Agents wanted for the Accident Branch.

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

JOHN MacEWEN, Superintendent for Quebec.

THE LIFE AGENTS' MANUAL - \$3.00

Published by The Chronicle, Montreal

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

2 PLACE D'ARMES, MONTREAL

Agents Wanted in Unrepresented Districts

The Standard Bank of Canada

The 41st Annual Meeting of the Shareholders of the Standard Bank of Canada was held at the Head Office of the Bank, 15 King St. West, Toronto, on Wednesday, the 23rd of February, 1916. A large number of Shareholders were present. The President, Mr. W. F. Cowan, took the chair, and the Secretary read the following report:—

The Directors beg to submit to the Shareholders the Forty-first Annual Report and Statements of the Bank as of the 31st of January, 1916, together with the Balance Sheet of Profit and Loss Account, showing the results of the year's operations.

It will be observed that Deposits have increased by the sum of \$5,058,944 and now amount to **\$43,099,050**.

The Circulation by \$574,560, and now amounting to **\$3,271,763**;

The Cash Assets amount to **\$12,893,147**;

The Quick Assets show an increase of \$2,548,651, and now stand at **\$18,414,819**;

Loans to the Public **\$33,942,914**, as against \$31,426,114 a year ago.

The Net Profits, after making provision for cost of management, accrued interest on deposits, rebate of bills discounted and providing for bad and doubtful debts, amount to **\$563,401**, being equal to 18.78 per cent. on the capital, or 8.04 per cent. on capital and rest. This amount added to the balance of \$53,140.63 brought forward from last year, makes the sum of **\$616,542.40**, which has been appropriated as follows:—

Four quarterly dividends at the rate of 13 per cent. per annum amounting to	\$390,000.00
Contributed to Officers' Pension Fund	15,000.00
Contributed to Patriotic and other Funds	20,900.00
Government Tax on Circulation	28,995.51
Reserved for depreciation in the value of securities held by Bank	100,000.00
Balance carried forward	61,646.89

The number of branches now open is 121.

During the year the Bank subscribed to the Dominion War Loan for \$1,000,000, and was allotted \$857,800, on account of its subscription.

The usual inspection of the Branches has been carefully made during the year and it affords me pleasure to record the zeal and efficiency of the staff.

The auditor, Mr. Geoffrey T. Clarkson, of the firm of Clarkson, Gordon & Dilworth, Toronto, whose report is appended, is eligible for re-election as auditor for the ensuing year.

W. F. COWAN, President.

GENERAL STATEMENT. LIABILITIES.

Notes of the Bank in circulation	\$ 3,271,763.00
Deposits bearing interest (including interest accrued to date)	\$33,986,616.05
Deposits not bearing interest	9,112,434.72
Dividend No. 101, payable 1st February, 1916	43,099,050.77
Balances due to other Banks in Canada	97,500.00
Acceptances under Letters of Credit	269,562.30
Capital paid up	22,598.15
Reserve Fund	3,000,000.00
Balance of Profit and Loss Account carried forward	4,000,000.00
	61,646.89
	\$53,822,121.11

ASSETS.

Current coin held by the Bank	\$1,549,239.93
Dominion Notes held	6,652,192.00
Deposit in the Central Gold Reserves	\$ 8,201,431.93
Notes of other Banks	500,000.00
Cheques on other Banks	231,719.00
Balances due by Banks and Banking Correspondents elsewhere than in Canada	1,367,335.72
Dominion and Provincial Government Securities not exceeding market value	2,592,660.64
Canadian Municipal Securities and British, foreign and colonial public securities other than Canadian	1,311,877.90
Railway and other bonds, debentures and stocks not exceeding market value	1,343,527.27
Call and Short (not exceeding thirty days) Loans in Canada on bonds, debentures and stocks	541,024.07
	2,325,242.74
Other Current Loans and Discounts in Canada (less rebate of interest)	\$18,414,819.27
Liabilities of customers under Letters of Credit as per contra	33,749,339.35
Real Estate other than Bank Premises	22,598.15
Overdue debts, estimated loss provided for	20,000.00
Bank Premises, at not more than cost, less amounts written off	193,575.99
Deposit with the Mint for the purposes of Circulation Fund	1,171,268.75
Other Assets not included in the foregoing	150,000.00
	100,519.60
	\$53,822,121.11

W. F. COWAN, President.

GEORGE P. SCHOLFIELD, General Manager.

AUDITOR'S REPORT TO THE SHAREHOLDERS.

I have compared the above Balance Sheet with the books and accounts at the chief office of The Standard Bank of Canada, and with the certified returns received from its branches, and after checking the cash and verifying the securities at the chief office and certain of the principal branches on Jan. 31st, 1916, I certify that in my opinion such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs, according to the best of my information, the explanations given to me, and as shown by the books of the Bank.

In addition to the examination mentioned, the cash and securities at the chief office and certain of the principal branches were checked and verified by me at another time during the year, and found to be in accord with the books of the Bank.

All information and explanations required have been given to me, and all transactions of the Bank which have come under my notice have, in my opinion, been within the powers of the Bank.

Toronto, February 12th, 1916.

G. T. CLARKSON, Chartered Accountant.

The usual motions were passed, and the scrutineers appointed reported the following gentlemen elected as Directors for the ensuing year: Mr. W. F. Cowan, Mr. Wellington Francis, K.C., Mr. W. F. Allen, Mr. F. W. Cowan, Mr. H. Langlois, Mr. T. H. McMillan, Mr. G. P. Scholfield, and Mr. T. H. Wood. At a subsequent meeting of the Directors, Mr. W. F. Cowan was re-elected President, and Mr. Wellington Francis, K.C., Vice-President.

Toronto, February 23rd, 1916.

G. P. SCHOLFIELD, General Manager.

THE LONDON LIFE INSURANCE COMPANY

Head Office - - - - - London, Canada

Annual Report Shows Splendid Progress for 1915.

Business in Force, \$34,820,327.00. A Gain of \$3,971,000.00,—
the Largest in the Company's History.

Cash Income, \$1,166,122.00. An Increase of \$201,303.00.

Rate of Interest Earned, 7.08%. Mortality, including War Claims
only 45.18% of expected.

An Increased Scale of Profits to Policyholders authorized.

SYNOPSIS OF FINANCIAL STATEMENT

RECEIPTS.		REVENUE ACCOUNT		DISBURSEMENTS.	
Premiums—Ordinary and Industrial	\$1,322,329.12	Paid Policyholders or Heirs	\$435,295.36	All other Disbursements	498,790.09
Interest on Investments	343,793.23	Balance to Investment Account	732,036.90		
	\$1,666,122.35				\$1,666,122.35
ASSETS.		BALANCE SHEET		LIABILITIES	
Mortgages, Debentures and Stocks	\$5,149,230.28	Reserve on Policies in Force	\$5,459,242.73	Accumulating and Accruing Profits	132,720.00
Loans on Policies and other Invested Assets	582,305.91	Investment Reserve and Other Liabilities	192,697.52	Surplus on Policyholders' Account	290,663.58
Outstanding and Deferred Premiums, Net	173,159.51				
Interest Due and Accrued	170,628.13				
	\$6,075,323.83				\$6,075,323.83

The Annual Report embraces the following particulars :

NEW BUSINESS.

The Amount of New Business issued was \$11,060,511, being the largest issue in the Company's history.

INSURANCE IN FORCE.

The net amount of insurance in force, \$34,820,327.53, shows a larger gain than in any former year.

INCOME.

In the matter of Premium and Interest Receipts the gain for the year again shows the largest yet made—a remarkable record in view of the general conditions existing throughout the year.

EXPENSES.

Notwithstanding the splendid increases above noted, the actual expenses of management for the year were \$3,000 less than in 1914, thus making a notable reduction in the ratio of expenses to income.

ASSETS AND LIABILITIES.

The Company's Assets continue to be valued in the most conservative manner, the Bonds, Debentures and Stocks being carried at a value considerably below the present market value. On the other hand the Liabilities are provided for in a much more complete manner than is called for by the Dominion Insurance Act and include full provision for profits earned on all Participating Policies to date of statement.

PROFITS.

For the past three years, profits on policies at present rates have been one-third in excess of estimates. An increased scale goes into effect in 1916, still further improving upon this unique record.

SURPLUS.

The Surplus shows the largest gain in the Company's history and amounts to \$753,625.58 on the Government Standard without taking account of the under-valuation of Assets. After setting aside funds to increase the Reserves to the Company's standard, to provide for profits accruing but not due and for Investment Reserve and other Special Funds, the Net Surplus on Policyholders' Account is, as shown in the above statement, \$290,663.58.

net ledger assets last year, new purchases will have to be made during the current year.

NON-CANADIAN COMPANIES.

The section of the Act affecting the British and American life companies operating in the Canadian field reads as follows:—

"5. After the fifteenth day of February, one thousand nine hundred and sixteen, any deposit of securities in respect of the business of life insurance required or permitted by The Insurance Act, 1910, to be made prior to the first day of January, one thousand nine hundred and eighteen, with the Receiver General or with a Canadian Trustee or Trustees appointed under and for the purposes of the said Act by any company licensed under the said Act to transact the business of life insurance in Canada other than a Canadian company shall consist of securities of Canada."

It is difficult to anticipate how this provision will work out, owing to the fluctuations in the amount of additional deposits made from year to year by the British and American life companies either with the Receiver-General or with trustees. During 1914 the deposits of the British companies (including one Australian company) increased only \$96,164 from \$13,003,273 to \$13,099,437, while the 1913 increase over 1912 was \$601,274. The last movement seems to have been principally caused by the advent of an additional company in the field.

As regards the American companies, at the close of 1914, their deposits in Canada were \$50,777,793 against \$46,685,134 at the close of 1913, a gain of \$4,092,659. But their 1913 gain over 1912 was only \$746,542.

The companies which made their deposits for the current year prior to the introduction of the Budget escape the operation of this legislation for this year. Taking this into consideration, it would seem that for the years 1916 and 1917, not more than from \$4 to \$5 millions in additional deposits can be safely anticipated. Several of the British life companies, and one or two of the American life companies were subscribers to the War Loan in November, so that future deposits by these companies would not necessarily represent new purchases of or new subscriptions to Canadian Government loans.

ESTIMATED TOTAL, \$17 TO \$18 MILLIONS.

Assuming, then, \$6 1-2 millions as the contribution of the Canadian companies this year, and the same amount during 1917, plus \$4 to \$5 millions new deposits by the British and American companies, it would appear likely that this scheme of compulsory investment would ensure about \$17 to \$18 millions of the Canadian Government's loans being taken up. Sir Thomas White, in his Budget speech, estimated \$15 millions, and this would seem to be a decidedly conservative anticipation.

In the above calculations, the figures of several fraternal and assessment organisations have not been taken into consideration. These organisations also come within the scope of the new Act.

UNDER-INSURANCE AGAIN.

The burning of the church at Beauport, P.Q., brings to light another example of the gross under-insurance of churches and public buildings which is altogether too prevalent in the Dominion. This church, which had only been built six years in succession to an earlier building destroyed by fire in 1910, was valued at \$300,000 while the insurance carried was only \$60,000—a grossly inadequate amount. A fair arrangement for the insurance of buildings of this character is that they should be protected to the extent of 75 per cent. of their cost, and insurance men who are connected with religious and other institutions would do well to make it their business to ascertain that a common-sense policy is followed by those in responsible charge of these buildings. A course of action which for the sake of saving comparatively a few dollars in premiums runs the risk of heavy loss and in consequence either heavy legal obligations on the faithful or appeals to the charitable, merely shows an entire lack of ordinary business sense on the part of those responsible for it.

ANGLO-AMERICAN AND MONTREAL-CANADA'S BUSINESS RE-INSURED.

Announcement was made by the Dominion Superintendent of Insurance this week of the practical completion of arrangements for the re-insurance by the Western Assurance Company of the Canadian business of the Anglo-American Fire Insurance Company and the Montreal-Canada Fire Insurance Company. The licenses of the Anglo-American and of the Montreal-Canada have been cancelled by the Dominion Department on account of their financial condition.

Both these companies have had a sequence of heavy loss ratios in recent years, as is seen from the following table of percentage of net losses incurred to net cash received for premiums:—

	Anglo-American.	Montreal-Canada.
1914.....	63.92	73.16
1913.....	70.09	69.68
1912.....	68.92	58.18
1911.....	63.85	75.94
1910.....	59.06	54.30
1909.....	52.0	65.4
1908.....	97.9	97.7

The Anglo-American, which was established in 1899, holds a considerable amount of the Montreal-Canada's stock. The Anglo-American had at December 31st, 1914, a paid-up capital of \$76,876; in 1914 it received net cash for premiums, \$204,229 and incurred net losses, \$130,540.

The Montreal-Canada is an old-established company dating from 1859 and prior to 1904 confined its operations to the province of Quebec. At December 31st, 1914, its paid-up capital was \$112,905; in 1914 it received net cash for premiums, \$131,265, and incurred net losses, \$96,038. This company has now petitioned in the Montreal Courts for a winding-up order, which has been granted, the National Trust Company being appointed liquidator.

COMMERCIAL UNION

ASSURANCE COMPANY LIMITED
of LONDON, England

The largest general Insurance Company in the world
(As at 31st December 1914)

Capital Fully Subscribed	\$14,750,000
Capital Paid Up	1,475,000
Life Fund, and Special Trust Funds,	72,629,385
Total Annual Income exceeds	45,000,000
Total Funds exceed	133,500,000
Total Fire Losses Paid	174,226,575
Deposit with Dominion Govern- ment	1,208,433

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 1914)

Capital Fully Paid	\$1,000,000
Fire Premiums 1914, Net	\$2,605,775
Interest, Net	136,735
Total Income	\$2,742,510
Funds	\$5,525,540
Deposit with Dominion Gov't	\$238,400

*In addition to the above there is the further
guarantee of the Commercial Union Assurance
Company Limited, whose Funds exceed
\$133,500,000*

APPLICATIONS FOR AGENCIES SOLICITED
IN UNREPRESENTED DISTRICTS.

Head Office: Canadian Branch:—

**Commercial Union Building,
MONTREAL**

J. McGREGOR,
Manager

W. S. JOPLING,
Assistant Manager

COMMENCED BUSINESS 1901
RECEIVED DOMINION CHARTER 17th JUNE 1908
Capital Stock Subscribed \$500,000.00
Capital Stock Paid up \$174,762.70

**The Occidental Fire
INSURANCE COMPANY**

Under the control of the North British & Mercantile
Insurance Company

RANDALL DAVIDSON, President
C. A. RICHARDSON, Vice-President and Secretary
DIRECTORS

S. E. RICHARDS W. A. T. SWEATMAN N. T. HILLARY

Head Office - WINNIPEG, MAN.
Agents Required at Unrepresented Points

ESTABLISHED 1809
Total Funds Exceed \$109,798,258.00
Canadian Investments Over \$9,000,000.00

**FIRE AND LIFE
North British and Mercantile
INSURANCE COMPANY**

DIRECTORS
WM. McMASTER Esq. G. N. MONCEL, Esq.
E. L. PEARRE, Esq.

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

**SUN INSURANCE
OFFICE**

FOUNDED A.D. 1710

Head Office:
Threadneedle Street, LONDON, ENGLAND

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

Canadian Branch:

15 Wellington Street East, Toronto, Ont.

LYMAN ROOT,
Assistant Manager.

Union Assurance Society Ltd.
OF LONDON, ENGLAND.
(Fire Insurance since A.D. 1714)

CANADA BRANCH, MONTREAL
T. L. MORRISEY, Resident Manager.
NORTH WEST BRANCH, WINNIPEG
THOS BRUCE, Branch Manager.

Agencies throughout the Dominion

**THE
CANADA NATIONAL FIRE
INSURANCE COMPANY**

HEAD OFFICE: WINNIPEG, MAN.

A Canadian Company Investing Its Funds in Canada

APPLICATIONS FOR AGENCIES INVITED

LONDON LIFE INSURANCE COMPANY.

In its statement for 1915, the London Life Insurance Company announces the introduction for the current year of an increased scale of profits apportionable to participating policies. This step has been made possible through the continued increase in the Company's surplus earnings, notwithstanding the strain imposed by the war. Coupled with the fact that under the participating rates now in force, the scale of profits in use for the past three years has exceeded the original estimates, on an average, by one-third, this increase in the profit-scale will undoubtedly make a favourable impression on policyholders, and prove a valuable aid to the field men of the Company in their campaign for new business.

As is well known, the London Life transacts a considerable industrial business. In spite of the unfavorable circumstances of last year, the Company is able to report that its agents met with increased success during 1915, the amount of new business issued, \$11,060,511, being the largest in the Company's history. A similarly favorable showing is made by the insurance in force, which shows a larger gain than in any former year and at December 31st last totalled \$34,820,328. In the matter of increase in income also, the gain for the year was the largest yet made, premium and interest income totalling \$1,666,122, a gain of \$201,303 upon 1914.

MANAGEMENT EXPENSES DOWN.

Coupled with this enlargement in operations and expansion of the business, there was an actual decrease of \$3,000 in the expenses of management in comparison with 1914—an indication of capable administration. Payments to policyholders were \$435,295, an increase of some \$65,000 upon 1914, the Company's record including a number of war claims. However, with these included, the total mortality for the year was no more than 45.2 per cent. of the expectation—a highly satisfactory showing.

Over 80 per cent. of the Company's business is now valued on a 3 per cent. basis, the reserve on policies having been increased last year by \$750,000 to \$5,459,243. The total assets now amount to \$6,075,324, the surplus on policyholders' account, after providing for liabilities on a conservative basis, being \$290,664, an increase for the year of \$35,000. On the Government standard, the surplus is \$753,626.

Mr. John G. Richter, F.A.S., the London Life's well-known manager and secretary, may be congratulated upon the results shown in the record of his Company's year.

LONDON MUTUAL FIRE INSURANCE COMPANY.

Mr. W. J. Cleary, manager at Montreal for the Province of Quebec of the London Mutual, has returned from Toronto where he attended the annual meeting of the Company. He informs us that it is the intention of the London Mutual to develop its business more actively in this province. The field is already well organized and as in the past will continue under the popular management of Mr. Cleary with Mr. C. H. Wood as Inspector.

If the agent is earnest, the prospect will soon be in earnest too.—*Mutual Life of Canada.*

SUPERVISION OF INSURANCE COMPANIES.

The Judicial Committee of the Privy Council yesterday gave their judgment on the questions referred to them regarding the powers of the Dominion and Provincial Governments to incorporate and license insurance companies. In brief, the Privy Council hold that both the Dominion and the provinces have the right to incorporate insurance companies, in the latter case if the companies seek only provincial rights and powers, and are content to trust for the extension of these in other provinces to the governments of those provinces, but that it is within the power of the Dominion Government to pass legislation requiring foreign companies to take out a Dominion license even where a foreign company desires to carry on business only within the limits of a single province.

BRITISH COLONIAL FIRE INSURANCE COMPANY.

The annual statement of the British Colonial Fire Insurance Company of Montreal shows an income from all sources of \$300,493 and a total expenditure of \$294,383. Ledger assets are reported as amounting to \$294,043 and liabilities to policyholders as \$109,700. The statement calls attention to the fact that expenses were excessive as compared with the premiums written. This result was anticipated in view of the re-insurance of the policy liability of the Central Canada of Brandon, effected at the end of 1914. The report states that about 350 agencies were organized during the year, 300 of these being situated in the Western Provinces, and it is not expected to expend any large amount during the current year in this connection.

OPPORTUNITIES

in Life Insurance are many.

FOR AN AGENCY, ADDRESS

GRESHAM LIFE ASSURANCE SOCIETY, LTD.

Established 1848. Funds \$50,000,000

GRESHAM BUILDING - - - MONTREAL

"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.



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



PERSONAL ACCIDENT
SICKNESS
FIDELITY GUARANTEE

PLATE GLASS
AUTOMOBILE
GENERAL LIABILITY

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

THE YORKSHIRE INSURANCE COMPANY, LIMITED

ESTBD. 1824

YORK, ENGLAND

ASSETS EXCEED \$23,000,000

FIRE.....Every description of property insured. Large Limits.

LIVE STOCK.....The Yorkshire is the FIRST COMPANY, licensed by the FEDERAL GOVERNMENT, to transact Live Stock Insurance in Canada.

ACCIDENT.....Personal Accident, Employers', Automobile, Teams, General Liability, and Plate Glass.

CANADIAN DIRECTORS Hon. C. J. Doherty
 G. M. Bosworth, Esq.

Hon. Alphonse Racine,
Alex. L. MacLaurin, Esq.

Canadian Manager,
P. M. WICKHAM, Montreal

APPLICATIONS FOR AGENCIES are invited from responsible persons.

ROYAL EXCHANGE ASSURANCE

Founded A.D. 1720

Losses paid exceed \$235,000,000

Head Office for Canada

Royal Exchange Building
 MONTREAL

ARTHUR BARRY, Manager

Correspondence invited from responsible gentlemen in unrepresented districts re fire and casualty agencies



Head Office, Royal Exchange, London

THE LIFE AGENTS' MANUAL, \$3.00

Published by The Chronicle, Montreal

INSURANCE COMPANY OF NORTH AMERICA

FOUNDED 1792.
 PHILADELPHIA, PA.

CAPITAL, \$4,000,000.00
SURPLUS TO POLICY HOLDERS . 10,080,043.40
ASSETS 20,838,450.21
LOSSES PAID EXCEED . 176,000,000.00

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

THE LAW UNION & ROCK

INSURANCE CO. LIMITED, LONDON. *Founded in 1806*
Assets Exceed - \$48,500,000.00

Over \$12,500,000 invested in Canada.
FIRE and ACCIDENT RISKS accepted.

Canadian Head Office: 57 Beaver Hall Hill,
 MONTREAL.

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

C. R. G. JOHNSON, POIRIER & JENNINGS, INC.

AGENTS — INSURANCE — BROKERS

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

11 ST. SACRAMENT STREET
 MONTREAL, P.Q.

STATE INSURANCE AND WORKMEN'S COMPENSATION.

(By Mr. W. E. Gray, B.A., LL.B., General Manager and Secretary, Employers' Liability Assurance Corporation).

(Continued from last week.)

Having shown the two methods of procedure, I now draw your attention to the results. It is a little difficult to get figures that exactly correspond, but I will take the figures of the Employers' Association for six years: these show that out of 1,667,131 awards there were 306,769 appeals to the Arbitration Court, or 18 per cent.

Now in the United Kingdom in the last six years the figures of the Home Office returns cover seven groups of trades, and show that there were 2,481,644 cases in which compensation was paid, and Part II. of that return, dealing with legal proceedings, shows that in those seven groups of trades there were only 972 appeals to the Court of Appeal, or not quite .04 per cent.

In respect to appeals to the final Court of Appeal the difference is even more marked, but the above statement is sufficient for the present purpose. I am not putting forward that these two groups are exactly comparable, because they are not, but they illuminate the point I wish to put before you—that under the State system, so far from their being no friction or litigation, the friction and litigation is enormous, while under a system of free insurance competition it is almost negligible.

POLITICAL PRESSURE.

There is one phase that might operate in favour of the State as against the companies, but that is never brought forward in argument, though it is undoubtedly in the minds of some organisations, and that is "political pressure." Just how this might work each of you can think out for himself. It would be, of course, more pronounced in some States than others, but it is a two-edged weapon and I do not do more than refer to it in passing. I come now to what I think is the most important and most used argument against the insurance companies and in favour of the State, and that is the question of cost.

The charge against the insurance companies, both on the part of the employer and the employed, is that a particularly small part of the premium ever gets to the injured man, that an insurance company takes its acquisition expenses (which we know as commission), its management expenses on a generous scale, and a huge amount for profit; while if the State did the business there would be no acquisition expenses, no profit, and there is an expectation that the management expenses would be of moderate dimensions.

STATE MONOPOLY EXPENSES.

I have tried to obtain figures which would show the cost where there is a State monopoly, but the result has not been satisfactory, inasmuch as I have been unable to discover any analysis of expenses, and I am led to conclude that a great deal of expense that would have to be charged as such in an insurance company's accounts is provided out of the general State charges, and never figures in the administration cost at all. This is certainly the case in Germany and Austria. In Germany, in particular, the confusion caused by the mingling

of the sickness insurance society with the accident insurance society makes it extremely difficult for an outsider to say with any definiteness what their true cost of administration is. The figures which the Germans do publish under the head of expenses of management, including loss expenses, work out at about 11 per cent. of the premium received, and in Austria it is much about the same. That is from the figures of 1912 for Germany and 1911 for Austria, and no doubt this must be increased by some figures; but in percentage it would not be great, because it must not be overlooked that this percentage is on a premium of nearly as many hundreds of millions as there are millions covered by the English companies, seeing that it covers the whole industries of Germany which are within the insurance laws, whereas the English companies only insure a small fraction of all the insurable risks in the United Kingdom.

Nearly all of the States in the United States of America which have adopted State Insurance frankly allocate out of the general funds of the State the administration expenses of the Insurance Department, thus taxing the general public for the benefit of an insurance which if insurance companies did it would in no way fall upon them, and yet from the methods adopted there for regulating the companies, to which I will refer presently, the companies are able to hold their own against the State and to secure the greater share of insurance.

In the various States of the United States this phase of the question has been drastically dealt with by the various Insurance Commissioners and I believe that having done this they have it in mind to deal with the fire insurance branch also. But that is another story. They led up to the present regulations in a curious way. They started with the pronouncement that it was not for the good of the State that any insurance company should conduct its business at a loss and that it was their duty to see that this did not occur, and, owing to the wild rate cutting that had gone on under employers liability laws, they intended to see that insurance companies doing workmen's compensation business charged a sound rate; but while they intended to see to this, they would not have employers saddled with undue expense on the business. They, therefore, have fixed a maximum charge for expenses for all companies which do this business, and as they examine periodically every company's books there is no way in which this can be evaded.

ACQUISITION EXPENSES.

They have decided that acquisition expense on workmen's compensation and employers' liability business is not to exceed 17½ per cent. of the premium, and they define acquisition expenses to include the following:—

- (a) Commission to brokers and local agents.
- (b) Commission to general agents.
- (c) Salaries of resident or branch office managers.
- (d) Contingent commissions to branch office managers.
- (e) Payments to agents under profit sharing contracts.
- (f) Salaries and commissions to special agents.
- (g) Clerical and supervising cost of policies written in agencies.
- (h) Cost of collection of premiums in agencies.
- (i) Rent of agency or branch office.



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
CHARLES W. I. WOODLAND,

General Manager for Canada and Newfoundland.

JOHN JENKINS, Fire Manager.

Canadian
Government
Deposit over
\$1,340,000

STANDS FIRST
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WHY NOT HAVE THE BEST ?

The Globe Indemnity Company of Canada

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Transacts ACCIDENT INSURANCE, SICKNESS INSURANCE, LIABILITY INSURANCE IN ALL ITS BRANCHES, AUTOMOBILE INSURANCE IN ALL ITS BRANCHES, BURGLARY INSURANCE, GUARANTEE INSURANCE.

Policies issued by this Company are the most liberal and up-to-date issued in Canada, free from unnecessary restrictions and conditions.

All policies guaranteed by the Liverpool & London & Globe Insurance Co., Ltd.; assets over Sixty-Five Million Dollars (\$65,000,000.00.)

(j) Compensation of clerical office force in agency or branch office.

(k) Cost of furniture and equipment.

(l) Telephone, telegraph, postage, etc., at agency or branch office.

(m) Travelling expenses of managers, agents and solicitors.

That is to say, that workmen's compensation and employers' liability business must come into the head office of a company charged with not more than 17½ per cent. Of course to this has to be added the head office expenses, which at present are not affected. What this means to the American companies will be apparent to you when I tell you that over a period of ten years the expense ratio of 21 companies with premium income of £100,000 or over shows 50 per cent. or over in the case of three, between 40 per cent. and 50 per cent. in the case of seventeen and only one under 40 per cent., while in the case of seven foreign companies working there none have a ratio of over 50 per cent., two between 40 and 50, five under 40. In all these latter cases, however, their home office expenses would have to be added. Now, while the expense ratios I have mentioned are spread over all their classes of business and one has not the figures to apportion the expenses, you can understand that in the great majority of cases the new regulations caused a considerable commotion and pretty drastic re-organisation; but I do not think that one can say that the business or the companies have suffered, and the point I have been leading up to is that this drastic regulation as to expenses has enabled the companies to defeat in many States an adoption of a State monopoly, and in others where they are permitted to compete with the State, has enabled them to secure the greater part of the insurances.

STATE METHODS.

Let us now examine on general lines, and, without going into too much detail, the methods adopted by States—whether monopolists or competitors with companies—to obtain the funds to pay the benefits.

No State, that I am aware of, has yet ventured to suggest paying these out of the general funds of the State, although, as I have said above, all obtain some part and many obtain the whole of their administration expenses from this source. The usual method adopted, and it is adopted under the specious term of "taxing the industry," is by assessing the employers in the various trades to pay a rate based on what it is estimated the State will want.

Most of the systems that are now at work are of too recent origin to furnish any data on which to form a sure judgment, but as examples we will take the German system, which certainly has a sufficiently long record, and the State of New York as one of the later ones, the former representing a State monopoly, the latter a competitive State.

THE GERMAN SYSTEM.

In Germany the Accident Insurance Law places the liability for compensation upon the Employers Mutual Insurance Associations, to one of which every employer in the trade covered is bound to belong. I will not go into the constitution of these associations, as it does not affect the point I am going to make. Among other functions,

subject to Governmental control these associations fix the rates to be charged to members. These rates are fixed on what is known as the "current cost" basis, that is, the rates are fixed on the outgoing payments of the year, without any reserve for outstanding liabilities. Think of that for a moment! Of course you must remember that, unlike our case, the employer cannot transfer his insurance at the end of any year or period. But look at the result after thirty years' of working. In the early years the rate was what I might call nominal, but, as the years went on and to each was added the cost of the accumulating liabilities, it rapidly mounted, till you have what was in 1886 a rate of .77 per 1,000 marks wages grown in 1911 to a rate of 11.80 per 1,000. Think of the practical effect of this. An employer who was in business in 1886 is insured, he pays his .77 per 1,000 wages, he may saddle the association with a large amount of liability, and go out of business the next year, without being called on to pay anything to liquidate a liability which, under a reasonable system, he should be solely responsible for. Take the converse case, an employer starting the same business in 1911 has to pay his 11.80 per 1,000 marks wages, a large part of which is to liquidate liabilities he had nothing to do with creating. And even that rate that he is called on to pay to-day is quite inadequate.

(To be Continued).

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By a large Guarantee Company, Man for CASUALTY DEPARTMENT. Must have some experience in Casualty business. Address, CASUALTY, c/o The Chronicle, P.O. Box 1502, MONTREAL

WANTED

By a strong British Fire Office, French Canadian gentlemen as INSPECTOR for the Province of Quebec. Must have experience Applications treated confidentially. Apply stating experience and salary expected, to INSPECTOR, c/o The Chronicle, MONTREAL.

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The NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE.

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

SUBSCRIBED CAPITAL	\$2,000,000
TOTAL FUNDS	7,481,300
NET SURPLUS	1,887,100

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HEAD OFFICE FOR CANADA

MONTREAL.

J. E. CLEMENT, General Manager.

H. H. YORK, Inspector for Ontario

L. C. VALLE, Inspector for Quebec

Traffic Returns.

CANADIAN PACIFIC RAILWAY.

Year to date	1914	1915	1916	Increase
Jan. 31.	\$7,719,000	\$5,908,000	\$8,380,000	\$ 2,472,000
Week ending	1914	1915	1916	Increase
Feb. 7.	1,752,000	1,440,000	1,876,000	436,000
14.	1,733,000	1,634,000	1,912,000	278,000

GRAND TRUNK RAILWAY.

Year to date	1914	1915	1916	Increase
Jan. 31.	\$3,766,933	\$3,410,813	\$4,257,416	\$846,603
Week ending	1914	1915	1916	Increase
Feb. 7.	873,338	786,158	937,937	151,779
14.	868,432	817,255	957,195	139,940

CANADIAN NORTHERN RAILWAY.

Year to date	1914	1915	1916	Increase
Jan. 31.	\$1,411,600	\$1,439,400	\$2,086,800	\$647,400
Week ending	1914	1915	1916	Increase
Feb. 7.	303,100	357,100	429,400	72,300
14.	312,700	380,500	453,100	72,600

TWIN CITY RAPID TRANSIT COMPANY.

Year to date	1913	1914	1915	Increase
Jan. 31	\$739,669	\$762,535	\$821,077	\$58,542
Week ending	1914	1915	1916	Increase
Feb. 7.	\$170,906	179,776	209,943	21,167
14.	165,022	172,889		

DULUTH SUPERIOR TRACTION CO.

	1914	1915	1916	Increase
Feb. 7.	\$22,545	\$22,474	\$25,253	\$2,779
14.	22,907	21,994	25,232	3,238

CANADIAN BANK CLEARINGS.

	Week ending Feb. 24, 1916	Week ending Feb. 17, 1916	Week ending Feb. 25, 1915	Week ending Feb. 26, 1914
Montreal	\$55,315,188	\$55,851,704	\$38,825,759	\$48,028,966
Toronto	39,992,288	42,624,541	30,374,062	40,110,568
Winnipeg	27,835,470	25,908,272		
Ottawa	3,647,833	4,114,532	3,605,288	3,230,056

**Montreal Tramways Company
SUBURBAN TIME TABLE, 1915-1916**

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 Collet and St. Vincent de Paul:

From St. Denis to St. Vincent—

15 min. service 5.15 a.m. to 8.00 a.m. 30 min. service 8.00 p.m. to 12.00 p.m.
20 " " 8.00 " 4.00 p.m. Car to Henderson only 12.00 mid.
15 " " 4.00 " 7.00 p.m. Car to St. Vincent 12.40 a.m.
20 " " 7.00 " 8.00 p.m.

From St. Vincent to St. Denis—

15 min. service 5.45 a.m. to 8.30 a.m. 30 min. service 8.30 p.m. to
20 " " 8.30 " 4.30 p.m. 11.30 p.m.
15 " " 4.30 p.m. 7.30 p.m. Car from Henderson to St. Denis
20 " " 7.30 " 8.30 p.m. 12.20 a.m.
Car from St. Vincent to St. Denis
1.10 a.m.

Cartierville:

From Snowdon's Junction—20 min. service 5.20 a.m. to 8.40 p.m.
40 " " 8.40 p.m. to 12.00 mid.
From Cartierville—
20 " " 5.40 a.m. to 9.00 p.m.
40 " " 9.00 p.m. to 12.30 a.m.

Mountain :

From Park Avenue and Mount Royal—
20 min. service from 5.40 a.m. to 12.20 a.m.

From Victoria Avenue—

20 min. service from 5.50 a.m. to 12.30 a.m.

From Victoria Avenue to Snowdon,—

10 minutes service 5.50 a.m. to 8.30 p.m.

Bout de l'Île:

60 min. service from 5.00 a.m. to 12.00 midnight.

Tretaultville from Lasalle and Notre Dame:

15 min. service 5.00 a.m. to 9.00 a.m. 15 min. service 3.30 p.m. to 7.00 p.m.
30 min. service 9.00 a.m. to 3.30 p.m. 30 min. service 7.00 p.m. to 12 p.m.

Pointe aux Trembles via Notre Dame:

From Notre Dame and 1st Ave. Maisonneuve.
15 min service from 5.15 a.m. to 7.30 p.m.
20 " " " 7.30 p.m. to 12.30 a.m.

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- FOURTH. A notable net increase in business which is now over \$100,000,000.
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