

The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

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MONTREAL. AUGUST 8, 1919

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THE GENERAL FINANCIAL SITUATION.

The intimation comes from Ottawa that the forthcoming Dominion Loan, to be issued in the Fall, will be taxable. The recent heavy regrading of the Income Tax gave some reason for the belief that in the case of this Loan, precedent would again be followed, and the interest of the bonds be free of Income Tax. However, those most actively concerned in the forthcoming flotation are evidently of the opinion that the necessary amount of the new Loan, some \$250,000,000 or \$300,000,000, can be successfully raised without this added attraction. Doubtless, the prospect is being borne in mind that, with a continuance of the premium on New York funds, a considerable volume of subscriptions to the Loan may be expected from the United States. With New York funds at a premium in Canada of, say, 3½ or 4 per cent., the new Loan will be undoubtedly most attractive to American investors in the highest grade of bonds. As regards the matter of floating the Canadian portion of the Loan, if this term is permissible, we are inclined to share the opinion that this will be a considerably more difficult undertaking than in 1917 and 1918. That the necessary resources are available is shown by the heavy increases of recent months in the banks' deposits, but the new Loan will lack the obvious quality of patriotism, which was so powerful a factor in the success of its predecessors. In point of fact, subscriptions to the new Loan will be just as much a matter of patriotic duty as subscriptions to the previous Loans, but now that the war is over, the point is not so apparent, and as with many other things, appearances count for a good deal in the success of a loan flotation, particularly one of this size. There can be no doubt that a great number of subscriptions to the preceding loans, amounting in the aggregate to very large amounts, were the result of patriotic feeling, without any intention of permanent investment, and it remains to be seen whether it will be possible to trust this patriotic feeling again in the coming fall. In any case, there can be no doubt, in the present circumstances of the national finances, of

the vital necessity of making this Loan a great success.

While the present condition of sterling exchange in the New York market and of Canadian exchange in the same centre is, perhaps, galling to British and Canadian pride, as well as a great practical drawback to business, it is possible to paint the picture in too gloomy colours. That, we are inclined to think, has been done by the prominent Montreal insurance official, who expresses his alarm that "in twenty years the Empire will be American-owned." Mr. Macaulay, we believe, is alarming himself unduly. It was pointed out in this column only last week that so far as sterling exchange is concerned, New York is the only centre where sterling is at a discount. In the other centres, both neutral and belligerent, sterling is either around par or at an actual premium. In other words, the demand for British goods and exchange in those markets is equal to, or in excess of the demands by Great Britain upon those markets. Why in the case of the United States, and to a lesser extent, Canada, does the British demand for goods exceed the corresponding supply. Mr. Macaulay is seriously concerned regarding the realization of American and Canadian securities formerly held by British investors, and the changing of the habitat of these securities to the United States. But he apparently overlooks the fact that the realization of these investments have been very nearly equalled by loans to other countries as a result of the war. Mr. Edgar Crammond, an English economist, whose opinion is entitled to respect, estimates that at the beginning of the war, British investments abroad amounted to three thousand million pounds sterling. Of these, about one thousand million pounds were sold during the war, and sums borrowed abroad aggregating fourteen hundred millions sterling, leaving a credit of sixteen hundred millions sterling. Adding only fifty per cent., or, say, 780 million pounds sterling of Great Britain's loans to allies during the war, plus the loans to the Dominions and India's obligation, of 260 millions, brings the present total of Great Britain's

Continued on Page 813

BANK OF MONTREAL

ESTABLISHED OVER 100 YEARS (1817-1919)

Capital Paid up, \$20,000,000

Rest, \$20,000,000

Undivided Profits, \$1,061,614

Total Assets - - \$489,271,197

BOARD OF DIRECTORS:

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

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

PRINCIPAL BRANCHES OUTSIDE OF CANADA:

LONDON, Eng.: 47 Threadneedle St., E.C.
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 Sub-Agency: 9 Waterloo Place
 Pall Mall, S.W.
 Trafalgar Square Branch

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

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

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

THE CANADIAN BANK OF COMMERCE

Established 1867 Head Office: TORONTO

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

Rest - - - - 15,000,000

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

SIR JOHN AIRD, General Manager.

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

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

Great Britain—London. Mexico—Mexico City.

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Francisco, Cal.; Seattle, Wash.

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THE MOLSONS BANK

Incorporated in 1855

CAPITAL AND RESERVE \$8,800,000

Over 100 Branches

If the need of additional capital stands in the way of the growth of your business and you can show facts proving this, why don't you consult the Manager of The Molsons Bank.

He will gladly advise you how to proceed in order to obtain the additional capital. His advice costs nothing and places you under no obligation.

E. C. PRATT, General Manager.

The Chronicle

Banking, Insurance and Finance

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

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10 ST. JOHN STREET, MONTREAL.
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MONTREAL, FRIDAY, AUGUST 8th, 1919

(Continued from front page)

million pounds sterling, a total which compares not unfavourably with the 3,000 million pounds foreign investments at the present time to 2,640 sterling of 1914. In point of fact, Great Britain's loans abroad during the war, considerably exceeded her borrowings abroad during the war, though for obvious reasons, all the loans may not be good. That there will be a further enormous British investment abroad in the not far distant future, there is not the slightest reason to doubt.

So far as the present adverse condition of New York exchange in Canada is concerned, it is simply stating a platitude to say once again that the adverse exchange is merely due to the fact that while we are selling on credit, we are paying cash for our purchases. The fact that we have thus sold on credit has enormously strengthened our financial position, assuming that the credit is good, and the adverse exchange is a trifling inconvenience in comparison therewith. As a matter of fact, if we had not sold on credit, and do not sell on credit, we should have been, and still would be unable to sell at all. The result would be that while prices of commodities would be lower, there would be such a stagnation of trade, as would more than offset that lower price of commodities, in comparison with present trade activity, and the higher prices of commodities.

Mr. Macaulay's motive in the stimulation of trade between the different parts of the Empire is admirable. But we do not think any good purpose is served at the present time by under-estimating the position of financial London or its capacity for enlarging its prestige in the not far distant future. That New York has made immense strides as a financial centre during the war-period no one will deny, but that it has displaced London may be seriously disputed. With foreign investments practically unimpaired, an industrial productive capacity extracted at least 50 per cent. in advance of the pre-war standard, and with bankers and financiers who have not "lost their cunning" as a result of their war experience, there is

no reason to suppose that once British industry has got over its fit of unrest—and unrest does not last forever—that financial London will not continue in its old fashion.

The events of the past week go far to justify the expectations of many observers that the United States, which has so far escaped the worst forms of industrial unrest, is about to have its share. The demands made on behalf of the railwaymen, that if any profits are made from operation they shall have them, but that a long-suffering public shall shoulder losses, show to what crazy lengths so-called "labour" opinion is likely to go in its present mood. A year or two ago, we were accustomed to think that it was only Germans who lacked a sense of humour, but evidently there are some "labour" leaders on this side of the Atlantic equally deficient in that essential commodity. That the news of this demand resulted in a sharp break on the Stock Exchanges is not surprising, though it was the occasion rather than the cause, of that break. The event merely constituted the happening for which many had been looking. Prices of many stocks were altogether out of line with their intrinsic values, and under such conditions anything—a labour demand, a high cost of living investigation, or what not—will bring down the balloon.

While in the early part of the week, the Canadian markets kept up fairly well, there are probably a good many local people now beginning to sadly realize the fact that Stock Exchange quotations at the end of a long period of rising markets, do not always move upward, and justify wild gambles without any regard to the merits of stocks, or the exercise of a trained financial judgment.

DOMINION BANK FORMS IMPORTANT AFFILIATION.

It is announced that the Dominion Bank has formed an affiliation with the British Overseas Bank, Ltd., an association of banking institutions comprising the following large British corporations, in addition to the Dominion Bank, which is the only Canadian Bank represented:

Union Bank of Scotland, Ltd., Williams Deacon's Bank, Ltd., Anglo-South American Bank, Ltd., Glyn, Mills, Currie & Co., Northern Banking Co. of Belfast, Ltd., Imperial Ottoman Bank, Ltd., Hoares' Bank.

One of the objects of this important British corporation is to facilitate the foreign trade of the Empire by specializing in exchange payments,

Continued on page 815

The Trust and Loan Co.

OF CANADA

Capital Subscribed \$14,000,000.00
 Paid-up Capital 3,000,000.00
 Reserve Funds 2,000,000.00

MONEY TO LOAN ON REAL ESTATE

30 St. James Street, Montreal

Prudential Trust Company

LIMITED

Head Office	Trustee for Bondholders Transfer Agent & Registrar Administrator Receiver Executor Liquidator Guardian Assignee Trustee Custodian	Safely Deposited Vaults
1 St. John St., Montreal	Real Estate and Insurance Departments Insurance of every kind placed at lowest possible rates.	Terms Ex-ceptionally moderate. Correspondence invited

B. HAL. BROWN, President and Gen. Manager

AN INVESTMENT OPPORTUNITY

Is the safety of your money your chief consideration in deciding upon an investment for it? Then you cannot find a more satisfactory investment than this Corporation's Bonds.

To bring them within reach of the smallest investor, they are issued for sums as small as one hundred dollars.

This does not preclude the selection by investors of large sums, large numbers of whom hold them for many thousands of dollars.

They are a legal investment for Trust Funds, and many Executors and Trustees save themselves worry and anxiety by investing in them.

They are held in large sums by Insurance Companies, Benevolent and Fraternal Societies and similar institutions. Send for specimen Bond, copy Annual Report, etc.

CANADA PERMANENT MORTGAGE CORPORATION

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

TORONTO STREET - - - TORONTO
 Established 1855

Why the "Mutual Life of Canada" is so Popular

The Mutual placed upon its books in the first five months of 1919, 100 per cent more business than in the corresponding months of 1918. The wonderful War-record of the Mutual Life and the prompt payment of the many unexpected claims during the recent epidemic—these have proved the value of the institution. The Mutual, moreover, is in a peculiar sense a people's Company being in its control democratic, in its economy strictly co-operative. This means that the system is in line with the "spirit of the age" and so the people naturally turn to the Mutual. The record of the Company for nearly half a century has been one of increasing beneficence, and an ever-growing number of gratified policy-holders help on the good work of the agents. As a result there probably is no more prosperous group of workers in Canada today than the representatives of our Company.

"BE A MUTUALIST"

The Mutual Life Assurance Co. of Canada
 WATERLOO, ONTARIO

The LIFE AGENTS' MANUAL
 THE CHRONICLE - - MONTREAL

Western

Assurance Company

Incorporated in 1851

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

ASSETS over \$7,000,000.00

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

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 A. E. PRINGLE,
 Asst. Secretary

HEAD OFFICE - TORONTO

A BRITISH COMPANY

Union Insurance Society of Canton, Limited

ESTABLISHED 1855

Head Office: HONGKONG

Assets over \$18,000,000

TOTAL ASSETS—Union and Allied Companies, \$38,000,000

FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 26 Toronto Street, TORONTO

General Agent Montreal, JOSEPH ROWAT

Manager for Canada, C. R. DRAYTON

Continued from page 813

Commercial Credits, and all matters relating to international trade. Through the establishment of Branches in various parts of the Globe, the British Overseas Bank, Ltd., will be fully equipped to render the most efficient service to exporters and importers having large dealings abroad.

The connection thus formed will afford the Dominion Bank widely extended avenues for the handling of the foreign business of its customers.

The total assets of the banks interested in this new enterprise amount to over \$900,000,000.

COST OF LIVING REMAINS HIGH.

Notwithstanding Government intervention in its efforts to reduce prices the cost of living in Canada continues to increase. The high prices, according to investigators, are the cause of unrest and strikes throughout the Dominion.

The average cost of 29 staple foods in sixty cities in June this year was \$13.82, according to official statistics at Ottawa, as compared with \$7.35 in June, 1914.

The true remedy that will result in lifting the burden under which the whole people are struggling should come from the Government taking adequate measures to reduce the cost of the necessities of life, and place the same on an equitable basis or to a figure that can be met by reasonable wages and income of the people.

No doubt advantage has been taken of the exceptional situation of the last three or four years by producers and traders to make excessive profits. There is some remnant of the practice yet, but it is only incidental to the real cause of high prices which induce the pushing up of wages, while that adds to the actual cost of production and distribution. There are certain fundamental principles at the bottom of this state of affairs which it ought not to be difficult for intelligent persons to recognize. It should be well understood that the price of products depends upon the relation of supply and demand. If the supply is ample to meet the demand and steadily continues so there will be fair prices and profits. If the supply of any article or any number of articles falls or the demand materially rises the prices will inevitably go up. The same is true of labor and wages if the same economic law is allowed to work. Now everybody knows, in this country as well as others, that the awful war that was going on in Europe for more than four years, and in which we were participat-

ing at great expense, was not only enormously destructive of existing values, but increased the consumption of many articles while reducing their production. The production of food and other necessities for ordinary use was seriously affected in this way.

Production in the European countries so strenuously involved in the conflict was greatly reduced in these articles for the support of life, while their consumption was largely increased. This drew with irresistible force upon this country, especially after our own military camps were established and our soldiers went over by hundreds of thousands. It stimulated production here on certain lines, but it could nowhere near keep up with the consumption, and prices inevitably went up in the domestic markets as well as abroad. There was need of profit, whatever the cost, to stimulate the energy for exceptional production. Conflict and confusion, labor strikes and capital contentions which obstruct action, will bring perilous consequences that the short-sighted fail to foresee. There is great danger of it and need of the most enlightened effort to avert it. The most intelligent, well informed and energetic of leaders in the ranks of both capital and of labor should do their utmost to make the pathway clear and to light it up for the popular vision. They should march together in a united force to reach an economic victory and make the peace that has been achieved effective and secure. The result of united effort in that direction cannot be undone and its results will prove of permanent value.

FIDELITY-PHENIX FIRE INSURANCE COMPANY

The business of the Fidelity-Phenix during the first six months of 1919 shows considerable expansion, as the unearned premium reserve has been enlarged from \$11,725,307 on Dec. 31 last to \$12,589,777 an increase for the six months of \$864,470. Aggregate Assets of \$24,748,087 are shown in the semi-annual statement recently published. This is a gain of no less than \$2,443,873 as compared with the figures of the Company at the close of 1918.

The Fidelity-Phenix stands among the leading fire companies of the country, both as to its financial position, and its reputation for taking a liberal view on all matters pertaining to its policy-holders interests. Copy of the statement may be had by application to the Company's Head Office for Canada, 17 St. John St., Montreal, of which Mr. W. G. Baldwin is the manager.



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

DIRECTORS:
 James Carruthers, Esq. Sir Alexandre Lacoste
 M. Chevalier, Esq. Sir Frederick Williams-Taylor, LL.D.
 William Molson Macpherson, Esq.

J. Gardner Thompson, Manager. **Lewis Laing, Assistant Manager**
J. D. Simpson, Deputy Assistant Manager.



THE LIVERPOOL - MANITOBA ASSURANCE COMPANY

Liability Guaranteed by THE LIVERPOOL and LONDON and GLOBE Insurance Company Limited
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FIRE INSURANCE



The Globe Indemnity Company of Canada

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

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

== FIRE INSURANCE ==

John Erno Secretary and General Manager
 Lewis Laing Fire Manager
 J. D. Simpson Assistant Fire Manager

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

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

THE OLDEST AMERICAN STOCK FIRE INSURANCE COMPANY

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

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

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

ESTABLISHED IN CANADA, 1899

ASSETS EXCEED \$24,500,000

DIRECTORS FOR CANADA:
 A. J. DAVEN, Esq. H. B. MACGREGOR, Esq.
 H. F. SHANNON, Esq. H. C. PRATT, Esq.
 Manager for Canada: **ALEX. BIRNITT**

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

GENERAL

ACCIDENT **FIRE** AND LIFE
 ASSURANCE CORPORATION LIMITED
 OF PERTH, SCOTLAND.

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

PELEG HOWLAND Esq.
 Chairman Advisory Board.

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

COMMERCIAL UNION ASSURANCE COMPANY, LIMITED.

The pathway of prosperity, along which the Commercial Union Assurance Company has been accustomed to travel, and the supreme underwriting skill by which every department of its huge business has been directed during its long career, was never more strongly evidenced than by the results chronicled for the year 1918, which has been a period of marvellous progress, not only in magnitude of total income, which amounted to the enormous sum of \$64,653,015, (including interest), but also a profit margin of rare excellence.

The chairman (Sir Jeremiah Colman, Bart.,) in the course of his remarks to the shareholders, said:—"We have to-day to present to you a report which is a record and which I think we must regard as little short of phenomenal." Referring to the purchase of the Edinburgh Life which the Commercial Union acquired last year, he said:—"Our purchase of companies, which was at one time criticised, now always passes as a matter of satisfaction, because experience has shown to you, that the directors have been prudent in their purchases, and that these have resulted in great gains to the Company. The Edinburgh Life is one of the oldest and one of the most respected offices in Scotland. I am quite certain that the advantages of this purchase, direct and indirect will prove very substantial."

Fire Department.

As measured by the annual turnover of the Commercial Union, the fire department is a predominant factor in the Company's operations, and it has now further distinguished itself during 1918, by recording a net premium income of \$26,312,385, as compared with \$22,729,830 in 1917, indicating the large growth of no less than \$3,582,555.

Against this enormous turnover claims paid and outstanding absorbed \$11,129,610, figuring a low ratio of 42.3 per cent. to premiums as compared with 48.4 per cent. in 1917, 51.7 in 1916 and 48.7 per cent. in 1915. Expenses, including commissions, foreign state charges, and contributions to fire brigades totalled \$9,189,210, a ratio of 34.9 per cent. as compared with a ratio of 34.4 per cent. in 1917. The slight increase in expense ratio, is more than accounted for by the increased demand for foreign state charges, which amounted to \$843,515, as compared with \$434,050 in 1917. Notwithstanding this increase in taxes after providing 40 per cent. of the increase in premiums to meet the consequent increased liabilities, there emerged the marvelous underwriting profit of \$4,560,545, as compared with \$2,865,000 in 1917. The additional fire reserve was further increased by the transfer of a sum amounting to \$3,307,405, and now stands at \$16,024,730. The total fire funds amount to \$26,549,635—a

sum in excess of a full year's premium turnover.

The Accident Department of the Commercial Union shows great expansion for 1918, the net premiums received were \$23,044,800, an increase of \$3,611,335, as compared with 1917. The claim ratio is equivalent to the satisfactory percentage of 52.3 per cent. Working expenses, including commissions, totalled \$7,416,290, constituting the low expense ratio of 32.2 per cent. The large amount of \$2,162,095 was transferred to the Accident insurance fund, which now stands at \$14,801,245 and the sum of \$1,500,000 was carried to profit and loss.

The results recorded in the Marine Department were highly satisfactory, the imposing sum of \$1,394,830 was added to the marine insurance fund, which after the transfer of \$500,000 to profit and loss and \$700,000 to uncalled capital reduction fund, stood at the close of the year at \$7,151,215. As will be noticed in the statement published on another page, the total funds of the Company at the close of the year stood at \$142,592,009, a substantial growth of \$11,254,704. The total assets of the Commercial Union have now reached the gigantic sum of almost \$175,000,000, indicating a growth of over \$15,000,000 for 1918. Referring to the investments of the Company, the chairman said:—"I think it may interest you to know, as evidencing the patriotic help, which insurance companies have been able to give to the Government in the days of their difficult finance, that the Commercial Union has in War Loans no less a sum than \$46,785,000."

Canadian Branch.

Without any special effort after business, the Commercial Union, owing to its great prestige, and skilful management, has for many years occupied an enviable position throughout the Dominion. Its agents are loyal and worthy representatives of such a great institution. In this connection the chairman, in referring to the fire accounts at the annual meeting, said:—"We must have the very best representatives, and it would be the worst possible policy to endeavour to reduce the expenses at the cost of having inferior agents." This strong organization has been under the sole direction of the assistant manager, Mr. W. S. Jopling, since the illness and death of the late manager, Mr. James McGregor, covering a period of over two and a half years. Mr. Jopling is an underwriter of great experience and popularity, and has been in the service of the Commercial Union during his whole business career of forty years. The Company's net fire premiums in Canada totalled nearly \$1,100,000 last year, with a favourable loss ratio. Its experience in the latter respect is probably unexcelled by any company writing such a large volume of business in the Dominion, and covering a series of years.

Commercial Union Assurance Company Limited

of London, England

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

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

Palatine Insurance Company Limited

of London, England

as at 31st Dec., 1918.

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

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

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

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

W. S. JOPLING, Assistant Manager

Head Office
for Canada;
TORONTO



Eagle Star

British Dominions
Insurance Company Limited

Of London, England

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

DALE & COMPANY, LIMITED

GENERAL AGENTS

MONTREAL AND TORONTO

Assets
Exceed
\$80,000,000

Head Office
for Canada
TORONTO



Security
over
\$80,000,000

The
BRITISH CROWN

ASSURANCE CORPORATION LIMITED

Of Glasgow, Scotland

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

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

JOSEPH ROWAT, General Agent

LEWIS BUILDING MONTREAL

JOHNSON—JENNINGS, INC.

AGENTS

—INSURANCE—

BROKERS

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

11 ST. SACRAMENT STREET
MONTREAL, P.Q.

THE
FIRE INSURANCE COMPANY OF CANADA

MONTREAL

Authorized Capital, \$1,000,000

Subscribed Capital, \$250,000

Paid Up Capital, \$100,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

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

FIRE - LIFE - MARINE - ACCIDENT

Commercial Union Assurance Co.

Limited, of London, England

EXTRACTS FROM THE REPORT FOR THE YEAR 1918

Premiums (Fire, Life, Marine and Accident) Net	\$59,152,788
Considerations for Annuities Granted, Net	524,265
Interest derived from Investments, Net	4,975,962
Total Income	\$64,653,015
Total Assets of the Company exceed	\$174,000,000

FUNDS OF THE COMPANY

After providing for the payment of the Dividend and of all Outstanding Claims, Losses and Current Accounts against the Company, the Funds stand as follows:

Capital paid up	\$1,475,000
Capital Reduction Fund	2,950,000
Investment Reserve Fund, Guarantee and Pension Fund, Profit and Loss Account	9,408,308
Life and Annuity Funds	75,578,630
Fire Fund	26,549,687
Marine Fund	7,151,213
Accident Fund	14,801,246
Re-insurance and other Funds	2,635,505
Leasehold Redemption and Sinking Fund Account	2,042,420

\$142,592,009

\$5 taken as equivalent to £1 Stg.

Canadian Branch :

Company's Building, MONTREAL

W. S. JOPLING,
Assistant Manager.



**LONDON &
LANCASHIRE
FIRE**
INSURANCE COMPANY
LIMITED

Security - - \$42,000,000

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GUARANTEE &
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**PERSONAL ACCIDENT
SICKNESS
FIDELITY GUARANTEE**

**PLATE GLASS
AUTOMOBILE
GENERAL LIABILITY**

Head Office, **TORONTO**
Montreal, 164 St. James Street. Quebec, 51 St. Peter Street.

Mount Royal Assurance Company

SURPLUS AND RESERVES, \$1,214,457 **TOTAL FUNDS, \$1,436,842**

TOTAL LOSSES PAID, \$2,692,201

Applications for Agencies Invited

HEAD OFFICE - - - - MONTREAL

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

Established in Canada in 1821

1819 **AETNA (FIRE)**
HARTFORD, CONN., U.S.A.

LOSSES PAID IN
100 YEARS OVER \$174,000,000

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

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INSURANCE LIFE COMPANY
A Strong Canadian Company

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The Law Union & Rock
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Assets Exceed - - \$50,000,000.00
Over \$10,000,000 Invested in Canada

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Canadian Head Office: 377 Beaver Hall Hill,
MONTREAL

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

LIFE AGENTS WANTED FOR CITY OF MONTREAL

If you are a productive worker, ambitious, and available for a good steady position in Montreal, with a progressive Company, who meets you more than half way, write (or call upon) stating experience, etc.,

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

THE CONTINENTAL LIFE INSURANCE CO.

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

"RECOMMENDATION" BY A BANK.

The case of Crittenden Company vs. Saunders County National Bank, recently decided by the Nebraska Supreme Court, arose out of a state of facts which is liable to be duplicated any hour of the day in ordinary mercantile and banking transactions. A brief review of the facts of the case and the decision of the Court is, therefore, not out of place in our columns.

It appeared by the evidence that the Crittenden Company carried on business in Iowa, and the Saunders National Bank was located at Wahoo, Nebraska. Iverson, a Wahoo merchant, sent an order to the Crittenden Company amounting to \$262.32, but the Company refused to extend credit to him, and he then went to the Saunders National Bank where he had \$206.00 to his credit, arranged to borrow enough from the Bank to bring his deposit up to \$262.32, and had the Bank write the following letter to the Crittenden Company:

"Mr. A. S. Iverson, of this city, has arranged with us to remit to you the sum of \$262.32 upon arrival of goods, subject to inspection as listed in your memorandum dated etc."

On receipt of this letter, which was dated June 21st, the Crittenden Company shipped the goods direct to Iverson, without acknowledging receipt of the Bank's letter and without notifying the Bank of the shipment of the goods, and three months later, September 21st, the Company drew on Iverson for \$267.91 through the Bank, but no letter accompanied the draft, and there was nothing to indicate to the Bank that the draft covered the goods mentioned in the letter of June 21st.

When the draft arrived Iverson's account with the Bank had been closed, and the draft was returned unpaid. Then for the first time, on October 3rd, the Crittenden Company wrote the Bank demanding the amount mentioned in the Bank's letter quoted above; the Bank refused to pay, and the Crittenden Company sued the Bank for the amount.

The Nebraska Supreme Court decided in favor of the Bank on the ground that the Crittenden Company, as shown by its correspondence with the Bank, had treated the letter as a mere "recommendation," and the goods had been shipped to Iverson without acknowledging the receipt of the Bank's letter, and without notifying the Bank of the shipment of the goods within a reasonable time.

"Iverson had part of the funds necessary to pay for the goods on deposit with the Bank, and had arranged to borrow the necessary balance," said the Court. "The Bank stated the situation cor-

rectly when it wrote that Iverson had made arrangements to remit upon arrival of the goods, subject to inspection. The letter could not be construed to mean that the Bank was assuming the personal liability for the debt, nor could it be expected to hold indefinitely the fund provided to pay for the goods, without any notice of the acceptance of the offer or the shipment of the goods. Impliedly, at least, this letter called for an immediate acceptance. It was not made. The account was permitted to run beyond the time usual in business transactions, before the Bank was notified that any action whatever had been taken, relying upon the letter."

It was also claimed that the shipment of the goods alone was a sufficient acceptance of the Bank's "recommendation," but the Court disposed of this argument in the following words:

"It is argued that shipment of the goods was a sufficient acceptance, but the shipment was made without the knowledge of the Bank, and without notice to it. The account was charged not to the Bank, but to Iverson, and the draft was drawn for a greater amount than that which Bank indicated it would honor."

PERSONAL.

Mr. Randall Davidson, manager for Canada of the North British and Mercantile, has left for the Coast.

Mr. A. J. Ralston, managing director of the National Life Assurance Company, accompanied by the secretary of the company, Mr. Fred Sparling, was in Montreal this week. The National Life, while writing a large volume of business this year, are doing so on a conservative basis.

TRAFFIC RETURNS.

Canadian Pacific Railway

Year to date	1917	1918	1919	Increase
June 30.....	\$69,575,000	\$70,213,000	\$74,847,000	\$4,634,000
Week ending	1917	1918	1919	Increase
July 7.....	3,101,000	2,787,000	3,120,000	333,000
" 14.....	2,867,000	2,688,000	3,325,000	637,000
" 21.....	2,950,000	2,644,000	3,202,000	558,000

Grand Trunk Railway.

Year to date	1917	1918	1919	Increase
June 30.....	\$30,501,564	\$22,972,154	\$28,581,242	\$5,609,088
Week ending	1917	1918	1919	Increase
July 7.....	1,297,003	1,093,462	1,048,962	Dec. 44,500
" 14.....	1,379,293	1,130,800	1,238,903	108,103
" 21.....	1,358,019	1,114,799	1,316,805	202,006

Canadian National Railways.

Year to date	1917	1918	1919	Increase
June 30.....	\$35,445,231	\$40,009,585	\$4,564,354
Week ending	1917	1918	1919	Increase
July 7.....	1,424,684	1,653,564	228,880
" 14.....	1,506,147	1,599,242	93,095
" 21.....	1,561,063	1,586,448	125,385

"The Oldest Life Company in America"

Issued its First Policy in 1848

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

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

For terms to producing Agents address

The Mutual Life Insurance Company
OF NEW YORK

34 Nassau Street, New York City

THE London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1720

CAPITAL PAID UP - - - - - \$ 3,741,375
TOTAL ASSETS EXCEED - - - - - 42,500,000

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

ATLAS ASSURANCE COMPANY LIMITED

Founded in the Reign of George III

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

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

Head Office for Canada:

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

Established 1886

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

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

Agents Wanted in Unrepresented Districts.

Managers for Canada:

Montreal Agencies Limited, Montreal



Assets:
\$30,389,461.55
Surplus:
\$8,824,000.31

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

Contract Bonds

CONTRACTORS—BUILDERS.

Municipalities exact of Road Builders a deposit or bond as guarantee that the work will be executed as per contract, and completed within the specified time. Proprietors of buildings require the same guarantee of contractors. The **Provident Assurance Company**, in consideration of a slight premium guarantees that the work undertaken shall be properly executed and finished inside of the time limit, thus protecting the owner against any loss and enabling the Contractor to use to better advantage the money which he would otherwise have to deposit as a guarantee.

The Provident Assurance Company

189 St. James Street, Montreal. Tel. Main 1626-7.
J. C. Garne, Managing Director.

L'UNION

FIRE INSURANCE COMPANY, Limited

Established 1828 Head Office: PARIS, France.
Capital fully subscribed. . . \$2,000,000.00
25 p.c. paid-up

Fire and General Reserve Funds 6,792,000.00
Available Balance from Profit and Loss Account. 118,405.00
Net Premiums in 1918. 7,105,053.00
Total Losses paid to 31 Dec., 1918. 108,718,000.00

Canadian Branch:

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

IMPROPER INSTALLATION OF LIGHTNING RODS A MENACE.

It is a well known fact that lightning rods improperly installed form a serious fire hazard, and are much more dangerous than in the case of a building not fitted with lightning rods. In last week's issue of The Chronicle a fire was reported as having taken place, during an electrical storm, in the barns of W. H. Hunter at Orangeville, Ont., while the buildings were well supplied with lightning rods. The structure was totally destroyed.

An investigation by Professor W. H. Day for the Ontario Fire Marshal's department in the case of a fire in a barn fully rodded reveals the following:

The building was in the shape of an L, each part being 50 feet long and 36 feet wide, making the long side of the L 86 feet long. There were two groundings, one at the north end of the main barn and one at the east end of the other barn. From the grounding on the main barn the cable ran up the north end of the peak, thence along the peak to the south end, but was not grounded there, leaving a dead end. There were three points on the main barn. From the grounding on the other barn the cable ran up the east end to the peak, and along the peak till it joined the cable on the main barn. There were three points also on this barn, the east side of which was covered with metal shingles, but the metallic portions of the building were not connected to the rods. The cable itself was of the old iron-centred variety, erected seven years ago, and on the ridges the iron centre was badly rusted, in some places being completely rusted off.

As Prof. Day points out, this system of rodding violated practically every principle of good rodding. The rod itself was of the worst possible type and in bad state of decomposition. The groundings should be made from the eaves and not from the peak. Not enough ground rods were used for a barn of this size. The metal portions of the building were not connected with the rods. The adjoining silo was also left unprotected.

The lightning stroke in this case was one of unusual violence, as five windows in the house 18 or 20 rods away had every pane of glass in them shattered to pieces, and even windows 120 rods away were cracked by the concussion. While portions of the current went down both ground rods, the centre part of the east end wall was blown to pieces and the cement floor torn up for a space of about 2 feet by 3 feet. The cow stable door was blown open inward, allowing five of the sixteen cattle to escape from the burning building by tearing loose the boards to which their chains were attached. Some of the other cattle were apparently

killed by the stroke.

While with such a tremendous discharge the building may have been burned away, even if well-rodded, the record shows that it was poorly rodded, and there are no records of properly rodded buildings in Ontario being burned from lightning. It would be quite in order, therefore, to insist upon the rodding being properly installed and maintained, and to prohibit dangerous and obsolete methods which violate the well-known laws of electricity.

STERLING OFFICES LIMITED OF LONDON, ENGLAND.

The Sterling Offices Limited, London, Eng., has opened a Canadian branch office in the Bank of Hamilton Building, Toronto, under the experienced management of Mr. H. Marshall Robertson. This institution is already well known in Canada through the re-insurance facilities it affords in various branches of insurance including fire, personal, accident, automobile and hail. The company has a reliable standing in England.

THE LATE MR. ALFRED J. BELL, HALIFAX.

By the death of Mr. Alfred J. Bell, Halifax, on the 23rd of June, the insurance fraternity of the Lower Provinces has suffered a severe loss. As President of the Nova Scotia Board of Fire Underwriters at Halifax he will probably be missed most. He was honorable and upright in all his dealings, a wise counsellor and a sincere friend to those who enjoyed the privilege of his friendship. He built up a most important business in various lines of insurance, the largest of which was fire insurance. In the latter he represented the North America, Palatine, British America, the Canada National, New York Underwriters and the Minnesota Underwriters. He maintained his connections and rendered valuable service to both clients and companies. Mr. Archibald Crease, the remaining member of the firm, is now the responsible head of Alfred J. Bell & Co., under which title the business will be continued. Mr. Crease is a popular and well trained insurance man and a continuance of the prosperity of this old and well known insurance firm may confidently be expected.

UNITED STATES FIRE INSURANCE CO.

Mr. H. A. Robertson has been appointed chief agent of the United States Fire Insurance Company, with headquarters at Vancouver, B.C. The company, which recently received a Dominion license, will transact Fire, Explosion, Tornado and Automobile insurance.

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1883

Fire, Marine, Hail and Automobile

HEAD OFFICE: TORONTO

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

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H. C. COX	BRIG.-GEN. SIR HENRY PELLATT, C.V.O.
JOHN H. FULTON, New York	E. R. WOOD
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 Pres. and Gen. Man. Asst. Gen. Man. Secretary

THOMAS F. DOBBIN, Resident Manager MONTREAL

THE LONDON MUTUAL FIRE

INSURANCE COMPANY
 ESTABLISHED 1859

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



DIRECTORS:

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F. D. WILLIAMS - - - - - Vice-President
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NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST
Fire, Accident and Sickness
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AGENTS WANTED FOR THE ACCIDENT BRANCH.

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

FOUNDED A. D. 1819

THE GENERAL FIRE INSURANCE COMPANY OF PARIS, FRANCE

SURPLUS TO POLICYHOLDERS, \$5,525,000

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

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

The Travellers Life Assurance Company

of Canada

HEAD OFFICE: MONTREAL

Hon. GED. P. GRAHAM, President

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

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OSLER, HAMMOND & NANTON, Winnipeg, Man.	WHITE & CALVIN St. John, N.B.
ALFRED J. BELL & Co. Halifax, N.S.	ATYEN & SONS, LTD. St. John's, Nfld.

T. D. RICHARDSON, Supt. for Canada TORONTO

Founded A. D. 1710

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Head Office: Threadneedle St., London, Eng.

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

LYMAN BOOT
 Manager

COMMON FIRE HAZARDS.

Hot Water Heating: The principle on which all systems of heating by the circulation of hot water depends is that of convection, that is the water becoming heated by means of the boiler rises, and the cold water takes its place. A current is created through the pipes as the hot water runs through them and the pipes become warmer and sends the heat into the room by radiation. These systems are divided into two classes—that is small bore or high pressure and that of large bore or low pressure. The high pressure apparatus in its simplest form consists of metal tubes distributed about the premises in similar manner to ordinary heating systems but part of the circuit is arranged in coils which are placed in an ordinary coal burning fire place, the pipes taking the place of the usual grate bars. In this way the whole coil is exposed to the direct action of the flames and the hot gases. The water is heated to 350° F. and the pipes are subject to a pressure of 500 pounds. These systems are hazardous and should not be advocated. The low pressure systems are more generally used. This system as a whole is considered safer than hot air.

Steam Heating: The chief hazard of steam heating is the steam pipes coming in contact with combustible materials. Steam pipes coming in contact with wood are admittedly the cause of occasional fires. There is some question as to whether steam pipes will actually set combustible material on fire. A number of investigators have attempted to produce fire by bringing steam pipes into contact with various combustible material but as the duration of the experiment was comparatively short few actual fires resulted. The general conclusion, however, is that no matter how low the pressure, steam pipes would, in the course of time, produce charcoal and that when this stage is reached positive danger existed for charcoal formed at a low temperature is known to have a low ignition point. According to some investigators, where steam is kept on the system continually there is less danger than where on intermittently. The reason is that when allowed to cool the charcoal has a better opportunity to absorb oxygen than if kept hot at all times. Steam pipes should be carefully located and properly insulated and reasonable precautions should be taken to keep them away from wood. There are two general methods of keeping steam pipes free from contact with combustible material. The first by using an insulator, such as a pipe covering, and, secondly, by supporting them rigidly at a safe distance. Overhead steam pipes are preferred to those on the side.

Combined Heating and Ventilating Systems: A combined heating and ventilating system depends

for their successful operation upon the principle of physics which is the difference in gravity between cold and foul air and heated air. The cold or foul air is the heavier and tends to fall, while the heated air from its lightness tends to rise. This difference in density serves to create currents in the opposite direction, therefore in a combined heating and ventilating system where natural forces are utilized as means of an operation the vent ducts for the removing of cold foul air are near the floor. The means of obtaining ventilation may be divided into two classes—natural and artificial. In natural ventilation no machinery is used. Artificial ventilation is carried on by the aid of machinery. A fan is used to draw the foul air out of the room while the fresh air finds its way in through various openings. The great danger of all these systems is the hot air ducts and also the blowers or fans. The blowers should be kept clean, well oiled and properly adjusted. Bearings should be outside. Intakes should be located so as to be free from sparks and air should be taken from outside through a screened opening. Some schools in the country use a heater known as the Waterbury heating and ventilating system, the Paragon heating and ventilating system and the Moore system and they should be condemned wherever found because the heat is not equally distributed about the room and it is forced out at the top of the pipes with such force as to blister the paint.

Heating by electricity is a comparatively new development but there is no doubt as time goes on and electricity is produced more cheaply it will come into more general use. The usual precaution should be taken with the apparatus that is taken with other heat giving elements. The great source of danger arises from carelessness in leaving the apparatus about or on inflammable material with the current on.

Gas Stoves: Gas stoves may be divided into three classes, viz.: plate or single burner, ordinary house stoves and gas ranges. The plate or single burners are usually found in tailor shops and tenant mercantile risks, and are used to heat irons or coffee. Zinc should be placed on top of the board foundation or table where these burners set. The ordinary house stoves: This type is sometimes used in restaurants and is usually set on a perforated base or on two inch legs. If these stoves are in a dwelling zinc placed under them is sufficient but if in a restaurant it should be protected with a foundation of 3 inch hard burned hollow tile and not near woodwork, front or back, the same as stoves. Gas ranges are usually found in large restaurants and hotels and clearness from partitions

(Continued on page 827)

**THE
CENTURY INSURANCE CO.
LIMITED**

of Edinburgh, Scotland.
ESTABLISHED 1885

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

HEAD OFFICE - VANCOUVER, B.C.
GEO. W. PACAUD,
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**THE MOTOR UNION
INSURANCE COMPANY LIMITED**

(INCORPORATED IN ENGLAND)



**THE BEST IN
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BECAUSE attractive premiums are quoted for first class risks.

The protection against "Claims by the Public" is up to \$20,000.

Bonuses are allowed for no claims. Policies are simple and straightforward.

AGENTS will like our concise "at a glance" rating system.

**WRITE TO
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59 Yonge Street - - - Toronto

Assets exceed \$8,000,000
Premium income exceeds \$7,500,000

"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.

NIAGARA FIRE INSURANCE COMPANY

HEAD OFFICE, NEW YORK INCORPORATED 1850

Cash Capital Net Surplus 31st Dec., 1918
\$1,000,000.00 **\$3,117,106.53**

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

SCOTTISH METROPOLITAN ASSURANCE COMPANY LIMITED,
Of Edinburgh, Scotland

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

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

GUARANTEE BONDS

ELEVATOR AND GENERAL LIABILITY



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

AUTOMOBILE LIABILITY AND FIRE
Individual or Combined Policies

EMPLOYERS LIABILITY

PUBLIC AND TEAMS LIABILITY

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

(Continued from page 825)

and combustible materials must be the same as for coal stoves.

Gas Hot Water Heaters: Fires in dwellings have been traced to defectively installed hot water heaters. The exhaust flues have been allowed to terminate in the attic. This was done in order to avoid cutting the roof. The most dangerous hazard of gas stoves is the use of soft rubber tubing between the stove and the supply pipe and only rigid iron gas pipe should be used. Inflammable surroundings should be properly protected by metal or asbestos. The danger of a gas iron is from the hot iron being left on combustible material.—By Geo. D. Jamison, Engineer.

ELEVATOR INSURANCE.

Elevator Insurance is a comparatively recent innovation compared with fire or life, and in the case of the Fidelity Company of New York vs. Palmer Hotel Company decided by the Supreme Court of Kentucky, a novel point arose which is of considerable interest, in view of the fact that the point has never been before the Canadian Courts.

In this case the Fidelity Company issued a policy agreeing to indemnify the Hotel Company against loss for damages on account of bodily injuries or death resulting from accident on any elevator described in the policy, subject to the following conditions:—

“(B) This policy does not cover loss from liability for, or any suit based on, injuries or death suffered or caused by (1) any minor hired by the assured contrary to law, or any minor while performing any work contrary to law; (2) any child under fourteen years of age employed by the assured in any state in which there is no law restricting the age of employment in the assured's trade or business; (3) any person who is in charge of or is operating an elevator and is under the age fixed by law for elevator attendants, or any person in or about any elevator while operated by or in charge of any person under the age fixed by law for elevator attendants; (4) any person who is under eighteen years of age and is in the charge of or is operating an elevator in any state in which there is no law restricting the age of elevator attendants, or any person in or about any elevator while operated by or in charge of a person under eighteen years of age in any such state.”

While this policy was in force a passenger in one of the hotel elevators sustained personal injuries which were caused by structural defects in the elevator and not by the negligence of the operator, brought suit against the Hotel Company, and recovered damages.

The Hotel Company then brought suit against

the Fidelity Company on the policy to recover the amount of the damages paid to the injured party, which the Fidelity Company defended on the ground that the operator of the elevator at the time of the accident was under the age of sixteen years, contrary to the contents of paragraph (B) quoted above.

The Hotel Company claimed, on the other hand, that, as the age of the operator did not cause or contribute to the accident, the Fidelity Company was liable under its policy, but the decision of the court was in favor of the Fidelity Company.

“A further argument,” said the Court, “is made by counsel for the hotel company that, as the accident and resulting injury suffered by the passenger who recovered damages from the hotel company was due to a structural defect in the elevator, and not to any fault or negligence on the part of the operator, the insurance company should not be allowed to escape liability under the contract. But if we should attempt to adopt this construction, we would be at once confronted by the words of the contract exempting the insurance company from liability for injuries to any person in or about the elevator while operated by or in the charge of any person under the age fixed by law for elevator attendants’. So that, giving these exempting words their ordinary meaning and such meaning as they would have in common, everyday usage, it makes no difference what cause brought about the accident or injury, or how it happened. The exemption clause is sweeping in its terms, and the only fact necessary for the insurance company to establish to make the exemption from liability effective is to show that the elevator at the time the injury complained of happened was operated by or in charge of a person under the age fixed by law for elevator attendants. The exemption of the Company from liability does not depend on the fact that the injury was caused or brought about by some act of omission or commission on the part of the elevator attendant but in the fact that a prohibited elevator attendant was operating or in charge of the elevator. When the elevator is being operated by a prohibited attendant it is wholly immaterial what cause produced or brought about the accident or injury or death to the passenger.”

CONFEDERATION LIFE ASSOCIATION.

The convention of the field staff of the Confederation Life Association, held at the Clifton House, Niagara Falls, Ont., on July 14th, was largely attended. Addresses on the occasion were delivered by the Hon. Dr. Cody, Minister of Education. Mr. J. K. Macdonald, President of the Company, Mr. Joseph Henderson and Mr. Pleg Howland, Vice-Presidents, Mayor Stevens welcomed the visitors,

Continued on page 829

WANTED.

A competent Bookkeeper for a large American Fire Insurance Company's branch office, one with a knowledge of French preferred. Reply stating experience to

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c/o The Chronicle,
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WANTED.

Competent Stenographer capable of writing policies, for a Fire Office. Must understand both French and English. Address.

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WANTED.

General Agency for a reputable Fire Insurance Company for the Provinces of Alberta and British Columbia. Have organized plant of 150 agents in Alberta. Address.

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c/o The Chronicle,
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PROVINCIAL INSURANCE CHARTER for FIRE AND CASUALTY INSURANCE. Would consider amalgamation with another Company. Correspondence confidential. Address.

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c/o The Chronicle,
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THE NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE

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COST OF LIFE INSURANCE.

The Government of the United States comes to the unqualified endorsement of the sound economical conduct of the great private life insurance institution. In the course of a letter to the Secretary of the Treasury referred by Secretary Glass with his approval to the committee on appropriation of the House, Director Cholmeley-Jones of the Bureau of War Risk Insurance says:

"It is to be remembered that insurance companies have become large only after years of careful management, and the expenditures they have found to be equitable for the operation of their business may well be regarded as sound economically."

The War Risk Bureau recently issued a statement in this connection declaring the necessity of conducting a campaign to keep the Government insurance alive in the same way that the private companies campaign. We have already commented upon this point. Mr. Cholmeley-Jones is entirely right. But admitting all that, the Government has a much harder task to face than the companies have. The Government cannot accomplish its task at the same cost that private companies pay. It will cost the Government more, because of the inherent inertia of Government service and the fact that it has none of the outside sources of accretion and growth open to private companies.

Mr. Cholmeley-Jones urges that if only one-half of the officers and one-third of the enlisted men are retained permanently under War Risk insurance at a cost of \$16,000,000 it would amount to \$3.05 per thousand of "new insurance written" whereas the company cost, less administrative and overhead charges, was \$12.48 per thousand of new business written. The comparison is not very lucid, inasmuch as the Government will not be writing new insurance, but merely holding old business written and this cost to the companies is technically nominal. The new business written is the spur. There is no new business of any consequence for the Government to write.

It is reported from Washington, although upon authority not yet clear, that three-fourths of all the Government insurance upon discharged soldiers and sailors has instantly lapsed. It cannot be reinstated at any less cost than private companies have to meet. Most of it cannot be reinstated under any circumstances practicable. The men were enormously overinsured for peace conditions.

The matter of interest in all this is that if the Government is to consider and adopt any of the "economically sound" expenses of the private company to sustain this public undertaking then away

goes the pretense of less cost under Government direction. The people invariably have to pay more for Government service than for private enterprise and get infinitely worse service. All this despite the fact that private insurance is burdened with endless taxation and charges that Government escapes. Government can give its citizens better and much cheaper insurance by taking these burdens off and encouraging them to adopt thrift and the creation of estates through life insurance provisions. Given entire freedom the private companies can do all this more thoroughly and rapidly than any Government can possibly do.

—*Insurance Field.*

OTHER INSURANCE WITHOUT CONSENT.

The Assistant Attorney-General of North Dakota, places an interesting construction upon the valued policy law of that State. A hypothetical question was submitted in which a building valued at \$5,000 was insured for \$2,500, being the amount of the first Company's limit, and then insured for \$2,500 or \$3,000 in another Company. As the sum covered by the first of the companies was within a two-thirds or three-quarter limit of value that the Company intended to carry, it was enquired what effect the double insurance, possibly exceeding the actual value of the property would have in the case of a total loss. The Assistant Attorney-General holds that if the insurance was all written with the consent of all companies they would have no redress, even though the total insurance was excessive, and would have to pay their policies in full; but if the later insurance was obtained without the knowledge of either insurer that the other had written a policy on the same property, the insurance would be voidable on account of the breach of the contract which provides that the policy shall be void if the insured procures other insurance without the consent of the insurance company. Apparently, then, the only way to avoid liability in such a case would be by the cancellation of the policy and the return of the unearned premium as soon as the existence of unauthorized insurance is discovered. The Spectator, New York, says. It is evident that it behooves the companies to be careful about granting their consent for additional insurance, without limitation as to the amount; for all insurance purchased by the insured would be recoverable, in case of a total loss, if consent had been given on behalf of all the companies interested.

FIRE CHARTER WANTED.

A tariff company is open to consider the purchase of the charter of a Western Provincial fire company, now in operation. Replies will be treated confidentially. Address Tariff Company, c/o The Chronicle.



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Branches: WINNIPEG CALGARY VANCOUVER

HOW MUCH INSURANCE OUGHT A MAN TO CARRY?

No one can tell offhand how much insurance a man ought to have. It all depends on circumstances. It is a good deal like the story they tell of President Lincoln. Somebody asked him how long a man's legs ought to be, and he replied that he didn't know, but he thought they ought to be "long enough to reach from his body to the ground." That's about all you can say of the life insurance a man ought to carry. He ought to have enough to bridge the space between his family and want. Enough to enable them if anything should happen to him, to walk erect, to retain their self-respect and have a comfortable sum coming in each month from funds invested in such permanent form that they cannot be lost or frittered away.

A pretty good idea of what money means today may be gained from the fact that, invested at even so liberal a rate as 6 per cent., much above the average for a safe investment, the daily income from \$1,000 is only 16 cents; from \$2,000 only 32 cents; from \$5,000 only 82 cents, while a \$10,000 policy on these terms would provide a family with the princely income of \$1.64 a day!

Not very much, you say, for the support of a household. No. But it shows that the ordinary amounts men insure their lives for are too small, far from adequate, should be increased, and many times should be actually doubled.

The strongest reason you can present to a man for adding to his insurance is the fact that a dollar today has the purchasing power of only 48 cents compared with what it would have purchased several years ago. Hence whatever insurance a man had before the war, it ought to be just about doubled today, so much has the size of the dollar shrunk.—Thos. A. Buckner.

TIME AND EFFICIENCY.

"Efficient factory management sees to it that the several machines used in making a given product are so placed that there shall not be wasteful loss of time in carrying a piece from one machine to another. Further, the manufacturers of machines so plan them that there shall not be wasteful loss of time caused by the operator's using more motions than are necessary in an operation. Time is money everywhere in business, and of no business is it more true than it is of ours," says "Points" of the Mutual Life of New York. "The life insurance salesman should plan to use his time as closely as time in a factory is used—a short distance between calls, and, because he knows his

goods, few waste motions in presentation. To do so is not to make of himself a slavedriver, but is to make of himself an efficient man. There is no more justification for the business man's wasting time than there is for a housekeeper's wasting food. All preventable waste is inexcusable.

"A life underwriter's income, no matter whether he writes large cases or small ones, is governed by his use of time,—it is in time that he must do his work, and he has only a given amount of time at his command. Let him use it fully and without empty gaps, day by day throughout the year, and the law of average will so work upon the number-volume of his interviews as to yield him the desired results. He cannot get those results in any other way than by the wasteless use of time. Day-dreaming, air-castle building, scheming, cannot take the place of work and study. Life underwriting is an exacting profession, and he deludes himself who enters it because he thinks it is the kingdom of the get-rich-quick.

LABOR TROUBLES AND INSURANCE.

The present and impending labour troubles have resulted in the writing of particularly an enormous amount of strike insurance in Chicago, where there are now 150,000 workmen out in Chicago, and those conversant with the situation say that the chances are that 300,000 will be out before August 1. There seems to be a sort of strike fever among the workingmen, the employes in several plants having gone out without making any demands whatever. So far there have been few disturbances except at the Corn Products Plant at Argo, where several were killed in a riot, but no damage was done to property. The possibilities of trouble are serious, however, and the police officials fear that bloodshed will ensue before the trouble is cleared up. In the face of such conditions, owners of property subject to damage by strikes regard the premium they pay for protection as very reasonable, especially as in the case of prosperous plants they can charge this premium to expense, and thus secure a reduction in their excess profits tax.

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