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Banking, Insurance and Finance

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THE GENERAL FINANCIAL SITUATION.

Various Financial chroniclers are apt to profess astonishment that subsequent to the issue of the various Victory Loans, the notice deposits of the banks, too often erroneously known as savings deposits, continue to bound upward. The astonishment might be justified if the reverse were the case, but in point of fact the increase in these notice deposits is an entirely natural sequel to these great national loans. This rise in bank deposits merely reflects the distribution throughout the country, and directly and indirectly, throughout almost every class of the community, of funds which the government has borrowed. These funds are not, as it were, taken out of circulation and held in suspense; they are immediately put into circulation in the purchase of supplies, the payment of labour, the discharge pay of returned soldiers—used to meet these and the other manifold calls which are being made upon the public purse at this time. The increase in notice deposits certainly indicates that the portion of these funds received by the classes of the community mentioned, is considerably in excess of what is needed to meet current requirements, and that accumulation is steadily going on. The really interesting question is, to what extent is this accumulation taking place, since in the extent of that accumulation depends Canada's capacity to finance future needs, to increase production and provide the various necessities of civilization which a healthy modern community demands.

From this point of view, which it is necessary to emphasize, is the one that really counts, the showing made in recent months by the notice deposits of the banks is encouraging. Last October, just before the Victory Loan was launched, these deposits reached a level of \$1,076,514,000. In November, following the withdrawal of funds for subscriptions to the Loans, they dropped to \$939,329,271, from which figure they have steadily recovered as the borrowed mounds got into circulation, until by the end of April they were almost again at the October level. This total of \$1,070,985,080, representing a gain of almost \$33,000,000 during the month. The gain is thus a substantial one. The best contribution to the general prosperity of Canada, which everyone can make who

has any surplus at all above what is required for the necessities and reasonable amenities of life is to add to that surplus as much as possible, so that not merely may bank deposits be further increased, these funds being available for the current necessities of Canada's industry and trade, but in due course transfers may be made from these funds to permanent investments, and thus the aggregate wealth and prosperity of the whole Dominion be steadily increased.

One other feature of the current bank statement deserves attention—the high level of Canadian current loans. These are slightly decreased in comparison with their total at the end of March by something under \$10,000,000 as a result doubtless of the movement of exports following the opening of St. Lawrence and inland navigation, but this end of April aggregate of \$1,107,986,523 is nevertheless no less than \$223,897,121 higher than their total at the end of April last year. A primary reason for this state of affairs is, we believe, to be found in a factor which is less widely recognized than it should be—the fact that many Canadian industries are loaded up with stocks of raw materials purchased at the top of the market. The problem of realizing upon these at prices which will give a fair profit or even avoid a loss, in a market which is at least not so strong as it was, and in some directions shows some signs of coming down, is affording various business executives considerable food for thought. There is one other interesting point about these loans, that they exceed by about \$37,000,000 the amount of notice deposits referred to above, and while it is, of course, absurd to segregate various items of the banks' combined monthly statements and set them off one against the other, the fact is interesting as showing that at the present time funds received by the banks in notice deposits are fully employed by them in forwarding Canadian trade and industry.

While the local Stock Exchange loans continued unabated at the beginning of this week, following the frantic dealings in New York, it may well be asked if the point has not about come for some discrimination. Practically the whole local list has moved up in the last few months, discounting well in advance, as is the usual Stock Exchange

(Continued on page 565)

BANK OF MONTREAL

ESTABLISHED OVER 100 YEARS (1817-1919)

Capital Paid up, \$20,000,000

Rest, \$20,000,000

Undivided Profits, \$1,661,614

Total Assets - - \$489,271,197

BOARD OF DIRECTORS:

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BRANCHES OF THE BANK LOCATED IN ALL IMPORTANT CITIES AND TOWNS IN THE DOMINION.

Savings Department connected with each Canadian Branch and Interest allowed at current rates.

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

Travellers' Cheques, Limited Cheques and Travellers' Letters of Credit issued, negotiable in all parts of the world.

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.

G. C. CASSELS, Manager.

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

NEWFOUNDLAND: St. John's, 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.

United States—New York; Portland, Ore.; San Francisco, Cal.; Seattle, Wash.

Newfoundland—St. John's.

Agents and Correspondents throughout the World

The Molsons Bank

Incorporated by Act of Parliament 1855

Paid-up Capital - \$4,000,000

Reserve Fund - 4,800,000

HEAD OFFICE - - - MONTREAL

BOARD OF DIRECTORS.

Wm. Molson Macpherson, President.

S. H. Ewing, Vice-President.

F. W. Molson

Wm. M. Birks

W. A. Black

John W. Ross

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EDWARD 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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MONTREAL, FRIDAY, JUNE 6th, 1919

THE GENERAL FINANCIAL SITUATION.

(Continued from Page 561)

manner, the prospects of development by Canadian industry and trade, under the new "post bellum" conditions. Frankly, it means that in some stocks at least, the rise has been quite sufficient to discount any prospect, however rosy, within a reasonable period. Some junior stocks also are obviously getting altogether out of line in comparison with some securities, and while it would be foolish to prophesy at a time like the present when the public is intent on buying stocks, good, bad and indifferent, that these junior stocks will not go higher, purchasers should realize that on any untoward developments, these stocks, which have little behind them to justify present quotations, will be apt to find their real level with a bump that will be decidedly discomfiting to those on board.

While the labour situation showed some improvement in the early days of this week, there is no blinking the fact that the outlook is by no means assured, and that further trouble is to be expected in both the east and the west. Critical and widespread movements of this kind are not likely to settle down in a week or two. It is to be noted that in England, where the peck of labour trouble seems to have been surmounted, and a state of comparative industrial peace secured, that an acute condition of industrial unrest lasted many months. It is accordingly not to be expected that in Canada, where the movement has only just developed, that a final settlement will be more quickly arrived at. It will be the part of wisdom, therefore, to be prepared for unfavourable developments in the labour situation for at least some little time to come. Among the mass of conflicting views presented to the Royal Commission on Industrial Relations, at its various sittings, there seems at least an unanimity of opinion that the current high prices of foodstuffs have much to do with the existing unrest. The harvesting of plentiful crops this summer should have some effect upon the existing level of prices, and if these are somewhat reduced by the fall, as appears may be anticipated with some confidence, the effect upon industrial conditions should be distinctly good.

One reason why, in spite of the fact that several of the lines of industry which have been most active during the war period are now, per force, absolutely idle, retail trade continues good, and entertainment and the newer luxury trades are doing exceptionally well, is apt to be overlooked—the return of many thousands of soldiers. Many returned men have quite tidy sums at their disposal as the result of accumulated pay, sums which are being substantially added to by the gratuities they are now receiving. This outfitting in "civics" entails what must be in the aggregate an enormous demand in the clothing, boot and men's furnishing trades, and there is no doubt that as a result of these demands, these lines are enjoying at present exceptionally prosperous conditions. Similarly, the very natural desire to give the returned men a "good time" before they settle down to civil life is benefiting the entertaining and newer luxury trades. Other economic results of this return of Canada's army are the concentration of the housing problems which, in Montreal at all events, is becoming an extremely serious matter, and the shortage of help for various purposes, in spite of the release of many thousands of workers from the munition factories. Some of these, with facilities for travel again available, are going "home," and others are having a "good time" on savings accumulated during the war-time period of prosperity. The last is an unpatriotic development but inevitable, and the probabilities are that there will be no easing-up in the present acute situation regarding factory and domestic help until the "blowing-in" process now going on has been completed, and necessity compels a resumption of work. The same phenomena is in evidence in England, where it seems the direct result of a system of government out-of-work payments to munition workers and other classes is to offer a strong encouragement to idleness, with the consequence that industry is badly handicapped by a shortage of labour.

TRAFFIC RETURNS

Year to date	Canadian Pacific Railway			Increase
	1917	1918	1919	
April 30,	\$42,501,000	\$45,161,000	\$ 48,550,000	\$3,389,000
Week ending	1917	1918	1919	Increase
May 7,	3,065,000	2,033,000	2,856,000	*177,000
" 14,	3,123,000	3,109,000	2,959,000	*150,000
" 21,	3,074,000	2,847,000	2,957,000	110,000
" 31,	4,806,000	4,035,000	4,505,000	470,000
Year to date	Grand Trunk Railway			Increase
	1917	1918	1919	
April 30,	\$18,417,842	\$ 14,046,123	\$19,361,387	\$5,315,264
Week ending	1917	1918	1919	Increase
May 7,	1,135,091	1,069,908	1,130,352	60,354
" 14,	1,356,646	1,118,634	1,181,138	62,504
" 21,	1,425,554	1,167,270	1,214,465	47,195
" 31,	1,939,312	1,507,723	1,746,105	238,382
Year to date	Canadian National Railways			Increase
	1917	1918	1919	
April 30,	\$22,015,621	\$26,481,483	\$4,465,862	
Week ending	1917	1918	1919	Increase
May 7,	1,393,791	1,543,413	1,49,622	149,622
" 14,	1,463,167	1,727,076	1,727,076	263,909
" 21,	1,543,062	1,770,271	1,770,271	227,209
" 31,	2,180,725	2,477,484	2,477,484	296,759

*Decrease.

COMPARATIVE ABSTRACT OF THE BANK STATEMENT, APRIL, 1919

(Compiled by The Chronicle).

	April 30 1919	March 31 1919	Month's Movement, 1919	April 30, 1918	Month's Movement, 1918	Year's Movement
ASSETS						
Specie.....	\$80,457,174	\$80,253,572	+ \$ 203,602	\$ 78,283,307	+ \$ 28,274	+ 2,173,867
Dominion Notes.....	177,085,317	172,651,993	+ 4,433,324	169,345,075	+ 4,137,521	+ 7,740,242
Deposits in Central Gold Reserves.....	112,200,000	108,350,000	+ 3,850,000	80,470,000	+ 1,050,000	+ 31,730,000
Notes of other Banks.....	29,135,445	29,578,391	- 442,946	24,280,534	+ 1,679,035	+ 4,854,911
Cheques on other Banks.....	90,030,541	88,489,757	+ 1,540,784	77,572,016	+ 11,747,353	+ 12,458,525
Deposit to secure Note issues.....	7,618,219	5,865,538	+ 1,752,681	5,779,567	+ 2,677	+ 1,838,652
Deposits with and balances due from other Banks in Canada.....	9,515,060	7,287,982	+ 2,227,078	3,366,413	+ 3,086,079	+ 6,148,647
Due from Banks, etc., in U.K.....	7,445,880	10,763,482	- 3,317,602	9,325,438	- 1,425,231	- 1,879,558
Due from Banks, etc., elsewhere.....	41,230,016	44,583,970	- 3,353,954	53,564,308	- 3,272,550	- 12,334,292
Dom. and Prov. Securities.....	117,616,232	115,180,320	+ 2,435,912	101,764,911	+ 306,799	+ 15,851,321
Can. Mun. Brit., For. & Col. Pub. Securities.....	258,504,084	260,003,939	- 1,499,855	260,978,505	+ 10,555,744	- 2,474,421
Rlwy. and other Bonds and Stocks.....	54,628,323	54,276,188	+ 352,135	57,048,350	- 503,402	- 2,420,027
Total Securities held.....	430,748,639	429,460,447	+ 1,288,192	419,791,766	+ 10,378,141	+ 10,956,873
Call Loans in Canada.....	86,091,844	87,601,337	- 1,509,493	77,497,350	+ 3,239,473	+ 8,594,494
Call Loans outside Canada.....	155,533,666	160,116,443	- 4,582,777	179,818,531	+ 12,691,830	- 24,284,865
Total Call and Short Loans.....	241,625,510	247,717,780	- 6,092,270	257,315,881	+ 15,761,303	- 15,690,371
Current Loans and Discounts in Canada.....	1,107,986,523	1,117,197,446	- 9,210,923	884,089,402	+ 2,905,820	+ 223,897,121
Current Loans and Discounts outside Canada.....	125,328,561	123,984,608	+ 1,343,953	99,267,660	+ 3,050,019	+ 26,060,901
Total Current Loans and Discounts.....	1,233,315,084	1,241,182,054	- 7,866,970	983,357,062	+ 6,055,839	+ 249,958,022
Loans to Dominion Government.....					+ 251,977	+ 3,008,253
Loans to Provincial Governments.....	8,660,899	6,636,143	+ 2,024,756	5,652,646	+ 5,033,280	+ 7,774,151
Loans to Cities, Towns, etc.....	47,911,199	41,993,305	+ 5,917,894	55,685,350	+ 74,919	+ 1,129,593
Bank Premises.....	53,443,467	53,317,635	+ 125,832	52,313,874	+ 9,793,547	+ 204,882,640
TOTAL ASSETS.....	2,607,153,798	2,612,163,711	- 5,009,913	2,512,271,158	+ 9,993,547	+ 204,882,640
LIABILITIES						
Notes in Circulation.....	208,958,572	214,576,870	- 5,618,298	180,654,964	+ 10,403,440	+ 28,303,608
Due to Dominion Government.....	188,129,800	228,201,515	- 40,071,715	94,771,219	+ 5,164,620	+ 93,358,581
Due to Provincial Governments.....	21,754,210	21,646,571	+ 107,639	17,846,752	+ 1,429,078	+ 3,907,458
Deposits in Canada, payable on demand.....	571,412,857	566,797,268	+ 4,615,589	558,509,221	+ 2,533,015	+ 12,903,636
Deposits in Canada, payable after notice.....	1,079,983,080	1,037,851,766	+ 42,133,314	933,644,668	+ 12,563,865	+ 146,340,412
Total Deposits of Public in Canada.....	1,651,397,937	1,604,649,034	+ 46,748,903	1,492,153,889	+ 10,030,850	+ 159,244,048
Deposits elsewhere than in Canada.....	212,649,478	210,104,607	+ 2,544,871	203,473,448	+ 7,215,816	+ 9,176,030
Total Deposits other than Govt.....	1,864,047,415	1,814,753,641	+ 49,293,774	1,695,627,337	+ 17,246,666	+ 168,420,078
Deposits and Bal., other Can. Bks.....	13,910,573	11,431,201	+ 2,479,372	7,026,185	+ 3,128,295	+ 6,884,388
Due to Bks. and Correspts. in U.K.....	7,377,784	4,534,803	+ 2,842,981	4,431,352	+ 205,021	+ 2,946,432
Due to Banks & Correspts. elsewhere.....	29,328,257	29,217,468	+ 100,789	31,920,656	+ 1,400,360	+ 2,592,390
TOTAL LIABILITIES.....	2,352,096,456	2,358,158,310	- 6,061,853	2,063,554,861	+ 10,655,288	+ 288,541,595
CAPITAL, ETC.						
Capital paid up.....	113,766,272	111,722,628	+ 2,043,644	111,731,633	+ 3,941	+ 2,034,639
Rest.....	119,799,736	117,433,322	+ 2,366,414	114,329,718	+ 153,710	+ 5,470,018
Loans to Directors and their Firms.....	9,274,523	9,513,529	- 239,006	8,004,424	+ 1,485,674	+ 1,270,099
Greatest Circulation in Month.....	223,763,426	216,529,576	+ 7,233,850	192,969,679	+ 1,641,014	+ 30,793,747

THE LABOUR SITUATION.

All manner of investigations and inquiries are going on as to the situation of labour, the demand and supply, the adjustment of occupations, and of wages, and the reaching of agreements, and there is no consistency in the statements that are put out. There is evidently a state of confusion which cannot be suddenly cleared up. A great many men, skilled workers and common labourers, for months before the armistice were getting extravagant wages, out of all proportion to the value of what they were doing, justified only by the exigencies of the war and the need of pressure. Many laid up savings in large amount, and even those who did not are averse to such labour as is at hand for the normal wages, and hold back in the hope of getting more than can now be offered in their

lines of work. The multitude of returned soldiers are getting support for the time being, and many of them are averse to going back to their old jobs or taking work that is offered at normal wages. The state of the building trade is a special obstacle, as it affects the production and distribution of material, the planning of structures according to present and future needs, and keeps capital and labour waiting.

PERSONALS.

Mr. William Mackay, manager for Canada of the Royal Insurance Company, left this week on his usual visit to Western branches of his company. He will go right through to the Coast before returning to Montreal.

IMPERIAL BANK OF CANADA.

The forty-fourth annual statement of the Imperial Bank of Canada, for the year ending April 30th, 1919, indicates that the affairs of this distinguished institution were never in a more satisfactory or prosperous condition.

Its assets have increased by \$10,368,548 to \$112,186,459. Total net profits amounted to \$1,247,516, a growth of \$62,449, as compared with 1917. The balance at the credit of profit and loss account from the previous year was \$1,204,942, making available for distribution a total of \$2,452,459. One of the most pleasing aspects of the statement was the increase in the reserve fund from \$7,000,000 to \$7,500,000. This fund now is \$500,000 in excess of the bank's paid-up capital. Of last year's profits, \$840,000 is distributed in the 12 per cent. dividend, annual contribution to Officers' Pension and Guarantee Funds absorbed \$42,500; special contribution to Pension Fund amounted to \$100,000; contributions to patriotic funds totalled \$34,500; war tax on note circulation was \$70,000. These allocations having been met, a balance of profit and loss is carried forward of \$865,459. While the results of the operations for the fiscal year were highly satisfactory, attention may be drawn to the fact that the expenses of the banks have been substantially increased during recent years in numerous directions, a process which is still going on, while enlarged taxation has also played its part.

For many years the Imperial Bank has been accustomed to show a very fine liquid position in its annual balance sheet and the bank's reputation in this connection is worthily maintained by the present report. An index to its financial standing is the ratio of over 60 per cent. of its quickly realizable assets to liabilities to the public. So admirable a position speaks for itself.

That the bank has given liberal support to the business interest of the country is demonstrated by the fact that current loans outstanding amounted to \$48,544,000, an increase for the year of \$8,242,000, whereas call loans increased from \$2,470,000 to \$4,866,000.

Security holdings, which reflect especially the bank's direct assistance in war financing, are again largely increased. Their present total of \$21,412,376 compares with \$19,943,073 a year ago.

Current deposits expanded \$1,570,000, and savings deposits were increased by \$6,234,000, thus indicating an increase in the number of customers. Total deposits stood on April 30th at \$83,198,234. A striking commentary is given regarding the growth of the bank's customers during the war by the fact that in 1913 total deposits amounted to \$56,802,000.

The statement thus reflects both the increasing financial ease of the country's commerce and industries, as a result of active demand, and high prices, and the necessity which has been imposed on the banks generally, of carrying needy municipalities through a period when they have been

unable to negotiate any permanent financing.

During the year Mr. William Moffatt, assistant general manager, was appointed general manager, to replace Mr. Edward Hay, whose retirement owing to ill health was previously referred to. Mr. Moffatt is a well-known banker of great experience, who has been connected with the Imperial Bank for the past thirty-eight years.

The Imperial Bank's most important branch in Montreal is under the management of Mr. Richardson.

WHAT MIGHT HAVE BEEN SAFER.

In a very interesting article the New York Journal of Commerce says in discussing the armistice:—

From the day the armistice was offered and accepted and the door was opened for considering peace terms, which the enemy might accept, it has always seemed to us that it would have been safer for the Allied Powers to pursue the course of conquerors, proceed to Berlin with an adequate military force, and dictate the terms of peace, better not only for the nations which those powers represented, but for the German people and their nation with all it was fairly entitled to. What is going on now at Versailles with regard to final terms and a League of Nations to insure their observance, seems to be confirming that view, though it is to be hoped, since such a course has been taken, that it will fully accomplish its purpose. There can be no turning back unless the attitude of Germany and the conduct of its representatives should compel it by obstinate claims to a consideration to which their Government as now constituted, is not entitled. The trouble is that there is no convincing evidence of a change of spirit or of ultimate purpose as a superior people and an overpowering nation in the time to come. Two generations have been so instilled with that doctrine and protected against the influence of any other, that a sudden or rapid conversion does not seem possible. They are even made to believe now that the nation was not actually defeated and did not really surrender, but consented to some kind of a compromise for ending the destruction on both sides.

PERSONALS.

Mr. Dawson J. Stewart, of the insurance firm of Allen, Killam & McKav, Winnipeg, spent a few days in Montreal recently. He met Mr. Allen on the latter's arrival in Montreal from England, on the 4th instant. Mr. Stewart informs us that Major Killam, D.S.O. (a member of the firm) who has been overseas for the past four years, was badly wounded and is at present convalescing in England. He is expected to return to Canada shortly, if his health will permit him to travel on an hospital ship.

Imperial Bank of Canada

Forty-Fourth Annual Meeting of the Shareholders

Held at the Head office,
Toronto, Wednesday, May 28th, 1919; at 12 noon

The Forty-fourth Annual General Meeting of the Imperial Bank of Canada was held in pursuance of the terms of the Charter at the Banking House of the Institution, May 28th, 1919.

THE REPORT

The Directors have pleasure in presenting to the Shareholders the Forty-fourth Annual Report and Balance Sheet of the affairs of the Bank as on 30th April, 1919, accompanied by statement of Profit and Loss Account, showing the result of the operations for the fiscal year.

The balance at credit of Profit and Loss Account carried forward from last year was	\$1,204,942.91
The net profits for the year after deducting charges of management, Auditors' fees and interest due depositors and after making provision for bad and doubtful debts and for rebate on bills under discount amounted to	1,247,516.75
Making a total at credit of Profit and Loss Account	\$2,452,459.66
This amount has been applied as follows:—	
Dividends at the rate of 12% per annum	840,000.00
Annual Contribution to Officers' Pension and Guarantee Funds	42,500.00
Special Contribution to Pension Fund	100,000.00
Contributions to Patriotic and other War Funds	34,500.00
War Tax on Bank Note Circulation	70,000.00
Transferred to Reserve Fund	500,000.00
Balance of Account carried forward	865,459.66
	\$2,452,459.66

Branches of the Bank have been opened during the year as follows:—

In Alberta:—Bear Lake, Crossfield, Daysland, Edson, Grande Prairie, Greencourt, Rocky Mountain House, Sangudo, Spirit River, Sylvan Lake, Waterhole.

In British Columbia:—Kimberley.

In Manitoba:—Gimli, Riverton.

In Quebec:—St. Jovite Station.

In Ontario:—Toronto—Danforth and Carlaw, Queen and Carlaw, St. Clair and Boon, Leaside; Simpson street, Fort William; Grand Valley, Glenmorris, Kirkland Lake. Port Robinson, Queenston, Richards Landing, Smooth Rock Falls, Welland South, Waldemar.

In Saskatchewan:—Crawwood, Dufoe, Edenwold, Fielding, Hepburn, Krydor, Lestock, Piapot, Waldeheim.

The following branches have been closed:—

In Ontario:—Iroquois Falls, Leaside and Mount Dennis.

In Saskatchewan:—Kamiahah and Lestock.

Since the close of the fiscal year branches have been opened at Colinton, Rockfort and Whitecourt, Alberta; Westminster and Arlington Sts., Winnipeg, Manitoba; Matheson and Nobleton, Ontario.

The Head Office and branches of the Bank have as usual been carefully inspected during the year and the Auditors appointed by the Shareholders have also made their examinations as required by the Bank Act. Their Report and Certificate will be found attached to the Balance Sheet. They offer themselves for re-appointment.

It is with much regret that your Directors have to report the death during the year of Mr. Cawthra Mulock, and Hon. W. J. Hanna, K.C. Their places on the Board have been filled by the appointment of Mr. Frank A. Rolph and Mr. Robert S. Waldie.

Owing to ill-health, Mr. Edward Hay was obliged during the year to relinquish his position as General Manager. His place has been filled by the appointment of the Assistant General Manager, Mr. William Moffatt, who has been in the service of the Bank since 1881.

The Directors have pleasure in again testifying to the satisfactory manner in which the officers of the Bank have discharged their respective duties.

All of which is respectfully submitted.

PELEG HOWLAND,
President.

The Trust and Loan Co.

OF CANADA

Capital Subscribed	\$14,600,000.00
Paid-up Capital	2,920,000.00
Reserve Fynds	2,920,000.00

MONEY TO LOAN ON REAL ESTATE

30 St. James Street, Montreal

Prudential Trust Company

LIMITED

<p>Head Office 9 St. John St., Montreal</p>	<p style="text-align: center;">Trustee for Bondholders Transfer Agent & Registrar Administrator Receiver Executor Liquidator Guardian Assignee Trustee Custodian Real Estate and Insurance Departments Insurance of every kind placed at lowest possible rates.</p>	<p>Safety Deposit Vaults Terms Ex- ceptionally moderate. Correspond- ence invited</p>
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B. HAL. BROWN, President and Gen. Manager

WHY MUTUAL POLICIES ARE EASY TO SELL

FIRST: Because of the co-operative and democratic principle on which the Company is founded: The Mutual Life Assurance Company of Canada is a company consisting of policy holders maintained by policy holders, exclusively for policy holders.

SECOND: Because the purpose for which the Company was established is now generally understood: The Company since its establishment in 1869 has consistently followed one aim—that of furnishing the largest amount of protection for the least possible outlay.

THIRD: Because the company's day-by-day activities advertise it: The Mutual of Canada since its organization has paid to policy-holders or their beneficiaries or holds as a trust to guarantee future payments, over sixty millions of dollars.

"BE A MUTUALIST."

The Mutual Life Assurance Co. of Canada
WATERLOO, ONTARIO

The LIFE AGENTS' MANUAL

THE CHRONICLE - - MONTREAL

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 WEDNESDAY, the SECOND day of JULY next, to Shareholders of record at the close of business on the Fourteenth day of June.

By order of the Board,
GEO. H. SMITH,
Assistant General Manager.

Toronto, 28th May, 1919.

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**

DIRECTORS

W. B. MEIKLE, President	
Sir John Aird	John Hoskin, K.C., LL.D.
Robt. Bickerdike, (Montreal)	Z.A. Lash, K.C., LL.D.
Lt. Col. Henry Brock	Geo. A. Morrow, O.B.E.
Alfred Cooper, (London, Eng.)	Lt. Col. The Hon.
H. C. Cox	Frederic Nicholls
John H. Fulton, (New York)	Brig.-General Sir
D. B. Hanna	Henry Pellatt, C.V.O
E. Hay	E. R. Wood

W. B. MEIKLE, Pres. and Gen. Man.	C. S. WAINWRIGHT, Secretary
JOHN SIME, Asst. Gen. Man.	A. E. PRINGLE Asst. Secretary

HEAD OFFICE - TORONTO

A BRITISH COMPANY

Union Insurance Society of Canton, Limited

ESTABLISHED 1835

Head Office: HONGKONG **Assets over \$18,000,000**

TOTAL ASSETS—Union and Allied Companies, \$30,000,000

FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 36 Toronto Street, TORONTO

General Agent Montreal. JOSEPH ROWAT **Manager for Canada, C. R. DRAYTON**

THE CANADIAN BANK ACT.

(Fifth Article.)

It is the United States poet Bryant who tells his brother poet to "touch the crude line with fear," and to

"mend
The strain with rapture that with fire was
penned."

It has been in this spirit that the Canadian Bank Act has been mended since 1871. Hasty legislation has sometimes been proposed, but has not been passed, the ten-year term of the Bank Charters, leading to the proposed amendments being, as a rule, laid by until the charters should be on the eve of expiration.

It has been considered wisest not to amend the Act piecemeal, but to bring to each renewal the calmly considered experience of the decade.

As physicians learn to promote health by the study of disease, the Bank Act of Canada has been perfected through bank failures. In view of the present state of perfection to which the Act has attained, it must seem to many a serious question whether it is in the interest of trade and commerce that a revision of the Act should be called for so frequently as once in ten years. Parliament possesses the power of amending the Act at will, and in view of this fact there are strong reasons for urging that the bank charters, like those of insurance and loan companies, should be indefinite as to duration.

There is probably no branch of legislation into which the average politician throws himself with more enthusiasm, impetuosity and ignorance than the laws of trade, and it is not altogether wise to expose our excellent Bank Act, section by section, periodically to the tinkering of the inexperienced, although the capable managers of our banking institutions have in the past, and will, through their Association, in the future, be able so to present their arguments so as to secure their object. Still, why should it be necessary that one year in every ten be disturbed, as far as financial circles are concerned, by the necessity of renewing the Bank Act?

The enormous increase in the number of bank agencies, in public deposits and in note circulation during the past decade, has led to the voluntary increase of capital on the part of many banks, but the total increase is still very much behind the increase of liabilities, and it is to be desired, that the next few years shall see a very large increase in the various banks' paid-up capitals.

Mr. J. Sandeman Allen, marine manager of the Phoenix Assurance Co. of England, and allied companies, who has been visiting the United States, was in Montreal this week, and visited the head office for Canada.

PSEUDO INSURANCE BROKERS.

Our attention has been drawn, on several occasions, to a certain element in the Fraternity of Insurance Brokers, which might be termed pseudo insurance Brokers.

This definition while hardly correct, is the nearest approach to an appropriate categorization of the faction we desire to comment on.

The Insurance Broker proper is entitled to legitimate commission for two reasons: (1) Service rendered to the company in the effort of securing, and the supplying of necessary information, and details of a risk. (2) Service to the assured in placing the risk under the most advantageous conditions, consistent with adequate protection. If this service be rendered in its entirety, the broker should be one of experience, and whose whole time is devoted to the business, in the interest of client and company.

We are sorry to learn that there is a very large number of a class of Broker, both in Montreal and elsewhere, which we have termed pseudo. These persons, of little or no technical knowledge, are receiving commission from the companies for an odd risk, placed here and there, which, when so done, is apparently the end of their responsibility.

Large property owners and employers of labour are found to hold licenses, entitling them to commission; failing that, some official of the concern usually arranges for commission to be paid to him, tantamount to rebating.

We think it high time for the authorities to adopt measures to confine the right of receiving commissions to those justly entitled to receive it, and to this end, the companies might assist them, in refusing to accept a risk from every Tom, Dick and Harry who offered it, for the sake of the commission he expects to be paid. A Bill for an Act authorizing the revocation of the license of any insurer writing workmen's compensation or other insurance, who accepts risks and pays commission to any but fully qualified and licensed brokers, might have a salutary effect.

AUTOMOBILE RATES.

To the public, which is wanting in intimate information concerning the profound erudition of those who make automobile liability rates and the wonderful business acumen of the men who guide the destinies of the liability companies, the cutting of rates 60 per cent. in Missouri must be bewildering. The "plain people" must conclude that the rate makers are asses or that the rate cutters are of that long-eared species. Nor are they to be blamed if they conclude that the cheap automobile reciprocals, which make their theory agree with their practice, are the ones that really know the business.



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

DIRECTORS:
 JULIUS 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
Head Office: Cor. Dorchester St. West and Union Ave., MONTREAL

DIRECTORS:
J. Gardner Thompson, President and Managing Director. Lewis Laing, Vice-President and Secretary.
 J. D. Simpson, Assistant Secretary.
 Jas. Carruthers, Esq. M. Chevalier, Esq. Sir Alexandre Lacoste A. G. Dent, Esq. John Emo, Esq.
 J. C. Zimmer, Esq. Wm. Molson Macpherson, Esq. Sir Frederick Williams-Taylor, LL.D.

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 Emo 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, Esq. 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, 1863

ASSETS EXCEED \$24,500,000

DIRECTORS FOR CANADA:
 A. J. DAWES, Esq. H. B. MACKENZIE, Esq.
 E. F. HERDEN, Esq. E. C. PRATT, Esq.
 Manager for Canada: ALEX. BISSETT

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.

**THE LIFE AGENT'S MANUAL
PUBLISHED BY THE CHRONICLE, MONTREAL**

NOVEL PROPOSAL FOR DEALING WITH THE PRESENT FINANCIAL CONDITION OF THE WORLD.

Sir George Paish and Mr. J. A. Hobson have brought forward an interesting proposal for dealing with the present financial condition of the world, a situation which, if left to itself, is likely to paralyse the power of economic recovery and to breed grave social disorders in every country. In their opinion it would be foolish to expect to get out of Germany a much larger sum than 50 millions per annum for reparation, and the task of financing the material restoration of France, Belgium, Serbia, etc., they suggest must be done by a large international loan, towards the repayment of which Germany must make her annual contribution. But this furnishing of immediate credit for the work of reparation cannot be separated from the still graver obligation of dealing with the vast amount of floating debt incurred by the several Entente nations. The internal indebtedness of these nations will form a difficult problem, but one that is simplicity itself in comparison with the task of meeting the foreign debts at maturity or even of redeeming them over a period of years. Our own position is not easy, while France is also in a difficult situation, and Italy is perhaps worse off. Austria and Russia are hopelessly insolvent. The writers, therefore, come to the conclusion that all nations must contribute towards a common financial project, pooling for this purpose their several credits, and thereby creating an international credit much stronger than the mere aggregate of the separate national credits. They suggest a loan of some 5,000 millions for the purpose of repairing war damage, reorganizing the finances and currency of Russia and funding the foreign debts, which amount on balance to about 3,000 millions. This loan must be guaranteed both severally and jointly by all the contributory Powers, so that if any one Power should fail to provide its quota of interest and sinking fund the rest would jointly accept responsibility for the deficit. Each nation must contribute according to its presumed ability, i.e., according to its present and early future credit. The proportionate contributions are suggested as: America, 20 per cent.; Great Britain, 20 per cent.; Germany, 20 per cent.; France, 10 per cent.; Russia, 10 per cent., and the minor countries, including the British Dominions and India, and the neutral countries the remaining 20 per cent. between them. It is suggested that the loan should be made free of taxation in every country. It could probably be placed at 4 per cent., and with a 1 per cent. sinking fund, the sum required each year for interest and repayment would be 5 per cent. It would be a strong security for bankers in all countries, inasmuch as it would be freely dealt in everywhere, and would be of considerable value for the purpose of adjusting exchange. The conclusion arrived at is that "the burden of the war debts will be too great for

the world to bear, if they are imposed only upon the nations and the persons who have suffered most from the war, and, through their inability to bear them, will bring about a complete collapse in the credit of every nation.

It will be agreed, we think, that the suggested solution is a bold one and the authors deserve credit for their ideas. The results of a collapse of world credit would certainly be so terrific in their universal application that it is necessary that all possible avenues of a way of escape should be thoroughly explored. Whether this particular solution would be the most effective of such avenues remains to be seen. — Lloyd's Bank Monthly Financial Report."

OCEAN ACCIDENT AND GUARANTEE CORPORATION.

The annual statement of the Ocean Accident & Guarantee Corporation indicates a continuance of considerable buoyancy. Premium income (net) for the year totalled \$18,846,305, compared with \$15,802,256 in 1917, a growth of \$3,044,055. The income from investments and other assets amounted to \$804,030, making a total revenue of \$19,650,335. The compensation paid and provided for amounted to \$10,154,445, as compared with \$8,246,636 in 1917. The loss ratio figured at 53.88 per cent., as compared with 52.1 per cent. in 1917, and 50.7 per cent. in 1916, and the same ratio for 1915; the ratio for 1914 figured at 49.9 per cent. This excellent average ratio over a series of years indicates that the business has been well selected, with judicious expansion. Commission and management expenses show a reduction 0.65 per cent. The taxes were again a very heavy item and show an increase of 1.5 per cent. Investments and other assets increased from \$24,494,760 to \$28,778,660. The balance from revenue account (including \$6,119,485 proportion of premiums unearned) increased from \$13,429,905 to \$15,304,600.

The Corporation has been operating in Canada for many years, where its strong financial position coupled with liberal treatment of its policyholders, and honourable dealing, has gained for the Ocean the same high prestige it enjoys in all parts of the world where it operates. In addition to its casualty business in various branches the company also conducts a fire insurance business. The Corporation's total income in Canada for 1918 was well over \$1,000,000. The Ocean has been noted for careful and conservative underwriting in the Dominion for many years, and this policy has been well adhered to by Mr. W. T. Perry, who assumed the Canadian management some twelve months ago. He is ably assisted by Mr. J. A. Mingay, assistant manager.



EVERY AGENT WANTS

to represent a Company whose name is his introduction. One whose policies are unexcelled. Liberal dividends. Strength and security unsurpassed.

The figures for 1918 emphasize these points in the North American Life.

Business in Force	over ..	\$70,900,000
Assets	" ..	18,100,000
Net Surplus	" ..	2,750,000
Payments to Policyholders	" ..	1,700,000

These are reasons why the Company is known as "Solid as the Continent."

Correspond with E. J. Harvey, Supervisor of Agencies.

NORTH AMERICAN LIFE ASSURANCE COMPANY
HEAD OFFICE - - TORONTO, CAN.

SIZE, STRENGTH, LIBERALITY

The Sun Life Assurance Company of Canada, with over \$340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over \$97,000,000 and surplus of over \$8,000,000 it has decided strength and safety.

Its policy conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

For information as to contracts, communicate with the nearest Division Office, or with the Company's Head Office in Montreal.

SUN LIFE ASSURANCE COMPANY OF CANADA
 Head Office: Montreal. **T. B. Macaulay, President.**

COMMENCED BUSINESS 1901
 RECEIVED DOMINION CHARTER 17th JUNE 1908
 Capital Stock Authorized and 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. SWATHMAN S. G. DOBSON

Head Office - - WINNIPEG, MAN.
 AGENTS REQUIRED AT UNREPRESENTED POINTS

ESTABLISHED 1809

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

Capital Authorised	\$29,300,000.00
Amount Subscribed for	21,900,000.00
Amount Paid-Up in Cash	11,500,000.00

FIRE AND LIFE
NORTH BRITISH AND MERCANTILE
 INSURANCE COMPANY

DIRECTORS
 Wm. McMASTER, Esq. G. N. MONCEL, Esq. E. L. PRASS, Esq.
 Head Office for the Dominion:
 80 St. Francois Xavier Street - MONTREAL
 Agents in all the principal Towns in Canada.
 RANDALL DAVIDSON, Manager.
 HENRY N. BOYD, Manager, Life Dept.

The Imperial Guarantee
And Accident Insurance Co. of Canada
 Head Office, 46 King St. W., TORONTO, Ont.
A Strong Canadian Company
Accident and Sickness Insurance
Guarantee Bonds
Plate Glass & Automobile Insurance
 E. WILLANS, General Manager FRANK W. COX, Secretary

METROPOLITAN LIFE
INSURANCE COMPANY OF NEW YORK

PAID FOR NEW BUSINESS IN CANADA DURING YEAR 1918	{	Ordinary	\$34,919,851
		Industrial	25,865,736
		Total	\$60,785,587

Largest amount ever issued in Canada by any Company.

Amount of Insurance in force in Canada December 31, 1918,

Largest amount in force in Canada in any company.	\$267,950,000
---	---------------

Number of METROPOLITAN policies held by Canadians December 31, 1918,

Largest number in force in any company in Canada:	1,338,534
---	-----------

Investments in Canada exceed

Subscriptions to Victory Loans	\$50,000,000
	\$19,134,100

The Company had nearly 1,500 employees in Canada at the end of 1918.

Home Office, 1 Madison Ave., New York City

THE LIFE AGENTS' MANUAL
 THE CHRONICLE - - MONTREAL

The Ocean Accident and Guarantee Corporation, Limited

Canadian Head Office---TORONTO

W. T. PERRY, Manager for Canada

Dr. BALANCE SHEET, 31st, December, 1918 Cr.

LIABILITIES.

Shareholders' Capital:--	
Authorized--	
200,000 Shares of \$25 each.....	\$ 5,000,000
Subscribed--	
12,000 Shares of \$25 each (fully paid).....	\$ 300,000
112,308 Shares of \$25 each (\$5 per Share paid).....	2,807,700
<u>124,308</u>	<u>\$3,107,700</u>
Less Uncalled Capital.....	2,246,160
	\$ 861,540
Amounts due to other Companies for Re- insurances.....	72,025
Re-insurance and other Funds.....	297,430
Amounts due to Agents and others.....	904,685
Leasehold Redemption and Sinking Fund Account.....	78,985
Provision for Claims outstand- ing.....	\$ 8,320,530
Investment Reserve and General Contingency Fund.....	1,438,865
Reserve Fund.....	1,500,000
Balance from Revenue Account, including \$6,119,485 propor- tion of premiums unearned....	15,304,600
	<u>26,563,995</u>

(\$5.00—£1 Sterling)

\$28,778,660

ASSETS

Mortgages and advances on property with- in the United Kingdom.....	\$ 632,185
Mortgages on property out of the United Kingdom.....	96,000
Investments (including those deposited under local laws or by contract in vari- ous Colonies and Foreign Countries as security for holders of policies issued there):--	
British Government Securities.....	7,027,935
Indian and Colonial Government Securi- ties.....	1,128,170
Indian and Colonial Provincial Securities....	147,700
Indian and Colonial Municipal Securities....	415,425
Foreign Government Securities.....	2,611,575
Foreign Provincial Securities.....	142,580
Foreign Municipal Securities.....	610,710
Railways and other Debentures and De- benture Stocks—Home, Indian and Colonial.....	832,430
United States Railway Bonds.....	5,827,180
Railway and other Debentures and De- benture Stocks—Foreign.....	2,855,325
Railway and other Preference Stocks.....	201,220
Railway and other Ordinary Stocks and Shares.....	405,470
Freehold and Leasehold Premises at Home and Abroad partly occupied as Offices of the Company and partly producing revenue.....	1,515,230
Branch, Agency and other Balances.....	3,097,825
Amounts due by other Companies for Re- insurances and Losses.....	203,605
Cash:--	
With Bankers and in hand.....	949,110
Investments in Trustees' Hands to meet Leasehold Redemption and Sinking Fund Account.....	78,985

\$28,778,660

BUSINESS TRANSACTED

**Personal Accident
Plate Glass
Guarantee**

Fire

Automobile

**Liability
Burglary**

BRANCHES: MONTREAL, WINNIPEG, REGINA, CALGARY AND VANCOUVER

CANADIAN HEAD OFFICE - - - TORONTO

"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.

CANADIAN
BANKING PRACTICE

ON SALE BY

THE CHRONICLE - MONTREAL

First British Insurance Office Established in Canada, 1804

INTENDING ASSURERS
 Should read the "THREE MINUTES" Leaflet
 of the
PHOENIX ASSURANCE COMPANY, Limited
 OF LONDON, ENGLAND (Founded 1782)

Copies of this and full information regarding the Company's system, its equitable principles and liberal policies, may be obtained at the Head Office,
100 St. Francois-Xavier Street, Montreal

The Company offers to the Public every advantage which
LIFE ASSURANCE
 conducted under the most favourable conditions is capable of affording:

At the BONUS DIVISION for the five years ending 31st DECEMBER, 1915
 A UNIFORM ADDITION of \$75 per \$1,000 was declared on all classes of Full-Bonus Policies, at the rate of \$15 per \$1,000 assured in respect of each full annual premium paid since 1st January, 1911. This bonus applies to new as well as existing policies.

R. MacD. PATERSON, } Joint
J. B. PATERSON, } Managers

Agents Wanted

NIAGARA FIRE INSURANCE COMPANY
HEAD OFFICE, NEW YORK **INCORPORATED 1850**

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



LEGISLATION AFFECTING FIRE INSURANCE COMPANIES IN NOVA SCOTIA.

Two bills affecting the business of fire insurance were before the Nova Scotia Legislature during the session recently closed. One of these was the Revenue Bill, which embraced a clause increasing the taxation of fire insurance companies doing business in that Province from one per cent. to one and three-quarters per cent. of the premium income. The other was a measure to tax fire insurance agents, the tax varying according to the classification of the community, viz.: \$10 in cities, \$5 in towns, and \$2 in country districts.

Life insurance agents have been taxed for some years under legislation relating to life insurance companies.

FIRE INSURANCE AND THE PUBLIC.

The address of President C. Buswell, delivered at the annual meeting of the National Board of Fire Underwriters, New York, was a notable discussion of outstanding features in fire insurance. He said in part:—

In opposition to strange doctrine and the forces of disorder, fire insurance stands for conservation, which resists destruction and is a supporter of growth, as distinguished from conservatism, which opposes change. While supporting credits and stabilizing business fire insurance is constantly pointing the way toward betterment of conditions. Its calculation of premium rates provides an incentive for better construction; its engineers show how to improve cities; it promotes the adoption of better building codes; it runs down arson; it wages war on the American sin of carelessness. Because it was organized to perform these and other services, it was able, as was no other agency, to render the Government certain kinds of service of untold value during the war.

Referring to recent experiments in Government operation, which, he says, "served a valuable purpose in substituting exact information for theory upon the subject of Government ownership," Mr. Buswell further remarks: "Agitators, many of whom appear to be plentifully supplied with mysterious funds, are working in co-operation with politicians of a certain stripe and with a strange variety of so-called 'intellectuals' to bring about the destruction of established institutions, including the most fundamental industrial, commercial, and even social relations. As an answer to such doctrine, we assert upon the basis of demonstrated facts that in the United States, at least, the greatest good of the greatest number is assured when individual initiative is encouraged to its best endeavours; when such private business as has learned to read self-interest in the larger terms of public service, is fostered; when official supervision does not include interference beyond the point of protecting public rights."

LIFE INSURANCE BUSINESS IN 1919.

A Note of Warning.

The Weekly Underwriter, New York, says:— Now and again, in the general chorus of jubilation over this year's unprecedented life insurance production, there may be heard a modest but earnest note of warning. It comes as a surprise. Apparently the vote is not unanimous as regards felicitations. There is fear among the very small minority that the flood may work something of destruction unless scrupulously watched. They contend that many men are taking out life insurance just now in a spirit of speculation, to secure them for two or three years against the threat of influenza, after which they will drop their coverage, with the consequence of inaugurating a discouraging and unusual lapse ratio. It is also hinted that in spite of unusually careful medical selection now being observed, the great writings of 1919 stand a good chance of producing abnormal losses. The first warning may, perhaps, be dismissed with little comment, but the second is worthy of consideration. The after-consequences of the influenza are far from negligible. Anyone who has had it is still subject to physical dangers even when recovery appears to be complete. During the first three months of 1919 the mortality of one prominent company has been double that of the first quarter of last year. Taken as a whole, the death rate of the country has been considerably higher up to the present time than it was in the same period of 1918. This is a serious matter, when it is remembered that the net decrease in the surplus of life insurance companies in 1918, chargeable chiefly to the influenza, was in excess of \$37,000,000, as compared with the normal increase of some \$40,000,000 usually experienced each year. Another element of apprehension, though it may be slight, undoubtedly attaches to the temptation to push production to its utmost while the "going is good." Insurance Superintendent Phillips, of New York, felt strongly the danger that lies here when he sounded an emphatic note of warning against the revival of high pressure methods in connection with the suspension of legal limitation upon writings. Perhaps these demurrers are by way of being death heads at the feast, but they are certainly salutary, and can stand consideration to advantage.

PERSONALS.

Mr. W. E. Baldwin, manager for Canada of the Continental Fire Insurance, has just returned from Winnipeg, where he made an exhaustive report of present conditions, as they are affected by the strike, further reference to the matter will appear in our next issue.



Security - - \$36,000,000
ONTARIO AND NORTH WEST BRANCH
 14 Richmond Street, East, TORONTO
PROVINCE OF QUEBEC BRANCH
 164 St. James St., Cor. St. John St., MONTREAL.



PERSONAL ACCIDENT **PLATE GLASS]**
SICKNESS **AUTOMOBILE**
FIDELITY GUARANTEE **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 1824

1819 **AETNA (FIRE)** 1819

HARTFORD, CONN., U.S.A.

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

J. B. HUGHES, Special Agent, WATERLOO, ONTARIO
 L. R. STEWART, Special Agent, 26 Toronto Street, TORONTO, ONT.
 B. LONG, Special Agent, 515 Yorkshire Bldg., MONTREAL, P. Q.

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

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

Agencies throughout the Dominion

EXCELSIOR
 INSURANCE LIFE COMPANY
A Strong Canadian Company
 J. J. Robichaud, Provincial Inspector.
 MONTREAL TRUST BUILDING, 11 Place d'Armes, MONTREAL

The Law Union & Rock
 INSURANCE CO. LIMITED, LONDON. Founded in 1806
Assets Exceed - - \$50,000,000
 Over \$10,000,000 invested in Canada
FIRE and ACCIDENT RISKS accepted.
 Canadian Head Office: 277 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

SUN LIFE REPRESENTATIVE HAS BIG RECORD FOR MAY.

Mr. Thomas Hendry, representative of the Sun Life at Brantford, Ont., achieved a high record for his company during the month of May, having personally secured 61 applications for \$359,000. During the same period, three of his sub-agents secured 67 applications for \$92,500, making a total for the month of 128 applications for \$451,500.

CANADIAN FIRE RECORD.

Fire at Cobourg Ont.—On May 29th a fire destroyed the barn and stables of Mr. Victor Boundy, together with twelve head of cattle and five horses, also other contents. Loss about \$6,000.

Fire at Hazel, Ont.—On May 30th a fire destroyed the general store of Pellon & McMeekin. Loss about \$17,000. No insurance. We understand the fire hazard on this risk was high owing to the frequent danger of forest fires in the far north.

Fire at Longueuil, P.Q.—On the 1st instant a fire destroyed the Longueuil Boat Club. Loss about \$3,000.

Fire at Deseronto, Ont.—On May 26th a fire destroyed the bake shop of W. H. Richardson. Loss about \$5,000.

CLOSING THE HOME IN SUMMER.

Before leaving the home for the summer vacation, a careful inspection should be made of the entire premises. It is well to throw out all electric light main switches and turn off the gas at the meter, also to see that the plumbing is in good condition. Turn off the water at its entrance to the house, to avoid any defect in water pipes causing damage by flooding. It is a good plan to pour a small amount of hydro-carbon oil into all traps and water seals to prevent evaporation of the water and the escape of sewer gas. Special attention should be given to floor oil mops and oily rags. These should be safely stored in metal containers, as they are fruitful sources of fire by spontaneous combustion. When the house is opened again, it should be well ventilated and thoroughly cleaned.

MORE BRITISH COMPANIES MAY ENTER CASUALTY FIELD IN UNITED STATES.

The tremendous growth of casualty insurance in the United States, especially in the line of workmen's compensation and automobile insurance, points to great possibilities for future development and the fact that in most of the branches the underwriting conditions are now fairly good makes this appear like a favourable time to launch

a company with the backing of a great institution which for years has conducted its fire insurance business in the United States on a high plane and has gained the confidence of the insurance public. This reputation which many of the English companies enjoy, is an asset to a subsidiary casualty company, the value of which it is difficult to estimate. It enables a new company with moderate financial resources in its own name to take its place as a strong institution because it is known that the parent company would not allow itself to be disgraced by the failure of its subsidiary, while a new institution without such backing must have large assets of the highest character in order to gain the same degree of confidence in the same period. The Journal of Commerce draws attention to the numerous visits of British Company officials to the United States, and says:

There has risen some speculation as to the possibility of more large institutions which write fire and marine insurance in the United States engaging in the casualty business here, either by entering casualty companies which they control in Great Britain or by organizing companies in the United States. That the United States representatives of some of the leading British companies are interesting themselves in the casualty business is evident from the questions they ask and also from admissions that they have been looking up statistics on casualty operations. It is not likely that they would be going to this troubles unless they had some object in view, and it is a reasonable assumption that they have been requested by their home offices to make some investigations.

A man who has considerable familiarity with the operations of British companies explains that numerous recent mergers and purchases which have been reported from England, partly on the ground that companies are endeavouring to improve their classifications. Thus a company with a large fire and marine business gets control of one doing a large life insurance business with a view of making its premium income from the three branches more nearly equal. The great difficulty in bringing about this equalization, he says, lies in increasing the accident income to the level of the others. There is not enough business in the casualty lines to be had in England to bring this about, so the companies look to the United States as the field in which to develop the necessary casualty insurance premium income. He predicts that within the next three or four years a number of the larger British companies will be in the casualty business in this country.

Canadian Banking Practice

On Sale by The Chronicle, Montreal

Commercial Union

ASSURANCE COMPANY LIMITED
of LONDON, England

The largest general Insurance Company in the world
(As at 31st December, 1917)

Capital Fully Subscribed.....	\$14,750,000
Capital Paid Up.....	1,475,000
Life Fund, and Special Trust Funds.....	73,045,450
Total Annual Income exceeds.....	57,000,000
Total Funds exceed.....	159,000,000
Total Fire Losses Paid.....	204,667,570
Deposit with Dominion Government.....	1,323,333

Palatine

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December, 1917)

Capital Fully Paid.....	\$1,000,000
Fire Premiums 1917, Net.....	\$2,896,395
Interest, Net.....	142,130
Total Income.....	\$3,038,525
Funds.....	\$5,476,985
Deposit with Dominion Gov't....	\$318,267

N.B.—In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$159,000,000.

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



Assets
Exceed
\$80,000,000

Eagle Star

AND

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

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

NOTICE

The Providence Washington Insurance Company has received Dominion of Canada License No. 799, under the Insurance Act of 1917, for the transaction of Explosion Insurance.

ROBERT HAMPSON & SON,
Chief Agents for Canada.
Montreal.

WANTED

Adjuster, man of experience, desires position with Casualty Company. Capable and thoroughly reliable. Both languages. Address :—

V. B. B.,
c/o The Chronicle,
Montreal.

WANTED

A General Fire Insurance Agency for the Province of Alberta. Have now an organization of 125 local Agents. Apply to

FIRE AGENCY,
c/o The Chronicle,
Montreal.

Some of the Innovations Introduced by the Equitable During its

SIXTY YEARS OF PUBLIC SERVICE

Shortening, Simplifying and Liberalizing the Policy Contract

Immediate Payment of Death Claims

noncontestability after first policy year

Group Insurance for Employees

A Corporate Policy to Protect Business Interests

A Convertible Policy Adaptable to Altered Circumstances

Free Health Examinations for Policyholders

A Home Purchase Policy

A Refund Annuity guaranteeing return of Entire Principal

An Income Bond to provide for old age

New and Improved forms of Accident and Health Policies, thus completing the circle of protection against the hazards of Life, Accident, and Disease.

THE EQUITABLE

LIFE ASSURANCE SOCIETY
of the **UNITED STATES**

120 BROADWAY

W. A. DAY, President

NEW YORK

A few of the many advantages in representing The Manufacturers Life are:
COMPANY'S NAME IS A HOUSEHOLD WORD IN CANADA, KNOWN AND APPRECIATED BY NEARLY SEVENTY THOUSAND SATISFIED POLICYHOLDERS;
SPECIAL PLANS AND RATES FOR TOTAL ABSTAINERS;
LOW ANNUITY RATES; SPECIAL DISABILITY FEATURES;
OVER THIRTY YEARS OF UNINTERRUPTED PROGRESS.

We have several attractive openings, particulars of which will be given on request.

THE MANUFACTURERS LIFE
INSURANCE COMPANY

TORONTO - - - - - CANADA



THE Continental Insurance Company
OF NEW YORK

HENRY EVANS, - - - President

FIRE. HAIL. TORNADO. MARINE.

ASSETS EXCEED THIRTY-SIX MILLION DOLLARS

Now Writing HAIL INSURANCE Agents Wanted

W. E. BALDWIN
Manager

Head Office for Canada and Newfoundland 17 ST. JOHN ST., MONTREAL

MAKING THEORY AND PRACTICE CONFORM

In a recent address before the Casualty Actuarial and Statistical Society, G. F. Michelbacher, actuary of the National Workmen's Compensation Service Bureau, said: "The theoretically perfect method of procedure is often impossible of application because practical underwriting demands a scheme of rates that can easily be applied, and that limits the possibility of fraudulent manipulation to a minimum." A conflict between theory and practice appears inevitable in rate making. To make rates either from combined experience or by analysis of hazards is the work of actuaries and scientists, to whom the first essential is accuracy. To the practical insurance man ease in application of rates and avoidance of annoyance to the assured are more important than accuracy. To keep a reasonable balance between these two factors is essential to the best interests of the business. The actuary must have his way in securing rates which are adequate, reasonably non-discriminatory and sufficiently accurate to encourage reduction in hazard. The practical insurance man must not have his time wasted by frequent changes in the rating system, made with a view to greater accuracy. Neither must he have his assured disturbed by constant reratings, nor can he afford to have the rates loaded for the expense of too minute measurement of hazards. To keep this balance is part of the duty of those who control the business in a broad sense, and they should keep a lookout that neither the actuaries nor the field forces are permitted to run away with the situation.

The following, quoted from an engineering paper, is commended to the attention of practical workmen's compensation underwriters as a perfectly good exposition of the theory of the application of engineering principles to reduction in accident frequency.

"In trying to insure the use of safeguards the personal element and mechanical side of the question should co-ordinate, the one forming the abscissa and the other the ordinate of the perfect efficiency curve. The personal issue is most important, as the individuals involved present a different set of variables in each problem. Therefore, the question must be treated on the ground of averages."

Quotation of the foregoing might be useful in quieting brokers when they get too insistent; it would either turn their thoughts to higher things or throw them into utter collapse.

WANTED

Good opening for experienced Marine Insurance Clerk in Insurance Office. Give full particulars as to age, experience, salary expected, etc., and whether familiar with loss branch also. Applications will be treated in strictest confidence. Address:

Marine Clerk,
c.o. The Chronicle;
Montreal.

NOTICE

THE ALLIANCE ASSURANCE COMPANY, LIMITED, OF LONDON, ENGLAND, has received Dominion of Canada License No. 792 under the Insurance Act of 1917, to transact Burglary and Plate Glass Insurance.

T. D. BELFIELD,
Chief Agent and Manager for Canada,
39 St. Sacrament Street,
Montreal, P.C.

A REAL OPPORTUNITY

For Men Who Have Had Selling Experience of Any Kind

Here is an independent line of work with immense opportunities for the man who has character and selling capacity. You deal with the new and rich fields of Life, Income, Pension and Indemnity insurance. You earn an income that is limited only by the energy and ability you put into your work.

We start you into business: we give you a Free Course in Salesmanship, and help you to make good. Write to-day.

Sales Department:

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