

# The Chronicle



## Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

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MONTREAL, JUNE 25th, 1920

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### THE GENERAL FINANCIAL SITUATION

Adequate reasons why, for the marked rise in New York Funds on this market during recent weeks, are to be found in plenty in the figures of Canadian foreign trade for the months of April and May, which are now available. In brief, the tale of these figures is as follows:—In the two months named this year our exports were \$130,699,000; our imports, \$211,738,000; that is to say imports exceeded exports by some \$81,000,000. In the corresponding two months of 1919, on the contrary exports totalled \$156,747,000 and imports, \$125,600,000; exports exceeded imports by \$31,000,000. The change from the 1919 figures to those of this year is a decidedly unwelcome one, and is calculated to cause considerable anxious thought regarding the immediate future in Canada on the part of bankers and other conservative business men, who are not merely contented to take things as they are for the moment. The ominous fact about these figures is not the decline in exports, which is serious enough in itself, but the immense increase in imports, which certainly is not wholly, or even in fair proportion accounted for, by the rise in prices over last year of many imported goods. When New York Funds first went to a heavy premium in Montreal last fall, it was thought in some quarters that this premium would serve as a considerable handicap upon purchases of imported goods, and that its effect ultimately would be to cut down imports. That opinion, or rather hope, is now shown to have been entirely fallacious and ill-grounded. In spite of the additional cost of goods caused by the premium upon Canadian funds, the present figures indicate that Canadians have gone on purchasing as freely as ever in fact, apparently more freely than before.

In this connection, we are disposed to think that a great deal of harm has been done, by the talk which has been indulged in from time to time during the last two or three years, often by people who should know better, about Canada having changed her position from a debtor to a creditor nation. It is in fact extremely doubtful, to put the case quite mildly, if at any time during the war years, even when the war export trade was at

its height, Canada really occupied the position of a creditor nation. Any surplus in our "visible" exports over "visible" imports was always offset and more than offset by our "invisible" imports—freights, insurance premiums, other payments for services rendered by outsiders, and chiefly by our annual interest payments on capital borrowed from abroad. These payments can hardly be less than \$200,000,000, annually, and in spite of the buying back from British holders of Canadian securities, which has taken place during recent years, there is no reason to suppose that the annual aggregate has been reduced to any appreciable extent. It is the existence of these "invisible" drains upon our resources which makes the present position of our "visible" trade so disconcerting, coupled as it is with the fact that under present conditions, the remedy for adverse trade balances which was freely used prior to the war, that of borrowing in Great Britain and the United States is not available. Post-bellum adjustment has not yet advanced to the stage when London can freely advance new funds to Canada, although the indications are that that stage is being approached, owing to the steady recovery of sterling exchange, and while the premium on New York Funds makes the purchase of Canadian securities especially attractive to United States investors, investment funds are at present by no means plentiful in the United States, and there are any number of domestic bargains available for them. The time when Canada will be able to resume free borrowing abroad is not, perhaps comparatively speaking, very far off. But meantime the trend of affairs indicated in the figures with which this article began is a decidedly unhealthy one and may possibly cause some trouble here before new and ameliorating influences come into effective play.

One interesting feature of our export trade is the prominence in it of the pulp and paper industry. For the month of May, exports of wood, paper, etc., actually stood at the head of the list of our classified exports, reaching a figure of \$21,573,530 as compared with \$21,369,676 for agricultural products. Re-capitalisation of the various pulp and paper undertakings is proceeding. The Brompton

# The Royal Indemnity Company

is now transacting business

In the Provinces of Quebec and Ontario

**PERSONAL  
ACCIDENT**

**SICKNESS**

**GUARANTEE  
BONDS**

**LIABILITY**

**BOILER AND  
FLY WHEEL**

**AUTOMOBILE  
LIABILITY**

**BURGLARY**

**PROPERTY DAMAGE**

**COLLISION**



**CHARLES H. HOLLAND, President**

**CANADIAN OFFICES**

**Montreal**

**Royal Insurance Building**

**RICHARD J. BOND,**

**Superintendent for Canada**

**Toronto**

**Royal Insurance Building**

**JULIAN H. FERGUSON,**

**Superintendent for Ontario**

# The Chronicle

**Banking, Insurance and Finance**

Established 1881.

Published Every Friday

F. WILSON-SMITH, Proprietor and Managing Editor

OFFICE:

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10 St. John Street, Montreal.

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MONTREAL, FRIDAY, JUNE 25th, 1920

(Continued from front Page)

plan of doubling the issued capital stock has come out within the last few days, and announcement of a re-arrangement of capital by Price Brothers is expected shortly. The course of Wayagamack shares on the local Exchange suggests that a similar operation is in prospect for that company. Outside the pulp and paper group the influence of tight money is paramount on the local Exchange, and there is very little doing, although it is obvious that a number of standard stocks, and some others, which if not standard, are of a very fair secondary type, are selling at absolutely bargain prices.

It was hardly to be expected that an immense deal like that involving the creation of the British Empire Steel Corporation would be carried through without friction of some kind. None the less, the developments of the last few days, are regrettable. The minority directors of Dominion Steel, who have been removed from the board, men of the highest standing in the business community, and the interests they represent, are very considerable, and not lightly to be antagonized. The recent friction is not likely to make the successful promotion of the new undertaking any the easier, although it must be confessed those in charge of it have shown by their previous records a remarkable capacity for getting things done. Frankly, however, the promoters of the new undertaking would have made a better impression upon the business community and the investing public if they had talked less, and particularly if they had refrained from hoisting the patriotic banner. Nobody is deceived thereby, and everybody is well aware that the promoters are not carrying through their present plans, merely for the good of their health, as a result of purely patriotic motives. There is nothing to be ashamed of in that fact, but in the opinion of many business men, it would have been much better tactics on the part of the promoters not to have suggested otherwise. In financial matters, flag waving very justly arouses suspicion.

With regard to conditions in the United States, the immediate future of commodity prices is still a subject of dispute, and it is left for the next six

months to show whether curtailment of production will counter-balance the American public's manifest unwillingness to pay the very high prices prevailing for many goods. No one, it is pointed out, can surely predict as yet the influence of high rates for money and restricted credit, in determining how far concessions in prices will be offered by producers, middlemen, and retail merchants. The mercantile reviews, it may be noted, appear to foreshadow lower prices. All of them speak of increased conservatism in buying. So far the same cannot fairly be said of conditions in Canada, except possibly in some special lines like men's shoes, and to some extent, it appears, women's clothing.

On the New York Stock Exchange, trading is extremely inactive. There is a good deal of uncertainty regarding the course of the money market. The fact that abnormally high rates prevailed in the first six months of the year is a natural reason for expecting tension in the fall. The liquidation which has already occurred on the Stock Exchange and in some lines of trade should help in reducing the prospective demand. But it is noted as a warning against too great optimism on this point that the recent statements of the Federal Reserve banks show only negligible recovery from the lowest ratio of reserve to liabilities yet reported.

## CANADA'S NEED

"What is the need of Canada at the present time? We have a great debt in this country. How are we going to meet it? We are told to produce. We can produce in the factories, on the land, and in the mines of this country. We have great natural resources that only need to be developed in order to enrich this country; and if we could only develop those resources to the extent of one-fourth of their value at the present time we would have no trouble in meeting our obligations as a nation. There is no cause for any person in this country to be discouraged about the future of Canada. All we need to do is to move around this Dominion to realize the great resources we possess; and we cannot help but become prouder of our country and cannot help but glory in the fact that, in Canada, we have as great wealth and as great opportunities as are to be found in any land in the world to-day. What is requisite is to encourage the development of those resources and, given an opportunity to the people to take advantage of the wealth that is in the country, there will be no need for the Government to worry about the future of Canada and no need for the honest, capable and ambitious citizen of Canada to worry about it either."—W. A. Buchanan, M.P., in *House of Commons*

## CANADA PERMANENT MORTGAGE CORPORATION

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 FRIDAY, the SECOND day of JULY next, to the Shareholders of record at the close of business on the Fifteenth day of JUNE. By order of the Board.

GEO. H. SMITH,

Assistant General Manager.

Toronto, 26th May, 1920.

## The Trust and Loan Co.

OF CANADA

Capital Subscribed ..... \$14,630,000.00  
Paid-up Capital ..... 2,000,000.00  
Reserve Funds ..... 2,000,000.00

MONEY TO LOAN ON REAL ESTATE

30 St. James Street - Montreal



**SERVICE**—This Bank, for the past 45 years, has done its share in the development of the business of the Dominion. Our experience and equipment are at the service of every customer.

**THE Standard Bank**

of CANADA

Montreal Branch, 136 St. James St.  
E. C. GREEN, Manager

## The MERCHANTS BANK OF CANADA

HEAD OFFICE - MONTREAL

Capital Paid-up	\$ 8,400,000
Reserves and Undivided Profits	8,660,774
Total Deposits (April 30, 1920)	163,000,000
Total Assets (April 30, 1920)	197,000,000

Board of Directors

SIR H. MONTAGU ALLAN, C.V.O., President  
K. W. BLACKWELL, Vice-President  
F. HOWARD WILSON, THOS. LONG, A. B. EVANS  
SIR FREDERICK ORR LEWIS, Bart.,  
Lt. Col. J. R. MOODIE, F. ROBERTSON  
E. W. KNEELAND. A. J. DAWES,  
THOS. AHEARN, Hon. C. C. BALLANTYNE,  
G. L. CAINS, Hon. LORNE C. WEBSTER,  
GORDON M. MCGREGOR  
D. C. MACAROW, General Manager,  
T. E. MERRITT, Supt. Branches and Chief Inspector  
W. A. MELDRUM, General Supervisor



Merchants and Manufacturers are cordially invited to discuss all matters of finance with us.

The Merchants Bank is more than a mere depository—it is an institution that stands ever ready to advise and assist its customers in regard to money matters, investments and business generally.

391 Branches in Canada

Extending from the Atlantic to the Pacific  
New York Agency: 63 & 65 Wall Street

## REAL BANKING SERVICE

All branches of this Bank are in a position to give the most comprehensive Banking service. Government and Municipal Securities are dealt in. Foreign Exchange bought and sold. Money Orders and Letters of Credit issued. Collections made on all points in Canada or overseas.

ESTABLISHED - 1878

## IMPERIAL BANK OF CANADA

180 BRANCHES IN CANADA

AGENTS IN GREAT BRITAIN

England: Lloyd's Bank Limited, London and Branches.  
Scotland: The Commercial Bank of Scotland, Limited, Edinburgh and Branches.  
Ireland: Bank of Ireland, Dublin and Branches

AGENTS IN FRANCE

Credit Lyonnaise, Lloyd's and National Provincial Foreign Bank Limited

**PHOENIX ASSURANCE COMPANY LIMITED**

The Phoenix Assurance Company of London, England, has just completed its 138th year, and at no time in the course of its long career were its prospects so bright. This illustrious institution by reason of its vast business, world-wide organization, able administration, and great resources, has long been a conspicuous member, among the great composite British Offices. The most notable recent event in the affairs of the Phoenix is the amalgamation of the Norwich Union Fire, and as by 1918 the income of the latter had risen to over \$13,500,000, on which there was a substantial profit, the importance of the amalgamation of this business is apparent.

In the case of the Phoenix, Lord George Hamilton, chairman for many years, has retired from that position, and Sir Gerald Ryan, hitherto General Manager, to whom the great development of the Phoenix in recent years has been chiefly due, has been elected chairman in his place. Mr. Ralph Yeo Sketch of the Norwich Union Fire succeeds Sir Gerald Ryan as General Manager, and very great interest is felt concerning the possible result of that combination. As the fusion with the Norwich Union became effective only as from 1st January 1920, the 1919 accounts of the Phoenix, now under review, closes one era of the Company's operations, and it may well be said, they close the era of the old organization in exceedingly good form.

*The Fire Department*

The underwriting of fire risks is the historic business of the Phoenix, and once more this old Company has surpassed its previous records. For the first time in its history, the net premium income has risen above the ten million mark. For the year 1919 the net premiums totalled \$11,320,195, as compared with \$9,970,775 in 1918. This substantial growth of approximately \$1,350,000 indicates that the opportunities which exist for larger business has been responded to by the Phoenix. Net losses for the year amounted to \$4,812,610. The loss ratio works out at the extremely moderate figure of 42.5 per cent. as compared with 44.6 per cent. in 1918.

Commissions and Expenses at 38.3 per cent., compares with 37.4 per cent. to premiums in 1918. After providing for the unexpired liability reserve on a 40 per cent. basis, there is a net trading profit of \$1,631,885 as compared with \$1,220,770 in 1918. The fire funds have been increased by \$540,000 to a total of \$11,465,000.

*The Life Department.*

As may well be expected, the returns from the life department, in no way fall short in their degree of excellence of the fire department. During the year life policies were issued for net new assurances of \$10,813,120 with new net premiums of \$467,535. The total income of the department for the year was \$6,634,235, and the outgoings, including \$948,335 written off securities were \$6,512,780. Death claims absorbed \$3,155,750. The total amount paid was within the normal expectation. A further sum of \$1,004,785 was paid in respect of Endowment insurance. The Life Assurance fund at the close of the year stood at \$55,855,885.

In the Marine Department net premiums amounted to \$4,197,670 for 1919. claims totalled \$3,839,190. The sum of \$1,500,000 including profits realized on the working out of the 1917 and 1918 accounts, was transferred to Profit and Loss Account.

*The Canadian Branch*

The Phoenix Assurance Company has been operating in Canada for the past 117 years, and can therefore claim the distinction of serving the insuring public throughout the Dominion longer than any other company in existence. Its present managers in Canada Messrs. R. Mac D. Paterson and J. B. Paterson, between their connections and themselves have directed its affairs for over ninety years of this long period. This unique record is probably without a precedent in the business of insurance. The Company transacts both fire and life throughout the Dominion, and every honest claim is met in a generous and liberal spirit.

Last year net cash received for fire premiums totalled \$1,145,616, a growth of nearly \$100,000 as compared with the preceding year. The Company has a very enviable record in its Canadian Underwriting results. The loss ratio for 1919 figuring at 43.16, compares with 42.31 per cent. in 1918. This favourable record is the result of conservative and careful underwriting. The policy of the management has for many years been reflected in the quality of the business written, rather than an aggressive pursuit of premium income. The business of the life department in Canada was well maintained during the year without any undue effort, new policies issued and paid for in cash amounted to \$659,843, an increase of over \$100,000 as compared with the preceding year, while insurance in force showed a most satisfactory increase to \$7,441,533 in proportion to new business written.

# Commercial Union Assurance Company Limited

of London, England

THE LARGEST GENERAL INSURANCE COMPANY IN THE WORLD  
as at 31st Dec., 1919.

Capital Fully Subscribed. . . . .	\$14,750,000	Total Annual Income exceeds. . . . .	\$75,000,000
Capital Paid Up. . . . .	7,375,000	Total Fire Losses Paid . . . . .	215,897,380
Life Fund, Etc. . . . .	99,147,565	Deposit with Dominion Gov't. . . . .	1,416,333
Total Funds exceed. . . . .	209,000,000		

# Palatine Insurance Company Limited

of London, England

as at 31st Dec., 1919.

Capital Fully Paid . . . . .	\$1,000,000	Total Income . . . . .	\$1,145,585
Fire Premiums 1919. . . . .	3,957,650	Funds. . . . .	6,826,795
Interest Net . . . . .	187,935	Deposit with Dominion Gov't. . . . .	365,567

N.E.-In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$209,000,000.

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

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

W. S. JOPLING, Manager

# THE CANADA

T. H. HUDSON, Manager, Fire Department.  
Policies Guaranteed by  
Commercial Union Assurance  
Company Limited

## ACCIDENT & FIRE ASSURANCE COMPANY

Head Office, - - MONTREAL  
H. F. RODEN, Manager, Casualty Department  
Local General Agents, (Fire)

G. U. PRICE & CO., LIMITED  
Bank of Toronto Bldg., Montreal

GUARANTEED BY EAGLE STAR AND BRITISH DOMINIONS INSURANCE COMPANY LIMITED, OF LONDON, ENGLAND

SECURITY OVER  
\$93,000,000



FIRE  
AUTOMOBILE

# THE BRITISH CROWN

ASSURANCE CORPORATION LIMITED  
OF GLASGOW, SCOTLAND

J. H. RIDDEL,  
Manager

HEAD OFFICE FOR CANADA - - TORONTO

E. C. G. JOHNSON,  
Asst. Manager

JOSEPH ROWAT - GENERAL AGENT - MONTREAL

# THE FIRE INSURANCE COMPANY OF CANADA MONTREAL

Authorized Capital, \$1,000,000    Subscribed Capital, \$500,000    Paid Up Capital, \$200,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

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

### BRITISH EXPORT STRENGTH

The marked advance in British power to export must be taken as a most hopeful symptom of the power of England to "come back" to a normal state of things and to hold her own in world trade. A growth of ability in this direction has been noted in these columns for some months past, but the most recent figures afford a still more striking evidence of the condition of affairs. This is encouraging not only as regards Great Britain but with respect also to other countries which have been oppressed by war conditions and have consequently suffered from distorted exchange. Eventually the latter can be corrected only by rectification of currency and banking methods, but the improvement of exporting power will be a great assistance in bringing about the desired strengthening of the situation.

Great Britain's growth in exports means that there will naturally and necessarily have to be a corresponding growth of imports in other countries.

It is to be hoped that other countries will in the near future begin to exhibit something like the recuperative power of Great Britain in foreign trade. There are encouraging indications here and there, but thus far nothing that seems at all comparable with the power of control and ability to meet obligations that exists in England. Great Britain has her own internal problems, and they are many, but she is making progress toward their solution.

### PHOENIX BOARD CHAIRMAN ON NATIONALIZATION SUBJECT

Sir Gerald H. Ryan, Bart., presiding as chairman at the annual general meeting of the Phoenix of London, touched on the much discussed subject of nationalization in reporting the very excellent results in 1919. "We hear nationalization spoken of," he said, "as a principle to be applied to many branches of public or private effort; today it is the mines; tomorrow it may be the railways and so on. Insurance has not escaped the net which has been flung far and wide by the theorists and idealists who aim at destroying the present fabric of industry. On its political side we have, naturally, nothing to say in such a meting as this. But will any one maintain that the same measure of financial support, either in subscriptions to loans or in payment of taxes, would have been forthcoming to the nation in its emergency had the business of insurance been in government and not in private hands? We have recently had brought prominently before our eyes one example of the complete failure of a government department to deal with a certain type of life assurance. Would the result be any the more successful were the

more highly technical business of fire or marine or accident insurance undertaken by the State?"

### Reaction in British Insurance Shares

Discussing the causes which have led to this reaction in British insurance share values, the "Policyholder," of Manchester, says:

"For the first time insurance shares show a setback, while the general market has kept an even balance. There can be no doubt this has been caused to a great extent by the flotation of so many new companies last autumn. The general public was suddenly seized with the belief that the shares of the insurance venture must go to a big premium, with the result that, for a time, the new concerns whether they were good, bad or indifferent were immediately over-subscribed. Then it became obvious to all that the market was being overdone and underwriters were left with big blocks of shares which they had to sell at a discount and so the shares of all new companies came down with a rush, bringing the prices of the older offices along with them.

"Added to this there have been disappointments as regards dividends and bonuses. This more particularly in the case of the London and the Royal Exchange. It was fully expected that the bi-centenary birthdays of these two companies would produce something appreciable, if not sensational, in the way of bonuses, but the London only paid a dividend of 24 per cent. and 5 per cent. special bonus, as against 24 per cent. a year ago, and the Royal Exchange 16 per cent. and 5 per cent. special bonus, as against 14 per cent. in 1919. A glance at the report of the London meeting as it appears in the "Press" conveys no idea of the plain speaking which really took place thereat. Instead of lasting, say half an hour, it went on for a much longer period and at times was quite alive with interest.

### PERSONALS

Mr. F. M. Griswold, General Inspector of the Home Insurance Company, New York is in Montreal this week attending the Convention of the American Waterworks Association, and incidentally looking over the Company's business here. Mr. Griswold who is in his 77th year, has just completed 46 years of service with the Home. He is a son of the late Mr. J. Griswold, author of *Griswold Fire Underwriters Text Book*, and who was some thirty years ago editor of this journal.

Mr. S. S. Patchell, chief agent for Canada of the St. Paul Fire & Marine Insurance Co., Winnipeg was in Montreal this week.

# PHOENIX ASSURANCE COMPANY LIMITED

## Report of the Directors for the year Ending 31st December, 1919

The Directors have the pleasure of submitting their Report on the business of the Company for the year ending 31st December, 1919, the 138th year of the Company's existence together with the accounts duly audited.

### FIRE DEPARTMENT.

The net premiums amounted to \$11,320,195 and the net losses to \$4,812,610 or 42.5 per cent. of the premiums. The expenses and commission together amounted to \$4,355,700, being 38.3 per cent. of the premiums. The Fire Funds have been increased by \$540,000 to a total of \$11,465,000. A sum of \$1,631,885 has been transferred to Profit and Loss Account.

### LIFE DEPARTMENT

During the year, 2,966 Life policies were issued, assuring \$11,627,195, with new premiums of \$494,040. Re-assurances were effected with other companies for \$814,075 at premiums of \$26,505. The net new assurances were thus \$10,813,120, and the net new premium income \$467,535, including \$25,015 of single premiums.

One hundred immediate annuities were granted for \$40,195 per annum, the consideration money received being \$442,930. One deferred annuity for \$50 per annum at a premium of \$45 was also granted.

Claims for the aggregate sum of \$3,155,750 arose by the death of 639 persons assured under 776 policies. The total amount paid was within the normal expectation. A further sum of \$1,004,785 was paid in respect of endowment assurances matured. Fifty-nine annuitants, in receipt of \$827,620 per annum, died during the year.

The income of this department for the year was \$6,076,235 and the outgoings were \$4,922,915. The Life Assurance funds at the close of the year stood at \$55,734,430. The rate of interest calculated upon the average funds of the year was 3.94 per cent., after deduction of income tax.

### PROFIT AND LOSS ACCOUNT.

By the operations of the year there has been passed to Profit and Loss from the Fire, Accident and Marine Accounts gross profits of \$3,183,185, but the provision of \$1,753,040 for income Tax, Excess Profits Duty and other Taxes has reduced this to \$991,885. Interest amounted to \$938,000.

After payment of dividends and the interest on Debenture Stock, together amounting to \$1,007,445, the Directors have applied \$854,885 in writing down the securities in the Fire, Accident, Marine and Shareholders' Accounts to the values at 31st December 1919, and have carried \$125,000 to Office Premise account. A balance of \$1,676,875 remains to be carried to the credit of next year's account.

The Directors recommend that a dividend of \$3 per share be declared, to be payable in two instalments of \$1.50 each on 1st May and 1st November next, to members on the register 30th April and 31st October respectively. This compares with a total payment in 1919 of \$2.75 per share.



**Funds of the Company on the 31st December, 1919**

Fire Funds (including General Reserve) . . . . .	\$11,465,000
Life and Capital Redemption Funds . . . . .	58,290,270
Marine Funds . . . . .	3,829,465
Accident Funds . . . . .	938,150
Profit and Loss Account . . . . .	1,676,875
Capital paid up . . . . .	2,114,275
Debenture Stock Funds . . . . .	6,389,750
	\$84,703,785
Provision for Outstanding Claims and Accounts . . . . .	13,700,015
Total Assets as per Balance Sheet . . . . .	\$98,403,800

**General Balance Sheet on the 31st December, 1919**

<b>LIABILITIES</b>	
CAPITAL (fully subscribed) . . . . .	\$16,053,250
In 309,755 \$50 Shares, \$5 paid . . . . .	\$1,548,775
In 113,100 \$5 Shares, fully-paid ("Pelican" Shares) . . . . .	565,500
	\$2,114,275
Fire Insurance Funds . . . . .	11,466,000
Marine Insurance Funds . . . . .	3,829,465
Accident Insurance Funds . . . . .	938,150
Profits and Loss Account . . . . .	1,676,875
	\$20,023,760
¼ Debenture Stock (Law Life) \$5,900,000 Do. (1911) . . . . .	1,389,750
	6,389,750
Interest on Debenture Stocks accrued but not due . . . . .	29,820
Claims admitted or intimated but not paid (Fire) . . . . .	1,541,575
Outstanding Accounts—	
Fire Department . . . . .	3,464,125
Accident Department . . . . .	61,960
Marine Department . . . . .	5,436,175
Dividends . . . . .	2,993
Debenture Stock Interest . . . . .	440
Bills payable . . . . .	17,415
	\$36,968,015
Life Department Funds and Outstanding Liabilities as per separate Balance Sheet . . . . .	61,435,785
	\$98,403,800

\$5 taken as equivalent of £ Sterling.

<b>ASSETS</b>	
Mortgages on Property within the United Kingdom . . . . .	\$2,053,015
Mortgages on Property out of the United Kingdom . . . . .	18,555
Loans on Life Interests . . . . .	442,135
Loans on Reversions . . . . .	74,115
Loans on Stocks and Shares . . . . .	262,750
Investments (at Book Values)—	
British Government Securities . . . . .	6,310,375
Municipal and County Securities, United Kingdom . . . . .	107,225
Indian and Colonial Government Securities . . . . .	1,153,055
Indian and Colonial Provincial Securities . . . . .	202,775
Indian and Colonial Municipal Securities . . . . .	764,975
Foreign Government Securities . . . . .	3,436,510
Foreign Provincial Securities . . . . .	712,235
Foreign Municipal Securities . . . . .	2,005,070
Railway and other Debentures and Debenture Stocks, Home and Foreign . . . . .	5,059,530
Railway and other Preference and Guaranteed Stocks . . . . .	644,860
Railway and other Ordinary Stocks . . . . .	1,385,605
Freehold Ground Rents . . . . .	100,000
House Property and Land . . . . .	2,930,340
Salvage Corps Premises (Company's Share) . . . . .	95,210
Life Interests . . . . .	35,585
Agents' Balances . . . . .	3,948,560
Outstanding Premiums . . . . .	3,570,870
Outstanding Interest, Dividends and Rents (less Income Tax) . . . . .	36,470
Interest accrued but not payable (less Income Tax) . . . . .	233,800
Bills Receivable . . . . .	87,165
Cash—On Deposit . . . . .	111,530
In hand and on current account . . . . .	1,184,700
	\$36,968,015
Life Department Assets, as per separate Balance Sheet . . . . .	61,435,785
	\$98,403,800

**Head Office for Canada: - - 100 St. Francois Xavier Street, Montreal**  
**R. MacD. PATERSON and J. B. PATERSON, Joint Managers**

## PHOENIX ASSURANCE COMPANY, LIMITED

The annual general meeting of the shareholders of the above Company was held on the 28th ultimo at Phoenix House, King William Street, E.C., Sir Gerald H. Ryan Bart., the Chairman, presiding.

Mr. R. A. C. Thomas, F.I.A., the Secretary having read the advertisement convening the meeting, the report and accounts were taken as read:—

The Chairman said:—Gentlemen, we have now reached the 138th year of the Company's existence, and each year it seems to me that the preparation of a chairman's speech must become more difficult.

The accounts gather together, in a condensed form, our operations in practically every branch of insurance business in nearly every part of the world. Questions of great importance necessarily arise in a large number of cases affecting our various interests in one place or another, and these are lost sight of in the audited accounts. It is, therefore, desirable that the opportunity should present itself in the Chairman's speech to supplement the accounts and the report, which latter is mainly but a brief summary of the accounts. I accordingly propose to follow the example set by my predecessor in the admirable addresses he delivered for so many years in succession, by offering a running commentary on the results embodied in the accounts, adding a few more general remarks on broader questions which our experience and observation during the year may render desirable.

### FIRE RESULTS.

My first and most pleasant duty is to call your attention to the signal success of our Fire department in 1919. An unusually low loss-ratio—it was only 42.5 per cent. of the premium revenue, and 50 per cent. is regarded by us as a favourable ratio—and expenses which remained at the normal level of 38.8 per cent., left us with a handsome margin of profit, the final profit of £326,377 is not only highly satisfactory in amount but is the largest contribution the department has made to our Profit and Loss Account since the company was established. An increase in our premium revenue of no less than £569,884 is also a very favourable feature, this being largely due to the higher values of properties and commodities, and to the growing appreciation of the community that its insurance must be greatly increased in amount if it is to enjoy full and proper protection. A word of praise will be ungrudgingly given to our Fire Manager, Mr. Boston, for these excellent results, and I would also mention Mr. Betesford, our Manager in the United States, for special recognition of his very successful efforts.

### MARINE RESULTS.

The Marine accounts are not so simple and convincing as the Fire figures, because the effect is still seen of the marked and temporary addition to our normal income, due to the transaction of War Risks during the years 1914 to 1919. The claim payments thus relate to business of much ampler dimensions than that completed in the year of account. The same remark applies to our expenditure, and it would be wholly misleading to regard

these outgoings as comparable with the premium revenue of 1919. The actual result as shown in the amount of £300,000 carried to profit and loss is exceedingly satisfactory. We may now be said to have passed into the calmer waters of normal peace conditions, and the Directors feel that the shareholders would like to join them in their congratulations to Mr. Sandeman Allen and his colleagues for the skill and success with which they conducted this portion of our business in circumstances of unprecedented difficulty.

### ACCIDENT RESULTS.

The Accident department exhibited a satisfactory development and a moderate profit was earned. Certain branches of this business—burglary and motor risks, especially—are passing through an unprofitable phase and require exceptional attention. New legislation, in the shape of the Workmen's Compensation (War Addition) Amendment Act (1919), introduces a disturbing element in Workmen's Compensation business. The position of this class of business is being closely watched by ourselves and other Tariff companies.

### LIFE RESULTS.

The operations of the Life department recorded some unusual features. An almost universal increase in the new policies issued in the year occurred in this section of insurance business. Various reasons have been assigned for this; the larger incomes now enjoyed by so many, the need of providing for the heavy death duties, the desirability of making good depreciation in saving arising through the shrinkage in the values of investments, and a juster estimate of the proper amount of insurance necessary for heads of families to provide for the protection of their dependents—these, among other reasons, may be given for this remarkable expansion of new business. We shall all agree that, whatever the cause or causes may be, this is a healthy indication of thrift and forethought on the part of the community qualities that are not too conspicuous in other directions. A marked increase of expenditure is another common feature of the year's results. Roughly speaking, an additional 2 per cent. of premium income has been disbursed for management expenses. It is unnecessary for me to say more about this item than that it is the natural outcome of the increased new business, of the heavier cost of all materials and of the improved remuneration which the Board has granted to the staff, to which I shall make further reference later on. In other respects there is little to comment upon in the Life department, which is in a flourishing condition apart from the fall in the value of the investments, a matter so largely outside the control of your Board. The outlook is not free from anxiety in this connection, and in such circumstances it is a matter of satisfaction that the Board has seen its way to declare a substantial bonus to the policyholders of the Law Life section, after making full allowance for all depreciation. The quinquennial valuation of the Company's Life Fund will be made at the end of the year, and the result must largely depend on the values of investments then ruling.

## PHOENIX ASSURANCE COMPANY, LIMITED—Continued.

## PROFIT AND LOSS

I now pass on to what is often considered the most important of our accounts, namely Profit and Loss. In this we find gathered together the results of the several trading departments and interest, dividends and rents received, on the one side, and our dividend and debenture interest payments on the other. Examining this account closely, we first see that our available interest receipts amount to £187,500 against dividends and debenture interest of £201,489. Next, we find the various profits from separate departments make up a grand total of £636,637, but from this no less than £438,260 has to be deducted in order that we should provide fully for all the taxes that have properly accrued. I say it with no desire to boast, but I believe we take a stricter view of the taxes to be provided for than do many other companies. We hold that at the same time as you pass an item of profit into your account you should debit the accounts with the full taxes, of all kinds, which are applicable to such profit. It is not unusual. I believe, to charge in account only the amount of taxes actually paid in the year under observation, but this may lead to a small profit in one year having to bear the taxes strictly applicable to a possibly larger profit of the year before, and against this inconvenience our system fully protects us. With this large deduction for taxes and a sum of £170,977 set aside to write down our shareholders investments to their market values, our trading profits are practically exhausted. The usual provision of £25,000 off the value of our office premises has, however, been made.

Now, in these figures we see reproduced a feature of our recent experience—namely, a highly satisfactory total trading profit melting away to nothing through the operation of the joint forces of depreciation of values and taxation of income. Of these trading profits our shareholders have taken practically nothing, their dividend being largely provided by interest on their reserves and funds. Almost the whole of the outcome of the trained skill of our Managers, the long-established connections of the Company throughout the world, and the fruits of our energy, enterprise and exceptional hard work, have either been whittled away by a shrinkage in our assets or taken from us by the State as taxes. A few words may be spared to deal a little more fully with this phenomenon of late years. As to the depreciation in our funds, this has been caused, directly or indirectly, by a weakening of the Nation's credit. No class of financial institution answered more freely or promptly to the Government's appeal for support on the issue of the several State loans than did the insurance Companies. "Twenty per cent. of the total funds for the Government" was the formula adopted by the great majority of companies and exceeded by not a few including our own. The heavy fall in the public quotation of all these securities has had its inevitable effect in the periodical revaluation of our assets. Even since our accounts were made up, a further considerable decline has taken place in prices, and, according to the judgment of competent authorities, the lowest point has not yet been reached. Other investments of a high character naturally followed suit, and the reduction of values has become general. In the last ten years, the Phoenix has written off from the value of its assets (apart from the Life Funds) sums amounting to upwards of £700,000; in the five war years, 1915 to 1919, the total

was no less than £470,000. Great inherent strength and a wise husbanding of our resources alone enabled us, and other leading Insurance Companies, to withstand such serious and long-continued depreciation. This, however, must be looked upon as a direct consequence of the War, the debilitating effects of which have left their mark upon the Company in many other ways. The item of taxes also yields some remarkable figures. During the 10 years, 1910 to 1919, our shareholders' profits and interest have provided no less than £1,623,315 in taxes of one kind and another; the five War-years, 1915 to 1919, alone accounting for £1,552,500. I wonder what the corresponding figures of all the Insurance Companies would be, and what the total would amount to? Surely something colossal. Now it may be rather disappointing to Insurance shareholders that the profits of their Companies should be dangled before their eyes and then withheld for other purposes, and this a reasonable enough view for them to take. But I think we may all gather solid consolation from the thought that our skill and energy have not been thrown away, nor been worked fruitlessly and to no end, but have rather been employed at their full strength to provide, if not dividends for our shareholders, what was still more important, the sinews of War for the protection of our Country. The machine has run at its maximum speed and the output was never more satisfactory; our shareholders will be the first to express their gratification with the substantial help we have been able to render to the State, even though, in the meantime, their immediate pecuniary interests may have suffered.

## THE PROBLEM OF NATIONALIZATION

There is one aspect of these figures which is, indeed, not without a moral. We hear Nationalization spoken of as a principle to be applied to many branches of public or private effort; to-day it is the mines; tomorrow it may be the railways, and so on. Insurance has not escaped the net which has been flung far and wide by the theorists and idealists, who aim at destroying the present fabric of industry. On its political side we have, naturally, nothing to say in such a meeting as this. But will anyone maintain that the same measure of financial support, either in subscriptions to loans or in payment of taxes, would have been forthcoming to the nation in its emergency had the business of insurance been in Government and not in private hands? Remember that a great portion of the total profit of the large Insurance Offices is derived from foreign business—the result of "missionary" enterprise in the past and of diligent cultivation ever since without intermission. What would become of the vast volume of profitable foreign business if insurance were nationalized? We have recently had brought prominently before our eyes one example of the complete failure of a Government Department to deal with a certain type of Life Assurance. Would the result be any the more successful were the more highly technical business of Fire or Marine or Accident Insurance to be taken up by the State? And even if, for purpose of argument, we admit that home affairs would not necessarily prove to be so palpable a failure, would not the great benefit to the country of our foreign business, carrying everywhere the high name and fame of Great Britain and earning profits for shareholders and taxes for the State, be lost to the country?

## PHOENIX ASSURANCE COMPANY, LIMITED—Continued.

The time has not yet come for a detailed and critical analysis of the errors and evils inherent in any scheme to substitute bureaucratic control for individual enterprise in the wide field of Insurance, but I have ventured to lay before you these few personal reflections in order that all who are concerned in our important branch of industry may give thought to the great damage that may accrue to many interests, private and public, by these unsound and ill-considered proposals.

## INCREASING EXPENSES.

I have already mentioned, in connection with the Life department, the increase in our expenditure. This is, of course, not confined to any single department, but affects every section and phase of our business. The causes are world-wide in their incidence, and too well understood in their origin to call for any remark. The heaviest addition to our expenditure is in the item of salaries, and though the Directors are not unmindful of the necessity of economy in carrying on our business, they consider that a Company like ours must look after its employes properly and remunerate them on a liberal scale. The temporary allowance made in the shape of War bonuses have, therefore, been made fixed additions to salaries, and during the last few weeks a further substantial revision has been made. In this and other ways the Board seek to promote the welfare of the staff, and they have expressed themselves as favourable to joint action among the staff to enable representations to be made to the management, whenever it may seem necessary, on the conditions of employment in the Company. At the same time, I cannot conceal from you the fact that all this means a constant increase of expenditure throughout all branches of our business, the full result of which is not apparent in the accounts before us. No corresponding increase in the premiums we charge for the various risks undertaken has yet been made on this account, and, judging by recent results our profits have been well able to sustain the additional burden. But, for some years past insurance business has enjoyed a spell of considerable prosperity, and we cannot reckon upon the continuance of such good times. Indeed, in several directions indications are observable, over a wide area, that a turn of the wheel of fortune has occurred. Furthermore, the multiplication of new companies in the last year or two must lead to more strenuous competition for the most desirable risks. I am told that since 1919 the number of active British Marine Companies has been more than doubled, and new Fire Offices have sprung into existence in great profusion. These conditions give us no ground for anxiety concerning the future of our Company, but sound the note of warning and show the need of the utmost care and watchfulness in the conduct of our affairs. We believe that our chief safeguard in these circumstances is that we have the benefit of a highly-skilled General Manager in our new chief official, Mr. Sketch, with whom our most efficient experts are associated in the various fields of our work. Together they will be able, we confidently believe, to guide us through any coming difficulties.

What I have stated as to the general outlook applies with equal force to the business of our newly-associated Company, the Norwich Union Insurance Society, the fusion of which with the Phoenix was effected, with remarkable smoothness and goodwill, in the early months

of the present year. By this alliance the Phoenix "group" becomes one of the largest and most important of all British insurance combinations. It is my firm conviction that a great and prosperous future lies before the allied Companies, and that in due time we shall see a development and expansion of our business which could hardly have been thought of in the old days. The one thing to give ground for doubt is the state of the National finances, with the fear lest, in their desire to find a quick and easy solution of present difficulties, our Ministers may be induced to adopt expedients that will weaken the springs of enterprise and undermine the foundations on which our industries have been raised. I will conclude by formally moving that the report and accounts be adopted.

Lord George Hamilton, P.C., G.C.S.I., Deputy Chairman, seconded the motion, which was carried unanimously.

Mr. Whigham proposed the re-election of the retiring directors—Mr. A. Travers Hawes, Sir J. White Todd, Bart., Mr. W. F. Fladgate and Sir Gerald Ryan.

Mr. G. E. Cockram, in seconding the motion, expressed the pleasure it gave the shareholders to know that the mantle of the late Chairman had fallen upon the shoulders of Sir Gerald Ryan. He had, he said, never listened to a more able and comprehensive address than that which the Chairman had just delivered, which dealt not only with the accounts of the Phoenix but with the state of affairs generally.

The motion was carried.

Following the re-election of the auditors, a vote of thanks to the Chairman, Directors and Staff was unanimously agreed to on the motion of Mr. Millar-Wilkinson, seconded by Mr. Rouch.

The Chairman, in acknowledging the resolution, said the directors could not but be sensible of the great compliment paid to them in the vote of thanks. They were proud of the position which the Company now occupied, but, however sagacious and capable the Board might be, they knew that the Company could never have attained its present position or hope to retain it, if they were not certain that they had a most competent staff to advise them and control the machine. It was to the efforts of the staff that their thanks for the prosperity of the Company were really due, and therefore he would pass on the compliment to Mr. Sketch and ask him to acknowledge it on behalf of the staff.

Mr. R. Y. Sketch (General Manager); Mr. Chairman. The vote of thanks which has been proposed is one that I am able to assure you is both welcome and deserved. I rise to acknowledge this vote, not by reason of anything that I have done in the preparation of the accounts and the production of the profits, but merely by virtue of the office which I have the honour to hold. That being so, I am now able, in another more independent way than at any other time, to say that that vote is richly deserved by the staff who serve you so well. I should be glad to take this opportunity to remind you that this vote in one which is usually passed at these meetings and it is appreciated by the staff and deserved by them rather more in bad years than in good years, and when you have the fortune of seeing an extremely good balance sheet that alone carries its reward to the staff. But they work just as hard and they are doing their work just as well in those years that don't turn out so good. The shareholders only see that state of affairs once a year, but the staff are doing their very best from day to day, and they have the dissatisfaction of knowing that not only are they doing their best but they are running on lines which are usually successful and yet things are running all the other way. Those are the times when they really need your thanks.

The proceedings then terminated.

**ATLAS ASSURANCE COMPANY LIMITED**

As we go to press, we are officially informed that Mr. R. B. Martin, sub-manager at Montreal of the Atlas Assurance Co. has been appointed manager for Canada, of the Atlas Assurance Company Limited, and the Essex & Suffolk Equitable Insurance Society Ltd., to succeed the late Mr. M. C. Hinshaw.

**Serious Need of Increased Limits for Automobile Liability Insurance**

The remarks of President Holland which are published in the Journal of Commerce, New York, have a real significance to the Canadian Automobile Insurance Agent. We therefore quote Mr. Holland's remarks in extenso, as follows:—

There is a steadily growing tendency on the part of automobile owners to increase the limits of their liability policies. The old system of carrying just the standard limits of \$5,000 for one person and \$10,000 for any one accident has been found entirely inadequate protection in view of the steady increase in the size of judgments rendered by the courts in personal injury cases, and particularly where such injuries result from the operation of automobiles. Some brokers and agents invariably bring to the attention of their clients the necessity for carrying higher liability limits, but others appear to neglect advising the assured, with the result that frequently the automobile owner is called upon to pay a large sum because the judgment in an accident case is in excess of his policy limit.

President Charles H. Holland of the Royal Indemnity Company has issued a warning to the agents of the company calling their attention to the tendency of the courts to render excessive verdicts in automobile cases and urging them to advise their customers to take out sufficient liability insurance to properly protect their interest. He says:

"You will have noticed, as we have done, the frequent press reports of large verdicts awarded to those injured by accident. The severe drop in the purchasing power of the dollar has necessarily and properly been reflected in the awards of juries, and verdicts in amounts in excess of the old standard policy limits are now customary, whereas they used to be most unusual. As an example of this tendency, which is nation-wide, the accompanying list of awards made by juries during a few weeks of the current year in the State of New York is specially drawn to your attention. Practically

all the larger centers, of population have been productive of similar awards and we are bringing the matter to your attention in this way as a further argument for a review of the automobile liability policies in your agency in order that your clients may at least be reminded by you that policy limits of \$5,000 under present conditions must be regarded as only partial insurance.

"The premium rates for higher limits are much lower than they were some few years back, although the need for them and the hazard involved are so much greater. We desire to suggest to you that this matter is entitled to receive your constant and serious attention."

*List of Excessive Judgments.*

Mr. Holland then submits the following list of recent judgments rendered in the courts of this State in accidents which are in excess of the basis limits of the policies:

Murphy vs. Third Ave. R. R. . . . .	\$19,500
Korman vs. Friedell . . . . .	6,500
McGregor vs. Crandell . . . . .	10,000
Grannattino vs. Weiss. . . . .	15,000
Falcone vs. National Casket . . . .	8,116
Ephraim vs Knickerbocker Hospital	15,000
Kleeman vs Best . . . . .	6,942
Moskowitz vs Kensington . . . . .	17,500
Schweinn vs. De Jong . . . . .	11,500
Howard vs. Union. . . . .	6,000
Trimble vs. Fire Underwriters . . . .	5,400
Jackson vs. Grutman. . . . .	6,000
Rooney vs. Rubenstone. . . . .	40,000
Luiderman vs. Warner. . . . .	8,500
Chartrand vs. Procter . . . . .	12,000
Friedman vs. Buxbaum . . . . .	12,500
Beban vs. Hines . . . . .	15,000
Herbst vs. Bellock. . . . .	22,000
Solomon vs. Monshekian . . . . .	6,500
Levenstein vs. Smith . . . . .	15,000
Averill vs. Taruli. . . . .	10,400
Ricepdi vs. Starcke . . . . .	15,000
Thompson vs. White. . . . .	14,000
Smith vs. Fisher. . . . .	23,500
King vs. New York Railway. . . . .	8,000
O'Connell vs. Union Railway. . . . .	6,500
Cabill vs. Kleinberg . . . . .	8,500
Spitzer vs Childs Co . . . . .	25,000
Pressman vs. Meyers . . . . .	15,000
Haubel vs. Jube. . . . .	6,500
Haleigh vs. McAdoo . . . . .	30,000
Yoss vs. Third Ave. R.R. . . . .	20,500
Meilkau vs. Imperial . . . . .	10,000
Hellman vs. Schneider . . . . .	6,750
Polkowski vs. Harvil. . . . .	6,000
Donelly vs. Yuille. . . . .	6,000
Goldberg vs. Lembarski. . . . .	15,000
Cohen vs. Mitchell. . . . .	20,000



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## SHINGLE ROOFS

The National Lumber Manufacturers Association, of Chicago, has a press bureau. Part of its business is to combat propaganda against shingle roofs. The following is quoted from one of its recent bulletins:

"Of the \$67,000,000 fire loss during the first three months of 1920, \$57,000,000 was of public and business buildings and only \$3,300,000 about 5 per cent. in dwellings. The greater part of the loss was therefore of buildings of fire-resistive or semi-fire-resistive construction and supposedly incombustible. It would appear that the great agitation directed in some places against shingle roofs and frame dwellings might better be directed against

the weaknesses in so-called incombustible construction, against carelessness and inadequate fire-fighting machinery."

Watch the gentle come-along: "The greater part of the loss was therefore of fire-resistive or semi-fire-resistive construction and supposed to be incombustible." Yes, "business buildings such as frame rows of small town stores and old wood-interior brick buildings are "supposedly incombustible." It depends upon who did the supposing. It is probably true that more values were destroyed in public and business buildings than in residences, just as it is true beyond peradventure that in the same period more men died between the ages of nineteen and twenty than between ninety-nine and a hundred.



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**FIRE INSURANCE AS IT AFFECTS CREDITS**

The attention of Bankers is directed to the address given by Mr. J. F. Van Riper, branch secretary of the Norwich Union Fire Insurance Society at the Annual Meeting of the New York State Bankers Association, held at Ashway Park, N.J., last week. The subject discussed "Insurance and Credits" was a most important one to loaners of money, and emphasizes the necessity of Companies furnishing indemnity that is fortified with unquestionable solvency. Otherwise how can they meet the shock of conflagrations involving millions of dollars. Fortunately for Canada there are an ample number of such Companies licensed to do business in the Dominion, and those banks who make loans to clients insured in unlicensed Companies do little to encourage Companies who as tax payers, give employment in Canada. It is not a necessity for unlicensed Companies wishing to operate in Canada to have unquestionable solvency, and they certainly are not known to contribute much to employment by the maintenance of a staff in Canada.

In opening Mr. Van Riper said:—

"When we consider that practically no forms of industry or commerce could be carried on without credit, that there is not sufficient capital in the world in liquid form to meet their needs, a discussion of the relation of fire insurance to credits should prove of interest if it be pursued in a way calculated to measure the elements that establish that relation.

The first question in the matter of credits, said the speaker, is the relative safety of the undertaking, based upon the outlook of success, the character and standing of the one seeking the accommodation and the security underlying the adventure as a safeguard against possible misfortune or accident. The question of character is a fundamental one, both to bankers and fire underwriters.

"Under a system of commercial trading based on borrowed capital, the man who has overstocked his warehouses and who, through mistaken judgment on the one hand or rapid and disastrous turns in commercial tides on the other, finds himself unable to dispose of his wares, either at all or at a profit, if he be a man with little or no conscience, occasionally finds his most convenient escape through a fire, \* \* \* It is self-evident that the man who would burn his premises with intent to defraud is equally dangerous as a prospective borrower, to say nothing of the effect on the credit of an innocent neighbor whose property may be destroyed with little or no insurance, and thus leave him hopelessly bankrupt. That this is true can be no more strongly attested than by the fact that the destruction of property, which is wealth, reduce in exact ratio to the amount of the destruc-

tion the foundation and security upon which credit is based."

Fire insurance merely effects a distribution of loss; it does not replace destroyed wealth. The fire insurance companies fix and collect rates sufficient to create a fund from which contributors may be indemnified for their losses, the cost of administration be paid and a return made upon the capital put up to guarantee that the fund will be adequate.

"How thoroughly the principle has been worked out," the speaker said, "and how widely it has been accepted will be readily attested by you bankers, who acknowledge it as the basis of all credits for you will lend money on neither realty nor merchandise without the underlying insurance policies as collateral. Herein lies a responsibility upon the banks quite equal to that upon the insurance companies to watch and safeguard the moral hazard of commercial dealings."

*Insurance as a Conservator*

Mr. Van Riper called attention to the fact that the fire insurance policy is solely a contract of indemnity and does not contemplate inclusion of prospective profits. As values are changing and cannot economically be determined in advance, property is likely to be overinsured or underinsured. Overinsurance tends to produce moral hazard. To avoid underinsurance the principle of co-insurance is introduced. The only remedies against overinsurance are the honesty of the assured and the wisdom and caution of the agent.

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## EXCELSIOR INSURANCE LIFE COMPANY

**A Strong Canadian Company**  
 FOR PROTECTION OR INVESTMENT  
 BUY EXCELSIOR POLICIES  
**J. J. Robichaud, Prov. Man., Montreal**

## The Law Union & Rock

INSURANCE CO. LIMITED, LONDON.      Founded in 1806  
**Assets Exceed - - - \$50,000,000.00**  
 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,      COLIN E. SWORD  
 Accident Dept.      Canadian Manager.

**SUCCESS IN SELLING LIFE INSURANCE** Depends chiefly upon how hard Salesmen work, and the excellence of their service to clients. The more you put into it the more you will get out of it. Let "Greater Service to Policyholders" be your motto for 1920, and if you want a good position with a progressive Company, apply stating experience and references, to

**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**

## THE TREND OF DISABILITY INSURANCE

The Vice-President of one of the disability Companies writing a large volume of accident and health business, in an interview with *The Casualty Review*, said in part:—

The company that makes a strong play on heavy death indemnities, is really getting away from the true principle of accident and health insurance. It is offering for sale a contract that is not representative of the accident and health business and certainly does not provide the policyholder with anything like the proper amount of disability insurance protection. We find that our agents are getting away from these freak contracts very largely. The agent who is building a business, who is trying to keep the great majority of his policies in force, finds after a time, that he must sell a man a policy that actually provides protection.

What a man needs is a fair amount of death indemnity, enough coverage against ordinary accidents and sicknesses to take care of his family while disabled. I do not think any liability contract is complete that does not provide fairly good sized amounts for the loss of a hand, eye, foot, leg, arm or finger. Unless a policyholder's contract covers against these contingencies, he cannot be indemnified for them in any other way. If for instance, a policyholder carries a contract with a large death benefit and \$25 or \$30 a week, for disability, and losses an arm, his contract does not provide him with full protection. He gets nothing for the loss of an arm and is paid only for the time that he is laid up. This is a feature that is very often overlooked. There is no other way that a man can be paid for the loss of a member, and protection of this kind is important.

"On the whole, I think that people are exhibiting more intelligence in buying disability insurance. They are not so easily swept off their feet these days with a glowing account, and how the company pays triple indemnity if the assured is killed while in a burning building on the west side of the street, between 4 and 5 p. m., the accident to be witnessed by not less than seven people, etc. These trick contracts providing heavy payments under certain conditions, no longer make the same appeal. A prospect nowadays wants to know how much his time is going to be protected.

"The high cost of living has made men see the importance of insuring their income against every contingency. They realize that if their salary should stop, their family would very soon be in actual want. Every necessity of life costs so much that if the income is cut off, the family could not keep going long. With this thought uppermost in their minds, prospects are demanding plain old fashioned protection. The froth, the special contract, and the other folderol that provides the agent a lot to talk about and provides nothing else, fails to make the same impression as a few years ago. The trend in disability insurance is toward the kind of a contract that provides income protection."

## TORNADO COVERAGE

While many persons residing in districts subject to tornadoes carry windstorm and tornado insurance to cover their homes, farms and other property, it is doubtful whether any agents in such territory ever emphasize the tornado risk in selling life or accident insurance.

## KNOCKING AT THE DOOR

Opportunity is knocking at the Fire Insurance agent's door,—the majority of people are under-insured, construction is going ahead as rapidly as conditions will permit. The only thing the agent needs in order to share in this volume of business, is the representation of an up-to-date, service giving company.

The FIDELITY (FIRE) UNDERWRITERS is that Company. Mr. Agent. Write our Service Department for full particulars of the advantages of our Agency. Do not put it off. You are losing money with each minute of delay.

## FIDELITY (FIRE) UNDERWRITERS OF NEW YORK.

HENRY EVANS, President.

Policies assumed half by the Fidelity-Phenix Fire Insurance Co. and half by the Continental Insurance Co. of New York.

**FIRE** **AUTOMOBILE** **PROFITS**  
CANADIAN HEAD OFFICE: 17 ST. JOHN ST., MONTREAL. W. E. BALDWIN, Manager

## Prudential Trust Company

LIMITED

<p>Head Office 9 St. John St., Montreal</p>	<p>Trustee for Bondholders Transfer Agent &amp; Registrar Administrator Receiver Executor Liquidator Guardian Assignee Trustee Custodian Real Estate and Insurance Department 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

## The Standard Life Assurance Co.

Established 1825 Incorporated 1910  
Accumulated Funds - - \$68,000,000  
Over \$10,000 paid daily in claims.

## 1870 - Our Golden Jubilee - 1920

**MUTUAL IN PRINCIPLE: MUTUAL IN PRACTICE**  
Prosperity has attended every step in the march of the Mutual from the opening of its long campaign in 1870 down to the present, and much of that success has been due to the practice of the principle of mutual-ity which has characterized all ranks of the ever-increasing army. Obstacles have been removed, difficulties overcome and a long succession of victories achieved by co-operation. The most vital force in the world. The objective of the **Mutual Life of Canada** since its organization in 1869 has been "to furnish the largest amount of genuine life insurance at the lowest possible net cost." This objective has been attained as actual results clearly show. The limited number of lapses indicates a membership of satisfied policyholders while the rapidly expanding business reveals the growing of the Company. Join our victorious march  
—BE A MUTUALIST—

**THE MUTUAL LIFE ASSURANCE CO. OF CANADA**  
WATERLOO, - - ONTARIO  
Hume Cronyn, M.P., Pres. Charles Ruby, Gen.-Man.

## The Travellers Life Assurance

Company of Canada  
**HEAD OFFICE: MONTREAL**  
Hon. GEO. P. GRAHAM, President  
TO AGENTS.—Write to the Home Office for particulars of direct renewal contract. Valuable territory available in Quebec and Eastern Ontario.

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

## Phoenix Assurance Co. Limited

OF LONDON, ENGLAND (Founded 1782)  
**FIRE LIFE MARINE**  
TOTAL RESOURCES, over . . . . . \$97,000,000.00  
CLAIMS PAID EXCEED . . . . . \$60,000,000.00  
DEPOSITS with Federal Government and Investments in Canada, for security of Canadian policyholders only, exceed . . . . . \$,000,000.00

AGENTS WANTED IN BOTH BRANCHES. Apply to  
R. MacD. PATERSON } Joint Managers  
J. B. PATERSON }  
100 Francois Xavier Street - MONTREAL

## WESTERN

Assurance Company  
Incorporated in 1851  
HEAD OFFICE, - TORONTO, Ont.  
**FIRE, MARINE, AUTOMOBILE, EXPLOSION, RIOTS, CIVIL COMMOTIONS AND STRIKES**  
ASEETS - over - \$8,000,000.00  
Losses paid since organization of Company . . . over \$77,000,000.00

**DIRECTORS:**  
W. B. MEIKLE, President  
Sir John Aird John Hoskin, K.C., LL.D.  
Robt. Bickerdike, Montreal Miller Lash  
Lt.-Col. Henry Brock Geo. A. Morrow,  
Alfred Cooper, London, Eng. Lt.-Col. the Hon.  
H. C. Cox Frederic Nicholls  
John H. Fulton, New York Brig.-Gen. Sir Henry  
D. B. Hanna Pallatt, C.V.O.  
E. Hay E. R. Wood  
W. B. MEIKLE, C. S. WAINWRIGHT,  
Pres. and Gen. Man. Secretary  
A. R. PRINGLE, Canadian Fire Manager  
**ROBERT BICKERDIKE**  
Branch Manager for Province of Quebec  
MONTREAL

## A BRITISH COMPANY

## Union Insurance Society of Canton, Limited

ESTABLISHED 1833  
Head Office: HONGKONG Assets over \$24,000,000  
A combination of AGE, MAGNITUDE and EXPERIENCE  
**FIRE, MARINE AND AUTOMOBILE**  
Head Office for Canada, 36 Toronto Street, TORONTO  
General Agent Montreal, JOSEPH ROWAT Manager for Canada, C. R. DRAYTON

**CANADIAN FIRE RECORD**

*Fire at Newcastle, N.B.*—By the fire which occurred on the 15th inst., in the lumber mill owned by James Robinson, the following Companies are interested:—On Mill and Machinery, North America, \$1,500; London & Liverpool & Globe, \$3,000; Liv. Manitoba, \$2,000; St. Lawrence Und., \$2,000; Ocean, \$2,000; Canada Accident, \$1,000; Palatine, \$2,000; Hartford, \$1,000; London Guarantee, \$2,000; Phoenix of London, \$1,000; British Crown, \$1,000; Northern, \$2,000; Queen, \$2,000; North Brit. & Mer., \$3,000; North West, \$1,000; Yorkshire, \$1,500; Com. Union, \$2,000; Phenix of Paris, \$1,000; Sun, \$2,000; Imperial Und., \$1,000; Phoenix of London, \$2,000; Palatine, \$3,000; London Assurance, \$3,000; General of Perth, \$4,000; Quebec, \$3,000; Fidelity Phenix, \$3,000; Fidelity Und., \$3,000; Royal Exchange, \$3,000; Brit. Empire, \$1,500; Queensland, \$1,500. Total \$61,000. Loss about total. On Lumber, Phoenix of London, \$14,000; Royal Exchange, \$21,500; British Colonial, \$3,000; Allied Und., \$3,000; Yorkshire, \$11,000; Queensland, \$5,000; Fidelity Und., \$11,000; Fidelity Phenix, \$11,000; Commercial Union, \$13,000; British America, \$5,000; Springfield, \$5,000; Home, \$4,000; Guardian, \$7,000; Lon. Guar. & Acc., \$6,000; L Union, \$4,000; Nat. of Hartford, \$10,000; North Brit. & Mer., \$10,500; North West \$7,250; Ocean, \$10,000; London Ass., \$7,000; Palatine, \$14,000; General of Perth, \$5,000; North America, \$5,000; General of Paris, \$5,000; Quebec, \$7,000; St. Lawrence Und., \$5,500; Sun, \$5,000; Northern, \$10,000; Queen, \$5,000; L. & L. & Globe, \$5,000; Phenix of Hartford, \$5,000; Liv. Manitoba, \$3,000; Can. Accident, \$5,000; Brit. Empire, \$2,000; British Crown, \$2,000; Phenix of Paris, \$2,000; Connecticut, \$2,000; Imperial Und., \$2,000; Exchange Und., \$2,000; Law Union, \$2,000. Total \$261,750. Loss about 15 per cent.

*Fire at Peterboro, Ont.*—On the 17th instant, a fire broke out in the plant of the Peterboro Canoe Co. Ltd. Insurance coverage amounted to \$116,500. Loss \$6,500.

*Fire at Quebec.*—On the 18th inst., a fire broke out at Le Francois Lumber Yards. Loss about \$75,000, partly covered.

*Fire at Montreal.*—On the 18th inst. a fire broke out on the premises of the Kuranoff Fur Company, 275 St. Paul St., insurance as follows:

Palatine . . . . .	\$2,500
London & Lancashire . . . . .	5,000
Northern . . . . .	5,000
Commercial Union . . . . .	2,500
Firemen Underwriters . . . . .	2,500
Guardian . . . . .	7,500
Guardian of Canada . . . . .	5,000
General of Perth . . . . .	2,500
Scottish Union . . . . .	2,500
Alliance of Philadelphia . . . . .	5,000
North America . . . . .	7,500
United States Fire . . . . .	5,000
Firemans Fund . . . . .	5,000
Canada Security . . . . .	3,500
Rochester . . . . .	3,000
Yorkshire . . . . .	10,000
Law Union . . . . .	2,500
Canadian Accident . . . . .	2,500
Vulcan . . . . .	2,500
North Empire . . . . .	2,500
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Total . . . . .	\$86,500
Loss total.	

*Fire at Riverport, N.S.*—On the 19th instant the business section was almost completely destroyed by fire. The town is without fire fighting apparatus of any kind. Los about \$150,000.

*Fire at Springhill, N. S.*—On the 21st inst., a fire damaged a business block on the south side of Main St., owned by Mrs. Sprague. Loss about \$7,500.

*Fire at Ayr.*—On the 16th inst., a large section of the John Watson Manufacturing Plant was destroyed by fire. Loss about \$100,000, partly covered.

*Fire at Moncton, N.B.*—On the 17 inst., a Coal Shed owned by W. Master Company was destroyed by fire. Loss about \$5,000, insurance \$3,000.

*Fire at Montreal.*—On the 20th instant, a fire broke out in the warehouse of the Black Diamond Realty Co., 7 Queen St. Loss about \$7,500.

*Fire at Vancouver, B.C.*—On the 20th instant, a fire broke out in the Balmoral Apartments, in which six persons lost their lives. The property loss is estimated at \$100,000.



**INSURANCE THAT INSURES**  
**PROTECTION THAT PROTECTS**  
**THE EQUITABLE**  
**LIFE ASSURANCE SOCIETY OF THE U. S.**  
 120 Broadway New York  
**W. A. DAY, President**

**The**  
**UNITED STATES LIFE**  
**Insurance Company**  
 in the City of New York

Organized 1850. Non-Participating Policies only. Over Forty-Five Million Dollars Paid to Policyholders.

JOHN P. MUNN, M.D., *President.*

Good territory open for high class, personal producers, under direct contracts with the Company. Address Home Office, 277 Broadway, New York City.

**SCOTTISH UNION AND NATIONAL**

INSURANCE COMPANY, OF EDINBURGH, SCOTLAND  
 ESTABLISHED 1824

Capital, - - - - -	\$30,000,000
Total Assets, - - - - -	79,656,734
Deposited with Dominion Gov't, - - - - -	391,883
Invested Assets in Canada, - - - - -	7,695,338

NORTH AMERICAN DEPT., HARTFORD, CONN., U.A.S.  
 JAMES H. BREWSTER, Manager  
 EDIHART & EVANS, Resident Agents, Montreal  
 MEDLAND & SON, Toronto  
 ALLAN, KILLAM & MCKAY, LTD., Winnipeg

**LONDON & SCOTTISH ASSURANCE CORPORATION**  
 LIMITED, OF LONDON, ENGLAND

Formerly LONDON & LANCASHIRE LIFE & GENERAL ASSURANCE ASSOCIATION, LIMITED  
 ESTABLISHED IN CANADA 1863

*Directors for Canada:*

A. J. Dawes, Esq. E. C. Pratt, Esq.  
 H. B. Mackenzie, Esq. D. C. Macarow, Esq.

**ALL CLASSES OF LIFE ASSURANCE TRANSACTED**

**SCOTTISH METROPOLITAN ASSURANCE COMPANY**  
 LIMITED

FIRE and MARINE  
 ACCIDENT and SICKNESS  
 GUARANTEE BONDS  
 ELEVATOR and GENERAL LIABILITY

AUTOMOBILE LIABILITY and FIRE  
 Individual or Combined Policies  
 EMPLOYERS' LIABILITY  
 PUBLIC and TEAMS' LIABILITY

**Head Offices for Canada: LONDON & SCOTTISH BUILDING, MONTREAL**

**Total Funds and Assets Exceed \$25,500,000**

Fire Manager, C.E. CORBOLD Casualty Manager, J. UPTON FLETCHER Secretary and Actuary, W.H.R. EMMERSON  
 Manager for Canada, ALEXANDER BISSETT

**APPLICATIONS FOR AGENCIES INVITED**