

The Chronicle

Banking, Insurance and Finance



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DOMINION FINANCES.

The statement of the Dominion's public debt is beginning to show in marked degree the influence of the war. At the end of June, the total gross debt of the Dominion reached \$708,231,670 compared with \$544,149,350, twelve months previously. The increase during the 12 months was thus about 164 millions. By an offset of assets against the gross debt, the latter is reduced by about 258 millions to \$450,287,721, compared with \$319,381,625 a year previously. The net increase in the debt has thus been in the twelve months \$131,000,000.

War expenditure is not solely responsible for this increase, but that this has attained important dimensions is seen in the growth in temporary loans, which at the end of June stood at \$100,540,351 against \$8,273,333 a year ago. With the exception of \$5,000,000 borrowed from the Bank of Montreal, the increase in these loans represents almost wholly advances made for war expenditures by the British Government to the Canadian Government, which sooner or later will have to be provided for by the latter through permanent financing. It is to be anticipated that as the war progresses these loans will increase even more rapidly than has hitherto been the case. The Dominion Government has not yet by any means reached the apex of its expenditures involved in the programme of raising of forces which was outlined by Sir Robert Borden a short time ago. Whether the British Government will be content to allow these temporary loans to run along indefinitely until at least the end of the war does not appear, but that for the present the question has not been raised of shifting the burden of these loans to this side of the Atlantic is suggested by the fact that the prospectus of the Dominion Government's new \$45,000,000 loan in New York mentions a specific undertaking not to borrow again in the United States before the end of the year, while apparently Hon. W. T. White has no intention at present of following the advice of those critics who in various quarters are urging enthusiastically the flotation of a domestic loan.

* * *

Apart from the large increase in temporary loans above described, there has been during the twelve months an increase of \$31,500,000 in our funded debt in London. Dominion notes are up by \$36,000,000 from \$116,679,333 to \$152,100,372. On

the assets side of the account there is a large increase in investments, representing railway and other securities and property, from \$86,565,184 to \$106,821,809. Probably the increase in this connection is largely represented by loans made to the Grand Trunk Pacific and Canadian Northern Railways. That the capital expenditure upon public works, including railways and canals, for which the New York loan was to provide, still attains important dimensions is seen from the fact that during the month of June \$2,747,839 was expended in this way, and for the first quarter of the financial year a total of \$5,075,092 has been so expended. Admittedly, half-finished public works must be continued to completion, but it is to be hoped that a close supervision is being maintained over them so that public money is not wasted at this time, and that when the present works are completed, no attempts will be made to begin new ones which are not absolutely necessary.

* * *

The figures already given show that through the war a problem of financing is being built up which is likely to tax all the energies of statesmanship to cope with it in an energetic and thorough manner. In regard to war expenditure, the Dominion Government is incurring a liability, the extent of which is not yet fully known. Eleven months of the war, however, have been responsible for \$90,000,000 in this connection at least, and we shall be lucky if the end of the war finds the Dominion with temporary loans of less than double that amount at least as the result of its war expenditures. It is clear that the conversion of these loans into permanent changes will be an operation of serious proportions. Sooner or later too, provision will have to be made to enable the Government to redeem part of the excess note issue and resume specie payment. The size of the obligations being piled up suggests also that it may be the part of wisdom to make such arrangements for new taxation at an early date as will ensure the accumulation of debt being kept in hand, and a healthy condition of Dominion finances maintained. It is probable that Ottawa is already giving attention to this part of the problem. Paying taxes is less exciting than fighting in Flanders, but under present circumstances it is distinctly necessary that a courageous course be pursued in this connection, and that the Ottawa authorities, for lack of courage do not allow the Dominion's financial standing to become impaired.

Established 1817 **BANK OF MONTREAL** Incorporated by Act of Parliament
 Capital Paid Up, \$16,000,000.00 Rest, \$16,000,000.00 Undivided Profits, \$1,252,864.00

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Savings Department connected with each Canadian Branch, and interest allowed at current rates.
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ESTABLISHED 1867. Head Office: TORONTO

Paid-up Capital - \$15,000,000
 Rest - 13,500,000

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., *President*
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Branches of the Bank in Canada are distributed geographically as follows.

Alberta	-	-	-	52	Ontario	-	-	-	88
British Columbia	-	43	Prince Edward Island	5					
Manitoba	-	-	23	Quebec	-	-	-	82	
New Brunswick	-	-	4	Saskatchewan	-	-	60		
Nova Scotia	-	-	13	Yukon Territory	-	2			

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Collections effected promptly and at Reasonable Rates

The Molsons Bank

Incorporated 1855

Paid Up Capital - \$4,000,000
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HEAD OFFICE - MONTREAL

96 BRANCHES

Scattered throughout Canada

The Chronicle

Banking Insurance and Finance

ESTABLISHED 1881.
F. WILSON-SMITH,
Proprietor.

PUBLISHED EVERY FRIDAY.
ARTHUR H. ROWLAND,
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MONTREAL, FRIDAY, JULY 30, 1915.

THE BANKS' REST FUNDS.

Some years ago an eminent American professor in the course of a survey of the Canadian banking system criticised what he was pleased to term the "rest fund fad." He contended that the banks during recent years had devoted altogether too much energy to the building up of these reserves and that some of the energy which had been expended in this way could have been better directed in an extension of the capital account. It would be interesting to know, if under the changed circumstances of the present day, the eminent professor stands by his opinion. Certain it is that the existence of the large rests of the Canadian banks has considerably steadied the banking situation during the past twelve months. Some of the smaller banks have, quite legitimately, used part of these funds, the results of their previous foresight, to meet depreciation in securities, etc., while those institutions which have not been compelled to draw upon their rest funds in this connection, are in a considerably stronger position, particularly in relation to their shareholders, than they would have been with larger capitals and a lessened proportion of rest accumulations. The result of the banks' past practice has been to get better control of the dividend problem at the present time, and to minimise the temptation to place earning-power before safety. A course of action that may have seemed ultra-cautious and conservative in days of sounding prosperity and rapid development is shown in days of financial strain to have been a far-sighted and wise provision.

RESTS EQUAL PAID-UP CAPITAL.

At the present time, the banks' rest funds in the aggregate practically equal the paid-up capital. Eleven of the twenty-two banks have rest funds above or equal to their paid-up capital; three others, equal to 90 per cent. or above of their paid-up capital; three others between 50 per cent. and 90 per cent. In the four years between June 30, 1910 and June 30, 1914 there was a net expansion in the rest funds of some 34 millions, paid up capital

advancing during the same period some 16 millions net. Between June 30, 1914 and June 30, 1915, the rests decreased slightly in their aggregate amount in company with the paid-up capital, new additions not compensating for the loss to the aggregate through amalgamations and the closure of one bank. It will be in recollection that few of the banks made any addition to the rests at the close of their last financial year owing to reduced earnings, and the necessity of providing for heavy depreciation, etc. The comparative course of the rest funds and paid-up capital during the last five years is shown in the following table:—

June 30	Paid-up Cptl.	Rest.	% Rest to Capital
1910.....	\$ 98,728,342	\$ 79,370,321	80.39
1911.....	101,065,306	86,943,135	86.03
1912.....	112,588,537	101,031,186	89.73
1913.....	116,191,087	108,732,561	93.58
1914.....	114,811,775	113,368,898	98.74
1915.....	113,984,390	113,060,988	99.19

DETAILS OF REST FUNDS.

The following are the details of the banks' rest funds as at June 30, 1915:—

	Capital Paid-up.	Rest Fund.	% Rest to Capital
Montreal.....	\$ 16,000,000	\$ 16,000,000	100.00
Quebec.....	2,734,620	1,308,655	47.86
Nova Scotia.....	6,500,000	12,000,000	184.61
British.....	4,866,667	3,017,333	62.00
Toronto.....	5,000,000	6,000,000	120.00
Molson's.....	4,000,000	4,800,000	120.00
Nationale.....	2,000,000	1,800,000	90.00
Merchants.....	7,000,000	7,000,000	100.00
Provinciale.....	1,000,000	650,000	65.00
Union.....	5,000,000	3,400,000	68.00
Commerce.....	15,000,000	13,500,000	90.00
Royal.....	11,500,000	12,560,000	108.65
Dominion.....	6,000,000	7,000,000	116.66
Hamilton.....	3,000,000	3,600,000	120.00
Standard.....	3,000,000	4,000,000	133.33
Hoehelaga.....	4,000,000	3,700,000	92.50
Ottawa.....	4,000,000	4,750,000	118.75
Imperial.....	7,000,000	7,000,000	100.00
Home.....	1,945,376	400,000	20.52
Northern Crown.....	2,858,689	150,000	5.25
Sterling.....	1,202,938	300,000	24.94
Weyburn.....	316,100	125,000	39.54
	\$113,984,390	\$113,060,988	99.19

It is to be presumed that as in the case of the paid-up capitals, the banks' rest funds have reached at the present a periodical finality. Trading profits for the next year or two are not likely to be on so liberal a scale as to permit further substantial allocations in this connection, and it will probably be a long time before the securities' markets show such a marked recovery as to release again for other purposes amounts which have been used in providing for the present depreciation.

Mr. E. Roger Owen, general manager of the Commercial Union Assurance Company and Sir Gerald Ryan, general manager of the Phoenix Assurance Company of London, England were members of the committee appointed by the British Government to report on the question of aircraft and bombardment insurance. The committee formulated a scheme which has now been adopted by the Government.

THE JUNE BANK STATEMENT.

For the first time since last September, a decline in the aggregate of the notice deposits held by the banks is shown in the June bank statement. Between September and May, these deposits rose steadily month by month from \$658,401,000 to \$691,891,287, the latter of course being easily a record figure. During June, they dropped by \$8,129,855 to \$683,761,432. It may be assumed that the contraction was principally due to payments on account of war materials. At the end of June total, the notice deposits stand, however, more than twenty millions higher than at the corresponding date a year ago. Their June decrease is somewhat compensated for by a further advance in the demand deposits, which are up by \$1,711,232 to \$319,957,351, thereby continuing the sequence of increases made from the low point of \$329,917,000 recorded last January. In their foreign deposits, the Canadian banks during June showed

the substantial increase of \$15,330,457 to \$112,242,504, at which figure they are over nine millions higher than at the co-responding date of 1914.

FOREIGN CALL LOANS DOWN.

Another notable movement during June was in the banks' foreign call loans which are down by \$11,493,960 from \$136,098,835 to \$124,604,875. This movement, combined with the rise in foreign bank balances of some eight millions suggests that the banks converted a portion of their call loans in New York and London into cash in preparation for the large interest and dividend disbursements, which had to be made on July 1st.

COMMERCIAL LOANS DECREASE.

Call loans in Canada, which have been steadily advancing since January show a further increase to \$73,628,187, a gain for the month of \$2,111,234,

COMPARATIVE ABSTRACT OF THE BANK STATEMENT, JUNE, 1915.

(Compiled by The Chronicle).

	June 30 1915.	May 31 1915.	June 30 1914.	Month's Movement 1915.	Month's Movement 1914.	Year's Movement
Specie	\$ 62,833,482	\$ 64,112,766	\$ 46,108,956	-\$1,279,284	+ \$ 996,929	-\$16,724,526
Dominion Notes	131,224,628	131,064,697	92,114,482	+ 159,931	+ 688,437	+ 39,117,146
Deposit in Central Gold Reserve	5,500,000	5,900,000	3,050,000	+ 400,000	+ 500,000	+ 2,450,000
Notes of other Banks	11,567,327	13,347,378	14,227,603	- 1,780,051	+ 227,173	+ 2,660,276
Cheques on other Banks	39,933,106	37,775,135	51,975,504	+ 2,157,971	+ 8,625,165	+ 12,042,398
Deposits to Secure Note issues	6,777,592	6,741,752	6,667,568	+ 35,84	+ 20,070	+ 110,024
Deposits with and balances due other Banks in Canada	5,875,018	7,506,390	5,043,536	+ 1,631,372	+ 1,238,107	+ 831,482
Due from Banks, etc., in U.K.	22,280,043	18,259,979	5,743,815	+ 4,020,064	+ 202,197	+ 16,536,228
Due from Banks, etc., elsewhere	40,710,564	36,481,307	46,618,478	+ 4,229,257	+ 10,085,002	+ 5,907,914
Dom. and Prov. Securities	11,543,156	11,053,928	12,186,499	+ 489,228	+ 155,885	+ 643,343
Can. Mun. For. Pub. Securities	28,049,039	27,416,408	24,007,262	+ 632,631	+ 1,114,174	+ 4,041,777
Rlwy. and other Bonds and Stocks	76,501,650	77,245,362	66,150,359	+ 743,712	+ 598,471	+ 10,351,291
Total Securities held	116,093,845	115,715,098	102,344,120	+ 378,147	+ 671,588	+ 13,749,725
Call Loans in Canada	73,628,187	71,516,953	67,401,484	+ 2,111,234	+ 190,980	+ 6,226,703
Call Loans outside Canada	124,604,875	136,098,835	137,120,167	- 11,493,960	+ 7,222,889	+ 12,515,292
Total Call and Short Loans	198,233,062	207,615,788	204,521,651	+ 9,382,726	+ 7,413,819	+ 6,288,589
Current Loans and Discounts in Canada	759,934,154	760,631,113	838,276,428	+ 696,959	+ 186,258	+ 78,342,274
Current Loans and Discounts outside	39,273,120	36,375,658	46,186,854	+ 2,897,462	+ 5,626,021	+ 6,913,734
Total Current Loans and Disc'ts	799,207,274	797,006,771	884,463,282	+ 2,209,503	+ 5,812,279	+ 85,256,008
Loans to Dominion Government	5,000,000	5,000,000				
Loans to Provincial Governments	4,127,359	6,356,311	3,829,438	+ 2,228,952	+ 262,146	+ 297,921
Loans to Cities, Towns, etc.	46,889,816	43,948,436	37,260,571	+ 2,941,380	+ 3,570,994	+ 9,629,245
Bank Premises	47,491,866	47,648,943	45,724,197	+ 157,077	+ 1,170,130	+ 1,767,669
TOTAL ASSETS	1,574,210,911	1,568,792,400	1,575,307,596	+ 5,418,541	+ 29,417,593	+ 1,096,655
Liabilities.						
Notes in Circulation	\$ 99,625,426	\$ 99,125,136	\$ 99,138,029	+ \$ 500,296	+ \$ 1,377,108	+ \$ 487,397
Due to Dominion Government	10,154,379	16,055,291	9,326,478	+ 5,900,912	+ 2,040,527	+ 827,901
Due to Provincial Governments	29,996,092	25,160,869	35,127,260	+ 4,835,223	+ 4,396,704	+ 5,131,168
Deposits in Canada, payable on demand	349,057,351	347,346,119	355,006,229	+ 1,711,232	+ 14,258,141	+ 5,948,878
Deposits in Canada, payable after notice	683,761,432	691,891,287	663,650,230	+ 8,129,857	+ 295,522	+ 20,111,202
Total Dep'ts. of Public in Can.	1,032,818,783	1,039,237,406	1,018,656,462	+ 6,418,622	+ 13,962,618	+ 14,162,321
Dep'ts. elsewhere than in Can.	112,242,504	96,912,047	103,061,603	+ 15,330,457	+ 7,669,164	+ 9,180,901
Total dep'ts. other than Gov'n'm't.	1,145,061,287	1,136,149,453	1,121,718,065	+ 8,911,834	+ 21,631,782	+ 23,343,222
Deposits & Bal. other Can. Bks.	7,816,522	8,797,063	7,869,314	+ 980,541	+ 1,554,247	+ 52,792
Due to Banks & Corrspts. in U.K.	8,866,865	9,687,219	15,623,414	+ 820,354	+ 331,021	+ 6,756,549
Due to Banks and Corrspts. elsewhere	13,791,148	12,865,966	8,933,676	+ 925,182	+ 1,967,847	+ 4,857,472
TOTAL LIABILITIES	1,332,398,402	1,327,453,565	1,330,488,767	+ 4,944,837	+ 29,476,732	+ 1,969,655
Capital, etc.						
Capital paid up	113,984,389	113,982,653	114,811,775	+ 1,736	+ 28,276	+ 827,386
Reserve Fund	113,060,988	113,060,988	113,368,898		+ 22,785	+ 307,910
Liab. of Directors and their firms	8,515,214	8,491,521	8,668,505	+ 23,693	+ 78,477	+ 153,291
Greatest Circulation in Month	103,166,744	102,072,374	101,180,667	+ 1,094,370	+ 1,290,504	+ 1,986,077

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Paid up \$11,560,000 Reserves \$13,174,062
Assets \$179,404,054

HEAD OFFICE - MONTREAL

340 BRANCHES THROUGHOUT CANADA

28 Branches in Cuba, Porto Rico and Dominican Republic
Kingston, Jamaica. Bridgetown, Barbados.
Nassau, Bahamas. St. George's, Grenada.
Port of Spain and San Fernando, Trinidad.
Georgetown and New Amsterdam, British Guiana.
Belize, British Honduras.

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

NEW YORK,
Cor. William & Cedar Sts.

SAVINGS
DEPARTMENT

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

The Dominion Bank

SIR EDMUND B. OSLER, M.P., President
W. D. MATTHEWS, Vice-President

C. A. BOGERT, General Manager

TRUST FUNDS SHOULD BE DEPOSITED

in a Savings Account in The Dominion Bank. Such funds are safely protected, and earn interest at highest current rates.

When payments are made, particulars of each transaction may be noted on the cheque issued which in turn becomes a receipt or voucher when cancelled by the bank.

Head Office, Toronto

THE BANK OF TORONTO

DIVIDEND No. 136

NOTICE is hereby given that a **DIVIDEND** of Two and Three-quarters per cent. for the current quarter, being at the rate of Eleven per cent. per annum, upon the paid-up capital stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its Branches on and after the 1st day of September next, to Shareholders of record at the close of Business on the 14th day of August next.

By Order of the Board,

THOS. F. HOW,
General Manager.

THE BANK OF TORONTO, TORONTO,
July 28th, 1915.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832.

CAPITAL	\$6,500,000.00
RESERVE FUND	12,000,000.00
TOTAL ASSETS over	90,000,000.00

Head Office - - - HALIFAX, N.S.

JOHN Y. PAYZANT, President.

Gen'l Manager's Office, TORONTO, ONT

H. A. RICHARDSON, General Manager.

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

BOSTON CHICAGO NEW YORK

HOME BANK OF CANADA

ORIGINAL CHARTER
1854

Head Office. TORONTO

JAMES MASON - General Manager

Branches and Connections throughout Canada.

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

The Bank of Ottawa

DIVIDEND No. 96

NOTICE is hereby given that a dividend of Three per cent. being at the rate of Twelve per cent. per annum upon the paid-up capital stock of this Bank, has this day been declared for the current three months, and that the said dividend will be payable at the Bank and its branches on and after Wednesday, the First day of September, 1915, to shareholders of record at the close of business on the 18th of August next.

By Order of the Board,

GEORGE BURN,
General Manager.

OTTAWA, Ont., July 19th, 1915

and for the year of \$6,226,703. Canadian current loans and discounts continue to recede and at \$759,934,154 are \$78,342,274 lower than a year ago and \$696,959 lower on the month. Possibly for the present, these loans are at about the low point as the preparations for the crop movement will shortly begin to have an influence upon the banks' loan accounts. Apart from this, however, the movements in the banks' current loans suggest a general slackness in Canadian trade, apart from the special activities consequent upon the war munition and equipment orders. Municipal borrowers are apparently, however, still clamorous, the banks' loans to these having further increased last month by nearly three millions, bringing them up to \$46,889,816, an increase of \$9,629,245 in comparison with a year ago.

SECURITIES AT HIGH LEVEL.

The banks' holdings of securities continue at an exceptionally high level, the total reported for June being \$116,093,845, an advance of \$13,749,725 compared with June, 1914. While Dominion and provincial securities show a slight falling-off holdings of Canadian municipal securities, etc., have increased over \$4,000,000 and railway and other bonds and stocks no less than \$10,351,291.

BANKS' RESERVE POSITION.

The banks' reserve position continues to be one of exceptional strength. Their holdings of specie in their own vaults and in the Central Gold Reserve, and Dominion notes plus net bank balances abroad and foreign call loans, were at the end of June in the proportion of practically 28.4 per cent. to their circulation and depo its.

DOMINION GOVERNMENT'S LOAN.

The Dominion Government's offering in New York of \$45,000,000 one and two year 5 per cent. notes convertible into 20 year 5 per cent. bonds was subscribed three times over, although the lists were closed almost immediately. Allotments of the notes were made to subscribers on the following basis:—

To all subscribers for all amounts in excess of \$10,000, 100 per cent.

To subscribers for amounts from \$11,000 to \$49,000, 50 per cent., and

To all subscribers for all amounts in excess of \$49,000, 25 per cent.

The cost of the issue is about three-quarters of one per cent. In connection with this loan it is stated in New York that since the outbreak of the war \$250,000,000 in important foreign loans have been placed in the United States by foreign countries formerly accustomed to do financing in Great Britain. Also there has been taken back from Europe approximately \$500,000,000 American securities formerly owned abroad.

It is said to be gradually dawning upon the people of the State of Wisconsin that the state insurance agitation for which Wisconsin has in recent years become notorious was used for the furtherance of political ambitions rather than promoted as an economic advantage.

AN UNDESIRABLE MUNICIPAL ACTIVITY.

It is said that power to lend to manufacturers who have been forced to suspend operations by the reduction of bank advances will be sought by some of our Municipalities. It is to be hoped that no legislative authority in Canada will be foolish enough to grant this power if it is applied for by a municipality. The present is no time for the increase of the borrowing powers of municipalities. Their energies should be devoted more to the relentless cutting away of any expenditure that is not absolutely necessary rather than the devisal of fresh ways and means of spending money, whether on capital or on revenue account.

Neither can it be said that the current ideas of municipal responsibility in Canada are such as to suggest the fitness of municipal authorities to undertake business of this kind, while the opening which would be presented for the bringing to bear upon them of illegitimate pressure is obvious.

COMING EVENTS?

In the official announcements of the Dominion's new \$45,000,000 loan in New York, it is stated that the 20-year five per cent. bonds into which the one and two year notes are convertible will be "free from taxes imposed by the Dominion of Canada including any Canadian income tax."

Is this merely an ordinary precaution without particular significance or does it suggest that Hon. W. T. White or sundry provincial treasurers are seriously thinking of an income tax to help pay war expenditure or raise the wind for some other purpose?

ESTABLISHED 1873

The

Standard Bank

of CANADA

Head Office, TORONTO

124 BRANCHES THROUGHOUT THE DOMINION



THE business man who has customers in various parts of Canada or elsewhere will find the services of this Bank of invaluable assistance in collecting drafts, etc.



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

National Trust Co.,
 LIMITED
CAPITAL - - - - - \$1,500,000
RESERVE - - - - - 1,500,000

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

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

MONTREAL OFFICE:
153 St. James Street
 PERCIVAL MOLSON, Manager.

The Royal Trust Co.
 Capital Fully Paid - - - - - \$1,000,000
 Reserve Fund - - - - - 1,000,000

EXECUTORS AND TRUSTEES
BOARD OF DIRECTORS:
 H. V. Meredith, President.
 Sir William C. Van Horne, K.C.M.G., Vice-President.

SIR H. MONTAGU ALLAN, E. B. GREENSHIELDS
 R. B. ANGUS, C. R. HOMER
 A. BAUMGARTEN, SIR W. C. MACDONALD
 A. D. BRAITHWAITE, HON. R. MACKAY
 H. R. DRUMMOND, SIR T. G. SHAUGHNESSY,
 C. H. GORDON, K.C.V.O.
 SIR LOMER GOUIN, K.C.M.G.
 SIR FREDERICK WILLIAMS-TAYLOR

A. E. HOLT, Manager
OFFICE AND SAFETY DEPOSIT VAULTS:
107 St. James St., MONTREAL.

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

WESTERN
 Assurance Company
 Incorporated in 1851
FIRE AND MARINE

ASSETS **OVCF** **\$3,700,000.00**

LOSSES paid since organization of Com-
 pany over **\$61,000,000**

DIRECTORS
 W. B. BROCK, President.
 W. B. WEIKLE, Vice-President and General Manager.
 ROBT. BICKERDIKE, M.P. JAMES HERR OSBORNE
 H. C. COX Z. A. LASH, K.C., LL.D.
 D. B. HANNA GEO. A. MORROW
 JOHN HOSKIN, K.C., LL.D. LT. COL. FREDERIC NICHOLLS
 ALEX. LAIRD COL. SIR HENRY PELLATT C.V.O.
 AUGUSTUS MYERS E. R. WOOD

HEAD OFFICE - **TORONTO**

The Trust and Loan Co.
OF CANADA

Capital Subscribed. \$14,600,000.00
Paid-up Capital. 2,920,000.00
Reserve Funds. 2,627,192.13

MONEY TO LOAN ON REAL ESTATE
30 St. James St., Montreal

PRUDENTIAL TRUST COMPANY
 LIMITED

HEAD OFFICE **9 ST. JOHN STREET MONTREAL.**

Trustee for Bondholders
 Transfer Agent & Registrar
 Administrator Receiver Executor
 Liquidator Guardian Assignee
 Trustee Custodian

Safety Deposit Vault
 For an exceptionally moderate.
Correspondence invited.

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

B. HAL. BROWN, President and Gen. Manager

THE LIFE AGENTS MANUAL, \$3.00
 THE CHRONICLE, MONTREAL

CANADIAN BANKING PRACTICE
THIRD EDITION.
 (HANDSOMELY BOUND IN CLOTH, \$4 PER COPY)

QUESTIONS ON CUSTOM AND USAGE AND LAW. Published under the Auspices of the
 Canadian Bankers' Association (Compiled by John T. P. Knight).

ON SALE AT THE CHRONICLE OFFICE, **10 ST. JOHN STREET, MONTREAL**

ILLEGITIMATE WINDOW DRESSING.

The gentle art of window-dressing balance sheets is usually regarded even by conservative business men as legitimate up to a point. Great banks, those models and monuments of business respectability, are known not to despise the practice when annual statements are in question, and where they lead, the average business man may be excused for following. But there are limits to the legitimate use of the practice and those limits have been passed a long way in some of the published statements and announcements of the younger Canadian insurance companies.

The point of view of these companies can be readily understood. They start out in business only to find themselves "up against" the competition of companies whose annual operations run into millions of dollars; their assets possibly into hundreds of millions. The public, whose average knowledge of insurance is about on a par with its average knowledge of patristic theology, is impressed by size; an impression which in the life insurance business at all events the companies up to a few years ago did their very best to accentuate. In consequence the new company feels compelled in self-defence to make itself look as large as it can. It starts window-dressing—and steps over the bounds.

UNCALLED CAPITAL.

In this connection, we have principally in mind at the moment, the matter of capital subscribed but not paid-up. Although this is not allowed by the various insurance departments as an asset, it may be conceded that under certain circumstances, credit may be given for it. But the extent of the credit which will be given depends upon the character of the shareholders of the company. If, as is sometimes the case, the greater part of the share capital of an insurance company is in the hands of wealthy shareholders of high reputation, who it might reasonably be expected would be prepared to back the company further with adequate resources at any time of financial crisis or heavy losses, in reviewing the position of the company, a very fair amount of credit might reasonably be conceded to the company and claimed by it correspondingly on this account. But the case is different where, as is frequently the case, the stock of the company is widely distributed among small shareholders of no very great worldly wealth. In that case the value of the uncalled capital as an asset will be little, and even in some cases, practically nil. Forfeiture or no forfeiture, it is likely enough that a very large proportion would not pay additional calls assessed upon them to tide the company over a crisis, for the very simple reason that they have not the means to do so.

BOOK-KEEPING GYMNASTICS.

Generally speaking, the public is in no position

to ascertain the real value of the uncalled capital as a prospective asset, and in consequence is easily imposed upon by those who carry the art of window-dressing to illegitimate lengths. An almost ludicrous instance of the kind of thing which is solemnly given out to the public came to our notice recently in the shape of a folder containing the annual statement of a young fire company. In this case the company was able to make a very fair showing of real assets. But the figures, quite naturally, were small. The management, to double them up, included the uncalled capital as an asset and to balance the account put in a corresponding entry of uncalled capital among the liabilities! Following this ingenuous piece of comic book-keeping, the company was, of course, able to assure the public that it had assets more than double and a surplus to policyholders three times as large as would otherwise have appeared.

In cases where the shareholders of a company are, generally speaking, not men of great wealth, enough cash might, of course, be secured to carry the company over a time of crisis, but the possibility is a mighty poor basis on which to rest the hopes of policyholders for settlements of losses. Insurance companies are burdened with too much legislation already, but there seems to be a need for an amendment to the existing Insurance Act explicitly forbidding book-keeping gymnastics of this sort.

THE BOOM IN "WAR STOCKS."

After a period of comparative quiet, there was again at the beginning of the week, spectacular trading on the local stock exchanges in the so-called "war stocks." Canadian Car common, which has been a favorite in this connection for some months, responded so vigorously to New York buying that on Monday it had climbed in a week 41 points to 106, while the preferred has been as high as 115. In the case of the common stock, movements since the high point of 108½ was reached have been very erratic. The common stock is reported to be extremely scarce locally; local holdings are said to have been well liquidated at from twenty to thirty points below the high level reached this week. Interests close to the company make no secret of their opinion that the company's prospects do not justify the high figures for the Common Stock. The fireworks in Canadian Car have led to a broadening of the interest locally in shares of other companies which are supposed to be largely benefitting from war orders, including Iron, Iron Preferred, Scotia, and Steel of Canada. The latter has been in demand on New York account.

In this connection it is interesting to note what one financial authority has to say of the boom in so-called "war stocks" now in full blast in New York:—

"The speculation in these securities has reached what is concededly a point of great danger, and it apparently is only a question of time when natural collapse must follow. This speculation is under the leadership of unscrupulous operators who have been associated in the past with a number of reprehensible railroad deals of the first magnitude and who are probably second to none in the art of shrewd market manipulation."

CANADA PERMANENT MORTGAGE CORPORATION

Established 1855.

Toronto Street, Toronto

President, W. G. GOODERHAM.

First Vice-President, W. D. MATTHEWS; Second Vice-President, G. W. MONK;
 Joint General Managers, R. S. HUDSON, JOHN MASSEY Superintendent of Branches and Secretary, GEORGE H. SMITH.

PAID-UP CAPITAL, \$6,000,000.00 RESERVE FUND (earned) \$4,500,000.00 INVESTMENTS, \$32,496,750.55

DEPOSITS RECEIVED DEBENTURES ISSUED

Associated with the above Corporation, and under the same direction and management, is

THE CANADA PERMANENT TRUST COMPANY

Incorporated by the Dominion Parliament. This Trust Company is now prepared to accept and execute Trusts of every description, to act as Executor, Administrator, Liquidator, Guardian, Curator, or Committee of the estate of a lunatic, etc. Any branch of the business of a legitimate Trust Company will have careful and prompt attention.

Representing

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

You will make money.

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

FOR TERMS TO PRODUCING AGENTS, ADDRESS:

George T. Dexter

2nd VICE PRESIDENT

34 Nassau Street

New York, N.Y.

Atlas Assurance Co., Limited of LONDON, ENGLAND

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

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

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

Agents wanted in unrepresented districts.

Head Office for Canada:

179 St. James St., MONTREAL

MATTHEW C. HINSHAW, Branch Manager



Assets:
\$8,966,071.46

Surplus to
Policyholders:
\$4,019,694.66

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

A STRONG TARIFF OFFICE, NOW ENTERING CANADA
FOUNDED A.D. 1819

THE PHENIX FIRE INSURANCE COMPANY OF PARIS, FRANCE

EDMUND FOSTER, Supt. of Agencies.

THOMAS F. DOBBIN, Manager for Canada.

LEWIS BUILDING,

ST. JOHN STREET, MONTREAL.

Applications for agencies invited

SIMPLICITY IN LIFE POLICIES.

To the Editor of the Chronicle.

Si.—There has been, for a long time past, a question that I have wished to put, had I an opportunity to present it, through a representative insurance journal, to the intelligent class of readers I would reach through such a medium.

My query is this:—Am I justified in feeling a certain hesitancy when called upon to applaud every new departure in our business? My doubt is based upon a feeling in the back of my head that perhaps we Life Insurance men have been and are too prone to "gild refined gold and paint the lily." In other words, are we not drifting too far away from the fundamental principle of Life Insurance, namely: that the Companies shall furnish an article which is *sui generis*—something that no other institution in the world can furnish? Is there not danger in the multiplicity of investment schemes, loans on policies, non-forfeiture provisions and a hundred and one other adventitious aids to beauty with which we have adorned (?) our erstwhile simply-clad Goddess, that we are tending to ignore and belittle the vital and fundamental principle upon which she stands?

Protection for the family in the event of the death of the Insured was the reason why Life Insurance came into being, and it must ever remain the real and true and substantial reason for that great institution. I am not decrying the benefits of endowment policies nor despising the many excellent provisions made for sensible distribution of the proceeds of the policy when it becomes a claim; but I am seriously wondering whether we in the office and in the field, who should be high priests in the temple of Insurance Truth, are not obscuring the solemnity and beauty of our service in the heedless scattering of too much incense and the heaping up of too many meretricious ornaments around the Altar. The old saying that "good wine needs no bush" seems singularly out of date in regard to the Life Insurance contract. What can be simpler or better, or more satisfactory to the average man, than a promise to pay so much money to his family when he dies, provided he makes a moderate payment each year while he lives? In these days when Companies are anxious to offer attractions that their competitors do not, and when they are even forced by State legislatures to keep on heaping benefit upon benefit and advantage upon advantage, is not there danger that the real, old-fashioned Life Insurance policy will be smothered to death by a vast heap of flummery? Is it not also a solemn truth that were the policy denuded of a great many modern frills and furbelows, the Companies could give much more insurance protection without increasing the premium?

A man may secure investments in a great many directions, but he can only secure Life Insurance from a Life Insurance Company.

Yours truly,

J. L. KENWAY.

July 27th, 1915.

[We certainly agree with our esteemed correspondent's views as to the necessity of emphasis that the primary principle of life insurance is protection. Moreover, we believe that in present Canadian circumstances, greater emphasis placed upon this

point would have a remarkably good effect. It may be fairly surmised that under present conditions of commercial investment and speculative depression there are many business men who would be quick to see the advantage and necessity of additional protection for their dependents, secured by a simple contract that gives them just what they require in this connection and nothing else.—Ed.]

PAPER MILLS AS INSURANCE RISKS.

As insurance risks it will be generally admitted that pulp and paper mills have proved by experience to be one of the least profitable of all classes, said Mr. J. Grove Smith, of the C. F. U. A., in the course of a recent exhaustive lecture on the paper industry before the Insurance Institute of Toronto. While fire losses are reasonably expected and provided for, and may with adequate rates and a streak of luck be even providential, when repeated with unseemly frequency and ambitious disregard in the matter of size, insurance companies were well advised to assume a measure of diffidence towards the class exhibiting such tendencies. Paper mills with all due respect to their simple processes, have had and still have, one predominating weakness as insurance risks. Excessive areas and congested values, exposed as in no other industry to loss by a single fire, is the key to the whole situation.

Looking over the newspaper records of the past five years, Mr. Smith finds that no less than twenty-seven fires in American and Canadian paper mills have entailed in each case a loss of well over one hundred thousand dollars. That record is not exceeded by any single class outside of cotton mills upon this continent. The true significance of the situation does not lie in the fact that paper manufacture is more hazardous than other industries. Far otherwise, it suggests that the inherent fault is to be found in construction; that absence of cut-off walls, fire-doors, segregation of dangerous conditions, and a more general distribution of values, has provided a rich harvest for the destructive flames.

Mr. Smith pointed out that paper manufacture is apparently destined to be of enormous industrial importance to Canada, with an increasing influx of capital into it, and that it is therefore to the interest of Canadian insurance men to prepare themselves for the handling of additional risks of this character.

A HARDER LIFE IN GREAT BRITAIN.

Whatever may happen now, this war means that for the rest of our lives we shall never again find the old conditions recur. Life is going to be harder for us all, and for many it may even assume a new and unknown squalor. We have not really felt the pinch yet, but it is coming, and it will come to stay. . . . If our people could grasp these truths, and could also refuse to be misled by the present abundance of money throughout the country, they would begin at once to practice that rigid thrift which in greater or less degree must henceforward be the lot of all. They would waste no more money on luxuries, but would enforce upon themselves that stern self-denial which is now almost universal in France.—London Times.



CANADA BRANCH HEAD OFFICE, MONTREAL.

DIRECTORS

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



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

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The Northern Assurance Co. Limited

"Strong as the Strongest"

Accumulated Funds 1914, \$41,615,000

HEAD OFFICE FOR CANADA,
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ROBERT W. TYRE, *Manager.*

"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

.. THE ..

London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A.D. 1720

CAPITAL PAID UP	\$2,241,375
TOTAL CASH ASSETS	22,457,415

Head Office for Canada, - **MONTREAL**

W. KENNEDY, W. B. COLLEY, *Joint Managers.*

ESTABLISHED 1809

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

FIRE AND LIFE

North British and Mercantile

INSURANCE COMPANY

DIRECTORS

WM. McMASTER Esq. G. N. MONCEL, Esq.
 E. L. PRASE, Esq.

Head Office for the Dominion:

80 St. Francois Xavier Street - **MONTREAL.**

Agents in all the principal Towns in Canada.

RANDALL DAVIDSON, *Manager.*

THE CANADA NATIONAL FIRE INSURANCE COMPANY

HEAD OFFICE: WINNIPEG, MAN.

A Canadian Company Investing Its Funds in Canada

APPLICATIONS FOR AGENCIES INVITED

The LIFE AGENTS MANUAL, \$3.00
THE CHRONICLE - MONTREAL

CANADIAN EXCHANGE ON NEW YORK

Recently, the premium on New York funds as quoted in the Montreal and Toronto markets has been above three-quarters of one per cent. writes a Toronto correspondent to the Boston Transcript. This is the rate for large transactions between banks—the general public must pay the round one per cent. when buying drafts on New York. There is no doubt that the banks are making good profits as a result of the big premium. The theory on which the rates are made is that when a bank in a Canadian town or city is requisitioned by a customer for a draft on New York it probably will be obliged to go into the exchange market and buy New York funds at the current rates in order to restore the balance in New York to the proper level.

Whenever the selling bank is forced to take that course it would make but a moderate and reasonable profit through charging 1 per cent—the profit would be from one-eighth to one-quarter of one per cent. However, the banks at all times are receiving from their regular and occasional customers checks and other items payable in the United States, all of which sooner or later go to their credit with New York correspondents, and the ordinary customer on selling these funds to the banks does not get the benefit of the premium. The best he can expect is to have the bank take the items from him at par.

SPECIAL CASES.

Thus by taking the funds from their customers at par or less, the banking institutions get a considerable amount of New York exchange every day cheaply, and when this is sold at a big premium the premium represents clear profit. It should be said, however, that in special cases, where large amounts are involved, the banks probably would have to give the customer the benefit of the premium on buying American funds from him. A big railway company or a large city able to draw on New York for proceeds of a bond issue there, or a Provincial Government or the Dominion, could command special rates; and it is altogether likely that the big exporters of Canadian products having large amounts of American exchange to dispose of from week to week would receive special rates as a result of keen competition among the banks for their accounts. It would be only the sundry and small business that yielded the exceptionally big profits—still in case of a bank with two or three hundred branches, this sundry and small business would amount to a very respectable sum.

EFFECT ON RETAIL PRICES.

It is, of course, a most vexatious thing for an importer or other who has to remit large sums to creditors in the United States to be forced to pay \$10 per \$1000 as against the normal rate of perhaps \$1 per \$1000. This cuts into the profits of any commercial transaction and no doubt the abnormal cost of remittance is figuring in the retail prices prevailing now in Canada. Another effect of the high premium on New York funds is seen in the sterling rates quoted here. Just now, as Canada is not placing bonds or stocks on any

important scale in England, the flow of money is decidedly towards London. That is to say Canadians—corporations and individuals—are now sending more money to England than England is sending to Canada—the buyers of sterling exchange are more numerous than the sellers. Because of the three-fourths of one to one per cent. premium on New York funds, those Canadians who are obliged to remit to England are losing a great part of the benefit of the low sterling quotations ruling in New York. The American who wishes to remit to London can buy demand bills in New York at around \$4.76½, but the Canadian remitter must pay around \$4.81. This quite important difference arises through the necessity of adjusting in New York the Canadian balances with London.

CROP MOVEMENT'S RESULTS.

With reference to the length of time the premium on New York funds is likely to continue, it should be said that there have been several disappointments. Many thought that the movement to Europe in May and June of Canadian wheat stored at terminal points throughout the winter would improve the exchange situation with New York as soon as the sterling bills drawn by the Canadian exporters were negotiated in the American centre; but apparently no effect was produced on the exchange rates by this movement. Now the hopes of improvement are based on the outward movement of the Canadian crops this fall and on the shipment of shells, etc., on which it certainly seems reasonable to expect that the Canadian banks will be able to accumulate sufficient balances in New York by October and November to cause a drop in the quotations for New York funds at Montreal and Toronto. The banks have restored their call loans in New York and London to the level obtaining before the war; and as they have thus provided a good fund for emergencies perhaps they can soon furnish New York funds to their customers at much lower rates.

Since the above was written, there has been this week a sharp decline in the premium on New York funds, following the issue of the Dominion Government's new loan. On Tuesday the premium was reported as no more than one-eighth of one per cent. Business was, however, nominal.

INSURANCE COMPANIES' SUBSCRIPTIONS TO WAR LOAN.

The following subscriptions by insurance companies to the new War Loan are reported, supplementing those announced in our last week's issue:—

British Dominion's General, £250,000; London and Lancashire Fire, £100,000; Phoenix, £150,000; Provincial (including conversion), £20,000; Royal, £600,000; Sun Fire and Life, £250,000; Scottish Amicable (including conversion), £400,000; Yorkshire (and affiliated Companies), £250,000.

The Dominion Fire Insurance Company has received a new Dominion license to transact hail insurance in the province of Saskatchewan.

COMMERCIAL UNION

ASSURANCE COMPANY LIMITED
of LONDON, England

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

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

APPLICATIONS FOR AGENCIES SOLICITED
IN UNREPRESENTED DISTRICTS.

Head Office: Canadian Branch:—

**Commercial Union Building,
MONTREAL**

J. McGREGOR,
Manager

W. S. JOPLING,
Assistant Manager

PALATINE

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December 1914)

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

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

APPLICATIONS FOR AGENCIES SOLICITED
IN UNREPRESENTED DISTRICTS.

Head Office: Canadian Branch:—

**Commercial Union Building,
MONTREAL**

J. McGREGOR,
Manager

W. S. JOPLING,
Assistant Manager

SUN INSURANCE OFFICE

FOUNDED A.D. 1710

Head Office:
Threadneedle Street - London, England

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

Canadian Branch:

15 Wellington Street East, Toronto, Ont.

H. M. BLACKBURN,
Manager.

LYMAN ROOT,
Assistant Manager

OPPORTUNITIES

in Life Insurance are many.

FOR AN AGENCY, ADDRESS

GRESHAM LIFE ASSURANCE SOCIETY, LTD.

Established 1848. Funds \$50,000,000
GRESHAM BUILDING - - - MONTREAL.

Union Assurance Society Ltd.

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

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

Agencies throughout the Dominion

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

AGENTS

INSURANCE

BROKERS

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

11 ST. SACRAMENT STREET
MONTREAL, P.Q.

MISLEADING LIFE RATIOS.

Some years ago, when competition in the life insurance business was not conducted, in general, on any very lofty plane of ethics, much time and ingenuity were expended in the preparation of ratios for the purpose of demonstrating the superiority of a company over its competitors; and it was generally possible for a resourceful agent, no matter what company he represented, to discover some ratio making for it an apparently very fine showing. Some of the comparisons thus instituted were on an absurd basis, but that was a matter of little concern. This sort of competition has almost entirely disappeared, but, even now, comparisons are sometimes instituted, not always in bad faith, which give a wrong impression of the facts. Thus comparisons of loss ratios in different companies do not necessarily indicate anything more than a difference in the average of the insurance in force. And a comparison between the expense ratio of a successfully established company and that of a company in the early years of its existence would also lead to erroneous impressions. Such comparisons have fallen into general disrepute, and in one state are not allowed to be made. Some misleading ratios, however, still linger in the gain and loss exhibits of department reports, and being thus given official sanction are apt to be used unfairly. The official publication of the ratios ought certainly to be discontinued. It does not follow that agents should be debarred from making legitimate comparisons, or a company from reaping any advantage secured by superior management. The difficulty of making comparisons absolutely fair is, however, so great, that few agents are in a position to make them.—Boston Standard.

INSURANCE COMPANIES' EXPERIENCE ON WAR BUSINESS.

It is announced by Vice-President Woodward of the Metropolitan Life of New York that on the 7,800 policies issued by it on the lives of Canadian soldiers, there had been reported to date 283 claims, involving payments of \$187,696. Other casualties among the soldiers covered, it is expected have not yet been reported.

The Aetna Life reports the total amount of its war claims so far as \$20,000.

The above figures refer to insurance purchased on soldiers' behalf by the city of Toronto and other public authorities. The total insurance procured in this way was \$9,050,000, the greater part being with the Metropolitan Life, though the Aetna and the State Life of Indianapolis also shared in it. The total first year cost of the policies was \$380,550.

Windsor, Ont., has lately announced that it will insure citizens who join the colours, giving a \$500 policy to unmarried men with dependents, \$1,000 to married men, and \$1,500 to married men with three or more children.

The Yorkshire Insurance Company, in announcing a subscription of £250,000 to the new War Loan by itself and affiliated companies states that this subscription is made not only as a matter of patriotic duty, but because the investment is of the highest class yielding a high rate of interest over a long period.

POLICYHOLDERS' DEATHS IN EARLY INSURANCE YEARS.

The Travelers of Hartford has compiled the following statistics regarding deaths among its policyholders during 1914:—

	No.	Amount.
Died in first year of policy	37	\$117,649.73
Died in second year of policy	47	124,216.01
Died in third to fifth year of policy	125	345,682.43
Died in sixth to tenth year of policy	189	543,821.88
Died in eleventh to twentieth year of policy	334	1,059,250.57
Died after twentieth year	344	695,946.51
	1,076	\$2,886,567.13

3.4% died within first year of insurance.
7.8% died within the first two years of insurance.
19.4% died within the first five years of insurance.
37.0% died within the first ten years of insurance.
68.0% died within the first twenty years of insurance.

Every man included in this list was under the necessity of undergoing a physical examination and consequently each and every one was in good physical condition at the time he took out his policy, yet 7.8 per cent. of the total number of deaths were of policyholders who died during the first two years of insurance. The advantage of selection is presumed to continue for a period of about five years, and yet during this five-year period 19.4 per cent. of all the policyholders who died had carried their insurance only from one to five years. The danger of postponing the purchase of life insurance is evident.

CAREFUL SELECTION OF EMPLOYEES.

A business firm cannot well be too careful of the class of employees which it takes on, when it is considered that a bonding company will consider the personnel of employees when agreeing to issue a blanket fidelity bond protecting the employer.

This is particularly true in the case of banks where there is such an excellent opportunity furnished for defalcations to occur if the bank is not careful in selecting its help.

One or two irresponsible clerks in any kind of a financial institution are bound to upset the moral poise of all the other employees. This information was brought out recently in talking to a surety inspector of many years' experience in the business.

It is impossible, of course, for a surety company to know personally the habits of all the employees covered in a blanket bond, but a surety company can insist that a certain standard requirement of fitness shall be held to by the corporation bonded, otherwise the business will be turned down. While there is much competition for first class fidelity business, there are few companies which do not agree that it is better to be safe than sorry.—Insurance Age.

Through the courtesy of Mr. Arthur Barry, manager for Canada, we have been favored with a copy of the Royal Exchange Assurance Magazine, the house organ of the staff of the Royal Exchange Assurance. The present number is thoroughly patriotic in tone, including as it does, a list the length of which is eloquent of the spirit of the R. E. A. staff, of those now serving with the forces, and extracts from a number of letters from the absent ones, duly passed by the censor. Both in contents and arrangement the Magazine reflects the greatest credit upon its producers.



LONDON & LANCASHIRE FIRE
INSURANCE COMPANY LIMITED

ONTARIO AND NORTH WEST BRANCH
8 Richmond Street, East, TORONTO

PROVINCE OF QUEBEC BRANCH
164 St. James St., Cor. St. John St., MONTREAL



LONDON & LANCASHIRE GUARANTEE & ACCIDENT

PERSONAL ACCIDENT
SICKNESS
FIDELITY GUARANTEE

PLATE GLASS
AUTOMOBILE
GENERAL LIABILITY

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

THE YORKSHIRE INSURANCE COMPANY, LIMITED
ESTBD. 1824 YORK, ENGLAND ASSETS EXCEED \$13,000,000

FIRE Every description of property insured. Large Limits.
LIVE STOCK The Yorkshire is the FIRST COMPANY, licensed by the FEDERAL GOVERNMENT, to transact Live Stock Insurance in Canada.
ACCIDENT Personal Accident, Employers', Automobile, Teams, General Liability, and Plate Glass.

CANADIAN DIRECTORS } Hon. C. J. Doberty
 } G. H. Bosworth, Esq.

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

Canadian Manager,
P. M. WICKHAM, Montreal

APPLICATIONS FOR AGENCIES are invited from responsible persons.

ROYAL EXCHANGE ASSURANCE
Founded A.D. 1720

Losses paid exceed \$235,000,000

Head Office for Canada
Royal Exchange Building
MONTREAL
ARTHUR BARRY, Manager



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

Head Office, Royal Exchange, London

FOUNDED 1792.
INSURANCE COMPANY OF NORTH AMERICA
PHILADELPHIA, PA.

CAPITAL, SURPLUS TO POLICY HOLDERS . . . \$4,000,000.00
ASSETS 8,844,871.95
LOSSES PAID EXCEED 17,816,188.57
159,000,000.00

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

THE LIFE AGENTS' MANUAL - \$3.00
Published by The Chronicle, Montreal

THE LAW UNION & ROCK
INSURANCE CO. LIMITED, LONDON. Founded in 1806
Assets Exceed - \$48,500,000.00

Over \$12,500,000 invested in Canada.
FIRE and ACCIDENT RISKS accepted.
Canadian Head Office: 57 Beaver Hall Hill, MONTREAL.

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

MOUNT ROYAL ASSURANCE COMPANY **The NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE.**

PAID UP CAPITAL	\$250,000.00	SUBSCRIBED CAPITAL	\$2,000,000
TOTAL FUNDS	729,967.36	TOTAL FUNDS	7,491,380
NET SURPLUS	202,041.02	NET SURPLUS	1,857,180

AGENTS WANTED IN UNREPRESENTED DISTRICTS.

HEAD OFFICE FOR CANADA **MONTREAL.**

J. E. CLEMENT, General Manager. N. H. YORK, Inspector for Ontario. L. C. VALLE, Inspector for Quebec

INSURANCE INSTITUTE OF TORONTO

The annual volume of proceedings of the Insurance Institute of Toronto is to hand. It contains as usual a number of papers read before the Institute of invaluable interest to the insurance man and worthy of close attention and study. The high average reached by the Institute's papers in former years has been fully maintained. A notable contribution has been again made by Mr. T. Bradshaw, F.I.A., with his notes on municipal debentures. Mr. Grove Smith's exhaustive lecture on the paper industry forms a standard reference for fire underwriters who will also be keenly interested in Mr. Leopold Jones' "Remarks on Fire Policy wordings." Life insurance men have a paper (part of which has already appeared in these columns) by Mr. W. A. P. Wood of the Canada Life on "Hazardous occupations" and another by Dr. E. L. Fisk of the Life Extension Institute on "Life Saving as a Function of Life Insurance"—the description of a new departure in the United States which promises to accomplish extremely valuable work particularly in combatting the degenerative diseases to which comparatively little collective attention has hitherto been paid and thereby aid in improving the life companies' mortality experience. Mr. J. H. Ewart of the National Provincial Plate Glass Company describes a small but growing branch of insurance in a paper on the plate glass business, (which we have already published,) while the list is completed by the inaugural address of last session's president, Mr. W. H. Hall, of the National Surety Company, touching many points of live insurance interest, a paper on "the insurance man's collateral reading" by Mr. M. P. Langstaff of the Dominion Life, and an address by Archdeacon Cody of Toronto on the issues of the present war.

THE ANNUAL REPORT

It is noted in the annual report that notwithstanding the conditions created by the war, the membership has been well maintained. The total membership is 424, of whom 39 are fellows, 145 active members and 239 student members. Fifteen students entered the course of educational studies in preparation for the Institute examinations arranged in conjunction with the Y. M. C. A., while 26 members presented themselves for the examinations, the first prize of \$50 for the second year examinations held this year having been awarded to Mr. E. H. Pooler of the Imperial Life.

Many members of the Institute have enlisted for service at the front, and among these there have been several casualties. The list as given in a roll of honour included in the Proceedings is as follows:—A. E. Kirkpatrick, H. H. Foote, D. G. Higgins, C. A. Lyall, A. H. L. Motley, M. G. Poulton, John A. Shaw, C. C. Stansbrough, John Law, Melville E. Lobb, A. L. McMurtrie, John A. Mills, G. R. Parkin, J. M. Pauline, J. K. Shook, Frank Smallman, J. Russell Somers, A. C. S. Wainwright, J. K. Waugh and John C. White.

The officers for the forthcoming session are: honorary president, Col. W. C. Macdonald, Confederation Life; president, George B. Woods, Continental Life; vice-president, A. E. Blogg, London and Lancashire Fire; secretary-treasurer, C. Elvins, Imperial Life; librarian, V. R. Smith, Confederation Life.

CANADIAN LIFE UNDERWRITERS' ASSOCIATION.

Announcement is made that the annual convention of the Life Underwriters' Association of Canada will be held at Toronto on September 8th, 9th and 10th. The Toronto Underwriters are now busy on the job with a view to maintaining the city's reputation for hospitality and entertainment. The following committees have been appointed.

Reception and Entertainment: Geo. H. Hunt, Chairman; D. J. Scott, Vice-Chairman; A. G. Ramsay, Wm. May, D. Roberts, Frank Gadway, F. G. Hassard, Dr. W. G. Wood, J. S. Howell, W. B. Peace, C. M. Home, W. G. Smith, C. H. Foxlee.

Registration: N. H. Bastedo, Chairman; T. B. Parkinson, R. T. Faircloth, W. E. Nugent, O. A. Harper, M. D. Johnson, J. H. C. Graham.

Hotel Committee: F. G. Hassard, Chairman; J. M. G. Thayer, M. E. Manning, R. S. Richeson.

Banquet Committee: J. B. Hall, Chairman; D. J. Scott, Geo. H. Hunt, F. T. Stanford, J. L. Purdy, L. J. Lugsdin.

There is also a special committee composed of Messrs. L. J. Lugsdin, R. Pratt and J. G. Taylor to look after the welfare of the ladies.

The convention is open to all life agents, whether members of the Association or not.

PROGRAMME OF THE CONVENTION.

The programme is reported to stand out as the best yet, President Meiklejohn and the members of the Programme Committee having gone to the greatest pains to make it the most helpful in the history of the Association. In addition to the general subjects discussed, etc., they have secured several of the most prominent Canadian and American speakers, including Sir George E. Foster, Mr. H. M. Willet, of Atlanta, Ga., Mr. H. C. Cox, and others whose names will be announced later. The main subjects for discussion are given below.

Getting Prospects.

Conservation of Time and Ability of Soliciting Agents.

Old Policyholders and Introductions.

Daily and Weekly Reports.

Income Insurance vs. Insurance Payable in One Sum.

New Fields for Life Insurance.

The Public Attitude Towards Life Insurance.

Encouragement of Thrift.

Lectures in Secondary, Commercial Schools and Universities.

Commission for Permanent and Whole-time Men Only.

Renewals and Pensions.

Keeping Business on the Books.

Should Loan Clauses be Eliminated?

Provincial License Laws.

Historical Sketch of the Underwriters' Movement.

Legal Advice for Agents.

Evolution of a Policy.

Salesmanship.

The Head Office and the Field Staff.

The convention opens on September 8th, at 9 a.m., in the Assembly Hall, Board of Trade, Royal Bank Building.

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

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1833.

FIRE, MARINE and HAIL

HEAD OFFICE: TORONTO

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

DIRECTOR

W. R. BROCK, President
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D. B. HANNA	JAMES KEEN OSBORNE
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Z. A. LASH, K.C., LL.D.	E. R. WOOD.

W. B. MEIKLE, General Manager
 E. F. GARROW, Secretary

THOMAS F. DOBBIN, Resident Manager
 MONTREAL

First British Insurance Office Established in Canada, 1804

INTENDING ASSURERS

Should read the "THREE MINUTES" Leaflet of the

PHOENIX ASSURANCE CO., 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, 1910

(1) A UNIFORM ADDITION of \$85 per \$1,000 was declared on all classes of Full-Bonus Policies.

(2) A GUARANTEED BONUS was also declared of \$12.50 per \$1,000 per annum on Full-Bonus Policies becoming claims by death, and \$17 per \$1,000 per annum on Endowment Assurances maturing before 31st December, 1915. These bonuses apply to new as well as existing policies.

H. B. F. Bingham, R. MacD. Paterson, Joint Managers
 Life Superintendent. J. B. Paterson.

Agents Wanted

NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST

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

Agents wanted for the Accident Branch.

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

JOHN MacEWEN, Superintendent for Quebec.

Established 1864.

New York Underwriters Agency.

A. & J. H. STODDART REGISTERED
 100 William Street, NEW YORK

PROVINCIAL AGENTS.

MURPHY, LOVE, HAMILTON & BASCOM, Toronto, Ont.	JOHN Wm. MOLSON & ROBERT Y. HURTER Montreal, Que.
OSLER, HARRISON & NANTON, Winnipeg, Man.	WHITES & CALKIN, St. John, N.B.
ALFRED J. BELL & Co. Halifax, N.S.	ATYS & BONS, LTD., St. Johns, Nfld.

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

L'UNION FIRE INSURANCE COMPANY, Limited

Head Office: PARIS, France.

Established 1828

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

Canadian Branch:

LEWIS BUILDING 17 ST. JOHN STREET, MONTREAL

Manager for Canada:

MAURICE FERRAND

Scottish Union and National Insurance Co., of Edinburgh, Scotland

ESTABLISHED 1804

Capital,	\$30,000,000
Total Assets,	72,238,864
Deposited with Dominion Gov't,	391,883
Invested Assets in Canada,	7,166,267

NORTH AMERICAN DEPT., HARTFORD, CONN. U.S.A.

JAMES H. BREWSTER, Manager

ERINHART & EVANS, Resident Agents	Montreal
MEDLAND & SON	Toronto
ALLAN KILLAM & McKAY, LTD.	Winnipeg

INDEMNITY NOT INVESTMENT.

The life insurance salesman runs against no more difficult objector to his proposition than the man who has money, but believes implicitly in his ability to handle it in such a way that he will obtain better returns than by "investing" in a life insurance policy. But the misapprehension under which such men operate is easy for the clever salesman to dispel by a plain course of reasoning. "For such men," says a well-known worker in the field, "life insurance should not be described as an investment, but as a purchase of indemnity. Ask any man who presents the above objection whether he has not at one time or another had to bear a considerable loss on account of a reversal of what he considered at first to be excellent judgment on his part. Very few will be able to conscientiously answer that question in the negative. Then, if the salesman is able to take the position of a personal counselor, as he should be, he may by judicious and tactful inquiry develop the fact that the investor is spending a considerable amount of time and money in making and caring for his investments, all of which is taken from the main business pursuit of his life. That costs him something directly and is a factor in his investment cost, of which he does not usually take any account. That time and attention, devoted to 'sticking to his own last,' would in most cases bring him much more direct return than when spent in divergent interests. When taken into consideration, in connection with the money he has lost on bad investments, it will soon convince the ordinary business man that he is not so infallible in his calculations as he thought. Then comes the time to show that the life policy or the endowment is the safety fund which remains intact and increasingly valuable in the face of the ups and downs of other ventures. It is a thing bought and maintained during productive years, not an investment for a short or long period, according to changing values. At the same time, its results will compare most favorably with any conservative investment, and under the circumstances the objector is bound to see the logic of the argument."—*Weekly Underwriter*.

SALVATION THROUGH AMORTIZATION.

It is pointed out by the New York Spectator that the rise in interest rates is bound to affect sharply the American life insurance companies through their enormous holdings of American railroad bonds. If the rate on securities is to be forced higher, says the Spectator, the only salvation for life companies in the immediate tumble of the market value of railroad securities which are netting them from two and one-half per cent. to four and one-half per cent. is amortization.

State insurance departments in some States have already adopted this system of valuation for assets to meet the very situation which now confronts the investment world. It is simply a question now as to whether other departments will follow the lead set first by New York, and allow all companies to tide themselves over with their present holdings, through amortization as against heavy depreciation in market values.

The South Carolina insurance commissioner has inaugurated a policy of declining to license insurance agents addicted to the use of intoxicating liquors.

"DON'T SWAMP THE PROSPECT."

"Several years of experience have convinced me," declares one of our agents, "that the more simple I can make my selling talk to my prospect, the fewer points I have to bring up for consideration, the more enlightened and better satisfied customer will I leave when I take this application to the district office."

That "simplicity is the beauty of everything" can be no better exemplified than right in our business.

If you want to change a prospect to a policyholder don't deal in glittering generalities.

JUST PRESENT THE FACTS.

A few simple facts told in an enthusiastic, straightforward manner will get more names on the dotted line, more annual premiums in the company's exchequer and mean fewer canceled policies, with lost renewals, than all the "sink or swim," "live or die" line of talk.

The easiest, shortest, and most direct line between two individuals on an insurance proposition is a simple, straightforward talk, and we believe in following it most religiously.

We like to do that also, because it enables us to cover these direct lines between so many more *should* be policyholders and ourselves.

A FEW PITHY POINTERS.

It is not necessary to cover every talking-point in one interview.

The company does that in such a successful manner that the "wayfaring man, though a fool, need not err."

That is where we got our tip—right from the contract the company puts out. Can you beat it?

Let the customer study the contract on his own time instead of yours.

Time is money, you know, but don't try to make people think you are a millionaire by showing them how much you have on your hands.

Personality, enthusiasm and straightforward assertions are what convince.

Don't try to use the *con* in our business, only in *conquer, convince and conduct*.

When you have conquered your prospect's possibly frigid reception by your pleasing personality, convince him by a few pointers put in an enthusiastic manner, and then conduct him along the most direct line to the examining physician's office.—*Prudential Record*.

BRITISH FIRE LOSSES.

The sensational gossip regarding huge fires in Great Britain due to the activities of German spies, which have been lately circulating on this side the Atlantic are considerably discounted by the "Times" compilation of fire losses. In the month of June British fire losses are placed at £458,000, about the same figure as last year. For the six months they are stated as £2,034,000 against £2,196,700 in the corresponding six months of 1914.

The British Dominions' General Insurance Company announces a subscription to the new British War Loan of £250,000. The Company also holds considerable Consols which will be converted, and thus increase the aggregate amount of the War Loan held by the Company.



The Employers' Liability

Assurance Corporation Limited

" " " OF LONDON, ENGLAND " " "

TRANSACTS:

Personal Accident, Health, Liability,
Fidelity Guarantee and Fire Insurance.

Most Liberal Policies Issued

Offices: MONTREAL, TORONTO

Gen. Manager for Canada & Newfoundland, CHARLES W. I. WOODLAND
JOHN JENKINS, Fire Manager.

Canadian
Government
Deposit over

\$1,340,000

STANDS FIRST

in the liberality of its Policy Contracts, in financial strength, and in the liberality of its loss settlements

THE CANADA ACCIDENT ASSURANCE COMPANY

HEAD OFFICE: Commercial Union Building, MONTREAL

CAPITAL \$500,000.00

Personal Accident, Sickness, Plate-Glass, Guarantee and Liability Insurance.

Board of Directors:

S. H. EWING, President J. S. N. DOUGALL, Vice-President
HON. N. CURRY, JAMES MCGREGOR, J. K. OSBORNE, T. H. HUDSON

T. H. HUDSON, J. WM. MCKENZIE, Joint Managers.

Branches: MONTREAL VANCOUVER CALGARY REGINA

FOUNDED 1871

The OCEAN ACCIDENT & GUARANTEE CORPORATION, Limited of LONDON, England

Accident, Health, Employers' Liability, Guarantee and Plate Glass Insurance

UNRIVALLED SECURITY

LIBERAL POLICIES

ASSETS EXCEED - - - \$16,400,000

CLAIMS PAID, over - - - \$50,000,000

Canadian Head Office - - - TORONTO, Ontario

CHARLES H. NEELY, General Manager.

WHY NOT HAVE THE BEST ?

The Globe Indemnity Company of Canada

Head Office, MONTREAL.

formerly--The Canadian Railway Accident Insurance Company.

DIRECTORS --J. Gardner Thompson, President. Lewis Lalng, Vice-President. A. G. Dent, W. Molson MacPherson,
T. J. Drummond, Sir Alexandre Lacoste, Martial Chevallier, Sir Frederick Williams-Taylor.

JOHN EMO, General Manager & Secretary.

ROBERT WELCH, Assistant Manager.

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

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

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

INSURANCE EDUCATION IN FUNDAMENTALS.

(Willard Done.)

It is useless to attempt to build up professional and ethical work unless the men engaged in the business know its fundamentals, love the work, and practice ethics. I do not mean by this that the small local agent in a remote town must be familiar with the actuarial and other details of the business; but I do mean that he will be a better agent, a better man, and therefore a better citizen, if he knows and appreciates some of the fundamentals of his business. It has been frequently remarked that to all intents and purposes the agent is to his clients the insurance company, and by him alone it is judged. I have therefore conceived it to be a fact that no agent is doing his full duty who does not know enough about the fundamentals of his business to vindicate it; who is not willing to vindicate it by word and act. Most of the harm that has come to the business of insurance has been not alone through vicious representatives, but through ignorant ones.

INSURANCE EDUCATION.

In line with this idea I have long advocated insurance education, the training of the budding agent in the fundamentals not only of his particular line, but of all insurance branches. I think, too, that every man and woman that goes into the business world should know something of the fundamentals of insurance, just as all are expected to know something of banking principles and practices, and the fundamental rules of trade and other common business relations. And if the people who come only in occasional contact with insurance should be acquainted with its fundamentals, it seems much more necessary that he should be who is giving all or a large portion of his time to the business. True service cannot otherwise be given, and profits resulting from service cannot otherwise be secured. Even now every one may know something of the fundamentals of insurance. The time will soon come when everyone must. This is particularly true of fire insurance, which is not so much a matter of individual option as of business necessity. It is not personal, but commercial. The merchant and the manufacturer must insure for the benefit of his creditors, the mortgagor for the mortgagee, and so on. If one were so careless as to neglect fire insurance personally, his business interests would demand the prudence of insuring his property.

It is a striking commentary on the honesty and ability of insurance men, that people have dealt so long in insurance with such profound ignorance of it, and yet with so little dissatisfaction. This is well stated in the remark of a former president of the United States, who said that whenever a new policy of insurance is delivered to him he throws it in his safe deposit vault without reading it. His act, which is common to nearly all business men, is due not to indifference, but to confidence; and it indicates his implicit faith that his rights will be safeguarded. Or, paraphrasing a famous advertisement, "He pays the premium, the company does the rest."

EDUCATION AND CONSERVATION.

If insurance is suffering at all in popular estimation, it is because of the acts of the few ignorant

and dishonest men that have fastened themselves on the business. It is in spite of the honesty and efficiency of the vast majority. Business men know that every line of activity is cursed by a few hangers on who will not "tote fair." Traffic regulations are made for the careless or vicious traveler. The careful man can do without them. So with other restrictive laws. So with adverse public opinion regarding any business or activity. The few that prove themselves unworthy inflict damage on the vast majority of worthy men.

There would be so much less adverse public opinion regarding insurance if we had taken an earlier initiative in the work of education and conservation. It is true the companies and their representatives have done very much. But others, with destructive rather than constructive motives, have been active in shaping public opinion and enacting legislation to reflect it. This adverse movement has had its root in the actions of the few above referred to. It is up to the majority now to vindicate their business and forward a constructive movement. No business should be judged by those who disgrace it. We have it in our power to make; the people judge it by those who honor it. The power implies the duty.

FUNDAMENTALS OF FIRE UNDERWRITING.

As men become better acquainted with their chosen work in fire insurance they will be better qualified to act as teachers and advisors of the people with whom they deal. There are fundamentals of the business which every property owner should know. The one broad principle which should be most strongly impressed is the essential mutuality of the fire insurance company. Those who are engaged in the business of fire insurance naturally hear a great deal about mutual insurance and its supposed advantages over that furnished by the stock companies, in its alleged direct appeal to the insured. Advocates of this form of insurance are continually inveighing against the excessive charges and large profits of the stock companies. They advocate their plan of insurance on the ground that it is furnished at cost and these side profits are eliminated.

The answer to this is simple. Underwriting furnishes no profits in the stock companies. More commonly underwriting loss is made good from investment profits. Expenses of management are moderate, and the stock companies will compare favorably with the mutuals in this respect. This leaves fire losses as the one great determining factor in making rates, and here stock companies and mutual companies are on exactly the same level. In both cases the loss determines the rate.

If this one fundamental principle can be impressed upon the minds of the insuring public, and they can be made to know that every fire prevented is a benefit to the public much more than to the insurance companies, a great work will have been accomplished.

C.P.R.'s net earnings for June—the last month of the financial year—were \$7,512,033, a decrease of \$2,542,388 and net earnings, \$2,678,030, a decrease of \$657,593. Earnings for the complete fiscal year, according to the monthly returns, are \$98,865,209 gross against \$129,814,823 in the previous year, and \$33,574,627 net against \$42,425,927.

ARE YOU OFF TO THE WOODS?

Doubtless your holiday has been well earned, but even so, you are not justified in running the extra risks involved without having adequate insurance on your life.

If you have insurance, your holiday will be all the happier. You will be absolutely sure it is right both as to protection and investment if in the

CANADA LIFE ASSURANCE COMPANY

HERBERT C. COX,

President and General Manager.

The Imperial Guarantee

AND ACCIDENT INSURANCE CO., OF CANADA

Head Office: 46 King Street W.,

TORONTO, Ont.

A Strong Canadian Company.

ACCIDENT AND SICKNESS INSURANCE
GUARANTEE BONDS

PLATE GLASS AND AUTOMOBILE INSURANCE

E. WILLANS, **FRANK W. COX,**
General Manager. *Secretary.*

The London Mutual Fire

INSURANCE COMPANY

Established 1859

Head Office - - TORONTO

Assets	- - - -	\$863,554.52
Surplus to Policyholders	-	433,061.40
Losses Paid	- - over	\$8,000,000.00

PROVINCE OF QUEBEC BRANCH

W. J. CLEARY, **R. de GRANDPRE,**
Provincial Manager *Inspector*
17 St. John Street, MONTREAL

The WATERLOO Mutual Fire Insurance Co.

ESTABLISHED IN 1863

HEAD OFFICE : WATERLOO, ONT.

TOTAL ASSETS 31st DEC., 1914, \$898,000.00
POLICIES IN FORCE IN WESTERN ONTARIO OVER 20,000

WM. SNIDER, President, **GEORGE DIEBEL,** Vice-President
ARTHUR FOSTER
Inspector

TABLES OF COMPOUND INTEREST

for each rate between $\frac{3}{4}$ and 10 per cent per annum proceeding by intervals of one-eighth, and from 1 year to 100 years. I. Present value of £1 receivable at the end of each year. II. Present value of £1 per annum receivable at the end of each year. III. Amount of £1 at the end of each year. IV. Amount of £1 per annum at the end of each year.

By the Late Lieut-Col. W. H. OAKES, A.I.A.

PRICE, \$5.00

On Sale by The Chronicle, Montreal.

INCREASING PROTECTION.

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PARAGRAPHS.

A large percentage of the Canadian Government's \$45,000,000 note issue is reported to have been taken by Chicago investors.

* * *

The payment of life assurance premiums should be regarded as being quite as important as paying the rent or making provision for the ordinary necessities of life.—Insurance Review

* * *

Chicago life underwriters are getting on the tracks of so called life insurance "experts," "auditors," "counsellors" etc. They claim that these high sounding titles are merely aliases for "twister."

* * *

Given a good company, the best way to prevent lapses is for the agent to keep in touch with his policyholders. Incidentally he will write more insurance by this plan than any other which might be used.—Insurance World.

* * *

The Travelers Indemnity Company has been licensed by the Dominion authorities, to transact burglary and plate glass insurance, in addition to accident, sickness, steam boiler, fly wheel and automobile insurance for which it is already licensed.

* * *

The New York Superintendent of Insurance says that the present highly efficient, careful and conservative management of the life companies as a whole is not exceeded by that of any other class of corporations. A change of tune since ten years ago.

* * *

An esteemed exchange suggests that the life agent can find a "delightful opportunity" for spending a vacation and at the same time keeping up his earnings by taking a two or three weeks' automobile trip on a campaign for business. It omits to say: First catch your automobile.

* * *

No one complains because the premiums paid for steam boiler insurance are expended for the most part, not in the payment of losses, but of the expense of the inspections made to prevent losses. The full extent of the service rendered by fire insurance is not so readily apparent, but the service is worth all the money it costs.—Boston Standard.

* * *

Life companies transacting business in the State of New York at the end of 1914 possessed admitted assets of \$4,636,774,621, an increase during the year of \$219,476,410. The liabilities, excluding gross surplus and special funds of \$272,457,473, were \$4,364,317,147, an increase of \$203,955,160 over the previous year. The total income was \$874,360,605, an increase of \$34,063,163.

* * *

The question is being discussed in Great Britain whether under present circumstances the life companies will assume a higher earning power of their funds in valuing their liabilities and thus perhaps counteract the effects of investment depreciation. One first-class office has already raised its valuation rate and it is suggested that with the new standard of investment set by a British Government security at 4½ per cent., the assumption of a rate as low as 2½ per cent. is an unnecessarily stringent basis of calculation.

CANADIAN FIRE RECORD

Specially compiled by The Chronicle.

WARREN, ONT.—Village practically wiped out, July 21.

KNOWLTON, QUE.—Y. W. C. A. senior summer camp destroyed, July 24. Origin, oil stove.

ORILLIA, ONT.—Walker's garage destroyed, July 23, with 15 cars. Origin, explosion of gasoline.

NIAGARA FALLS, ONT.—Pollard's Foundry on Park street damaged July 22. Started in cupola.

MONTREAL.—Bellevue Theatre, 1277 St. Denis street gutted, July 26.

Houses, Nos. 26 to 38 Maguire street destroyed, July 26.

M. Broadbent's cigar and stationery store, 81 Prince Arthur St. West, gutted, July 22.

Shed of Mr. Morris, 1233 Chabot street and three rooms of third storey flat damaged, July 23. Origin, unknown.

NEW RIVER, N.B.—House property of Mrs. Peters destroyed, July 22. Loss \$2,000. Insurance \$400. Origin, unknown.

MEAFORD, ONT.—F. Abbott's store on Sykes street damaged, July 22. Fire confined to basement, stock principally smoke damaged.

CHATHAM, ONT.—Miramichi pulp mill property, owned by Dominion Pulp Company destroyed, July 19. Origin, spark from lumber mill. Loss \$50,000 partly covered by insurance.

WINNIPEG.—Four double barns and forty head of cattle at Union Stock Yards destroyed, July 25. Loss \$25,000, insured. Cattle covered in Hartford. Origin cigarette end in hay pen.

SEAFORTH, ONT.—Attempt was made to set on fire warehouse of Ogilvie Milling Company, containing 20,000 bushels of wheat, July 29. Oily waste was secreted under the building. Little damage.

CARON, SASK.—In the fire at the Saskatchewan Trading Company's general store on July 14, the following companies are interested:—Hartford, \$7,400; Scottish Union, \$600; Commercial Union, \$4,950; Atlas, \$3,500; Guardian, \$3,500; Royal, \$3,000. Loss about 80 per cent.

The agent of the present day, can no longer live or act as the agent of 40 years ago did. He must be well informed as to his business and how it is affected by the industrial growth of the country, the different classes of risks and improvements, and properly understand and be able to explain the rating methods as well as other details of the manner in which the business is conducted along modern lines.—Hon. James R. Young.

The Canadian head office of the Fidelity and Casualty Company of New York will, in future, be located in Montreal, with Mr. Paul Boring, resident manager, in charge of the Company's Canadian records. For the Province of Ontario, Reed, Shaw & McNaught, have been appointed general agents, with offices at Toronto, succeeding the branch office of the company in the same territory.

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Traffic Returns.

CANADIAN PACIFIC RAILWAY.				
Year to date	1913	1914	1915	Decrease
June 30.	\$64,332,000	\$52,907,000	\$41,261,000	\$11,646,000
Week ending	1913	1914	1915	Decrease
July 7..	2,700,000	2,343,000	1,666,000	677,000
14..	2,604,000	2,285,000	1,635,000	650,000
21..	2,608,000	2,232,000	1,670,000	562,000

GRAND TRUNK RAILWAY.				
Year to date	1913	1914	1915	Decrease
June 30.	\$27,138,193	\$24,964,083	\$23,174,746	\$1,789,337
Week ending	1913	1914	1915	Decrease
July 7..	1,087,463	1,048,006	990,278	57,728
14..	1,131,358	1,072,872	989,629	83,243
21..	1,164,836	1,010,895	980,898	29,997

CANADIAN NORTHERN RAILWAY.				
Year to date	1913	1914	1915	Decrease
June 30.	\$10,739,900	\$9,335,700	\$7,259,100	\$2,076,600
Week ending	1913	1914	1915	Decrease
July 7..	432,700	362,000	258,800	103,200
14..	454,500	375,000	279,100	95,900
21..	447,800	378,900	277,100	101,800

TWIN CITY RAPID TRANSIT COMPANY.				
Year to date	1913	1914	1915	Increase
June 30.	\$3,442,269	\$4,468,940	\$4,547,408	\$78,468
Week ending	1913	1914	1915	Decrease
July 7....	\$179,736	193,724	181,958	11,766
14....	166,435	181,141	175,004	6,137

HAVANA ELECTRIC RAILWAY COMPANY.

Week ending	1914	1915	Decrease
July 4.....	56,068	54,811	1,257
" 11.....	54,606	54,650	Inc. 44
" 18.....	55,076	54,245	831
" 25.....	52,535	50,045	2,490

DULUTH SUPERIOR TRACTION CO.

Week ending	1913	1914	1915	Decrease
July 7.....	29,163	29,861	23,155	6,706
14.....	25,433	24,966	21,038	3,925
" 21.....	26,484	27,251

MONEY RATES.

	To-day	Last Week
Call money in Montreal.....	6-6½%	6-6½%
" " Toronto.....	6-6½%	6-6½%
" " New York.....	1½%	1½%
" " London.....	4-4½%	4-4½%
Bank of England rate.....	5%	5%

CANADIAN BANK CLEARINGS.

	Week ending July 29, 1915	Week ending July 22, 1915	Week ending July 30, 1914	Week ending July 31, 1913
Montreal..	\$46,740,865	\$47,670,717	\$59,107,541
Toronto..	34,163,826	27,103,500	43,370,262
Winnipeg..	16,676,215	16,615,941
Ottawa....	4,230,566	3,701,359

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Very few men can afford to carry such a sum. Those who cannot assume such an amount should nevertheless make it their aim and as circumstances improve add to their protection until this point is reached.

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