

# The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXX. No. 11

MONTREAL, MARCH 12, 1920

Single Copy 10c  
Annual Subscription \$3.00



## THE GENERAL FINANCIAL SITUATION

At the end of last week, a remarkable recovery took place in sterling exchange. While at the time, of writing, the highest quotations, very naturally, have not been held, a distinctly higher level than the quotations recently prevailing, is maintained. This movement is significant, not so much for the actual extent of the gain in sterling as in its indication that the worst of the recent chaos in the exchanges has been passed. As regards the sensational rumours of gold shipments in fabulous sums, which accompanied the movement, the facts seem to be that while these rumours are highly colored, they have at least a substratum of truth. It appears that extensive shipments by Great Britain are to be undertaken in order to make provision for the Anglo-French loan maturity in October. Diversion of a portion of the Transvaal gold output, now being marketed weekly in London, is probable in addition to special gold shipments. That this Anglo-French loan will be paid off at maturity, and will not be renewed in any form, was definitely announced by the Chancellor of the Exchequer at the week-end. The announcement, and the intimation that gold shipments are to be undertaken, constitute heartening signs of the progress towards financial order which the London financiers are making. As regards gold shipments, it is evident that these would not be undertaken, were not Great Britain in a comfortable position to make them. What would happen to the Anglo-French loan at maturity has long been a subject of discussion in New York; but discussion did not contemplate the step now announced. In fact, it appears that while the discussion was proceeding, the British Government, through J. P. Morgan & Company, has been quietly buying in the Anglo-French bonds at their depreciated value recently ruling. So that the net amount of obligations to be liquidated in October, will be considerably less than the \$500,000,000 originally borrowed by this issue. Apparently there are still some few degrees of financial shrewdness left in a supposedly-effete and broken down Europe.

The fact that coincident with the improvement in sterling, a considerable recession took place in the premium on New York funds here, bears out the point which has been insisted upon in this column, that recently New York exchange on Montreal has ceased to be a barometer of the trade relations of the two countries, and that as sterling rights itself, so will New York funds here, and the other exchanges right themselves. While restriction of imports from the United States may do something to keep down an adverse exchange rate, it is quite certain that this alone will not have the effect of bringing Canadian funds to a parity in New York. The exchanges stand or fall together under present conditions. A movement which, we believe, will have a considerable effect in keeping down the premium on New York funds, seems in a fair way of developing through the purchase of Canadian securities by American investors. For instance with a 12 per cent. exchange, Montreal Power only costs the American investor around 74, and the latest issue of Victory Bonds, 85. Moreover, to the purchaser resident abroad, the feature which is militating against the popularity of this last Government issue in Canada, that of the bonds liability to the Dominion Government income tax is no objection, since non-resident holders are not amenable to that Income Tax. High grade stocks and bonds, at such prices as those indicated, must naturally constitute exceedingly attractive opportunities, and it will be surprising if they are not largely availed of while the opportunity, through the continuance of exchange adverse to Canada, remains.

The intimation that the preliminary steps are being taken for the establishment of a new bank in the Province of Alberta, with head office at Edmonton, is interesting, but a certain amount of scepticism may be aptly exercised in regard to the possibilities of its success. New banking ventures in recent years in Canada have not been wholly fortunate, and the smaller institutions have to face keen competition everywhere. There is a suggestion that the new institution will make merely a sectional appeal, the efficacy of which may be very well doubted, while if it is to make a general appeal

# BANK OF MONTREAL

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- -

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Our Managers invite confidential interviews.

HEAD OFFICE: - MONTREAL

E. C. PRATT, General Manager

# The Chronicle

## Banking, Insurance and Finance

Established 1881. Published Every Friday

F. WILSON-SMITH, Proprietor and Managing Editor  
OFFICE:

406-408 Lake of the Woods Building,  
10 St. John Street, Montreal.

Annual Subscription \$3.00 Single Copy, 10 cents.

MONTREAL, FRIDAY, MARCH 12th, 1920

### THE GENERAL FINANCIAL SITUATION

(Continued from front Page)

those responsible for it will certainly stand in need of all the business shrewdness and acumen they can muster to get the institution on its feet. The promoters may very well make a note of the fact that the only Western banking institution, which has survived infancy in recent years, and apparently got fairly on its feet, is one which has made absolutely no pretence of doing anything else than going about the business of banking in its own special field in a business-like and methodical manner.

While Wall Street has had a succession of thrills this week, as a result of the decision of the Supreme Court of the United States, that stock dividends are not amenable to Income Tax, the local Stock Markets have continued comparatively quiet. By all accounts money continues exceedingly tight, and while this condition remains it is futile to look for any steadily rising market. With the banks keeping the lid tightly clamped on call loans, any relief in the money market will have to come through supplies from private sources, and of supplies from this direction there is at present no indication.

The Supreme Court decision in the matter of stock dividends is of some interest to Canada, apart from its Stock Market aspect, by reason of the fact that the Canadian Income Tax authorities have followed the practice of the United States revenue authorities in this connection hitherto, and assessed Stock dividends to income tax in the hands of the shareholders when the shareholder was liable to the super tax. Whether in the light of the United States decision, this practice will now be revised, or whether sooner or later, the question will be fought out in the Canadian courts, remains to be seen. The United States decision, it is stated, is likely to be followed by the declaration of a very large number of stock dividends, by prominent corporations, which declarations have been held up, pending the Court's decision. Under the new circumstances this method of rewarding shareholders by corporations in a position to do so, is

likely to become a very popular one, and doubtless it would achieve a similar popularity in Canada were Income Tax practice here changed to conform with the new United States ruling. It is stated that following this ruling in the United States, many millions of dollars will have to be refunded to tax payers by the internal revenue authorities.

As the time of the Budget statement of the Minister of Finance makes a nearer approach, the business community appear to be making up its mind to the probability that the Business Profits War Tax will be continued for another year. The weak point of the remonstrances which have been made to Ottawa regarding this tax, is that they do not include any feasible suggestions whereby the revenue from the Tax, which amounts to between \$35,000,000 and \$40,000,000 annually, can be replaced. Part of it might possibly be made up by additions to the 1919 rates of Income Tax; but the additions would have to be exceedingly onerous to produce any effect at all, and the fact appears to be that in drawing up his Budget for the coming fiscal year, the Minister of Finance will find the greatest difficulty in making both ends meet, and will not be able to afford dispensing with any possible source of revenue.

A business man dealing in textile, with whom we were discussing business conditions this week, volunteered the information that his travellers had now been a month on the road, and in that month had booked as much business as in four months last year. The particular line dealt in, in this case, is very high grade materials which are selling at prices that five years ago would have been frankly incredible. Moreover, practically no repeat orders can be given at prices formerly quoted. How long is this enormous buying power going to keep up? The business man was wondering.

### TRAFFIC RETURNS

#### Canadian Pacific Railway

Year to date	1918	1919	1920	Increase
Jan. 31. . . . .	\$ 10,570,000	\$ 12,797,000	\$ 13,689,000	\$ 872,000
Week ending	1918	1919	1920	Increase
Feb. 7. . . . .	2,066,000	2,379,000	3,288,000	709,000
Feb. 14. . . . .	2,306,000	2,883,000	3,547,000	664,000
Feb. 21. . . . .	2,435,000	2,739,000	2,501,000	172,000
		2,501,000	3,472,000	881,000

#### Grand Trunk Railway

Year to date	1918	1919	1920	Increase
Jan. 31. . . . .	\$ 4,068,982	\$ 4,402,229	\$ 5,051,034	\$ 651,805
Week ending	1918	1919	1920	Increase
Feb. 7. . . . .	675,115	905,449	1,178,184	272,735
Feb. 14. . . . .	732,861	947,889	1,220,509	272,620
Feb. 21. . . . .	980,013	974,220	928,698	Dec. 45,527

#### Canadian National Railways

Year to date	1918	1919	1920	Increase
Jan. 31. . . . .	\$ 8,512,764	\$ 8,787,517	\$ 7,587,582	\$ 480,045
Week ending	1918	1919	1920	Increase
Feb. 7. . . . .	1,508,157	1,545,473	1,423,836	42,636
Feb. 14. . . . .	1,611,721	1,678,047	1,611,825	61,825
Feb. 21. . . . .	1,872,151	1,582,908	1,582,908	Dec. 16,244
		1,578,551	1,744,681	168,000



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

**DIRECTORS:**  
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## THE LIVERPOOL - MANITOBA ASSURANCE COMPANY

Liability Guaranteed by THE LIVERPOOL and LONDON and GLOBE Insurance Company Limited  
 Head Office: Cor. Dorchester St. West and Union Ave., MONTREAL

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FIRE INSURANCE



## The Globe Indemnity Company of Canada

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CASUALTY Insurance including Accident, Sickness, Guarantee, Burglary  
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THE OLDEST AMERICAN STOCK FIRE INSURANCE COMPANY

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

ROBERT HAMPSON & SON, LIMITED GENERAL AGENTS FOR CANADA MONTREAL

## THE BRITISH GENERAL INSURANCE CO. LIMITED — OF LONDON, ENGLAND —

Will commence operations (Fire Insurance) in Canada with the New Year 1920  
 Head Office for Canada - Lewis Building, Montreal

THOMAS F. DOBBIN, Manager for Canada

EDMUND FOSTER, Assistant Manager

## JOHNSON—JENNINGS, Inc.

AGENTS — INSURANCE — BROKERS

ALPHA INSURANCE CO. OF HARTFORD  
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11 ST. SACRAMENT STREET  
 MONTREAL, P.Q.

**CANADIAN BANKS' DISPOSITION OF PROFITS, 1919**  
(Compiled exclusively for *The Chronicle*.)

NAME	Year ended	Balance brought in	Profits for Year	Premiums on New Stock	Total	Dividends paid	War Tax on Circulation	Added to Rest	Written off Premises	Depreciation Contingencies etc.	Contributions, Pension Funds, etc.	Balance carried out	TOTAL
Montreal	Oct.	\$1,901,613	\$8,314,227	\$3,700,000	\$8,715,840	\$2,372,250	\$180,968	\$1,000,000	\$900,000	.....	\$89,750	\$1,812,854	\$8,715,840
Nova Scotia	Dec.	749,694	1,925,478	.....	2,675,173	1,381,333	89,667	200,000	200,000	.....	100,000	704,172	2,675,173
Toronto	Nov.	625,624	1,011,339	.....	1,636,963	900,000	100,000	200,000	100,000	.....	43,000	783,983	1,636,963
Windsor	Sept.	248,029	818,892	.....	1,066,921	470,000	85,000	200,000	200,000	.....	36,396	275,435	1,066,921
National	Apr.	35,249	533,450	.....	568,699	180,000	20,000	100,000	50,000	145,000	25,000	48,699	568,699
Merchants	Apr.	437,974	1,383,569	.....	1,821,543	845,000	70,000	200,000	300,000	.....	72,200	574,043	1,821,543
Provinciale	June	20,004	434,394	90,250	544,648	124,191	16,464	250,000	20,000	40,000	49,500	144,693	544,648
Union	Nov.	126,299	992,257	1,781,170	2,899,726	568,359	58,172	2,000,000	250,000	750,000	15,000	198,281	2,899,726
Commerce	Nov.	1,444,843	3,074,893	.....	4,519,735	1,900,000	150,000	2,000,000	400,000	.....	182,000	1,427,735	4,519,735
Royal	Nov.	535,737	3,493,294	2,000,000	5,959,021	2,906,196	158,408	2,000,000	300,000	.....	40,000	1,696,419	5,959,021
Dominion	Dec.	416,503	1,958,054	.....	1,702,557	780,000	86,350(b)	.....	75,000	.....	25,000	495,707	1,702,557
Standard	Jan.	227,326	776,310	.....	1,003,636	455,000	.....	.....	50,000	.....	.....	968,696	1,003,636
Hochelaga	Nov.	62,939	611,105	.....	674,064	300,000	60,000	100,000	50,000	.....	177,000	76,064	674,064
Imperial	Apr.	1,294,943	1,247,516	.....	2,452,459	840,000	70,000	500,000	10,000	.....	25,000	865,459	2,452,459
Home	May	150,781	298,754	90	389,575	97,378	19,348	100,000	10,000	.....	4,500	158,349	389,575
Sterling	Apr.	46,874	213,682	.....	254,596	73,146	20,450(b)	50,000	20,000	50,000	.....	40,910	254,596
		8,258,422	21,193,294	7,371,510	36,825,196	13,112,824	1,272,843	9,500,000	2,075,000	985,000	898,146	8,981,983	36,825,196

Bank of Hamilton and Weyburn Security Bank Reports not available at date of writing.

(a) Including \$26,350 provincial government taxes. (b) Including \$8,294 provincial government taxes. (c) Including \$45,000 Dominion income tax.

**BANKING PROFITS IN CANADA.**

The table published today of the disposition of Canadian banking profits in 1919, shows figures considerably enlarged over the years preceding. This is principally a result of the new stock issues made by the banks in the course of the year, premiums received on this account being \$7,371,510. In 1918 these premiums were a negligible quantity, and in fact the 1919 amount of premiums is well in advance of any preceding year since 1912. Additionally, the "carry forward" from the preceding year was about \$500,000 larger than in 1918, and the profits of the year were substantially increased as described in last week's article. Taking the banks, whose records for 1919 are at present available, there is a total amount for disposition of \$36,825,000, and the figures of the other banks, were it possible to include them, would probably bring this amount up to at least \$37,500,000, which compares with \$27,831,000 in 1918.

The amount of dividends paid shows a growth of something over \$2,000,000 in comparison with 1918, this being a reflection of the various increases announced by the banks during the year. The war tax on note circulation is about \$300,000 higher, as a result of the increased demand for currency. Substantial additions to rest have naturally been made from the premiums on new capital stock, which accounts for about 75 per cent of the dispositions in this connection. The total allocation in this respect is \$9,500,000 against \$2,736,710 in 1918, and is the largest since 1912. Appropriations for writing down premises and for depreciation are about \$500,000 higher, while contributions are somewhat less than in both 1918 and 1917, doubtless as a result of the cessation of war appeals. The balance carried forward is enlarged by over \$700,000.

**A QUESTION OF EXCHANGE.**

An interesting communication was printed in the *Journal of Commerce* last week concerning the payment of premiums on a life insurance policy taken out in Canada, the company having its home office in New York City. The insured lives in Canada and heretofore had always paid the premiums in Canadian currency. This year the company asks that the payments be made in United States currency if the insured will endorse the policy, "payments by the company to be made in Canadian currency."

The question of currency is a natural outcome of the condition of foreign exchange and the company appears to be in the right since its home office is in the United States and payments should be impliedly made in United States currency.

# Commercial Union Assurance Company Limited

of London, England

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

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

# Palatine Insurance Company Limited

of London, England

as at 31st Dec., 1918.

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

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

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

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

W. S. JOPLING, Manager

# THE CANADA

# ACCIDENT & FIRE ASSURANCE COMPANY

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

Head Office, - - - MONTREAL  
H. F. RODEN, Manager, Casualty Department.  
Local General Agents, (Fire)  
G. U. PRICE & CO., LIMITED  
Bank of Toronto Bldg., Montreal

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

SECURITY OVER  
\$80,000,000



FIRE  
AUTOMOBILE

THE

# BRITISH CROWN

ASSURANCE CORPORATION LIMITED

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Manager

OF GLASGOW, SCOTLAND

HEAD OFFICE FOR CANADA - - - TORONTO

E. C. G. JOHNSON,

Asst. Manager

JOSEPH ROWAT - GENERAL AGENT - MONTREAL

# THE FIRE INSURANCE COMPANY OF CANADA

MONTREAL

Authorized Capital, \$1,000,000

Subscribed Capital, \$250,000

Paid Up Capital, \$100,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. SANDURAND

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

## WESTERN ASSURANCE COMPANY.

Among the leading Canadian financial institutions, there is probably none other better known than the Western Assurance Company, Toronto, both on this continent, and in other parts of the world, to which its good name has extended. Incorporated nearly 70 years ago, and characterized throughout its long and useful career by reliability and honourable dealing, the Company has built up and carefully preserved a reputation according well with the best insurance traditions. Apart from all this, but none the less important, is the progress and prosperity recorded regularly in recent years, and the Company's strong financial position: the fruit of the strenuous work of many years, coupled with some foresight, and a good deal of anxious responsibility.

The President and Managing Director, Mr. W. B. Meikle, who has guided the destinies of the Western for many years, in referring to the payment of dividends, said:—"The interest account has grown very quickly on the increasing funds of the Company, invested at the high rate, which even Government Bonds now pay, and as the annual dividend on the Preference Stock is only \$70,000, there is now after providing for the payment of the Preference Dividend, over \$150,000 left of the Interest Account for payment of Common Dividends, without drawing upon any trading profits.

### *Fire Department.*

As measured by the annual turnover of the Western, the fire branch continues as a predominating factor in the Company's operations, and the favourable results of this department for the year under review are most gratifying, more especially so when it is taken into consideration that the Company's total operations embraces the foreign field, in parts of which the experience of companies generally was not nearly so favourable as has been recorded in the Canadian field for 1919. Net premiums last year in the fire department totalled \$3,286,282, the net losses amounting to \$1,442,351, figures a ratio of 43.9 per cent., as compared with 48.47 per cent. in 1918, and 54.1 per cent. in 1917. After payment of expenses and taxes, all further increased during the year, owing to the high cost of living, there remains a credit balance for the year of \$531,686 compared with \$370,306 in 1918, an increase of no less than \$161,380.

Interest and rents, which have been gradually increasing of recent years, for the year 1919 totalled \$223,606, as compared with \$181,963 in the preceding year.

The total balance to the credit of years operations was \$758,831, as compared with \$562,929 in

1918. Dividends on Preference Stock, due up to 31st December, 1919 absorbed \$105,000. Sundry accounts \$15,384 were written off, \$25,000 added to Reserve for taxes, contingencies, and possible war debts, and in addition \$125,000 has been set aside as a new Reserve against possible unreported losses.

The Western is pursuing a policy of building up its reserves on lines which makes its financial foundation of the firmest character.

The unearned premium reserve on the fire business now amounts to \$2,144,944, which is no less than 65 per cent. of the years fire premiums. The surplus to policyholders has been increased during the year by \$396,513 to \$2,865,097. There is in addition a paid up capital of \$2,500,000 making the most substantial security to policyholders. The Company's Assets now total \$8,337,953 an increase of \$1,180,414.

In addition to its operations on this continent the Western is also well established in England for the past twenty years, where its connections are influential, and its business profitable. As the leading Canadian Fire Company, the Western naturally control a very desirable business, through its influential organization.

## PERSONALS

On March 5th, the First Annual Dance was given by the Staff of the St. Lawrence (Fire) Underwriters and the British Empire (Fire) Underwriters, Toronto. Some 200 Guests, including Officials and Field Representatives of the Companies, were present and a highly enjoyable evening was spent.

Mr. O. Le Blanc, has been appointed General Agent for Montreal of the Royal Scottish Insurance Company Limited.

Mr. G. G. French has been appointed General Agent for Montreal and district of the Canada Security Assurance Company. This institution has lately been acquired by the Norwich Union Fire Insurance Society Limited.

Mr. French who is well known among the insurance fraternity has opened offices in 415 Lake of the Woods building.

## FIRE COLLEGE FOR CANADA.

A movement has been inaugurated to have a Fire College for the Dominion of Canada, established in Ottawa, using as a nucleus the Ottawa Fire Department's training school. The matter is at present receiving the attention of Dominion Fire Commissioner G. Grove Smith and Mr. G. Finlayson, Superintendent of Insurance.



**Security - - \$42,000,000**

**ONTARIO AND NORTH WEST BRANCH**  
14 Richmond Street, East, **TORONTO**

**PROVINCE OF QUEBEO BRANCH**  
104 St. James St., Cor. St. John St., **MONTREAL.**



**PERSONAL ACCIDENTS**      **FLATE GLASS**  
**SICKNESS**                      **AUTOMOBILES**  
**FIDELITY GUARANTEE**      **GENERAL LIABILITY**

*Head Office, TORONTO*  
Montreal, 104 St. James Street.      Quebec, 81 St. Peter Street.

## Mount Royal Assurance Company

**SURPLUS and RESERVES, \$1,416,740.57      TOTAL FUNDS, \$1,708,120.67**

**TOTAL LOSSES PAID, \$3,180,308.63**

Application for Agencies Invited

**Head Office - - - MONTREAL**

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

Established in Canada in 1821

1819 **AETNA (FIRE)** 1920

HARTFORD, CONN., U. S. A.

**Losses Paid over \$183,000,000**

J. B. HUGHES, Special Agent, WATERLOO, ONTARIO  
J. R. STEWART, Special Agent, 36 Toronto Street, TORONTO, ONTARIO  
R. LONG, Special Agent, 515 Yorkshire Building, VANCOUVER, B. C.

### Union Assurance Society, Ltd.

OF LONDON, ENGLAND  
*(The Insurance since A.D. 1710)*

CANADA BRANCH, MONTREAL  
*T. L. MORRENT, District Manager.*

NORTH WEST BRANCH, WINNIPEG  
*THOS. BRUCH, Branch Manager.*

**Agencies throughout the Dominion**

## EXCELSIOR

**INSURANCE      LIFE      COMPANY**

**A Strong Canadian Company**

**J. J. Robichaud, Provincial Inspector.**  
MONTREAL TRUST BUILDING, 11 Place d'Armes, MONTREAL

## The Law Union & Rock

INSURANCE CO. LIMITED, LONDON.      *Founded in 1800*

**Assets Exceed - - - \$50,000,000.00**

Over \$10,000,000 invested in Canada.

FIRE and ACCIDENT RISKS accepted.

Canadian Head Office: 277 Beaver Hall Hill.

**MONTREAL**  
Agents wanted in unrepresented towns in Canada.  
W. D. AIKEN, Superintendent,      **COLIN E. SWORD**  
Accident Dept.      Canadian Manager.

### SUCCESS IN SELLING LIFE INSURANCE

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

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

## THE CONTINENTAL LIFE INSURANCE CO.

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



## SUN LIFE ASSURANCE COMPANY

The forty-ninth annual report of the Sun Life Assurance Company of Canada furnishes a landmark in its history, since it reveals the passing of the \$100,000,000 stage in its assets, and, of this sum over \$21,000,000 represents Government Securities. The latest report is also of more than ordinary interest in view of the fact, that for the first time in the history of the Company, the applications for new assurances exceeded \$100,000,000.

During 1919 conditions were unusually favourable for the writing of new business, and the record of the Sun Life's business, indicates that it continues to make that marked development, which has characterized its policy for some years.

New policies issued and paid for amounted to \$86,548,849 an increase of \$34,957,457 as compared with the preceding year. Insurance in force was increased in very favourable proportion to new business by \$75,548,805, (twenty-two per cent.) to the huge amount of \$416,358,462. These figures reflect the prosperity prevailing throughout the country, and are evidence also of the high quality of the Company's business.

Cash income at \$25,704,201, is \$4,053,101 larger than in 1918. The total payments to policyholders or beneficiaries for claims by death, maturity of Endowments, surrenders, profits, etc., amounted to \$12,364,651, as compared with \$9,768,564 in 1918.

In regard to the important matter of profits distribution and allotments to policyholders during 1919, this item amounted to \$1,606,503, being the largest dividend disbursement made by the company to its policyholders in any one year. At the end of the year the total surplus over all liabilities and Capital Stock was \$8,037,440, being calculated by the Company's strict standards, which are much more exacting than those laid down by the Insurance Act.

The Sun Life has paid to its policyholders or their beneficiaries since organization the vast amount of \$91,227,532.

The Company's new building on Dominion Square, is a most striking structure, and entitled to position in the front rank of life insurance buildings, in any part of the world.

The president of the Sun Life of Canada, Mr. T. B. Macaulay, F.I.A., is an outstanding figure in life insurance, well known both on this Continent and on the other side of the Atlantic. His able administration is no doubt responsible for the commanding position occupied by the Company.

## AUTOMOBILE INSURANCE 1920.

The Canadian Automobile Underwriters Association, have issued their new rates effective 1st

March, 1920. These rates apply to Ontario, Quebec, Maritime Provinces, and Newfoundland.

Radical departure from the old system of rating has been made. It is pleasing to note that the Horse power rating basis for Liability insurance has been discontinued in favour of the list price of the Automobile. This method of rating is a fair means of determining the rates, as under the old system, many large Cars, particularly of English make, had a very small Horse power, and accordingly were rated very low. Under the new system, these cars will be placed on a more equitable basis.

The first steps have been taken for specific rating of Motors Cars. The new rating schedule for fire, theft, and transportation features, deals specifically with each car. This principle enables the underwriters to make a basic rate based on the inherent hazard.

To which is added according to the territory in which a risk is situated a zone rate.

The Dominion of Canada having been divided into territorial divisions, or zones and according to the combined experience of Companies a rate has been named for each, independent of the inherent rate which is the basic rate.

Liability insurance also benefits through territorial divisions, in that rates are much lower in the smaller Cities, towns or villages than in Toronto and Montreal.

The inherent rating scheme will tend to make all manufacturers improve the construction of their cars, and see that proper locking devices are provided as Standard Equipment, as when it is known that insurance costs are based on the actual construction of a car, it will be difficult for a manufacturer to explain why his product carries such a higher rate than such and such a car, if it has all the fine points he usually tells us about, when we are listening to his salesman explain the wonderful mechanism, etc.

Collision Insurance comes in for a change. The \$25. deductible policy, is now replaced by a \$50. policy. Deductible today only represents the \$25. policy of a few years ago.

In conclusion this business of the "Future," as it surely appears to be, is gradually being put on a sound, practical basis, and if the Canadian Automobile Underwriters Association, continue on the same way and spirit we may look for many improvements in Motor Cars in the future..

## CRIME.

Webster defines "crime" as any act contrary to any law. Are we then now a nation of criminals? What do you carry in your "grip" or "hip"?



# THE EMPLOYER'S

Liability Assurance Corporation, Limited  
of London England

*Transacts*  
**AUTOMOBILE INSURANCE**, covering ACCIDENT, PROPERTY DAMAGE, COLLISION,  
 FIRE, THEFT and TRANSPORTATION  
 PERSONAL ACCIDENT, HEALTH, PASSENGER and FREIGHT, ELEVATOR,  
 FIDELITY GUARANTEE, CONTRACT BONDS, BURGLARY, MAIL, BOILER,  
 PLATE GLASS, EXPLOSION and FIRE INSURANCE.

OFFICES:  
**Temple Building, Toronto. Lewis Building Montreal**

**Charles W. I. Woodland,**  
 General Manager for Canada and Newfoundland

**John Jenkins,**  
 Fire Manager

Applications for Agencies Invited.

Canadian  
 Government  
 Deposit  
**\$1,622,000.00**

**Stands First**  
 in the  
 liberality of its  
 Policy contracts,  
 in financial strength  
 and in the  
 liberality of its loss  
 settlement.



**TRANSACTS:**

Personal Accident      Automobile  
 Sickness                      Burglary  
 Liability [All Risks]      Postal  
 Fidelity Guarantees.      Plate Glass.

362 St. James Street, MONTREAL  
 ROBERT WELCH, General Manager

Applications for direct Agencies Invited.

## The Ocean Accident & Guarantee Corporation Limited

**AUTOMOBILE INSURANCE**

A Comprehensive Policy covering **ACCIDENT, PROPERTY DAMAGE, COLLISION,  
 FIRE, THEFT and TRANSPORTATION** is what the  
 public demands.

The "OCEAN" can meet these requirements under one contract

Branch Office:  
**MERCHANTS BANK BLDG.,  
 MONTREAL**

**JOHN W. WETMORE,**  
 Superintendent.

**W. T. FERRY,**  
 Manager for Canada

Canadian Head Office: Ocean Insurance Building, TORONTO

## The Dominion of Canada Guarantee & Accident Ins. Co.

The Oldest and  
 Strongest Canadian  
 Casualty Company

**ACCIDENT  
 BURGLARY  
 GUARANTEE BONDS**

**TRANSACTS:**

**SICKNESS                      PLATE GLASS  
 AUTOMOBILE INSURANCE  
 FIRE INSURANCE**

**E. ROBERTS, Manager**  
 701, LEWIS BUILDING, MONTREAL

**G. A. WITHERS, General Manager**  
 TORONTO

Branches: WINNIPEG      CALGARY      VANCOUVER

# WESTERN ASSURANCE COMPANY

(Incorporated A.D. 1851)

## Fire, Marine and Automobile Insurance

Statement as of December 31st, 1919.

Fire premiums for 1919 . . . . .	\$3,286,282.43	
Marine premiums for 1919 . . . . .	2,024,105.67	
		\$5,310,388.10
Interest and rents . . . . .		223,606.42
Total income . . . . .		\$5,533,994.52
Fire losses . . . . .	\$1,442,351.26	
Agents' commissions . . . . .	596,725.52	
Taxes . . . . .	129,302.33	
General expenses . . . . .	586,216.41	
		\$2,754,595.52
Marine losses . . . . .	\$1,493,905.96	
Agents' commissions . . . . .	330,721.54	
Taxes . . . . .	75,614.95	
General expenses . . . . .	120,325.21	
		2,020,567.66
Total expenditure . . . . .		\$4,775,163.18
Profit for the year . . . . .		\$ 758,831.34
Capital stock (paid up) . . . . .		\$2,500,000.00
Total assets at 31st December, 1919 . . . . .		\$8,337,953.47
Losses paid since organization in 1851, over . . . . .		\$77,700,000.00

### Board of Directors

W. B. MEIKLE, *President*

Sir John Aird

Robert Bickerdike (Montreal)

Lt.-Col. Henry Brock

H. C. Cox

Alfred Cooper (London, Eng.)

John H. Fulton (New York)

D. B. Hanna

E. Hay

Dr. John Hoskin, K.C.

Miller Lash

George A. Morrow

Lt.-Col. The Hon. Frederic Nicholls

Brig.-Gen. Sir Henry Pellatt, C.V.O.

E. R. Wood

### Board at London, England

Alfred Cooper, *Chairman*

Sir Ernest Cable

Sir Charles Johnston, Bart.

*British and Foreign Offices 14 Cornhill, London, E.C.*

*Head Offices; Corner Wellington and Scott Streets, Toronto*

W. B. MEIKLE,

*President and General Manager*

C. S. WAINWRIGHT,

*Secretary*

## Prudential Trust Company

LIMITED

<p><b>Head Office:</b> 118 John St., Montreal</p>	<p><b>Trusts for Beneficiaries</b> Trustees, Agents &amp; Registrar Administrators, Auctioneers Liquidators, Guardians, Assignees Trustees, Comptrolers Real Estate and Insurance Departments Insurance of every kind placed at lowest possible rates.</p>	<p><b>Safety Deposit</b> Vaults Terms Re- sponsibly moderate. Correspond- ence invited</p>
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**R. HAL. BROWN, President and Gen. Manager**

First British Insurance Company Established in Canada  
A.D. 1894

## Phoenix Assurance Co. Limited

OF LONDON, ENGLAND (Founded 1783)

**FIRE LIFE MARINE**

TOTAL RESOURCES, ever . . . . . \$97,000,000.00  
CLAIMS PAID EXCEED . . . . . \$60,000,000.00  
DEPOSITS with Federal Government and  
Investments in Canada, for security of  
Canadian policyholders only, exceed . . . 2,000,000.00

AGENTS WANTED IN BOTH BRANCHES. Apply to

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

100 Francois Xavier Street - MONTREAL

## The Standard Life Assurance Co.

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

## 1870 - Our Golden Jubilee - 1920

THE MUTUAL'S WONDERFUL YEAR

"Nineteen-nineteen" will stand out for all time as a conspicuous landmark in the forward march of the Mutual of Canada. In amounts paid to Policyholders, in Assets, in new Assurances written, in Assurances in force—splendid increases were recorded. Nineteen-twenty bids fair to eclipse last year for the demand for Mutual Policies is insistent. "The reason why" is no mystery. Fifty years of just and generous dealing lie behind the immense demand for Mutual Protection. The Mutual has disbursed \$29,981,000. to beneficiaries and holds to guarantee future payments \$37,689,000.—In all \$67,668,000.—Either paid to or held for beneficiaries. All assets including surplus being exclusively the property of our Policyholders.

"BE A MUTUALIST"

## The Mutual Life Assurance Co. of Canada

WATERLOO, - - - ONTARIO

Hume Crenyn, M.P., Pres. Charles Ruby, Gen.-Man.

# Western

## Assurance Company

Incorporated in 1851

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

ASSETS OVER \$7,000,000.00

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

**DIRECTORS**

W. B. MEHLE, President	John Hoskin, K.C., LL.D.
Str John Aird	Robt. Bickordike, (Ontario)
Lt. Col. Henry Brock	Geo. A. Morrow, O.B.E.
Alfred Cooper, (Inst. Eng.)	Lt. Col. The Hon. Frederic Nicholls
H. C. Cox	Brig.-General Str Henry Fellatt, C.V.O
John H. Fulton, (Inst. Eng.)	R. E. Wood
D. E. Hanna	

W. B. MEHLE, Pres. and Gen. Man.      G. A. WAINWRIGHT, Secretary  
A. B. FRENCH, Canadian Fire Manager

**HEAD OFFICE - TORONTO**

## The Travellers Life Assurance

Company of Canada

**HEAD OFFICE: MONTREAL**

Hon. GEO. P. GRAHAM, President

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

**A BRITISH COMPANY**

# Union Insurance Society of Canton, Limited

ESTABLISHED 1835

**Head Office: HONGKONG**      **Assets over \$24,000,000**

A combination of AGE, MAGNITUDE and EXPERIENCE

## FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 36 Toronto Street, TORONTO

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

### RIGHTS AND DUTIES OF TRUSTEES.

Mr. Marshall Freeman, Barrister-at law, recently gave a lecture to members of the Chartered Institute of Secretaries at Birmingham, England, on "The Rights and Duties of Trustees and Executors."

Proceeding to outline his subject, the lecturer explained what was implied by the different titles of "executor," "administrator," and "trustee," pointing out that a trusteeship for practical purposes came into operation at a later stage than the other offices. The executor is liable to the extent of the assets which come into his hands for all contracts made by deceased; but he is not liable for torts committed by deceased, nor can he sue for torts committed against the deceased, except they be torts affecting the estate and torts arising under Lord Campbell's Act. Thus, if somebody had, for example, thrown vitriol over the deceased, his executor could not sue for personal injury, but he could sue for the damage done to the clothing of deceased. Another point in which the position and responsibilities of an executor needed to be clearly understood arose when a deceased testator left a business behind. If his executor chooses to carry on that business he becomes personally liable; but supposing the testator left directions that his business was to be carried on, then the executor is entitled to recoup himself out of the assets of the business, and to that end he may avail himself of the right of retainer—that is to say he may prefer his own claim to the claims of other creditors of the same grade. An executor is always liable for squandering the assets of the estate, and similarly for wilful default (*e. g.* failing to get in accounts which he might have collected, or to realise other assets which ought properly to be realised). Then, if he does anything which amounts to an admission of assets—for instance, if he pays interest on a legacy from time to time, or pays legacy duty—he will be estopped from disputing the fact of being in possession of assets to the amount indicated in such admission. Cases had been known in which executors had employed moneys of the testator in their business, and by entry of the amount so employed in the books of the business had been held to have admitted possession of the same. Dealing with the rights of executors and trustees as contrasted with their duties and liabilities, Mr. Marshall Freeman pointed out that whereas at one time an executor had no control over real property unless the testator had directed the sale or charge at certain dates, now, under the Land Transfer Act of 1897, both an executor and an administrator had complete control over the testator's real property. The executor in exercising the right of retainer already referred to, could only apply that principle to simple contract debts, but not use it to further

any specialty debt; curious as it might seem at first, he could retain assets to cover a debt due to himself even though that debt was barred by the Statute of Limitations, but not if it was one barred by the Statute of Frauds—the reason being that he could, as executor, pay the former to another creditor if he thought fit, but he could not rightfully pay the latter. An administrator only possesses the right of retainer where he can claim as next of kin. Finally, he would recommend everyone concerned to have in mind the fact that there existed such a person as the Public Trustee, whose department, although its methods might be open to criticism on minor matters, yet offered a guarantee of prudence and integrity.

The lecture was followed by an interesting discussion, during which a number of questions were put and answered; and the proceedings terminated by votes of thanks to the lecturer and the Chairman.

### NOTIFYING A DECEASED ENDORSER.

A Leading Canadian textbook on "Mortgages" says that in case the party who gave the mortgage is dead a foreclosure notice should be sent to his "present" address—an evident misprint for "former." A bright student noticed the mistake, and in a copy of the book in a certain Toronto law library this query is pencilled in the margin:—"Where in h—will you find him?"

Deceased mortgagors, however, are not the only parties requiring notice—deceased endorsers of promissory notes and bills of exchange, for instance, and the Canadian Bills of Exchange Act provides that notice of dishonour must be given in case of death, if known to the party giving notice, of the drawer or endorser, to a personal representative, if such there is and with the exercise of reasonable diligence he can be found, "while in a majority of the United States the so called Negotiable Instruments Act is practically identical, providing, as it does that, "when any party is dead and his death is known to the party giving notice, the notice must be given to a personal representative if there be one, and if with reasonable diligence he can be found, if there be no personal representative, notice may be sent to the last residence or last place of business of the deceased."

In this connection the case of *Second National Bank vs. William E. R. Smith*, recently decided by the New Jersey Court of Appeals is one of some interest to Canadian readers, as it was decided under the clause of the Negotiable Instruments Act quoted above, which, as has been pointed out, corresponds with the Canadian law on the same point.

In this case it appeared that one William Runkle had endorsed a note made by Harry G.



**"SOLID AS THE CONTINENT"**

The North American Life is high in the esteem of the insuring public. Our representatives are placing unprecedented amounts of new business. Why?

"Solid as the Continent" policies, coupled with liberal dividends and the great enthusiasm of all our agents is the answer.

If you want to associate yourself with a Company that offers its representatives real service, write us. Some good agency openings are available.

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

**NORTH AMERICAN LIFE ASSURANCE COMPANY**

"Solid as the Continent"

HOME OFFICE - - TORONTO, ONT.

**SIZE, STRENGTH, LIBERALITY**

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

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

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

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

**SUN LIFE ASSURANCE COMPANY OF CANADA**

Head Office: Montreal.

T. B. Macaulay, President.

COMMENCED BUSINESS 1904

RECEIVED DOMINION CHARTER 17th JUNE 1900

Capital Stock Authorized and Subscribed Capital Stock Paid up  
**\$500,000.00 \$174,762.70**

**The OCCIDENTAL FIRE**

INSURANCE COMPANY

Under the control of the North British & Mercantile Insurance Company

RANDALL DAVISON, President  
 G. A. RICHARDSON, Vice-President and Secretary.

DIRECTORS

A. B. BURNARD W. A. T. SWANMAN & G. DODDIE

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

ESTABLISHED 1890

Total Funds Excess Canadian Investments Over  
**\$100,798,258.00 \$9,000,000.00**

Capital Authorized ..... 620,000,000.00  
 Amount Subscribed for ..... 21,000,000.00  
 Amount Paid-Up in Cash ..... 11,000,000.00

**FIRE AND LIFE**

**NORTH BRITISH AND MERCANTILE**

INSURANCE COMPANY

DIRECTORS

Wm. Matheson, Esq. G. H. Munro, Esq. R. L. Frank, Esq.  
 Head Office for the Dominion:

60 St. Francis Xavier Street - MONTREAL

Agents in all the principal towns in Canada.

RANDALL DAVISON, Manager.

HENRY N. BOYD, Manager, Life Dept.

**The Imperial Guarantee  
 And Accident Insurance Co. of Canada**

Head Office, 46 King St. W., TORONTO, Ont.

**A Strong Canadian Company**

Accident and Sickness Insurance  
 Guarantee Bonds

Plate Glass & Automobile Insurance

B. WILLIAMS, General Manager FRANK W. COE, Secretary

**METROPOLITAN LIFE  
 INSURANCE COMPANY OF NEW YORK**

PAID FOR NEW BUSINESS IN CANADA DURING YEAR END  
 Ordinary ..... 1,200,000  
 Industrial ..... 1,200,000  
 Total ..... 2,400,000  
 Largest amount ever paid in Canada by any Company.

Amount of Insurance in force in Canada December 31, 1919  
 Total ..... 1,200,000  
 Amount of Insurance in force in Canada by any Company.

Number of METROPOLITAN policies held by Canadians December 31, 1919 ..... 1,200,000

Largest number in force in any company in Canada

Investments in Canada exceed ..... 600,000,000

Subscriptions to Victory Loans ..... 619,124,100

The Company had nearly 1,500 employees in Canada at the end of 1919.

Home Office, 1 Madison Ave., New York City.

**THE LIFE AGENTS' MANUAL**

THE CHRONICLE - - MONTREAL

(Continued from page 313)

Runkle, which was discounted by the Second National Bank and the proceeds paid to Harry G. Runkle.

William Runkle had made a Will appointing William E. R. Smith as his executor and died on January 21st, 1914 before the note fell due.

Harry G. Runkle then attacked the validity of the will, and the matter was fought out in the courts over two years, and finally in July 1916, the will was upheld and letters testamentary were granted William E. R. Smith, the Executor named in the will.

In the meantime on April 27, 1914, the note fell due, and in order to hold William Runkle's estate as endorser, it was necessary for the Second National Bank to protest the note and give the proper notice of dishonour, and the note was handed to a Notary Public for that purpose.

The Notary duly presented the note to the Teller of the Second National Bank who informed him that there were "no funds." The Notary then interviewed the assistant cashier who told the Notary that William Runkle was dead, and in answer to an enquiry from the Notary, the assistant cashier further informed him that William E. R. Smith, 20 Broad Street, New York City, was the Executor of Runkle's will, and the Notary then mailed the notice of dishonour to "William Runkle, c/o William E. R. Smith, 20 Broad Street, New York City."

The Second National Bank then sued William E. R. Smith as Executor of the Estate of William Runkle and Smith set up the defence that, under the circumstances, mailing the notice as set out above was not sufficient proof of "Reasonable dili-

gence," that the notice was insufficient, and the endorser therefore discharged of liability.

The New Jersey Court of Appeals held, however, that the information received by the Notary from the assistant cashier, and the sending of the notice as set above, was sufficient evidence of reasonable diligence as required by law, and that the estate was, consequently, liable.

"Where a Notary makes enquiry at the Bank where the paper is payable, and receives information from the cashier as to the residence of the endorser, upon faith of which the Notary addresses the notice of protest, the jury are justified in finding that he has used due diligence," said the New Jersey court.

In another case along the same line the Massachusetts Supreme Court has laid down the same rule in the following words:—

"Where an executor has been named in a will, as he is the person to whom the testator has confided the administration of his estate, such notice may also be properly given, to him, and it may fairly be expected that the benefit be anticipated will be, at least as great as if it were at the last residence or place of business of the testator."

#### CANCER.

Let it be generally known that chronic irritation of any part of the body, by blows, or pressure, or too hot liquids or food, or tight or heavy clothing, or too much smoking, or by too defective or broken teeth, is the principal cause of cancer, and the number of cases will immediately decrease.

Here is publicity work for life insurance companies.

## AUTOMOBILE AGENTS:—

Automobile insurance will this year experience the greatest boom of its history. Represent a pushing, reliable, service-giving company.

CONNECT UP WITH THE CONTINENTAL

## The Continental Insurance Company

OF NEW YORK.

HENRY EVANS, President.

NOW WRITING

## AUTOMOBILE INSURANCE

CANADIAN HEAD OFFICE: 17 ST. JOHN STREET, MONTREAL.

W. E. BALDWIN, Manager



FIRE

CASUALTY

# The Northern Assurance Co. Limited of England

ACCUMULATED FUNDS, 1918 . \$75,229,660.00  
including Paid up Capital of \$4,010,100.00

Head Office for Canada: Lewis Building, 17 St. John Street, Montreal

ALEX. HURRY, Manager Casualty Department

G. E. MOBERLY, Manager

FIRE

THE

FIRE



HEAD OFFICE FOR CANADA  
17 ST. JOHN STREET  
MONTREAL

G. E. MOBERLY,  
MANAGER

# Royal Scottish INSURANCE COMPANY LIMITED of Glasgow, Scotland

This Company's contracts are guaranteed by  
The Northern Assurance Company Limited, of England

# THE ST. PAUL FIRE AND MARINE INSURANCE COMPANY

INCORPORATED 1868

REPRESENTED IN TORONTO BY

ASSETS OVER \$22,000,000

McADAM, SHERRITT & COMPANY

Executive Life Building

General Agents

26 Toronto Street

# BRITISH TRADERS' INSURANCE COMPANY, LIMITED

Head Office: HONG KONG

ESTABLISHED 1868

Head Office for Canada: TORONTO

## FIRE & MARINE INSURANCE

LOSSES PAID SINCE ORGANIZATION OVER \$60,000,000

JOHNSON—JENNINGS, Inc., General Agents,  
MONTREAL

Manager for Canada, G. E. DRAYTON

# THE STRATHCONA FIRE INSURANCE COMPANY

HEAD OFFICE: MONTREAL,  
99 ST. JAMES ST.

The Strathcona was founded in 1908,  
and has earned a reputation for solid  
strength, fair dealing and reasonable  
rates.

"To Each Means There is An Assured  
Future"



## AGENCY LICENSE REFORM.

Insurance brokers will be interested in the action of Mr. Thomas B. Donaldson, Insurance department of Pennsylvania on a question that is receiving considerable notice by those engaged in the business of insurance—the general clean-up of the agency forces in all lines of insurance. Commissioner Donaldson sent out a letter recently to Companies in which he stated in unmistakable terms his intention of obtaining the proper information on the questionnaires issued by the insurance department. The letter is self-explanatory, and we reprint the following:—

Questionnaires in hand disclose an astonishingly large number of agents who wrote merely three or four policies yearly. Many people were asked to appear personally and were examined on underwriting qualifications. The majority of them were absolutely ignorant of the business and many said: "I never asked for a license. The company sends one to me every year." The general practice is apparently to have a large number of "feeders" licensed; people who control a renewal or two yearly. The "feeder" asks that a policy be mailed. There is no inspection, no real knowledge of the insured, not a vestige of accurate coverage. This applies to all lines of insurance.

As an instance of home office stupidity; 73 names were recently certified (for license) to this department. An immediate investigation disclosed that the list came from a local agency and the endorser personally knew a mere handful of seventy-three people. Five of them were working in the same banking institution and their combined writings totaled about eleven policies. Yet, these people were endorsed by a home-office official as personally known to him as competent to sell insurance.

The department's objection to this custom (which objection arises out of interminable complaints, wrangles, partisan bills in the Legislature and pronounced litigation) is on the basis that the insurance business is so intricate and so rapid in its changes and demands, that no company can afford to license individuals who know nothing of policy contracts and how to apply the conditions and care less about it. Proper coverage demands constant study, attention to details, exhaustive knowledge of a client's business and his requirements. There can be no guess-work about it.

The department has no objection to the part-time man if he is seriously intent upon transacting the business of insurance and knows what coverage means and if commissions are for his use and not a "contribution" to others in the nature of a rebate.

Endorsements to the questionnaires must not be perfunctory! The department begs leave to advise

all companies that no license will be renewed unless questionnaires in hand, or to be received, disclose that the applicant or licensee is entitled to a license. Personal examinations require time. Those who expect 1920 renewals may be required to cease writing business for several months until he or she may be examined on underwriting qualifications. It is therefore incumbent upon home offices to use the greatest care in revising their renewal lists and in certifying new applicants. Kindly and at once notify your branch offices, general agents and locals of the contents of this letter.

Please use all means to expedite the forwarding of certifications to prevent delay. The work required in preparing 80,000 licenses is tremendous and delays are too apt to ensue unless names are in hand long prior to April 1, 1920.

The department sincerely hopes that home offices will realize that restrictions upon issuing of licenses is for the benefit of the entire field of insurance and is not purposed to work a hardship upon an individual or to trench upon the premium income of any company.

## CONDEMNS MONOPOLISTIC STATE INSURANCE.

Mr. Jesse S. Phillips, superintendent of insurance New York, in his annual report to the legislature makes some interesting remarks against a monopolistic State Fund, and points out the real social gain that results from the service accorded by insurance Companies in accident prevention, and first aid treatment.

The investigation into the State Industrial Commission is commented on as corroborating and emphasizing the statements made by Mr. Phillips in previous reports. He condemns the idea of a monopolistic State fund in no uncertain terms, as will appear from the following extract:

"The State should not, in my opinion, be given a monopoly in the field of compensation insurance primarily because such a departure from the true functions of government is the opening wedge for other socialistic experiments and also because, in my judgment, the results would be inferior to those attained under present conditions. As I see it, the only justification for even a competitive State fund is the necessity of guaranteeing to employers of labor the opportunity of purchasing insurance as required of them by the compensation law. Having created such a competitive fund, the decision as to the relative merits of State and private insurance in the field of workmen's compensation can be based upon actual performances rather than upon theoretical anticipation. If employers prefer to insure with the State fund they have the opportunity of so doing and there is nothing to prevent

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(Continued from page 317)

the State from acquiring a virtual monopoly of the business, without legislation, if that is the will of the insuring public.

"The logical and rational view to take, it seems to me, is that open and fair competition between the existing classes of carriers, conducted under proper supervision, is in the best interests of all concerned. Compensation insurance is in reality composed of two elements—service and protection. An institution which affords protection only fails signally to fulfil its functions although it may be able to furnish employers with insurance rendered cheap at the expense of their employees. Compensation service embodies accident prevention work, a broad and enlightened policy of medical supervision and attention, and an efficient, sympathetic and just handling of claims.

"Monopolistic State insurance, wherever tried, has utterly failed to show appreciation of the fact that while protection is essential and fundamental, the real social gain is not measured by the overhead cost at which the protection is furnished, but is largely the extent to which in the first instance industrial accidents are prevented and in the second instance their effects minimized through prompt, skilled and unlimited surgical attention and the application of approved methods of industrial rehabilitation. Service of this character is not inconsistent with low insurance rates because ultimately the direct payments to injured persons are lessened in consonance with the lessened disabilities. But such a reduction in cost is a slower and less striking process than the summary method of curtailing service and simultaneously reducing rates, hence it is not so readily and widely understood. So far as employees are concerned, therefore, it seems quite certain that they cannot benefit as much under a State monopolistic system in which, competition being eliminated, there is neither fear of adverse criticism nor other incentive for rendering this character of essential service. While employers under the present system are free to select the carrier of their choice, it is to be noted that, generally speaking, their choice is influenced more by the character of service rendered than by the purchase price of the insurance.

"Healthy and fair competition in any business is the keynote of good service, and it is that sort of competition which I believe should exist in the compensation field. In my judgment, this means that the State fund should be placed on an even footing with private carriers as respects all aspects of supervision by the insurance department as well as in the matter of incurring and meeting expenses without the intervention of budgetary restrictions. The conditions revealed in the conduct of the affairs of the State fund and the criticisms of management,

as contained in the report of the recent investigation, bring home in impressive fashion not only the unwisdom of a State monopoly but also the necessity of external supervision to safeguard the operations of even a competitive State fund."

### CANADIAN FIRE RECORD

*Fire at London, Ont.*—On the 7th instant a fire destroyed the Grand Trunk freight sheds, in addition to eight freight cars, loaded with merchandise. Loss about \$170,000.

*Fire at Sydney, N.S.*—On the 6th instant a fire destroyed the Cape Breton Electric Company's car barns. Two large steel tram cars and other equipment were destroyed in the fire. Loss about \$50,000 fully covered.

*Fire at Toronto.*—On the 4th instant a fire occurred in the McKinnon office building on Melinda Street. Loss estimated at about \$125,000.

*Fire at Tilbury, Ont.*—On the 4th instant a fire destroyed the plant of the Tilbury Brick & Tile Company, cause of fire said to be spontaneous combustion. Loss about \$25,000, Insurance \$15,000.

*Fire at Port Dover.*—On the 4th instant a fire originating in the J. Gordon Paterson drug store, destroyed an entire two storey brick block. Loss about \$30,000.

*Fire at Bridgewater, N.S.*—The Halifax and Southwestern Railway Station with contents was destroyed on the 9th instant. Loss about \$7,500.

*Fire at Tryon, P.E.I.*—On the 9th instant a fire destroyed the Reid Raynor Knitting Mills, with all their contents. Loss about \$40,000 with \$25,000 insurance.

*Fire at Sydney, N.S.*—On the 7th instant the Electrical warehouse of the Dominion Steel Corporation was completely destroyed by fire, supposed to have originated from crossed electric wire, the building was wooden.

### CORRECTION.

Fire at Deseronto. In our issue of Feb. 27th, when reporting fire which occurred on the 20th ult., it was erroneously stated that there was no insurance on the house and contents of P. McLaughlin. Mr. E. A. Rixen insurance agent, writes us, that the destroyed property was insured with the Globe and Rutgers for \$500 on building, and \$300 on contents, and that the total property loss will not exceed \$2,500.

## THE MONTREAL CITY AND DISTRICT SAVINGS BANK

NOTICE is hereby given that a Dividend of Two Dollars and Fifty Cents per share has been declared on the Capital Stock called and paid up of this bank, and will be payable at its Head Office, in this City, in and after Thursday, the First Day of April, next, to shareholders of record. Monday, the 15th of March, at 3 o'clock p.m.

By order of the Board,  
A. P. LESPERANCE, General Manager.  
Montreal, 23rd February, 1920.

## Canadian Banking Practice On Sale By The Chronicle



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