

The Chronicle



Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXIX. No. 3.

MONTREAL, JANUARY 17, 1919

Single Copy 10c
Annual Subscription \$3.00

THE GENERAL FINANCIAL SITUATION

Announcements which have been made at various annual meetings of the banks during the last few days bear out the predictions which have appeared on this page for some time past that an era of considerable expansion in Canadian banking is at hand. Two of the banks, that are taking advantage of the opportunities awaiting Canadian financial enterprise in foreign fields, likewise now announce important new capital issues. The advantages which will accrue to bank shareholders as a result of these new issues, even when a substantial premium is asked for the new stock are such as to increase the popularity of bank stocks from the investment point of view. The present announcements are likely to be followed by others at no distant date. Banking expansion would have justified new capital issues of a very substantial character long before this, and particularly so in the past two years. But the necessity for concentration primarily on the Dominion Government's war loans, and secondly, on such financing as was absolutely necessary by the provinces and municipalities precluded any expansion of bank capital accounts. Now with the "lid off", an important movement in this direction is to be looked for in the next year or two.

The bond market continues in a notably healthy condition. The committee in charge of the trading in the Second Victory Loan has this week again advanced the price of the 1933 bond to 102 to buyers, 101 to sellers. This change is barely a month after the first advance on December 17th last to 101 and 100 respectively from the original fixed price of $100\frac{1}{4}$ - $99\frac{1}{4}$. It is reported that in the last week or two, the committee has had practically no offer with which to meet a steady flow of investment purchases. The demand for these securities is no doubt partly accounted for by the re-investment of January dividends, and by general appreciation of the fact that with the ending of the war, the opportunity to get in "on the ground floor" with Canadian Government bonds is slipping away. There is, however, a further reason for the recent pronounced demand for high-grade bonds which, so far, has had little attention given to it, but in our belief is of some considerable importance as a market factor. With the ending of the war, the activity in various munition and other war industries has come to a close and it is possible to draw out from those industries, funds which hitherto have been fitly employed therein. The recent heavy demand for high-grade bonds represents, in our view, to an important extent the withdrawal of funds of this kind from industries in what they have hitherto been actively utilised and the "salting away" of profits made during the last two or three years in securities

which will not keep the investor awake of nights. The fact that immediate conditions make for a feeling of uncertainty in various industrial and commercial lines adds to this demand, which will probably constitute an important source of strength to the Canadian bond market until such time as the clearing up of the political situation and the straightening out of the various problems involved in the process of demobilization suggests the going ahead with industrial ventures on new lines.

Meantime, several important provincial and municipal issues are making their appearances. Long term issues are being made by both the Province of Quebec (a rare borrower in the domestic market), and by the Province of Alberta. The Quebec issue, which apparently represents a sale of bonds by contractors, of \$1,625,000, $4\frac{1}{2}$ per cent. coupon gold bonds maturing in 1946, is being issued to the public at 85.91 and interest, a $5\frac{1}{2}$ per cent. basis. Alberta called for tenders this week for \$1,000,000, 20-year, $5\frac{1}{2}$ per cent. gold bonds, the highest tender received of 99.14 representing a price to the province of 5.55 per cent. It seems likely that the coming year will witness a very considerable athirst of borrowing on the part of our provinces and municipalities, who will be anxious to straighten out the temporary arrangements with which they have had perforce to be contented during the war period. While the American markets may be depended upon to absorb a fair proportion of these, the possibility must not be overlooked that, as on previous occasions, the market may become flooded, and consequently the advance in prices, which has been so conspicuous during the last few weeks, be retarded.

The heavy strain under which the banks have been labouring during this fall is evidenced afresh in the recently issued bank return for November. Following a remarkable rise of over \$60,000,000 in Canadian current loans during the month of October, in November these loans increased by no less than a further \$79,000,000 from \$1,003,593,693 to \$1,082,709,655. At this level, they are practically \$214,000,000 in advance of their aggregate of November, 1917, which was \$868,973,714. The financing of the year's grain crops, with the value of the output at new high record, is generally regarded as the leading factor in this unprecedented situation. Presumably there will be a fairly rapid liquidation of such loans through the pressing demands of Europe for our foodstuffs and the gradual easing of the shipping situation, and the bank statements of the next few months should show a considerable easing of the load which the banks have been carrying this autumn. Another interesting feature of the statement is that the drop in notice deposits consequent upon the flotation of the recent Victory Loan, while

(Continued on page 57).

BANK OF MONTREAL

ESTABLISHED OVER 100 YEARS (1817-1918)

Capital Paid up, \$16,000,000

Res, \$16,000,000

Undivided Profits, \$1,901,613

Total Assets - - \$558,413,546

BOARD OF DIRECTORS:

Sir Vincent Meredith, Bart., President
 Sir Charles Gordon, G.B.E., Vice-President

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Lord Shaughnessy, K.V.O.	Major Herbert Molson, M.C.
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Colonel Henry Cockshutt	J. H. Ashdown, Esq.

Head Office: MONTREAL

General Manager—Sir Frederick Williams-Taylor

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

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

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

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

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LONDON, Eng.: 47 Threadneedle St., E.C.

G. C. CASSELS, Manager.

Sub-Agency: 9 Waterloo Place

Pall Mall, S.W.

Trafalgar Square Branch

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

NEW YORK. CHICAGO. and SPOKANE

in the UNITED STATES and

MEXICO CITY

THE CANADIAN BANK OF COMMERCE

Established 1867 Head Office: TORONTO

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

Res - - - - 15,000,000

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

SIR JOHN AIRD, General Manager.

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

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

Great Britain—London. Mexico—Mexico City.

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

Newfoundland—St. John's.

Agents and Correspondents throughout the World

The Molsons Bank

Incorporated by Act of Parliament 1855

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

Reserve Fund - 4,800,000

HEAD OFFICE - - MONTREAL

Branches in 97 of the leading Cities
 and Towns in Canada.

Agents and Correspondents in leading
 Cities of the United States and in
 Foreign Countries throughout the
 World.

EDWARD 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, JANUARY 17th, 1919

THE GENERAL FINANCIAL SITUATION.

(Continued from Front page)

actually larger than the corresponding drop at the close of 1917 when the first Victory Loan was floated, being \$136,000,000 compared with \$108,000,000, is proportionately considerably less than on the former occasion, considering the amount subscribed to the Loan, an interesting indication of an increased savings capacity, and capability to care for enormous flotations of this kind.

The business community is watching with considerable interest the course of events in the United States in regard to the settlement of the railway question, since it is recognised that whatever decision is come to in this connection by our southern neighbours will have an important influence in Canada. If something like permanent Government ownership and operation of the vast transportation systems of the United States is inaugurated, then undoubtedly Canadian sentiment in favour of nationalisation of the railways would receive a considerable fillip, and possibly it would mean the completion of the process of nationalisation in Canada, by the taking in of the two big roads which now stand outside the Government system. On the other hand, the resumption of private ownership and control in the States would strengthen the hands here of those who believe that the best service to the country as a whole can be given in this way. The growing and already very strong sentiment in the West, in favour of public ownership is also an important factor. Something will probably be heard of this matter at the forthcoming session of Parliament.

THE ROYAL BANK'S MEETING

As usual the addresses delivered at the Royal Bank's annual meeting of shareholders were rich in suggestive thought regarding Canada's economic position and outlook. The President, Sir Herbert Holt, in advising a policy of thrift, said:

"As all our trade enterprises both at home and abroad must be financed by Canadian capital, their success will be measured by the extent of our national capacity for self-denial. To encourage the habit of thrift among all classes, the Government has inaugurated a War Savings Stamp campaign similar to that which proved so popular in Great Britain and the United States. It is unnecessary to enlarge on the value of individual and national thrift. In England the War Savings Committee have recently announced that the organization built up by it throughout the country will be continued as a permanent part of the national machinery. The development of the habit of saving in England has met with marked results, the number of holders of Government securities increasing from 345,000 at the beginning of the war to over 17,000,000 to-day. The

success of the movement in England would seem to justify its permanent retention in this country."

Issue of New Capital

The President announced to the shareholders, on behalf of the directors, that the capital stock of the Bank will be increased from \$14,000,000 to \$16,000,000 by an issue of 20,000 shares at \$150 per share.

In June last the Royal opened a branch in Barcelona, Spain, in order to participate in the large trade between that country and her former colonies where the Bank has many branches, with most satisfactory results, and the announcement was made by Mr. Edson L. Pease that the Bank is now preparing to open in Paris, France, in order to secure a share of the commerce which is expected to develop with Canada in the rehabilitation of Northern France and Belgium. Officers of the Royal have also been sent to Vladivostock, Siberia, to open a branch there. Siberia needs many commodities which Canada can supply. Mr. Pease stated that if Canadian industries are to flourish and increase in the face of the world's competition our manufacturing processes must be improved, all waste eliminated, by-products utilized, and research encouraged. In the new order of things there is no room for antiquated or unscientific methods. A step in the right direction is the formation of groups of Trade Guilds with the object of applying scientific knowledge to the problems of various industries. These guilds follow the plan developed with such rapidity and success in the United States and in Great Britain, where more than thirty are now in operation. The determining factor in our success will be progress in scientific research, through which a new impetus will be afforded to industrial activity.

Mr. Pease referred to the extension of Canada export trade, which he stated is vital to her commercial self-preservation and future economic welfare. That Canadian banks can effectively aid Canada's export trade by opening branches in foreign countries was stated by Mr. Pease. He said it did not follow that Canadian deposits would be diverted to foreign fields—the experience of the Royal has proved the contrary. Its foreign deposits have always exceeded its foreign commercial loans, as the Government returns show.

A Notable Balance Sheet

Mr. C. E. Neil, the general manager, described the Bank's balance sheet for the year ended November 30 (an analysis of which has already appeared in our columns) evincing a year of remarkable growth. The striking progress made by the Bank during 1918 is shown in the following comparison:

	1918	1917
Capital paid up	\$14,000,000	\$12,911,700
Reserve	15,000,000	14,000,000
Profit and Loss balance	535,757	564,264
Circulation	39,380,975	28,159,351
Deposits (not bearing int.)	135,243,278	70,498,667
Deposits (bearing interest)	197,348,439	182,488,716
Total liabilities to public	397,547,102	367,703,796
Specie	17,488,314	16,079,831
Dominion notes	24,636,344	18,284,445
Central Gold Reserve	26,000,000	16,000,000
Bank balances abroad	10,391,516	10,704,339
Call loans in Canada	10,067,481	12,040,687
Call loans abroad	24,374,191	14,574,136
Securities held	81,305,276	56,686,247
Total of quick assets	224,982,088	165,836,707
Current loans and discounts	183,359,879	156,122,065
Total assets	427,512,982	335,574,186

The growth in deposits is notably large, even under present circumstances of expansion of banking resources. The increase during the year was \$79,604,334 following a rise of \$53,000,000, in the preceding year. Of this increase \$14,859,723 was in interest bearing deposits. Circulation is reported as \$39,380,975 against \$28,159,351 in 1917, a growth of over \$11,000,000. This enlargement in circulation is almost covered by additional deposits made in the Central Gold Reserve, which are \$26,000,000 against \$16,000,000 in 1917.

The great bulk of the increase in deposits has been retained in readily available form among the liquid assets. Cash holdings have increased from \$34,364,276 to \$42,124,658. Bank balances abroad are \$10,391,516 show a slight decrease as compared with 1917, but call and short loans abroad have increased from \$14,574,136 to \$24,374,191. Canadian call loans are \$10,067,481 as against \$12,040,687 in 1917. Security holdings show a substantial increase from \$56,686,247 to \$81,305,276, indicating the Bank's participation in credits to the various Governments. Included in the 1918 figures are Dominion and Provincial Government securities amounting to \$36,599,976 against \$22,322,197 last year and Canadian municipal and British, etc., securities \$29,620,885 against \$22,322,197.

These increases makes the Bank's total of quick assets \$224,982,088 equal to no less than 56.59 per cent. of the liabilities to the public as compared with 53.9 per cent. in 1917.

The Bank's current loans and discounts have increased from \$156,122,065 to \$183,359,879.

Profits for the year amounting to \$2,809,846 are the largest in the history of the Bank, and show an increase of \$481,867 as compared with 1917, and equal to about 10 1/2 per cent. on the paid-up capital and rest combined. The earnings added to the amount carried forward from the previous year, brought the total amount available for distribution up to \$3,374,110.

Out of this amount the dividends paid during the year absorbed \$1,614,702: \$100,000 was transferred to Officers' Pension Fund, \$400,000 was written off bank premises account, \$133,651 was required to pay the War Tax on bank note circulation, \$40,000 was contributed to Patriotic Funds, \$50,000 to the Halifax Relief Fund, and an amount of \$500,000 was transferred to Reserve Fund. At the end of the previous year the Reserve Fund stood at \$14,000,000, and in addition to the \$500,000 transferred from Profit and Loss there was an amount of \$500,000 premium on new Capital Stock issued to Northern Crown shareholders, bringing the total of reserve fund up to \$15,000,000. The total capital stock paid up amounts to \$14,000,000.

The whole statement is a highly favourable one and Mr. Edson L. Pease, the Bank's managing director, and Mr. C. E. Neill, general manager, are to be warmly congratulated upon the fine results achieved.

MONTREAL CLEARING HOUSE ANNUAL

H. B. Henwood Elected Chairman for Year

H. B. Henwood, manager of the Bank of Toronto here, has been elected chairman of the Montreal Clearing House for the ensuing year. The other officers and members of the committee are: J. D. G.

Kippen, Merchants, vice-chairman; C. W. Dean, Montreal; H. B. Walker, Commerce; M. S. Bogert, Dominion; F. C. Leduc, Hochelaga; and B. H. Waud Molsons.

Mr. Waud, in his report as chairman for the past year, stated that now that the country was gradually returning to a normal basis, the course of clearings in the next few years would be interesting. For 1918 the official total here is given as \$4,833,924,288, an increase of \$645,669,078, or 15.41 per cent., as compared with 1917.

There were two changes in the membership of the clearing house last year, Bank of Hamilton being admitted, while Bank of British North America retired.

NEW ROYAL BANK ISSUE

\$2,000,000 Capital Stock Allotted at Rate of 150

Two million dollars new capital stock will be allotted to shareholders of the Royal Bank of Canada on the books on January 8th, it was announced by Sir Herbert Holt at the annual meeting of the Bank. The price will be \$150 a share.

The new issue will bring the paid-up capital of the Bank to \$16,000,000. The present reserve fund is \$15,000,000. As the \$1,000,000 premium which the bank will receive for the stock will be added to reserve account, the latter will be placed on a parity with the new paid-up capital.

In announcing the new issue, the president stated that the policy of increasing the capital on attractive terms to the shareholders would be continued in the future.

TRAFFIC RETURNS

Canadian Pacific Railway				
Year to date	1916	1917	1918	Increase
Dec. 3.....	\$136,321,000	\$148,937,000	\$154,024,000	\$5,087,000
Week ending	1917	1918	1919	Increase
Jan. 7.....	2,238,000	2,343,000	2,856,000	513,000
Grand Trunk Railway				
Year to date	1916	1917	1918	Increase
Dec. 3.....	60,260,630	58,057,913	70,704,132	12,646,219
Week ending	1917	1918	1919	Increase
Jan. 7.....	1,076,606
Canadian Northern Railway				
Year to date	1916	1917	1918	Increase
Dec. 3.....	37,704,900	41,478,800	47,213,200	5,735,200
Week ending	1917	1918	1919	Increase
Jan. 7.....	598,700	565,800	779,400	213,600

The Home Bank of Canada

Original Charter 1854

Branches and Connections throughout Canada

MONTREAL OFFICE:
Transportation Bldg., St. James Street

Hochelaga Branch:
Cor. Davidson and Ontario Streets

Verdun Branch:
1318 Wellington Street



FIFTIETH ANNUAL MEETING OF THE ROYAL BANK OF CANADA

The Fiftieth Annual General Meeting of the Shareholders was held at the Head Office of the Bank in Montreal, on Thursday, January 9th, at 11 o'clock a.m., Sir Herbert S. Holt in the chair.

Mr. S. D. Boak acted as secretary of the meeting, and Messrs. A. Haig Sims and Alex. Paterson as scrutineers.

The Directors' Report was read by the General Manager, Mr. C. E. Neill.

DIRECTORS' REPORT

The Directors have pleasure in submitting to the Shareholders the Fiftieth Annual Report, for the year ending November 30, 1918, accompanied by the Statement of Assets and Liabilities.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, November, 30, 1917.....	564,264.53	
Profits for the Year, after deducting Charges of Management and all other Expenses, Accrued Interest on Deposits, full Provision for all Bad and Doubtful Debts and Rebate of Interest on Unmatured Bills.....	\$2,809,846.24	
		\$3,374,110.77

Appropriated as follows:—

Dividends Nos. 122, 123, 124 and 125, at 12 per cent. per annum....	\$1,614,702.00
Transferred to Officers' Pension Fund	100,000.00
Written off Bank Premises Account	400,000.00
War Tax on Bank Note Circulation	133,651.58
Contribution to Patriotic Funds...	40,000.00
Contribution to Halifax Relief Fund	50,000.00
Transferred to Reserve Fund.....	500,000.00
Balance of Profit and Loss crd. fwd	535,757.19
	\$3,374,110.77

The assets of the Bank have recently been subjected to the usual careful revaluation.

On March 15th last we concluded an agreement with the Directors of the Northern Crown Bank to purchase the assets of that bank for a consideration of 10,883 shares of this bank and 576,970 in cash. The agreement was approved by the shareholders of the Northern Crown Bank on May 7th, the sanction of the Governor-in-Council was obtained in due course, and the assets were transferred on July 2nd. By this purchase we have greatly extended our connection in Western Canada.

In addition to 96 branches and 2 sub branches acquired through the purchase of the Northern Crown Bank, offices have been opened during the year as follows:

In ALBERTA—Lavo, Meeting Creek, Mirror and Round Hill; in MANITOBA—Balmoral (Sub Branch), Lunder, Shoal Lake, and Sargent Ave., Winnipeg; in ONTARIO—Chatham; in PRINCE EDWARD ISLAND—Wellington; in SASKATCHEWAN—Biggar, Cupar, Grayson, Leask, Leipzig, Plunkett (Sub Branch), Storthoaks, Success and Yorkton; in CUBA—Banes and Jatibonico; in SPAIN—Barcelona.

The following branches were closed: in BRITISH COLUMBIA—Alberni; in ONTARIO—Avon (Sub Branch) and Newcastle; in QUEBEC—Cote des Neiges and Sherbrooke and Addington, Montreal; in COSTA RICA—Limon.

The sub branch at Mallorytown, Ont., was made an independent branch.

The Head Office and all the branches of the bank have been inspected as usual during the year.

The Directors record with regret the death in June last of Mr. G. G. Stuart, K.C., of the City of Quebec, who became a Director of this bank in January, 1917. Mr. W. H. McWilliams of Winnipeg was elected to fill the vacancy on the Board.

Your Directors express their appreciation of the efficient manner in which the officers of the bank continue to perform their respective duties.

All of which is respectfully submitted.

H. S. HOLT, President
E. L. PEASE, Vice-President

THE GENERAL MANAGER

The General Manager, Mr. C. E. Neill, then referred to the Annual Statement, as follows:

The statement before you today is the best that has been submitted to the shareholders of this bank.

Total assets are \$427,512,982.91 as against \$335,574,186.52 last year. A portion of the increase—\$27,819,291.82—arises from the purchase of the Northern Crown Bank.

Total deposits are \$332,591,717.92, the growth for the year being approximately \$80,000,000. The relatively large increase in free deposits as compared with interest bearing deposits is due to the transfer of funds to the Dominion Government during the month of November on account of payments on the last Victory Loan. There were heavy withdrawals from the Savings Department in connection with previous Victory Loan issues, but the decrease in interest bearing deposits was temporary, and it may be expected that the withdrawals in connection with the present loan will be made up in due course.

It is interesting to note that subscriptions to the last Victory Loan made through this bank aggregated \$104,507,400, of which amount \$14,774,564 was due to conversions, the number of our subscribers was no less than 127,085.

The expansion in our circulation continues, the increase for the year being over \$11,000,000. The excess is covered by the deposit in the Central Gold Reserve—\$26,000,000.

Current loans show a substantial expansion, indicating that we are doing our share in taking care of the commercial requirements of the country.

The liquid position of the bank is more favourable than it was last year, the percentage of liquid assets to liabilities to the public having increased from 53.9% to 56.59%.

From the standpoint of cash reserves we are also stronger, the percentage of cash to liabilities to the public being 17.13% as against 16.36% the previous year.

Our additional investments are chiefly in securities of the Imperial Government and Canadian Government issued for war purposes.

The substantial growth in the bank's assets has resulted in a pronounced increase in earnings. Net profits for the year were \$2,809,846.24 being 10.19% on the combined capital and reserve as compared with \$2,327,979.51, 8.82% on capital and reserve the previous year. The marked growth in the bank's general business is due to the activities in all branches of trade and increased value of agricultural production.

We must now grapple with the problems of a period of deflation and reconstruction, and we do so with the strong conviction that no serious difficulty will be encountered in surmounting them.

PRESIDENT'S ADDRESS

In moving the adoption of the Directors' Report, Sir Herbert S. Holt, President, said:

I am sure I am giving expression to the thoughts of all present in saying that upmost in our minds at this time are feelings of relief and thankfulness for the end of the terrible war with which the world has been afflicted for four and a quarter years—an ending of triumphant success to the Allies, without which any relief or thankfulness would be inconceivable. With the relatives of those who have given their lives in our cause, we deeply sympathize. The valour and achievements of Canada's soldiers on the battlefield fill us with pride, and gratitude for their heroic service should be shown in tangible form. The country is their debtor. Satisfactory employment should be found for every returning soldier who is fit to work, and relief extended to the maimed and crippled. In this Bank, unless there is some good reason to the contrary, every officer who enlisted and who applies for reinstatement within a reasonable time after his return will be re-engaged on the salary to which he would have been entitled had he continued in the service, subject to reasonable adjustments, where necessary.

The sudden collapse of Germany and her allies has brought us face to face with the grave economic problems which had been foreseen. Not only must several hundred thousand fighting men be re-absorbed into civil life, but an industrial army must be transferred from the manufacture of war materials to other lines of production. Moreover, before the war financing is completed, it is estimated that our national debt will exceed \$1,800,000,000, and in addition we must provide for an annual pension load of approximately \$30,000,000.

Such an outlook would have been viewed four years ago with wide-spread pessimism. Today it is met with confidence, well founded upon abundant natural resources, demonstration of ability to adapt ourselves to unusual conditions, and wonders performed during the times of war through organization and skillful leadership. In spite of the drain on our man power, industrial efficiency is higher than in 1914, and capacity for production has increased; while many enterprises which were then feeling the stress of hard times are now firmly established. Our exports since 1914 have enabled us to regain the balance of trade which for many years previous had been against us. Our general prosperity is evidenced by the striking increase in bank deposits, and by the success of the Victory Loans, particularly the most recent. In that case the subscription per capita was

(Continued on Page 61.)



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

DIRECTORS:
James Carruthers, Esq. Sir Alexandre Lacoste
M. Chevallier, Esq. Sir Frederick Williams-Taylor, LL.D.
William Molson Macpherson, Esq.
J. Gardner Thompson, Manager. Lewis Laing, Assistant Manager
J. D. Simpson, Deputy Assistant Manager.



**THE LIVERPOOL - MANITOBA
ASSURANCE COMPANY**

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J. D. Simpson, Assistant Secretary.
M. Chevallier, Esq. Sir Alexandre Lacoste A. G. Dent, Esq. John Emo, Esq.
J. C. Rimmer, Esq. Wm. Molson Macpherson, Esq. Sir Frederick Williams-Taylor, LL.D.

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

DIRECTORS
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**LONDON & LANCASHIRE LIFE
AND GENERAL ASSURANCE ASSOCIATION
LIMITED**
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ESTABLISHED IN CANADA, 1863

ASSETS EXCEED \$24,500,000

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

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TORONTO - - CANADA

greater than for any other loan made by the warring nations with the exception of the third British issue.

The grain crop of 1918, though light in some sections, has proved the most valuable in our history, and is estimated to be worth \$1,235,000,000, as against \$825,000,000 in 1915, when the harvest was much more bountiful. The increase of \$410,000,000 is entirely due to the high prices prevailing. With improved shipping facilities and the marketing of reserve stocks of grain in Australia, India and in Argentine, lower prices in the future may be anticipated. Increased production and improved farming methods are therefore vital in order that the value of our exports may not be lessened. A beginning has already been made in this direction by the Dominion and Ontario Governments, which are offering special inducements to returned soldiers to settle on unoccupied lands. A desirable type of immigration may be expected from the United States, and all settlers with experience in farming will augment our revenue. Any influx of unskilled labour during the period of reconstruction would only add to our burdens.

Exports of pulp and paper continue to increase. In the last fiscal year they reached a total value of more than \$71,000,000, and the next returns promise to be higher. In this connection the Government will be well advised in not imposing restrictive regulations when they interfere with increased production.

There is also a steadily increasing demand, both in home and foreign markets, for Canadian fish. The expansion of this industry will help to decrease the cost of living, provide more employment and add considerably to the national wealth.

Our waterpowers constitute one of our greatest assets, and as these are developed we may expect an influx of capital and the establishment of important industrial enterprises.

It is to be deplored that so much of our raw material is sent out of the country and returned in part in the form of manufactured goods. Wherever we possess an advantage in basic supply, it should be our aim not only to satisfy home demands for the finished product, but to find markets for the surplus outside of Canada.

We have every confidence that the trade mission established in London will be able to secure for us a share proportionate to our sacrifices in the business arising out of reconstruction work in the devastated countries. Arrangements doubtless will be made for an equitable distribution of orders in Canada, and these will require financial support from all the banks similar to that accorded to munition and other war contracts.

Some little time must elapse before trade projects can bear fruit and factories be refitted. To provide for the consequent period of unemployment, the Government has announced its intention of proceeding with public works, which it is hoped will be confined to improving our waterways, port facilities and public roads, and in addition has offered loans for housing purposes, through the provincial authorities.

ADVISES POLICY OF THRIFT

As all our trade enterprises both at home and abroad must be financed by Canadian capital, their success will be measured by the extent of our national capacity for self-denial. To encourage the habit of thrift among all classes, the Government has inaugurated a War Savings Stamp campaign similar to that which proved so popular in Great Britain and the United States. It is unnecessary to enlarge on the value of individual and national thrift. In England the War Savings Committee have recently announced that the organization built up by it throughout the country will be continued as a permanent part of the national machinery. The development of the habit of saving in England has met with marked results, the number of holders of Government securities increasing from 345,000 at the beginning of the war to over 17,000,000 today. The success of the movement in England would seem to justify its permanent retention in this country.

The announcement by the Coalition Government of Great Britain that it intends to meet a protective tariff, marks a change in fiscal policy which will prove far-reaching in its effect. To strengthen the bonds of Empire the Mother Country will apply the principle inaugurated by Canada and accord a preference to the Dominions and Dependencies on all duties now levied, or which may hereafter be imposed. As duties at present exist on sugar, coffee, cocoa and tobacco, the application of this policy will give an important advantage to the West Indies and British Guiana in the markets of the United Kingdom, and greatly increase the prosperity of these tropical possessions.

CAPITAL MUST NOT BE HAMPERED

The Business Profits War Tax Act ceased to apply on the 31st day of December, 1918, except in the case of any company or person who had failed to make returns. The Minister of

Finance has wisely made the provisions of this Act practically co-terminous with the period of earning of large profits incidental to special business during the war. If labour is to be given its full opportunity, the capital which finds employment for it must not be hampered.

Since the signing of the armistice a marked tendency has been evident on the part of those in authority in England and the United States to extend the system of paternalism, which was only approved as a war measure. Organizations which have attained maximum efficiency through individual enterprise and experience will now likely pass under the control of inexperienced political executives and unenterprising officials. At this time, when the need for national economy was never greater, it seems imperative that administration should be left in the hands of the most capable, with Governmental assistance whenever it can be usefully extended, and Governmental regulation wherever public interest demands.

In July last we consummated the purchase of the assets of the Northern Crown Bank, which aggregated \$27,819,291. After closing 14 offices at points where we already had branches, we secured through this amalgamation 76 branches in Manitoba and the North-West, excellently located, and 20 in Ontario. In this as in previous amalgamations, you will see that our position was very definitely strengthened in a particular district. With the Union Bank of Halifax we improved our connection in the Maritime Provinces, with the Quebec Bank in the Province of Quebec, and with the Traders Bank of Canada, in the Province of Ontario.

You will be asked to adopt a resolution increasing the number of Directors from 20 to 22 to provide for the addition of two Directors from the Northern Crown Bank.

ISSUE OF NEW CAPITAL

I have pleasure in announcing on behalf of the Directors an increase in the Capital Stock of the Bank from \$14,000,000 to \$16,000,000 by an issue of 20,000 shares at 150 per share, to shareholders of record at the close of business on yesterday's date. The basis of issue will be one share in seven. Under the terms of the Bank Act holders of less than seven shares of old stock will receive no allotment, but the shares comprising the unallotted fractions will be offered to the public for subscription, and any sums derived from such sale in excess of the issue price of 150 per share will be distributed ratably to the respective shareholders from whose shares the fractions arose.

The percentage of capital to deposits having materially decreased owing to the increase in deposits from \$140,000,000 at the beginning of the war to \$330,000,000 at this date, your Directors deem it expedient to increase the capital, feeling sure that the additional amount can be profitably employed in the rapid development of the Bank's business.

Circumstances permitting, the policy of increasing the capital on attractive terms to the shareholders will be continued in the future.

THE VICE-PRESIDENT

In seconding the motion for the adoption of the Directors' Report, Mr. E. L. Pease, Vice-President and Managing Director, said:

The President in his address has referred at length to the salient features of the post-war position, and the General Manager has reviewed the course of the Bank's business during the past year. I shall refer more particularly to the extension of the bank's operations in foreign fields and our policy in that direction.

In June last we established a branch in Barcelona, Spain, in order to participate in the large trade between that country and her former colonies, where we have many branches, and I am pleased to say the results have greatly exceeded our expectations.

We are now preparing to open in Paris, France, in order to secure a share of the commerce which is expected to develop with Canada in the rehabilitation of northern France and Belgium.

In consideration of the Commission sent to Siberia by the Dominion Government and the developments to follow, officers have been sent to Vladivostok, Siberia, to open a branch there. This action was taken with the commendation of the Government. The Commission, which comprises representatives of agricultural, mining, transportation and financial interests, was sent to aid in supplying the pressing needs of Russia, and assist in stabilizing conditions there. The organization of a Siberian Supply Commission will follow, and through it goods will be purchased in Canada for shipment to Russia. Siberia needs many commodities which Canada can supply, such as agricultural implements, shoes and clothing.

(Continued on Page 63.)

Commercial Union

ASSURANCE COMPANY LIMITED
of LONDON, England

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

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

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH
COMMERCIAL UNION BUILDING, - 232-236 St. James Street, - **MONTREAL**
J. McGREGOR, Manager W. S. JOPLING, Assistant Manager

Palatine

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December, 1917)

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

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

Head Office
for Canada;
TORONTO



Assets
Exceed
\$65,000,000

Eagle Star

AND
**British Dominions
Insurance Company Limited**
Of London, England

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

DALE & COMPANY, LIMITED
GENERAL AGENTS
MONTREAL AND TORONTO

Head Office
for Canada
TORONTO



Security
over
\$65,000,000

The
BRITISH CROWN

Assurance Corporation Limited
Of Glasgow, Scotland

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

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

JOSEPH ROWAT, General Agent
LEWIS BUILDING - - - - - MONTREAL

C. R. G. JOHNSON, POIRIER & JENNINGS, INC.
AGENTS INSURANCE BROKERS

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

11 ST. SACRAMENT STREET
MONTREAL, P.Q.

THE
FIRE INSURANCE COMPANY OF CANADA

MONTREAL

Authorized Capital, \$1,000,000

Subscribed Capital, \$250,000

Paid Up Capital, \$100,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

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

If Canadian industries are to flourish and increase in the face of the world's competition, our manufacturing processes must be improved, all waste eliminated, by-products utilized, and research encouraged. In the new order of things there is no room for antiquated or unscientific methods. A step in the right direction is the formation of groups of Trade Guilds with the object of applying scientific knowledge to the problems of various industries. These guilds follow the plan developed with such rapidity and success in the United States and in Great Britain, where more than thirty are now in operation. The determining factor in our success will be progress in scientific research, through which a new impetus will be afforded to industrial activity.

A distinct advance has been made in methods of selling goods in foreign markets. The traveller who formerly served the limited interests of one manufacturer is now being replaced by Export Companies which act as sales agents abroad; some for a number of firms engaged in the same industry; others for a group of varied enterprises. Under the new system a thorough study is made of the business possibilities of the territory to be covered, a permanent office is established, and specialized salesmen are employed. A maximum selling efficiency is thus obtained at minimum cost. So great are its advantages that the United States, which has always legislated against combines, has, by the Webb law, sanctioned their formation for export trade, and up to November last 52 combinations embracing machinery and tool makers, paper makers, lumber manufacturers and general exporters were registered under this Act. The recent incorporation of companies in Canada for like purpose, indicates that we shall not fail to keep pace with this new development. The British Committee on Commercial and Industrial policy after the War strongly recommends the establishment of these combined selling organizations in all lines of trade, and an extract from the final report of this committee is appended.** (See note at end of report.)

EXTENSION OF EXPORT TRADE NECESSARY

The expansion of Canada's export trade is vital to her commercial self-preservation and future economic welfare. Only by creating a large favourable balance of trade can we hope to meet the interest on our foreign debt. A great opportunity lies in the speedy development of all the possibilities of our live stock industry, which during the past five years has experienced a phenomenal growth. It is capable of far greater expansion, and as the world's production of animal food stuffs will not be equal to the demand for many years to come, high prices and good markets are assured. A special trade and commerce committee has been sent to London with a view to securing special business from the Allies during the period of reconstruction, which would mean genuine prosperity for several years, but beyond this we need to promote permanent trade relations with South America, the Orient and other portions of the Empire. Other countries are making great preparations to exploit these fields, and there is no reason why Canada should not play an important part in the competition. Our manufacturers demonstrated their technical skill and efficiency in producing munitions and other commodities during the war at a lower cost than the United States. We possess an important advantage in our cheap lumber and paper. The vigorous ship-building policy of the Government will provide in the course of the next eighteen months forty-five vessels of a total dead weight tonnage of 246,000 tons, and thus afford direct communication with foreign countries. Of our large imports of tropical products from the West Indies and South America, only about one-fifth reaches us directly. Four-fifths are discharged at United States ports for trans-shipment to Canada, and the steamers which bring them are laden on the return voyage with American goods.

One of the most effective means of securing export business would be an improvement in transportation facilities. Our ports, both on the Atlantic and the Pacific, should be amply provided with docks of the best class and with the most modern equipment for loading and unloading. If they were also practically made free, vessels would be attracted from all parts of the world.

The Canadian banks can effectively aid our export trade by establishing branches in foreign countries and supplying information to the Canadian exporter to enable him to judge of trading possibilities, such information to include statistics relative to the demand for our manufactured and raw products, methods of transacting business, rules and regulations to which business interests must conform, and the standing and credit of business houses. British banks exist in almost every foreign country, and have proved a powerful factor in the development of Great Britain's world wide trade. Lloyd's Bank recently purchased the assets of the London & River Plate Bank, the

largest bank in South America. Germany's trade was promoted by her banks, and American banks are rapidly establishing foreign branches.

The American Bankers' Association adopted the following resolution at its annual meeting in Chicago in September last:

"To support by every means in their power the development of export trade, to encourage manufacturers to enter upon this field of distribution, and to provide as rapidly as possible adequate facilities for financing export operations that the nation's great Merchant Marine may be profitably continued after the war."

Are we going to accept the crumbs of foreign trade without serious competition on our part? It does not follow that Canadian deposits would be diverted to foreign fields—the experience of this Bank has proved the contrary. Our foreign deposits have always exceeded our foreign commercial loans, as the Government returns show. The present excess is over \$15,000,000. We have now had twenty years' experience of banking in Cuba, the West Indies and Central America. During this period our losses have been infinitesimal—much under the percentage incurred in Canada, because the business represents chiefly the movement of staples, accommodation paper being inconsiderable. That Canada's trade is benefited by these branches is shown by the numerous business enquiries received. At the same time it cannot be said that we have neglected home interests. The number of our branches in Canada exceeds that of any other bank. With a view to the extension of Canada's foreign trade and encouraged by our past success in this field of banking, for which we are well equipped, we have decided after long consideration and carefully studying the situation, to open three branches in South America, at Rio de Janeiro, Brazil, Monte Video, Uruguay, and Buenos Aires, Argentine. Members of the staff for these branches have already been selected, and are about to leave for South America.

I cannot close without some reference to the achievements of the men who have so splendidly represented our country abroad. They have made the name of Canada great in war—it is for us to keep it great in peace. With thrift, co-operation, organization and wise leadership, we may hope to build up a nation strong in its own strength and a worthy partner in the Empire.

I beg to second the motion for the adoption of the report.

DIRECTORS

A resolution was adopted authorizing an increase in the number of Directors from twenty to twenty-two.

THE STAFF

A vote of thanks was passed to the President, Vice-Presidents and Directors, also to the General Manager and staff. In replying to the latter, Mr. C. E. Neill, General Manager, said:

In thanking you for your appreciation of the work of the officers of the bank, it may interest you to know that our staff now totals 4,316, as compared with 2,855 at the end of 1914.

About 1,200 of our enlisted men are still overseas and, as intimated by the President, as they return it is our intention to find suitable positions in the bank for these men who have served their country. It will be our endeavour that no returned member of our staff will be able to say with justice that he has not received fair treatment from us.

It is well for the shareholders to realize that the success of the bank depends to a great extent upon the Managers and other officers at our branches. In this respect I believe that no bank in Canada has a more capable or loyal staff than we have, and that the shareholders may expect the same loyal service in the future that has been accorded in the past.

On behalf of all officers of the bank I thank you for your vote of thanks.

BOARD OF DIRECTORS

The following were elected Directors for the ensuing year:

Sir Herbert S. Holt, K.B.	C. S. Wilcox
E. L. Pease	A. E. Dyment
E. F. B. Johnston, K.C.	C. E. Neill
Jas. Redmond	Sir Mortimer B. Davis
G. R. Crowe	G. H. Duggan
D. K. Elliott	C. C. Blackader
Hon. W. H. Thorne	J. T. Ross
Hugh Paton	R. MacD. Paterson
Wm. Robertson	W. H. McWilliams
A. J. Brown, K.C.	Capt. Wm. Robinson
W. J. Sheppard	A. McTavish Campbell.

At a subsequent meeting of the Directors, Sir Herbert S. Holt was unanimously re-elected President, Mr. E. L. Pease, Vice-President and Managing Director, and E. F. B. Johnston, K.C., second Vice-President.

The Trust and Loan Co.

OF CANADA

Capital Subscribed	\$14,000,000.00
Paid-up Capital	2,920,000.00
Reserve Funds	2,920,000.00

MONEY TO LOAN ON REAL ESTATE

30 St. James Street, Montreal

CANADA PERMANENT MORTGAGE CORPORATION

TORONTO STREET :: :: TORONTO

Established 1855

Paid-up Capital	\$6,000,000.00
Reserve Fund (earned)	5,250,000.00
Unappropriated Profits	197,977.41
Capital and Surplus	\$11,447,977.41
Investments	\$31,557,661.52

Prudential Trust Company

LIMITED

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

B. HAL. BROWN, President and Gen. Manager

Invest Your Reserve

As an investment for a portion of your Reserve, the Bonds of this Corporation are especially attractive and convenient. They may be made to become due at such a date as you are most likely to require the money. Enquire about them.

"THE DAWN OF A TO-MORROW"

The war having ended so happily it is believed that a better world will rise out of the ruin—more of beneficence, equality, fraternity and sympathy with "the other fellow" will prevail in the great "to-morrow" that is dawning. Life insurance embodies these great conceptions and will be one of the big movements that "will come into its own." Now is the time to make life insurance your life work. The war has given the institution of life insurance a great impulse and it is appreciated to-day as never before. It is a calling for men of the highest abilities and the finest character. Sell life insurance; and sell Mutual Life Insurance, for the Mutual system is popular because it is based upon strictly democratic principles. If not as an agent then as a member you will be welcomed into our organization.

The Mutual Life Assurance Co. of Canada
WATERLOO, ONTARIO

Western

Assurance Company
Incorporated in 1851

FIRE, MARINE, EXPLOSION AND AUTOMOBILE INSURANCE

ASSETS over **\$6,000,000.00**

LOSSES paid since organization
of Company . . . over **\$70,000,000.00**

DIRECTORS

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

The LIFE AGENTS' MANUAL

THE CHRONICLE - - MONTREAL

A BRITISH COMPANY

Union Insurance Society of Canton, Limited

ESTABLISHED 1835

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

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

FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 36 Toronto Street, TORONTO

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

THE UNION BANK OF CANADA

The Union Bank of Canada added a further nine and three-quarter million dollars to its total assets during its fiscal year ending November 30, for which the report is just issued, and this notwithstanding that the balance sheet was made up just after the Victory Loan payment date with its heavy drafts upon the savings deposits, indeed the amount of money in the savings accounts of this bank at November 30 last, was five millions less than the year before, a condition which is entirely due to the temporary effects of the loan subscription. The loss on savings was more than made up by the gain in non-interest-bearing deposits, which rose 14½ million dollars to \$56,805,208.

While the growth in the volume of assets was less striking than in recent years, the business was of a much more profitable character. It is noteworthy that the Union Bank is now finding itself free to make a very considerable expansion of its commercial loan business, and that there is evidently a plentiful demand for this kind of accommodation. Current loans in Canada are now 74 millions of dollars, an increase of 50 p.c. in two years, and an increase of over 15 millions since 1917. In spite of this loosening of the purse-strings towards general business, there is still a very strong reserve of liquid assets, totalling \$72,368,327 against public liabilities of \$141,553,127, or over 51 p.c.—a very ample ratio, though considerably below what was maintained during the later years of the war.

As a natural consequence of this more active state of the Bank's funds, profits were materially larger than in 1917. Before deductions for taxes and donations they amounted to \$824,175, as compared with \$763,464 in 1917 and \$651,184 in 1916. But the profits in 1917 and 1916 both were subject to a deduction of \$150,000 for contingencies or depreciation, while no such appropriation is necessary in 1918, so that it has been possible this year to transfer \$200,000 from profits to the Rest Account bringing that account up to \$3,600,000 as well as writing off \$75,000 from bank premises. This is the first addition to Rest Account made since the war began, and is a striking evidence of the earning power of the Bank under more normal conditions, with its present enlarged volume of assets. The earnings this year, after deducting war tax, pension fund and \$19,500 of donations, are \$744,675, which is at the rate of 8.8 p.c. on the combined capital and Rest Account, a result which abundantly justifies the aggressive and enterprising policy of the directorate and management in the last few years.

ISSUE BALANCE AUTHORIZED CAPITAL

Referring to the issue of \$3,000,000 new capital, the President, Mr. John Galt, said:—

With our assets over \$150,000,000 we think that the Bank's capital should be increased to the full amount of its authorization, namely, \$8,000,000. We feel that it may be only a short time before our activities necessitate a further increase in our capital stock, and we are recommending to you today a resolution authorizing the directors, when they deem it necessary, to apply to the government to ratify an increase in the capitalization of the Bank from \$8,000,000 to \$15,000,000. It is not our intention to do anything in this direction at the moment, but we feel that it is wise to take this step now as a larger capital may be desirable if our assets continue to

grow at the same pace in the future as they have done it recent years. Your directors will deal with the matter wisely and in the best interests of the Banks."

Mr. H. B. Shaw, General Manager, referring to the appointment of three additional Assistant General Managers, said:—"The increasing importance of our Bank and its extended ramifications, have necessitated the appointment of three additional Assistant General Managers, namely, Mr. F. W. Ashe, with headquarters in London; Mr. F. W. S. Crispo, with headquarters in Winnipeg, and Mr. Geo. Wilson, with headquarters in Toronto. Their experience and long service in banking eminently fit them for their new appointments, and will ensure closer supervision over the administration of the Bank's affairs.

Our offices in London, England, and our Agency in New York, continue to show satisfactory results. The activities of these agencies will, we believe, be greatly increased through the medium of the branches of the Park-Union Overseas Banking Corporation (to which the President has referred), which will be established in Japan, San Francisco and Seattle. The agencies of this subsidiary corporation will immeasurably enlarge our facilities in rendering services of an International character, and we hope and believe will contribute materially to the trade development of Canada with the Orient.

Through the agency of this new enterprise, we anticipate doing our share in assisting Canadian exporters to increase their trade with the Orient and the Yokohama Agency should prove of great value to Canadian importers, inasmuch as it is the intention to establish there a bureau of information, which will collate statistics and other information relating to Japanese affairs generally. This will bring the manufacturer of the East more closely in touch with the importers on this side of the water.

Possessed of millions of acres of undeveloped arable lands and forests, besides illimitable wealth of mineral and other natural resources, the future holds for Canada immeasurable opportunity for industrial and agricultural expansion. What we need is the development of these resources and the market for our products. A selective immigration policy rigorously enforced by the Dominion Government to the end that quality and not quantity shall be the guiding principle, is of paramount importance, and upon this will largely depend the realization of the country's prosperity.

FIRE INSURANCE—EVENING CLASSES

The opening meetings of the classes arranged by the officers of the "Blue Goose" Society, were held in the rooms of the Canadian Fire Underwriters' Association, on Monday and Wednesday evenings, 6th and 8th inst. These classes apparently meet a much felt want and the attendance at both was most encouraging, over sixty gentlemen being present on Wednesday evening. There are still vacancies in both classes and intending members, as well as present members, will kindly note the hour of meeting will in future be 5.45 p.m.

The subject for Wednesday, January 15th, was "Quebec Statutory Conditions."

On Wednesday, January 22nd, the speaker will be Mr. W. E. Sayer, of the Sayer Electric Company, whose subject will be "Electrical Wire Hazards."

What An Agent Wants

A Company whose name, everywhere a household word, is his best introduction. Prestige is a door opener, and age and size are impressive.

Policies that are unexcelled. Big dividends. Strength and safety that need no demonstration. Unsurpassed service to policyholders — the thing that makes solid patrons out of first-time customers.

The Oldest Company in America! Come with it and you will stay with it, and it will stay with you!

For terms to producing Agents address:

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

34 Nassau Street . . . New York City

THE London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1720

CAPITAL PAID UP \$ 2,241,375
TOTAL ASSETS EXCEED 36,000,000

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

THE PROVIDENT ASSURANCE COMPANY

All lines of
*Accidents, Sickness,
Liability, Guarantee and
Automobile Insurance*

Head Office
189 St. James St. - - Montreal
REPRESENTATIVES WANTED FOR ONTARIO AND
MARITIME PROVINCES

ATLAS ASSURANCE COMPANY LIMITED

Founded in the Reign of George III

Subscribed Capital - - - \$ 11,000,000
Capital Paid Up - - - - - 1,320,000
Additional Funds - - - - - 22,141,355

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

Head Office for Canada:
260 St. James St., MONTREAL
MATTHEW C. HINSHAW, Branch Manager

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

Capital Paid Up \$1,250,000 Assets \$3,185,605

Agents Wanted in Unrepresented Districts.

Managers for Canada:
Montreal Agencies Limited, Montreal



Assets:
\$22,022,227.19

Surplus:
\$7,426,114.26

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

L'UNION

FIRE INSURANCE COMPANY, Limited
Established 1826 Head Office: PARIS, France.

Capital fully subscribed \$2,000,000.00
25 p. c. paid-up
Fire and General Reserve Funds 5,949,000.00
Available Balance from Profit
and Loss Account 113,266.84
Net Premiums in 1917 6,136,055.28
Total Losses paid to 31 Dec.,
1917 104,117,000.00

Canadian Branch:
LEWIS BUILDING, 17 St. John St, MONTREAL
Manager for Canada: MAURICE FERRAND.

IMPERIAL BANK CHANGES

The announcement was made last week of the retirement of Mr. Edward Hay, General Manager of the Imperial Bank of Canada, who was connected with that institution since its inception 40 years ago, and has now the distinction of being the only surviving member of the original staff with the exception of the President, Mr. Peleg Howland. Mr. Hay is well known throughout Canada as a most popular and able banker and his retirement through ill health at the age of 63 years is greatly regretted. The directors will continue to have the advantage of his wise counsel as a member of the board.

To succeed Mr. Hay, the directors have appointed Mr. William Moffat as General Manager. This gentleman has been connected with the bank for past 37 years and is an experienced banker, thoroughly conversant with financial affairs throughout the Dominion. Mr. Moffat has been Assistant General Manager of the bank for some years.

CONTINENTAL INSURANCE COMPANY OF NEW YORK

At this period of the year when the experience of companies is a current topic, it is interesting to note that the Continental group of companies, which comprise the Continental Insurance Co. of New York, the Fidelity-Phenix Fire Insurance Co. of New York and the Fidelity (Fire) Underwriters of New York, has attained, with the close of last year an enviable position among fire insurance institutions operating in Canada. For the first time, the Continental group is able to report this year over a million dollars of Canadian business, the net premiums for the companies being \$1,003,579. By comparing these figures with those of 1917, when the premiums were \$815,516 we find an increase for the past twelve months of \$188,053.

That this increased business has been very carefully selected is shown by the fact that the combined loss ratio for 1918 on the above premiums is 47 per cent.

These companies have received a license from the Dominion Government to write Hail Insurance and their organization has already been perfected so that they will be issuing policies for the season 1919.

The Continental, the Fidelity-Phenix and the Fidelity (Fire) Underwriters are a strong combination in the business with \$58,000,000, of assets, and fast going ahead in Canada under the able direction of Manager W. E. Baldwin.

HOME BANK.

The Home Bank of Canada has opened new branch offices at Shackleton, Sask., Arnprior and Coccoconk, Ontario.

THE CANADA LIFE'S REPORT

Results of an all-round satisfactory character are shown in the Annual Report of the Canada Life for 1918 published on another page. This is all the

more gratifying, when it is considered that the year just past, may well be described as a period of the gravest anxiety for Life Insurance Companies generally. Mr. H. C. Cox (President) in the course of a very comprehensive address at the annual meeting said:—

Never has the strength and ability of the companies been put to a more severe test than during the year just closed, when, in addition to the mortality from regular sources, they had to absorb \$16,000,000 of losses arising from the war, followed during the last three months by an entirely unexpected drain of approximately \$6,000,000 as a result of the world-wide epidemic of influenza. The last-named through its attack upon the youth of the country, has borne heavily upon all the companies, but they have withstood the strain nobly, and the institution as a whole has come through an altogether trying experience with honour and with an added public confidence. True, individual companies, both old and young, find it necessary to reduce their scale of bonuses to assured, but nothing has occurred to bring their solvency in question. Those which have been able to continue their previous rate are to be congratulated.

It is perhaps some compensation to know that while the burden upon the companies has been great the payments made have been of more than usual importance to the beneficiaries since the assured in most instances on account of their youth had not had the time or opportunity to build up estates from other sources.

THE YEAR'S BUSINESS

New business paid for during the year totalled \$23,891,668 an increase of \$2,522,725 over 1917. This has been accomplished with a slight decrease in expense ratio despite the higher cost of operation forced upon the company in common with all other corporations by war conditions.

Total insurance in force was increased by \$12,963,790 to \$195,980,550. This is a most remarkable showing, indicating a high degree of persistency in the business in force.

Total income amounted to \$11,048,342 an increase of \$1,477,355.

Payments to policy-holders during the year amounted to \$5,535,673, as compared with \$4,340,964 in 1917. The assets were increased to \$65,947,574 a gain for the year of \$3,367,238. The policy reserves now amount to \$55,015,954 an increase of \$2,453,476. The net surplus amounting to \$6,983,662 shows a gain of \$252,470.

Victory Bonds of the Dominion Government were again the chief investment of the year by the Canada Life. The Company now holds \$11,586,000 of Government War Bonds of various issues. Notwithstanding its large commitments in this respect the Company was able to take advantage of the favourable market for Provincial and Municipal issues to the extent of \$2,193,936 and to lend upon real estate mortgage \$2,167,000.

Mr. E. R. Wood was elected Vice-President to replace Mr. J. H. Plummer resigned.

President H. C. Cox and those associated with him in the management of the Canada Life, whether in office or field are entitled to congratulations upon the results recorded in 1918.

LONDON & LANCASHIRE FIRE INSURANCE COMPANY TO PURCHASE SCOTT & WALMSLEY GROUP

It is officially announced that an arrangement has been concluded, whereby the London & Lancashire Fire Insurance Co. will absorb the old established companies, for many years under the management of Scott and Walmsley, Toronto. These companies have had a most honourable record under sound management, and are as follows:—

The Queen City Fire Insurance Company, established 1871, assets about \$460,000.

Hand & Hand Insurance Company, incorporated 1873, assets about \$250,000.

Millers' Manufacturers Insurance Company, established 1885, assets about \$170,000.

The Fire Insurance Exchange, established 1886, assets about \$115,000.

Combined premium income of the four companies is about \$500,000.

We understand that the business of the above companies will be conducted under the joint management of Messrs. Joseph Walmsley and John de Wolf Chipman. Messrs. Scott and Walmsley to be general agents.

Business to be conducted as heretofore by Messrs. Joseph Walmsley and John de Wolf Chipman, Joint Managers, Messrs. Scott and Walmsley Incorporated being General Agents.

Under London Lancashire ownership and guarantee, the companies will have considerably better facility for handling business.

The conclusion of this deal will bring the number of Canadian Companies taken over by the London & Lancashire up to seven. The Companies previously taken over comprise the Mercantile Fire Insurance Company, The Quebec Fire Assurance Company and the Ontario Accident Insurance Company.

The London & Lancashire is considered a specialist in company absorptions, the last, namely the Marine Insurance Company, Limited, being one of the largest and most important insurance deals that has ever been effected.

DEATH OF MR. H. M. P. ECKARDT

We regret to record the death of Mr. H. M. P. Eckardt at Muskoka, Ont., on the 8th instant. Mr. Eckardt was well known as a financial writer of no mean order. His contributions to the Press in Canada and elsewhere were greatly appreciated by those who were fortunate enough to be afforded the opportunity of reading them, especially those relating to Banking. Mr. Eckardt was a consistent contributor of financial articles to The Chronicle for nearly 20 years. He spent some 16 years in the service of the Merchants Bank of Canada before retiring in 1902 through ill-health.

UNION BANK OF CANADA

54th Annual Statement—30th November, 1918

The Fifty-fourth Annual Meeting of the Shareholders of the Union Bank of Canada was held at the Head Office of the Bank, in the City of Winnipeg, at twelve noon, on Wednesday, the 8th instant.

The President, MR. JOHN GALT, in the chair.

DIRECTORS' REPORT

The Directors have pleasure in presenting their report showing the result of the business of the Bank for the year ending November 30th, 1918.

During the year, owing to the depletion of the staff caused by enlistment for military service, the following offices were closed:—Coatsworth, Eastons Corners and Toledo in the Province of Ontario; Adanac, Guernsey, Jansen, Major, Netherhill and Salvador in the Province of Saskatchewan; of which all except Adanac have since been reopened.

The number of Branches and Agencies in operation on November 30th, 1918, was 299.

The usual inspection of all Branches and Agencies has been made.

Mr. S. E. Elkin, M.P., of St. John, N.B., has been elected to fill a vacancy on the Board of Directors.

JOHN GALT, President.

PROFIT AND LOSS ACCOUNT

Balance at credit of account, 30th November, 1917	\$106,624.34
Net profits, for the year, after deducting expenses of management, interest due depositors, reserving for interest and exchange, and making provision for bad and doubtful debts and for rebate on bills under discount, have amounted to	824,174.56
	\$930,798.90

Which has been applied as follows:—

Dividend No. 124, 2¼ per cent., paid 1st March 1918	\$112,500.00
Dividend No. 125, 2¼ per cent., paid 1st June, 1918	112,500.00
Dividend No. 126, 2¼ per cent., paid 3rd September, 1918	112,500.00
Dividend No. 127, 2¼ per cent., payable 2nd December, 1918	112,500.00
Transferred to Rest Account	200,000.00
Written off Bank Premises Account	75,000.00
Contribution to Officers' Pension Fund	10,000.00
Contribution to Halifax Relief Fund	5,000.00
Contribution to Canadian Red Cross, Manitoba Branch	5,000.00
Contribution to Young Men's Christian Association Overseas	3,000.00
Contribution to Salvation Army Overseas	2,000.00
Contribution to Belgian Relief Fund	1,000.00
Contribution to Knights of Columbus, Army Hut Appeal	1,000.00
Contribution to Navy League of Canada, Sailors' Week	2,500.00
War Tax on Bank Note Circulation to 30th November, 1918	50,000.00
Balance of Profits carried forward	126,298.90
	\$930,798.90

UNION BANK—Continued

General Statement of Liabilities and Assets

AS ON 30th NOVEMBER, 1918

LIABILITIES

Capital Stock.....		\$ 5,000,000.00
Rest Account.....	\$ 3,600,000.00	
Balance of Profit and Loss Account carried forward.....	126,298.90	
	\$ 3,726,298.90	
Unclaimed Dividends.....	10,261.43	
Dividend No. 127, payable 2nd December, 1918.....	112,500.00	
		3,849,060.33
		8,849,060.33
Notes of the Bank in circulation.....	12,134,649.00	
Deposits not bearing interest.....	58,805,207.86	
Deposits bearing interest.....	68,437,490.47	
Balance due to other Banks in Canada.....	424,601.94	
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....	1,751,177.75	
		141,553,127.02
Acceptances under Letters of Credit.....		2,706,467.06
Liabilities not included in the foregoing.....		72,797.11
		\$153,181,451.52

ASSETS

Gold and Silver Coin.....	\$ 940,446.58	
Dominion Government Notes.....	15,113,307.00	
		\$ 16,053,753.58
Deposit with the Minister of Finance for the purposes of the Circulation Fund.....		260,000.00
Deposit in the Central Gold Reserves.....		7,800,000.00
Notes of other Banks.....		763,793.00
Cheques on other Banks.....		3,817,392.16
Balances due by other Bank in Canada.....		92,051.67
Balances due by Banks and Banking Correspondents elsewhere than in Canada.....		2,933,356.72
Dominion and Provincial Government Securities not exceeding market value.....		12,527,937.82
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian.....		15,720,338.76
Railway and other Bonds, Debentures and Stocks not exceeding market value.....		2,501,824.71
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks.....		6,508,728.64
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada.....		3,389,150.00
		72,368,327.06
Other Current Loans and Discounts in Canada (less rebate of interest).....		74,021,028.40
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest).....		1,944,112.28
Real Estate other than Bank Premises.....		268,152.80
Mortgages on Real Estate, sold by the Bank.....		141,656.39
Overdue Debts, estimated loss provided for.....		327,941.58
Bank Premises, at not more than cost, less amounts written off.....		1,237,606.70
Liabilities of customers under Letters of Credit, as per contra.....		2,706,467.06
Other Assets not included in the foregoing.....		166,159.25
		\$153,181,451.52

JOHN GALT, President.

H. B. SHAW, General Manager.

Report of the Auditors to the Shareholders of the Union Bank of Canada

In accordance with the provisions of subsections 19 and 20 of Section 56 of the Bank Act, we report to the Shareholders as follows:—

We have audited the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the branches.

We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In addition to our verification at the 30th November, we have, during the year, checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches and found them to be in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank, according to the best of our information, and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, E. S. READ, C. R. HEGAN,
Auditors, of the firm of
WEBB, READ, HEGAN & CO.,
Chartered Accountants.

Winnipeg, 20th December, 1918

CANADIAN FIRE RECORD

Fire at Vancouver, B.C.—On the 2nd instant a fire broke out in a tobacconist store, 70 Hastings St., destroying the building and contents. Loss about \$10,000.

Fire at Montreal.—On the 14th instant five greenhouses of the McKenna Co. Ltd., 689 Cote des Neiges Road, were destroyed by fire. Loss about \$12,000.

Fire at Montreal.—On the 12th instant a fire broke out in the plant of Jennings & Co. Waggon and Auto Manufacturers, 15 Wellington Street. It is stated that over one hundred automobiles were destroyed in the building, the fire spread to adjacent property. The loss entailed may amount to about \$350,000. A complete list of insurance is not available. The building occupied by Jennings & Co. was insured as follows:—Northern \$2,500; Commercial Union \$2,500; Union of London \$2,500; Hartford \$2,500; Loss total \$10,000.

On Jennings stock, Commercial Union, \$1,000; National of Paris \$2,000; Union of London \$1,000; Total \$4,000.

The McClary Manufacturing Co., 23 Wellington Street, suffered a loss of about \$3,500 with insurance of \$38,500.

There was a large amount of insurance involved in automobiles destroyed. The following companies are stated to be interested: London Guarantee, Royal Exchange, Guardian, Commercial Union, Canada Accident, Law Union & Rock, North West National, National Ben Franklin, North America. Total loss on automobiles will amount to about \$100,000.

NOTICE

Notice is hereby given that the Fidelity-Phenix Fire Insurance Company of New York has been granted license by the Government of the Dominion of Canada to transact the business of Hail Insurance in Canada, under License No. 772, dated January 10th, 1919.

NOTICE

Notice is hereby given that the Continental Insurance Company of New York has been granted license by the Government of the Dominion of Canada to transact the business of Hail Insurance in Canada, under License No. 771, dated January 10th, 1919.

"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 S. J. Carter Company (wholesale grocers) will suffer a loss of about \$15,000. Insurance as follows: Royal \$14,000; Queen \$2,000; Yorkshire \$4,000; Rochester \$3,000; Alliance \$2,000; Dominion \$2,000; Provincial \$3,000. Total \$30,000.

Fire at Montreal.—On the 12th instant a fire broke out on the premises of Mathieu & Co., Clark Street. Insurance Northern \$1,500; Norwich Union \$1,000; Globe & Rutgers \$500; Liverpool Manitoba \$1,000; Royal \$2,500; Aetna \$1,000; St. Lawrence Underwriters \$500; British Colonial \$1,500; Guardian \$2,500; Mount Royal \$1,000; London Guarantee \$1,000. Total \$15,000. Loss about \$6,000.

HAIL

Established firm, with good connection through Alberta, invites correspondence with Insurance Companies writing Hail Insurance, income guaranteed. Bank reference.

HAIL AGENT,

c/o The Chronicle, Montreal.

WANTED

A Fire Insurance Company wants a bright French-Canadian as Inspector for Montreal and Province of Quebec. Apply, stating full particulars, to—

INSPECTOR,

c/o The Chronicle,
Montreal.

WANTED

Tariff Fire Company, with large writing facilities, requires General Agencies for the Provinces of Manitoba, Saskatchewan, Alberta, and British Columbia. Apply, giving full particulars, to

TARIFF FIRE COMPANY,

c/o The Chronicle,
Montreal.

General Insurance Agency in Calgary

Well established—highest references—solicits correspondence with Insurance Companies for Fire, Bonds, Boiler, Plate Glass, Live Stock, Hail—any kind of insurance.

GENERAL AGENT,

c/o The Chronicle, Montreal.

**THE MONTREAL CITY and
DISTRICT SAVINGS BANK**

The Annual Meeting of the Shareholders of this Bank will be held at its Head Office, St. James Street, on Monday, the Tenth day of February next, at 12 o'clock noon, for the reception of the Annual Reports and Statements and the election of Directors.

By order of the Board,

A. P. LESPERANCE, Manager.

Montreal, January 3rd, 1919.

THE BANK OF TORONTO

The sixty-third annual report of the Bank of Toronto, published on another page, was most satisfactory, even compared with the best in its history. Enlightening reference to the existing Canadian economic situation was made at the annual meeting of shareholders in addresses delivered by Mr. W. G. Gooderham, the President, and Mr. Thos. F. How, General Manager. Mr. Gooderham made reference to the astonishing revelation of the willingness and power of the people of Canada to furnish the Government with the sums necessary to carry the war to a triumphant conclusion. He said:

"It is inevitable that we should pass through a period of readjustment in turning from the war period to one of peace and reconstruction. How long this period of readjustment will take depends upon many factors that cannot at present be estimated. The Government has wisely taken steps to aid in a movement to secure a share in the work of rebuilding the devastated portions of Belgium and France. In their shipbuilding programme and other plans for work of a national character that will be productive, they are endeavouring to make available the country's resources and give employment to all who are disposed to work.

"We have to face a heavy burden of debt, with its interest charges. It is fortunate that so much of this indebtedness is due to our own people, but even so the burden still exists, and can only be met by direct or indirect taxation. When our population has increased, when our great potential resources have been actively developed, and exports have grown naturally to a volume that will yield a large surplus profit to the country's revenue, the burden will be comfortably borne, but until that time shall have come we must be prepared to adapt ourselves to changed conditions. These past years have brought with them inflation in prices of all the necessities of life, of the materials that are required in every process of manufacture, of the cost of labour employed in all departments of our industrial life, and a readjustment must be made. We may hope that it will come gradually, and be accompanied with the minimum of disturbance, but in view of the possibilities we feel that we must be moderate in our expectations. We have, therefore, taken these factors into consideration when valuing the bank's assets and preparing our statement."

The General Manager, in his remarks, said:

"It has been the experience heretofore that subscriptions to Government issues have been replaced, in fact, more than replaced, by new deposits, but we have now to face new conditions. With the cessation of munitions contracts, and the more or less rapid withdrawal of Governments as purchasers of food supplies, the money value of our foreign trade may be expected to decline, while the requirements of our Government will continue for some time to be very large. These conditions may have the effect of retarding the rebuilding of deposits. However, we are happy and thankful that the war is over, and we are as well prepared as it is possible to be for the readjustment of business to a peace basis.

"Banking figures have increased very rapidly during the past few years. This expansion may continue for a time, but, as we have already remarked in connection with the gain in our deposits, we are prepared to see a moderate decline during the next two or three years. There must be a readjustment downward of prices for commodities and services,

and, it is to be hoped, of production upwards, until we reach a stable level on which all classes of business can proceed in security and comfort. That level will be found only in time, and by natural processes, but violent changes can be avoided, and, we believe, will be avoided through the enterprise and forethought of our Government and their co-operation with the business and financial interests of the country."

Profits for the year ending November 30th, 1918, are reported as \$844,402, equal to 16.88% of the paid-up capital and an increase of \$41,482 over the previous year. The amount brought forward from 1917 was \$555,306, making a total of \$1,399,708 available for distribution. The usual dividend was paid, and after payment of war tax on circulation and appropriations to officers' pension fund, patriotic and other war funds and to bank premises, a balance of \$625,624 was carried forward to next year.

Bank deposits of \$79,039,274 show a growth of \$15,131,977, equal to 24%, the largest increase ever recorded in any one year.

Cash and gold reserves amounting to \$13,922,182 indicates an increase of \$1,339,830 over last year. The immediately available assets amount to \$47,018,174, equal to 53% of the bank's liabilities to the public. This total includes short-date advances to the Dominion Government and to the Imperial Government amounting in all to \$19,880,000.

Commercial loans of \$49,168,819 show an increase of \$6,855,043, indicating continued substantial support of the business interests of Canada. The total assets amount to \$100,207,997, a substantial increase for the year of \$15,914,079 and the largest in the history of the bank.

The following are the leading items of the bank's general statement, in comparison with 1917:—

	1918	1917
Circulation	\$ 7,270,615	\$ 7,606,005
Deposits (not bearing int.)	29,504,792	17,034,916
Deposits (bearing interest)	49,534,482	46,872,381
Total Liabilities to public	86,309,889	71,513,302
Specie and Legals	11,422,182	10,082,352
Deposit in Central Gold Reserve	2,500,000	2,500,000
Securities held	22,483,581	17,265,153
Call and Short Loans in Canada	4,305,834	2,158,412
Total of quick assets	47,018,174	37,938,501
Current Loans and Discounts	48,951,428	42,196,693
Total Assets	100,207,997	84,293,919

At Montreal the Bank of Toronto occupies well-equipped offices at the corner of St. James and McGill Streets, in its own imposing structure, under the management of Mr. H. B. Henwood.

PALATINE INSURANCE COMPANY.

Establish Branch Office for Maritime Provinces.

The Palatine Insurance Company has recently established a Branch Office for the Maritime Provinces at St. John, N.B. Both the Canada Accident, and the Palatine Agencies in the Maritime Provinces have been reporting to this Branch since 1st Jan., 1919. Mr. F. C. Mortimer well known in the Lower Provinces is the capable and energetic Branch Manager.

THE BANK OF TORONTO

REPORT OF THE SIXTY-THIRD ANNUAL GENERAL MEETING

The Sixty-Third Annual General Meeting of the Stockholders of The Bank of Toronto was held at the Head Office in Toronto, Wednesday, 8th January, 1919.

The Chair was taken by the President, Mr. W. G. Gooderham; the Assistant General Manager, Mr. John R. Lamb, was requested to act as Secretary and Messrs. George R. Hargraft and C. H. Taylor were appointed Scrutineers.

The Secretary read the Annual Report as follows:

The Directors of The Bank of Toronto beg to present their Report for the year ending 30th November, 1918, accompanied by the Statement of the Bank's affairs and the results of the operations for the year.

PROFIT AND LOSS ACCOUNT

The Balance at credit of Profit and Loss, on November 30th, 1917, was.....	\$555,306.53
The Net Profits for the year, after making full provision for all bad and doubtful debts, and deducting expenses, interest accrued on deposits and rebate on current discounts, amounted to the sum of.....	844,402.16
	\$1,399,708.69
This sum has been appropriated as follows:—	
Dividends at eleven per cent per annum.....	\$550,000.00
War Tax on Circulation.....	50,000.00
Transferred to Officers' Pension Fund.....	25,000.00
Patriotic Fund and other War Subscriptions.....	36,200.00
Toronto General Hospital.....	2,000.00
Written off Bank Premises.....	110,884.75
	224,084.75
Carried forward to next year.....	625,623.94
	\$1,399,708.69

The production of war materials and supplies continued up to the close of the year, general business was good, and the Bank has had a year of growth in all departments.

The Head Office and Branches of the Bank have been regularly inspected by the inspection Staff, and at the Head Office the usual inspection of cash and securities has been made.

Mr. G. T. Clarkson, C.A., the auditor of the Bank, has made his examination of the principal offices of the Bank, and his report is appended to the general statement presented herewith. Mr. Clarkson's name will be submitted to the Shareholders at the annual meeting for re-appointment as auditor.

The following Branches have been opened during the year:—Bethany, Markdale, and New Lowell, Ontario; Durban and Kenville, Manitoba; Stewart, Saskatchewan; and our Branch at Point St Charles, Quebec, has been closed.

All of which is respectfully submitted.

W. G. GOODERHAM,

President.

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto:

I have compared the above Balance Sheet with the books and accounts at the chief office of The Bank of Toronto, and certified returns received from its branches, and after checking the cash and verifying the securities at the chief office and certain of the principal branches on November 30th, 1918, I certify that in my opinion such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of my information, the explanations given to me, and as shown by the books of the Bank.

In addition to the examination mentioned, the cash and securities at the chief office and certain of the principal branches were checked and certified by me during the year, and found to be in accord with the books of the Bank.

All information and explanations required have been given to me, and all transactions of the Bank which have come under my notice have, in my opinion, been within the powers of the Bank.

G. T. CLARKSON,
Chartered Accountant.

Toronto, December 18th, 1918

After the report had been read, the President, Vice-President, and General Manager addressed the meeting. The report of the Directors was adopted. Contributions to various Patriotic Funds were approved. Mr. Geoffrey T. Clarkson was appointed Auditor for the current year, and the following Directors were elected: W. G. Gooderham, William Stone, John Macdonald, Lieut.-Col. A. E. Gooderham, Joseph Henderson, Brig.-Gen. F. S. Meighen, J. L. Englehart, William I. Gear, Paul J. Myler, and Archibald H. Campbell.

* At a meeting of the Directors Mr. W. G. Gooderham was elected President and Mr. J. Henderson, Vice-President.

THE BANK OF TORONTO—Continued

GENERAL STATEMENT, 30th NOVEMBER, 1918

LIABILITIES

	30th November	
	1918	1917
Notes in Circulation.....	\$7,270,615.00	\$7,606,005.00
Deposits bearing interest, including interest accrued to date of statement.....	49,534,482.27	46,872,381.30
Deposits not bearing interest.....	29,504,792.23	17,034,916.41
Total deposits.....	\$86,309,889.50	\$71,513,302.71
Balances due to other Banks in Canada.....	459,833.55	276,407.47
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries.....	1,052,919.56	279,360.38
Quarterly Dividend, payable 1st December, 1918.....	137,500.00	137,500.00
Dividends unpaid.....	1,226.50	1,284.25
Acceptances under Letters of Credit.....	621,004.08	530,757.48
	\$ 88,582,373.19	\$72,738,612.29
Capital paid up.....	5,000,000.00	5,000,000.00
Reserve.....	6,000,000.00	6,000,000.00
Balance of Profit and Loss Account carried forward.....	625,623.94	555,306.53
	\$100,207,997.13	\$84,293,918.82

ASSETS

Gold and Silver coin current.....	\$ 948,654.91	\$ 962,652.34
Dominion Notes held.....	10,473,528.00	9,119,700.00
Deposit in the central gold reserves.....	2,500,000.00	2,500,000.00
	\$ 13,922,182.91	\$12,582,352.34
Deposit with the Minister for the purposes of the Circulation Fund.....	240,141.46	262,273.26
Notes of other Banks.....	668,145.00	552,055.00
Cheques on other Banks.....	4,217,833.59	2,785,480.37
Balances due by other Banks in Canada.....	5,261.91	
Balances due by Banks and Banking Correspondents elsewhere than in Canada.....	1,175,193.41	2,332,775.08
Dominion and Provincial Government Securities, not exceeding market value.....	11,804,870.97	6,170,018.05
Canadian Municipal Securities and British, foreign and colonial public Securities other than Canadian.....	10,003,943.16	10,198,509.82
Railway and other Bonds, Debentures and Stocks, not exceeding market value.....	674,767.53	896,625.03
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks.....	4,305,834.08	2,158,411.63
	\$ 47,018,174.02	\$37,938,500.58
Other Current Loans and Discounts in Canada (less rebate of interest).....	48,951,428.33	42,196,692.97
Overdue Debts (estimated loss provided for).....	217,390.70	117,083.04
Liabilities of Customers under Letters of Credit, as per contra.....	621,004.08	530,757.48
Bank Premises, at not more than cost, less amounts written off.....	3,400,000.00	3,510,884.75
	\$100,207,997.13	\$84,293,918.82

W. G. GOODERHAM,
President.
Toronto, 30th November, 1918

THOS. F. HOW,
General Manager.

LOOKING AHEAD INTO 1919

Peace finds the investment and business world not quite so thoroughly stupified as when the war broke in 1914. Nevertheless our financial leaders, our professors of economics and our students of trade tendencies have, as usual, a good deal of difficulty in reaching any agreement as to what is to come.

There is a pretty general notion that the world will have to pay for its wild war "jag" by a very head-achy morning-after depression. But there is no sort of harmony as to when this depression will arrive.

Some think it is close upon us. In the cut in steel and automobile prices, the discharge of war workers, the wool auctions and so on, they already feel the clammy touch of the chill hand of adversity.

Others would wait a year or so, until the world's bare shelves are again stocked up with goods and

until the "pauper labour of Europe," now more thoroughly pauperized than ever, begins once again to make goods for next to nothing and force them upon our unwilling and declining markets.

Still others, with an eye on the panic of 1873, which waited eight years after the end of the Civil War before it descended upon us like a long-deferred thunder-clap of vengeance, predict that a brief period of readjustment will be followed by several years of great prosperity, but that "eventually" we must undergo a severe and prolonged depression. Since "eventually" is a long time and allows the prophet that ample lee-way which has always been characteristic of prophecies from the Delphic oracle to the kimonoeed fortune teller of to-day, it would not be surprising if this third group of soothsayers should prove to be right.—G. C. Selden in The Magazine of Wall Street.

A REAL OPPORTUNITY

For Men Who Have Had Selling Experience of Any Kind

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

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

Sales Department:

Canada Life Assurance Company
Toronto, Ont.

Great American Insurance Company New York

INCORPORATED - 1872

PAID FOR LOSSES

\$96,971,238.06

STATEMENT, JANUARY 1st, 1918

CAPITAL

AUTHORIZED, SUBSCRIBED AND PAID-UP

\$2,000,000.00

RESERVE FOR ALL OTHER LIABILITIES

12,927,269.91

NET SURPLUS

8,527,719.31

ASSETS

23,454,989.22

THE SECURITIES OF THE COMPANY ARE BASED UPON ACTUAL VALUES ON DECEMBER 31st, 1917

HAD THE SECURITIES BEEN TAKEN AT THE VALUES AUTHORIZED BY THE NATIONAL CONVENTION OF STATE INSURANCE COMMISSIONERS THE ASSETS AND SURPLUS WOULD EACH BE INCREASED BY \$2,321,032.00

**Home Office, One Liberty Street
New York City**

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ESINHART & EVANS, Agents

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MURPHY, LOVE, HAMILTON
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Toronto, Ontario

WILLIAM ROBINS, Supt. of Agencies

Dominion Bank Building

Toronto, Ontario

THE LONDON MUTUAL FIRE INSURANCE COMPANY

ESTABLISHED 1859

Assets	-----	\$753,417.06
Surplus to Policyholders	-----	411,808.66



DIRECTORS:

A. H. C. CARSON, Toronto	-----	President
R. HOME SMITH, Toronto	-----	Vice-President
F. D. WILLIAMS	-----	Managing Director
A. C. McMASTER, K.C.	-----	W. T. KERNAHAN
S. G. M. NESBITT	-----	H. N. COWAN
	-----	G. H. WILLIAMS

HEAD OFFICE - 33 SCOTT ST., TORONTO

QUEBEC BRANCH OFFICE

LEWIS BUILDING, ST. JOHN STREET MONTREAL
BRANCH MANAGER, W. J. CLEARY

Canadian Banking Practice

On Sale by The Chronicle, Montreal

NORTHERN ASSURANCE COMPANY

It is rumoured that the Northern Assurance Company contemplates entering the Casualty Insurance field in Canada in the near future. Should this rumour materialize, it may be expected that the company would become a factor in this branch of insurance in view of the high prestige the Northern has enjoyed in Canada during the 52 years it has been operating in fire insurance throughout the Dominion.

We understand that it is the intention of one of the joint-general-managers to visit this continent some time in the spring.

It is interesting to note the preparations made by this great insurance company, for dealing with the effects of demobilization on its temporary staff at the London Head Office. The company's action in this respect has been most thoughtful and considerate for its employees of varying status and has been very highly commended. We append the following explanatory particulars issued by the company to its employees.

Notice to Temporary Clerks

So that the members of the temporary staff—male and female—of the Northern Assurance Company, at the London Head Office, may be in a position to measure to some extent the possibility of their remaining in the service of the company or the length of time before they must give up their positions, the Management issues the following notice:—

TRANSFER TO THE PERMANENT STAFF.

At present there are 38 men and 73 women temporary clerks employed. It is expected that not more than 12 men and 12 women can be offered positions upon the Permanent Staff. These necessarily will be selected from those who are reported upon as the best and most reliable workers, and in view of age at entry men could not participate in the Company's Staff Life Assurance Scheme.

LENGTH OF TIME BEFORE ANY CHANGE CAN BE MADE.

This naturally is dependent upon when officials serving with the Forces return. Eighty-seven London officials are now in the army, and it is expected that these will return to their civil duties more or less gradually, and extending over a period of not less than six months for the majority, while some will not be demobilised for perhaps over twelve months.

Seventy-two out of 73 have signified their desire to return to the Office.

While no pledge can be given upon the point it is probable that no material change in the Temporary Staff need take place for six months, and even the change will be a gradual one.

PROCEDURE TO BE FOLLOWED WITH REGARD TO THOSE WHO WILL NO LONGER BE REQUIRED.

Although salaries are payable weekly, in no case will less than one month's notice to leave be given. In addition, the Directors have kindly authorised the payment of a gratuity of one month's salary for each completed year of service in those cases where notice to leave has to be given. Clerks with less than one year's service will not participate in this bonus.

To assist the Management, will each Member of the Temporary Staff give in his or her name with a note as to:—

- (a) Whether it is desired to secure a position upon the Permanent Staff, in London or elsewhere.
- (b) Whether other employment is in view upon leaving the NORTHERN.

- (c) Whether, failing appointment on the Permanent Staff, it is desired to remain as long as possible with the NORTHERN.
- (d) Any special circumstances involving hardship through loss of position.

The Management takes this opportunity of thanking all members of the Temporary Staff for their valuable assistance during the War. Their duties have been efficiently carried out, and, in filling the places of those NORTHERN men who have been fighting for the country, they have made it possible for the Company to continue efficiently its business operations and render very material help to the country through the investment of its Funds in War Loans. The NORTHERN, with its Associated Offices, has invested considerably over £5,000,000 in War Securities since August, 1914.

INSURANCE WON'T-WORKERS

Our contemporary, the New York Journal of Commerce is responsible for the following comments:

The return from camp of the soldiers to their old or other positions in the insurance business has let out a considerable number of clerks who have drifted out of their former job or jobs by grabbing each chance to take advantage of the temporary market and get a few dollars a month more pay by changing. Some of these young men, worth only, say, \$40 to \$50 a month in normal times, secured as high as \$90 or \$100 per month during the past year, and most of them got at least \$75 a month.

Their original places were in many cases filled by girls who did the work with intelligence and faithfulness and will retain these positions at liberal pay. With each increase in their pay by reason of a change, the drifting young men clerks, who may be called "hop pickers," arrived late in the mornings, soldiered on their jobs and acted generally in offices like directors' sons, pushing to an extreme the advantage which even a poor quality of clerical labour has enjoyed for the past year and a half.

The managers of insurance offices now are naturally only too glad to eliminate these insurance-won't-workers and restore former standards of discipline in their service. They are reinstating the men from camps and as soon as the soldiers from France arrive they will promptly be taken back. During the current week there have been at least three or four dozen clerks looking for positions, having received notice that they can go on the 15th. Remarks made by officers of fire insurance companies of other cities indicate that a similar state of affairs prevails throughout the entire field.

CONSCRIPTION COST DOMINION \$4,000,000 District Registrars Now Compiling Complete Returns Under M.S.A.

Compulsory military service cost Canada in the neighbourhood of \$4,000,000, about \$32 per man drafted into the army, or about \$20 per man of reinforcements actually made available under the Military Service Act. The latter figure is compiled on the basis of registration. It comprises in addition to men actually drafted, men who had been granted exemption for a period of time and would have been eventually available for service. It is not expected, however, that full and detailed returns as to the operation of the Military Service Act will be available before the middle of January.



BRITISH COLONIAL FIRE INSURANCE COMPANY MONTREAL

Authorized Capital, \$2,000,000.00
Paid-up Capital, \$247,015.79

Subscribed Capital, \$1,000,000.00

General Fire Insurance Business Transacted

THEODORE MEUNIER
Manager

REGINALD B. GAUDIN
Assistant Manager

THE YORKSHIRE INSURANCE COMPANY, LIMITED ESTAB. 1824 YORK, ENGLAND ASSETS EXCEED \$23,000,000

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

Canadian Manager,
P. M. WICKHAM, Montreal

APPLICATIONS FOR AGENCIES are invited from responsible persons.

DALE & COMPANY, Limited Marine and Fire Underwriters CORISTINE BUILDING, - MONTREAL

All classes of Insurance underwritten or placed in reliable companies.

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LLOYD'S, AGENTS MONTREAL

Life Insurance Salesmen

Your best interests, and those of your clients, are best served by representing a Company in which you and they have absolute confidence.

THE NATIONAL LIFE ASSURANCE COMPANY OF CANADA

has been doing business for nearly twenty years. Its policies are up-to-date and liberal. It has over \$3,000,000 invested in Government, Municipal and School District Bonds—the highest class of security known. It is well managed and progressive, and the exceptionally high standard of strength and stability has been steadily maintained since the inception of the Company, twenty years ago. Write for particulars.

Head Office : National Life Chambers, TORONTO

WAR SERVICE GRATUITY FOR CANADA'S SOLDIERS.

An Order in Council was passed on December 21 by the Cabinet Council authorizing the payment of a "War Service Gratuity," to be payable to the naval and land forces of Canada, in place of post discharge pay. Under this enactment the amount to be paid is graduated up to six months' pay and allowances exclusive of subsistence allowance or allowances in lieu of rations and quarters, according to the length and nature of service.

For the members of the land forces who have served at any time overseas, which means on the strength, for pay and allowances, of some recognized overseas establishment, and were on the strength of the land forces on active service on the date of the armistice, November 11, 1918, the gratuity is graded as follows:—

For three years' service or over—183 days' pay and allowances;

For two years' service and under three years 153 days' pay and allowances;

For one year's service and under two years—122 days' pay and allowances;

For less than one year—92 days' pay and allowances.

The full text of the Order in Council is as follows:

IN DEFENCE OF "COLLECTIONS".

"A Simple Explanation of Modern Banking Customs" is the title of a hundred-odd bound pages that might profitably enjoy a wide circulation among the public. From the pen of Humphrey Robinson, and the press of Messrs. Small, Maynard & Company Boston, this small volume has been "edited from a legal standpoint" by W. Overton Harris, former Judge of the Jefferson County (Kentucky) Circuit Court, Dean of Louisville (Kentucky) Law School. The author explains that he has had some years' experience in a bank, and ten years in business independently, so he is in a position to treat of his subject from both sides of the wicket. While much of the material treats of banking methods and practice in the United States, his remarks on the human side of banking are widely applicable. In the chapter on "Collections," for instance, we read as follows:

"Many people regard all collectors as offensive and unwelcome. They wish to take their own time about paying their debts. Please mark this difference between the collector of your grocer's or druggist's bill, and the city bank as a collector of your note, or of a draft on you. The installment collector must turn in cash for the majority of the bills given him or lose his position. But it really makes little difference to the bank whether you refuse or pay the note or draft that some other bank has sent it.

"It is wise to protect your credit with strange banks as well as your own. Every bank receives many confidential inquiries concerning the financial standing of firms and persons in its city. If not personally known to the officer in charge of this correspondence, he invariably inquires of the collection department as to the promptness with which the parties in question meet their notes and drafts. And even though you are not a patron, a bank in your own city would rather give you a good financial reputation than a poor one.

"The collecting bank must regard most carefully the instructions of the sender, especially about protesting or not protesting, and it can't be stated too forcibly that the presenting bank has no option and must obey orders to the letter. If it does not, it must suffer any resulting loss. It is only an agent and cannot regard the wishes of the payer.

"Because it is human nature to object to paying out money, the Local Collection Department is the recipient of more complaints and unreasonable requests than any other department of the bank.

"The law says that banks shall keep open during certain hours on every business day, which is not a legal holiday. After the closing hour there is a tremendous amount of work to be done. The tellers must balance their cash; the bookkeepers must take off a balance of every account on their particular set of books; and every check and draft deposited, or received through the mails, and payable in other towns, must be listed and forwarded for collection. Nothing can be held over without risk, no matter how heavy the day's work. The rule in every bank is to clean up all the work on the very day it is received. None of this daily balancing of cash, or books, can be commenced until the last check has been cashed, the last depositor has come in, and the last payer of a collection has settled. For instance the payment of a single draft or note after banking hours, necessitates the holding open of several sets of books or the erasure and changing of various totals by the bookkeepers. It is a very mistaken but popular idea that the bank employees practically are thorough with their duties at the close of banking hours."

EUROPE WANTS MEAT.

Canada now has the opportunity to make her export position permanent.

The war stimulated the export trade in Canadian live stock products to a degree deemed well nigh impossible five years ago. Exports of beef increased 6,795%, of bacon and pork products 571%. Total exports of live stock products in the fiscal year ending March 31st, 1918, were valued at \$172,743,081 as compared to \$53,349,119 in 1914.

Canada has the opportunity of holding this trade and increasing it, for our meat products won a splendid reputation in Europe during the war, and Canada is in the position of the favoured nation.

The price of feed has been high, and the cost of producing live stock has been correspondingly high. But the market price of finished animals has also been high. The price may decline gradually, but the price of feed will decline also, and the percentage of profit to the farmer should thus remain about the same. Indeed if the cost of feed declines first, the profit to the farmer will be increased.

J. E. Brethour of Burford, Ont., who won the first prize for export bacon hogs at the Winter Fair at Guelph, says that with the relative prices of feed and bacon then pertaining there was a good profit.

"With standard feed at \$57 a ton and hogs at \$16 live weight, I make a profit of over 20%," said Mr. Brethour. "It is the profit that counts not the selling price, and profit depends upon the relation of the price of feed to the market price of the finished animals."

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1833

Fire, Marine, Hail and Automobile Insurance

HEAD OFFICE: TORONTO

Old	Reliable	Progressive
Assets over	- - -	\$3,500,000.00
Losses paid since organization over	- - -	\$43,000,000.00

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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
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 P. A. TASKER, Branch Manager.

FOUNDED A. D. 1819

THE GENERAL FIRE INSURANCE COMPANY OF PARIS, FRANCE

SURPLUS TO POLICYHOLDERS, \$5,828,800

THOMAS F. DOBBIN, Manager for Canada.
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 Applications for Agencies invited.

The Life Agent's Manual
 Published by The Chronicle, Montreal

First British Insurance Office Established in Canada, 1804

INTENDING ASSURERS

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

Copies of this and full information regarding the Company's system, its equitable principles and liberal policies, may be obtained at the Head Office,

100 St. Francois-Xavier Street, Montreal

The Company offers to the Public every advantage which

LIFE ASSURANCE

conducted under the most favourable conditions is capable of affording:

At the **BONUS DIVISION** for the five years ending 31st DECEMBER, 1915

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

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

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ESTABLISHED 1804.

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JOHN WM. MOLSON & ROBERT Y. HUNTER
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TORONTO

Founded A. D. 1719

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Head Office: Threadneedle St., London, Eng.

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