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THE PASSING OF THE FRUGAL MIND. **N**OT many citizens of "credit and renown," or their wives, retain the "frugal mind" of John Gilpin's day. Among all classes, the standard of living has changed materially from generation to generation—and perhaps never so rapidly as within the past ten or fifteen years. This was a point strongly emphasized by the Minister of Agriculture, Hon. Sydney Fisher, in his address to the St. James Literary Society, of Montreal, yesterday evening.

Former luxuries are now looked upon by the wage-earner and his family as things well nigh indispensable, so that the margin of earnings over actual living expenses tends to become smaller, no matter how much wages may increase.

A raising of the standard of living is incidental to social and economic progress—but where personal and public extravagance rush beyond bounds, factitious demand causes price inflation. When all is said and done, the burden of increased prices comes most heavily upon those who are neither "undertaking capitalists" on the one hand, nor union wage-earners on the other—the unorganized "economic middle class." Small wonder if they complain both at those above and below. Though, it must be owned that in the fixing of all blame on either the upper or nether millstone—or on both—their explanations usually fail to explain.

WHERE ECONOMISTS STILL DIFFER. **W**IDELY differing opinions are expressed by leading economists and financiers as to the main causes of price changes. While the world's increased gold supply is held largely responsible by the majority, it can scarcely be said (as affirmed by our valued contemporary *The Monetary Times*, a week ago) that "economists of every country and every degree have lately agreed that the expansion in the production of gold is the first cause of the general rise in the price of everyday articles."

Some outstanding authorities, such as Professor Fatten, of Pennsylvania, and Professor J. Laurence Laughlin, of Chicago, scout the idea of gold production having had anything to do with the matter. But between this extreme position and that of the out-and-out holder of the "gold quantitative theory," there are those who consider that, while influenced by the increased gold supply, prices have been affected also by some or all of the following influences: currency inflation, expansion of credit, speculation,

growth of urban population, consumption overtaking production, shortened hours of labour, advanced wages, increased cost of production, tariffs, trusts, trade agreements, legislative restrictions, creation of new industries, advance in land and rent, taxation—and last, but not least, private and public extravagance. As the *New York Journal of Commerce* points out, many of these causes—indeed, in a last analysis, almost all of them—could be grouped under the head of Supply and Demand.

COST OF LIVING HERE AND ELSEWHERE. **F**OR the first time in ten months there has been the glimmering of a sign that the world's

Cost of Living might be on the downward move. The London Economist's February index number of commodity prices is given as 2,373—showing a decline of something under one per cent. from the January level. There are doubtless those who will hail this decrease, slight though it be, as indicating a victory for the popular clamour against high prices for table necessities. But a closer examination shows that the speculative cotton market's break of last month had most to do with the fall of the index number. As to American prices for edibles, New York spot quotations, according to the *Evening Post*, show no changes from a month ago sufficient to make any practical difference to the ultimate consumer. Nor has the Canadian housewife noted any cheapening in her market list—except that eggs become rather more plentiful as winter wanes and their makers get busy again.

In the United States, the price-average of commodities is now 60 per cent. or more higher than it was in 1896—though in Great Britain the net advance has been about 25 per cent. since 1897. The statement was recently made by a leading Canadian banker that the Cost of Living in Canada had advanced even more than in the United States during the past ten or twelve years. On the other hand, the Secretary of Agriculture at Washington lately referred to Canada as a sort of cheap-food paradise.

It is not safe to dogmatize upon the general course of Canadian commodity prices during the past fifteen years—at least not until comparative statistics are made available. The investigations by the Departments of Labour and of Agriculture should throw light upon the matter. Meanwhile we have the expert opinion of Mr. Adam Shortt, of the Civil Service Commission, that present prices average anywhere from 25 to 50 per cent. higher than in the "nineties."

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The Coward's Weapon Again.

Alphonse Martel shot and killed James McGovern, for about the same reason that Dillon shot the policeman, because he was asked to leave his lodgings. We do not wish to discuss the merits of the case; but why should a man like Martel, a hurdy-gurdy grinder with no money and nothing else worth stealing, have a revolver in his possession? Why should he or anybody else for that matter be allowed to have a revolver in his possession? We hardly ever hear of a revolver except in connection with a cowardly crime, or a stupid accident. A proposition has been made in Parliament to search immigrants for concealed weapons. That will be quite in order when we have taken measures to prevent the people already here from playing with revolvers. No man should be allowed to buy, or to have in his possession a revolver without first obtaining a police magistrate's license; and the sale of a revolver to a customer without a license should be a crime punishable by imprisonment.

Amendment to the Address.

It is announced that at the opening of the Imperial Parliament, Mr. Austen Chamberlain will take the aggressive, by moving an amendment to the Address, in favour of Tariff Reform. This is a good tactical move, and is moreover quite justified by existing conditions. If it does not win the support of the Nationalist Party, it will split the Nationalist Party, which is already getting near Donnybrook Fair. The motion will test the adhesion of the Liberal-Nationalist-Labour coalition, and the division will probably decide Mr. Asquith's policy. The political sky in England is like the horizon in the Arctic regions. While the sun is setting in the West, the dawn is breaking in the East. While the day of one general electoral campaign is only drawing to a close, the day of another campaign has actually commenced. It promises to be a fine day.

Western Ontario Dogs.

Both the Dominion and the Ontario Provincial authorities are acting upon the assumption that there is an outbreak of rabies in Western Ontario sufficiently serious to justify such extreme measures as the muzzling or chaining up of all dogs. The Hon. Mr. Hanna justifies the action on the ground that there are no less than forty-one persons from Western Ontario now being treated for hydrophobia in the Pasteur Institute in New York. If these have all really been bitten by mad dogs the situation is certainly serious enough to justify almost anything in the way of protective measures. But it must be remembered that every one who is bitten by a dog suspects the dog of being mad, and the sus-

picion is shared by all the man's friends. In England the theory of the law is that "every dog is entitled to one bite." It is a mistake to kill the dogs too promptly, because it prevents the possibility of determining whether the animal suffered from rabies or not. A suspected dog should, of course, be locked up as quickly as possible. Chaining up and muzzling dogs is not calculated to develop the natural sweetness of their disposition. While the law is enforced, the Western Ontario dog will certainly lead a dog's life.

The coroner's inquest into the **Webwood Disaster.** Webwood accident has failed to bring out the cause of the train's derailment. The jury, however, sensibly recommends that certain points be thoroughly investigated by the Railway Commission. All such matters should be investigated, as THE CHRONICLE has suggested, by officials of the Railway Commission. This would be as much in the interest of the railway companies, as of the public. The uncertainty as to the cause of the accident will not relieve the Canadian Pacific of its financial responsibility. A thorough and impartial investigation by competent experts might go far to prevent the recurrence of such expensive disasters.

A United States Circuit Court Judge **Libel Law.** has decided that the proper place in which to try a newspaper for libel is the place where the paper is published. Hitherto it has been held in the United States as in Canada, that a paper may be sued in any place in which it is circulated. That, for instance, a Montreal paper may have to defend itself in Halifax or Vancouver. The decision has the merit of being in accordance with Justice, common sense and the public interest.

France is going to spend \$28,-
The French Navy. 000,000 a year for the next ten years in naval reconstruction. (This is an important factor in the naval supremacy question which may have a discouraging effect upon Germany's naval policy—or the contrary. The permanent strength of the French navy is to include twenty-eight battleships, fifty-two sea-going torpedo boats and ten ships for distant foreign service. Most of the other vessels are intended for coast defence.)

A Connecticut jury has brought in a **Mad Hatters.** verdict of \$74,000 damages against two hundred hatters for boycotting. The action being brought under the Sherman Anti-Trust law, triple damages are assessed, amounting to \$222,000 and the costs will amount to \$10,000. The judgment practically affirms that the members of trade unions are responsible for the actions of their officers. It is not too much to say that there are, at least, 200 mad hatters in Connecticut.

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By Order of the Board,
 GEO. BURN,
 General Manager.

Ottawa, Ont., January 17, 1910.

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY

R. WILSON-SMITH, *Proprietor.*

GUARDIAN BUILDING, MONTREAL.

Annual Subscription, \$2.00. Single Copy, 10 cents

MONTREAL, FRIDAY, FEBRUARY 11, 1910.

GENERAL FINANCIAL SITUATION.

The South African gold arriving in London on Monday, amounting to \$3,000,000, was shared between the Bank of England and the Continent. It has been anticipated that the situation in Paris would lead to stronger competition from the Continent for the available gold in London. Recent despatches intimate that the French Government will perhaps issue a loan of two milliards of francs, or \$400,000,000, for the purpose of repairing the damage done by the floods. Doubtless some accumulation of gold in Paris will precede the emission of this large volume of securities.

The bank rate in London was yesterday reduced from 3 1-2 to 3 p. c. The directors did not begin to let the rate down until they were quite satisfied that the bull cliques in Wall Street had lost control of the market. Then, as the fever of speculation in America continued to subside, successive reductions in bank rate were announced. If they had nothing but America to consider, the directors might now, with comparative safety lower the rate still further. Perhaps, they will do so in any case, although it is likely that they will wish to satisfy themselves as to the probable extent of French withdrawals from London before announcing further reductions. Paris bankers and financiers always have a considerable amount of funds employed at short call in London, and during the recent rather lengthy period in which money has been notably dearer in London than in Paris, their balances have probably largely increased. Now, for the first time in a long while, money is dearer in Paris than in London, and the circumstance will have its effect in inducing transfers of funds Southwards across the channel.

In the London market, call money is 1 1-4 to 1 1-2; short bills are 2 1-4 per cent.; and three months bills, 2 1-4 p. c. also. In Paris, the market rate is 2 1-2 per cent.; and is thus approaching somewhat closer to the Bank of France's 3 per cent. rate. In Berlin, the market is 2 3-4, the bank rate having fallen to 4 per cent. Yesterday, the London stock market, helped

by cheap money, showed considerable strength, following successful completion of the settlement.

The New York money market has been again affected by the drastic liquidation in securities, which continued into the present week—prices reaching new low points before rallying at midweek. Call money has ranged between 2 1-4 and 3 p. c.; 60 day money 3 1-2 to 3 3/4; 90 days, 3 3/4 to 4 p. c.; six months, 4 to 4 1-4 per cent. Something of a surprise was experienced when the Saturday bank statement appeared. It was known that the banks had gained something like \$4,000,000 cash in the movement from the interior; and taking into account the liquidation of the stock market position, it seemed likely that there would be an important loan reduction and a further rise in the surplus. But the figures revealed a cash loss of \$10,100,000, a loan expansion of \$6,600,000, and a loss in surplus of \$9,200,000, reducing it to \$23,448,875. The currently accepted explanation of the showing is that the trust companies withdrew cash in preparation for their forthcoming report to the State Banking Department; and probably they required the clearing house banks to take back loans which had been earlier assumed from them, the trust companies taking cash in settlement instead of having the proceeds placed on deposit to their credit.

However, notwithstanding the fall in the surplus, there is no doubt that the events of the week, like those of the weeks immediately preceding, have been of a nature to strengthen the foundations of the financial structure. As we remarked last week, bank loans on stocks on a 20 per cent. margin with stocks at present prices are safer and sounder than were the loans on the same stocks with the same margin, when the market was 20 or 30 points higher. At the same time, it is to be borne in mind that the ten millions cash supposed to have been transferred to the trust companies and other outside institutions, was not lost. In so far as those institutions hold it in the shape of increased reserves, their position is the stronger.

During the week sterling exchange broke considerably. The break is said to have been due largely to purchases of remittances to cover securities bought in New York, by London financiers. If the decline in securities had continued, it is altogether likely that these purchases would have been on a larger scale, and something might have happened in the way of gold imports by New York, as a consequence. It is not to be expected that the Bank of England would interpose any serious obstacles to a gold export movement for such purpose, providing its own condition were satisfactory. The securities purchased by London will very likely be sold back eventually to New York at much higher prices, thereby creating credits upon which London may draw.

Call loans in the Canadian centres are unchanged at 5 to 5 1-2 p. c. Throughout, the Canadian stock markets have resisted the influence of the Wall Street

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Commercial Union Assurance Co. LIMITED, OF LONDON, ENG.

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Life Fund (In special trust for Life Policy Holders)	17,314,400
Total Annual Income, exceeds	21,250,000
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declines. True, the local bulls desisted from their efforts to boom the market, but a good deal is heard in some quarters about resuming the advance so soon as Wall Street gets well under way again. Perhaps it will turn out that a good deal of their strength has been used of late, in order to hold the Canadian market firm. And while Wall Street shows recoveries from its depression, the Canadian list may not do much more than hold its ground. That is what has happened on some previous occasions on which Canada did not decline sympathetically with Wall Street.

ALMOST ONE HUNDRED MILLIONS IN SPECIE.

One of the notable developments of the years 1908 and 1909, which has not as yet received much attention at the hands of the press, is the growth of Canada's holdings of specie. The following table shows exactly what progress has been made in the way of accumulating a gold reserve:

SPECIE RESERVES IN CANADA.			
	Held by Receiver-Gen'l.	In Char- tered Banks.	Total.
1907.			
Dec.....	\$39,685,828	\$25,119,474	\$64,805,302
1908.			
Dec.....	61,674,578	27,099,074	88,773,652
1909.			
Jan.....	61,520,561	27,338,707	88,859,268
Feb.....	61,553,938	26,807,427	88,361,365
Mar.....	61,581,665	27,193,283	88,774,948
April.....	61,248,221	27,005,613	88,253,834
May.....	61,279,723	26,553,159	87,832,882
June.....	61,196,185	27,203,921	88,400,106
July.....	61,127,849	26,729,998	87,857,847
Aug.....	61,378,672	31,140,743	92,519,415
Sept.....	62,759,800	29,416,115	92,175,915
Oct.....	65,568,200	26,286,246	91,854,446
Nov.....	68,141,966	31,797,856	99,939,822
Dec.....	69,525,704	27,456,690	96,982,394

Two years ago our total stock amounted to less than \$65,000,000. During 1908 \$24,000,000 were added, chiefly through the issue of Dominion notes against deposits of specie made by the banks. And in 1909, up to the end of November, \$11,000,000 more were added. Though there was a decrease of about \$3,000,000 in December, our holdings still amount to practically \$100,000,000 which is a respectable figure for a young country situated as Canada is.

Whenever our specie holdings are discussed it is necessary to take account of the Dominion note circulation. That has run as follows:

	Total Circulation Dominion Notes.	In Chartered Banks.	Held by the Public.
1907.			
Dec.....	\$62,626,368	\$49,963,860	\$12,662,508
1908.			
Dec.....	79,434,693	66,124,760	13,209,913
1909.			
Jan.....	79,283,476	67,115,600	12,167,876
Feb.....	79,319,453	67,269,625	12,049,828
Mar.....	79,351,080	67,065,716	12,285,364
April.....	79,017,936	66,701,804	12,316,132
May.....	79,043,139	66,547,255	12,495,883
June.....	79,005,300	66,169,620	12,835,680
July.....	79,023,965	65,616,602	13,407,363
Aug.....	79,188,362	65,313,074	13,875,288
Sept.....	80,456,391	66,924,455	13,531,936
Oct.....	83,051,822	68,311,633	14,740,189
Nov.....	85,783,164	71,510,601	14,272,563
Dec.....	86,984,843	73,225,789	13,759,054

The table shows that the amount of Dominion notes outstanding is governed almost wholly by the attitude of the chartered banks. When the latter consider that their holdings of "legals" are high enough, and run along from month to month without making any material changes in this form of cash, the Dominion note circulation remains stationary. But when the banks decide that it is advisable to increase their cash holdings then the chances are there will be an immediate expansion in the Dominion note circulation. It is curious how steady runs the amount of Dominion notes held by the public. In the two years the range has been about \$2,000,000.

In connection with the above tables it will be interesting to estimate the total amount of bank and Dominion note currency in the hands of the public during this same period.

	Bank Notes in Circulation.	Dominion Notes in Hands of Public.	Total.
1907.			
Dec.....	\$77,504,398	\$12,662,508	\$90,166,906
1908.			
Dec.....	73,058,234	13,209,913	86,268,147
1909.			
Jan.....	65,819,067	12,167,876	77,986,943
Feb.....	67,348,359	12,049,828	79,398,187
Mar.....	68,708,458	12,285,364	80,993,822
April.....	67,266,664	12,316,132	79,582,796
May.....	68,593,229	12,495,883	81,089,112
June.....	70,170,491	12,835,680	83,006,171
July.....	71,006,005	13,407,363	84,413,368
Aug.....	71,847,532	13,875,288	85,722,820
Sept.....	79,207,441	13,531,986	92,739,427
Oct.....	89,633,549	14,740,189	104,373,738
Nov.....	86,390,876	14,272,563	100,663,439
Dec.....	81,325,732	13,759,054	95,084,786

The expansion of the combined note circulation of the banks and of the government, as held by the general public, would not be quite so great as the above totals show. For of the outstanding bank note circulation there is always a certain amount held in the vaults of banks other than the issuers.

It will be worth while, next, to take account of what the country's total of specie reserves is designed to protect. In the first place \$5,712,172 of the amount held by the Receiver General is allotted as a reserve against the \$57,000,000 of savings bank deposits held by the Post Office and the Dominion Government Savings Banks. The balance in the Government vaults—\$63,813,532—is held against the \$86,984,843 of Dominion notes outstanding; and really represents gold held subject to the call of the banks, which hold \$73,225,789 of the government's notes.

The specie held by the banks—\$27,456,690—should properly be taken along with the bank holdings of Dominion notes—\$73,225,789—and the \$164,345,112 of call loans and net balances abroad, the whole constituting the first and second lines of reserves against the liabilities owed by the banks.

A \$10,000 FIRE occurred in the Lewis Furniture Company's store at Winnipeg, a week ago.



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FOUNDED 1792

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EXTERNAL EXAMINATION OF BANKS.

Replying to Mr. McLeod's fifth letter, which appears in to-day's issue of THE CHRONICLE, we would say that his citation (other than of the Bank of New Brunswick) of two small isolated banks which had enjoyed prosperity up to the time of selling out to larger institutions, does not disprove our contention that the mortality amongst Canadian banks since Confederation has been chiefly amongst small localized banks, and that competitive conditions in the Dominion are such as to make it very difficult for banks of that type to exist and earn profits. We say that with this type of bank largely eliminated, the statistics of bank failures in the future will cover the representative Canadian type of bank—the branch bank of moderate or large size covering territory larger than a mere county or a couple of counties. It is indeed quite possible that on the conclusion of the present era of Canadian expansion there may be some wrecks strewn by the wayside—results of bad loans. But we do not think the institution of an audit of bank statements will prevent those disasters. Perhaps loans are being made now, in these times of comparatively easy money, which will prove disastrous to some banks. Auditors, in all probability, would not discuss these particular loans with the bank managements. Canada is a young country as yet not plentifully supplied with capital of her own, and so long as she is in that condition it is to be expected that periods of great expansion and progress, with the accompanying speculation, will bring financial breakdowns in their train no matter what systems of audit or supervision are put in force.

Our objection to the institution of an audit such as Mr. McLeod advocates is based upon its insufficiency. As everybody knows, the certificates issued by the auditors declare that they have examined the cash and the securities at the head office and perhaps at one or two other principal branches and found them correct; that they have verified the balances claimed to be carried with correspondent banks; and that through examination of certified returns from the branches they conclude that the statement of the bank to which their signatures are appended is true and reliable. Now the assets which they actually see and count, and upon which they are qualified to pass judgment, may amount to but one-fourth of the whole assets of the bank. Even when the auditors are allowed access to the inspectors' reports and the correspondence, they could hardly be in position to determine the value of the commercial loans which make up the bulk of the assets. If there were anything to conceal the management would not likely let it be seen in the correspondence or the inspectors' reports.

With regard to the claim that there is no record of disaster through loss at the branches we might say that if the head offices were subject to inspection and not the branches a dishonest executive might then use one or more of the branches to cover shortages or deficiencies. At present it is not necessary. But if it were necessary perhaps it would be tried. The evidence in the Banque de St. Jean case proved that an executive can dominate or influence a branch manager to acquiesce in a false showing of the position of the branch.

We note the quotation from the address of the United States Comptroller of the Currency in

which he reports that "a complete rehabilitation of the unsound and poorly managed banks has been effected" since September, 1908, and that "there is practically not a national bank in the United States at the present time whose condition is regarded as unsatisfactory." While we concede that the earnest efforts of the present Comptroller have been remarkably effective in bringing up the tone of the national banks, we would hesitate to accept the assurances of his examiners that not one of the six thousand odd banks is in unsatisfactory condition. The test of that will be in the failures; and it will be interesting to watch the record for the next few months, especially in view of the fact that there has been a heavy fall in Wall Street stock prices. Usually every such fall brings to light the fact that some United States bankers have been speculating and using bank funds to do so, and the semi-annual visits of the bank examiners have not hitherto availed to stop the practice.

Finally, in reference to the institution of proceedings against Canadian bankers who have wilfully sent false statements to Ottawa, we should have said that they have been instituted since the Ville Marie affair. It was the illegal over-circulation by the Ville-Marie that was responsible for the changes in the Canadian bank laws regarding the note issues; and with the conferring by Parliament of the right of examination of the circulation books upon the Canadian Bankers' Association that body was invested with an added responsibility for instituting proceedings against bankers making false statements. We think it will be conceded that the Association has moved in all cases where it was clearly advisable to do so.

In the Ontario's case we are aware that the curator, on taking charge, caused the restitution of some \$50,000 which had been taken into profits on the assumption that that much of the bank's notes which appeared on the books as outstanding had been destroyed or lost and would never be presented for redemption. If this is the whole extent of the "falsification of the circulation accounts" alluded to by Mr. McLeod it can be understood why the association did not prosecute though aware of the circumstance six years before the end came. Of course, it is now generally acknowledged that the directors had no right to assume that those notes were destroyed, and to take that money into their profits; but it can be said that there were other bankers who, awhile before that time, were of the opinion that it was legitimate enough to allow for the destruction of a certain proportion of the outstanding notes. In view of that circumstance there is some excuse for the inaction of the association in that case if that was the whole extent of the falsification.

MR. J. H. PLUMMER, president of the Dominion Iron & Steel Company, while in Montreal this week, stated that in all probability the accountants at work on the Steel and Coal finances would be able to conclude their work in the course of another week or so. While he would not discuss the Toronto report that the merger might be deferred and a holding company formed temporarily, Mr. Plummer conveyed the impression that there was no official basis for the rumour.

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THE OUTLOOK COMMERCIALY.

Some halting, if not actual reaction, is evident in trade circles throughout the United States. Stock exchange declines, uncertainty in speculative markets in staples, and the hubbub as to "cost of living" are conducive to caution on the part of wholesalers and retailers alike. It is to be noted, however, that trade reviews refer to Canada's commercial outlook as undimmed. As Mr. H. C. McLeod remarked, in his retiring address as general manager of the Bank of Nova Scotia, there seems no other likelihood than that of marked trade activity for the next two or three years. To which he pertinently added, that the duration of this unusual prosperity and the permanence of its good results will depend upon the prudence with which expanding credit is granted and utilized.

In this connection a word of warning comes from Dun's Review, which reports some complaints that collections are not what they ought to be. And the opinion is held in some quarters that the spirit of speculation has too much permeated the country, even to the smaller villages, so that funds which should rightly go to the settlement of merchandise bills are being diverted to dubious ventures in mining stocks, and oil shares.

British foreign trade continues to improve. It looks after all as though 'slow but sure' were going to outstrip the over-rapid recovery which United States trade showed in 1909. The January statement of the British Board of Trade shows increases of \$12,104,000 in imports and \$30,000,000 in exports. The principal gains in imports were in food, raw material and manufactured goods, amounting to about \$30,000,000, but American cotton decreased \$17,500,000. Manufactured goods show the greatest increase in the exports.

THE NAVAL DEBATE.

Mr. Middlebro scored a good point in the debate on the naval question, when he pointed out that in time of war the alliance between England and her own Dominion of Canada would be less binding than the alliance between England and Japan, under the scheme proposed in the Bill before the House. The debate is proceeding vigorously, but a good deal of time is being wasted in empty assertions that the German war scare only exists in the minds of party politicians in England. It would be more correct to say that doubts of the genuineness of the German peril only exist in the minds of Canadian party politicians who are not in a position to know much about the matter. That the peril has been lessened by the result of the British elections is unquestionably true. No British statesman, who values public confidence, will for the next three or four years pretend to ignore the fact that British supremacy at sea is menaced by German policy. Taunts and gibes and sneers about cowardice are utterly foolish. Nobody in England is afraid; but some people appreciate more than others the wisdom of the nation assuming an attitude of defence. The same is equally true of people in Canada. There are some in favour of action and in favour of a policy of drift and trusting to chance—and the Monroe Doctrine. The people who have the most to lose by trusting to chance and the Monroe Doctrine are the French-Canadians, whose most valued rights and privileges would not survive the defeat of Great

Britain many months. Men like Sir Wilfrid Laurier evidently know this; there are others who apparently do not.

THE LIFE AGENT AND THE FARMER.

Canadian farming districts have not been sufficiently cultivated by life insurance companies. "But the farmer is a particularly difficult proposition to handle," complains the town agent who has taken an occasional drive into the country roundabout, and obtained no very abundant harvest. And herein has been the trouble—systematic preliminary cultivating has been neglected. The farmer is accustomed to, and rather enjoys, being made the object of a mail-order follow-up. In the winter months at any rate, he will take time to read and inwardly digest reams of "form" letters and oceans of small-print advertisements. A more receptive destination for well-put, attractively printed, insurance advertising would be hard to find. A brisk circularizing preceding the agent's hand-to-hand encounter should bring the best of results. One thing is certain, the fake promoter of mining companies, oil companies and what not, is doing his best to reap a big harvest in the rural districts. And it is worth the life agent's while to make the strongest of efforts to convince the farmer that life insurance is better than the "quick-rich" game.

Heretofore, agricultural communities have been left pretty much to fraternal society organizers. During the past few years, however, the conviction has been spreading that assessment insurance is a frail, if not already a broken reed. More and more the farmer is becoming an alert business man in such matters. And the time seems ripe for aggressive and successful "old-line" campaigning from coast to coast.

Scarcely since the high-price days of the American Civil War, has the Canadian farmer found his occupation so profitable as to-day. Whoever else suffers from the present high Cost of Living, it is not he. In fact, he is just now monarch not only of all he surveys, but also master of those to whom he purveys. The old gag of "How would you like to be the ice-man?" has to be revised in the light of the present-day affluence of the average farmer.

This, then, is the constituency with which the life agent should acquaint himself, as never before. Dominion Government statistics inform us that the field crops of Canada during 1900, were valued at away over a half-billion dollars. No recent figures are available, as to the number of occupants of farms in Canada. But out of the present estimated population of well over 7,000,000, there must be above 700,000 owners and tenants of farms—judging proportionately by the 1901 census. This would mean a field-crop production of well on to \$800 for every farm, big and little—anart from enhanced values that would result from feeding much of the crop to hogs, milch and beef cattle, etc. Allowing for the misfits and the unfortunate, there must be a half-million comparatively well-to-do farm-owners in Canada. Not all of these are of an age, or otherwise open for life insurance—but when the stalwart sons of proprietors are also taken into account, the number of eligibles should run way above the half-million.

PRESIDENT TAFT'S federal incorporation bill was introduced in Congress this week, but is not likely to be pressed for passage at this session.

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CANADA LIFE'S BEST YEAR.

For a life company to show an increase in new insurance, as well as an unprecedented gain in surplus and a decrease in expenses, is no mean year's achievement. Canada Life policyholders have abundant evidence, in the 63rd annual report of the company, as to their interests being well conserved under the joint management of Mr. E. W. Cox and Mr. F. Sanderson, F. F. A.

The million dollar increase in surplus reported a year ago was up to that time the largest in the company's history. There was an even larger gain for 1909, the increase for the year being \$1,195,125, bringing the total surplus over all liabilities up to \$3,322,765—and the surplus to policyholders up to \$4,322,765. As remarked by the president, Hon. George A. Cox, such a result could only be attained by a strict adherence to those principles of management which long experience has shown to be the essentials of success—namely, judicious economy in expenditures, prudent investment of funds and skilful selection of risks.

Holdings of the company's policies under the quinquennial dividend system will, in 1910, find their profits from 30 to 40 per cent. greater than those of 1905, calculated on a cash basis. An illustration given in the directors' report shows, for instance, that a \$10,000 policy, which received \$164 cash profits in 1900, and \$265 in 1905, will this year be allotted, \$367. It is calculated that the amount of surplus now to be allotted to quinquennial and maturing deferred dividend policies will exceed \$2,000,000.

The Canada Life's total assets now stand at \$39,686,063, having increased in 1909 by \$2,972,948, the greatest gain in any year in the company's history. Indeed, assets of the company are increasing at the rate of nearly \$10,000 for each business day of the year. The care which the management exercises in the placing of the company's funds is evidenced by the division of assets in the annual balance sheet. Of the total of nearly \$40,000,000, practically half are in the form of long-term securities—government, municipal and other high-class bonds, stocks and debentures. Mortgages on real estate make up about one-quarter—the remaining quarter comprising policy loans, real estate, cash and miscellaneous items.

The company's total income for the year was \$5,607,320, being larger by \$361,277 than that of 1908. Payments to policyholders totalled \$2,032,332. It is noteworthy that despite the constantly increasing volume of business transacted, the expenses of management decreased in 1909, as compared with those of the previous year. At the same time, the rate of interest earned by the company showed a gratifying increase.

The new policies paid for during the year amounted to \$10,139,434, an increase over the 1908 and 1907 showings. Canadian business, especially, showed gratifying growth, while that in the United Kingdom and the United States was well maintained. The total business in force now amounts to practically \$125,000,000.

In Montreal and the surrounding district, the company's business steadily grows in importance, under the direction of Mr. J. A. Bucknell, manager for Western Quebec.

INSURANCE JURISDICTION.

Interest in underwriting matters at Ottawa, this week, was not confined to the further consideration of the Insurance Bill by the Senate Banking Committee. The question was asked in the house by Mr. F. D. Monk, as to whether it was the intention of the Government to refer the matter of Dominion jurisdiction to the Supreme Court for an opinion as to its constitutionality. Mr. Monk's query was occasioned, of course, by the recent judgment of Mr. Justice Leet, of Montreal, dismissing the case of the King vs. Willis, Faber & Co., on the ground that the Dominion Insurance Act was *ultra vires*. In view of such a decision having been given, Mr. Monk urged that the view of the highest court should be ascertained.

The reply of the Minister of Justice, Hon. A. B. Aylsworth, intimated that an inter-provincial conference with the Dominion authorities was being arranged—with the hope of arriving at some reciprocal understanding as to jurisdiction in insurance and certain other matters. Having in mind, doubtless, the protests against certain features of Ontario's Hydro-Electric legislation, Mr. Aylsworth said that the general question of the relative powers of the Dominion and the Provinces would have to be given detailed discussion.

It will not do to be over hopeful of a thoroughly satisfactory working agreement between Provinces and Dominion being speedily arrived at. But the conference should do good. Admirable document as it is, the British North America Act did not contemplate every detail of Canada's development—political, commercial, or financial. And a joint-effort to interpret it in the light of present-day conditions should certainly lessen, if it cannot altogether do away with, future friction.

THE LONDON MUTUAL FIRE.

The half-century mark has been passed by the London Mutual Fire Insurance Company—a circumstance that in itself indicates conservative management and fair dealing with the public. The report submitted at the fiftieth annual meeting of the company, by the president and managing director, Mr. D. Weismiller, is published on another page. It shows that the company enters upon its second half-century with assets (apart from unassessed premium notes of \$368,850) amounting to \$555,831, as compared with \$512,777 a year ago. Security of policyholders, over and above reserve of \$325,962 for unearned premiums, is stated at \$615,835—including unassessed portion of premium notes and uncalled capital.

The year's gross premium income was \$858,911, as compared with \$817,502 in 1908. Net premiums amounted to \$448,246—practically equivalent to the preceding year's showing. Net income totalled \$460,544—giving a balance of \$53,355 over expenditures. This compares with \$41,712 in the 1908 report.

The year's net losses were \$236,778, being considerably less than those of the preceding twelvemonth during which conflagration losses were experienced at Fernie, Pembroke and Three Rivers.

Throughout the Province of Quebec, the London Mutual has long been favourably known and transacts an important business under the general agency of Mr. Henry Blachford, of Montreal.

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EXTERNAL EXAMINATION OF BANKS.

Mr. H. C. McLeod Refers Again to Certain Points Touched Upon in his Previous Letters.

Toronto, February 5th, 1910.

To the Editor of THE CHRONICLE:—

In your issue of 28th ultimo, the claim is made that the success of the Bank of New Brunswick is an exception amongst banks long isolated. It is pre-eminent, but not exceptional. The Merchants Bank of Prince Edward Island and the People's Bank of New Brunswick are of those that may be included in the list of the long successful and highly useful institutions. The high premiums paid for their shares by the purchasing banks are indicative of the efficiency of the banks that were tempted out of existence.

Referring to your statement that "Bank failures are usually accompanied by disagreeable developments in every country. External audit does not make them clean and honourable." I may say we are told that disagreeable developments were conspicuous by their absence in the crisis in Australia. *External audit does keep banks clean and honourable or at least tends in that direction.*

Duties of Auditors.

To the argument that depositors have not lost money in certain carefully defined types of banks—I answer that depositors did not lose a penny by the City of Glasgow Bank and for eighty years they were free of loss in Australia. Yet improved safeguards were indicated and adopted.

Auditors examine the statements from the branches, read the inspectors' reports, and the correspondence, and are thereby enabled to judge whether there is anything at any branch that in any way menaces the bank's position or seriously affects the statement presented to shareholders. I again repeat there is no record of disaster through loss at the branches.

You continue to write as if the auditing of banks is something new. It was urged in Scotland, nearly sixty years ago, and its successful operation there and in other countries with branch banking systems disposes of all the time-worn arguments that audit is impracticable in branch banks. The best evidence may be had from bankers of experience. I will quote the opinion of the London manager of the Royal Bank of Scotland, who, as an inspector and otherwise, has had intimate knowledge of the working of the audit system in Scotland since it was adopted in 1879: "I am in complete agreement with you, as to the desirability of an outside audit of all banks. From my experience of our own audit since the start, I have no hesitation in saying that, if such had been the rule in Scotland earlier,—so deplorable a failure as that of the City of Glasgow Bank in 1878 would have been an impossibility."

Mr. James B. Forgan has written and spoken of the limitations of bank examination, but he is strongly in favour of such examination, as I have pointed out, and as is clearly shown by the quotation in my last letter. This eminent banker was trained under the systems of Scotland, and of this country, and his words are worthy of all attention.

A recent statement by the Comptroller of the Currency of the United States includes the following: "As a result of the successful working out of the various reform measures which have been a feature of the administration of the Comptroller's office since

September, 1908, a complete rehabilitation of the unsound and poorly managed banks has been effected. This is a noteworthy achievement and a most remarkable one to have been obtained in so short a time. It has immeasurably benefitted the general banking situation and will add much to the prestige of the National system. *It has demonstrated very clearly the benefit of Government supervision, zealously and intelligently directed.*" The italics are mine. At the same time he said: "There is practically not a National Bank in the United States at the present time, whose condition is regarded as unsatisfactory."

The Monthly Statements.

Despite a desire to avoid the discussion of the statements sent to Ottawa, I must say you are not informed on the subject of bank returns. You say "invariably" criminal proceedings are instituted against the parties making false statements. You had better investigate the facts in regard to the Banque Ville Marie, some of which were long known before the failure of that Bank. No action was taken until too late. If you inquire into the falsification of the circulation accounts of the Ontario Bank, it will be developed that the facts were known to the Canadian Bankers' Association six years before the end came. Only one account was inspected, and it was false. The erroneous statement was not only not corrected, but was long repeated with the added verification of the Association. There are other cases of grossly incorrect statements, which may not now be discussed.

H. C. McLEOD.

THE COST OF LIVING.

Some Explanations that do not Explain—Others Upon which Economists Agree, or Agree to Differ.

Within the past few weeks, there has been a rising flood of newspaper comment on the rising Cost of Living. Causes and cures have been discussed with earnestness in some quarters—and excitement in others. Much that is nonsense has been spoken, and almost as much written, for the simple reason that price interdependence is so generally overlooked. Boycotting the butchers in order to lower the price of meat is like depressing part of the surface of a pail of water with the palm of one's hand. Just as the water in such case would rise a little higher all around the hand, so the fishmongers in meat-boycott cities have been getting a little more for their wares than before. The boycotters overlook, too, the effect of world-demand upon prices. Incidentally, during their campaign, the meat export trade from America took a spurt in activity, foreign demand being unabated.

Some Popular Scape-Goats.

The trouble with popular explanations is that they seldom explain. The trusts are chiefly to blame for the rising cost of living, say some. Certainly he is a bold apologist who holds the trusts always blameless. Nevertheless, it is to be noted that sugar and soda biscuits are now cheaper throughout the United States than ten years ago. And neither the Sugar Trust nor the National Biscuit Company is to be counted as altogether a philanthropic institution—though a "Uneda" advertisement might deceive the very elect. And on the other hand, products that reach the consumer with but little interference from "trust tentacles" are anywhere from 15 to 50 per cent. dearer than a decade ago.

Your attention is directed to THE 63rd ANNUAL REPORT of the

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IN THIS ISSUE
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THE CHRONICLE, - MONTREAL.

Then, it is contended, the cold storage warehouse companies must be to blame! But it is asserted, and with a show of reason, that a week's cessation of outside shipments into New York, for example, would use up all cold storage reserves and put the city on a starvation basis. From which it would appear that cold storage can scarcely be the chief scapegoat—especially as a large part of the products stored belong to independent jobbers and small competitive wholesalers. Indeed, much is to be said for the view that cold storage does as much to keep prices moderate in seasons of scarcity, as it does to keep them from dropping abnormally in time of glut.

Railroads Protest Innocence.

Why not blame the railroads then? To which transportation authorities reply that, if beef or pork or flour or any other commodity costs more now than it cost ten years ago, not even the fraction of a cent of the increase can be charged to the railroads. And even those who may not have quite so sublime a faith in the impeccability of American railroads, must take note that the figures gathered by the Interstate Commerce Commission show the level of freight rates in general to have declined, while commodity prices have soared. And this is despite the circumstance that the operating expenses of railroads have increased seriously with rising costs for materials and labour. For example, the total cost of fuel for United States railroads is over 200 per cent. greater than ten years ago, though the increase in freight traffic has been only about 150 per cent., and in passenger traffic about 125 per cent.

Regarding public utility companies generally, Sir Henry Pellatt remarked at the annual meeting of the Toronto Electric Light Co., that they served the public at lower prices than a decade ago, in almost all instances.

Increase in Wages.

Passing from one extreme to the other, there are those who blame not capitalistic monopolies at all, but labour organizations for increasing living expenses. Certainly, there is no overlooking the fact that trades unionism—with its shortening of hours and its tendency to put wages on the same basis for the worse as for the better man—has played a part in raising the price level. And, in some trades at least, the advance in wages has more than outweighed the increase in cost of living—so far, that is, as necessities are concerned. That wage-earners, even in these favoured occupations, should grumble at increased cost of living, is due to what someone has termed over-expansion of desires. It is easier to show what influences are *not* mainly responsible for raising prices than to explicate the factors that are. On the front page of THE CHRONICLE is given a brief summary of various causes upon which eminent economists agree—or agree to differ.

LIFE UNDERWRITERS' ASSOCIATION.

The Life Underwriters' Association of Montreal have elected a strong body of officers for the current year:—J. C. Tory, president (Sun Life); H. H. Kay, vice-president (Metropolitan); W. S. Lingley, treasurer (Mutual); Geo. E. Williams, secretary (Sun Life). Board of managers:—J. A. Bucknell (Canada Life); G. P. Carreau (Great West); J. C. Stanton (Sun Life); F. Valentine (New York Life); R. B. Foster (North American).

Our London Letter.

STOCK EXCHANGE BUSINESS SLACK.

Sir Felix Schuster on Canada's Outlook—British Investments Abroad—Quebec and Lake St. John Developments—Banking and Insurance Amalgamations—Special Correspondence of THE CHRONICLE, February 1st, 1910.

The London Stock Exchange has been in a much more subdued mood of late. The wave of Unionist victories has receded, and dealers are inclined to discuss the political future somewhat gloomily—at the moment, things in this direction are very uncertain. Business has been slack, and prices sagging, save in the rubber market, and the news of the disastrous Paris floods has naturally helped to create a feeling of depression. The opinion is expressed that the financing which will be necessary in order to repair the flood ravages, may lead to heavy taking of gold from here, by the Bank of France. Movements of this kind would possibly act as a hindrance to the early establishment of a lowered bank rate. Another flood of new issues is also nearly due—we have had this week a period of comparative relief. Also, a cautious anticipation regarding the future of our money market in March—the end of the National financial year—by Sir Felix Schuster, the governor of the Union of London and Smith's Bank may, further, be mentioned. Sir Felix suggests that the rapid collection of taxes after Parliament has begun to sit may cause a "flurry." The depression in Consols is directly due to realizations by disappointed bulls, who bought largely on the eve of the elections, with the idea that the Unionists would win a sweeping victory. One of the few satisfactory things of last week, is the official intimation that the Dominion loan has been fully subscribed—under present circumstances, a very gratifying result.

English Banker and Canada.

Sir Felix Schuster had, as usual, many interesting things to say in his half-yearly speech to the shareholders of the Union of London and Smith's Bank. Reference has already been made to his anticipations regarding the March monetary position; Sir Felix had also a kindly word for Canada. "It has been my good fortune," he said, "in the course of the past six months to judge, from personal observation, of the wonderful expansion taking place in Canada; of the vastness of her resources, agricultural and mineral, of the enterprising and energy of her people; and it is not surprising that British capital should be attracted to this Dominion, where there are such great opportunities for legitimate enterprise. It is to be hoped that where legitimate progress is so rapid, speculation will not intervene to force the pace. Capital introduced injudiciously and without proper advice may act as prejudicially as the ill directed immigration of those who are not fit or willing to undergo hard work or a rigorous climate." Almost an echo, these last sentences, of the purport of a good many of THE CHRONICLE'S leaders recently on the subject of British capital in the Dominion, and the necessity for maintaining a high standard of new issues in London.

British Capital Abroad.

Sir Felix, too, had something refreshingly sensible to say on what has now become the hackneyed subject

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of British capital abroad. To hear various political partisans recently, one might imagine, on the one hand, that it was a crime against the nation for a shilling to be invested anywhere outside our coast line, or, on the other hand, that it doesn't matter how, or where British capital goes, so long as it does not stop here. "There is no doubt, that, whatever the causes may be," said Sir Felix, "the channel of investment has been towards foreign rather than home securities. When the movement is a purely natural one; when foreign Governments and industrial undertakings place their issues on this market because it is the banking centre of the world where such issues can be placed to the greatest advantage, the result is beneficial to us in many ways, not only to our banking interest, but also to our industries; for the raising of such loans here leads almost invariably to the placing of large orders with our manufacturers for the carrying out of the objects for which these loans are intended. When, however, the stream of investment to foreign channels is due to other causes—for example, to the fear of taxation and the desire to avoid it—then the effect cannot but be detrimental. It is one of the deplorable consequences of heavy expenditure that the taxation which it entails must be destructive of confidence; and confidence in commercial and financial matters is a sensitive growth, rapidly destroyed, not easily restored."

Sir Felix Schuster is a member of the Liberal party—he once stood as Liberal candidate for the city. Perhaps someone will be good enough to draw this passage to the attention of some of his party leaders—who are not strong on economics or finance.

Quebec and Lake St. John Squabble—Canadian Northern's Withdrawal.

The extraordinary squabble between the Canadian Northern Railway and the committee of bondholders of the Quebec and Lake St. John line, has now been closed by the withdrawal of the Canadian Northern's offer, and their request to the Trustees to take over the management of the line. This decision is conveyed in a circular letter addressed by Mr. R. M. Horne-Payne, a director of the Canadian Northern, to the bondholders, to which is attached correspondence which has passed between him and the Railway Share Trust and Agency, the trustees of the bondholders, who correspond on behalf of the bondholders committee appointed at the recent meeting. From this it appears that the Canadian Northern first wrote agreeing to allow their offer to remain open until February 21st on the condition that a thorough and independent investigation of the company's accounts and affairs during and previous to the Canadian Northern's management was made by one of three well-known firms of London chartered accountants. "We believe," concluded this letter, "that the investigation will show that we have offered the bondholders more than their property is, or is ever likely to be worth." To this letter, the committee sent a reply suggesting a fourth firm to make the investigation on the ground that, "it is not in accordance with the usual course of business for the proposed purchaser of a property to nominate the expert to make the necessary investigations on behalf of the seller," and explaining that the fourth firm was not proposed by reason of any connection with the committee of bondholders. To this, the Canadian Northern sent, a reply closing the correspondence, complaining of hostile motives on the

part of members of the bondholders' committee, and reiterating a demand for the closest investigation. The letter included also this piquant passage: "We shall be glad to hand over the management and retire from further association with the company, and as it is not possible to continue the operation of the line unless further money is immediately found, no doubt (the names of various bondholders are here given), who are so confident of the value of the line, will be prepared to provide or guarantee the funds, which are urgently required to pay wages and other expenses."

By the time this letter reaches THE CHRONICLE, a receiver will doubtless have been appointed for the road.

Country Banks on the Defensive.

An interesting point about recent bank meetings is the prominence given in chairmen's speeches to the question of amalgamations. The chairman of Parr's defended the practice on the ground that "for modern industries quantity or size was becoming the very essence of success," and that by large banks the public are better protected, because the larger banks hold much larger reserves in proportion and a larger percentage of cash." On the other hand the chairman of two of the country banks with their headquarters in Yorkshire have vigorously assailed the movement on the well-chosen ground, which it is impossible to contest, that the replacing of the old country banker by an official bound by cast-iron rules has to a certain extent withdrawn accommodation from local industries. The practical difficulty of want of local knowledge by officials has been met in some cases by the appointment as local directors of those previously associated with local banking companies, which have now been absorbed. Barclay & Co. have carried this idea out very fully, and have a large number of local directors up and down the country. It is certain that only by some such means as this can the large joint stock banks preserve anything of the close touch of the country banker with his client, which was the essence of our banking in the old days.

A London bank doing a "popular" business is putting up a motor to travel in the villages of one of the home countries. We understand that this is an idea which has already been carried out in America, but it is quite new to us. The motor will call at seven or eight villages a day, take up a stand in their centre and transact the usual banking business. If the first motor is a success it is intended to extend the scheme all over the country.

Insurance Amalgamations.

A well-known and old-established accident office, the Railway Passengers' Association, is to amalgamate with the great North British and Mercantile office, but "business will be carried on as usual." The Railway Passengers has a capital of a million, of which £200,000 is paid up, and its dividends for many years past have been 8s a share (20 per cent.). The price paid by the North British is £850,000 equal to £8 10s per share. The latter company, is of course, one of our insurance giants. Dating from 1809, it has now an authorized capital of six millions of which 2 3-4 millions has been paid up. It transacts all kinds of business; acquired a year ago the Ocean Marine Insurance Company, which continues to be carried on as a separate undertaking, and numbers on its various local directorates many well-known men.

Negotiations for amalgamation are also proceeding



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OF LONDON, ENGLAND,

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CHARLES H. NEELY,
MANAGER FOR CANADA & NEWFOUNDLAND.

To our Policy Holders,

We desire to announce that Claims under Canadian Policies
of this Corporation can be adjusted and when satisfactory
proofs are furnished, will be paid at par at any Branch Office
in England, the Colonies, and European Countries without
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Yours truly,

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Companies, Investments for Deposit with Canadian Government.

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between the London Edinburgh & Glasgow Assurance Company and the Pearl Life Assurance Company. Both do a "popular" life business.

Lancashire's Bad Year.

The annual report issued by Mr. William Tattersall, of Manchester, the well-known cotton authority, shows that Lancashire had a very bad year, indeed, in 1909. Mr. Tattersall declares that it was the worst for both spinners and manufacturers for over a generation. The demand abroad and at home has been discouraging, and short time has had to be worked to a considerable extent. To some extent, no doubt, says Mr. Tattersall, the depression can be accounted for by the large increase in powers of production compared with four or five years ago, but whatever the cause, there is no doubt as to the disastrous effect. The average loss of one hundred spinning companies during 1909 was 7 15-16 per cent., comparing with an average profit in 1908 of 16 per cent. The combined loss of these companies during 1909 is placed at £272,072, comparing with a profit in 1908 of £586,511, and in 1907 of £1,321,157. Mr. Tattersall is not optimistic regarding the outlook for this industry. "As things stand just now," he writes, "a small yield of both American and Egyptian cotton stares Lancashire in the face and prices are consequently abnormally high. This state of affairs, will, it is feared, lead to a continued unsatisfactory trade for several months to come."

—METRO.

London, 1st February, 1910.

JANUARY FIRE LOSSES.

January fire losses throughout the United States and Canada were considerably below the month's average during recent years. According to the New York Journal of Commerce, they totalled \$15,175,400, as compared with \$22,735,000 in January 1909, and \$29,582,000 in the first month of 1908.

The following table affords a comparison of the losses in January with those of the same month in 1908 and 1909 and shows the monthly loss for the balance of those two years:

	1908.	1909.	1910.
January.....	\$29,582,000	\$22,735,000	\$15,175,400
February.....	18,489,700	16,131,000	.....
March.....	16,723,300	13,795,400	.....
April.....	26,009,000	19,345,300	.....
May.....	15,181,150	17,360,400	.....
June.....	19,512,000	14,435,950	.....
July.....	15,323,750	15,830,900	.....
August.....	23,123,000	16,423,000	.....
September.....	21,431,400	15,043,000	.....
October.....	22,722,850	17,765,200	.....
November.....	15,834,350	14,808,550	.....
December.....	14,629,750	19,975,500	.....
Total.....	\$238,562,250	\$203,649,200	.....

There were 277 fires during the month of January each causing a loss of \$10,000 or over, and twelve which caused a loss of \$200,000 or over each.

The Journal of Commerce comments upon the lightening up in loss claims being a welcome experience for the fire insurance companies which had suffered so severely at San Francisco, and expresses the view that 1910 should be a good fire underwriting year, in spite of the epidemic of efforts on the part of ignorant legislators and departmental officials to direct and regulate the most technical underwriting operations of fire insurance companies. The fire prevention cam-

paign of the Credit Men's Association and other business bodies is an encouraging feature.

Relatively, Canada's decrease in January losses was scarcely as satisfactory as that shown by the combined total. Last year, the month's losses ran to about \$1,500,000, the January total for 1910 being estimated at about \$1,275,000. This is, however, about \$300,000 less than the monthly average throughout 1909.

From Across the Line.

NEW YORK INSURANCE LETTER.

Canadian Companies Doing Business in United States had Favourable Year—A Great Life Company's Banquet—Special Correspondence of THE CHRONICLE.

Highly gratifying are the statements of most of the fire insurance companies so far made this year. There have been increases in assets, surpluses, reinsurance reserve, and even in premiums received, notwithstanding the fact that 1909 was not regarded as a very good year for business generally. This shows that the fire insurance companies are in excellent hands, and that the managements have taken good care of their interests during the strenuous times of the past two or three years. Some of the great companies are growing to be veritable giants, and the fire insurance outstanding in the United States now amounts to more than thirty-two billion dollars, outside of mutual fire insurance companies. It is very satisfying to know that the two Canadian companies doing business in this country, the Western and the British America, had an unusually favourable experience last year.

Metropolitan's Banquet.

Too much cannot be said in praise of the Metropolitan Life Banquet, of which a brief account was given in the local columns of THE CHRONICLE last week. It was certainly a great occasion, and one which drew men from all parts of the United States. Your correspondent was especially pleased to note the presence of Mr. R. Wilson-Smith, proprietor of THE CHRONICLE, and well-known as a man of affairs in Montreal.

The merger between the Fidelity Fire Insurance Company, of this city, and the Phenix, of Brooklyn (which came near being dismantled through the mismanagement of a former set of officers), is practically concluded, the articles of merger having been signed by the directors of both companies. It will shortly begin to write policies under the name of the Fidelity-Phenix, and as before stated, its fortunes will be dominated by the powerful forces now in control of the Continental Fire Insurance Company, of which Mr. Henry Evans is the president and vital head. It is now announced that the Continental is joining Western Union ranks.

Notes and Comments.

Superintendent Hotchkiss, of the Insurance Department of this state, has made considerable noise, and it was well for Governor Hughes to say, at the recent convention of the Association of Life Insurance Presidents, that he would be glad to see the time come when the "seal of the State of New York should be a guarantee to every other state in the Union." This,

... ESTABLISHED 1825. ...
The Standard Life Assurance Company.
 OF EDINBURGH, SCOTLAND.

HEAD OFFICE FOR CANADA : MONTREAL.

INVESTED FUNDS	\$60,000,000
INVESTMENTS UNDER CANADIAN BRANCH	17,000,000
DEPOSITED WITH CANADIAN GOVERNMENT AND GOVERNMENT TRUSTEES, OVER	7,000,000
ANNUAL REVENUE	7,500,000
BONUS DECLARED	35,000,000

W. H. CLARK KENNEDY, Secretary

D. M. McGOUN, Manager for Canada.

Royal Insurance Company Ltd.
 LIFE DEPARTMENT.

LIFE AGENCIES.

AGENTS to represent the Life Department of this Company should communicate immediately. Attractive Terms, attractive Policies, attractive Record.

A. R. HOWELL, Secretary,
 LIFE DEPARTMENT, ROYAL INSURANCE COMPANY, LIMITED,
 MONTREAL, QUE.

QUEEN INSURANCE COMPANY.

FIRE INSURANCE ONLY—ABSOLUTE SECURITY.
 WM. MACKAY, Manager. J. H. LABELLE, Asst. Manager

The Federal Life Assurance Company

Head Office, Hamilton, Canada.

CAPITAL AND ASSETS	\$4,184,856.65
PAID POLICYHOLDERS IN 1908	303,743.23
TOTAL ASSURANCE IN FORCE	20,128,400.61

MOST DESIRABLE POLICY CONTRACTS.

DAVID DEXTER, President and Managing Director,

H. RUSSEL POPHAM, Manager, Montreal District.

however, should be true of every insurance department in the country. While New York State is the home of many important corporations, the interests of its people are not less real or pressing than those of other States.

Recently, shares of the German-American Insurance Company sold in this city at auction at \$571, on the par value of \$100, and Aetna Fire stock sold at \$207.50 on the same basis. It must be remembered, however, that the Aetna has a capital stock of \$4,000,000 which liability is soon to be increased to \$5,000,000.

The annual meeting of the Life Underwriters' Association, of New York City, will take place on February 22nd.

An event to be noted is the increase in the limit which the Mutual Benefit Life, of Newark, will take on its policies hereafter, from \$50,000 to \$75,000. During the last twenty years nearly every company has increased this limit until it ranges now from \$50,000 to \$250,000.

Several important questions relating to the fire service in this city, are soon to come up. Among others is that of the fire alarm service, which it is definitely decided ought to be greatly improved, probably at an expense of \$2,000,000 or \$3,000,000.

The paid-for business of the life insurance companies doing business in this country exceeds, in almost every instance, the amount done in 1908. We must still claim that this is in spite of, and not because of, the operation of the Armstrong laws.

Personals.

Among the local companies branching out into new lines is the Great Eastern Casualty Company, of this city, which, though it has always written merely a personal health and accident business, now begins to write burglary and plate glass, with a branch at 84 William Street, under the management of Norman R. Moray.

Among those absent from the city at present are, Vice-President Edward L. Hearn, of the Casualty Company of America, and President Wm. B. Joyce, of the National Surety Company.

It is understood that President Cecil F. Shalleross, of the Royal, is to leave about the middle of this month with Mrs. Shalleross for an extended trip in Egypt.

H. G. B. Alexander, president of the Continental Casualty Company, of Chicago, and a very prominent factor in health and accident circles in this country, sailed on the 5th inst. for Europe, where he will devote much time to the study of industrial conditions, with a view to their bearing upon health and accident insurance in this country.

QUERIST.

New York, February 9th, 1910.

A. GRANITE BLOCK of stores at London, Ont., was damaged this week to the extent of \$60,000 or so. Several wholesale firms suffered; their stock is said to be fairly covered by insurance.

THE CANADA WEATHER INSURANCE CO. has received Dominion incorporation. Mr. C. W. Hunt is the manager of the company, its head office being at Toronto.

THE INSURANCE COMPANY OF CANADA, is applying for Dominion incorporation. Davidson & Wainwright, of Montreal, are solicitors for applicant.

INSURANCE BILL IN COMMITTEE.

Fire Sections of the New Measure Discussed this Week before Senate Banking and Insurance Committee.

That the Banking Committee of the Senate should continue its consideration of the Insurance Bill on Ash Wednesday (when Parliament Hill was otherwise deserted by legislators) is itself an indication of the close interest the members are taking in the matter.

When this week's hearing began on Tuesday, the committee was first addressed by Mr. Norman Guthrie, as counsel for the licensed fire insurance companies.

Opposition to 15 per cent. Clause.

Mr. Guthrie protested in the companies' behalf against the provision in the bill under which unlicensed companies can do business in Canada so long as a fifteen per cent. tax is paid on premiums. He argued that the licensed company was domiciled in the country, had all its assets here, and gave greater security to the insured than did the unlicensed company. The licensed companies were taxed and had to compete with the unlicensed companies. He pointed out that in 1907 the companies paid taxes to the amount of \$269,000, while in wages, rentals, etc., over six million dollars were paid. The money of unlicensed companies on the other hand was almost solely spent in foreign countries.

Companies Proposed Substitute Clause.

The licensed companies had no wish to hamper the commercial interest of the company, and if sufficient insurance could not be obtained within Canada, they were agreeable to a clause being inserted in the bill to the effect that any individual or firm should be allowed to take insurance in an unlicensed company on making an affidavit to the superintendent of insurance, declaring that the insurance had been sought without success from four-fifths of the licensed companies doing business in the provinces in which the property was located—it being further stipulated that such insurances in unlicensed companies must be obtained through licensed brokers in Canada. Mr. Guthrie pointed out that in New York every licensed company had to be offered a risk before it could be written by an unlicensed company.

C. F. U. A. not a Combine.

On Tuesday, the underwriters were also ably represented by Mr. J. B. Laidlaw, manager for Canada of the Norwich Union. Mr. Laidlaw pointed out that the total fire insurance in force in Canada was now two billion four hundred million dollars, and in view of the interests at stake, the Canadian companies believe they should not be at a disadvantage, compared with the unlicensed foreign companies. Fire rates in Canada, he maintained, were not too high, and, as a matter of fact, during the last forty years the business of fire insurance in this country had been conducted by the companies at an actual loss. He held that the cost of management was low, and that dividends were not excessive. Referring, on Wednesday, to the charge that the C.F.U.A. was a combine to keep up rates, Mr. Laidlaw pointed out that it was



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"SOLID AS THE CONTINENT"

JOHN L. BLAIRIE, President L. GOLDMAN, A.I.A., F.C.A.—Managing Director
W. B. TAYLOR, B.A., LL.B. Secretary.

	1 9 0 9 .	
Cash Income		\$ 2,028,595.40
Assets		10,490,464.90
Net Surplus		1,018,121.25
Payments to Policyholders		789,520.47
Insurance in Force		41,964,647.00

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HOME OFFICE : TORONTO

SUN LIFE ASSURANCE COMPANY OF CANADA

AT 31st DECEMBER, 1908.

ASSETS	\$29,238,525.51
SURPLUS over all Liabilities & Capital, Hm. 3½ & 3 per cent. Standard	2,596,303.95
SURPLUS, GOVERNMENT STANDARD	4,118,491.91
INCOME 1908	6,949,601.98
ASSURANCES IN FORCE	-119,517,740.89

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The Manufacturers Life

has many good openings
for wide-awake fieldmen

Business in force, over \$55,000,000

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METROPOLITAN LIFE INSURANCE COMPANY OF NEW YORK.

(Stock Company.)

Assets	\$277,107,868
Policies in force on Dec- ember 31st, 1909	10,621,679
In 1908 it Issued in Canada Insurance for	\$16,812,000
It has deposited with the Dominion Government, exclusively for Canadi- ans	\$5,500,000

There are over 300,000 Canadians insured in the
METROPOLITAN.

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

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Capital \$1,000,000

Agents Wanted in
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necessary for the companies to exchange experiences with risks of all varieties in order that the proper rate might be fixed on dwellings, factories, mills and all kinds of risks. This was analogous to the practice of life companies comparing notes in order to fix proper life rates. It was, he claimed, beyond the mark to say that the companies having ascertained the proper rate should not be allowed to charge it. The tariff companies were in competition with the non-tariff and mutual companies, which were after business and could charge any rate they pleased.

New England Mutuals.

Referring to the much mooted matter of the New England mutuals and sprinkler risks, Mr. Laidlaw said that the much-vaunted lowness of their rates generally was due to the fact that they insured only the best risks, such as isolated factories equipped with automatic sprinklers and with a staff of organized fire fighters. He said that, if given fair opportunity, he believed Canadian companies could handle all such risks in Canada, with the exception of a possible half dozen. And in comparing rates it must not be forgotten that when a firm went into a New England mutual it assumed a share of the risk for the destruction of any other risk in the mutual associations, whereas with company assurance there was no such liability. On sprinkler risks, Mr. Laidlaw stated, Canadian companies gave as low as 15 per cent. rates.

The Reinsurance Bugaboo.

One member of the committee brought up the old quibble that the licensed companies themselves re-insured with unlicensed offices. To this Mr. Laidlaw replied that the conditions were entirely different. In reinsuring, the licensed company guarantees the payment by the unlicensed company and is compelled by the Government to hold in reserve the unearned gross premiums. Mr. Laidlaw made plain that the Canadian companies had no objection to the New England mutuals, but would be glad if they would come into Canada, provided they took a license and fulfilled the conditions imposed on other companies.

Wild Cat Companies.

From the viewpoint of the public, Mr. Laidlaw contended the danger of "letting down the bars" to unlicensed companies. He pointed out that the clause intended to let New England mutuals into Canada would facilitate the operations of unreliable concerns.

In reply to the question of Senator Forget as to what would have to be done by a firm that, after offering insurance to four-fifths of the companies, found their rates unduly high, Mr. Laidlaw said:

"The Canadian offer would have to be accepted under our proposal. However, there is competition between line, mutual and non-tariff companies."

Senator Forget—"That does not seem to be fair to me."

Mr. Laidlaw—"Well, there is a combine law in Canada, and there is not much danger of Canadian fire companies running the risk of being punished under it."

Fire Losses and High Rates.

In concluding his evidence Mr. Laidlaw stated that if rates were high in Canada it was because losses had been high. Over \$20,000,000 worth of

property was destroyed annually in Canada. The companies were endeavoring to reduce this great annual waste by giving instructions in security against fire and promoting safer conditions by rewarding insurers with lower rates. Following Mr. Laidlaw, Mr. D. Weismiller, president of the London Mutual, speaking for the non-tariff companies, strongly endorsed the amendment referred to by Mr. Guthrie and Mr. Laidlaw.

Representing the Associated Fire Agents of Canada, Mr. Neil Campbell stated the case against unlicensed competition from the agents' point of view, and further asked that the bill's anti-rebating clause be strengthened, so that the receiver of the rebate as well as the giver should be punishable.

Manufacturers Propose Amendment.

Yesterday, manufacturers, lumbermen and various commercial representatives had their innings before the Senate Banking Committee. Opposing the proposals of the fire underwriters, and contending that the C. F. U. A. has practically effected a monopoly, Mr. Aime Geoffrion, K.C., proposed an amendment to the bill, which read as follows:

"Notwithstanding anything herein contained, any person may insure any property situated within Canada with any foreign unlicensed insurance company or underwriters, or with persons who reciprocally insure for protection only and not for profit, and such risk may be inspected and any loss incurred in respect thereof adjusted, provided such company, underwriter or persons, do not in Canada solicit or advertise for insurance.

"The fact that an unlicensed insurer solicits or advertises in Canada for insurance shall not affect the validity of any insurance contract made with such unlicensed insurer, but shall subject him, his agent, representatives, inspectors or adjusters to the penalties provided for under section 70 of this act."



ONTARIO WORKMEN'S COMPENSATION.

That new legislation as to Workmen's Compensation was to be introduced in the Ontario legislature, was foreshadowed by THE CHRONICLE some time ago. This week Mr. Wm. Proudfoot (Centre Huron), gave notice of a Workmen's Compensation Bill founded upon the British measure.



THE B. C. PACKERS' ASSOCIATION, which has hitherto held a New Jersey charter, is being re-organized under British Columbia incorporation. Those interested in this change believe that it will give the company a status in Canada that it has not up to now possessed, and further that it will enable the carrying out of certain financial plans including the retirement of preferred stock at the market price.

THE TREASURER of the Southbridge Savings Bank, according to a Boston despatch, had been misappropriating funds for twenty years before a total shortage of \$425,000 was discovered a few days ago. The State examiner now gives a detailed explanation of how the scheme was worked—and incidentally of how external inspection failed to work.

WHAT HAS HAPPENED? Out of thirty or more new incorporations announced in the current issue of the Ontario Gazette, there is only one lone mining company.

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Most modern and complete appliances for the production and
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Quotation Sheets and particulars of any Cobalt
Company mailed on request.

CORDON & SHOREY, Members Montreal
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CITY OF MONTREAL 4 $\frac{1}{2}$ % DEBENTURES

Interest and principal payable at
the Bank of Montreal; Montreal, Tor-
onto, New York, or London, England.

Maturing November 1st, 1949.
To Yield 4 $\frac{1}{2}$ per cent.

Legal opinion of R. C. SMITH, K.C.,
further particulars of this security
furnished on application.

WOOD, GUNDY & COMPANY, TORONTO

OBJECTIONS URGED AGAINST LOSS AND GAIN EXHIBIT.

Position Taken by British Offices is Explained by Following Concise Statement.

The following objections to Clause 36 of the new Insurance Bill were urged by Messrs. D. M. McGoun and B. Hal Brown, representing the British Offices, before the Banking Committee of the Senate on 28th ult.

These objections are summed up, as follows:—

1. That the required Gain and Loss Exhibit is of little practical use: although adding considerably to the annoyance, labour, and expense of companies compelled to furnish it.

2. That it is unreliable, and at best is, but an estimate and rough approximation to the truth.

3. That it is of a very technical nature, and when placed in the hands of the public, would become an instrument by which the position of a company could be grossly misrepresented.

4. That it would practically prove the death knell to every young companies that cannot show anything but "Loss Exhibit" in the early years of their existence.

Supporting Arguments.

Arguments strongly supporting these objections have been expressed by an eminent actuary, Mr. Hiram J. Messenger. For instance, taking the cases of two offices, which we will call "A" and "B," he shows that the percentage of insurance expenses to "loading," (that is, the addition to the net or cost premium to provide for expenses and contingencies) in A, is 169.36, while that of B, is 80.53, that is, apparently the expense rate of office, A is 2 1-10 times, as great as that of office "B," from which the policyholder would conclude that the scale of expenses in office "A" is more than twice that of "B"; but as a matter of fact, the premiums in office "B" are loaded 25 per cent., while those in "A" are loaded less than 11 per cent. Thus, the excess amount over the net premium in office "B" is more than twice that of office "A." Therefore, the above heavy percentage of expenses in office "A" is not due to reckless expenditure, but is accounted for by the fact that the premiums charged to policyholders are very much less than in office "B." This instance strongly illustrates one of the objections enunciated above, that the Exhibit might be used with considerable injury to a company when made use of by an unscrupulous or ignorant man.

Interest Item in Exhibit.

Another instance, dealing with the "Interest" item in the Exhibit, is given by Mr. Messenger.

In offices "A" and "B," the percentage which the net investment earnings, less investment expenses, are of the interest required to maintain the reserve, is 121.21 in the former case, and 139.95 in the latter case. Apparently, therefore, office "B" was earning a higher rate of interest than office "A," but as a matter of fact, in the particular year in question, the reverse was the case. The explanation is that office "B" had an unapportioned deferred dividend surplus of many millions, which was not considered in calculating the interest required to maintain the reserve, although, the company credited itself with the interest actually earned on this unapportioned surplus.

This instance again emphasizes the fact that the

real situation is understood only by those who have a technical knowledge of the way in which the interest required to maintain the reserve is calculated, and also special information about the particular offices' methods.

As to Mortality.

Yet another illustration is given by Mr. Messenger. In dealing with the item of "Mortality," he shows that the ratio of actual to expected mortality in a particular year shews 94.11 for office "A," and 52.74 for office "C." On the face of it, this points to the conclusion that office "C" exercises the utmost care in the selection of its lives, while office "A" is somewhat loose in this respect. The real explanation is that office "C" was making a speciality of Endowment Policies, which formed about 80 per cent. of their business, whereas in the case of office "A," policies of this class formed only about 30 per cent. of their whole business. Now, it has been proved beyond all doubt, that the mortality on Endowment Policies is very much lower than on most other forms of policy, so that offices transacting mainly endowment business must necessarily show a very low mortality rate, as compared with others doing a general business. In this case also, then, the figures as taken from the Gain and Loss Exhibit are misleading.

In conclusion, the queries raised by Mr. Messenger may be quoted. He asks, "Does the Gain and Loss Exhibit upon the whole furnish the policyholders and the general public with information or misinformation? Is it a real and reliable, and do the policyholder and the public gain correct information in regard to the real status of the company, or is it more or less of an estimate, decidedly misleading and altogether too technical a statement to be put in the hands of the general public, or still worse, to be used by the agent of the company to misrepresent the situation of another?"

AS THE CHRONICLE has from time to time pointed out, British companies have for generations satisfactorily followed their present methods of valuation. It is not to be wondered that they object strongly to any legislation calling for the revolutionizing of their entire head office accounts—particularly when their Canadian policies form but a small fraction of their total business. Anything that would discourage the activity of leading British life companies in Canada, is to be depreciated. Financial and business interests generally would suffer were Old Country offices to depart from their recent policy of largely increasing investments in Canadian securities.

As Mr. B. Hal Brown pointed out to the Senate Committee, the assets in Canada of the British life companies are now well over \$25,000,000, and steadily growing.

THE RAILWAY COMMISSION after hearing arguments pro and con, this week took *en délibéré* the application of the Elder-Dempster Company for an order compelling the Canadian Pacific and Grand Trunk to give export rates on merchandise from Ontario and Eastern Canadian points to Montreal, Halifax and St. John for shipment over their steamship line to Mexico, thence across the Isthmus to the Pacific Coast, and by the Mexico-Canadian line of steamships to Vancouver and other British Columbia points. The comments of Chairman Mabee seemed scarcely favourable to the applicants.

Financial and General.

THE TORONTO ELECTRIC LIGHT COMPANY'S gross receipts from all sources last year were \$1,292,545, showing an increase over 1908 of \$136,962.97. The operating expenses, including interest on bonds, amounted to \$761,838, leaving a balance of \$530,707; of this, \$315,493 has been paid out in dividends, leaving a balance of \$215,213, of which \$200,000 has been transferred to reserve fund, bringing that account up to \$1,000,000, and the balance of \$15,213 carried to the credit of profit and loss.

In the course of his annual address, the president, Sir Henry Pellatt, summarized the past year's developments in Ontario's Hydro-Electric legislation, and the protests made in the courts and through the press by those opposed to the provincial government's action.

MR. H. A. RICHARDSON, for the past ten years manager of the Toronto branch of the Bank of Nova Scotia, has been promoted to the position of general manager to succeed Mr. H. C. McLeod, who resigned at the last annual meeting.

Mr. Richardson has been connected with the bank for the past thirty years, having entered its service as a junior. He has filled many important positions during his long service with the bank, largely in a managerial capacity in some of the bank's important branches. The appointment is a most popular one, both with the officers of the institution, and with the public.

FINANCIAL JOURNALISM in Canada will be seriously the loser by the recent sudden death of Mr. Stewart Houston, founder and editor of the Financial Post, of Toronto. Not only was Mr. Houston prominent in financial and journalistic affairs; in musical matters and in high-type sport his influence will be greatly missed in Toronto, and, indeed, throughout the Dominion. As manager of Massey Hall for ten years, Mr. Houston was instrumental in bringing many musical artists to Canada, who would otherwise never have been heard here.

THE MONTREAL BRANCH of the Bank of Nova Scotia, under the management of Mr. W. P. Hunt, has leased the banking offices formerly occupied by the Canadian Bank of Commerce in the Canada Life building. These are at present undergoing a process of renovation. It is expected the alterations will be completed in the course of a few weeks. Owing to the growth in the business of the Montreal branch, increased accommodation has become necessary.

WESTERN FINANCIAL INSTITUTIONS now in course of formation reach to a considerable number. The Bank of Vancouver is said to be preparing for a start in the near future. Application has been made for a charter for the proposed Bank of Saskatchewan. The Mercantile Trust Co., of Vancouver, has received a charter recently, and the Brandon Trust Co., is in course of organization. The Calgary Trust Co., is making application for provincial charter, and the Alberta Permanent Loan Co., is being organized. The Weyburn Security Bank is another proposed Western institution seeking a Dominion charter.

THE BANK OF BRITISH NORTH AMERICA, has opened branches at Saltcoats, Sask., and Forward, Sask. The later is under the temporary management of Mr. Geo. Kelman.

THE INTERNATIONAL WATERWAYS COMMISSION, at its session in Toronto, this week, listened to arguments for and against the project of damming the St. Lawrence at the Long Sault by the Long Sault Development Co. and the St. Lawrence Power Co. Strong opposition came from the Montreal Board of Trade, the Ontario Government, the Dominion Marine Association and the Conservation Commission.

HUDSON BAY RAILWAY construction is estimated by Hon. G. P. Graham as follows, by the alternative routes:

	Churchill.	Nelson.
Construction.....	\$11,351,520	\$ 8,981,000
Shops, etc.....	7,757,152	7,440,000
Port expenses.....	6,675,000	5,065,000
Total.....	\$25,783,672	\$21,486,000

CANADA'S PUBLIC REVENUE for January, 1910, was \$8,120,441, as compared with \$6,639,053 in January, 1909. Expenditure was \$12,280,342 on current, and \$3,233,078 on capital account, as compared with \$12,608,594, and \$10,499,220 respectively in January, 1909.

The net debt stood at \$329,869,970, an increase of \$7,585,890, in the month, and of \$21,643,943 in the year.

MR. JOHN P. KNIGHT, Secretary of the Canadian Bankers' Association, was a guest and speaker at last week's annual dinner of the New York University School of Commerce. In the course of his characteristically witty remarks, Mr. Knight made out a strong case for the superiority of Canada's banking system.

THE DOMINION BANK has again extended its field of operations in Montreal, opening a branch on the 7th inst. on St. Lawrence Boulevard, at the corner of Prince Arthur St. at which point they have erected a handsome building, which is a credit both to the city and the Dominion Bank.

MUNICIPALITIES have apparently been holding off in the matter of bond offerings thus far in 1910. January municipal bond sales in Canada were about one-third the corresponding month's volume of \$2,500,000 a year ago.

THE BANK OF BRITISH NORTH AMERICA has declared a dividend of 30 shillings, and a bonus of 10 shillings, making 7 per cent. for the year. The bank added £20,000 to the reserve, wrote off £15,000 from bank premises, and carried £20,000 forward.

AN INCREASE over 1908 of \$417,700 in the gross earnings of the Winnipeg Electric Company for 1909 is shown in the annual statement. Gross earnings were \$2,623,700; net earnings, \$1,303,000, a gain of \$185,800.

WINNIPEG STREET RAILWAY net earnings for 1909 totalled \$832,000 approximately, as against \$1,117,000 at the end of last year. The number of passengers carried was over 26,000,000, or about four millions more than last year.

THE CANADIAN CAR AND FOUNDRY issue of \$2,350,000, 6 per cent. bonds (offered simultaneously a week ago in London, Montreal and Boston), was three times over-subscribed. The issue price here was 102 1-2 and interest.

THE GRAND TRUNK has made a definite move to enter Rhode Island, by means of a subsidiary company, the Southern New England Railway.

(Further News Items on page 226.)

Stock Exchange Notes

Thursday, February 10, 1910.

A halt in the downward course of the New York market and some tendency towards a recovery in prices there, is in evidence to-day and the local market, which has been straining against the pressure, showed improvement. Dominion Iron Common, for which there seems to be a consistent buying market, was especially buoyant and advanced on heavy trading, over 22,000 shares changing hands during the week. Recoveries from the low level are seen throughout the list and the market seems well in hand and is evidently working for an advance on any good news from the larger markets. Richelieu and Ontario was more active and sold up to 94 3/4 and closed at the highest. Crown Reserve was neglected, only 1,755 figuring in the week's business and it closed five cents up with 3.55 bid. Penmans now selling ex dividend of one per cent. closed with 59 3/4 XD bid, equivalent to a gain of 3 points on sales of 1,660 shares. Canadian Pacific and "Soo" Common were stronger, but the trading in these issues was small. Nova Scotia Steel Common continues a favorite and closed higher on moderate transactions. The Bank of England rate was to-day reduced to 3 per cent.

Call money in Montreal.....	5 %
Call money in New York.....	2 1/2 %
Call money in London.....	1 1/2 %
Bank of England rate.....	3 %
Consols.....	82 1/2 %
Demand Sterling.....	94 %
Sixty days' sight Sterling.....	8 1/2 %

The quotations at continental points were as follows:—

	Market.	Bank.
Berlin.....	2 1/2	4 1/2
Paris.....	2 1/2	3 1/2
Amsterdam.....	2	3
Vienna.....	3	3 1/2
Brussels.....	2 1/2	3 1/2

SUMMARY OF WEEK'S SALES AND QUOTATIONS.

Security.	Sales.	Closing bid. Feb. 3, 1910.	Closing bid. to-day.	Net change
Canadian Pacific.....	200	178	179 1/2	+ 1 1/2
"Soo" Common.....	475	133 1/2	134	+ 1/2
Detroit United.....	690	62	62	—
Halifax Tram.....	33	123	120	- 3
Illinois Preferred.....	571	91 1/2	90 1/2	- 1
Montreal Street.....	1,104	222 1/2	221	- 1 1/2
Toronto Railway.....	1,691	122 1/2	124	+ 1 1/2
Twin City.....	455	111 1/2 XD	111 XD	—
Richelieu & Ontario.....	1,408	92	221	+ 2 1/2
Can. Con. Rubber Com.....	100	95	95	—
Can. Con. Rubber Pfd.....	95	95	95	—
Dom. Coal Com.....	1,780	86	85 1/2	- 1/2
Dom. Iron Common.....	22,690	64 1/2	68 1/2	+ 3 1/2
Dom. Iron Preferred.....	560	133 1/2	135	+ 1 1/2
Dom. Iron Bonds.....	\$12,000	95 1/2	94 1/2	- 1
Lake of the Woods Com.....	42	140	140	—
Mackay Common.....	109	87	87	—
Mackay Preferred.....	230	76	76	—
Mexican Power.....	50	66	67 1/2	+ 1 1/2
Montreal Power.....	1,774	131 1/2 XD	132 XD	+ 1/2
Nova Scotia Steel Com.....	2,111	77 1/2	78 1/2	+ 1 1/2
Ogilvie Com.....	175	138	137 1/2	- 1/2
Rio Light and Power.....	475	93 1/2	94 1/2	+ 1 1/2
Shawinigan.....	904	98 1/2	99 1/2	+ 1 1/2
Can. Colored Cotton.....	56	56 1/2	56	- 1/2
Can. Convertors.....	60	42	42	—
Dom. Textile Com.....	205	70	70 1/2	+ 1/2
Dom. Textile Preferred.....	52	102	102	—
Montreal Cotton.....	28	130	132	+ 2
Penmans Common.....	1,660	57 1/2	59 1/2 XD	+ 3
Crown Reserve.....	1,755	3.50	3.55	+ 5

MONTEAL BANK CLEARINGS for week ending February 10, 1910, were \$36,641,395. For the corresponding weeks of 1909 and 1908 they were \$32,408,925 and \$34,024,759 respectively.

TORONTO CLEARINGS for week ending February 10, 1910, were \$30,254,184. For the corresponding weeks of 1909 and 1908 they were \$24,342,751 and \$20,484,727 respectively.

THE BANK OF ENGLAND reserve during the week increased by £271,000 to £27,176,000; the ratio to liabilities increased from 50.46 p.c. to 51.70 p.c.

OTTAWA BANK CLEARINGS for week ending February 3rd, 1910, were \$3,780,502 For the corresponding week of 1909, \$2,918,064.

Traffic Earnings.

The gross traffic earnings of the Grand Trunk, Canadian Pacific, Canadian Northern, Duluth, South Shore & Atlantic railways, and the Montreal, Toronto, Halifax, Twin City, Detroit United and Havana street railways, up to the most recent date obtainable, compared with the corresponding period for 1908 and 1909 were as follows:—

GRAND TRUNK RAILWAY.				
Year to date.	1907.	1908.	1909.	Increase
Dec. 31.....	\$44,900,468	\$38,701,207	\$40,993,032	\$2,291,825
Week ending.	1908.	1909.	1910.	Increase
Jan. 7.....	667,238	536,240	654,885	118,645
" 14.....	622,730	645,218	725,025	79,807
" 21.....	619,121	624,750	764,825	140,075
" 31.....	859,355	834,208	1,008,257	174,049

CANADIAN PACIFIC RAILWAY.				
Year to date.	1907.	1908.	1909.	Increase
Dec. 31.....	\$71,780,000	\$70,174,000	\$83,936,000	\$13,762,000
Week ending.	1908.	1909.	1910.	Increase
Jan. 7.....	1,077,000	1,098,000	1,315,000	217,000
" 14.....	930,000	970,000	1,342,000	372,000
" 21.....	1,055,000	1,039,000	1,377,000	338,000
" 31.....	1,396,000	1,604,000	1,973,000	369,000

CANADIAN NORTHERN RAILWAY.				
Year to date.	1907.	1908.	1909.	Increase
Dec. 31.....	\$10,722,300	\$9,339,600	\$10,823,200	\$1,483,600
Week ending.	1908.	1909.	1910.	Increase
Jan. 7.....	141,200	145,300	174,300	29,600
" 14.....	137,900	117,200	185,700	68,500
" 21.....	135,700	115,900	185,100	69,200
" 31.....	163,400	147,800	246,500	98,700

DULUTH, SOUTH SHORE & ATLANTIC.				
Year to date.	1907.	1908.	1909.	Increase
Dec. 31.....	\$42,708	\$41,835	.....	.....
Week ending.	1908.	1909.	1910.	Increase
Jan. 7.....	46,073	44,785	49,443	4,658
" 14.....	44,731	47,602	49,199	1,597

MONTREAL STREET RAILWAY.				
Year to date.	1907.	1908.	1909.	Increase
Dec. 31.....	\$3,516,304	\$3,587,254	\$3,837,990	\$250,736
Week ending.	1908.	1909.	1910.	Increase
Jan. 7.....	64,768	67,372	71,962	4,590
" 14.....	61,739	65,072	72,378	7,306
" 21.....	63,906	65,816	72,634	6,818
" 31.....	90,024	93,438	106,070	12,632

TORONTO STREET RAILWAY.				
Year to date.	1907.	1908.	1909.	Increase
Dec. 31.....	\$3,384,786	\$3,536,093	\$3,860,284	\$324,191
Week ending.	1908.	1909.	1910.	Increase
Jan. 7.....	61,702	64,971	.....	.....
" 14.....	59,842	65,370	73,528	8,158
" 21.....	61,256	65,871	75,253	9,382
" 31.....	86,525	91,769	.....	.....

TWIN CITY RAPID TRANSIT COMPANY.				
Year to date.	1907.	1908.	1909.	Increase
Dec. 31.....	\$6,020,542	\$6,333,296	\$6,895,529	\$562,233
Week ending.	1908.	1909.	1910.	Increase
Jan. 7.....	105,421	117,399	129,017	11,618
" 14.....	103,670	117,126	130,746	13,620
" 21.....	106,488	120,545	131,642	11,097
" 31.....	149,763	165,682	186,242	20,660

DETROIT UNITED RAILWAY.				
Year to date.	1907.	1908.	1909.	Increase
Dec. 31.....	\$111,879	\$121,284	\$136,253	\$14,969
Week ending.	1908.	1909.	1910.	Increase
Jan. 7.....	104,230	117,871	133,369	15,498
" 14.....	110,328	118,323	139,767	21,444
" 21.....	152,861	169,634	206,992	37,358

HALIFAX ELECTRIC TRAMWAY CO., LTD.				
Railway Receipts.				
Year to date.	1908.	1909.	1910.	Increase
Dec. 31.....	2,962	3,288	3,556	268
Week ending.	1908.	1909.	1910.	Increase
Jan. 7.....	3,018	3,129	3,436	307
" 14.....	2,885	3,111	3,551	440
" 21.....	4,055	4,257	4,967	710

HAVANA ELECTRIC RAILWAY Co.				
Year to date.	1909.	1910.	Increase	
Jan. 2.....	36,035	37,680	1,645	
" 9.....	35,009	39,932	4,923	
" 16.....	36,753	37,591	" 841	
" 23.....	35,729	37,408	1,679	
" 30.....	40,059	37,696	Dec. 2,363	
Feb. 6.....	36,469	39,976	3,057	

THE LONDON MUTUAL FIRE INSURANCE COMPANY OF CANADA.

FIFTIETH ANNUAL REPORT

FOR THE YEAR ENDING 31ST DECEMBER, 1909.

REVENUE ACCOUNT

EXPENDITURE.	
To Gross Losses	\$369,668.02
Less Re-insurance re-covered	132,889.88
To Net Losses	\$236,778.14
To Reserve for unadjusted losses	25,576.42
To Expenses, Commissions, etc.	150,834.26
	<u>\$413,188.82</u>
Balance	53,355.17
	<u><u>\$466,543.99</u></u>

INCOME.	
By Gross Premiums	\$858,911.54
Less rebates and Reinsurance	410,665.15
Net Premiums	\$448,246.39
Interest, Dividends, etc.	17,591.91
Transfer fees, etc.	705.69
	<u>\$466,543.99</u>

ASSETS.	
Bonds and Debentures, \$192,038.49	
Cash in Banks and on hand	141,047.74
Mortgage Loans	105,575.00
Assessments accruing and in course of collection	36,581.47
Accounts Rec. for Insurance	32,621.72
Agents' Balances	25,865.44
Office Furniture and Goad's Plans	11,662.07
Interest Accrued	5,280.84
Real Estate	5,158.50
	<u>\$555,831.27</u>
Unassessed portion of Prem. Notes, 368,850.56	
	<u><u>\$924,681.83</u></u>

LIABILITIES.	
Reserve for unadjusted losses	25,576.42
Due for Reinsurance	39,807.90
Reinsurance Reserve	325,962.57
	<u>\$391,346.89</u>
Capital Stock	17,500.00
Surplus	515,834.94
	<u>533,334.94</u>
	<u><u>\$924,681.83</u></u>

A. T. PLATT,

Secretary.

D. WEISMILLER,
President and Gen'l Manager.

SECURITY FOR POLICY HOLDERS.

Reserve of Unearned Premiums	\$325,962.57
Capital Stock Paid and Unpaid	100,000.00
Surplus	515,834.94
	<u>\$941,797.51</u>

Having audited the books of account, examined all vouchers and verified the securities, I certify the above Balance Sheet to be correct.
J. P. LANGLEY, Auditor.

REDDICK MINE shareholders, at their annual meeting in Ottawa this week, authorized the directors to sell 100,000 shares of the company's preferred stock at 10 cents. The issue to be sold to each shareholder *pro rata* with his present holdings. The \$10,000 received, if the stock is taken up, will be used in further development of the property.

MOLSONS BANK SHAREHOLDERS are receiving a directors' circular, asking them to waive their rights in the new 5,000 shares proposed to be issued, in order that the offer of Sperling & Co., of London, to purchase at \$210 a share, may be dealt with.

AND NOW A FISH MERGER. According to a Halifax despatch, an agreement has been reached under which a number of large firms engaged on the Nova Scotia and Gaspe coasts will combine in business.

NEW SECURITIES amounting to \$166,000,000 were issued in the United States during January, an increase of over \$20,000,000 upon the corresponding month's showing, last year.

CITY OF MONTREAL, 4 1-2 per cent. debentures to the amount of \$600,000 have recently been sold in London, by the Royal Securities Co.

WINNIPEG WHEAT prices yesterday, at the close were 105 3-8 for May and 106 7-8 for July delivery.

Scottish Union and National

Insurance Co of Edinburgh, Scotland
Established 1824

Capital,	\$30,000,000
Total Assets,	51,464,590
Deposited with Dominion Gov't,	242,720
Invested Assets in Canada,	2,670,049

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

JAMES H. BREWSTER, Manager

RESINHART & EVANS Resident Agents, Montreal
MEDLAND & SON, Toronto
ALLAN, LANG & KILLAM, " " Winnipeg

THE SPICE MILLS of Heron, Leblanc & Co., St. Paul St., Montreal, were damaged to the extent of \$5,000 yesterday, by fire and water.

COBALT'S January output aggregated 2,088 tons, as compared with 2,413 tons in January, 1909, and 1,325 tons in 1908.

MACKENZIE AND MANN are reported to have purchased the Dunsmuir coal properties on Vancouver Island.

MR. ANDREW A. ALLAN was, this week elected president of the Shipping Federation of Canada.

List of Leading Stocks and Bonds

REPORTED FOR THE CHRONICLE BY R. WILSON-SMITH & CO., 160 ST. JAMES STREET, MONTREAL.
CORRECTED TO THURSDAY, FEBRUARY 10th, 1910.

BANK STOCKS.	Closing price or Last sale.	Par value of one share.	Revenue per cent. on investment at present prices.	Capital subscribed	Capital paid up	Res Fund	Per cent'ge of Res to paid up Capital	Rate of Annual Dividend	When Dividend payable.
	Asked. Bid.		Per Cent.	\$	\$	\$	\$	Per cent.	
British North America	150 149	253	4 66	4,896,666	4,866,666	2,433,333	50.00	7	April, October.
Canadian Bank of Commerce	200 199	80	4 00	10,000,000	10,000,000	6,000,000	60.00	8	March, June, Sept., Dec.
Dominion	50	50	4 75	4,000,000	4,000,000	5,000,000	125.00	12	Jan., April, July, October
Eastern Townships	164	100	4 87	3,000,000	3,000,000	2,100,000	70.00	8	Jan., April, July, October
Farmers	100	100	4 87	979,800	567,257			4	
Hamilton	100	100		2,500,000	2,500,000	2,500,000	100.00	10	
Hochelaga	100	100		2,500,000	2,500,000	2,300,000	86.00	8	March, June, Sept., Dec.
Home Bank of Canada	100	100		1,184,500	1,084,517	333,653	30.76	6	March, June, Sept., Dec.
Imperial	100	100		5,000,000	5,000,000	5,000,000	100.00	11	Feb., May, August, Nov.
La Banque Nationale	30	30	4 44	2,000,000	2,000,000	1,050,000	52.50	7	Feb., May, August, Nov.
Merchants Bank of Canada	180	100	4 44	6,000,000	6,000,000	4,500,000	75.00	8	March, June, Sept., Dec.
Metropolitan Bank	100	100		1,000,000	1,000,000	1,000,000	100.00	8	Jan., April, July, October
Molson	210 207	100	4 75	3,500,000	3,500,000	3,500,000	100.00	10	March, June, Sept., Dec.
Montreal	256	100	3 90	14,400,000	14,400,000	12,000,000	83.33	10	Jan., April, July, October
New Brunswick	100	100		756,000	755,500	1,347,125	178.31	13	Jan., April, July, October
Northern Crown Bank	100	100		2,297,500	2,292,691	100,000	4.54	5	January, July.
Nova Scotia	284 283	100	4 22	3,000,000	3,000,000	5,500,000	183.33	12	Jan., April, July, October
Ottawa	100	100	4 75	3,387,700	3,334,300	3,334,300	100.00	10	Jan., April, July, October
Provincial Bank of Canada	100	100		1,900,075	1,900,000	350,000	35.00	5	March, June, Sept., Dec.
Quebec	100	100		2,500,000	2,500,000	1,250,000	50.00	7	Jan., April, July, October
Royal	232 232	100	4 71	5,000,000	5,000,000	5,700,000	114.00	11	March, June, Sept., Dec.
Standard	50	50		1,940,250	1,936,550	2,236,550	115.50	12	Feb., May, August, Nov.
St. Stephens	100	100		200,000	200,000	65,000	27.50	5	March, September.
Sterling	100	100		639,400	607,369	207,372	23.11	5	Feb., May, August, Nov.
Toronto	220 214	100	4 54	4,000,000	4,000,000	4,750,000	112.50	10	March, June, Sept., Dec.
Traders	147 144	100	5 44	4,367,500	4,354,500	2,300,000	50.52	8	Jan., April, July, October
Union Bank of Halifax	50	50		1,500,000	1,500,000	1,200,000	80.00	8	Feb., May, August, Nov.
Union Bank of Canada	142	100	4 92	3,207,200	3,202,670	1,900,000	59.33	7	March, June, Sept., Dec.
United Empire Bank	100	100		642,000	506,606			4	
MISCELLANEOUS STOCKS.									
Bell Telephone	146	100	5 47	12,500,000	12,500,000			8	Jan., April, July, October
B. C. Packers Assn "A" pref.	73	100	9 58	635,000	635,000			5	Cumulative.
do "B" pref.	76 73	100	9 21	635,000	635,000			7	do
do Com.	100	100		1,511,400	1,511,400			7	
Can. Colored Cotton Mills Co.	59 56	100	6 78	2,700,000	2,700,000			4	March, June, Sept., Dec.
Canada General Electric Com	100	100		4,700,000	4,700,000			7	Jan., April, July, October
do Pfd.	100	100		1,452,388	1,452,388			7	April, October.
Canadian Pacific	179 1	100	3 90	144,016,000	144,016,000			6 + 1	April, October.
Canadian Converters	44 42	100		1,733,500	1,733,000			7	
Detroit Electric St.	62	100		12,500,000	12,500,000			7	
Dominion Coal Preferred	114 113	100	6 12	3,000,000	3,000,000			4	February, August.
do Common	80 85	100	4 69	15,000,000	15,000,000			7	Jan., April, July, October
Dominion Textile Co. Com	72 70	100	6 94	5,000,000	5,000,000			5	Jan., April, July, October
do Pfd.	103 102	100	6 79	1,858,088	1,858,088			7	Jan., April, July, October
Dom. Iron & Steel Com.	68 68	100		20,000,000	20,000,000			7	
do Pfd.	135 135	100	5 18	5,000,000	5,000,000			7	Cum. In arrears 25 p.c.
Duluth S. S. & Atlantic	100	100		12,000,000	12,000,000			7	
do Pfd.	100	100		10,000,000	10,000,000			7	
Halifax Tramway Co	100	100		1,350,000	1,350,000			1	Jan., April, July, October
Havana Electric Ry Com	100	100		7,500,000	7,500,000			7	Initial Div.
do Preferred... XD	100	100		5,000,000	5,000,000			6	Jan., April, July, October
Illinois Trac. Pfd.	91 90	100		5,000,000	5,000,000			6	Jan., April, July, October
Laurentide Paper Com	128	100	5 46	1,600,000	1,600,000			7	Feb., August.
do Pfd.	130	100	5 38	1,200,000	1,200,000			7	Jan., April, July, October
Lake of the Woods Mill Co. Com	140	100	4 28	2,000,000	2,000,000			6	Apr., Oct. (\$10 B' 1st Oct. '09)
do do Pfd.	100	100		1,500,000	1,500,000			7	March, June, Sept., Dec.
Mackay Companies Com	100	100		43,437,200	43,437,200			4	Jan., April, July, October
do Pfd.	76 75	100	5 26	50,000,000	50,000,000			4	Jan., April, July, October
Mexican Light & Power Co.	68 67	100	5 88	13,585,000	13,585,000			4	Jan., April, July, October
Minn. St. Paul & S.S.M. Com.	134 133	100	4 47	20,832,000	16,880,000			6	April, October.
do Pfd.	100	100		10,416,000	8,400,000			7	April, October.
Montreal Cotton Co.	132	100	6 06	3,000,000	3,000,000			8	March, June, Sept., Dec.
Montreal Light, Ht. & Pwr. Co. XD	132 132	100	5 28	17,000,000	17,000,000			7	Feb., May, August, Nov.
Montreal Steel Work, Com.	99 99	100	7 02	700,000	700,000			7	January, July.
do do Pfd.	100	100		800,000	800,000			7	Jan., April, July, October
Montreal Street Railway	222 221	100	4 50	9,000,000	9,000,000			10	Feb., May, August, Nov.
Montreal Telegraph	145 46	100	5 51	2,000,000	2,000,000			8	Jan., April, July, October
Northern Ohio Trac. Co.	100	100		7,900,000	7,900,000			2	March, June, Sept., Dec.
North West Land, Com.	100	100	5	294,073	294,073				
N Scotia Steel & Coal Co. Com.	78 78	100	5 09	5,000,000	4,987,000			4	
do Pfd.	100	100	7 33	2,000,000	1,080,000			8	Jan., April, July, October
Ovillie Flour Mills Com	139 137	100	5 76	2,500,000	2,500,000			8	March, September.
do Pfd.	128 125	100	5 46	2,000,000	2,000,000			7	March, June, Sept., Dec.
Richelieu & Ont. Nav. Co.	94 94	100	5 28	3,132,000	3,132,000			5	March, June, Sept., Dec.
Rio de Janeiro.	100	100		25,000,000	25,000,000			4	
Sao. Paulo	100	100		9,700,000	9,100,000			10	Jan., April, July, October
Shawinigan Water & Power Co.	90 90	100	4 62	6,500,000	6,500,000			4	Jan., April, July, October
St. John Street Railway.	100	100		800,000	800,000			6	June, December.
Toledo Ry & Light Co.	100	100		13,875,000	12,000,000			7	
Toronto Street Railway	134 1	100	5 63	8,000,000	8,000,000			7	Jan., April, July, October
Trinidad Electric Ry	4 80	100		1,164,000	1,164,000			5	Jan., April, July, October
Tri. City Ry. Co. Com.	100	100		9,000,000	9,000,000			6	Jan., April, July, October
do Pfd.	100	100		2,800,000	2,800,000			6	Feb., May, August, Nov.
Twin City Rapid Transit Co. XD	112 111	100	5 34	20,100,000	20,100,000			7	Jan., April, July, October
do Preferred.	100	100		3,000,000	3,000,000			6	
West India Elec.	100	100		800,000	800,000			5	Jan., April, July, October
Windsor Hotel.	100	100	8 33	1,000,000	1,000,000			10	May, November
Winnipeg Electric Railway Co.	179	100	5 58	6,000,000	6,000,000			10	Jan., April, July, October

STOCK AND BOND LIST Continued

BONDS.	Closing Quotations		Rate p.c. of Interest per annum.	Amount outstanding.	When Interest due.	Where Interest payable.	Date of Maturity.	REMARKS.
	asked.	bid.						
Bell Telephone Co. ....	..	..	5	\$3,363,000	1st Oct. 1st Apl.	Bk. of Montreal, Mtl..	April 1st, 1925	
Can. Colored Cotton Co. ...	100½	100	6	2,000,000	2nd Apl. 2nd Oct.	" "	April 2nd, 1912	
Dominion Coal Co.	99	98½	5	6,175,000	1st May 1st Nov.	" "	April 1st, 1940	Redeemable at 105 and Int after May 1st, 1910
Dom. Iron & Steel Co. ...	95	94½	5	7,674,000	1st Jan. 1st July.	Bk. of Montreal, Mtl..	July 1st, 1929	
" 2nd Mortg. Bds. ...	..	..	6	1,968,000	1st Apl. 1st Oct.	Bk. of Montreal, Mtl..	.....	\$250,000 Redeemable
Dom. Tex Sers. "A" ....	..	95	6	758,500	1 March 1 Sept.	Royal Trust Co., Mtl.	March 1st, 1925	Redeemable at 110 and Interest.
" "B" ....	..	97	6	1,162,000	" "	" "	" "	Redeemable at par after 5 years.
" "C"	95	94	6	1,000,000	" "	" "	" "	Redeemable at 105 and Interest.
" "D" ....	..	..	..	450,000	" "	" "	" "	Redeemable at 105
Havana Electric Railway. ....	..	..	5	8,311,661	1st Feb. 1st Aug.	52 Broadway, N.Y. ...	Feb. 1st, 1952	
Halifax Tram. ....	..	..	5	600,000	1st Jan. 1st July.	Bk. of Montreal, Mtl.	Jan. 1st, 1916	Redeemable at 110
Keewatin Mill Co. ....	..	..	6	750,000	1st March 1 Sept.	Royal Trust, Mtl. ...	Sept. 1st, 1916	
Lake of the Woods Mill Co. ....	..	111½	6	1,000,000	1st June 1st Dec.	Merchants Bank of Canada, Montreal...	June 1st, 1923	
Laurentide Paper Co.	110	108	6	1,036,000	2 Jan. 2 July.	Bk. of Montreal, Mtl..	Jan. 2nd, 1920	
Mexican Electric L. Co. ...	83½	80	5	6,000,000	1st Jan. 1st July.	" "	July 1st, 1935	
Mex. L't & Power Co.	88	87½	5	12,000,000	1st Feb. 1st Aug.	" "	Feb. 1st, 1933	
Montreal L. & Pow. Co. ...	98½	97½	4½	5,476,000	1st Jan. 1st July.	" "	Jan. 1st, 1932	Redeemable at 105 and Int. after 1912.
Montreal Street Ry. Co. ...	100½	98½	4½	1,500,000	1st May 1st Nov.	U. B. of Halifax or B. of N.S. Mtl. or Toronto.	May 1st, 1922	Redeemable at 110 and Interest.
N. S. Steel & Coal Co. ....	..	..	6	2,282,000	1 Jan. 1 July.	" "	July 1st, 1931	Redeemable at 115 and Int. after 1912.
N. S. Steel Consolidated. ....	..	..	6	1,470,000	1 Jan. 1 July.	" "	July 1st, 1931	Redeemable at 105 and Interest.
Ogilvie Milling Co. ....	..	..	6	1,000,000	1st June 1st Dec.	Bk. of Montreal, Mtl.	July 1st, 1932	
Price Bros. ....	..	105	6	1,000,000	1st June 1st Dec.	.....	June 1st, 1925	.....
Rich. & Ontario. ....	..	..	5	323,146	1 March 1 Sept.	.....	.....	.....
Rio Janeiro.	95½	..	5	23,284,000	1 Jan. 1 July.	.....	Jan. 1st, 1935	.....
Sao Paulo. ....	..	..	5	6,000,000	1 June 1 Dec.	C. B. of C. London	June 1st, 1929	
Winnipeg Electric. ....	..	..	5	1,000,000	1 July 1 Jan.	Nat. Trust Co., Tor.	Jan. 1st, 1927	
				3,000,000	2 July 2 Jan.	Bk. of Montreal, Mtl. do.	Jan. 1st, 1935	

MONTREAL PARK & ISLAND RAILWAY COMPANY

LACHINE—From Post Office, 20 min. service; 5.40 a.m. to midnight. From Lachine.—20 min. service; 5.10 a.m. to 12.45 midnight.

SAULT-AU-RECOLLET & ST. VINCENT DE PAUL. — 20 min. service; St. Denis Street, from 5.00 a.m., and from St. Vincent from 5.30 a.m.; 30 min. service from 9.30 a.m. to 4.00 p.m.; 20 min. service, 4.00 p.m. to 8.30 p.m.; 30 min. service, 8.30 p.m. to 11.30 p.m. Last car from St. Vincent de Paul at 12.00 p.m. from Sault-au-Recollet at 1.00 a.m., from St. Denis Street at 12.40 midnight.

MOUNTAIN.—From Mount Royal Avenue, 20 min service; 5.40 a.m. to 11.40 p.m. From Victoria Avenue, Westmount, 20 min service; 5.00 a.m. to 11.50 p.m.

CARTIERVILLE.— min. direct service from Mount Royal and Park Avenue Station, 5.40 a.m. to 11.40 p.m. From Cartierville, 5.40 a.m. to 11.40 p.m.; 40 min. from Victoria Avenue, with change at Snowdon from 5.50 a.m. to 11.50 p.m.

Subject to change without notice.

(FIRE)
German American Insurance Company
New York

STATEMENT JANUARY 1, 1909
CAPITAL

\$1,500,000

RESERVED FOR ALL OTHER LIABILITIES

7,829,724

NET SURPLUS

5,467,353

ASSETS

14,797,077

AGENCIES THROUGHOUT CANADA

REFERENCE DIRECTORY

Legal Firms, Brokers, Agents, Etc.

McGibbon, Casgrain, Mitchell & Weldon

T. CHASE-CASGRAIN, K.C., VICTOR R. MITCHELL,
A. CHASE-CASGRAIN, J. W. WELDON,
E. M. McDOUGALL, J. J. CREELMAN.

SOLICITORS & BARRISTERS-AT-LAW

Canada Life Building, Montreal, Canada

Cable Address: "MONTGIBB," MONTREAL

F. S. MacLennan, K.C.

Advocate, Barrister & Solicitor.

New York Life Building. - MONTREAL.

CABLE ADDRESS, "FARMAC" MONTREAL. A.B.C. CODE

FLEET, FALCONER, OUGHTRED, PHELAN, WILLIAMS & BOVEY

Standard Building, 157 St. James St. Montreal

C. J. FLEET, K.C. A. R. OUGHTRED, K.C. H. S. WILLIAMS,
A. FALCONER, K.C. M. A. PHELAN. WILFRID BOVEY

McLennan, Howard & Aylmer

Advocates, Barristers and Solicitors
BRITISH EMPIRE BUILDING

el. Main 50 86 Notre Dame St. West, Montreal

J. CASSIE HATTON, K.C. (Counsel) FRANCIS McLENNAN, K.C.
H. EDWIN HOWARD H. U. P. AYLMER
Cable Address: "NOTTAN. MONTREAL."

ATWATER, DUCLOS, BOND & MEAGHER ADVOCATES

160 St. James Street, Montreal

A. W. ATWATER, K.C. C. A. DUCLOS, K.C.
W. L. BOND J. R. COULIN J. J. MEAGHER

McCarthy, Osler, Hoskin & Harcourt

'BARRISTERS, SOLICITORS, Etc.

HOME LIFE BUILDING,
VICTORIA STREET, TORONTO

JOHN HOSKIN, K.C. F. W. HARCOURT, K.C. H. S. OSLER, K.C.
L. RYUGHTON MCCARTHY, K.C. D. L. MCCARTHY, K.C.
BRITTON OSLER. J. F. H. MCCARTHY.
Counsel: WALLACE NESBIT, K.C.

R. Wilson-Smith & Co.

STOCK BROKERS

Guardian Building

160 St. James Street, - Montreal.

Bell Telephone Main 771

F. W. EVANS

C. R. G. JOHNSON

Evans & Johnson

FIRE INSURANCE

Agents _____ Brokers

26 ST. SACRAMENT STREET,

MONTREAL

GENERAL AGENTS

ETNA INSURANCE Co., of Hartford
BRITISH AMERICA ASSURANCE CO., of Toronto
SUN INSURANCE OFFICE, of London England
HOME INSURANCE CO., of New York

HENRY N. CHAUVIN

GEO. HAROLD BAKER

CHAUVIN & BAKER ADVOCATES

Metropolitan Building, 179 St. James Street
Tel. Main 2194. MONTREAL

GEORGE DURNFORD, Ltd.,

Auditors and Accountants

Room 55, Canada Life Building, 189 St. James, MONTREAL.

G. DURNFORD C.A., F.C.A., Can. ARTHUR J. ENGLAND, Acct

Hon. Sir Alexandre Lacoste, K.C.

Kavanagh, Lajoie & Lacoste

ADVOCATES, SOLICITORS, Etc.

Provincial Bank Building., 7 Place d'Armes.

H. J. Kavanagh, K.C.
H. Gerin-Lajoie, K.C.

Paul Lacoste L.L.L.
Jules Mathieu, L.L.B.

EDWIN HANSON

WILLIAM HANSON

Hanson Brothers

Canada Life Building. MONTREAL

Investment Brokers

Government, Municipal, Railway and Industrial Bonds
and Securities BOUGHT and SOLD.

Investments suitable for Insurance Companies and
Trust Estates always on hand.

Members Montreal Stock Exchange.

CABLE ADDRESS: HANSON.

EDWIN D. DEARSON

AGENT

NORTHERN

OFFICES:
Adelaide St. East, Toronto

ASSURANCE CO.

MUNICIPAL DEBENTURES BOUGHT AND SOLD

WRITE FOR QUOTATIONS

G. A. STIMSON & Co. 16 King St. W
Toronto

The Dominion Bank

HEAD OFFICE: TORONTO, CANADA.

Capital Paid up, - - - - - \$4,000,000
 Reserve Fund and Undivided Profits, - - - - - \$5,300,000
 Deposits by the Public - - - - - \$45,700,000
 Assets - - - - - \$58,900,000

DIRECTORS:
 E. B. OSLER, M. F., PRESIDENT
 WILMOT D. MATTHEWS, VICE-PRESIDENT
 A. W. AUSTIN R. J. CHRISTIE
 W. R. BROCK JAMES CARRUTHERS
 A. M. NANTON JAMES J. FOY, K.C., M.L.A.
 J. C. EATON.

CLARENCE A. BOGERT, - General Manager

Branches and Agents throughout Canada and the United States.
 Collections made and Remitted for promptly. **Drafts Bought and Sold**
Commercial and Travellers' Letters of Credit
 issued, available in all parts of the world.

A General Banking Business Transacted.
 Montreal Branch: 162 ST. JAMES ST. J. H. HORSEY, Manager

CAPITAL PAID-UP RESERVE and UNDIVIDED PROFITS
\$5,000,000 \$5,928,000

The Royal Bank of Canada

INCORPORATED
 1869

HEAD OFFICE - MONTREAL
 115 BRANCHES THROUGHOUT CANADA
 11 AGENCIES IN CUBA

San Juan, Porto Rico. Nassau, Bahamas
 New York Agency - 68 William Street

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

Bank of Nova Scotia

INCORPORATED
 1832.

CAPITAL, RESERVE FUND \$3,000,000
 8,500,000

HEAD OFFICE: HALIFAX, N.S.

DIRECTORS
 JOHN V. PAYZANT, President. CHARLES ARCHIBALD, Vice-President
 R. L. Borden G. S. Campbell J. Walter Allison
 N. Curry Hector McInnes H. C. McLeod
 General Manager's Office, TORONTO, ONT.
 H. C. McLeod, General Manager. D. Waters, Asst. General Manager
 Geo. Sanderson, C. D. Schurman, Inspectors.

84 BRANCHES 84
 Branches in every Province of Canada, Newfoundland, Jamaica & Cuba
 UNITED STATES: Boston, Chicago, New York.

Correspondents in every part of the World. Drafts bought and sold
 Foreign and domestic letters of credit issued. Collections on all points

HOME BANK OF CANADA

HEAD OFFICE, 8 KING ST. W. TORONTO

Quarterly Dividend Notice.

Notice is hereby given that a dividend at the rate of SIX PER CENT. per annum upon the paid up capital stock of the Home Bank of Canada has been declared for the THREE MONTHS ending 28th February 1910, and the same will be payable at the Head Office and Branches, on and after Tuesday March 1st next. The transfer books will be closed from the 15th to the 28th February, both days inclusive.

By order of the Board
JAMES MASON, General Manager.
 Toronto, 19th January, 1910.

The Metropolitan Bank

Capital Paid Up - - - - - \$1,000,000
 Reserve and Undivided Profits - 1,307,809

HEAD OFFICE - - - - - TORONTO

S. J. MOORE, W. D. ROSS,
 President General Manager

A GENERAL BANKING BUSINESS TRANSACTED.

EASTERN TOWNSHIPS BANK

CAPITAL \$3,000,000 RESERVE FUND \$2,000,000
 HEAD OFFICE - SHERBROOKE, QUE.

With over SEVENTY-THREE BRANCH OFFICES in the PROVINCE OF QUEBEC we offer facilities possessed by NO OTHER BANK IN CANADA for Collections and Banking Business Generally in that important territory.

BRANCHES IN
 MANITOBA, ALBERTA and BRITISH COLUMBIA
 CORRESPONDENTS ALL OVER THE WORLD

IMPERIAL BANK OF CANADA

CAPITAL AUTHORIZED - - - \$10,000,000
 CAPITAL PAID UP - - - 5,000,000
 RESERVE FUND - - - 5,000,000

DIRECTORS:
 D. R. WILKIE, President. HON. ROBERT JAFFRAY, Vice-President
 WILLIAM RAMSAY of Bowland, Stow, Scotland, ELIAS ROBBES,
 J. KERR OSBORNE, CHAS COCHRANE, FALGOW HOWLAND,
 W.M. WHITE-Winnipeg, CAWTHRA MULLOCK, HON. RICHARD
 TURNER, Quebec, W.M. HAMILTON MERRITT M.D. St. Catharines.

BRANCHES IN PROVINCE OF ONTARIO
 Amherst- Kasez Ingersoll North Bay St. Cather-
 burg Fergus Kenora Ottawa ines
 Belwood Ponthill Listowel Palgrave St. Davids
 Bolton Port William London Port Arthur S. Ste Marie
 Brantford Galt Marshville Port Colborne St. Thomas
 Caledon K Gowganda New Liskeard Port Robinson Thessalon
 Cobalt Hamilton Niagara Falls Ridgeway Toronto
 Cochrane Harrow Niagara-on- South Woods- Welland
 Cottam Humberstone the Lake lee Woodstock
 Elk Lake

BRANCHES IN PROVINCE OF QUEBEC.
 MONTREAL, QUEBEC.
 BRANCHES IN PROVINCE OF MANITOBA,
 Brandon Portage La Prairie Winnipeg
 BRANCHES IN PROVINCE OF SASKATCHEWAN.
 Balgonie, Broadview, Hague, Moose Jaw, North Battleford, Prince
 Albert, Regina, Rosthern, Wilkie
 BRANCHES IN PROVINCE OF ALBERTA.
 Athabaska Landing, Banff, Calgary, Edmonton, Lethbridge, Red Deer,
 Strathcona, Wetaskiwin.
 BRANCHES IN PROVINCE OF BRITISH COLUMBIA.
 Arrowhead, Cranbrook, Fernie, Golden, Kamloops, Michel, New
 Michel, Moyie, Nelson, Revelstoke, Vancouver, Victoria.
Savings Bank Department.
 Interest allowed on deposits from date of deposit.

The Sterling Bank

OF CANADA.

Head Office, Toronto
 Montreal Office, 157 St. James St

THE
INVESTMENT TRUST CO.
(LIMITED)
MUNICIPAL AND CORPORATION
BONDS

CORRESPONDENCE INVITED

84 Notre Dame St. West
MONTREAL

The Royal Trust Co.
107 ST. JAMES ST., MONTREAL
CAPITAL FULLY PAID - \$1,000,000
RESERVE FUND - \$900,000

BOARD OF DIRECTORS:
Right Hon. LORD STRATHCONA & MOUNT ROYAL. G.C.M.G.
PRESIDENT.
Hon. SIR GEORGE DRUMMOND, K.C.M.G.,
VICE-PRESIDENT.

SIR H. MONTAGU ALLAN C. R. HOSMER H. V. MEREDITH
R. B. ANGUS SIR W. C. MACDONALD DAVID MORRICE
A. BAUMGARTEN SIR EDWARD CLOUSTON, BART. HON. R. MACKAY
H. B. GREENSHIELDS A. MACNIDER JAMES ROSS
C. M. HAYS SIR T. G. SHAUGHNESSY K.C.V.O.
SIR WILLIAM C. VAN HORNE, K.C.M.G.

H. ROBERTSON, Manager

SAFETY DEPOSIT VAULTS:
109 St. James St., Bank of Montreal Building, **Montreal**

UNION BANK of HALIFAX

Capital - \$1,500,000.00
Reserve - \$1,200,000.00

Montreal Branch, SUN LIFE BUILDING,
142 Notre Dame Street, West.

BRANCHES IN
NOVA SCOTIA, NEW BRUNSWICK, PRINCE
EDWARD ISLAND and WEST INDIES.

TELEPHONES, C. A. Gray,
MAIN 7432-7433 *Manager.*

National Trust Co., Limited.

CAPITAL PAID UP - - - - \$1,000,000
RESERVE - - - - - 550,000

OFFICES: Montreal, Toronto, Winnipeg, Edmonton, Saskatoon.
Authorized to accept and execute Trusts of every description and to act in any of the following capacities:
Trustee, Executor, Administrator, Assignee, Liquidator, Gen. Agent
Montreal Board of Directors:
JAMES CRATHERN, Esq., Director Canadian Bank of Commerce.
H. B. WALKER, Esq., Mgr. Canadian Bank of Commerce.
H. MARKLAND MOLSON, Esq., Director the Molson's Bank.
Montreal Offices and Safety Deposit Vaults.
National Trust Building. 183 St. James Street
A. G. ROSS - - - - - Manager.

The Standard Loan Co.

We offer for sale debentures bearing interest at FIVE per cent per annum payable half-yearly. These debentures offer an absolutely safe and profitable investment, as the purchasers have for security the entire assets of the company.

Capital and Surplus Assets	\$1,340,000.00
Total Assets	\$2,500,000.00

ALEXANDER SUTHERLAND, President.
W. S. DINNICK, Vice President and Managing Director
Head Offices: Cor. Adelaide and Victoria Sts., TORONTO.

The Trust and Loan Co.
OF CANADA
INCORPORATED BY ROYAL CHARTER, A.D. 1848

Capital Subscribed,	\$10,706,666
With power to increase to	14,600,000
Paid-up Capital,	1,946,666
Reserve Fund,	1,177,495
Special Reserve Fund	194,667

MONEY TO LOAN ON REAL ESTATE AND
SURRENDER VALUES OF LIFE POLICIES.

26 St. James Street, Montreal

United Empire Bank of Canada.

Head Office, corner Yonge and Front Sts., Toronto

Conservative investors will find a safe, sound, paying proposition in this New Canadian Bank Stock (issued at par). Allotments will be made to early applicants.

GEORGE P. REID, *General Manager*

Montreal Trust Company

The administration of estates is a business. In conducting it properly, experience, judgment, integrity and financial strength are just as essential as they are in any other business. Many estates, built up by a lifetime of effort and skill, have diminished greatly in value through incapable administration. This institution makes administration of estates a business. Its public character, financial strength directors and officers are a surety of its efficiency, faithfulness and impartiality.

2 Place D'Armes

I OFFER FOR SALE

CHOICE DIVIDEND PAYING INDUSTRIAL STOCKS
CANADIAN MINING AND CANADIAN OIL STOCKS

Write to-day for my circular, giving free information. It will interest you. PHONE MAIN 3089

BENJAMIN BURLAND
303 Board of Trade Building, MONTREAL

CANADA LIFE

Assurance Company

63rd ANNUAL REPORT

1909 THE GREATEST YEAR IN THE COMPANY'S HISTORY
BUSINESS INCREASED . . . EXPENSES DECREASED

THE OUTSTANDING FEATURES ARE—

EXPENSES were again reduced in 1909 as in 1908, not only in percentage but in actual amount, showing the continued efficient, conservative management of the company.

NEW INSURANCE PAID FOR (notwithstanding actual decrease in Expenses) amounted to \$10,139,434.00, exceeding the paid for business of previous year. TOTAL BUSINESS NOW IN FORCE \$125,000,000.00.

SURPLUS earned in 1909 \$1,195,125.00, surpassing all records. TOTAL SURPLUS OVER ALL LIABILITIES \$3,322,764.65.

\$2,000,000.00 PROFITS TO POLICYHOLDERS will be allotted this year; a larger amount than at any previous quinquennium.

INCOME for the year \$5,697,319.59, an increase over 1908 of \$361,277.05.

PAYMENTS TO POLICYHOLDERS in 1909 including Death Claims, Matured Endowments, Profits, etc., \$2,032,332.16.

ASSETS now stand at \$39,686,063.57, having increased in 1909 by the large sum of \$2,972,948.33—the greatest gain in any year. The Canada Life Assets are increasing at the rate of \$10,000.00 for each business day of the year.

CONDENSED FINANCIAL STATEMENT

ASSETS.	
Government, Municipal and other Bonds,	
Stocks and Debentures	\$19,649,430.00
Mortgages on Real Estate	10,152,403.91
Loans on Policies	5,695,758.56
Real Estate owned—(including the Com- pany's Buildings in Toronto, Hamilton, Montreal, Winnipeg, St. John, N.B., and London, Eng.)	2,048,782.43
Loans on Bonds, Stocks, etc.	174,333.01
Premiums in transit and deferred (net),	686,626.63
Interest and Rents accrued	606,827.24
Other Assets	410,454.00
Cash on hand and in banks	261,447.79
	\$39,686,063.57

RECEIPTS.	
Premium Income (net)	\$3,851,334.70
Annuity Income	104,859.13
Interest, etc.	1,741,125.76

THE THREE ELEMENTS OF SURPLUS

A Gain in each in 1909
Mortality Rate was Lower
Interest Rate was Higher
Expenses were Reduced

\$5,697,319.59

LIABILITIES.	
Reserve Fund (Hm. 3½ p.c. and 3 p.c.),	\$34,897,771.00
Death claims in course of settlement and Instalment Fund	345,130.15
Dividends to Policyholders in course of payment	15,849.45
Reserve for Policies which may be re- vived	84,687.00
Other Liabilities	19,861.32
Total Surplus on Policyholders' Account (Hm. 3½ p.c. and 3 p.c.)	4,322,764.65
	\$39,686,063.57

PAYMENTS.	
Death Claims (net)	\$1,348,746.45
Matured Endowments (net)	264,278.50
Dividends paid Policyholders (including Bonus Additions paid with Death Claims and with Matured Endowments)	192,119.06
Surrender Values of Policies	188,758.84
Paid Annuitants	38,429.31
Total Paid to Policyholders	\$2,032,332.16
Commission, Salaries, etc.	626,094.93
Taxes, Gov't. Fees, Stock Div'ds., etc.	332,032.50
Excess of Receipts over Payments	2,706,860.00

\$5,697,319.59

The complete Report of the Annual Meeting will shortly be published in the Company's paper, "LIFE ECHOES," which will be mailed on request.