

# The Chronicle

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**Minimum and Maximum Circulation.** ORDINARILY, bank note circulation in Canada reaches its minimum in May and from that month increases until the crop-moving maximum is attained in October. It is not surprising, therefore, that the current bank statement shows a continuance of the April decrease in circulation amounting to a falling off of \$2,099,796 for the month of May. The decrease from April to May last year was more marked than this, but on the other hand circulation in 1906 had continued to show expansion during April. The total at the end of May this year is given as \$70,741,113, which is \$7,446,059 greater than the corresponding 1906 showing. Paid-up capital in the current statement is given as \$96,167,889, an increase for the year of \$6,161,549, so that the growth in circulation has exceeded the capital increase by over one and one quarter millions. And in this connection it is to be borne in mind that the Sovereign Bank's change in capital from \$4,000,000 to \$3,000,000 is not taken account of in the May statement. Still, the margin for expansion is by no means a small one—being about \$4,000,000 more than enough to allow for the May-to-October circulation increase of last year. And it is to be remembered, also, that the authorized capital of several of the banks is substantially greater than that paid-up, so that the potential margin for meeting circulation needs is much greater than the foregoing figures would indicate.

A question to which banking authorities are already giving much thought is this: If Canadian trade expansion continues at the pace set in recent years, will banking capital exhibit a proportionate growth? In the opinion of Mr. Z. A. Lash, K.C., late counsel for the Canadian Bankers' Association, it is not impossible that some other means to meet the situation will some day be adopted, based on sound principles, such as a central gold reserve put up by the banks themselves, against which, dollar for dollar, they may issue circulation in

excess of their paid-up capital. In a speech delivered at Osgoode Hall (now published in pamphlet form by John Mackay & Co., Accountants, Toronto), Mr. Lash spoke of this plan as follows: "This is not unlikely, as in an agricultural country like Canada, the marked increase in the demand for currency—what electricians would call the peak of the load—takes place in the fall when the grain crops and other products of the soil are being moved. This increased demand lasts only a few months and then the notes issued to meet it find their way back to the banks and remain idle till the next fall. Banks with a large capital which have during nine months of the year ample circulation to meet the requirements, cannot be expected to increase that capital to any great extent, merely to enable them to issue notes against the increase which will remain out for three months only, while at the same time the dividends on the increase must be earned and paid for the whole year. In the case of banks paying large dividends this would soon become too burdensome to be continued. Therefore, I say, that if the expansion continues it is probable that some other sound means than an increase of capital will be devised to meet the requirements."

## German Over-Sea Banking.

THOSE unaware of the ubiquitous tendency of German banking interests have possibly been surprised at the very practical interest shown in a Canadian institution by a leading Berlin bank. Of somewhat special interest, therefore, is a recent article in the *Weltkorrespondenz* (translated in The Review of Sydney) dealing with the expansion of German over-seas banking. It is there pointed out that the expansion of German trade and industry has afforded a stimulus of late to the large banking houses in Berlin to found special institutions for the purpose of fostering business in a large number of over-sea countries. The beneficial results of these

undertakings are already visible in South and Central America, in Asia Minor and Egypt, in the German Colonies, and in East Asia.

The oldest enterprise of this kind is the Deutsche Ueberseeische Bank (Banco Aleman Transatlantico), which was founded in 1893, and which is an offshoot of the Deutsche Bank. The former has 19 branch establishments in South America, and one in Europe, at Barcelona. With this bank has been competing since 1895, the Chilian and German Bank, which brought with it seven establishments in South America. Another bank possessing quite as large a joint-stock capital as that of the Deutsche Ueberseeische Bank, viz., one million sterling, is the Deutsche Sudamerikanische Bank, which has branches in Buenos Ayres and Mexico.

The Deutsche Bank, in conjunction with the Hamburg-American-Line, the Mexican Central Railway, and the banking house of Speyer's, established at the end of August, 1906, The Mexican Bank for Trade and Industry. Of late years German banks have to an enormous extent participated either directly, or by the agency of these over-sea banks, in the loans which have been floated by the States of South and Central America. They have thereby assisted to regulate the conditions of standards of currency, and to increase the mineral output.

In the East, the Deutsche Orient Bank has been established in Constantinople, Alexandria, Cairo, and Brussa, with a capital of £800,000. The needs of the German colonies in Africa are met by the Deutsch-Westafrikanische Bank and its branches in Togo and Cameroon, whilst all banking transactions in Damara and Namaqua are carried on by the Deutsch-Afrika Bank, which owes its existence to the Disconto Gesellschaft. The mines in Otawi also, together with the railways belonging to them, owe their activity to the initiative of this great bank. The Deutsch Asiatische Bank is carrying on business in Eastern Asia. Its principal establishment is in Shanghai, and it possesses branches in Calcutta, Hankow, Hongkong, Peking, Tientsin, Tsingtau, Tsinanfu, Yokohama, and Kobe. It also co-operated in introducing to the international market a Japanese loan and the first financial operation of Siam. Thus, as the article points out, the German banks have taken a prominent part in the pioneer work in connection with the development of those distant lands which are able to supply the markets of the world with corn, coffee, tea, meat, wool, hides, cotton, silk, teak-wood, ores, metals, saltpetre, and india-rubber. In conclusion it says:—"To render possible by means of the spirit of enterprise, the exchange of commodities which is then guided by trade into the right channels, has been the proudest of tasks for the great institutions which exist to supply credit, and which have been flourishing in such an amazing manner, particularly in Germany, during the last few years."

#### Banking & Currency Problems.

Signal service has recently been done, not only to the banking profession but to the financial community in general, by Professor Walter H. Hull of the University of Chicago. With the discrimination of the careful redactor he has collated sixty or more addresses delivered in recent years by prominent bankers, financiers and economists throughout the United States. These are now "done into a book" by the Macmillan Company, under the title of *Practical Problems in Banking & Currency*. The volume affords, in convenient and readable form, an exceedingly valuable compendium of current discussion relating to applied monetary science. The criticism is sometimes made regarding books upon such topics—especially when written by university professors—that they savor too distinctly of the academic. And it is not belittling the invaluable contributions that have come to economics and finance from college halls, to say that certain practical aspects cannot be fully seized upon except by those familiar with working conditions.

The ideal qualifications for such authorship would seem to consist in a combining of the method of the trained student with the practical experience and first hand observation of the successful banker or financier. There is no dearth of men with such qualifications in the United States, nor in Canada. But they seldom embody in book form the conclusions at which they have arrived. Finance in its twentieth century development is too exacting a task-master to permit such leisurely employment as book-writing to many of its "upper servants." The most that can be expected from them is now and then a special article in some financial or general periodical or, more frequently, an address delivered at some convention or other meeting of persons interested in matters monetary.

And, however excellent deliveries\* of this sort may be, their short-lived hearing—even when reported more or less fully by the periodical press—precludes their receiving full attention. Then, too, in the course of a person's current reading many valuable papers are certainly overlooked or altogether missed, while time may be wasted on others of no considerable merit; for—be it said in a whisper—not every address given before bankers' conferences is worth the spending of much time in perusal. All of which considerations should bring to us a lively sense of gratitude for Professor Hull's labours in systematically collecting and arranging this series of addresses covering the past six or so years. As remarked in the preface of the book, the years since 1900 have been remarkable for various financial features. For one thing, the perennial currency discussion has been more than ever to the fore. Then, too, the rise to prominence of the trust company as a factor in finance has created certain new conditions and problems in United States banking. The addresses are classified under three headings, relating to general banking, to banking and currency reform and to trust company finance. Although many matters touched upon are peculiar to United States conditions, the book as a whole cannot but prove interesting and valuable to Canadian bankers and students of finance—while not a little of it will have a more direct and practical bearing.

# The Chronicle

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### BRITISH BANKS IN FOREIGN COUNTRIES.

Not long ago a prominent New York financier and writer, speaking on the subject of United States trade with foreign countries, mentioned that his countrymen were at a disadvantage because they had scarcely any banks operating in foreign countries. He pointed out that the great European nations, notably Great Britain and Germany, had now a number of banks in operation in various parts of the world, and, as they did much to facilitate and increase the trade of their respective countries, he urged that the United States would find it profitable to embark on a similar course.

The system of banking possessed by our neighbors does not lend itself readily to international operations. Branch banks are more suitable for that. Thus it happens that the only places outside of the States that the American banks are well represented, are the island possessions and protectorates—the Philippines, Hawaii, Porto Rico and Cuba—and in Mexico; and even in them they have to share the business with foreign rivals. In Cuba one of our own Canadian banks, the Royal, has a well established footing. In the Philippines the business is divided among a number of different countries: the Hong-Kong and Shanghai Banking Corporation and the chartered Bank of India. Australia and China representing Great Britain, the Banco Espanol Filipino representing Spain, and the International Banking Corporation, the United States. In Mexico there are French and English banks, and the Bank of Montreal has just recently established itself, being certain of a good business through its connection with the big Canadian-Mexican enterprises, power, lighting, etc.

It is quite easy to understand how the foreign trade of any country is benefited, when it possesses a comprehensive system of banking connections abroad. When its banking institutions open agencies and branches in other countries it need not necessarily follow that these outside offices shall prove a means of transferring capital to their respective localities for use there. Though generally that is what

happens. In the case of the British banks it is a natural enough outcome, and the Anglo-foreign bank system constitutes one of the important mediums through which British capital is invested abroad. That is so because the island kingdom has a great deal more capital than can be utilized at home. The United States and Canada are in different case. Both of them can find profitable use at home for practically all their own funds and for foreign funds as well, and, when a Canadian or American bank opens agencies abroad it may happen that the agencies collect deposits outside sufficient to balance their outside loans, in which event there is no outward drain of capital ensuing. One of the chief functions of these foreign branches is foreign exchange. By providing a ready market for the purchase and sale of bills of exchange, by making transfers, and in sundry other ways, do they aid and assist people from their own country to transact business with the foreigners. At London and New York the foreign agencies of the Canadian banks are employed, to quite a considerable extent, in handling the reserve or temporary surplus funds of their respective institutions.

It will be interesting to take a glance at the operations of some of the British banking corporations doing business in foreign countries. The London Economist of May 17th has a banking supplement that contains a plentiful supply of information on this point, and the figures that follow have been gleaned therefrom. The tables of operations contain the figures for all foreign banks with London offices. It is mentioned that these are not all British banks; among them being "several great French and German banks and some others in which the amount of British capital employed is very small or non-existent." Therefore the institutions that are British-owned are given first. In a number of cases the name gives an idea as to the special place of operations. They are:

BANK.	Capital May '07. £	Net Profits 1906. £	Rate of Div.	Total Assets. £
Anglo-Californian.....	299,700	48,858	8	3,194,669
Anglo-Egyptian.....	500,000	129,893	15	6,431,711
Anglo-Foreign.....	420,000	40,329	7½	7,347,099
Anglo-South American...	500,000	165,458	7	10,637,229
Bank of Egypt.....	750,000	136,751	18	3,818,196
Brit. of S. America.....	500,000	122,071	10	10,100,836
Hongkong & Shanghai...	1,000,000	481,597	18	26,409,777
Imperial of Persia.....	650,000	59,929	6⅔	2,001,911
London & Brazilian.....	750,000	208,738	15	13,523,750
London & Riv. Plate.....	900,000	218,619	20	29,582,104
Lon. of Mex. & S. Am....	480,000	52,056	10	1,614,417
Lon., Paris & American..	400,000	32,843	8	2,199,604
National of Egypt.....	3,000,000	378,131	9	10,220,244
	10,149,700	2,075,273		126,081,547

A glance at the names shows that these banks cover pretty much all the great trading countries of the world except Canada and the United States. Some of them exercise influence political as well as financial. It should be remembered too that a number of important banks in various parts of the world are British-owned, but as they have no London of-

files, they would not be included in the Economist's list. Among them might be mentioned the Bank of Africa and the Standard Bank of South Africa. And besides this class there are the Australian banks and others in which the share capital is largely provided by inhabitants of the British Isles. So far as the Canadian banks are concerned the bulk of the share capital originated in the Dominion. But one important bank, the Bank of British North America, has the majority of its stock owned in the United Kingdom, and one has only to glance through the stock list of the rest of our prominent banks to see that British stockholders are plentifully scattered there.

The foreign-owned banks with London offices are, some of them, of large importance. They are included in the following list:

BANK.	No. Branches.	Capital. £	Assets. £
Anglo-Austrian .....	10	2,000,000	10,700,000
Anglo-Italian .....	none	10,000	48,271
Anglo-Japanese .....	1	299,115	335,025
Roumania .....	1	300,000	1,201,079
Comptoir d'Escompte, Paris .....	140	6,000,000	55,829,063
Credit Lyonnais .....	250	10,000,000	94,770,195
Deutsche .....	10	10,000,000	90,643,144
Disconto Gesellschaft .....	3	8,500,000	43,144,341
Presdner .....	24	9,000,000	53,960,648
Imperial Ottoman .....	53	5,000,000	19,793,031
Ionian .....	7	315,510	1,382,801
National of China .....	1	242,718	340,474
Societe Générale .....	561	10,000,000	50,287,978
Swiss Bankverein .....	4	2,512,000	17,627,420
Yokohama Specie .....	1	2,100,000	27,772,658

#### EXPENSES OF CANADIAN NEW BUSINESS.

Review of points covered in a paper by Colin C.

Ferguson B.A., A. I. A., read before the Actuarial Society of America.

It is not to be wondered at that even careful reading and re-reading has left many a life insurance worker puzzled as to the exact meaning of certain of the Royal Commission's recommendations; more especially, perhaps, as to the valuation provision for expenses of new business.

Nowhere remarkable for what the old-time text books in rhetoric used to term "perspicuity in style," the draft bill excels itself in involved verbiage at this particular point. In this instance, if in few others, the commissioners did endeavor to pay heed to the recommendations of the Life Officers' Association, but it is even more evident that they did not have a correct idea of the new valuation method which may now be referred to as the Canadian Method, since it has been so designated by an eminent American actuary, Mr. D. P. Fackler. This method of making allowance for the cost of obtaining new business was devised in October of last year by Mr. Colin C. Ferguson, B.A., A.I.A., chief clerk of the actuarial staff of the Canada Life Assurance Co. A valuable paper entitled "Some Modern Methods of Valuation" was prepared by Mr. Ferguson and read before the Actuarial Society of America, at its May

meeting. In it he comments upon the recognition paid by the commissioners to the Canadian Method as recommended by the Life Officers.

The matter is a very technical one and it is not surprising, Mr. Ferguson goes on to say, that the Commissioners, while adopting the plan suggested, did not have a correct idea of the principle involved. It appears that they also had the Select and Ultimate Method under consideration, and in describing the plans, they say: "To the initial loading, under both methods, is really added an amount representing the mortality gains due to the new business." The writer hopes that in his paper this inaccuracy will be exposed and that not only the Canadian method, but also the Select and Ultimate method can be more clearly explained by disassociating them entirely from the gains from mortality. Both methods, in fact, proceed by adjusting the net premiums so that during the first year there is an anticipation of future loadings. It is shown, however, that while both plans are thus alike in anticipating loadings, the Canadian method is better adapted for the common purpose.

Space precludes giving details of Mr. Ferguson's able mathematical discussion, but his general conclusions are given in the summary of the paper which follows:

#### The Canadian Method.

It is not his wish, explains the writer, to become involved in the arguments for or against a departure from the level net premium method of valuation. It will therefore be assumed that a company has decided in favor of such a departure, and is looking about for the best means of putting its intention into effect. A sound position to take in the matter is that, while a deduction may properly be made from the full reserves of the early durations, the full valuation should be maintained for policies which have been a reasonable time in force. The object is to ascertain the best principle to be followed in making the deduction during the early years.

On the Whole Life plan the natural course will be to make a deduction in the first year so that the initial reserve will be just sufficient to provide for the first year's tabular cost of insurance. The Canadian method follows this course and, so far but no further, it is in harmony with the Preliminary Term method. To describe the process in different language, it consists in reducing the ordinary net premium of the first year and making it equal to the net premium for a one-year term assurance. In order to attain to the full level premium reserve at the end of a reasonable time, say five years, it will now be necessary to increase the level net premiums of the second to fifth years, inclusive, while for the sixth and subsequent years, the ordinary level net premium will hold.

Reserves may now be calculated, retrospectively, by applying the ordinary accumulation formula to

the above net premiums. It will be apparent that the plan may be correctly described as an adjusted net premium method, inasmuch as the present values of the level net premiums and the net premiums as adjusted above are equal at the issue of the policy.

Turning attention to the limited payment life policy, it is clear that the additional net premium required for this plan in excess of the whole life net premium is required for a definite purpose, and it would not be wise to detract in any way from this special provision. Accordingly, on the limited payment life policy, the deduction from the net level premium of the first year must be equal to the deduction made for the whole life plan. Similar reasoning holds in the case of endowment assurances.

The effect of reducing the net premium of the first assurance year is to set free an additional amount of loading to provide for the large initial expenses. Table D. shows the first year allowances on the three plans. The gross premiums employed are the with-profit rates commonly used in Canada at age 35.

D.

Plan	Gross Prem.	Loading	Special Allowance	Total Allowance	p.c. of Gross Prem.
Life	27.95	7.19	12.28	19.47	69.7
Life 20 Pts.	36.95	8.70	12.28	20.97	56.8
End't 20 Yrs.	50.55	10.09	12.28	22.37	44.3

The larger net premium of the second to fifth years involves a smaller amount of loading for those years. This amount is shown in Table E.

E.

Plan	Gross Prem.	Adjusted Net Premium.	Allowance.	p.c. of Gross Prem.
Life	27.95	24.17	3.78	13.5
Life 20 Pts.	36.95	31.67	5.28	14.3
End't 20 Yrs.	50.55	43.85	6.67	13.2

The above Table shows that, in spite of the increase of the net premium, there is still ample loading remaining on with-profit policies for expenses and contingencies.

The Canadian method has thus been described, without introducing the words "Mortality gains."

It is true that under non-participating assurances the loadings of the four years, subsequent to the first, after making good the overdrafts of the first year, will be insufficient to provide for contemporary expenses and recourse must be had to other surplus funds. The formula, however, does not in any way connect mortality gains exclusively with this process, and in fact the gains from interest and withdrawals are equally available. The order of events is therefore as follows:—During the first year, the whole ordinary loading is spent and part of the loading of the next four years. If during these four years the balance of loading be insufficient to pay renewal expenses, the surplus arising from other sources will be diverted for this purpose. We see, therefore, that the gains from mortality, interest, etc., enter only indirectly into the matter. Their direct use is in providing a fund to assist in paying the renewal expenses. Accordingly, for non-participating policies, the first year's allowance is based upon a partial anticipation of the general profits of the four subsequent years applied through the loading factor.

**Its Practical Operation.**

Having thus explained the theory of the Canadian method, Mr. Ferguson now reverts to its practical operation. He states that it would be an easy matter to prepare reserves for all plans of assurance according to this method, and the work would be facilitated by the fact that for a given age and duration the deductions to be made from the level premium reserves are constant for all plans except term policies. (Schedules I and II submitted with the original paper show these deductions calculated on the HM and American Experience Tables with 3 1-2 p.c. interest.)

The Royal Commission, acting on the suggestion of the Life Officers' Association, have recommended that the reserve liability be calculated by the level premium method as heretofore, but that companies desiring to do so, may make a deduction so as to bring out the net reserve equal to that calculated by the method now described. Mr. Moir has pointed out that this is in the form of a special concession and that consequently a company holding the lower reserves will be regarded as being in a certain degree under a cloud, while no expanding company, unless it holds smaller reserves on its new policies, could deal impartial justice to all its policy-holders. The discussion of this question lies outside the scope of this paper. It is pointed out, however, that another recommendation of the Commission, if it becomes law, will probably have the effect of forcing all companies which have a deferred dividend business on their books to adopt the new valuation method. This is the requirement that the tontine surplus is to be apportioned to each year of issue and treated as a liability. If this becomes law it will probably be necessary for a company, which holds to the rigid net premium method, to show considerable deficits for the policies recently issued. This is a thing which companies may not care to do and they will probably prefer to go themselves under the cloud which in that event will become general and so lose its objectionable character.

It has just been stated that the deductions are constant for all plans of assurance other than term policies. The Royal Commission proposes to limit the application of the method to policies subject to a net premium equal to or greater than the whole life net premium. This will result, as Mr. Fackler has suggested, in the holding of a higher reserve on a twenty year term than on a whole life policy—a manifest absurdity. As a matter of fact, the adjustment of the term assurance net premiums presents no difficulty.

The Canadian method, though making a considerable allowance for new business, does not materially increase the total loading of the company. The adjustment made on the net premium has the effect of increasing the loading for policies in the first year and of decreasing the loading for assurances more than one year and less than five years in force. This fact should be remembered in preparing a Gain and Loss Exhibit.

Mr. Ferguson's comparison of the Canadian Method with the Select and Ultimate and the Preliminary Term Methods will be summarized in a future issue of THE CHRONICLE.

### ANALYTIC RATING.

#### Principles and Application of Dean Schedule.

The Dean Schedule of analytic rating is likely soon to be applied in Chicago. It was adopted by the Board of Underwriters of that city, some months ago, but its application was postponed pending further consideration. Of late, strong pressure has been brought to bear upon the board, there being a general feeling that Chicago rating is exceedingly in need of revision. The companies themselves are pressing for uniformity in schedules, and it is probable that the local agents will not be able much longer to delay definite action.

Certain criticisms contained in the American Agency Bulletin have called forth another open letter in defence of the Dean Schedule. The following extracts from this letter give, from the standpoint of an evidently ardent exponent, a general ideal of the construction of this schedule now widely used in the Western States:—

The transaction of fire insurance as an industry rests upon the assumption that there is a theoretical average of hazard in every class of risks. But what is a risk but a compound made up of contributing parts? In rating risks as such, we analyze these parts and make a charge which seems commensurate for each part that we can identify. The sum of these charges makes up the rate of each risk as a whole. It is the assembling of these charges that constitutes the work of tariff rating.

#### LOOKING AT THE PROBLEM IN A NEW LIGHT.

To state as an a priori assumption that fire hazard is made up of related parts is a very different thing, however, from the task of establishing these parts, which requires long and careful observation and comparison, careful analysis, classification, experimentation, etc. All these things require time and study, and the final outcome is to be regarded more as a growth than a creation. The important point is that the principle of relativity requires us to regard the problem in a new light, to study it from new standpoints, and promises as the result of this study an organic structure with life and possible growth, in lieu of the rock piles that have been thrown together in past schedules.

A widespread misconception also seems to exist in the belief that a really scientific basis schedule can never be constructed until we have accumulated the data from the combined statistics of our classified experience. On the contrary, the establishment of our coexistent relations, i. e., rate estimates, on a basis of logical and permanent relativity, is a condition precedent to the keeping of reliable classifications of our annual experience. In other words, logical estimates which maintain a permanent relativity are the raw material out of which, from year to year, we can through classification raise or lower our selling prices with intelligence. The reason for this is plain and inexorable. In constructing a tariff we are compelled to deal with parts of risks, and parts of risks are, and probably always will be, ignored in our classified statistics of annual experience. We do not keep a record of our annual experience with deficient walls, vertical openings, wooden cornices, area, flues, etc., because these things are not amenable to statistical treatment. We know that each of these parts constitutes a recognized factor in the hazard of risks as wholes, and rightly assume that each factor is as amenable to average as the risk-

units themselves, but we cannot in the nature of things observe or determine their relative contribution to the total as manifested in the risk-units. We can establish charges for them by observation, comparison, conference, and a reasonable consensus. We know that a charge for a given factor that is unreasonably large will not hold against competition. We know that if unreasonably small, experience or common sense will soon right it. In fine, we establish these charges by our best collective judgment, under the well-known mathematical principle known as the law of error.

#### UNCHANGING BODY OF RELATIONS.

Nothing is to be gained from concealing or denying this necessity, nor does the fact militate against the scientific nature of estimates so established, for other and most useful sciences are hedged about by similar necessity, as is admitted by every mathematical authority. In this very limitation, however, lies the objection to tariffs which permit an unrestrained license in establishing these charges to meet the whims of persons or localities. Admitting the absence of statistical data for the establishment of charges does not change the fact that there is an unchanging body of relations to establish and maintain, and that this involves a task worthy of our best underwriting thought.

But our theoretical averages have to do with unknown periods of time. Could our relations once established be left alone, as representing the theoretical averages known to exist, there would be no trouble, for they would soon gravitate to a level acceptable to all concerned and stay there, as they do stay in countries where the fluctuations in annual experience are negligible, but on the American continent our experience comes in waves of unknown height, depth and length, and our selling prices must be changed from time to time if we would avoid shipwreck. The exercise of this expedient in the past has destroyed pre-existing relativity; and it is precisely this exigency that has been met so successfully by the Analytic System, and that never could have been met by rating systems based upon fixed charges. The Analytic System stands alone in this vital aspect of the rating problem. No matter how extensively or how often it may be necessary to resort to the expedient of changing our selling prices, it enables us to make these changes promptly and intelligently without wholesale destruction of our mathematical bearings.

#### NEW ANALYSIS.

While relativity may be called the cardinal principle of the Analytic System, it is far from being the only new principle it embodies. From beginning to end it may be regarded as a new analysis of fire hazard. It recognizes that the real body of hazard exists in occupancy and exposure rather than in structure, which in other rating systems has been the object of chief solicitude. It is its treatment of these two hitherto neglected features of hazard that justifies its title, "Analytic."

#### GRADED BASIS RATE.

Again, the system gives us a definition of the term basis rate, that mysterious something we have used, or perhaps more properly misused, for generations without an attempt to determine its significance. In its definition as "the residue of unanalyzed hazard" we

## Abstract of Fire Insurance in Canada for the Year 1906

From the Preliminary Report of the Superintendent of Insurance.

	Net cash received for Premiums.	Re-insurance, and return for Premiums.	Gross cash received for Premiums.	Gross amount of policies new and renewed.	Net amount at risk at date.	Net amount of losses incurred during the year.	Net amount paid for losses.	Rate of losses paid per cent of premiums received.	The same for 1905.
<b>Canadian Companies.</b>									
	\$	\$	\$	\$	\$	\$	\$		
Acadia.....	76,859	8,807	85,666	6,692,279	6,890,787	22,251	18,307	23.82	14.01
Anglo-American.....	264,515	200,990	465,505	30,378,426	28,131,532	145,975	137,123	51.84	50.16
British America.....	513,127	274,588	787,715	50,181,812	57,921,863	276,557	266,930	52.02	51.53
Canadian.....	241,438	78,606	320,044	20,073,072	20,431,293	105,825	102,785	42.57	34.96
Equity.....	199,876	98,824	298,700	19,688,649	18,146,768	93,991	95,326	46.19	52.49
London Mutual.....	426,825	316,215	743,040	43,884,991	67,738,815	261,202	254,564	59.64	56.52
Manitoba.....	125,293	180,602	305,895	18,561,289	14,125,661	61,573	53,808	42.95	35.31
Mercantile.....	121,277	15,187	136,464	9,530,273	13,237,032	28,395	26,928	22.20	28.17
Montreal-Canada.....	344,335	152,404	496,739	26,224,535	31,871,752	193,446	185,691	53.93	50.23
Nova Scotia.....	35,481	16,751	52,232	3,666,665	3,866,987	9,217	10,770	30.35	24.34
Ottawa.....	187,662	83,869	271,531	17,096,397	17,070,513	92,305	104,826	55.86	49.50
Quebec.....	124,079	18,389	142,468	10,624,832	13,721,355	68,574	73,089	58.90	35.12
Richmond and Drummond.....	35,641	27,874	63,515	3,994,461	2,076,808	5,911	4,774	13.40	.....
Sovereign Fire.....	27,560	11,454	39,014	2,931,280	1,917,039	1,018	514	1.87	.....
Western.....	469,502	333,544	803,046	57,605,090	57,840,550	267,401	242,939	51.74	43.74
<b>Totals for 1906.....</b>	<b>3,193,470</b>	<b>1,818,104</b>	<b>5,011,574</b>	<b>321,134,045</b>	<b>354,988,755</b>	<b>1,633,641</b>	<b>1,575,374</b>	<b>49.33</b>	<b>46.42</b>
<b>Totals for 1905.....</b>	<b>3,013,714</b>	<b>1,684,564</b>	<b>4,698,278</b>	<b>301,816,272</b>	<b>328,340,100</b>	<b>1,468,076</b>	<b>1,399,065</b>	<b>.....</b>	<b>.....</b>
<b>British Companies.</b>									
Alliance.....	140,736	25,969	166,705	14,951,179	21,395,932	50,547	53,809	38.23	57.08
Atlas.....	397,120	49,814	446,934	28,437,683	39,575,995	192,065	185,521	46.72	57.67
Caledonian.....	312,942	51,396	364,338	26,023,601	34,531,748	134,590	127,114	40.62	50.48
Commercial Union.....	548,442	104,193	652,635	42,408,454	53,001,404	207,243	202,418	36.91	41.37
Guardian.....	603,595	96,230	699,825	44,150,722	53,103,438	276,469	280,528	46.48	51.30
Law Union & Crown.....	125,833	25,066	150,899	10,198,271	12,222,415	53,116	49,790	39.57	21.66
Liverpool & London & Globe.....	1,139,347	219,049	1,358,396	89,999,350	105,885,900	554,636	533,162	46.80	39.67
London & Lancashire.....	369,001	56,147	425,148	29,869,650	35,144,202	141,208	131,795	35.81	40.90
London Assurance.....	143,193	48,915	192,108	13,663,073	16,729,757	49,435	49,021	34.23	40.43
North British.....	697,011	98,206	795,217	55,485,763	74,341,100	338,505	319,625	45.86	41.49
Northern.....	488,041	56,536	544,577	45,075,384	45,931,799	212,849	213,028	43.65	46.57
Norwich Union.....	534,410	75,980	610,390	38,877,062	48,723,347	240,504	247,127	46.24	43.74
Phoenix of London.....	859,755	190,957	1,050,712	63,232,719	80,094,134	390,207	357,723	41.61	34.56
Royal.....	1,157,449	217,132	1,374,581	97,494,679	125,141,322	616,258	554,056	47.87	39.98
Scottish Union & National.....	274,780	41,041	315,821	20,665,943	27,339,403	84,110	85,357	31.06	36.16
Sun.....	351,305	52,225	403,530	25,777,908	32,817,238	166,959	168,456	47.95	48.07
Union.....	459,600	107,289	566,889	35,986,704	49,165,111	286,002	271,233	59.09	39.94
<b>Totals for 1906.....</b>	<b>8,601,960</b>	<b>1,515,245</b>	<b>10,117,205</b>	<b>672,298,145</b>	<b>855,144,245</b>	<b>3,994,703</b>	<b>3,829,763</b>	<b>44.53</b>	<b>42.35</b>
<b>Totals for 1905.....</b>	<b>8,582,925</b>	<b>1,741,965</b>	<b>10,323,990</b>	<b>649,566,539</b>	<b>785,219,445</b>	<b>3,695,509</b>	<b>3,634,706</b>	<b>.....</b>	<b>.....</b>
<b>American Companies.</b>									
Ætna.....	234,767	34,640	269,407	17,645,970	23,110,954	75,869	76,726	32.68	37.33
Connecticut.....	124,172	16,251	140,423	7,965,278	9,044,679	37,983	30,564	24.61	19.53
German-American.....	160,258	3,887	194,145	12,250,646	11,078,412	50,596	48,148	30.04	24.95
Hartford.....	606,054	84,562	690,616	42,978,130	45,847,662	260,034	239,367	39.56	33.92
Home.....	345,343	52,959	398,302	25,211,219	25,288,989	133,037	132,325	38.32	48.41
Insurance Co. of North America.....	299,159	46,033	345,492	23,980,069	27,379,342	127,902	129,496	43.24	28.38
Lumber Ins. Co. of New York.....	39,185	.....	39,185	1,778,570	1,753,051	39,105	39,105	99.80	.....
Phenix of Brooklyn.....	296,444	40,846	337,290	20,319,309	21,187,005	96,004	108,411	36.57	35.60
Phenix of Hartford.....	180,034	60,231	240,265	15,614,309	17,073,823	56,764	63,736	35.40	44.05
Queen, of America.....	575,739	109,440	685,179	41,606,204	50,546,614	283,421	272,219	47.28	37.09
Rochester German.....	55,145	11,042	66,187	4,263,384	2,176,404	16,034	12,820	23.25	.....
<b>Totals for 1906.....</b>	<b>2,916,600</b>	<b>489,891</b>	<b>3,406,491</b>	<b>213,613,168</b>	<b>234,206,935</b>	<b>1,176,749</b>	<b>1,152,917</b>	<b>39.53</b>	<b>35.95</b>
<b>Totals for 1905.....</b>	<b>2,689,032</b>	<b>468,990</b>	<b>3,158,022</b>	<b>188,712,561</b>	<b>204,586,950</b>	<b>1,022,027</b>	<b>966,748</b>	<b>.....</b>	<b>.....</b>
<b>Recapitulation.</b>									
Canadian Companies.....	3,193,470	1,818,104	5,011,574	321,134,045	354,988,755	1,633,641	1,575,374	49.33	46.42
British Companies.....	8,601,960	1,515,245	10,117,205	672,298,145	855,144,245	3,994,703	3,829,763	44.53	42.35
American Companies.....	2,916,600	489,891	3,406,491	213,613,168	234,206,935	1,176,749	1,152,917	39.53	35.95
<b>Totals for 1906.....</b>	<b>14,712,030</b>	<b>3,823,240</b>	<b>18,535,270</b>	<b>1,207,045,358</b>	<b>1,444,339,935</b>	<b>6,805,093</b>	<b>6,558,054</b>	<b>44.58</b>	<b>42.00</b>
<b>Totals for 1905.....</b>	<b>14,285,671</b>	<b>3,894,619</b>	<b>18,180,290</b>	<b>1,140,095,372</b>	<b>1,318,146,495</b>	<b>6,185,612</b>	<b>6,000,519</b>	<b>.....</b>	<b>.....</b>

find for the first time a definite idea for this important part of every rate estimate.

If we are to regard the term basis rate as standing for the residue of unanalyzed hazard, it seems logical to assume that there must be more unanalyzed hazard in a risk without municipal protection than in a like risk with protection; also, that there is more unanalyzed hazard in a large-area skyscraper than in a one-story building of small area under like protection. Hence if the term basis rate is to stand as our concept for unanalyzed hazard, we must recognize the fact that we have to do, not with one but with a series of basis rates conforming to dimensions and protection. In other words, the rating problem may be regarded as a sort of floating equation in which there are no known quantities and only one thing that may be regarded as constant, i. e. relativity; but as it is relativity we are seeking to establish, it is allowable to assume a fixed symbol, arithmetical or algebraic, around which to assemble the several factors in an established relativity which shall stand for the *x* or unknown quantity of our equation. The endowment of one factor with fixity as a mathematical necessity falls inevitably upon the basis rate, because it is the only factor that appears in every risk.

It is proper here to forestall the criticism that basis rates so graded embody more or less analyzed hazard. This is true, but it is equally true that municipal protection rests upon a classification separate and distinct from the tariff itself, in conformity with the scientific datum that classification is allowable in as many ways as we may need classified information. It is also evident that protection reduces the hazard of each of the analyzed charges as much as it reduces the hazard of the basis rate itself, and had the charges been stated in fixed amounts as in other schedules, in order to preserve a proper relativity, it would have been necessary to grade each and every one of the numerous charges as minutely as the basis is graded; but as each charge is a percentage ratio of the basis rate, it automatically preserves its relativity without this formidable necessity. The same result is reached because each charge as a ratio adjusts itself.

In view of this explanation it will be seen what a different thing our conception of the basis rate becomes, under a clear working definition, from the 25 cent "starting point" of the Universal Schedule—a something charged for a standard that lacks the first requisite of every standard, i. e., unchangeableness.

#### SYSTEM FOR MEASURING RELATIVITY.

In the Analytic System the several tables of basis rates, like the other charges, are simply ratios which having a distinct function to perform, are stated as fixed amounts. The entire system is a system for measuring relativity pure and simple. The work of tariff construction is regarded as a task in establishing permanent coexistent relations. Under its workings we may, if we wish, regard the estimates in our local tariffs as simply embodying the relative hazard of each risk as compared with every other risk. For this reason local tariffs are not called rates, but "Estimates of Relative Hazard." We may, if we wish, treat these estimates as permanent standards, to be changed only for actual changes in physical hazard as they occur in specific risks. From these standards we may, if we wish, establish our future selling prices from time to time by percentages, or, if we prefer, we can refigure new estimates upon a higher or lower basis.

(To be continued).

#### MAY BANK STATEMENT: CANADIAN POSITION ABROAD.

The matter of Canadian banking balances abroad was dealt with somewhat fully in THE CHRONICLE of June 7th. As there pointed out, any reduction in the obligation due to agencies and banks in the United Kingdom could not very well appear before the effects of navigation had time to manifest themselves. As might be expected, therefore, it is not until in the May statement that such reduction is to be found—a reduction amounting to \$1,685,966. Taken with an increase of \$343,037 in the balances due in Britain to Canadian banks, there is altogether a lessening of \$2,029,003 in the net amount due by the latter to the former—this net amount on May 31st being \$5,453,295 in place of \$7,482,298 as at April 30th. As in the case of the April statement, one institution—the Bank of Montreal—accounts for the bulk of the balances due by the British banks. In the May statement, it contributes \$4,062,704 to a total of \$6,687,246 of balance due from the United Kingdom; while it continues to show no entry in the column of balances due to British banks. This large credit balance, is, however, slightly less (by \$152,401) than its showing of a month earlier, so that the other banks may be considered to have improved their balances due the United Kingdom to the extent of \$2,181,404—instead of \$2,029,003—having reduced their net indebtedness by that amount. If there is also consideration given to the circumstance that the Sovereign Bank increased its British indebtedness from \$1,195,453 at April 30th to \$1,648,788 at May 31st, it appears that the other Canadian banks lessened their balance due to agencies and other banks in the old land to the extent of \$2,634,739. In passing it may be said that the rearrangement by the Sovereign Bank's new management considerably affects several columns of the May general statement.

Turning now to the balances to and from branches and other banks abroad, elsewhere than in the United Kingdom, it is seen that the month has brought decreases in the total net balance due to Canada—a decrease that more than offsets the lessening of indebtedness to the United Kingdom. Consequently, the resultant net balance with all agencies and banks abroad—as shown in detail below—is \$4,112,149 at May 31st as compared with \$5,884,359 at April 30th, a decrease of \$1,772,210.

	31st May.	30th April.	Inc or Dec.
<b>UNITED KINGDOM.</b>			
Due to agencies and other			
banks in U. K. ....	\$12,140,541	\$13,826,507	d \$1,685,966
"    "    " U. K. ....	6,687,246	6,344,209	i 343,037
Net amt. due to U. K. ...	\$5,453,295	\$7,482,298	d \$2,029,003
<b>ELSEWHERE.</b>			
Due by agencies and other			
banks elsewhere. ....	\$15,275,204	\$17,789,661	d \$2,514,397
"    "    "    "    "	5,709,760	4,422,944	i 1,286,816
Net amt. due by elsewhere	\$9,565,444	\$13,366,657	d \$3,801,213
Subtract net due to U. K.	5,453,295	7,482,298	d 2,029,003
Net foreign balance. ....	\$4,112,149	\$5,884,359	d \$1,772,210

If foreign balances, elsewhere than in United Kingdom, be omitted for the two banks previously referred to, the general showing of the remaining banks as to "elsewhere" balance gives a decrease of only \$1,042,006—so that their net balance abroad would be increased by \$1,591,823 for the month.



Statistical Abstract for Month Ending May 31st, 1907, of the Chartered Banks of Canada.  
Comparison of Principal Items, showing Increase or Decrease for the Month and for the Year.

Assets.	May 31, 1907.	April 30, 1907	May 31, 1906	Increase or Decrease for month.	Increase or Decrease for year.
Specie and Dominion Notes.....	\$69,265,729	\$67,990,758	\$60,526,859	Inc. \$1,274,971	Inc. \$8,738,870
Notes of and Cheques on other Banks.....	30,649,668	28,886,575	24,337,655	Inc. 1,763,093	Inc. 6,312,013
Deposit to Secure Note Issues.....	3,681,208	3,667,208	3,460,334	Inc. 14,000	Inc. 20,874
Loans to other Banks in Canada secured.....	2,060,195	2,311,775	890,711	Dec. 251,580	Inc. 1,169,484
Deposits with and due from other Bks. in Canada.....	8,315,930	8,346,017	648,415	Dec. 30,087	Inc. 7,667,515
Due from Banks, etc., in United Kingdom.....	6,687,240	6,344,209	4,674,027	Inc. 343,037	Inc. 2,013,219
Due from Banks, etc., elsewhere.....	15,275,204	17,789,601	17,607,404	Dec. 2,514,397	Dec. 2,332,200
Government Securities.....	10,140,107	10,128,546	8,926,769	Inc. 11,561	Inc. 1,213,338
Canadian Municipal and other Securities.....	21,677,774	21,482,931	27,488,619	Inc. 194,793	Inc. 1,189,105
Railway and other Bonds and Stocks.....	40,915,499	40,666,321	40,568,883	Inc. 249,175	Inc. 346,616
Total Securities held.....	72,733,330	72,277,801	69,984,271	Inc. 455,529	Inc. 2,749,059
Call Loans in Canada.....	49,886,386	50,357,166	53,129,606	Dec. 470,880	Dec. 3,243,220
Call Loans outside Canada.....	52,281,678	48,430,477	55,886,119	Inc. 3,851,201	Dec. 3,604,441
Total Call and Short Loans.....	102,168,064	98,787,743	109,015,725	Inc. 3,380,321	Dec. 6,847,661
Current Loans and Discounts in Canada.....	584,707,830	586,149,738	493,505,634	Dec. 1,141,908	Inc. 91,202,196
Current Loans and Discounts outside Canada.....	25,412,267	28,993,174	33,585,615	Dec. 3,580,907	Dec. 8,173,348
Total Current Loans and Discounts.....	610,120,097	615,142,912	527,091,249	Dec. 5,022,815	Inc. 83,028,848
Aggregate of Loans to Public.....	712,288,161	713,930,655	636,106,974	Dec. 1,642,494	Inc. 76,181,187
Loans to Dominion and Provincial Governments.....	1,645,915	1,400,322	1,520,110	Inc. 245,503	Inc. 125,895
Overdue Debts.....	3,312,495	3,733,008	1,468,127	Dec. 420,513	Inc. 1,844,368
Bank Premises.....	15,778,215	15,698,461	12,393,966	Inc. 79,754	Inc. 3,384,249
Other Real Estate and Mortgages.....	1,224,697	1,227,987	1,287,775	Dec. 3,290	Dec. 93,078
Other Assets.....	8,151,742	7,506,996	7,569,796	Inc. 644,746	Inc. 581,946
TOTAL ASSETS.....	951,069,950	951,053,557	848,476,612	Inc. 16,393	Inc. 102,593,338
<b>Liabilities.</b>					
Notes in Circulation.....	70,741,113	72,840,909	63,295,054	Dec. 2,099,796	Inc. 7,446,059
Due to Dominion Government.....	5,889,864	7,478,070	5,968,827	Dec. 1,588,267	Dec. 78,963
Due to Provincial Governments.....	11,098,728	10,713,781	6,554,660	Inc. 384,940	Inc. 4,544,068
Deposits in Canada payable on demand.....	172,065,976	167,217,947	154,983,952	Inc. 4,848,029	Inc. 17,032,024
Deposits in Canada payable after notice.....	415,470,948	407,370,491	377,608,583	Inc. 8,106,457	Inc. 37,868,365
Total Deposits of the Public in Canada.....	587,542,924	574,588,438	532,592,535	Inc. 12,954,480	Inc. 54,950,389
Deposits elsewhere than in Canada.....	58,484,660	64,810,757	46,284,312	Dec. 6,346,097	Inc. 12,210,348
Total Deposits.....	646,027,584	639,419,195	578,876,847	Inc. 6,608,389	Inc. 67,150,737
Loans from other Banks in Canada.....	2,053,494	2,331,408	890,510	Dec. 277,914	Inc. 1,162,984
Deposits by other Banks in Canada.....	6,463,247	6,677,411	4,221,917	Dec. 214,164	Inc. 2,241,330
Due to Banks and Agencies in United Kingdom.....	12,140,541	13,826,507	6,146,711	Dec. 1,685,966	Inc. 5,593,830
Due to Banks and Agencies elsewhere.....	5,709,560	4,422,944	2,759,108	Inc. 1,280,816	Inc. 2,950,652
Other Liabilities.....	17,160,877	16,104,016	17,177,969	Inc. 966,861	Dec. 17,092
TOTAL LIABILITIES.....	777,285,285	773,904,327	686,813,961	Inc. 3,380,958	Inc. 90,471,324
<b>Capital, etc.</b>					
Capital paid up.....	96,167,889	96,042,847	90,006,340	Inc. 125,042	Inc. 6,161,549
Reserve Fund.....	69,412,774	69,988,077	63,295,54	Dec. 575,303	Inc. 6,116,820
Liabilities of Directors and their firms.....	11,474,759	11,394,099	9,230,405	Dec. 78,660	Inc. 2,242,354

The net investment showing abroad, as summarized below for all the banks, affords interesting study.

ABROAD.	May 31.	April 30.	Inc. or Dec.
Net bank bal.....	\$ 4,112,149	\$ 5,884,359	d\$1,772,210
Call loans.....	52,281,678	48,430,477	i 3,851,201
Current.....	25,412,267	28,933,174	d 3,520,907
Deduct deposits.....	\$81,806,094	\$83,248,010	d\$1,441,916
	58,484,660	64,830,757	d 6,346,097
Net invest. abroad.....	\$23,321,434	\$18,417,253	i \$4,904,181

The remarkable increase in call and short loans abroad, with the practically corresponding lessening in time loans, indicates a decided process of conversion into resources that are quickly available. Aside from the decrease in bank balances abroad (really a general increase if two banks be omitted) and from the \$6,346,097 decrease in deposits (\$6,279,797 of which also it due to one bank individually) the general foreign showing is perceptibly modified only in the decided changing of current to call loans.

There follows a comparison of the foreign position

at May 31st this year, with that of 1906 and of 1905.

ABROAD.	May 31st 1907.	May 31st 1906.	May 31st 1905.
Net bank bal.....	\$ 4,112,149	\$13,375,612	\$19,780,275
Call loans.....	52,281,678	55,886,119	40,285,811
Current loans.....	25,412,267	33,585,615	23,128,257
Deduct deposits.....	\$81,806,094	\$102,847,346	\$83,194,343
	58,484,660	46,284,312	43,138,066
Net invest. abroad.....	\$23,321,434	\$56,563,334	\$40,056,277

Owing to the great industrial development of Canada, home demands have drawn insistently upon funds formerly held abroad.

The month's reduction in loans made in Canada—\$470,880 in call and \$1,441,908 in current—is to be considered in connection with the readjustment in Sovereign Bank assets; the decreases for that institution alone being \$638,361 in call, and \$2,005,360 in current loans. It can scarcely be said therefore that the banks, though undoubtedly exercising increasing caution, are withdrawing their loans from the support of legitimate Canadian enterprise.

**DOMINION IRON AND STEEL COMPANY LIMITED.****Report for the year ending 31st May, 1907.**

The directors of the Dominion Iron & Steel Company have issued their report for the year ending 31st May, 1907, which will be submitted to the shareholders at the annual meeting on the 5th July. Accompanying the report is a statement of the facts in connection with the company's suit against the Dominion Coal Company. The report is looked upon as satisfactory and the balance sheet of the company is given in full below. At the outset of the report it is explained that for convenience and regularity, operation has been charged with the contract price for coal of \$1.28 per ton and the excess cost charged against the Dominion Coal Company in a special account. This excess cost to the date of the report amounted to \$810,713.72, of which amount some \$500,000 was paid to the Dominion Coal Company, and the balance is the extra cost of coal bought elsewhere. Taking this basis of cost the earnings for the year were \$2,247,536.45 the interest charges \$684,384.84 leaving net earnings of \$1,563,151.61. There was transferred to contingent account \$810,713.72 against the amount charged to the Dominion Coal Company; to sinking fund for 1st mortgage bonds \$64,612.49; and the balance covered the deficit carried in Profit and Loss from previous years of \$309,113.99 and permitted the carrying forward of \$318,711.41 to the credit of Profit and Loss. The report states that the aggregate earnings from November to the end of February show a decrease of about \$250,000, as compared with the average of the previous months of 1906, due to the disturbance and partial stoppage of operations through the interruption in the coal supply. The policy of carrying a reserve stock of pig iron and billets is responsible for an increase of \$447,863.92 in liquid assets. It is pointed out that, while current liabilities are somewhat higher, the net indebtedness of the company is \$192,221.10 less than a year ago. During the year \$306,355.57 was expended on Capital Account; the main items being for the Bessemer plant and the extension and equipment of the coke ovens, etc. An interesting item of the report is the reference to the company's endeavours looking towards the procuring of an independent coal supply. It is stated that it has secured options on several properties and prospecting is now going on. Altogether, in view of the special hindrances to the company's progress this year, the report shows improvement all along the line.

**BALANCE SHEET AT 31ST MAY, 1907.**

ASSETS.		
Property and construction.....		\$35,810,664
Cash, accounts receivable, etc.....	\$ 1,318,358	
Raw materials.....	337,436	
Manufactured products.....	545,692	
Warehouse materials.....	257,312	
Materials in process.....	528,118	
Taxes and insurance paid in ad vance	11,246	
	2,998,164	
Special deposits at Montreal.....	42,964	3,941,129
Dominion Coal Co., Ltd., excess cost of coal to date.....		810,713
		\$39,662,507

**LIABILITIES.**

First mortgage bonds.....	\$ 7,674,000	
Second mortgage bonds.....	1,968,000	
Cage Breton real estate bonds.....	45,833	9,687,833
Interest accrued on first mortgage bonds.....	159,875	
Interest accrued on second mortgage bonds.....	19,680	179,555
Bills payable.....	3,016,487	
Accounts payable.....	417,699	3,428,186
Sinking fund, first mortgage bond.	60,775	
Refining and replacement fund...	174,850	235,634
Suspense accounts.....		1,872
Contingent amount reserved in respect of claim against Dominion Coal Company per contra.....		810,713
Profit and loss account.....		318,711
<b>CAPITAL ACCOUNT.</b>		
Common stock.....	20,003,000	
Preferred stock.....	5,000,000	25,000,000
		\$39,662,507

**CONFESSES TO FORGING A DEATH CLAIM.**

Joseph E. Costin, insurance agent, Montreal, appeared before Judge Choquet, on the 26th instant charged with obtaining \$3,000 from the Mutual Life Assurance Company of Canada by false pretences. Costin pleaded guilty to the charge, and was remanded until July 2nd. Mr. G. H. Allen, local manager of the Company at Montreal, informs us that the accused agent represented the Mutual Life for the past five years in this city, and that in March 1905 he presented an application for insuring the life of a Mr. Feauteau for \$3,000. The policy was duly issued, and two premiums appear to have been paid. Last fall Costin announced the death of Feauteau and presented all the necessary claim papers including doctors' and burial certificates, etc., all of which Costin has since confessed to Mr. Allen, in presence of witnesses, to have been forged. A cheque for the amount of policy payable to Feauteau's brother, was in due course forwarded by the Head office to the Montreal branch, which was handed to Costin at his own request to be delivered by him to the payee. According to Costin's confession, however, he forged Feauteau's signature, and deposited cheque in the Quebec bank to his own credit. Suspicion appears to have been first attracted to the accused, when he presented a second claim on the life of A. Hetu who had been insured with the Company for \$5,000. This claim was presented about two months ago in regular form, claim papers, etc. all in order. The similarity however in handwriting on papers immediately aroused suspicion, causing an investigation, followed by Costin's arrest.

Mr. E. F. HEBDEN, general manager of the Merchants Bank of Canada, sailed last week for England, where he will spend a well earned holiday, returning to Montreal in six weeks.

MR. ROBERT BUCKERDIKE, M.P., manager at Montreal of the Western Assurance Company, is visiting the Head Office, Toronto,

**Prominent Topics**

**Montreal's Water Supply.** The city of Montreal is about to spend \$2,000,000 in extending and developing its water supply. The extension is an urgent necessity and amply justifies the expenditure. It is important however for the city to take care that the means will actually accomplish the end in view; and it is also desirable that whatever is done now shall be of permanent service, and with this idea in view that the work now undertaken should be regarded as part of a more comprehensive future scheme. The idea at present seems to be to extend the intake far out into the river St. Lawrence. Exactly what the effect of this will be, we doubt if anybody knows, for the eccentricities of the St. Lawrence are unknown. The action of the current and of the ice may be predicted with something like accuracy; but all those who have had practical experience of hydraulic engineering on the St. Lawrence, know that there is another factor to be reckoned with—the frasil. Exactly what the frasil may do in any winter is matter for much guess work. Beyond the fact that it is bound to give trouble sooner or later, little can be said with certainty. It may so behave as to place the whole water supply of Montreal in danger. The whole problem is a much more difficult one than is realized by those critics who only see that there is enough water flowing past the city of Montreal to supply a good many cities of its size. Many people will be satisfied with nothing short of bringing the water from the Laurentians. What this would involve in the way of expenditure nobody knows. That it would be enormous seems obvious. No sensible man will begrudge the spending of a couple of millions on the water supply provided always the city is going to get something besides experience for its money. The question of improving the quality of the supply, is not quite the same as the question of increasing the quantity. The experience of other cities seems to show that scientific filtration is the best practical solution of the problem of obtaining a pure water supply for a big city. This is a matter of vital importance requiring most careful consideration. If, for instance, an aqueduct be constructed capable of supplying 50,000,000 gallons per diem, it may be that a much larger quantity may be requisite in the very near future. Montreal is just commencing her great growth now.

**The Business Outlook.** Mr. Frank A. Vanderlip, vice-president of the National City Bank of New York has been discussing the financial and industrial outlook before the Virginia Bankers' Association at Jamestown. He declares it to be the general opinion of well informed men that there are no indications of anything approaching to financial or commercial disaster; yet the signs point to an approaching period of restricted activities and smaller business totals. The extent of this depression will he thinks depend largely upon the attitude of the public mind with regard to it; and upon whether the public and their legislative representatives are wise and patient or hasty and inconsiderate. He says: "If the intricate problem of railway legislation is worked out in a spirit of fairness and intelligence, if the vastness of the problem is recognized, if the involved relationships encountered are taken into account and the far-reaching effects

of paternal regulations when applied to so great and complicated a network are reckoned with, and if an intelligent understanding of the complications will lead to a patient attitude toward results, then I believe we will resume the road on toward further prosperity."

He concludes: "But if we are to have legislation based upon political advantage, if we are to adopt socialistic theories, which will amount to the confiscation of property rights, if we are to have reprisal for past wrongs no matter how real, if action is the one thing wanted first, and the consideration of the intelligence and fairness of such action is to come afterward, then I believe it is possible that the whole business structure may be facing a danger, the proportion of which will be measured by the same vast figures as have been the totals that have marked the extent of our prosperity."

**Market Features in Europe.** Continued advice to the public to buy stocks on an investment basis has had but little effect upon the London market. Russian, French, Germans, Egyptian, and South Africa disturbances—political, financial, or both—contributed to a continuation of stagnation during last week.

In Paris itself, Russian news seemed to have been pretty well discounted and events in the wine districts of the South had less direct influence on public securities than might have been expected. The fall in copper, and the speculation crisis in Egypt were considered chief causes in the slump on the bourse a week ago. The imports of gold continued.

Berlin showed a firmer market tendency a week ago, but something resembling a panic struck the market on Friday in consequence of a belligerent article in the semi-official Cologne Gazette, regarding the Anglo-Franco-Spanish alliance. Saturday witnessed a recovery, however.

Monday was marked by a brightening up on the London stock exchange—consols improving as an effect of sinking fund purchases. A New York bank statement less unfavorable than expected, together with lessening of trouble in the South of France, contributed to the firmer tone of foreigners—as did also more favorable crop news. Still, while prices hardened perceptibly during the day and closed steady, the trading continued but dull throughout.

Tuesday found money in good demand and better supply in the London market; discounts were easy. The stock market continued to show slight improvement, aided by the announced postponement of the Irish and Transvaal loans and the resultant rise in consols. Foreigners and Kaffirs advanced some on Paris buying, while New York news and support continued the hardening of prices during the day.

Rates a shade harder, with money in good demand, and a more cheerful stock market tone characterized Wednesday.

**Stock brokers Out of Work.** The London stock brokers are doing so little business that they are being classed with the "unemployed."

Montrealers do not need to go so far as London to see similar cases of hardship. There are forty or fifty brokers on the Montreal Stock Exchange and the whole lot have not transacted enough business recently to keep one firm going.

There is little to chronicle beyond continued security market dullness—and that a new low record of daily stock sales has been established. Saturday, the continued outgo of gold on the present movement had amounted to about \$19,000,000—but it was accompanied by only a nominal advance in interest rates, and by but little further effect upon stocks. Apart from gold shipments, recent features have been financing by the Chesapeake & Ohio, Bethlehem Steel Corporation and St. Louis & San Francisco Railroad; reduction in the price of copper metal; dismissal of employes by many industrial and mercantile concerns; urgent liquidation by Paris upon the London Stock Exchange; open revolt in the south of France, and the threat of similar disturbances in Russia, along with uneasiness in Germany over the financing of mid-year disbursements. That such a combination of home and foreign influences did not further depress prices was considered by many as indicating that the bottom had at last been about reached.

A good deal of surprise was expressed that the weekly bank statement did not reflect the heavy week's export of \$6,750,000 gold; while loans which usually expand in June showed a heavy decrease, and deposits lessened by over six millions. The Saturday stock market experienced a slight though but temporary, recovery on account of the bank statement showing a much smaller decrease in reserves than was expected.

On Monday the announcement of further gold for Paris brought up the total on the recent movement to over \$21,000,000. Foreign rather than home news seemed to characterize the day. It was thought that the London settlement beginning Tuesday, would be attended by some strain upon New York, while German industrial and financial reports were not encouraging.

On Tuesday there was more stock market activity than for some days past—but, as usual of late, professional trading was the chief cause of price advances though probably aided by favorable crop reports. Discounts receded, although a further shipment of \$1,000,000 gold was engaged for London. The fear is expressed that the continued drain on bank reserves will considerably complicate the New York money situation in connection with the enormous disbursements of the banks for the semi-annual settlements.

The taking of quick profits by professionals in view of possible month-end contingencies was the chief feature of Wednesday's market, so that the preceding day's rise in prices was not maintained. The money market itself seemed unaffected by any coming stringency. Call money ruled at 3 p.c. with time loans strong and dull at 4 1-2 p.c. for 60 days; 4 1-2 to 4 3-4 p.c. for 90 days; and 5 1-2 p.c. for 6 months.

**Frightening Capital.** Sir Edgar Speyer when opening the Hampstead Tube Railway uttered a word of warning against the too prevalent talk about socialistic tendencies, which has for its principal effect the frightening away of capital from legitimate enterprises. He regards the fears as exaggerated and hardly warranted; but points out that there is a very narrow margin in business between fear and caution, and that capital is timid.

**The Imperial Government and the House of Lords.**

Sir Henry Campbell-Bannerman's government promises to be remembered chiefly for the revolutionary things it has not accomplished. The Premier himself is the first to recognise, at least in part, the inability of his resolution just passed by a vote of 432 to 147 expressing the opinion of the House of Commons that the powers of the House of Lords should practically be about the same as those of a Mock Parliament. Although the resolution has been passed by the Commons, he does not propose it shall be discussed by the Lords; and if a bill is ever to be framed on the subject, the government will exercise its discretion as to when it shall be introduced. The Premier's avowed object was to test the opinion of the House of Commons, a matter of no great consequence seeing that the House has no mandate from the country to deal with the subject; and which object was practically frustrated in advance by Sir Henry's announcement that the passing of the resolution would have no force in law. He might even pass a Home Rule bill if he would guarantee that it would have no force in law. The present British Government is bound to do something out of the common. It is to be earnestly hoped that its future accomplishments will be as harmless as the things it has already accomplished.

**Dominion Iron and Steel, and Dominion Coal.** The statement of the Dominion Iron and Steel Company has been received with satisfaction and the stock advanced three points on the strength of it. It is to be regretted, however, that the settlement with the Dominion Coal Company still hangs fire. That the dispute is susceptible of adjustment and that a settlement would be in the best interests of both companies seems to be the general opinion.

**The Atlantic and Lake Superior Railway.**

It is reported that the Atlantic and Lake Superior Railway running from Paspebiac to Metapedia has been sold by the London bondholders to the Atlantic Quebec and Western Railway for \$2,000,000. It is also announced that the line will be extended eastward to Gaspé Basin and westward to Edmundton, N.B., to connect with the Grand Trunk Pacific.

**Another Strike Looming Up.** Another big strike is threatened. This time it is the inside freight handlers of the Intercolonial Railway at Halifax who are threatening to go out, rather than accept an increase of a cent an hour in their wages. The fact that the employers are the Dominion Government will probably not make the men any the more reasonable in their demand.

**The "Empresses" and the Port of Montreal.**

Evidently the question of the C. P. R. steamships, the Empresses, coming to Montreal has been discussed. We have no doubt what the vessels will eventually wend their way to the port to which it will pay them best to come and that port will be Montreal. Passengers are already kicking up a fuss about the matter.

**Canadian Investments.** A well-known financial man recently remarked that it would pay Canadians far better to invest their money in home securities rather than go to foreign countries about which they know practically nothing. The prospectuses are beautifully served up and garnished, at least a good many of them, and then they have the speculative element in them, which assists in capturing the investor. There is plenty of room in Canada for all the money Canadians can invest.

### In The Financial Realm

ON THE BASIS OF NET earnings for the three months ending 31st May, we are informed that the earnings of the Porto Rico Railway Co., Ltd., for twelve months would amount to \$141,080, while the interest on present bond issue of \$2,300,000 is only \$115,000.

Only \$850,000 of the bond issue is represented in the present earnings, the balance being for developments which have not yet any earning power, consisting of the uncompleted water power development and the railway to Caguas now under construction. The net earnings are therefore nearly three and one-half times the amount required to pay interest on \$850,000 of bonds.

DIVIDENDS AND BOND INTEREST amounting to about \$8,000,000 will be paid out by Canadian concerns between July 2 and July 15.

The July dividend and interest disbursements this year in the United States will reach a grand total of \$182,881,849. This is \$18,573,678 greater than last year and eclipses the total of any previous July in history.

GROSS EARNINGS OF ALL RAILROADS reporting for May are as follows:

	May Gross earnings 1907.	Gain.	Per Cent.
U.S. roads.....	\$74,262,974	\$8,622,973	13.1
Canadian.....	6,889,000	1,314,000	24.2
Mexican.....	2,344,311	335,081	26.7
<b>Total.....</b>	<b>\$83,496,285</b>	<b>\$10,302,054</b>	<b>14.1</b>

THE CITY OF MONTREAL HAS BORROWED on its treasury bills or temporary bonds the sum of \$2,000,000 through the Bank of Montreal at the rate of 4-1/2 per cent. These are the usual temporary bonds issued in anticipation of revenue.

NET EARNINGS OF THE RAILROADS for the month of April showed a gain of \$8,882,437, according to figures compiled by the New York Financial Chronicle. The increase in gross for the month was \$27,021,029.

THE LONGSHOREMEN'S UNION has capped the climax, by refusing to accept the award of the Board of Conciliation and Arbitration which was generally regarded as being absolutely and entirely in their favor.

THE BANK OF NEW BRUNSWICK is about to open a branch at Halifax. This will be the bank's first branch in Nova Scotia.

THE BANK OF ENGLAND'S proportion of reserve to liabilities last week was 47.30 p.c., against 46.96 the preceding week, 46.90 June 5, and 46.82 May 30. The highest percentage thus far in 1907 was 50.29, in the week ending February 4; the lowest 33.50 on January 2.

The detailed statement compares as follows with the same week one and two years ago:

	1907	1906	1905
Bullion.....	£35,668,332	£37,173,152	£38,860,916
Reserve.....	25,298,000	26,668,037	28,388,701
Notes reserved.....	28,985,000	25,211,175	26,490,485
Prop. reserve to liabilit..	47 1/2 p. c.	49 p. c.	51 p. c.
Circulation.....	28,819,000	28,955,155	28,921,515
Public dep.....	10,821,700	11,526,252	13,761,711
Other dep.....	42,583,000	42,732,652	51,742,045
Government securities..	15,084,000	15,977,133	16,171,319
Other securities.....	30,048,000	29,543,325	28,718,723

For the first time since 1873 the Bank of England is closing June with a 4 p.c. minimum rate. The highest previous rate has been 3 1/2 p.c.; more often it has been but 2 p.c.

MONTREAL STREET RAILWAY total earnings for May were \$295,951, an increase of 12 p.c. over May 1906. Net earnings were \$125,456, an increase of 8.94 p.c. Surplus was \$75,823, showing an 11.6 p.c. advance. For the eight months since October 1st the total earnings, net earnings and surplus have been \$2,160,635, \$759,068 and \$425,239 respectively—showing gains of 13.82 p.c., 9.72 p.c. and .09 p.c. respectively.

[Financial Items continued on page 858.]

### Stock Exchange Notes

Trading was more active during the past week and the market showed some interesting features. Prices generally are higher than a week ago and a firmer tendency is indicated. It is not thought, however, that any pronounced advance will be seen while money conditions remain as at present. The break in Montreal Street, the recovery in Detroit Railway and the advance in Dominion Iron Common, all tended to develop a broader market and, with Toronto Railway, they were the active stocks.

C. P. R. shows an advance of 2 3/4 points and closed with 171 bid, but it was inactive and only 134 shares were traded in. The earnings for the third week of June show an increase of \$331,000. There was only one sale of Soo Common, 25 shares changing hands at par and the stock closed with 102 1/2 bid. Montreal Street Railway on sales of 493 shares sold down to 200, but had a good recovery to 205 1/2, and closed with 204 1/2 bid, a net loss of 3/4 point. The earnings of the Company show continuous improvement, those for the week ending 22nd inst. showing an average of over \$11,000 per day, while Saturday's earnings were over \$13,000. Toronto Railway closed with 100 3/4 bid, an advance of 3/4 of a point, and 967 shares were involved in the trading. Twin City shows an advance of 1 point and closed with 92 1/2 bid on sales of 130 shares. Detroit Railway sold up to 64 1/4 and closed with 63 7/8 bid, a gain of 1 1/2 points over last week's close, and 1,047 shares changed hands. Toledo Railway was traded in to the extent of 15 shares and closed with 25 1/2 bid, and there were no sales in Halifax tram which closed with 97 bid. Illinois Traction Preferred figured in the trading to the extent of 94 shares and closed with 82 1/2 bid, as compared with 83 1/2 a week ago.

R & O. declined to 63 and recovered to 64 5/8, on sales of 525 shares, a net decline of 3/8 point for the week. Mackay Common sales totalled 55 shares and the closing bid of 66 3/4 shows an advance of 1 1/4 points for the week. The Preferred closed unchanged from a week ago with 65 bid and 171 shares changed hands. Montreal Power was traded in to the extent of 335 shares and after selling down to 86 closed with 87 1/4 bid, an advance of 5/8 points over last week's quotation.

Dominion Iron Common was the most active security. After selling down to 18 there was a quick advance to 20 1-2 and the closing bid of 22 1-4 shows net advance of 3 3-8 points on sales of 2,960 shares. The Preferred closed with 50 bid as compared with 49 3-8 a week ago, but only 15 shares changed hands. The Bonds were stronger, and on sales of \$6,000 closed with 76 bid, an advance of 1 point.

Dominion Coal Common sales brought out 339 shares and the stock closed with 55 1-4 bid, a further decline of 2 points for the week. There were no transactions in the Preferred stock nor in the Bonds. Nova Scotia Steel Common also shows a loss of 2 points, closing with 67 bid on sales of 468 shares. There were no sales in the Preferred but \$2,000 of the Bonds changed hands at 111 3-4.

Lake of the Woods Common sales involved 90 shares, 25 at 74 3-8 and 35 at 74, and the stock closed offered at 75 with 73 1-2 bid. There were no sales of the Preferred but in the Bonds \$3,000 changed hands. Dominion Textile preferred closed with 87 bid and 62 shares were dealt in. The closing quotations for the Bonds were as follows:—Series A, B and C 88 bid, Series D no quotation. Canadian Colored Cotton closed with 49 bid and Montreal Cotton offered at 124, no bid.

There is no change in the local money market. Call loans continue at 6 per cent, with little new money coming out. The rate for call loans in New York to-day was 3 per cent, while the London rate was 3 1-2 per cent. The while the London rate was 3 1-2 per cent. The Bank of England rate is unchanged.

	Per cent.
Call money in Montreal	6
Call money in New York	3
Call money in London	3 1-2
Bank of England rate	4
Consols	84 7-16
Demand Sterling	9 5-8
60 days' sight Sterling	8 7-8

The quotations for money at Continental points are as follows:—

	Market	Bank
Paris	3 3-8	3 1-2
Berlin	4 3-4	5 1-2
Amsterdam	4 7-8	5
Brussels	4 3-4	5
Vienna	4 1-4	5

26th June, 1907.

**CLEARINGS FOR THE WEEK.**

MONTREAL BANK CLEARINGS for the week ending June 27th were \$29,272,923. For the corresponding weeks of 1906 and 1905 they were \$27,637,170 and \$24,159,838 respectively.

TORONTO CLEARINGS for the week ending June 27th were \$22,427,052. For the corresponding week of 1906 they were \$20,346,225.

**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 1905 and 1906, were as follows:

GRAND TRUNK RAILWAY.				
Year to date,	1905	1906.	1907.	Increase
May 31 . . . . .	\$14,032,791	\$15,350,733	\$17,210,596	\$1,859,863
Week ending,	1905.	1906.	1907.	Increase
June 7 . . . . .	684,533	774,726	854,859	80,133
14 . . . . .	713,519	808,783	907,376	98,593
21 . . . . .	732,708	818,126	883,825	65,699

CANADIAN PACIFIC RAILWAY.				
Year to date,	1905.	1906.	1907.	Increase
May 31 . . . . .	\$18,753,000	\$21,650,000	\$27,687,000	\$3,037,000
Week ending,	1905.	1906.	1907.	Increase.
June 7 . . . . .	972,000	1,237,000	1,551,000	317,000
14 . . . . .	992,000	1,199,000	1,542,000	343,000
21 . . . . .	1,022,000	1,288,000	1,619,000	331,000

CANADIAN NORTHERN RAILWAY.				
Year to date,	1905.	1906.	1907.	Increase.
June 30 . . . . .	\$3,871,800	\$5,563,100.		\$1,691,300
Week ending,	1905.	1906.	1907.	Increase.
June 7 . . . . .	82,400	134,300	208,100	73,800
14 . . . . .	84,800	138,900	224,300	85,400
21 . . . . .	89,900	144,700	202,300	67,600

DULUTH, SOUTH SHORE & ATLANTIC.				
Week ending,	1905.	1906.	1907.	Increase
June 7 . . . . .	53,392	62,164	69,516	7,352
14 . . . . .	54,924	63,944		

MONTREAL STREET RAILWAY.				
Year to date,	1905.	1906.	1907.	Increase
May 31 . . . . .	\$1,025,863	\$1,172,287	\$1,324,795	\$162,508
Week ending,	1905.	1906.	1907.	Increase
June 7 . . . . .	53,254	63,339	70,728	7,389
14 . . . . .	53,025	64,442	72,670	8,228
21 . . . . .	60,390	68,250	77,147	8,897

TORONTO STREET RAILWAY.				
Year to date,	1905.	1906.	1907.	Increase
May 31 . . . . .	\$1,016,446	\$1,160,041	\$1,290,655	\$130,614
Week ending,	1905.	1906.	1907.	Increase
June 7 . . . . .	50,884	59,106	62,882	3,776
14 . . . . .	51,614	54,036	65,233	6,197
21 . . . . .	54,294	57,660	68,601	10,941

TWIN CITY RAPID TRANSIT COMPANY.				
Year to date,	1905.	1906.	1907.	Increase
May 31 . . . . .	\$1,769,539	\$2,054,869	\$2,300,118	\$245,249
Week ending,	1905.	1906.	1907.	Increase
June 7 . . . . .	90,102	110,376	122,138	11,762
14 . . . . .	90,391	111,377		

HALIFAX ELECTRIC TRAMWAY CO., LTD. Railway Receipts.				
Week ending,	1905.	1906.	1907.	Increase
June 7 . . . . .	2,720	3,262	3,445	243
14 . . . . .	2,839	3,405	3,271	Dec. 134
21 . . . . .	3,046	3,915		

DETROIT UNITED RAILWAY.				
Week ending,	1905.	1906.	1907.	Increase
May 7 . . . . .	90,099	102,690	114,273	11,583
14 . . . . .	91,450	103,197	116,920	13,723
21 . . . . .	92,378	110,914	119,344	8,430
31 . . . . .	138,559	156,867	170,167	13,300

HAVANA ELECTRIC RAILWAY CO.				
Week ending,	1906.	1907.	Increase	
June 2 . . . . .	27,446	32,219	4,773	
9 . . . . .	29,511	35,000	5,489	

# Yorkshire Insurance Company of York, England

ESTABLISHED 1824

The Directors have decided to insure properties of every description in Canada at Tariff Rates, in accordance with the needs of the country, and are now prepared to receive

**Applications for Agencies from Leading Agents in all parts of the Dominion.**

The **LIMITS** are as large as those of the best British Companies. | The **FUNDS** of the Company will be invested in Canada by **LOANS** on Real Estate.

No loss was suffered by the "Yorkshire" through the serious fires in San Francisco and the Pacific Coast.

**Address P. M. WICKHAM, Manager, Montreal.**



## STOCK LIST Continued.

BONDS.	Latest Quotations.	Rate of Interest per annum.	Amount outstanding.	When Interest due.	Where interest payable	Date of Maturity.	REMARKS
Bell Telephone Co. ....	106½	5 %	\$2,000,000	1st Oct. 1st Apl.	Bk. of Montreal, Mtl..	April 1st, 1925	
Can. Colored Cotton Co...	95	6 %	2,000,000	2nd Apl. 2nd Oct.	" "	April 2nd, 1912	
Dominion Coal Co. ....	98	5 %	5,000,000	1st May 1st Nov.	" "	April 1st, 1940	Redeemable at 105 and Int. after May 1st, 1910
Dominion Cotton Co. ....	95	6 %	1,354,000	1st Jan. 1st July.	.....	Jany. 1st, 1916	
Dominion Iron Steel Co..	76	5 %	7,876,000	1st Jan. 1st July.	Bk. of Montreal, Mtl..	July 1st, 1929	
Havana Electric Railway.	90	5 %	8,061,046	1st Feb. 1st Aug.	52 Broadway, N. Y..	Feby. 1st, 1952	
Lake of the Woods Mill Co.	98	6 %	1,000,000	1st June 1st Dec.	Merchants Bank of Canada, Montreal..	June 1st, 1953	
Laurentide Paper Co. ...	..	6 %	1,200,000	2 Jan. 2 July.	Bk of Montreal, Mtl..	Jany. 2nd, 1920	
Mexican Electric Light Co.	77	5 %	6,000,000	1 Jan. 1 July.	" "	July 1st, 1935	
Mexican Light & Power Co.	81½	5 %	12,000,000	1 Feb. 1 Aug.	" "	Feby. 1st, 1933	
Montreal L. & Power Co..	102	4½%	7,500,000	1 Jan. 1 July	" "	Jany. 1st, 1932	Redeemable at 105 and Int. after 1912.
Montreal Street Ry. Co...	104	4½%	1,500,000	1 May 1 Nov.	" "	May 1st, 1922	
N. S. Steel & Coal Co....	110	6 %	2,500,000	1 Jan. 1 July.	Bk. of N. Scotia, Mtl. or Toronto.....	July 1st, 1931	
Ogilvie Milling Co. ....	120½	6 %	1,000,000	1 June 1 Dec.	Bk. of Montreal, Mtl..	July 1st, 1932	Redeemable 115 and Int. after 1912.
Price Bros.....	..	6 %	1,000,000	1 June 1 Dec.	.....	June 1st, 1925	Redeemable at 105 and Interest.
Sao Paulo.....	95	5 %	6,000,000	1 June 1 Dec.	C. B. of C., London Nat. Trust Co., Tor.	June 1st, 1929	
Textile Series "A".....	88	6 %	758,500	1 March 1 Sept.	Royal Trust Co., Mtl.	March 1st, 1925	Redeemable at 110 and Interest.
" "B".....	88	6 %	1,162,000	"	" "	"	Redeemable at par after 5 years.
" "C".....	88	6 %	1,000,000	"	" "	"	Redeemable at 105 and Interest.
" "D".....	90	6 %	450,000	"	" "	"	"
Winnipeg Electric. ....	103½	5 %	3,500,000	1 Jan. 1 July.	Bk. of Montreal, Mtl..	Jany. 1st, 1935	

[FIRE]

## German American Insurance Company New York

STATEMENT JANUARY 1, 1907

CAPITAL

**\$ 1,500,000**

RESERVED FOR ALL OTHER LIABILITIES

**7,168,303**

NET SURPLUS

**5,130,426**

ASSETS

**13,798,729**

AGENCIES THROUGHOUT UNITED STATES AND CANADA.



**Personal Notes.**

MR. WILLIAM MACKAY, manager for Canada of the Royal Insurance Company, has returned from the old country after an absence of some weeks. While on the other side, Mr. MacKay visited the head office of his company and later spent some time with friends in the North and South of Scotland. The city of Glasgow, so much renowned for its good civic government, he considers has grown enormously since his previous visit. Belfast, Ireland, which he also visited, is in his opinion a wonderfully progressive city. Speaking of the insurance fraternity, Mr. MacKay informs us that the managers and others whom he met, appear very much impressed with the extraordinary fire losses in Montreal recently.

MR. GEORGE A. SOMERVILLE, general manager of the Manufacturers' Life, accompanied by Mr. Robert Junkin, assistant manager, was in Montreal a few days ago visiting the important agency of the company in this city. Mr. Somerville is visiting the agencies throughout this province before returning to Toronto.

WE ARE PLEASED TO LEARN that Mr. Samuel J. Pipkin, general manager and secretary of the Atlas Assurance Company of London, who has been ill for some weeks suffering from an unusually severe attack of influenza, is much better and is taking a short vacation in order to regain his strength.

MR. ALCOCK, general manager of the Royal, is expected to arrive in Montreal early in September, when he will take a trip to the coast.

MR. F.H. MATHEWSON, manager of the Canadian Bank of Commerce at Montreal, sails to-day for the Old Country on a six weeks' holiday.

**WANTED:**—Accountant familiar with Insurance work to take full charge of book-keeping department of an ACCIDENT AND GUARANTIE CO.

Address D. I.

P. O. Box 578

Montreal.

THE VICE PRESIDENT OF THE METROPOLITAN LIFE, and other officials will be in Montreal on Saturday the 29th to participate in a dinner given by the company in honor of Mr. Charles Stansfield's twenty-five years of continuous service with the company which ended in the early part of this year. The dinner is to be given at the Canada Club at 6.30 Saturday evening. Covers will be laid for about 160 men, including the workers in Montreal and various parts of the Province together with a few from Ontario. The gathering will be particularly of men who are at present working or who have formerly worked under Mr. Stansfield's supervision.

**MONTREAL PARK & ISLAND RAILWAY COMPANY**

LACHINE.—From Post Office 20 min service, 5.40 a.m. to 8.00 p.m., 30 min. service, 8.00 p.m. to midnight. From Lachine 20 min. service, 5.50 a.m. to 8.45 p.m., 30 min. service, 8.45 p.m. to 12.45 midnight. SAULT AU RECOLLET.—First car From St. Denis St. 5.20 a.m. From St. Denis and Henderson Station, 20 min. service, 5.40 a.m. to 9.40 a.m.; 40 min. service, 9.40 a.m. to 3.40 p.m.; 20 min. service 5.40 p.m. to 8.20 p.m.; 40 min. service, 8.20 p.m. to 12.20 midnight. Last car from the Sault, 12.40 a.m.; from St. Denis, a.m. Extra car from Chenneville St. to Henderson Station a, 6.10 p.m. MOUNTAIN.—From Mount. Royal Avenue. 20 min. service, 5.40 a.m. to 11.40 p.m. From Victoria Avenue, Westmount, 20 min. service, 5.50 a.m. to 11.50 p.m.; CARTIERVILLE.—From Snowdon's Junction, 40 min. service, 6.00 a.m. to 12.00 p.m. From Cartierville, 40 min. service, 5.40 a.m. to 11.40 p.m.

**WANTED:**—Superintendent of Agencies for an ACCIDENT AND GUARANTEE COMPANY—Liberal terms and free hand to the right man.

Address to

X. Y. Z

c/o **The Chronicle**

Montreal.



**ATLAS ASSURANCE**

**COMPANY, Limited, of London, England.**

*The Company commenced business in the REIGN OF GEORGE III.*

*and the following figures show its record :-*

	INCOME.	FUNDS.	INCOME.	FUNDS.
At The Accession of King George IV.	\$ 385,000	\$ 800,000	At The Accession of King Edward VII.	\$3 500,000
King William IV.	655,000	3 035,000	Present Time	6 100,000
Queen Victoria	785,000	4 575,000		13,000,000

In addition the Company has a subscribed Capital of **ELEVEN MILLION DOLLARS**

**TOTAL SECURITY FOR POLICYHOLDERS \$24,000,000**

**Head office for Canada, MONTREAL.**

**MATTHEW C. HINSHAW, BRANCH MANAGER.**

**ACTIVE AGENTS WANTED IN UNREPRESENTED DISTRICTS.**

**FIRE**                      **LIFE**                      **MARINE**                      **ACCIDENT**

# Commercial Union Assurance Co.

LIMITED, OF LONDON, ENG.

**Capital Fully subscribed, : : : : \$12,500,000**  
**Life Fund (In special trust for Life Policy Holders), 16,263,810**  
**Total Annual Income, exceeds : : : : 16,250,000**  
**Total Funds, exceed : : : : 62,500,000**  
**Deposit with Dominion Government exceeds : 590,000**

**Head Office Canadian Branch: 91 Notre Dame Street West, Montreal**  
**Applications for Agencies solicited in unrepresented districts: J. MCGREGOR, Manager**  
**W. S. JOPLING, Supt of Agencies**                      **Canadian Branch**

THE WEEKLY BANK CLEARINGS as compiled by Bradstreets for the week ending June 20, are given below; showing percentage of increase and decrease as compared with the corresponding week last year:—

Montreal .....	29,736,000	Dec. '06	78
Toronto .....	23,850,000	Inc.	8
Winnipeg .....	12,399,000	Inc.	41.2
Ottawa .....	3,264,000	Inc.	27.8
Vancouver .....	3,835,000	Inc.	51.7
Halifax .....	1,816,000	Inc.	7.8
Quebec .....	2,281,000	Inc.	18.7
Hamilton .....	1,634,000	Inc.	8.6
St. John, N. B. ....	1,205,000	Inc.	3.4
London, Ont. ....	1,217,000	Inc.	13.0
Victoria B. C. ....	1,035,000	Inc.	61.4
Calgary, Alta. ....	1,285,000	Inc.	65.6
Edmonton, Alta. ....	1,111,000		

THE DOMINION BANK announces the following appointments:

**HEAD OFFICE.**

Superintendent of Branches.—Mr. H. J. Bethune.  
 Chief Inspector.—Mr. E. A. Begg.  
 Secretary.—Mr. E. H. Baines.

**BRANCHES.**

Manager at Hamilton.—Mr. W. K. Pearce.  
 Manager at St. Thomas.—Mr. E. S. Anderson.  
 Manager at Ottawa.—Mr. C. E. Thomas.  
 Manager at Berlin.—Mr. T. M. Scott.  
 Manager at Hespeler.—Mr. R. D. Black.  
 Acting Manager at Brampton.—Mr. A. M. Bethune.

## Scottish Union and National

Insurance Co. of Edinburgh, Scotland  
 Established 1824

**Capital, \$30,000,000**  
**Total Assets, 46,230,784**  
**Deposited with Dominion Gov't, 242,720**  
**Invested Assets in Canada, 2,448,737**

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

JAMES H. BREWSTER, Manager  
 EINHART & MAGUIRE, Resident Agent, Montreal  
 MEDLAND & JONES, " " Toronto  
 ALLAN, LANG & KILLAM, " " Winnipeg

## Pelican & British Empire

FOUNDED 1797

The Oldest Proprietary Office in the World  
 Transacting Life Assurance Business only.

**Financial Strength Unsurpassed**

**Total Assets over \$27,000,000**

**Large Bonuses and Low Rates of Premium**

**A. McDUGGALD, MANAGER FOR CANADA, MONTREAL**



## The B. C. Agency Corporation, Ltd.

OF VANCOUVER

TRANSACTS all kinds of Financial and Commercial Agency Business on Commission Terms. Real Estate Investments a Specialty. Sole British Columbia Representatives of Manufacturing and other Firms. Sole Agents for leading Trade and Finance Journals, including "Canada" of London, England Commodious Offices and Warehouse. Large staff and efficient organization. Reliable information and advice given gratis, to all enquirers. Foreign Correspondents answered promptly and fully. Funds can be invested at 7 per cent. without expense and with complete security.

**BANKERS; THE NORTHERN BANK**  
 London Agents: **PARR'S BANK, Ltd.**

**'Phone 2626 P. O. Box 1117**  
**Cable Address: "Vital, Vancouver"**

**A. B. C. CODE**

**Vancouver is a city of Wonderful Possibilities**

## Interest Quarterly

Hereafter interest on deposits with this Corporation will be paid or added to the account and compounded **Four Times a Year** on 30th June, 30th September, 31st December and 31st March, at the present rate of

**Three and one-half per Cent Per Annum.**

**CANADA PERMANENT MORTGAGE CORPORATION,**

**Toronto St., Toronto.**



# The Employers' Liability

Assurance Corporation, Limited

“ “ “ OF LONDON, ENGLAND “ “ “

Personal Accident, Health, Liability  
and Fidelity Guarantee Insurance

*Most Liberal Policies Issued*

Offices: MONTREAL - TORONTO

Managers for Canada, GRIFFIN & WOODLAND

Canadian  
Government  
Deposit ::

**\$266,883.00**

**STANDS FIRST**  
in the liberality of its Policy  
Contracts, in financial  
strength, and in the liber-  
ality of its loss settlements



# Northern Assurance Co.

*“Strong as the Strongest”*

Capital and Accumulated Funds, . . \$47,410,000

Head Office for Canada, MONTREAL.

ROBERT W. TYRE, Manager.



# THE NORTH AMERICAN LIFE

A first-class Company for the prospective insurer and con-  
sequently a most desirable one for the field representative.

Correspondence invited with reference  
to agencies in unrepresented districts.

Address: T. G. McCONKEY, Superintendent of Agencies

HEAD OFFICE: TORONTO

JOHN L. BLAIKIE, President

L. GOLDMAN, Managing Director

# TO AGENTS

There is always a place for a good  
man among the field workers of the  
Canada Life.

Men of good character, willing to  
work with a permanent connection in  
view, should address

**The Canada Life Assurance Co.**

# The LIVERPOOL and LONDON and GLOBE Insurance Company

Cash Assets exceed . . . . . \$54,000,000  
 Canadian Investments exceed . . . . . 3,750,000  
 Claims paid exceed . . . . . 240,000,000

**Canadian Branch: Head Office, Company's Building, Montreal.**

**CANADIAN DIRECTORS:**  
 E. S. CLOUSTON, Esq. Chairman,  
 GEO. E. DRUMMOND, Esq., F. W. THOMPSON, Esq.  
 JAMES CRATHERN, Esq. SIR ALEXANDER LACOSTE

**J. GARDNER THOMPSON, Resident Manager**  
**WM. JACKSON, Deputy Manager.**  
**J. W. BINNIE, Assistant Deputy Manager**

# SUN LIFE Assurance Company of Canada

Cash Income from Premiums, Interest, Rents, &c	\$6,212,615.02	Surplus earned during 1906	\$ 921,721.34
Increase over 1905	495,122.79	Of which there was distributed to policy- holders entitled to participate that year	208,658.97
Assets as at 31st December, 1906	24,292,692.65	And set aside to place reserves on all policies issued since December 31st, 1902, on the 3 per cent. basis	207,763.51
Increase over 1905	2,983,307.83	Surplus over all liabilities and capital (according to the Hm. Table, with 3/4 and 3% interest)	2,225,247.45
Death Claims, Matured Endowments, Profits and other payments to Policy- holders during 1906,	1,980,855.52	Payments to Policy-holders since organi- zation	15,099,223.87
Assurances issued and paid for in cash	17,410,054.37		
Assurances in force December 31, 1906,	102,566,398.10		

**Head Office, - - Montreal**

# The Ontario Accident Insurance Company

**HEAD OFFICE: Eastmure & Lightbourn Building, TORONTO, ONT**  
**BRANCH OFFICES: British Empire Building, MONTREAL, and LONDON, ENG.**

## CAPITAL:

Authorized, \$500,000.00 Subscribed, \$105,050.00  
 Paid up in Cash, \$51,420.00

Reserve and Contingent Funds (1905), . . . . .	\$81,000.00
Deposit with Dominion Government, . . . . .	42,232.00
Premium Income (1905), . . . . .	252,421.86
Claims Paid (1905), . . . . .	118,539.57

**Vice-President,**  
**W. H. PEARSON,**

**President and Managing Director,**  
**ARTHUR L. EASTMURE,**

## Business Transacted:

Personal Accident (on all popular plans); Disease and  
 Sickness (Limited and Unlimited); Employers, Elevator,  
 Teams; Merchants, Contingent, Vessel, Theatre, Ice  
 (Sidewalk), Signs (Advertising) and General Liability;  
 Workmen's Collective Property Damage

**Secretary,**  
**FRANCIS J. LIGHTBOURN**

# R. WILSON-SMITH

## Financial Agent

160 St. James Street, : : : : Montreal

**Specialty: { INVESTMENT SECURITIES—Suitable for Banks, Trust Estates, Insurance  
 Companies, Investments for Deposit with Canadian Government**

**CABLE ADDRESS: CHRONICLE**

# Guardian Assurance Company

Limited, of London, England

Subscribed Capital, \$10,000,000

Paid-up Capital, \$5,000,000

Funds in hand, over \$30,000,000

The Largest Paid-up Capital of any Company in the World Transacting a Fire Business.

Canadian Branch: Head Office, Guardian Building, Montreal.

CANADIAN TRUSTEES:

W. M. Ramsay, Esq. (Chairman)  
 Hon. A. Desjardins, Esq. (Deputy Chairman)  
 J. O. Gravel, Esq. R. Wilson-Smith, Esq.

H. M. LAMBERT, Manager.

BERTRAM E. HARDS,  
 Assistant Manager.

## Some Reasons Why

The confidence of the Canadian public in



Was never so great as at present:

- (1) Because the Company's record has been clean throughout the 37 years it has been in operation.
- (2) Because its plans of insurance are up-to-date and just what the insuring public requires.
- (3) Because its policy-holders are eminently well satisfied with the results realized under their policies.
- (4) Because the general public is beginning to find out the good things the Company has in store for its policy-holders, and
- (5) Because being purely mutual, its policy-holders are more than customers—they are co-partners in the Company—sharing equitably in all its benefits.

HEAD OFFICE WATERLOO, ONT.  
 G. H. Allen—Provincial Manager STAR BUILDING MONTREAL

## The Babson System

OF RECORDING FINANCIAL REPORTS AND STATISTICS IS USED BY THE LEADING BANKERS OF AMERICA AND EUROPE.

COMPLETE CORRECT CONCISE

Particulars concerning the various divisions will be sent gratis upon application to the

CENTRAL OFFICE:

Wellesley Hills Sta., : Boston, Mass., U. S. A.

Statistical Department for Banking Houses Installed and Maintained

Send for our Catalogue of American and European Financial Publications.

## The Continental Life Insurance Co.

SUBSCRIBED CAPITAL, \$1,000,000.00

HEAD OFFICE, : : : TORONTO

Hon. JOHN DRYDEN, PRESIDENT  
 CHARLES H. FULLER, SECRETARY & ACTUARY

Several Vacancies for Good Live GENERAL AGENTS and PROVINCIAL MANAGERS  
 Liberal Contracts to First-Class Men.

Apply GEO. B. WOODS, Managing Director

## Traders Fire Insurance Co.

Authorized Capital \$1,000,000

HOME OFFICES  
 TRADERS BANK BUILDING  
 TORONTO, ONT.

Jos. Woodsworth, S. R. Wickett,  
 President Vice President  
 W. G. Parker,  
 Manager.

Agents wanted in all unrepresented districts.

## Positive Evidence

Have building or stock  
 Photographed by

Wm. Notman & Son

41 Phillips Square, : : MONTREAL

## THE Metropolitan Life INSURANCE CO

Amount of Canadian Securities Deposited with the Dominion Government for the protection of policy-holders in Canada over \$3,400,000.00

### Significant Facts

This Company's policy-claims paid in 1906 averaged in number one for each minute and a quarter of each business day of 8 hours each, and, in amount, 109.73 a minute the year through.

THE DAILY AVERAGE OF THE COMPANY'S BUSINESS DURING 1906.

412 per day in number of claims paid.

6,163 per day in number of Policies placed and paid for.

\$1,320,403.09 per day in New Insurance placed and paid for.

\$138,709.09 per day Payments to Policy-holders and add'l. to Reserve.

\$81,465.58 per day in Increase of assets.

It exceeds by two millions the entire population of the Dominion of Canada. Nearly three hundred thousand Canadians of all classes are policy-holders in the Metropolitan. It has on deposit with the Government of the Dominion of Canada, in Canadian securities, dollar for dollar of its Canadian liabilities. In 1906 it here in Canada wrote as much new insurance as any two other life insurance companies Canadian, English or American.

Home Office: 1 Madison Ave., New York City

**The Canada Accident Assurance Company**  
 Head Office, **MONTREAL**  
**CAPITAL, \$500,000**

**PERSONAL ACCIDENT,  
 SICKNESS,  
 LIABILITY,  
 PLATE GLASS,  
 INSURANCE.**

**R. WILSON SMITH, President**      **T. M. HUDSON, Manager**

**Law Union & Crown Insurance Co. of London**  
**Assets Exceed \$27,000,000.00**  
 Fire Risks accepted on almost every description of insurable property.  
 Canadian Head Office: 112 St. James St., corner Place d'Armes  
**MONTREAL**  
**J. E. E. DICKSON, Manager**  
 Agents wanted throughout Canada.

**MOUNT ROYAL ASSURANCE COMPANY**  
 AUTHORIZED CAPITAL, \$1,000,000  
 HEAD OFFICE: - MONTREAL

President, Rudolphe Forget Vice-President, Hon. H. B. Rainville  
**J. E. CLEMENT, Jr., General Manager.**  
 Responsible Agents wanted in Montreal and Province of Quebec

**RADNOR...**

"Radnor is a purely natural water, brilliant, pleasantly sparkling, and delicate to the taste."  
*The Lancet, London, Eng.*

**RADNOR IS BOTTLED ONLY AT THE SPRING**

**For Sale Everywhere**

**DRURY & MACGURN**  
 Realty and Insurance  
 34 GOVERNMENT ST., - VICTORIA, B. C.

We have opening for General Agency of a good Fire Insurance Company.

**Accidents**  
**The Climax Policy**  
**Accident Insurance**

ISSUED BY  
**THE CANADIAN CASUALTY AND BOILER INSURANCE COMPANY**

**TORONTO**  
 22-24 ADELAIDE ST. EAST

Is unquestionably the most marvelous ACCIDENT CONTRACT issued.  
 Acknowledged by Insurance Underwriters and the Public as the BEST Policy selling to-day.

**A. G. C. DINNICK, Managing Director**

**London Mutual Fire**  
 Established 1859

Assets, -	\$847,449.88
Liabilities (Including Reinsurance Reserve \$314,090.28)	398,633.16
Surplus, -	448,816.02
<b>Security for Policy Holders, -</b>	<b>862,906.30</b>

Incorporated and licensed by the Dominion Government. Operates from the Atlantic to the Pacific. Conservative, Reliable and Progressive.

**HEAD OFFICE: 82 and 84 King St. East, TORONTO**  
**HON. JOHN DRYDEN, President**      **D. W. SMILLER, Sec'y and General Manager**  
**HENRY BLACHFORD, 180 ST. JAMES ST., MONTREAL**  
 General Agent Province of Quebec

**First British Fire Office Established in Canada**  
 A.D. 1804

**Phoenix Assurance Co.**  
 LIMITED

Established A.D., 1782      Of London, England

Head Office for Canada:  
**100 St. Francois Xavier St.**  
**Montreal**

**PATERSON & SON, Chief Agents**



**INDUSTRIAL INSURANCE**  
**OUR NEW SALARY & COMMISSION CONTRACT**

For Agents, offers a splendid opportunity for a few additional men who are energetic, and used to earning a substantial living.

**The Union Life Assurance Company**

Head Office—TORONTO. **H. POLLMAN EVANS, President**  
 Offices in 34 Districts between Halifax and Vancouver. The only Company from which may be obtained the SAVINGS BANK POLICY, the most liberal Industrial Policy.



## Provident Savings Life Assurance Society Of New York.

**TIMOTHY L. WOODRUFF, President**  
The BEST COMPANY for POLICYHOLDERS and AGENTS

Successful Agents and Gentlemen Seeking Remunerative Business Connections may Apply to the Head Office or any of the Society's General Agents.

### There is one Business

Which has many tempting openings for energetic men. Its ranks are not overcrowded and capital is not needed for success. This business is the Field Work of a successful Life Company.

One of the best Companies in Canada to represent is the Manufacturers Life. It has many good field positions vacant and its own success bespeaks success for its agents.

Apply to

**The Manufacturers Life Insurance Co.**

Head Office, - - - Toronto, Ontario.

## London & Lancashire Life Assurance Co.

**BONUS YEAR  
1907**

**B. HAL BROWN, - General Manager**  
MONTREAL

## SUN INSURANCE OFFICE

FOUNDED A. D. 1710

Head Office:

Threadneedle Street, - London, England

The Oldest Insurance Office in the World.  
Surplus over Capital and all Liabilities exceeds  
**\$7,000,000**

Canadian Branch:

15 Wellington Street East, Toronto, Ont.  
**H. M. BLACKBURN, Manager**

This Company commenced business in Canada by depositing **\$300,000** with the Dominion Government for security of Canadian Policy-holders.

## William Thomson & Co

164 St. James St. 10 Jordan St.  
St. JOHN, N.B. MONTREAL TORONTO HALIFAX

— managers of —

The Accident & Guarantee Co of Canada

The Ontario Fire Insurance Co

— Special Agents for Canada —

The New York Plate Glass Insurance Co

**LIVE AGENTS WANTED**

## The Equity Fire Insurance Co. TORONTO, CAN.

**WM. GREENWOOD BROWN, General Manager**

GENERAL AGENTS:

Carson Bros., Montreal      Faulkner & Co., Halifax, N. S.  
Brown Clarke Agency, Winnipeg      W. S. Holland, Vancouver  
Young & Lorway, Sydney, C. B.      Geo. A. Lavis, Calgary  
W. K. Rogers & Co., Charlottetown, P. E. I.  
McCallum, Hill & Co., Regina.      Edwin K. McKay, St. John, N. B.

## NORWICH UNION FIRE OFFICE.

FOUNDED 1797  
AGENTS WANTED

HEAD OFFICE FOR CANADA: TORONTO

**JOHN B. LAIDLAW, Manager**  
**JOHN MacEWEN,**  
SUPERINTENDENT AT MONTREAL

## CROWN LIFE INSURANCE CO. HEAD OFFICE: TORONTO

Policies Indisputable from Date of Issue; Lower Premium Rates than charged by other Companies; Loan Values Guaranteed after Two Years; Cash Surrender and Paid up Values Guaranteed after Three Years; No Restrictions as to Residence, Travel or Occupation

Directors for: **DODOLPH FORGET, M.P.**      **LIEUT. COL. F. C. HENSHAW**  
Prov. of Quebec; **H. MARKLAND MOLSON**      **HON. HENRI E. RAINVILLE**

**HORACE PRATT, Gen'l Manager for the Prov. of Quebec,**  
Offices—Sovereign Bank Chambers, 232-236 St. James St., Montreal  
LIBERAL CONTRACTS TO RELIABLE AGENTS.

"THE OLDEST SCOTTISH FIRE OFFICE"

## CALEDONIAN Insurance Co. of Edinburgh

FOUNDED 1803

DIRECTORS—Hon. E. C. Buller Flahinstone, Sir Colin Maerac Charles Ritchie, S.S.C., Robert Stewart, Alexander Bogle, Ld Berry, Wm. Sanderson, Robert Brodie, William Blair.

General Manager . . . **ROBERT CHAPMAN**  
Canadian Manager . . . **LANSING LEWIS**  
Canadian Secretary . . . **JOHN G. BORTHWICK**

# The British America Assurance Company

INCORPORATED 1833.

HEAD OFFICE: TORONTO

Old Reliable Progressive  
FIRE AND MARINE INSURANCE

Capital, - - - \$ 1,400,000.00  
Assets, - - - 2,162,753.85  
Losses paid since organization, 29,833,820.96

**DIRECTORS:**

Hon. GEO. A. COX, President  
ROBT. BICKERDIKE, M.P.  
E. W. COX  
D. S. HANNA  
JOHN HOSKIN, K.C., LL.D.  
ALEX. LAIRD  
Z. A. LASH, K.C.

W. R. BROCK, Vice-President  
GEO. A. MORROW  
AUGUSTUS MYERS  
FREDERIC NICHOLLS  
JAMES KERR OSBORNE  
SIR HENRY M. PELLATT  
E. R. WOOD

W. B. MEIKLE

W. B. MEIKLE, G. n. Manager P. H. SIMS, Secretary

EVANS & JOHNSON, General Agents

3 Notre Dame Street, West MONTREAL

# The WESTERN ASSURANCE COMPANY

Incorporated in 1851

ASSETS, : : : \$3,570,821.20  
LIABILITIES, : : : 1,170,011.08  
SECURITY to POLICY-HOLDERS, 2,400,810.12

INCOME for the year ending 31st Dec., 1906, \$3,609,179.65  
LOSSES paid ince organizaon of Com-  
pany, . . . . \$46,653,130 17

**DIRECTORS:**

Hon. GEO. A. COX, President  
ROBT BICKERDIKE, M.P.  
D. B. HANNA  
ALEX. LAIRD  
W. B. MEIKLE  
AUGUSTUS MYERS  
JAMES KERR OSBORNE

W. R. BROCK, Vice-President  
E. W. COX  
JOHN HOSKIN, K.C., LL.D.  
Z. A. LASH, K.C.  
GEO. A. MORROW  
FREDERIC NICHOLLS  
SIR HENRY M. PELLATT  
E. R. WOOD

HEAD OFFICE, TORONTO

Chief Office for Canada.  
MONTREAL

DO NOT TAKE ANY OTHER POLICY AS IT IS NOT AS BROAD AS THE  
**OCEAN**  
ACCIDENT AND GUARANTEE CO. LTD. OF LONDON, ENGR

Charles H. Neely,  
Manager

LARGEST CASUALTY COMPANY IN THE WORLD.

# .. THE .. London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A.D. 1720

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

Head Office for Canada, - MONTREAL

W. KENNEDY | JOINT MANAGERS  
W. B. COLLEY |

# THE MONTREAL-CANADA Fire Insurance Company

Established 1859

Assets . . . . . \$557,885.95  
Reserve . . . . . \$193,071.28  
Other Liabilities . . . . . 20,687.91  
213,759.19  
Surplus to Policy holders . . . \$344,126.76

J. B. LAFLEUR, President. L. J. MCGHEE, Managing Director  
Head Office: 59 St. James St., Montreal

# Union Assurance Society

Established A. D. 1714 OF LONDON

One of the Oldest and Strongest of Fire Offices  
CAPITAL AND ACCUMULATED FUNDS, \$23,000,000  
CANADIAN BRANCH:  
Cor. St. James and McGill Sts., MONTREAL  
T. L. MORRISSEY, Resident Manager



# The Mutual Life Insurance Company of New York

Under a new Management.

With the standard policies and the safeguards established by the law of New York—the most exacting ever enacted,

With the Company's vast resources—greater by many millions than those of any other company in the world—now closely invested in the most profitable securities consistent with safety,

With an economy of management equalled by few and excelled by none, maintains its place in the front rank held by it for sixty-four years as,

- The best dividend-paying company,**
- The best company for policy-holders,**
- The best company for agents.**

Apply for agency to

**GEORGE T. DEXTER,**

*Second Vice-President.*

**The Mutual Life Ins. Co. of New York,**  
34 NASSAU STREET, NEW YORK, N. Y.

# The Imperial Life

**Its Record in 1906:**

ASSETS,	\$3,332,883.	— The largest increase in its history.
RESERVES,	2,461,836.	— The largest increase in its history.
NET SURPLUS,	275,867.	— The largest increase in its history.
INTEREST,	5.79%	— The largest rate of interest in its history.

**H. Le Roy SHAW, Provincial Manager**  
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# The National Life Assurance Co.

— OF CANADA. —

**Head Office:—National Life Chambers, TORONTO**

ELIAS ROGERS, President.

ALBERT J. RALSTON,

F. SPARLING

Managing Director.

Secretary

At the close of business on the 31st of March, 1907, the total cash assets amounted to ..... \$769,544.20

The net reserves based on Im. table of mortality and 3½ per cent. interest ..... \$514,583.20

Surplus ..... \$254,961.00

Business in force on the 31st of March, 1907 ..... \$6,139,200.00

Annual premium income thereon ..... \$201,740.00

For agencies in the Province of Quebec, apply to

**J. P. ORAM, Provincial Manager.**

Branch Office, Imperial Bank Building, Montreal

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**FIDELITY AND GUARANTY Co.**

Issues all kinds of **SURETY** Bonds on shortest notice at reasonable rates.

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A. E. HERRPATRICK, Manager

"Contract Bonds Insure completion of Build-ings."

FOUNDED 1792

# Insurance Company of North America

PHILADELPHIA

CAPITAL,	\$3,000,000
ASSETS JANUARY, 1906,	13,024,892

**ROBERT HAMPSON & SON**

General Agents for Canada, : : MONTREAL

# The Home Life Association

OF CANADA

Incorporated by Special Act of Dominion Parliament.

**Capital, \$1,000,000**

**Agents Wanted in Unrepresented Districts.**

PRESIDENT

HON. J. R. STRATTON

MANAGING DIRECTOR

J. K. MCCUTCHEON

SECRETARY

J. B. KIRBY

HEAD OFFICE

Home Life Bldg., Toronto



# Richmond & Drummond Fire Insurance Company

ESTABLISHED 1879

Head Office—RICHMOND, QUE.

HON. WILLIAM MITCHELL, President  
ALEX. AMES, Vice-President

Capital - - - - - \$250,000  
Dominion Government Deposit \$50,000

J. C. McCAIG, Manager.

S. C. FOWLER, Secretary.

J. A. BOTHWELL, Inspector

Agents wanted in unrepresented Districts:

JUDSON G. LEE, Resident Agent,  
Guardian Building  
160 St. James Street, Montreal, Que.

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(FIRE)  
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Policies Guaranteed by the Liverpool & London & Globe Insurance Company

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 E. S. CLOUSTON Esq., President  
 J. GARDNER THOMPSON, Managing Director  
 WM. JACKSON, Secretary  
 J. W. BINNIE, Assistant Secretary

Statement of Bonds and Debentures owned by  
**The Royal-Victoria Life**  
 INSURANCE COMPANY

AND  
 Deposited with the Receiver-General at Ottawa, in trust, for the security of Policy-holders

Province of Nova Scotia Debentures, payable January 1st, 1915 .....	\$6,000.00
Province of Quebec 3 per cent. Inscribed Stock standing in the name of the Receiver-General in trust, payable April 1st, 1937.....	9,733.33
Province of Manitoba Debentures, payable Nov. 1st, 1930..	60,000.00
Town of Maisonneuve Debentures, payable Jan. 15th, 1940	30,000.00
City of St. Henri Debentures, payable May 1st, 1951.....	55,000.00
Canadian Northern Railway Debentures, guaranteed by the Province of Manitoba, payable June 30th, 1930...	24,820.00
City of Montreal Debentures, payable May 1st, 1944 .....	50,000.00
City of Ottawa Debentures, payable Sept. 26th, 1928.....	15,000.00
<b>Total.....</b>	<b>\$250,533.33</b>

The above Securities have a cash market value of **\$267,172.40**

**DAVID BURKE, A.I.A., F.S.S.**  
 General Manager  
 Montreal, May 15, 1906.

**PHENIX**  
 INSURANCE COMPANY  
 OF HARTFORD

**The General Accident Assurance Company of Canada**  
 HEAD OFFICE, - TORONTO, ONT.

**Personal Accident, Health, Liability and Industrial Insurance**

**W. G. FALCONER, C. NORIE-MILLER.**  
 Managers for Canada  
 General Agents for PROVINCE of QUEBEC  
**ROLLAND, LYMAN & BURNETT, MONTREAL.**

**ANGLO - AMERICAN**  
 FIRE INSURANCE COMPANY  
 Head Office, McKinnon Building, Toronto

**AUTHORIZED CAPITAL, \$1,000,000**  
**SUBSCRIBED CAPITAL, 480,100**

Deposited with the Dominion Government for the protection of Policyholders, **54,634.69**

**S. F. MCKINNON, Esq., Pres.** JOHN R. BARBER, M.P.P.  
 S. F. McKinnon & Co., Toronto. JOHN FLETT.  
**H. H. BECK, Manager.**

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**Address: HENRY BLACHFORD, MONTREAL**  
 General Agent for Province of Quebec.

ESTABLISHED 1809

<b>Total Funds Exceed</b>	<b>Canadian Investments Over</b>
<b>\$85,805,000</b>	<b>\$8,280,742.00</b>

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**North British and Mercantile**  
 INSURANCE COMPANY

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 Chas. F. Sanford, St. John Melton & Scott, Vancouver  
**W. H. HALL, Manager, Imperial Bank Building, TORONTO**

# The Royal Trust Co.

CAPITAL SUBSCRIBED, \$1,000,000  
 PAID-UP, \$500,000 RESERVE FUND, \$500,000

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 PRESIDENT

Hon. SIR GEORGE A. DRUMMOND, K.C.M.G.,  
 VICE-PRESIDENT

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SIR T. G. SHAUGHNESSY	SIR WILLIAM C. VAN HORNE, K.C.M.G.	

**OFFICE AND SAFETY DEPOSIT VAULTS:**  
 109 St. James St., Bank of Montreal Building, Montreal  
 H. ROBERTSON, Manager

# The Trust and Loan Co.

OF CANADA

INCORPORATED BY ROYAL CHARTER, A. D. 1845

Capital Subscribed, . . . . .	\$ 9,733,333
With power to increase to . . . . .	14,600,000
Paid-up Capital, . . . . .	1,703,333
Reserve Fund, . . . . .	967,273

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

Trust & Loan Co. of Canada, 26 St. James Street, Montreal

# National Trust Co., Limited

CAPITAL PAID UP, \$1,000,000 . RESERVE, \$450,000  
 MONTREAL BOARD OF DIRECTORS,  
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 H. S. HOLT, Esq., President The Montreal Light, Heat & Power Co.  
 H. MARKLAND MOLSON, Esq., Director The Molsons Bank

Acts as Executor, Administrator and Trustee, Liquidator and Assignee for the benefit of creditors, Trustee for bond issues of Corporations and Companies.  
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 Members of the Legal and Notarial professions bringing any business to this Company are always retained in the professional care thereof.  
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This Company has unexcelled facilities for executing Trusts of every description for Corporations, Estates and Individuals.  
 Information and advice gladly given to those contemplating engaging the services of a TRUST COMPANY.

## Montreal Trust & Deposit Co'y

Royal Insurance Building

# Bank of Nova Scotia

INCORPORATED 1832

HEAD OFFICE: HALIFAX  
 CAPITAL PAID-UP, . . . . . \$3,000,000.00  
 RESERVE FUND, . . . . . 5,250,000.00

**DIRECTORS**  
 JOHN V. PAYZANT, President CHARLES ARCHIBALD, Vice-President  
 R. L. Burden Hector McInnes G. S. Campbell J. Walter Allison  
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 With which is United the IMPERIAL FIRE OFFICE  
 Capital, \$27,250,000  
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 MONTREAL  
 T. D. BELFIELD, Manager

# The Metropolitan Bank

HEAD OFFICE: TORONTO, ONTARIO

Capital, - - - - - \$1,000,000.00  
 Reserve, - - - - - 1,000,000.00  
 Undivided Profits, - - - - - 183,713.23

**DIRECTORS**

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 Thomas Bradshaw, Esq. John Firstbrook, Esq.  
 James Ryrie, Esq.

**W. D. ROSS, General Manager**

**A GENERAL BANKING BUSINESS TRANSACTED**

# IMPERIAL BANK OF CANADA.

**DIVIDEND No. 68.**

## Notice is Hereby Given

That a Dividend at the rate of Eleven Per cent. (11 p.c.) per annum upon the Paid-Up Capital Stock of this Institution has been declared for the quarter ending 31st July, 1907, and that the same will be payable at the Head Office and Branches on and after

**Thursday, the 1st of August Next.**

The Transfer Books will be closed from the 19th to 31st July, both days inclusive.

By order of the Board.

**D. R. WILKIE,**

*General Manager.*

Toronto, Ont., 26th June, 1907.

# 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

# Eastern Township Bank

**Quarterly Dividend No. 98**

Notice is hereby given that a dividend at the rate of eight per cent. per annum upon the Paid-up Capital Stock of this Bank has been declared for the quarter ending 30th June 1907, and that the same will be payable at the Head Office and Branches on and after Tuesday, 2nd day of July next.

The Transfer Books will be closed from the 15th to the 29th June, both days inclusive.

By order of the Board.

**J. MACKINNON, General Manager.**

Sherbrooke, 1st June, 1907.

# Merchants Bank of Canada

Capital Paid up . . . . . \$6,000,000  
 Rest and Surplus Profits . . . . . 4,034,266

HEAD OFFICE, . . . . . MONTREAL

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**E. F. Heben, General Manager.**

T. E. MERRITT, Supt. of Branches and Chief Inspector.

**Assistant Inspectors**

W. E. BUTLER J. J. GALLOWAY  
 R. SHAW M. J. MANNING

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Alvinston	Elora	Ingersoll	Napanee
Athens	Finch	Kincardine	Oakville
Belleville	Formosa	Kingston	Orillia
Berlin	Fort William	Langcaster	Ottawa
Rothwell	Galt	Laurelton	Owen Sound
Brampton	Gananoque	Leamington	Parkdale
Chatham	Georgetown	Little Current	Perth
Chatsworth	Glencoe	London	Preacott
Chesley	Gore Bay	Lucan	Preton
Greemore	Granton	Markdale	Renfrew
Delta	Hamilton	Meaford	Stratford
Eganville	Hanover	Mildmay	St. George
Quebec			
Montreal (Head Office)	St. James Street	Beauharnois	Shawville
"	1255 St. Catherine Street East	Lachine	Sherbrooke
"	310 St. Catherine Street West	Quebec	St. Jerome
"	1330 St. Lawrence Boulevard,	" St. Sauveur	St. John
"	Town of St. Louis	" St. Jovite	
Manitoba			
Brandon	Griewood	Napinka	Port'ge la Prairie
Jarby	Macgregor	Neepawa	Russell
Waldstone	Morris	Oak Lake	Souris
Alberta			
	Carstairs	Lacombe	Olea
Jalgy	Daysland	Leduc	Red Deer
Camrose	Edmonton	Medicine Hat	Sedgewick
	Ft. Saskatchewan		Tofield
Saskatchewan		British Columbia	
Arcoia	Forget	Maple Creek	Vancouver
Jarnduff	Gainsborough	Oxbow	Victoria
IN UNITED STATES—New York Agency, 63 Wall St. BANKERS IN GREAT BRITAIN—The Royal Bank of Scotland.			

# BANK OF HAMILTON

PAID-UP CAPITAL, \$2,500,000  
 RESERVE, . . . . . 2,500,000  
 TOTAL ASSETS, . . . . . 29,000,000

Head Office, . . . . . Hamilton

**DIRECTORS.**

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Ancaster	Lucknow	Wroxeter	Miami, Man.
Atwood	Midland		Minnedosa, Man.
Beamsville	Milton		Moose Jaw, Sask.
Berlin	Mitchell	<b>Manitoba.</b>	Morden, Man.
Blyth	Moorefield	<b>Alberta and Saskatchewan :</b>	Nanton, Alta.
Brantford	New Hamburg	Abernethy, Sask.	Pilot Mound, Man.
Chesley	Niagara Falls	Battleford, Sask.	Plum Coulee, Man.
Delhi	Niagara Falls So.	Bradwardine, Man.	Roland, Man.
Dundas	Orangeville	Brandon, Man.	Snowflake, Man.
Dundas	Owen Sound	Carberry, Man.	Stonewall, Man.
Dungannon	Palmerston	Carman, Man.	Swan Lake, Man.
Dunnville	Port Elgin	Caron, Sask.	Winkler, Man.
Ethel	Port Rowan	Edmonton, Alta.	Winnipeg, Man.
Fordwich	Ripley	Francis, Sask.	Winnipeg—Grain Exchange Br.
Georgetown	Simcoe	Gladstone, Man.	
Gorrie	Southampton	Hamiota, Man.	
Grimsby	Teeswater	Indian Head, Sask.	<b>British Columbia :</b>
Hagersville	Toronto	Kenton, Man.	Fernie
Hamilton—	Toronto—	Killarney, Man.	Kamloops
Barton St. Br.	College & Ossington	Manitou, Man.	Vancouver
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East End Br.	Yonge & Gould		
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 First National Bank  
 Detroit—Old Detroit National Bank Pittsburg—Mellon National Bank  
 Collections effected in all parts of Canada promptly and cheaply.  
 CORRESPONDENCE SOLICITED

# The Dominion Bank

HEAD OFFICE: TORONTO, CANADA.

Capital Paid up, - - - - - \$3,600,000  
 Reserve Fund and Undivided Profits, - - - - - 4,600,000  
 Deposits by the Public, - - - - - 35,000,000  
 Assets, - - - - - 52,000,000

**DIRECTORS:**

E. B. OSLER, M. P.,	PRESIDENT
WILMOT D. MATTHEWS,	VICE-PRESIDENT
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W. R. BROCK	JAMES CARRUTHERS
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**CAPITAL PAID-UP** **RESERVE FUND**  
**\$3,900,000** **\$4,390,000**

## The Royal Bank of Canada

HEAD OFFICE - HALIFAX, N.S.  
 CHIEF EXECUTIVE OFFICE - MONTREAL

80 BRANCHES THROUGHOUT CANADA

8 Agencies in Cuba. Agency in Newfoundland  
 New York Agency - 68 William Street

**SAVINGS DEPARTMENT** In connection with all Branches. Account opened with deposits of ONE DOLLAR and upwards. Interest paid, or credited quarterly instead of half-yearly, at highest current rates.

### THE BANK OF OTTAWA

CAPITAL (Authorized) \$3,000,000.00  
 CAPITAL (Fully Paid Up) 3,000,000.00  
 REST and undivided profits, 3,236,512.96

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H. K. Egan	Denis Murphy
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GEO. BURN, Gen. Manager.	
D. M. FINNIE, Asst. Gen. Mgr.	
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 Correspondents in every Banking Town in Canada and throughout the world. This Bank gives prompt attention to all Banking business entrusted to it.  
 CORRESPONDENCE INVITED.

## 1854 The 1854 Home Bank of Canada

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 8 King Street West

City branches open 7 to 9 o'clock every Saturday night.

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Alliston, Belle River, Cannington, Lawrence Stn., Melbourne, St. Thomas, Walkerville, Fernie, B.C., Winnipeg, Man.  
**JAMES MASON, General Manager.**

# The Sovereign Bank of Canada

INCORPORATED BY ACT OF PARLIAMENT

HEAD OFFICE, . . . . . TORONTO  
 EXECUTIVE OFFICE . . . . . MONTREAL

**BRANCHES IN ONTARIO.**

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Arkona	Goder ch	Mount Forest	Stirling
Aylmer	Harrietsville	New Dundee	Stouffville
Baden	Harrow	Newmarket	Stratford
Belmont	Harwick	Newton	Teeswater
Berlin	Hensall	Niagara-on-the-Lake	Theoford
Brucefield	Huntville	Ottawa	Thessalon
Burk's Falls	Ilderton	" Market Branch	Thorndale
Chatham	Linwood	Owen Sound	Toronto
Clarendon	London	Pefferlaw	" Market
Clinton	London East	Penetanguishene	Tweed
Crediton	Markham	Perth	Unionville
Dashwood	Mattawa	Rockland	Walton
Durham	Millbank	St. Catharines	Wyoming
Eesex	Milverton	St. Jacobs	Zurich
Exeter	Minyton		

**BRANCHES IN QUEBEC**

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Stanbridge East	Sutton	Waterloo	

NEW YORK AGENCY: 25 PINE STREET.

*Savings Deposits received at all Branches*

*Interest paid four times a year.*

# THE MOLSONS BANK

Incorporated by Act of Parliament, 1855.

Capital Paid Up . . . . . \$3,277,620  
 Reserve Fund . . . . . 3,277,620

**BOARD OF DIRECTORS.**

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H. MARKLAND MOLSON,	LT.-COL. F. C. HENSHAW
Wm. C. McINTYRE.	

JAMES ELLIOT, General Manager.

A. D. DURNFORD, Chief Inspector and Superintendent of Branches.  
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