

The Chronicle



Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXIX. No. 26.

MONTREAL, JUNE 28, 1918

Single Copy 10c.
Annual Subscription \$3.00

THE GENERAL FINANCIAL SITUATION.

The sharp rise in New York funds, during the last few days, to a new high premium of 2 13-32 at mid-week, is popularly attributed to Sir Thomas White's announcement on his return from Washington, that no arrangements will be made for a Dominion loan in New York. However, the rich explanation of this movement is more likely to be found in the approval of the half-year and the consequent heavy demand for New York funds by Canadian public authorities and other borrowers, who have remittances to make for interest payments and, in some cases, have to meet maturing short-term obligations. The announcement by the Minister of Finance came as no surprise in financial circles, where there is still a vivid recollection of the fact that, on the occasion of the Canadian Government's last borrowing in New York, the New York bankers followed the good old rule of charging "all that the traffic will bear," to such an extent as to invite criticism. The present position of exchange is admittedly a serious annoyance, and a cause of some loss, to those who have to make remittances in American currency or sterling. Nevertheless, it constitutes only a part, and a minor part at that of the whole financial problem with which Sir Thomas White and the Canadian banks are at present faced, and can only be wisely dealt with in relation to the whole.

How far it is possible to go wrong on this question of exchange, when it is considered a part from larger financial and business considerations is illustrated somewhat forcibly in a recent article by a well-known Canadian banking authority on exchange, who advocates as a remedial measure for the present exchange situation, insurance with Canadian companies. "Millions of dollars", says this writer, "are paid annually to foreign fire and life insurance companies and are invested abroad". It would be interesting to know where this writer gets his facts. The remittances abroad of the majority of the foreign fire and life companies doing business in Canada, are in fact, in very small proportion to the extent of the Canadian business they transact. A very fair number of the companies have actually brought to large funds from abroad, with which Canadian policy-holders, have had nothing to do, to invest in Canada. And it may be enquired, where would Canadian business be, but for the protection and help afforded it by the foreign, and particularly the British fire insurance companies? The simple truth is that Canadian business could not get on at all without them. At the present stage of Canada's development, and probably enough for a century to come, these companies will be absolutely essential to the country, and any exchange remit-

tances arising out of their operations will constitute a necessary and unavoidable charge.

With regard to Sir Thomas White's announcement on the subject of arrangements for the sale of Canadian securities in the United States, it is evident that any would be Canadian borrowers, who desire to raise funds in the American market will not find it a particularly easy matter. The issues must first be approved at Ottawa, and the application for permission to issue must be supported at Washington by the parties interested. Moreover, the recent rates paid for borrowings by representative American industrial concerns suggest that any Canadian borrowers would have to pay a very stiff rate in order to make their issues go. Leading industrial borrowers in the States are now making approved issues of securities at rates to yield from 7 to 7½ per cent. and probably Canadian borrowers of somewhat similar standing, would have to go notably higher than that.

While the acreage of the western crops is satisfactory enough, there yet remains an anxious period before it will be definitely known how our harvest this year is likely to turn out. While a 300,000,000 bushel crop has seemed a justifiable hope from recent indications, certain Western experts are pointing out that the weather during the next sixty days is all-important, and on that account are inclined to deprecate any roseate views, scorning of the counting of chickens before they are hatched. If hopes regarding the coming harvest, should be fulfilled, the times of its readiness for market would coincide with a probable increased expansion in shipping facilities, as a result of the completion of numerous units of the ship-building programme now being undertaken on this side of the Atlantic.

Apparently, there is still a good deal of misunderstanding among business men, particularly those associated with the smaller limited liability companies and firms, regarding the effect of the amending legislation to the Business Profits War Tax passed at the last session of the Dominion Parliament. These amendments extend the operation of the Act to companies, and firms and associations, having accepted of not less than \$25,000, the previous limit having been \$50,000. Companies with capitals of between \$25,000 and \$50,000 are given a 10 per cent. exemption from taxation instead of the 7 per cent. exemption applying to the larger corporations. This legislation comes into effect for the current year, or for the fiscal year ending this year or early next year for which, instead of the calendar year, limited liability companies are permitted to report to the Ottawa authorities.

BANK OF MONTREAL

ESTABLISHED 100 YEARS (1817-1917)

Capital Paid up, \$16,000,000

Rest, \$16,000,000

Undivided Profits, \$1,784,979

Total Assets - - \$426,322,096

BOARD OF DIRECTORS:

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

R. B. Angus, Esq.	Wm. McMaster, Esq.
Lord Shaughnessy, K.V.O.	Major Herbert Molson, M.C.
C. R. Hosmar, Esq.	Harold Kennedy, Esq.
H. R. Drummond, Esq.	H. W. Beauclerk, Esq.
D. Forbes Angus, Esq.	G. B. Fraser, Esq.
Colonel Henry Cockshutt	J. H. Ashdown, Esq.

Head Office: MONTREAL

General Manager—Sir Frederick Williams-Taylor

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

Savings Department connected with each Canadian Branch and interest allowed at current rates.
 Collections at all points throughout the world undertaken at favorable rates.

Travellers' Cheques, Limited Cheques and Travellers' Letters of Credit issued, negotiable in all parts of the world.

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

PRINCIPAL BRANCHES OUTSIDE OF CANADA:

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

G. C. CASSELLS, Manager.

Sub-Agency: 9 Waterloo Place

Pall Mall, S.W.

Trafalgar Square Branch

CHICAGO: 108 South La Salle Street.

NEW YORK: 64 Wall Street

R. Y. HEBDEN

W. A. BOG

A. T. SMITH

Agents

SPOKANE: Washington.

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

THE CANADIAN BANK OF COMMERCE

Established 1867

Head Office: TORONTO

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

Rest - - - - 13,500,000

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

SIR JOHN AIRD, General Manager.

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

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

Great Britain—London.

Mexico—Mexico City.

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

Newfoundland—St. John's.

Agents and Correspondents throughout the World

The Molsons Bank

Incorporated by Act of Parliament 1855

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

Reserve Fund - - 4,800,000

HEAD OFFICE - - MONTREAL

BOARD OF DIRECTORS.

Wm. Molson Macpherson, President.
 S. H. Ewing, Vice-President.

Geo. E. Drummond F. W. Molson
 W. A. Black Wm. M. Birks

E. J. Chamberlin

EDWARD C. PRATT

General Manager

THE BANK OF BRITISH NORTH AMERICA

Established in 1836 Incorporated by Royal Charter in 1840

Paid-up Capital - \$4,866,666
Reserve Fund, - 3,017,333

Head Office:

3 GRACECHURCH STREET, LONDON, E.C. 3

Capt. JACKSON DODDS Secretary
 W. S. GOLDBY Manager

Court of Directors

Lt.-Col. F. R. S. Balfour
 H. Brodie J. H. Mayne Campbell E. A. Hoare
 Lieut. E. Geoffrey Hoare, R.N.V.R.
 Frederic Lubbock Major C. W. Tomkinson
 G. D. Whatman Hon. A. R. Mills, M.P.

Head Office in Canada:

ST. JAMES STREET, MONTREAL

Advisory Committee in Montreal:

SIR HERBERT B. AMES, M.P.
 W. R. MILLER W. R. MACINNES

H. B. MACKENZIE, General Manager

J. ANDERSON, Superintendent of Branches.
 O. R. ROWLEY, Superintendent of Eastern Branches, Montreal.
 J. McEACHERN, Superintendent of Central Branches, Winnipeg.
 A. S. HALL, Inspector of Branch Returns.
 J. H. GILLARD and N.V. R. HUUS, Inspectors, Montreal.

This Bank has Branches in all the principal Cities of Canada, including Dawson (Y.T.), and Agencies at New York and San Francisco in the United States.

Agents and Correspondents in every part of the world.

COLLECTIONS MADE AT LOWEST RATES

Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued, Negotiable anywhere.

Agents in Canada for Colonial Bank, London and West Indies

G. B. GERRARD, Manager, Montreal Branch

The MERCHANTS BANK OF CANADA

HEAD OFFICE - MONTREAL

Capital Paid-up - \$7,000,000
 Reserve and Undivided Profits 7,437,973
 Total Deposits (May, 1918) 113,000,000
 Total Assets (May 1918) - 144,000,000

BOARD OF DIRECTORS:

SIR H. MONTAGU ALLAN, C.V.O., President
 K. W. BLACKWELL, Vice-President
 F. HOWARD WILSON THOS. LONG A. B. EVANS
 F. ORR LEWIS A. J. DAWES E. F. HEBDEN
 ANDREW A. ALLAN F. ROBERTSON THOS. AHEARN
 C.C. BALLANTYNE G. L. CAINS Lt.-Col. J. R. MOODIE
 E. F. HEBDEN, Managing Director
 D. C. MACAROW, General Manager
 T. E. MERRETT, Supt. of Branches and Chief Inspector



AN ALLIANCE FOR LIFE.

Many of the large Corporations and Business Houses who bank exclusively with this institution, have done so since their beginning. Their banking connection is for life—yet the only bond that binds them to this bank are the ties of service progressiveness, promptness and sound advice.

236 BRANCHES CANADA

Extending from the Atlantic to the Pacific

New York Agency: 63 and 65 Wall Street

ESTABLISHED - 1875

IMPERIAL BANK OF CANADA

Head Office: Toronto

Capital Paid Up - \$7,000,000
 Reserve Fund - 7,000,000

PELEG HOWLAND
 President

E. HAY
 General Manager

Government, Municipal and other High Class Securities Bought and Sold.

Correspondence Invited

ADDRESS

**THE MANAGER,
 BOND DEPARTMENT,
 Toronto**

THE ROYAL BANK OF CANADA

Incorporated 1869

Capital Paid Up, \$12,911,700

Reserves, \$14,564,000 Assets, \$335,000,000

Head Office, Montreal

365 BRANCHES THROUGHOUT CANADA

39 Branches in Cuba, Porto Rico, Dominican Republic,
Costa Rica and Venezuela

BRITISH WEST INDIES

Branches in Antigua, Bahamas, Barbados, Dominica
Grenada, Jamaica, Montserrat, Nevis, St. Kitts,
Tobago, Trinidad, British Guiana and British Honduras

London, Eng.
Princes Street, E.C.

New York
Cor. William & Cedar Sts.

SAVINGS DEPARTMENT

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

Victory Loan Securities

Will be accepted for safekeeping from
subscribers for moderate amounts for one
year free of charge.

A special Savings Department has re-
cently been opened. Deposits of \$1 and
upwards received.

THE DOMINION BANK

160 St. James Street, MONTREAL

M. S. BOGERT, Manager

THE BANK OF TORONTO

Incorporated
1855.

Head Office: TORONTO, Canada

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

Reserved Funds, \$6,555,306

Business men are offered in this Bank the satis-
factory banking service provided by our complete
facilities and extensive connections.

Bankers—NEW YORK—National Bank of Commerce.
CHICAGO—First National Bank.
LONDON, ENG.—London City and Midland Bank, Limited.

DIRECTORS.

W. G. GOODERHAM, *President*
J. HENDERSON, *Vice-President*
WILLIAM STONE,
JOHN MACDONALD
LT.-COL. A. E. GOODERHAM,
BRIG.-GEN. F. S. MEIGHEN,
J. L. ENGLEHART,
WM. I. GEAR,
PAUL J. MYLER,
A. H. CAMPBELL,
THOS. F. HOW, *Gen. Manager*
JOHN R. LAMB, *Assistant Gen.
Manager*
D. C. GRANT, *Chief Inspector*

THE BANK OF NOVA SCOTIA

INCORPORATED 1822

Capital - - - \$6,500,000.00
Reserve Fund - - - 12,000,000.00
Total Assets over - 130,000,000.00

Head Office - - - HALIFAX, N.S.

CHARLES ARCHIBALD, *President*
Genl. Manager's Office, TORONTO, Ont.

H. A. RICHARDSON, *General Manager*
Branches throughout every Province in Canada,
and in Newfoundland, Jamaica and Cuba
BOSTON CHICAGO NEW YORK

THE BANK OF OTTAWA

ESTABLISHED 1874

Capital Paid-Up \$4,000,000
Rest \$4,750,000

94 BRANCHES
in
CANADA

The Home Bank of Canada

Original Charter 1854

Branches and Connections
throughout Canada

MONTREAL OFFICES:
Transportation Bldg., St. James Street

Hochelega Branch:
Cor. Davidson and Ontario Streets

Verdun Branch:
1818 Wellington Street



Items accepted for
Collection
on any point in Canada,
United States or
Elsewhere.

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY
F. WILSON-SMITH, *Proprietor and Managing Editor.*

Office:

406-408 LAKE OF THE WOODS BUILDING,
10 ST. JOHN STREET, MONTREAL.

Annual Subscription, \$3.00 Single Copy, 10 cents.

MONTREAL, FRIDAY, JUNE 28, 1918

LLOYD'S BANK REPORT.

An interesting example of the manner in which British banking supremacy has been built up is afforded by Lloyds Bank. On the front page of its recently-issued annual report appears a list of no fewer than 48 banking institutions, whose centralisation at intervals between 1865 and 1914 forms the nucleus and basis of the present great Lloyds Bank. Many of these merged banking companies date back well into the eighteenth century, and one at least, well into the second half of the seventeenth. What long-settled connections of this type in an old, immensely wealthy and financially-conservative country like Great Britain mean, can easily be imagined. The war has furnished a striking vindication of the policy of financial centralisation involved in the merging of these numerous separate institutions, with vastly diversified interests widely scattered all over the country. Such sturdy shouldering of immense responsibilities as the British banks have shown during the last four years would have been frankly impossible, otherwise, and it was a fortunate circumstance for the world at large, and not only for Great Britain, that for generations prior to the war, her banking system had been allowed to develop to the best advantage, unhampered by restrictive and unwise regulations.

The profits of the British banking institutions generally for the year 1917, are reported as reaching a new high record. But, as in the case of the Canadian banks, the percentage of profits to total resources, which has been steadily falling in recent years again shows a marked decline. In other words, while the resources of the banks in both Canada and Great Britain, have been immensely expanded as a result of war activities, their expenses have increased, and they have been called upon to perform many additional services free or for no more than a merely nominal consideration. That tendency is undoubtedly likely to continue in both countries for some years. Lloyds Bank reports for the year 1917 profits of approximately \$7,300,000 a large total in itself, but in proportion to the Bank's total assets of \$970,000,000, quite a modest amount. The dividend is at what appears to Canadians as the curious rate of 18½ per cent.; \$2,000,000 is added to Reserve Fund, the handsome sum of \$500,000 is set aside for a staff bonus, and the carry forward on profit and loss account increased by over \$850,000 to \$1,450,000.

The Bank's deposits as at December 31st last reached the immense sum of \$870,000,000. On the other hand, the Bank had cash in hand and with the Bank of England, \$174,000,000; cash at call and short notice, nearly \$36,000,000, and bills of exchange

almost \$200,000,000. Holdings of British war loans and other British Government securities are over \$170,000,000. Security holdings in addition to those are only close to \$16,000,000. These facts illustrate graphically the extent of the direct calls upon the British banks in connection with the immense financial load which Great Britain is shouldering.

Lloyds Bank is particularly well-known in Canada as the London agents of the Imperial Bank, while it was one of the first of the British institutions to establish a subsidiary in France, an invasion of the Continental banking field which is now being assiduously followed in various European countries by a number of the leading British Banks.

BANK DEPOSITS OF INFANTS

If an infant, that is, a person under 21 years of age, deposits money in a Canadian chartered bank, can he draw it out himself, and if he does so, does the payment to the infant relieve the bank.

This point was before the High Court of Ontario in the case of Freeman vs The Bank of Montreal, in which it appeared that Freeman, an infant, deposited about \$1800 in the Bank of Montreal, which later on he drew out on his check and lent to his father. About four years later the father became insolvent, left the Province, and of course, did not repay to the son the amount that he had borrowed. Then the son, after coming of age, started suit against the Bank of Montreal for the \$1800 deposit and interest, relying upon the fact that he was an infant when the money was drawn from the bank.

On this point the Court decided against the infant, holding that the bank was justified in paying the deposit to the infant on his own check, and that such payment released the bank from all liability.

"The contract was one beneficial to the infant," said the Court. "He was the custodian of his own money, and the agreement merely made the bank a temporary custodian of his funds, during his will. The Bank's obligation was to hand it back to the customer or pay it to his order. Nothing in this was detrimental in any way to the interest of the infant. It is therefore submitted that the law is that if an infant draws a check in his own favor, and receives the money, the banker could not be called upon to pay the infant the money a second time. As regards checks in favor of third persons, the relation seems to be based on the principle that an infant may do by an agent, any act that he may legally do himself."

The infant then set up the claim that if he could not compel the bank to repay the \$1800 deposit, he could at least compel it to repay to him \$1300, relying upon section 95 of the Bank Act of 1906, which provides that a Bank may receive deposits from any person whomsoever whether such person is qualified by law to enter into ordinary contracts or not; and from time to time repay any or all of the principal thereof, "provided that if the person making any such deposit could not under the law of the Province where the deposit is made, deposit and withdraw money in and from the Bank without this section, the total amounts to be received from such person on deposit shall not, at any time, exceed the sum of \$500."

Under this section the infant contended that as it was unlawful for the Bank to receive from him a deposit exceeding \$500, then the repayment of any

(Continued on Page 671.)



THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY LIMITED

CANADIAN BRANCH HEAD OFFICE - MONTREAL

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



THE LIVERPOOL - MANITOBA ASSURANCE COMPANY

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

DIRECTORS:
 J. Gardner Thompson, President and Managing Director. Lewis Laing, Vice-President and Secretary.
 J. D. Simpson, Assistant Secretary.
 M. Chevalier, Esq. Sir Alexandre Lacoste A. G. Dent, Esq. John Emo, Esq.
 J. C. Rimmer, Esq. Wm. Molson Macpherson, Esq. Sir Frederick Williams-Taylor, LL.D.

FIRE INSURANCE



The Globe Indemnity Company of Canada

Liability Guaranteed by THE LIVERPOOL and LONDON and GLOBE Insurance Company Limited
 Head Office: 343 Dorchester Street W., MONTREAL

CASUALTY Insurance including Accident, Sickness, Guarantee, Burglary
 Employers' Liability and Automobile

== FIRE INSURANCE ==

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

DIRECTORS
 J. Gardner Thompson, President. Lewis Laing, Vice-President.
 M. Chevalier Wm. Molson Macpherson A. G. Dent J. D. Simpson
 Sir Frederick Williams-Taylor, LL.D. Sir Alexandre Lacoste

410 TONS OF GOLD HAVE BEEN PAID TO POLICYHOLDERS BY Insurance Company of North America

THE OLDEST AMERICAN STOCK FIRE INSURANCE COMPANY

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

ROBERT HAMPSON & SON, LIMITED GENERAL AGENTS FOR CANADA MONTREAL

LONDON & LANCASHIRE LIFE AND GENERAL ASSURANCE ASSOCIATION LIMITED

of LONDON, ENGLAND

ESTABLISHED IN CANADA, 1865

ASSETS EXCEED \$22,000,000

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

BRANCHES THROUGHOUT THE DOMINION
 HEAD OFFICE FOR CANADA:
 LONDON AND LANCASHIRE LIFE BUILDING
 164 St. James Street, Montreal, P.Q.

Take Your Choice

We have several good openings for General Agents, both in urban and rural districts. Keen, energetic men, looking for advancement, will find it to their interest to connect themselves with a progressive Company like The Manufacturers Life which stands foursquare on the principles of sound Life Insurance.

THE MANUFACTURERS LIFE
INSURANCE COMPANY

TORONTO

CANADA

BANK DEPOSITS OF INFANTS

(Continued from Page 669.)

amount due him in excess of that sum was also unlawful, so that he could recover from the bank at least the difference of \$1300, but the Court decided against this view as well.

"In the first place," said the Court, "it is to be observed that there is no restriction upon the repayment. The restriction is upon the amount of deposit; and if, as a matter of policy, the legislature requires an infant's account to be kept under \$500, and the bank, in ignorance of the fact that the depositor is an infant, receives a sum exceeding this limitation, it then becomes the Bank's duty to immediately repay the excess to the infant, on learning of his minority. I cannot find in this section any sanction for the theory upon which this action is brought.

"But, as said, I do not think that there is any 'law of the Province' which prevents an infant from depositing money in and drawing it from a Bank, even assuming that the expression, 'law of the Province,' is not to be confined to an express provision."

WINS BELGIAN MILITARY CROSS.

Sergeant Angus Mackay (only son of Mr. William MacKay, Canadian Manager of the Royal Insurance Company) has recently been invested with the Belgian Croix d'Guerre for conspicuous bravery at the battle of Paschendale last November. Sergeant MacKay has been serving the Empire at the front for the past two years, and we understand is still going strong.

Tornado losses have been so heavy this year that companies writing the line fear the year's experience will prove unprofitable. There have been an unusual number of storms, causing thousands of claims in the rural districts, together with a number of large losses on special hazards.

SCHOOL BONDS FOR SALE

Tenders addressed to the undersigned, will be raised up to half-past nine o'clock in the morning of Tuesday, July 16th, for the purchase of \$900,000 of six per cent. serial bonds of the Protestant Board of School Commissioners of the City of Montreal.

Full particulars will be given upon application.

C. J. BINMORE,
Treasurer,
36 Belmont Street.

TRAFFIC RETURNS

		Canadian Pacific Railway.			
Year to date	1916	1917	1918	Increase	
May 31 ..	\$49,909,000	\$56,569,000	\$58,185,000	\$1,616,000	
Week ending	1916	1917	1918	Increase	
June 7 ..	2,674,000	2,927,000	2,846,000	*81,000	
" 14 ..	2,920,000	3,165,000	2,914,100	*63,700	
" 21 ..	2,631,000	2,939,000	2,849,000	*90,000	
		Grand Trunk Railway.			
Year to date	1916	1917	1918	Increase	
May 31 ..	\$22,162,815	\$24,274,445	\$25,560,375	\$1,285,930	
Week ending	1916	1917	1918	Increase	
June 7 ..	\$ 1,147,091	\$ 1,333,194	\$ 1,383,669	50,475	
" 14 ..	1,113,418	1,318,185	1,541,302	193,207	
" 21 ..	1,152,440	1,441,424	1,621,993	180,569	
		Canadian Northern Railway.			
Year to date	1916	1917	1918	Increase	
May 31 ..	\$12,669,200	\$15,564,600	\$16,562,700	\$98,100	
Week ending	1916	1917	1918	Increase	
June 7 ..	\$ 629,700	\$906,700	\$843,100	*61,600	
" 14 ..	880,400	916,800	853,000	*251,000	
" 21 ..	744,300				

*—Decrease.

ESTABLISHED 1873

Standard Bank

of CANADA

ESTABLISHED 1873.

**QUARTERLY DIVIDEND NOTICE,
No. 111.**

NOTICE is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st July, 1918, and that the same will be payable at Head Office in this City, and at its branches on and after Thursday, the 1st day of August, to Shareholders of record the 22nd July, 1918.

By Order of the Board,

C. H. EASSON,
General Manager.

Toronto, March 23rd, 1918.

**AUSTRALIA and NEW ZEALAND
BANK OF NEW SOUTH WALES**

(ESTABLISHED 1817)

Paid-up Capital	- - - - -	\$19,524,300.00
Reserve Fund	- - - - -	14,375,000.00
Reserve Liability of Proprietors	- - - - -	19,524,300.00
		<u>\$53,423,600.00</u>
Aggregate Assets 30th Sept., 1917	- - - - -	\$285,767,140.00



J. RUSSELL FRENCH, General Manager.

334 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea), and London
The Bank transacts every description of Australian Banking Business. Wool and other Produce Credits arranged

Head Office: GEORGE STREET, SYDNEY. Agents: Bank of Montreal, London Office: 29, THREADNEEDLE STREET, E.C.
Roy Bank of Canada, Bank of British North America

Commercial Union

ASSURANCE COMPANY LIMITED
of LONDON, England

The largest general Insurance Company in the world
(As at 31st December, 1916)

Capital Fully Subscribed.....	\$14,750,000
Capital Paid Up.....	1,475,000
Life Fund, and Special Trust Funds.....	76,591,535
Total Annual Income exceeds.....	51,000,000
Total Funds exceed.....	151,500,000
Total Fire Losses Paid.....	193,774,045
Deposit with Dominion Govern- ment.....	1,245,467

Palatine

INSURANCE COMPANY LIMITED
of LONDON, England

(As at 31st December, 1916)

Capital Fully Paid.....	\$1,000,000
Fire Premiums 1916, Net.....	\$2,566,130
Interest, Net.....	144,290
Total Income.....	\$2,710,420
Funds.....	\$5,248,690
Deposit with Dominion Gov't....	\$276,900

N.B.—In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$151,500,000.

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

COMMERCIAL UNION BUILDING, - 232-236 St. James Street, - MONTREAL
J. McGREGOR, Manager W. S. JOPLING, Assistant Manager

LICENSED BY THE DOMINION
GOVERNMENT



THE FIDELITY-PHENIX

FIRE INSURANCE COMPANY OF NEW YORK

HENRY EVANS, President

"THE OLD PHENIX"

Assets Exceed - \$20,900,000

Head Office for Canada and Newfoundland

W. E. BALDWIN, Manager. 17 St. John St., MONTREAL F. K. RIDGE, Agency Supt.

A Fire Insurance Policy does not cover

Loss or Damage resulting from Explosion, War, Invasion, Insurrection, Riot, Civil War, Civil Commotion, Military or Usurped Power. Protection against these hazards is provided by a special policy issued by

NOVA-SCOTIA-FIRE UNDERWRITERS AGENCY

PREMIUM RATES MAY BE HAD FROM

McBEAN & HILL, GENERAL AGENTS, Lewis Building, 17 St. John Street, Montreal, Que.

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

AGENTS

INSURANCE

BROKERS

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

11 ST. SACRAMENT STREET
MONTREAL, P.Q.

ROYAL INSURANCE COMPANY LIMITED

For very many years without a break the Royal has reported an increase in the premium income of its fire department. The annual report for the year 1917 discloses results surpassing all previous records in this section of the business, so much so, that any reference to the predominant position it has held so long for magnitude of annual premium income in that branch, would be superfluous. Last year net fire premiums amounted to \$24,412,385 showing an unprecedented expansion of \$2,825,625 from the level of \$21,586,760 recorded in the preceding year. Speculation as to the proportions the business may ultimately assume becomes difficult if not altogether impossible to surmise, in view of the ever strengthening vitality of the company's financial position. With this great growth of premiums from natural expansion and a huge organisation in all parts of the world, a very favourable loss experience was enjoyed. Losses called for \$12,351,695 against \$11,078,149 in 1916 a proportion to premiums of 50.59 per cent. compared with 51.3 per cent. in the previous year. Such favourable results indicate a continuance of the Royal's conservative and skilful underwriting for which its management is noted. Expenses showed a slight increase last year, their ratio to premiums of 36.15 per cent. comparing with 35.9 per cent. in 1916 and 37.1 in 1915.

We show in the following table the Company's net fire premiums since the opening of the present century. While the mammoth growth of the Royal's fire premiums are graphically shown, at the same time the normal loss experience during the past seventeen years, has enabled the Company to continue building up reserves of such substantial character as to permit huge conflagration losses to be met with equanimity.

	Net Fire Premiums	Net Losses	Loss Ratio
1901	\$12,213,000	\$ 7,225,000	59.0
1902	13,448,000	7,038,000	52.3
1903	13,862,000	6,749,000	48.8
1904	14,578,000	8,443,000	58.0*
1905	14,863,000	6,700,000	45.0
1906	16,699,000	13,145,000	78.8†
1907	17,860,000	8,559,000	47.9
1908	17,975,000	9,439,000	52.5
1909	18,436,000	9,026,000	48.9
1910	18,956,000	9,369,000	49.4
1911	19,240,000	10,240,000	53.2
1912	19,991,000	10,132,000	50.7
1913	20,069,000	10,515,000	52.4
1914	20,070,000	11,450,000	57.0
1915	20,251,000	10,318,000	50.9
1916	21,587,000	11,078,000	51.3
1917	24,412,385	12,351,695	50.59

*Baltimore and Toronto conflagrations.
†San Francisco conflagration.

In addition to its commanding position in regard to fire business, the Royal is also known as an enterprising life office, transacting a business of important dimensions and has regularly maintained for over half a century quinquennial bonuses at the regular rate of \$15 per annum for each \$1000 assured. The life fund which at the beginning of the year stood at \$53,680,708 was increased by \$1,498,737 to \$55,179,445.

In other branches of insurance which include marine, accident, employers' liability, burglary, fidelity, live stock, etc., transacted by this great

composite office with world-wide ramifications, we find eminently satisfactory results.

The Royal's extraordinary progress during 1917 may be judged from the facts that the Company's net premiums from fire, life, accident, marine, employers' liability, etc., amounting to \$46,074,120 exceeded those of 1916 by the large sum of \$4,415,096.

The Company in Canada

The Royal has been operating in Canada for past 67 years, where it enjoys the high prestige attaching to its fine financial position, under the management of Mr. William Mackay, and assistant manager Mr. J. H. Labelle, which gentlemen have been connected with the Royal in Canada for the past 36 and 35 years respectively. The Royal has occupied its present commanding position in the fire business for many years in Canada, in conjunction with conservative underwriting. Last year the total net cash received for fire premiums (excluding subsidiary companies) amounted to \$1,618,161, as compared with \$1,471,655 in 1916, net losses incurred being \$890,970 a proportion of 55.06 per cent following a ratio of 52.97 per cent in 1916. The Queen, a subsidiary of the Royal, received in net cash premiums last year in Canada \$646,043 incurring net losses of \$394,603, and the Hudson Bay, also controlled by the Royal, report net premiums of \$161,723 net losses incurred being \$101,366.

The Royal's life department in Canada is under the guidance of Mr. R. A. Mannings. Last year satisfactory progress was made, the amount of policies new and taken up was \$674,427, against \$540,670 in 1916. It was reported at the annual meeting that the special examination of the company's life business customarily made at the close of the third year of a quinquennial period has shown the account to be in a strong and healthy position. Captain I. W. Watts has just resumed his duties as Superintendent of Agencies in the life department after active service of nearly 3 years.

The total of the Royal staff who have joined the Forces now numbers 1,670 men, many of whom have won distinction on the battlefield.

MOUNT ROYAL ASSURANCE COMPANY

It is officially announced this week that the directors of the Mount Royal Assurance Company have appointed Messrs. P. J. Perrin and J. R. Macdonald joint managers of the Company, in succession to Mr. J. E. Clement, whose resignation has already been referred to by The Chronicle. Mr. Perrin has been manager of the Strathcona Fire for the past seven years, and Mr. Macdonald has been connected with the Mount Royal for past ten years; the latter five years he has been Superintendent of the Western department. We understand Mr. Perrin will have charge of the Province of Quebec. Both these gentlemen have to their credit a long experience in the business of fire insurance, and the Company they are now assuming the management of, has heretofore enjoyed the highest reputation for its financial standing, and prompt settlement of losses. Coupled with very capable management and skilful underwriting. Mr. Macdonald has had the advantage of serving under Mr. Clement for a number of years, and becoming thoroughly familiarised with his methods and the organization generally.

The Trust and Loan Co.
OF CANADA

Capital Subscribed.....\$14,000,000.00
Paid-up Capital.....2,920,000.00
Reserve Funds.....2,783,996.36

MONEY TO LOAN ON REAL ESTATE

30 St. James Street, Montreal

Prudential Trust Company
LIMITED

Head Office 9 St. John St., Montreal	Trustee for Bondholders	Safety Deposit
	Transfer Agent & Registrar	Vaults
9 St. John St., Montreal	Administrator Receiver Executor	Terms Ex- ceptionally moderate. Correspond- ence invited
	Liquidator Guardian Assignee	
	Trustee Custodian	
	Real Estate and Insurance Departments	
	Insurance of every kind placed at lowest possible rates.	

B. HAL. BROWN, President and Gen. Manager

A Practical Pointer on Salesmanship

It is of first importance in good salesmanship to select a worth-while article to sell, something about which you can become enthusiastic with a reason—a reason that will last. In life insurance salesmanship, for instance, a discriminating agent would naturally select the policies of the Mutual Life of Canada because—first, the company is well-established; second, it has an unblemished record; third, it has a continental reputation as a dividend payer; fourth, it is a democratic organization; fifth, it is a wonderfully successful going concern; and, lastly, being the only Canadian policyholders' company, its contracts find a ready market. Where a company is so favorably known one-half of the trouble of making the sale is avoided. If you get the best goods in your line and go to it, success is certain. Last year our agents placed \$20,000,000 paid for business.

The Mutual Life Assurance Co. of Canada
WATERLOO, ONTARIO
CHARLES RUBY, Gen. Mgr. E. P. CLEMENT, K.C., Pres.

The LIFE AGENTS' MANUAL
THE CHRONICLE - - MONTREAL

Western
Assurance Company
Incorporated in 1851

**FIRE, MARINE, EXPLOSION AND
AUTOMOBILE INSURANCE**

ASSETS over \$6,000,000.00

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

DIRECTORS

W. B. MEIKLE, President and General Manager	Z. A. Lash, K.C., LL.D.
Sir John Aldred	Geo. A. Morrow, O.B.E.
Robt. Bickerdike,	Lt. Col. The Hon.
Alfred Cooper	Frederick Nicholls
H. C. Cox	Brig.-General Sir
D. B. Hanna	Henry Pellatt, C.V.O.
E. Hay	E. E. Wood
John Hoskin, K.C., LL.D.	

HEAD OFFICE - TORONTO

**THE PROVIDENT
ASSURANCE COMPANY**

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

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

A BRITISH COMPANY

Union Insurance Society of Canton, Limited
ESTABLISHED 1855

Head Office: HONGKONG Assets over \$17,000,000

FIRE, MARINE AND AUTOMOBILE

Head Office for Canada, 36 Toronto Street, TORONTO

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

EAGLE STAR AND BRITISH DOMINIONS.

As already reported in a previous issue arrangements are now completed whereby the British Crown's identity has been merged in that of the Eagle Star & British Dominions. We understand that arrangements will be made to preserve the old connection of the British Crown, presumably by an underwriter's agency. While rumours are prevalent in connection with the management of the new organization in Canada. We understand that provision was made for the retention of the officials of the British Crown. No official announcement has yet been made.

NATIONALE FIRE INSURANCE CO. OF PARIS

We are advised that the Canadian branch of the Nationale Fire Insurance Co. of Paris which has heretofore been operated from the same offices as those occupied by the Mount Royal under the management of Mr. J. E. Clement have been removed to the 6th. floor of the Lewis building until the 1st September, at which date Mr. Clement will take possession of the handsome premises lately occupied by the Union Bank in the old Sun Life building, Notre Dame St. West, where the head office of the Fire Insurance Company of Canada will also be located. We understand the organization of this company is nearing completion, and Mr. Clement expects to be writing business within the next few weeks.

LEGISLATORS DUTY IN REGARD TO FIRE WASTE.

In these days of war when fire waste is brought more clearly before the mind of man in the street as well as the legislators one is tempted to ask is the utmost being done to conserve and prevent this waste in these stupendous times.

Last year no less than \$18,000,000 was the amount represented by Canada's ash heap through the ravages of fire. A great national loss which Canada faces yearly. What has really been done to reduce this? Every day's delay means more ashes!

Our cry is to produce more food, and still our legislators look on in apathy at the amount of fire waste which includes its quota of foodstuffs.

We have our fire marshalls who investigate the causes of fires after these have occurred as well as our fire brigades whose duty it is to put out fires

Are we not locking the stable door after the horse has been stolen?

Should our fire brigades not be so organized that they would become a potent factor in the prevention as well as the extinguishment of fire? Our fire brigades are under the control of city or town councils and the adequacy and efficiency of many of these fire brigades is open to question and will always be so while administered in this way. A fire chief must use the apparatus that is given to him—his own requests may or may not be granted.

Some fire chiefs may utilise their staffs for inspection work for the removal of defects which may cause fire, but this is not obligatory.

How many fire chiefs in Canada are even active members of the National Fire Prevention Association?

It seems to me that immediate steps should be taken to bring our fire brigades under control of a Commission—either Provincial or Federal. In this way our fire fighting forces could be so organised

and controlled that systematic inspection and insistence on the removal of defects which may cause fire could be carried out.

An ounce of prevention is worth a pound of cure. Moreover our fire brigades could be much more efficiently controlled particularly in our smaller cities and towns where this vital question of reducing fire waste is entrusted to the hands of incompetent councils who little appreciate what it means to the nation. Further a commission being more immediately associated with the Government would be in a powerful position to suggest and obtain much needed legislation on fire prevention and protection.

A Commission composed of say an experienced Fire Chief, a Civil Engineer and a Fire Insurance Administrator would without doubt be in a position materially to reduce the awful fire waste in Canada the highest per capita in any civilised country.

WM. MACINNES.

PERSONALS.

Mr. T. W. Greer, general manager Pacific Coast Fire Insurance Company, Vancouver, B.C., was in Montreal recently, where he attended the annual meeting of the Western Canada Fire Underwriters' Association. In addition to the Pacific Coast, Mr. Greer is also the Canadian manager of the Vulcan Fire Insurance Company and the Century Insurance Company. Mr. Greer is very optimistic about the future destiny of Vancouver, which he believes will become a very great city. Owing to industrial activity, especially in the shipbuilding yards and saw mills, the population has increased, and is almost equal to what it was during the remarkable real estate boom a few years ago. Wages are high, and as a result merchants are, as a rule, conducting a prosperous business on a cash basis.

Mr. J. Elmer Woods, who has had charge of the Casualty and Bonding departemnt of Messrs. Oldfield, Kirby & Gardner, Winnipeg, for the past two years, has recently joined the Canadian Overseas Forces. Mr. Woods received his insurance training with the firm of Messrs. Reed, Shane McNaught, Toronto.

Mr. J. Moris McKenzie has been appointed to succeed Mr. Woods. Mr. McKenzie was previously for some years with the Regina Brokerage & Investment Company, Regina, Sask.

WESTERN CANADA FIRE UNDERWRITERS' ASSOCIATION.

We regret having omitted from the list of those attending the annual meeting of the W. C. F. U. A., held in Montreal last week, the names of Mr. Randall Davidson, North British and Mercantile, and Mr. C. A. Richardson, Occidental, Winnipeg.

The Home of New York has issued a chart showing how each dollar of premium is divided into taxes, expenses, losses, etc. It should issue an edition with raised letters for the use of the blind, so politicians could read it.




**LONDON &
LANCASHIRE
FIRE
INSURANCE COMPANY
LIMITED**

Security - - \$36,000,000

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

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



**LONDON &
LANCASHIRE
GUARANTEE &
ACCIDENT**

**PERSONAL ACCIDENT
SICKNESS
FIDELITY GUARANTEE**

**PLATE GLASS
AUTOMOBILE
GENERAL LIABILITY**

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

MOUNT ROYAL ASSURANCE COMPANY		THE NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE	
PAID UP CAPITAL.....	\$250,000.00	SUBSCRIBED CAPITAL.....	\$2,000,000
TOTAL FUNDS.....	1,225,789.38	TOTAL FUNDS.....	7,491,390
SURPLUS AND RESERVES.....	765,305.14	NET SURPLUS.....	1,857,150

AGENTS WANTED IN UNREPRESENTED DISTRICTS

HEAD OFFICE FOR CANADA - - - - - MONTREAL

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

Ætna Insurance Company
Established in Canada 1821

Ætna Fire Underwriters Agency
Of Ætna Insurance Co., Hartford, Conn.

Applications for Agencies Invited

J. B. HUGHES, Special Agent, WATERLOO, Ont.
J. R. STEWART, Special Agent, 36 Toronto Street,
TORONTO, Ont.

B. LONG, Special Agent, 21 Canada Life Bldg., CALGARY, Alta.

Union Assurance Society, Ltd.
OF LONDON, ENGLAND
(Fire Insurance since A.D. 1714)

CANADA BRANCH, MONTREAL.
T. L. MORRISSEY, Resident Manager.

NORTH WEST BRANCH, WINNIPEG
THOS. BRUCE, Branch Manager.

Agencies throughout the Dominion.

EXCELSIOR
INSURANCE LIFE COMPANY
A Strong Canadian Company

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

The Law Union & Rock
INSURANCE CO. LIMITED, LONDON. Founded in 1806

Assets Exceed - \$48,500,000.00

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

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

UP-TO-DATE INSURANCE SALESMEN!

We have a few important points where we can place men of character and ability. If you are a productive worker, and would like to improve your position, write, stating experience to

H. A. KENTY, Superintendent of Agencies,

THE CONTINENTAL LIFE INSURANCE CO.

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

THE SURVIVAL OF THE FITTEST.

Notwithstanding the extremely hazardous character of fire insurance business, the extended commerce of the country demands and warrants the accumulation of large assets, secured by ample reserves, for its safe conduct and upon which the business of the land can securely rest; and without which the growth of commerce and trade would be practically impossible under the oft recurrence of disasters of fire and flood. The past decade has witnessed an unprecedented growth of business throughout the country. Commerce is no longer confined to prescribed limits; the vast continent has now become as one vast beehive of industry demanding increased fire insurance facilities in the way of large available assets.

It has been customary with the officers of the small companies that have retired from the struggle, to attribute the cause of such retirement to the strong competition of foreign branches, which they claim are swallowing up the business of the country and forcing the smaller fire companies to the wall. This is scarcely level-headed judgment. While it is doubtless quite true that strong competition had largely to do those companies so withdrawn, the foreign branches were not the sole competitors. It was but the natural result of the business situation. Thousands could not successfully compete with millions, whether of home or foreign capital, and where millions could transact business generally at from three to four per cent. less ratio of management expenses than simple thousands, there can be no question of the final outcome. The competition becomes one of simple loss-bearing ability of the several competitors and this will be decided by the plethora of the respective purses. The outcome is but a question of time, and can result in one way only, the discomfort of the weaker who must go to the wall. The mere savings of three per cent. of the management expenses of the millionaire, home or foreign, over the thousand, alone decides the question, as capitals of \$200,000 cannot, as a rule successfully compete with millions.

It is in the concentration of capital and breadth of operation which enables the large offices—home or foreign—to prosper where companies operating upon a narrower base, as to means and value of business, makes a failure. Competition, if there be any, is rather between the advantages of large and the disadvantages of small capitals; and not, correctly speaking, between the opposing classes of offices. Aggregate capital is ever the magnet which attracts business of the best quality, so that large capitals produce profits in localities where small capitals yield only losses, because, simply on account of their abundant assets, confidence is engendered and they gather the cream of the business; and not, because they have competed for it by cutting prices.

Breadth of territory, as well as volume of business, are essentials in fire insurance. A widely diffused business, spread over a large section of country, tends to simplify the law of average, and the percentage of loss ratios to premium income is, thereby also much reduced; while, on the other hand, small offices are compelled to seek for business largely through the intermediary broker, in cities, at high rates of commissions, upon inferior classes of risks, at correspondingly low rates, to secure even this doubtful, because inferior, class of business.

That offices with but small capitals, and only

corresponding ratios of liabilities, are just as financially sound, and both able and willing to meet their loss claims promptly and honestly, as the millionaires can or may be, is not questioned. A merchant with a capital of \$50,000, duly invested and doing a fairly profitable business, is just as sound financially, as his millionaire neighbour doing a business of millions in lieu of thousands, at equally fair profit. But, it is just here that comparison ceases. The profits realized from the millions of capital and the millions of sales must largely exceed those of mere thousands, and the ratio of cost of management of the two capitals must differ largely in favour of the millions. But the status of things changes at once, and essentially, the moment the thousands attempt to enter into undue competition with the millions.

Such, in brief, has been the condition of fire insurance companies in this country for years past. Companies with their simple thousands have entered the field and pitted themselves against the millions with all of the attending circumstances surrounding each of them. The thousands have been driven out of the field and others evidently will be, unless the status of the business shall materially change for the better. While, in the meantime, of the millionaires, not one has been compelled to withdraw, and most of them, despite the heavy losses of the past trying years, have added more or less to their already large surpluses.

With the rapid increase of mercantile and real property and the equally rapid extension of territory occupied, the call for fire insurance indemnity becomes more imperative, and there must be provided the needful amount of insurance capital to keep pace with this growing demand. The larger offices write freely, that is, in large lines, and can do so safely, because abundantly backed-up by their several home offices, which, for the most part, always maintain heavy reserves on hand ready for contingencies at home or abroad. Hence, they get, voluntarily, from their insured the better class of business and the best current rates obtainable by any other companies, and this at the least outgo for management expenses.

In fine, the age is one of progress in all commercial affairs, and fire insurance, among others, must have the means at hand to enable the companies to keep abreast with the times, and this they can do only by large assets.

ONTARIO WORKMEN'S COMPENSATION.

The annual statement of the Ontario Workmen's Compensation Board for 1917 shows that the total amount of compensation awarded during the year was \$3,917,085 an increase of no less than \$1,905,617 over 1916.

The number of employers who contributed to the assessments are given as 14,000 on payrolls representing \$256,580,000.

The total number of accidents reported was 36,514, as compared with 26,092 reported during 1916.

The Spectator of New York celebrated the fiftieth anniversary of its establishment last month by issuing a notable golden jubilee number. In addition to a large number of articles by prominent underwriters it contains a handsome volume of advertising.

CANADA PERMANENT MORTGAGE CORPORATION

QUARTERLY DIVIDEND

NOTICE is hereby given that a Dividend of TWO and ONE HALF PER CENT, for the current quarter, being at the rate of

TEN PER CENT PER ANNUM

on the paid up capital Stock of the Corporation, has been declared, and that the same will be payable on and after

TUESDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June.

By order of the Board.

Toronto, May 29, 1918.

GEO. H. SMITH, Secretary

Seventy-Five Years Ago

On the first of February, 1843, The Mutual Life of New York issued the first mathematical reserve policy ever written by an American company.

Having completed its 75th fiscal year on the 31st December, 1917, the Company enters upon the new year with a justifiable pride in its impregnable strength, its unsurpassed policy contracts, its generous dividends, and its great body of well-satisfied policyholders.

▲ ▲ ▲ ▲

THE OLDEST COMPANY IN AMERICA IS
THE COMPANY FOR YOU.

▲ ▲ ▲ ▲

For terms to producing agents address

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK

34 Nassau Street . . . New York City

ATLAS ASSURANCE COMPANY LIMITED of LONDON, ENGLAND

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

At the Accession of	Income	Funds
KING GEORGE IV.	\$ 357,065	\$ 800,605
KING WILLIAM IV.	657,115	3,038,380
QUEEN VICTORIA	789,865	4,575,410
KING EDWARD VII.	3,500,670	11,185,405
KING GEORGE V.	6,846,895	15,186,090

and at

31st DECEMBER, 1917 9,633,665 22,416,355

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

Agents wanted in unrepresented districts.

Head Office for Canada:

260 St. James St., MONTREAL
MATTHEW C. HINSHAW, Branch Manager



Assets:
\$22,022,227.19

Surplus:
\$7,426,114.26

Canadian Head Office:

MONTREAL.

J. W. BINNIE, Manager

THE London Assurance CORPORATION OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1730

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

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

L'UNION

FIRE INSURANCE COMPANY, Limited

Established 1858 Head Office: PARIS, France.

Capital fully subscribed - - - \$2,000,000.00
25 p. c. paid-up

Fire Reserve Funds - - - - - 5,539,000.00

Available Balance from Profit
and Loss account - - - - - 111,521.46

Net Premiums in 1916 - - - - - 5,630,376.42

Total Losses paid to 31 Dec., 1916 100,942,000.00

Canadian Branch:

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

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

LIFE INSURANCE, WITHOUT A PARALLEL.

In comparing the institution of life insurance with the various financial and benevolent enterprises of which we have any knowledge, we are forced to the conclusion that it is not paralleled by any other, and that the advantages claimed by any and all of the various schemes, for the accumulation of wealth, the conservation of the public interests, in the provisions made for the carrying on the business of the country by our chartered banks, the protection of the people from loss by fire and tempest, the accommodations provided by government and other savings banks, for the convenience and comfort of the people, as well as the organization and sustenance of charitable guilds, etc. are only secondary as compared with the benefits conferred upon mankind by life insurance.

Our banks have done and are doing grand work in their own way. But every dollar received from a bank in times of difficulty, must be paid back, and very properly so, as unless this is done, it would be impossible for the bank to continue in business. If death overtakes the borrower before his debt is paid his estate must pay the loan, even if the last dollar is needed for that purpose, and the family are compelled to seek shelter from the storm in the homes of strangers. How is it with life insurance? A single premium if paid in season, provides the policy which stands between the little ones, and want, when the funeral is over. The creditors may be as unfeeling as the most pronounced shylock, but the law protects a life insurance company in paying over to the bereaved ones, at the time they most need it, the amount secured them by the beneficence of a system as yet comparatively misunderstood. The Chronicle says "misunderstood", because with a proper understanding of its merits, there would be none uninsured.

Our orphanages, children's homes, houses of Providence, etc., are doing a good work, but the most they can dole out is charity, and in this every day world of ours, while such homes are better than actual starvation, the comforts they furnish fall far short of what might have been in store for the inmates, if only the fathers of those little ones had protected them by life insurance. In many instances the presence of these waifs in those homes means, that a poor heart broken mother, being left utterly penniless by the loss of her protector has battled heroically with a cruel fate, until worn out at last with the hopelessness of her future, she has laid herself down to die, commending her little ones to the tender mercies of those about her. In how many cases would even a limited amount of insurance have changed all this?

Our fire, marine, accident and other branches of insurance are bulwarks of protection to the millions of business men scattered throughout Christendom. Fortunes are saved to the owners by the existence of these institutions, and without them an element of great danger to the interests of the nation would be abroad. But after all, buildings and ships may be insured for generations and no serious contingency arise, while man has but one life, and the culmination of that is terribly certain. He must die. No matter what special interests he represents, no matter how dependent on his efforts his family may be, no matter how he stands towards the community which has been benefitted by the wisdom of his counsels, he is taken away just as if his life was of no value. And even if property is lost, in most cases a

man's all is not taken, and if it is, he still has the world before him, and can have a living, even if not the living to which he has been accustomed. But the loss of the family hand is a different matter. If a man could choose the time of his taking off, or if he knew of a certainty, that at a given day in a certain year, he would be compelled to take leave of his surroundings, he might be able to arrange his affairs, that he would be missed but little. But the uncertainty of death admonishes all thoughtful men that the preparation should be present and continuous.

In the absence of accumulated fortune, the necessity for using capital, in case of the ordinary business man, makes it impossible for him to so arrange it that his family is always safe. Just here is where life insurance is needed, no matter how subtle the approach of disease, or how sudden the summons which hurries him away, a life insurance policy takes his place as a provider and not only so, but helps to save his estate from ruin. The savings banks of the country have their uses, and are of incalculable value, to any community. They encourage habits of thrift, and assist in training people to be self-reliant and helpful. They discourage extravagance by inducing people to husband their resources, and tempt them by payment of interest to allow their earnings, to accumulate. But side by side with a policy in a well selected, and carefully managed life company, the savings bank goes to the wall.

Let any man early in life place fifty dollars per annum in a savings bank, and a similar amount on a life policy, and even if he lives to a green old age, this life insurance premium will produce the best results, while all the time it possesses this enormous advantage. His fifty dollars in the saving banks will produce the amount deposited, plus the interest, should he die during the year, while the amount invested in life insurance, would produce at least a couple of thousand dollars.

The best men everywhere are insured lawyers, doctors, clergymen, bankers, statesmen and all men of prominence in every walk of life, have recognized the claim of life insurance, and have allied themselves with it.

For several years work has been in progress on a new mortality table for the use of American life insurance companies. This has been done under the auspices of the Actuarial Society of America, the American Institute of Actuaries, and a special committee of the National Convention of Insurance Commissioners. It has long been conceded that the American experience table did not conform closely enough to modern conditions and that a more up-to-date mortality table was desirable. The work has practically been completed and the results will be announced soon.

Secretary McAdoo estimates that insurance companies will pay over \$6,000,000 in war revenue taxes the present fiscal year. How much will state insurance funds pay?

Our right or wrong use of money is the utmost test of character as well as the root of happiness or misery throughout our whole life.—By the author "John Halifax Gentleman."

73rd ANNUAL REPORT

New York Life Insurance Co.

346 and 348 BROADWAY - - NEW YORK CITY

Income for the year 1917:		
Premiums	\$100,279,122.00	
Interest and Rents	39,957,422.00	
Other Income	5,881,618.00	
		\$146,118,162
Paid Policy-holders, 1917 (Exclusive of Disability Benefits):		
Death Losses	\$30,599,371.00	
Matured Endowments	13,566,409.00	
Surrender Values	18,527,170.00	
Dividends	22,807,762.00	
Annuities	1,387,241.00	
		\$86,887,953
Loaned Policy-holders during 1917		\$23,722,213
New Paid-for Insurance in 1917 (Exclusive of over \$16,000,000 increase by Policies revived and increased, and Additions by Dividends)		
Paid for Insurance in Force Dec. 31		\$315,994,500
Number of Policies in Force Dec. 31		1,301,969
Admitted Assets, Dec. 31, 1917		\$934,929,381
<small>These assets are the property of over 1,000,000 people with their dependents (in accordance with their contractual rights). The Company is purely mutual; it has no capital stock.</small>		
Legal Liabilities		
Reserved for dividends payable in 1918	\$26,561,063.64	
Reserved for dividends on deferred dividend policies maturing subsequent to 1918	107,041,778.00	
Reserved for Contingencies	40,584,204.36	
		\$174,187,046
Total		\$934,929,381

THE ANNUAL DIVIDEND RATE OF 1917 WILL BE MAINTAINED IN 1918

FOR THE YEAR 1917 THE COMPANY'S MORTALITY RATE WAS THE LOWEST IN ITS HISTORY

Average earning power of total Ledger Assets	{ Dec. 31, 1917, 4.59%	A detailed statement will be sent to any person asking for it.
	{ Dec. 31, 1916, 4.54%	

January 14, 1918. **DARWIN P. KINGSLEY, President.**

EAGLE, STAR AND BRITISH DOMINIONS INSURANCE CO. LIMITED

Assets over \$61,000,000 Premium Income over \$14,000,000

FIRE and MARINE

Canadian Managers, DALE & COMPANY, LIMITED, Coristine Bldg., Montreal
Branches at HALIFAX, TORONTO, WINNIPEG and VANCOUVER

THE YORKSHIRE INSURANCE COMPANY, LIMITED

ESTAB. 1824

YORK, ENGLAND ASSETS EXCEED \$23,000,000

FIRE

LIVE STOCK

ACCIDENT

CANADIAN DIRECTORS {	Hon. C. J. Doherty	Hon. Alphonse Racine
	G. M. Bosworth, Esq.	Alex. L. MacLaurin, Esq.
		Canadian Manager, P. M. WICKHAM, Montreal

APPLICATIONS FOR AGENCIES are invited from responsible persons.

DIRECT TAXATION BEST WAY OF FINANCING THE WAR.

Of the various methods by which a Government can get money for war or any other purpose the most obvious, the most unpleasant, the most honest and the most satisfactory in its ultimate results is taxation. By taxation a government simply takes money out of your pocket and mine and spends it on war or other purpose for which money is required. By this process our spending power is curtailed; the Government's is increased. We have to spend less on the goods that we usually consume, and consequently our demand for the goods and services produced by the community is to that extent reduced, as far as we are concerned, and is handed over to the Government to be used for the purposes for which it requires it. There is thus no increase in the demand for goods and services, and consequently no untoward effect in the way of a rise in price. Instead of our buying boots, for example, for ourselves, the Government buys boots for the soldiers, and there is no appreciable alteration in the condition of the market, for boots and for all the raw materials out of which boots are made and for the labour and machinery used for manufacturing them.

Taxation also has this great advantage—that when it is well and scientifically imposed it is raised from the whole community according to the ability of the various citizens to pay. It is only, of course, ideal forms of taxation which can claim this great advantage, and in most countries it is not easy to say that the ideal has been reached in this important matter. We certainly can claim that we have gone further than most other countries in this respect, since the bulk of our revenue is now raised by what is called direct taxation, which has the great advantage that it can be graduated and differentiated so as to fit the burden, with more or less success, to the ability of the taxpayer to bear it; that is to say, that direct taxation in its most well-known and obvious form, the income tax, is calculated according to the amount of the taxpayer's income, and its rate varies according to the extent of that income.

This is the great principle known as graduation. It is also differentiated; that is to say, that the worker who is earning an income from the sweat of his brow or the labour of his thews and sinews pays a lower rate of income tax than the owner of inherited or saved wealth who derives his income from investments of one kind or another, and so is certain of receiving it whatever be his state of health and his ability to work.

Taxation that can be thus graduated and differentiated is clearly very much fairer than any other kind, but we have still a long way to go before we have made our income tax absolutely perfect. Some abatements are already allowed to fathers of families which have to be educated, but those abatements do not nearly apportion the burden of the tax fairly, and it is more than high time that some scheme of reform should, as could easily be done, wipe out this blot on this otherwise most equitable tax, so that it could be used more freely and with less injustice in the tax of raising money for the war.

When we compare the advantages of the income tax with the unfairness involved by what is called indirect taxation—that is to say, imposts levied on articles of general consumption, such as tea, sugar, tobacco, and beer—the inequality involved by the latter is at once apparent. The pound of tea or the

glass of beer, bought by the millionaire or by the crossing sweeper, pays exactly the same amount in taxation, although it is very obvious that the ability to bear taxation is entirely different in the two cases.

One of the notable features of our war taxation has been the very large proportion of it that has been raised by direct taxation as compared with indirect. In this respect, as in most others in war finance, we compare very favourably with the achievements of Germany, where by far the greater part of the war taxation has been laid upon the shoulders least able to bear it in the form of indirect imposts and in the shape of high prices due to inflation.

After taxation the most satisfactory manner in which a Government can raise money is by borrowing directly from the citizen money than he saves. By this means again money which the citizen would otherwise have spent upon himself or upon his friends or upon investment in ordinary enterprise, is handed to the Government, and so the buying power which the citizen would either have exercised for his own purposes, or for that of ordinary industry is transferred from him to the Government to be used for the war.

There is thus, in this case again, no increase in the demand for commodities as a whole, because the commodities that the Government requires are produced instead of the goods which the citizen would have consumed or which would have been consumed by the industry into which he put his money. No increase in buying power is created; only a transfer is involved from one kind of activity to another on the part of the country's industry.

The disadvantage of this system of financing the war, or anything else, as compared with taxation is that it does not affect the whole body of the citizens but only those who are patriotic enough or thrifty enough to respond to the Government's request when it offers loans or any other form of Government security for subscription.

It also carries with it this advantage, that in order to get subscriptions to its loans a Government has to offer a rate of interest and promises to repay the money some day. Consequently the higher the proportion of the war's cost that is paid for by borrowing, as opposed to taxation, the more serious are the problems with which the Government will be faced at the end of the war, when it will find itself obliged to raise an enormous revenue in order to meet the interest charge on the debt and to provide what is called a sinking fund for its reduction.

The effect of this process comes practically to this, that the war's cost which is met by borrowing has to be paid for three times over. First of all, during the course of the war by those who subscribe to the loans; secondly, after the war by the general body of taxpayers who provide the money to redeem the debt, and thirdly, by the Government which takes this money from the taxpayers and hands it back to those who subscribe to the loans or to their heirs and assigns.

A still more serious disadvantage is involved by borrowing, as compared with taxation, in the fact that it inflicts considerable injustice to those who go and fight for us or do war work for soldiers' and sailors' pay. Owing to the low rate of pay that is given to those who do the most important war work of all, viz., facing death, wounds and intolerable discomfort at the front, they have very little op-

THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1833

**Fire, Marine, Hail and
Automobile Insurance**

HEAD OFFICE: TORONTO

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

DIRECTORS:

W. B. MEKLE, President

SIR JOHN AIRD

ROBT. BICKERDAKE, M.P.

Montreal

ALFRED COOPER, London, Eng.

H. C. COX

E. HAY

JOHN HOSKIN, K.C., LL.D.

D. B. HANNA

Z. A. LASH, K.C., LL.D.

GEO. A. MORROW, O.B.E.

LT. COL. THE HON. FREDERIC

NICHOLLS

BRIG.-GEN. SIR HENRY PELLATT,

C.V.O.

E. R. WOOD.

W. B. MEKLE

Pres. and Gen. Man.

JOHN SIME

Asst. Gen. Man.

E. F. GARROW

Secretary

THOMAS F. DOBBIN, Resident Manager
MONTREAL

NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST

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

AGENTS WANTED FOR THE ACCIDENT BRANCH.

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

JOHN MacEWEN, Superintendent for Quebec.

FOUNDED A. D. 1818

THE GENERAL FIRE INSURANCE COMPANY OF PARIS, FRANCE

SURPLUS TO POLICYHOLDERS, \$5,528,500

THOMAS F. DOBBIN, Manager for Canada.
EDMUND FOSTER, Superintendent of Agencies.

Lewis Building, St. John Street, - MONTREAL
Applications for Agencies invited.

OPPORTUNITIES

In Life Insurance are many

FOR AN AGENCY, ADDRESS

GRESHAM LIFE ASSURANCE SOCIETY, LTD.

Established 1848. Funds \$50,000,000

Gresham Building - - - MONTREAL

First British Insurance Office Established in Canada, 1864

INTENDING ASSURERS

Should read the "THREE MINUTES" Leaflet
of the

PHOENIX ASSURANCE COMPANY, Limited
OF LONDON, ENGLAND (Founded 1782)

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

106 St. Francois-Xavier Street, Montreal

The Company offers to the Public every advantage which

LIFE ASSURANCE

conducted under the most favourable conditions
is capable of affording:

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

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

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

Agents Wanted

ESTABLISHED 1864.

New York Underwriters Agency

A. & J. H. STODDART
REGISTERED

100 William Street - New York

Provincial Agents

MURPHY, LOVE, HAMILTON

& BARCOM,

Toronto, Ont.

OSLER, HAMMOND & NANTON,

Winnipeg, Man.

ALFRED J. BELL & CO.

Halifax, N.S.

JOHN WM. MOLSON

& ROBERT Y. HUNTER

Montreal, Que.

WHITES & CALKIN

St. John, N.B.

AYRE & SONS, LTD.

St. John's, Nfld.

T. D. RICHARDSON, Supt. for Canada
TORONTO

Founded
A. D.
1710

SUN INSURANCE OFFICE

Head Office: Threadneedle St., London, Eng.

THE OLDEST INSURANCE
OFFICE IN THE WORLD

Canadian Branch:
15 Wellington St. East
TORONTO, Ont.

LYMAN ROOT
Manager

DIRECT TAXATION BEST WAY OF FINANCING THE WAR

Continued from page 681

portunity of subscribing to loans during the war, even if they are lucky enough to avoid serious business losses owing to their absence at the front.

In the meantime their rivals in business or in the labour market who are not fit to go to the front, or are retained at home for other reasons, are enabled to earn high war profits and high war charges and to make big subscriptions to war loans. Then, when the war is over and the whole body of the taxpayers has to provide for the war debt charge, those who have been fighting for us, and so have gone back in the industrial and commercial race, will be expected to contribute their share to the taxation involved by the war debt charge.

Under the heading of "Real Borrowing" I included only money borrowed by the Government direct from the citizens who save it and so restrict their own buying power. There are, however, other financial devices by which the Government can get money without involving a transfer of buying power from anybody, but by actually increasing the amount of buying power in the country. By this means, since no one's consumption is reduced, we get the unfortunate result that more buying power, i.e., demand for goods, is created without any increase in the volume of goods being produced, and a consequent rise in prices.

This is the process which produces a rise in prices due to what is technically called "inflation," concerning which so much discussion has raged during the war. Without going into the mysteries of this subject at present I will merely remark that it depends on what seems to me to be a common sense arithmetical truism, that, if you multiply the amount of money of all kinds without increasing the amount of goods to be bought by it, the price of goods will inevitably go up, and, on the other hand, that there cannot be a general advance in the price of goods unless an increase in the amount of available buying power has been carried out.

Goods only rise in price if there is a greater effective demand for them, that is to say, if more people who want them are able to pay money for them. This can only happen if the volume of money is increased relatively to the amount of goods coming forward.

This process takes place, for example, when a Government borrows, not from citizens who save, but from banks. If a government borrows from a bank, none of those who have money in a bank have any less money at their command. The bank simply gives the government a credit in its books, enabling the government to draw checks upon it, and these checks are, in their effect upon prices, just as good money as coins or bank notes which are legal tender, i.e., have to be accepted in payment without any choice on the part of the seller of the goods. The checks that the Government draws on the banks are paid over by it to contractors and others to whom it owes money, and are paid in by them to the banks, and so the amount of banking money in the country is actually increased by the process. Consequently there is an increase in buying power and a rise in prices.

The same process arises when the Government increases the currency of the country by printing notes, as has been done so rapidly by our own

Government during the war, and still more rapidly by Germany and most of the other countries now involved in the struggle.

It also arises when the Government borrows directly from the citizens, not money that they have saved but money which they themselves have borrowed from their banks in order to subscribe to war loans. In this case there is no transfer of buying power, but the creation on new buying power. The bank has given the customer a credit, and this credit is added to the total available buying power of the country, and this increase in effective demand remains as long as the advance is outstanding.

There are other ways by which governments can raise the wind for war finance. They can, for example, induce the banks to increase credits for the purchase of goods coming from abroad. This is usually done by the banks and financial houses accepting bills of exchange against the shipment of goods. These bills of exchange are discounted, as it is called, in the money market; that is to say, they are turned into fresh buying power.

The latest example of this kind of financing is an arrangement by which certain English banks have promised to draw bills on one another against the shipment of goods from Switzerland. These bills will be discounted in the Swiss money market, which, in effect, will be making an advance to the London money market, which will have to be paid off when the war is over by the shipment of goods or other valuables from England to Switzerland.

By this means, and also whenever a Government raises a loan by the more usual methods in a foreign country, we induce the citizens of other countries to pay for part of our war cost during the course of the war, promising that we will pay them interest in the meantime and pay back the money at some more or less remote date when the war is over.

The objections to his process of war finance are sufficiently obvious. It involves a much more serious problem to the borrowing country when the war is over than the existence of a war debt which is held at home. Debt held at home will involve, when peace comes, merely a transfer from the citizens as a whole to those of them who hold the war debt in the form of interest and repayment. It will not directly affect the nation's power to produce and consume goods as a whole, but will merely warp the distribution of those goods owing to the command that the holders of war debt will have over it.

This warning of distribution may have important political and social effects if the charge involved by the war debt is too heavy. But the existence of a foreign-held debt is much more serious because it will mean that out of our after-war production of goods we shall have to ship abroad a certain amount every year to meet interest and sinking fund on our foreign-held debt without receiving any goods in exchange for them.

The broad conclusion at which we thus arrive is that the country will come most successfully out of the war in the matter of finance which raises the largest possible proportion of the war cost by taxation, and apart from taxation, relies as much as possible on genuine borrowing of saved money from the citizens and as little as possible on loans from foreigners.

—New York Journal

THE ST. PAUL FIRE AND MARINE INSURANCE COMPANY
INCORPORATED 1865 **ASSETS OVER \$13,000,000**

REPRESENTED IN TORONTO BY
McADAM, SHERRITT & COMPANY
General Agents

Excelsior Life Building 36 Toronto Street


BRITISH TRADERS' INSURANCE COMPANY, LIMITED
ESTABLISHED 1865

Head Office: HONG KONG Head Office for Canada: TORONTO

FIRE & MARINE INSURANCE

LOSSES PAID SINCE ORGANIZATION OVER \$50,000,000

C. R. G. JOHNSON, POIRIER & JENNINGS, Inc., General Agents, Manager for Canada, C. R. DRAYTON
 MONTREAL



The Northern Assurance Co. Limited
 Of England

ACCUMULATED FUNDS, 1917 - \$48,384,320.00
Including Paid up Capital Amount \$1,460,000.00

Head Office for Canada: Lewis Building, 17 St. John Street, Montreal
G. E. MOBERLY, Manager

Railway Passengers Assurance Company
 of London, England

Transacts: ACCIDENT, HEALTH, EMPLOYERS' AND PUBLIC LIABILITY, MOTOR CAR, ELEVATOR, TEAMS, PLATE GLASS, BURGLARY AND FIDELITY BONDING

Head Office for Canada and Newfoundland - - - - TORONTO
 F. H. RUSSELL, General Manager

Montreal Branch: 702 Lewis Building, 17 St. John Street

The Canada National Fire Insurance Company

HEAD OFFICE: WINNIPEG, MAN.

Total Assets - - - - \$2,387,634.14
 A Canadian Company investing its Funds in Canada
 APPLICATIONS FOR AGENCIES INVITED

THE STRATHCONA FIRE INSURANCE COMPANY

HEAD OFFICE, 90 St. James Street, MONTREAL

CAPITAL Subscribed - - - - \$300,000
By over 500 Notaries of the Province of Quebec

TOTAL ASSETS, December 31st, 1917 - \$373,644

President and General Manager, - - A. A. MONDOU

EACH MAN'S DUTY.

For the man "at home" who, though beyond military age, still feels that possibly he is not "doing his part," there are many bulletins emanating from Washington and other authoritative sources which should be reassuring. With the nation at war, it is the patriotic impulse of every man with real red blood in his arteries to feel that he should be at the front carrying a rifle or serving a cannon, but how futile would be the efforts of the nation if every such man were suddenly placed at the front. There would not be enough rifles to arm the force, there would not be enough ammunition to carry through a single engagement, nor would there be food and other essential supplies to maintain the army. Important as is the soldier in the front-line trenches, his effectiveness depends entirely upon how thoroughly he is backed up through all the communicating trenches and back across the water to the fields and factories from which his needs must be supplied. There is ample opportunity for every patriotic citizen to be essentially a part of the driving force that will eventually defeat Prussian militarism, and the way that the most of us can perform our part is to carry on to the very best of our ability the various duties of the business in which we are engaged, and to be ready constantly to respond heartily and cheerfully to every call that the government may make upon us for support in the way of loaning money for the prosecution of the war program or giving money and personal effort to make efficient the voluntary branches of service, such as the Red Cross, the Y. M. C. A. and kindred enterprises. To be able supporters of these necessary features of war effort, we must be as successful and prosperous in our business endeavours as possible. The sinews of war are being constantly replenished from the productive efforts of our entire citizenship, and there is no honest enterprise which is rendering actual service to some phase of human well-being that is not worthy of being counted as having its important share in winning the war. It is a patriotic duty to keep busy at that thing, if it is worth while, which one can do best and to be willing to work harder at it and for longer hours than has been customary in times of peace. The main thing to beware of, it would seem, is to avoid the taint of that spurious type of patriotism which loudly proclaims its desire and even eagerness to have a place, which it knows there is no danger of its getting, in the front-line trenches, but which shrivels up when some self-sacrificing solicitor appears on the scene and tries to get a reasonable subscription for any one of the worthy war funds—a subscription of such size that it can be felt like the scratch of a piece of flying shrapnel across the face of one of our soldiers. The duty of every citizen is clearly at hand, and in most cases it is that which is closest at hand.—Rough Notes.

ACCIDENTAL DEATH NOT AFFECTED BY WAR CLAUSE

An important opinion relative to the liability of life insurance companies, respective of the war conditions imposed in their policies, was filed yesterday by Judge Wessel and sustains a verdict for \$5,000 awarded Mrs. Mary B. McCahey, mother of Lieutenant John H. McCahey, Marine Corps, who died of a gunshot wound on July 16, 1917, two months after a policy of insurance was issued by

the John Hancock Mutual Life Insurance Company, defendant in the action.

The insurance was issued on the usual form, with a clause that the liability of the company was limited during the first year to the premiums paid should the insured die as the result of military or naval service.

While the decedent was stationed at Quantico, Va., he accidentally discharged a pistol, causing instant death. The defendant refused to pay more than the first year's premium, \$89.50. A jury awarded the full amount of the policy, \$5,000. In sustaining this award Judge Wessel said:

"It is clear that defendant at the time of issuing its policy knew that war had been declared; that the insured was a second lieutenant in the United States marine corps and that it was part of his duty to keep his firearms in proper condition. It was not then contracting with a person solely engaged in civilian life.

"In order to warrant the insurer's present construction it should have avoided all ambiguity, especially in view of the fact that the insured was a youth of twenty-one, engaged in the service of his country and anxious for his mother's protection in the event of his death. To require of him a hypercritical ingenuity in construing the carefully selected phrases of the insurer would be unwarranted and unreasonable."

A DEPENDABLE BAROMETER

The real barometer of the sub-marine situation is the rate for marine insurance. The encouraging statement has appeared in the papers within the past few days that rates for marine insurance are being reduced. If this proves to be the case there need be no doubt but that the effectiveness of the ruthless sub-marine program of the Germans is falling down. There is little sentiment in insurance rates; they are not inclined to rise or fall for the purpose of effect upon the minds of the enemy, but they are based upon hard and fast experience. According as losses rise or fall, rates will follow. The governor which makes certain this quick response to changing conditions is competition, and it is this which has done more than all legislation, constructive or destructive, or than all public abuse of insurance corporations through press or from political stumps to prevent insurance rates from rising to unduly high proportions. If rates are high it may be taken for granted that the burning rate is high. Competition is the strong governor of rate levels. It induces economies in the management of insurance corporations, and it instigates many of the most effective activities to the worthy end of fire prevention. Camouflage reports may be given out upon occasion for the bewilderment of a public, but competition is not to be taken in thereby. It bases its edicts upon actual experience. So, if marine insurance rates are to be reduced, it is safe to believe confidently that the navies of the Allies are getting the upper hand of the Hun devil fishes. There will be days, of course, when stories of successful raids will bring their big headlines in the papers, as has been the case this week, but we have every assurance that the increase of shipping and the improvement of methods and equipment for attack upon the U-boats are accomplishing their aim.—Rough Notes.



THE EMPLOYERS'

Liability Assurance Corporation, Limited
of LONDON, England

Transacts

AUTOMOBILE INSURANCE
covering ACCIDENT, PROPERTY, DAMAGE, COLLISION, FIRE, THEFT
and TRANSPORTATION
PERSONAL ACCIDENT, HEALTH, LIABILITY, PASSENGER and FREIGHT
ELEVATOR, FIDELITY GUARANTEE, CONTRACT BONDS
and FIRE INSURANCE

Offices: { Temple Building : TORONTO, ONT.
Lewis Building : MONTREAL, QUE.

CHARLES W. I. WOODLAND,

General Manager for Canada and Newfoundland.

JOHN JENKINS, Fire Manager.

APPLICATIONS FOR AGENCIES INVITED

Canadian
Government
Deposit

\$1,342,455.00

Stands First

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



THE LAST WORD

IN
ACCIDENT AND SICKNESS INSURANCE

IS
THE DOMINION GRESHAM'S
NEW "GRESHAM MAXIMUM" POLICY

AGENTS WANTED EVERYWHERE

Applications in Ontario should be addressed to

L. D. JONES, Superintendent of Agents for Ontario
412 JARVIS STREET, - - - TORONTO



AUTOMOBILE INSURANCE

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

The "OCEAN" can meet these requirements under one contract

Branch Office: **MERCHANTS BANK BUILDING, MONTREAL**

ARTHUR JAMES,
Superintendent

H. GORDON WARING,
Inspector, Automobile Department.

Canadian Head Office: Ocean Insurance Building, TORONTO

The Dominion of Canada Guarantee & Accident Ins. Co.

**The Oldest and
Strongest Canadian
Casualty Company**

**ACCIDENT
BURGLARY
GUARANTEE BONDS**

TRANSACTS:

**SICKNESS PLATE GLASS
AUTOMOBILE INSURANCE
FIRE INSURANCE**

E. ROBERTS, Manager
701, LEWIS BUILDING, MONTREAL

C. A. WITHERS, General Manager
TORONTO

Branches: WINNIPEG CALGARY VANCOUVER