

HOW THE SUN LIFE MADE THIRTY-EIGHT MILLIONS PROFIT IN THE YEAR 1927

Participating Policyholders Receive Ninety-Five Per Cent. of Profits—Dividends to Policyholders Again Increased—Company Seeks Legislation to Maintain Canadian Control

Montreal.—The phenomenal record of the Sun Life Assurance Company is an inspiration to all Canadians. Its income of \$102,000,000 is already equal to the total revenue of the Government of Canada in the year 1910, and \$38,000,000 is certainly an amazing sum to have earned as profit in one year. Not many corporations anywhere can report such figures. The President's intimate, practical comments at the annual meeting explaining how these huge profits were made were illuminating.

Of even greater moment, however, were his statements regarding the danger that this great Canadian institution may pass from Canadian control. Some months ago, Mr. Macaulay referred to the activity of Wall Street in the buying of Sun Life stock, and cautioned policyholders and shareholders of the menace it involved to an institution which was founded and developed by Canadians and which has obtained its phenomenal growth under Canadian management. Subsequent events have justified these misgivings, and at the meeting the first public intimation was given that the Sun Life directors are seeking legislation at the present session of Parliament which is intended to effectively forestall this danger.

Precautions to Maintain the Company Canadian in Character.

In concluding his address to the shareholders and policyholders the President made the following reference to the matter:—

"There is but one cloud on our horizon. Our very prosperity has created a remarkable demand for our capital stock. We desire to ensure that this great company shall always remain strictly Canadian in its control and in particular that its investments shall never come under Wall Street domination. A bill which we have introduced into Parliament will be submitted for your approval. If it be passed, it will give us the protection we so much need, and I know we can rely on the whole-hearted sympathy and support, not only of our stockholders and policyholders here present, but of our army of policyholders throughout the country."

The meeting unanimously approved of the measure in question. How important and how vital to Canadians are the interests at stake is disclosed in the report submitted to the annual meeting of the Company.

In moving the adoption of the report, President Macaulay said:—

"You gentlemen have become so accustomed to our presenting every year a statement surpassing all previous records that you come prepared to hear another report of that description. I am quite sure, however, that not one of you, in his most optimistic mood, expected a report so favourable as that which you now have. Our record for 1927 is indeed a remarkable one. Let me touch on the main features:—

Remarkable Growth; Strength and Profits.

The new assurances completed amounted to \$323,000,000, an increase of over \$62,500,000.

The amount in force at the close of the year had risen to \$1,487,000,000, and at the present moment is well over \$1,500,000,000.

The income exceeded \$102,000,000, an increase over the previous year of \$23,800,000. To me, this is very impressive. Not only has this item passed the one hundred million mark, but the increase alone is equal to what was our total income but eight years ago, which had been accumulated by forty-nine years of strenuous effort. A life company with a total income no greater than our increase would be an important corporation.

The assets have increased by \$56,000,000, and now exceed \$400,000,000. "But the most wonderful of all these wonderful figures is the amount earned as profit—\$38,000,000. How great this figure is may be judged from the fact that the earnings of the previous year, in which we so rejoiced, were \$20,500,000. It would be hardly reasonable to assume that our earnings of future years will continue on such a tremendous scale, and we have therefore set aside a large part of this sum to provide for future contingencies.

A Great Surplus and Contingency Fund.

"Our securities have been valued on a very conservative basis, but from even these moderate values we have set aside another \$5,000,000 to provide for market fluctuations, making the total deduction under this heading \$10,000,000.

"We have also set aside the following amounts:—

"A further \$1,500,000 for unforeseen

contingencies, raising that fund to \$12,500,000; \$500,000 to provide for possible greater longevity of annuitants, raising that to \$3,000,000; and \$1,300,000 to increase our reserves on tropical business; besides writing off another \$1,000,000 on our Head Office and other buildings.

"We have distributed \$11,100,000 in profits to our policyholders, and have also set aside \$6,200,000 to cover profits accrued on policies.

"After providing for all these amounts, we have added \$11,000,000 to our undivided surplus, raising that sum from \$34,000,000 to \$45,000,000.

Scale of Profits Increased for Eighth Successive Year.

"The announcement, however, that will be received with the greatest enthusiasm is that for the eighth consecutive year we have increased the scale of profit payments to our policyholders. The basis of distribution for 1928 will call for nearly \$900,000 more than would the basis of last year.

Profits of Policyholders Unexcelled in the World.

"We can already say that in profitability to our policyholders, we are not excelled by any life company in the world; but we are not satisfied and will not be satisfied until we can make an even stronger statement than that. Years ago, I told our field force that we hoped to be able to announce an increase in our profit scale for ten consecutive years. We have maintained that record for eight years, but the ninth and tenth years have yet to come, and their story has yet to be told. Our huge undivided surplus and our great contingency funds are the best guarantee our policyholders can have as to their future dividends.

Large Dividends the Result of a Wise Investment Policy.

"You ask how we are able to make these huge profits. The \$38,000,000 earned may be divided as coming approximately \$14,000,000 from the regular life-assurance operations of the Company, \$5,000,000 from profits actually realized by the redemption or sale of securities and \$19,000,000 from increase in market values. And, of all the profits made in the participating branch, the policyholders get ninety-five per cent.

"I would not have you suppose that we ever speculate. We do not. We, of course, do not hesitate to sell bonds or other fixed-interest securities when they rise to such premiums that the yield is no longer satisfactory, but when we buy a stock we buy for permanent investment, we buy to keep, and we never sell merely because the market value may have risen to a high figure. We have, however, had an epidemic of security redemptions, and as a result we have the \$5,000,000 of realized profit.

High Interest Rate Earned, With No Arrears.

"Even the normal earnings of a life company depend very largely on the rate of interest it can obtain on its investments. The current rate of interest has been steadily dropping for years, and there is every indication that it will continue to drop—how long we cannot tell. The outlook for investors in bonds and mortgages is not encouraging. That fact causes us no anxiety. We have on hand many large groups of the finest, most experienced, most energetic and most successful men on the

continent to work for us to maintain our co-operation by becoming stockholders in the outstanding basic corporations of the country, so that we share in all the profits that they make. The dividends which we receive on our stock holdings are already two millions more than were payable on the same stocks when we bought them. Our interest account, of course, includes also our dividend receipts, and our record is illuminating. In 1921 the average rate earned by us was 6.07 per cent; in 1923 it was 6.20 per cent; in 1924, 6.38 per cent; in 1925, 6.41 per cent; in 1926, 6.59 per cent; and in 1927, if we were to use the same basis of calculation as in previous years, the rate would be 6.81 per cent. We, however, do not wish to show such a high rate, and as we always make a charge of 5 per cent against our interest earnings for investment expenses, you will note that we are quoting only the net rate, 6.47 per cent, after deducting that investment expense. The falling rate of interest has no terrors for us.

"The quality of our securities may be judged by the fact that not one dollar of interest or dividend on any bond, preferred or common stock listed in our assets as in arrears for even one day.

Business Doubled in Four Years.

The position we have attained justifies enthusiasm, but we must always look on the present as a mere vantage ground from which to plan for the future. What is that future to be? Year after year we have been confidently predicting the glorious future yet to come, and that promised future is now unrolling itself before our eyes in all its greatness and strength. But what of to-day's future? I have just been reading my own remarks of two years ago, and already the figures of which we were then so proud look small and outgrown. We have doubled in size now every five and a half years since the Company began, but our last doubling has taken only four years, and we are to-day growing more rapidly than ever before in our history. I predict that the figures of two years hence will make even the figures of to-day look small and outgrown in their turn.

Sun Life Sets Its Own Pace.

"People sometimes say when speaking of our progress:—'Yes, life assurance is growing wonderfully.' So it is; but the Sun Life is not content to grow only at the rate of life assurance generally. Statistics now available indicate that in 1927 the aggregate new business of all the companies operating in the United States exceeded the total for 1926 by only one per cent and in Canada by seven per cent. But the new business of the Sun Life of Canada shows an increase of twenty-three per cent. We set our own pace. Our prosperity and popularity, and the enthusiastic support of our six hundred thousand policyholders, make our growth both rapid and certain. The future still before us will, I am convinced, be more wonderful than anything we can now imagine. And it is indeed a happy thought that all that growth in size and all that growth in prosperity mean increased service to humanity, and service at steadily lowering cost to our policyholders.

The President closed his remarks by his reference to the need of safeguarding the future of the Company, as above quoted.

The Board of Directors of the Sun Life is composed of the following:—T. B. Macaulay, F.I.A., F.A.S., President and Managing Director; Arthur B. Wood, F.I.A., F.A.S., Vice-President and Actuary; Robert Adair, W. M. Birks, Hon. Raoul Dandurand, J. Redpath Dougal, Sir Herbert S. Holt, Abner Kingman, J. W. McConnell, C. E. Neill, Carl Rlordon, John W. Ross, His Honour James C. Tory, Hon. Lorne C. Webster. Three new directors were added at the meeting—Hon. L. A. Taschereau, Ross H. McMaster and C. E. McNaught.

Why the red stag should cast its solid antlers every Spring naturalists have not discovered. They only know the purpose of growing them—the guarding of the family herd of hinds from stray rivals.

Outcasts in Japan, the "Etas," have banded together, 200,000 of them, to compel social recognition that there should be no pariahs in a nation. Their badge is a crown of thorns on a blood-red field.

Sunday School Lesson

March 18. Lesson XII.—Jesus Teaches Sincerity.—Mark 7: 1-13. Golden Text—Keep thy heart with all diligence; for out of it are the issues of life.—Prov. 4: 23.

HUMAN TRADITION AS OPPOSED TO THE DIVINE WILL.

INTRODUCTION.—Again and again Jesus had to declare that what the Pharisees and other religious Jews considered to be the undoubted will of God was not God's will at all, but only a human ordinance or established custom. The Pharisees in their study of the Bible had built up an elaborate system of rules and regulations which was known as "the tradition of the elders." The object of it was to bring the whole life of man, even in its pettiest details, under the control of religious principles. But they misconstrued the meaning of religion. Thus in the matter of ceremonial washings before and after meals, and whoever did not conform to these was condemned as an irreligious person. Thus, the Pharisees wished to separate Israel from all other peoples, to build a high "fence of the Law" round the whole of Jewish life. But Jesus saw that in this zeal for outward or levitical purity they were emphasizing the wrong thing. They were forgetting that what God requires above everything else in a pure, sincere heart.

So we find Jesus condemning the so-called tradition, and calling men back to a purer sense of God's moral demands, justice, righteousness, mercy and truth. In this he resembled, though he far surpassed, the prophets. He possessed an inward knowledge of God's will, and he asked men not to follow a blind tradition, but to study for themselves what God required. They could only serve and love God if their hearts were right in his sight. Vs. 1, 2. The Pharisees, joined by a number of scribes, complain that Jesus permits certain ungodly laxities among his disciples. He does not insist on the scrupulous performance of the due washings or lustrations before and after meals. The object of this charge is to discredit Jesus' claim to be a teacher sent from God. If he were truly a man of God, he would not be chargeable with such scandalous omissions of religious requirements.

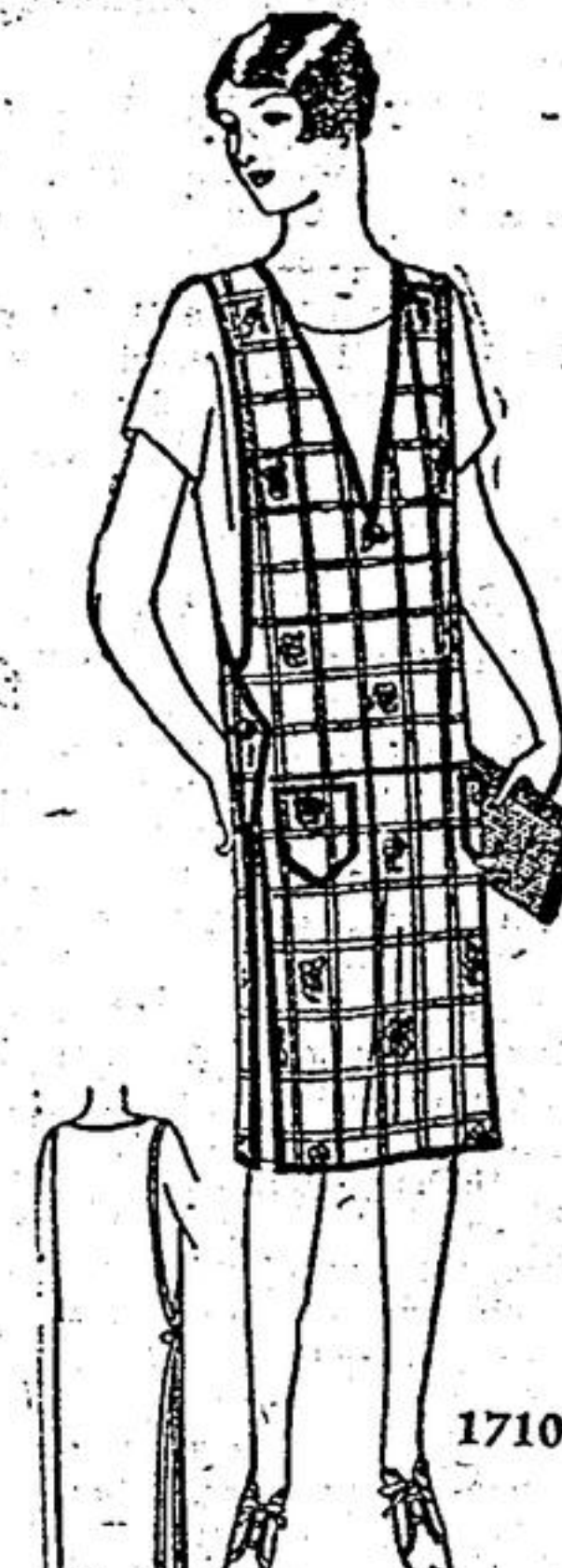
Vs. 3, 5. The evangelist Mark, who is writing for Roman Christians who do not know the customs of the Jews, explains here the nature of the Pharisaic requirements. Insisting on "the tradition handed down from the elders," the Pharisees said that every pious Jew must pour water on his hands and lave them up to the wrist before sitting down to food. He must also wash and purify everything that comes from the market; and cups, crocks, pots, and other utensils used in the house must all be ceremonially rinsed from time to time. Consequently, the Pharisees charge Jesus with rejecting the tradition of the elders.

Vs. 6, 8. Jesus' answer to the Pharisees is that this insistence on the tradition of the elders supplies a fine illustration of what Isaiah condemned when, speaking for God to Israel, he said: "This people (of Israel), honor me with their lips, but their heart is far from me. Yet is their worship of me futile, since the doctrines which they teach are man-made rules." Jesus condemns the tradition as a man-made system, not the authentic expression of God's will. He knew that many who observed the ceremonial washings were impure and dishonest in heart, and that what really made the market unclean was dishonest business. So he said that selfishness, graft, and lying were worse than the neglect of hand-washing, and that hand-washing would not avail in God's sight if the heart were black or impure. "You set aside God's commandment," he said, "in order to keep your human tradition."

Vs. 9-12. Another striking illustration of the same blind rejection of God's undoubted will in favor of merely human customs follows. If there was anything that God commanded, it was that children should reverence their parents, as required in the fifth commandment. And if this commandment meant anything at all, it meant that the children should be responsible for their parents' support when age or infirmity came on. But the Pharisees were accustomed to exempt from this responsibility any man who said that his property was "Corban," that is, dedicated to the temple for religious purposes. If a man, that is, pronounced the word "Corban" over any of his possessions, this oath was

to be considered so binding that he must not use any part of these possessions even to save his father or his mother from destitution. Jesus pronounced this a fine illustration of honoring the tradition at the expense of God's holy will.

V. 13. Hence, Jesus, summing up, says that the Pharisees actually abrogate the will of God in order to uphold their tradition. So concerned are they about oaths, or supposed oaths, that they look without compunction on the defrauding of helpless parents in their old age. The Master points out that such hypocrisy amounts to the repealing of God's Word. It is as though they thought to remove God from his throne.



AN EASILY FASHIONED APRON

The smart apron shown here is cut in one piece and has a V-shaped neck. The back laps over the front under the arms and there are two useful patch pockets. Unbleached muslin, gingham, chambray, cretonne or percale are suitable materials for fashioning this apron, and a note of contrast may be introduced in the binding, as illustrated. No. 1710 is in sizes 36, 40 and 44 inches bust. Size 40 requires 2 3/4 yards 32 or 36-inch material. Price 20c the pattern.

Our Fashion Book, illustrating the newest and most practical style will be of interest to the home dressmaker. Price of the book 10c the copy.

HOW TO ORDER PATTERNS.

Write your name and address plainly, giving number and size of such patterns as you want. Enclose 20c in stamps or coin (coin preferred); wrap it carefully for each number and address your order to Pattern Dept., Wilson Pattern Service, 73 West Adelaide St., Toronto. Patterns sent by return mail.

Jail "William Tell."

Cleveland.—Ex-patrolman Henry Frischkorn has something on William Tell. He must spend four months in the workhouse for trying to imitate the famous sharpshooter. Frischkorn tried the stunt with his police pistol, firing at the hat of George Reynard. He not only hit the hat, but also the head of the man with whom he had been discussing the merits of his weapon.

The period between birth and a college career should be called "From one crib to another!"

"Briton Foresees Generation That Will Never Get Out of Bed."—Headline. It will differ radically from the present younger generation, which never goes there.

In the good old days, a man could go out and get rousing drunk, and in the morning when he woke up with a splitting headache, he would put his hand to his forehead and say, "Gosh, I wish I were dead." Nowadays, a man goes out and gets rousing drunk, and in the morning when he wakes up with a splitting headache, he is dead!

FLOWERS and VEGETABLES No. 5

One of the first jobs to be carried out after a new house is built or after extensive re-adjustments have taken place in the grounds about the home is that of making a lawn. The soil must be put in good condition as grass requires food fully as much as flowers, and the surface must be made level. Too much emphasis cannot be laid on the last point, as an uneven lawn is always unsightly and after the ground is planted levelling up is no easy task. Make the whole plot as level as possible by working thoroughly and raking soil into the depressions. This should be done just as soon as possible so that spring rains and perhaps a frost or two may hasten settling. After a week work and rake level again. This operation should be repeated at least a couple of times, and where it is not necessary to depend entirely on rain for a moisture supply it should be kept up for a month or six weeks. Where there is no hose, however, the lawn will have to be sown before the middle of May so that the spring rainfall will give it a start. After old bricks, stones and sticks have been removed, all noticeable weed growth destroyed, and when the surface is as level as possible the seed may be put in. Select a day when there is no wind and do not neglect to seed liberally. It is also important to secure the best seed possible as one does not want to sow a lot of weeds along with the grass. If you have a roller, this is the best implement to use to press the seed in the ground. A pounder is the next best and if neither of these two affairs are obtainable rake it lightly. Growth will commence quickly as grass prefers cool weather. To hasten things along a light application of nitrate of soda every ten days is advisable. It is a good plan to put this on just before a rain or even during the shower. Cutting should commence with a very sharp mower—a dull machine will pull out the tender grass—as soon as the shoots are up a couple of inches and should be continued at intervals of a week as long as the lawn keeps growing. Hollows that appear after sowing can be gradually filled in with fine soil or sand but not more than half an inch should be put on at one time. There should be no unnecessary tramping over the new lawn until it has had a two months start.

Screening Buildings.

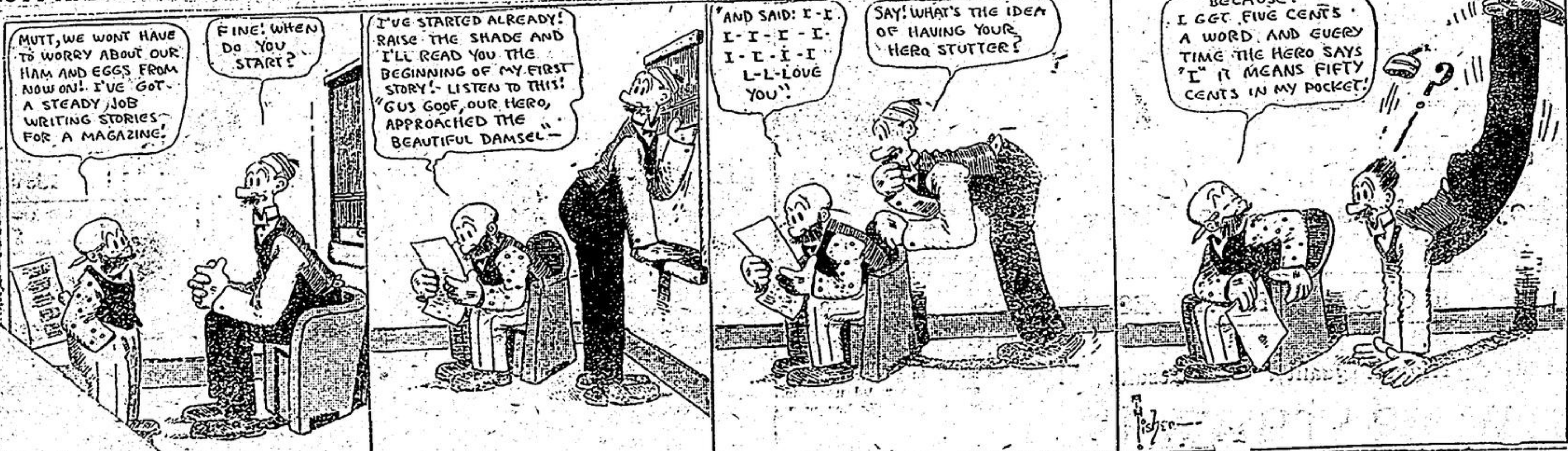
A little planning will often result in a beautiful back garden even where a garage and chicken house are prominent features of a thirty-foot lot. Annual climbers such as wild hops, sweet peas, morning glories and several others may be trained by means of clumps of shrubbery or tall annual flowers. For a more permanent job, Boston Ivy, Virginia creeper, Dutchman's pipe and similar perennials may be used but these will take longer to get established. Sunflowers make a good screen for a chicken house and in addition provide shade and food for the poultry. The scarlet runner beans in addition to being beautiful bloomers, furnish fresh string beans of excellent quality for the table. The morning glories may be mixed with these for a thicker foliage.

This is the month for pruning in the small garden and larger place too. All of the dead canes should be removed from the raspberry patch as well as the spindly ones among the new growth. Some of the older wood should be cut away from the gooseberries and currants. Grapes must be pruned early to avoid excessive bleeding. These vines should be cut back to a mere skeleton as the fruit is borne on the wood grown this year. Fruit trees should be opened up to lot in sunlight and air.

Bride-to-be—"What did your friend say when you showed him my photograph?" Flance—"Nothing; he just pressed my hand in silence."

"It is still possible for a girl to turn a man's head," declares a writer. Especially if her skirts are short enough."

MUTT AND JEFF—Bud Fisher.



That's Getting Money Under False Pretenses.