Local Business Men Interested in Insurance Affairs-Heads of Life Companies Express Views on the Matter.

neral approval of the ment, ratified by act of parliament in 31 per cent. upon all business issued insurance commission. 1879, the shareholders are chtitled to on and after 1st of January, 1900, and d opinion favors its personnel one-tenth of the profits. When the am-as its scope, and the hope is out paid up was \$125,000.00 the books to four per cent, before the end If there are abuses to be corper cent. per annum. They were liable tors and officers of the company, after make the necessary \$875,000.00, or \$74 per cent. of the tors and officers of the company, after make the necessary \$875,000.00, or \$74 per cent. of the consultation with our existing laws. The local ins are to be holders earns at the average rate of the company's invested funds \$49,200. Of our policyholders, came to the company's invested funds \$49,200. Of our policyholders, came to the company to the company to make up the S per cent. Which they rests of the company to make up the S per cent. Which they rests of the company to make up the S per cent. Which they rests of the company to proceed with the law, rather than take the very shirt it is stated, were wirhdrawn in the law, rather than take the very shirt in the United States. pleared. Not only the same amount to pay 30 per cent. on the \$125,000,00 prior to 1900. That the same amount investigation is stock dividend is no hardship upon the appeared from on its policyholders is evidenced from the fact that when spread over the of several companies of several companies.

It will be seen by reference to the recompanies who thought they would find it impossible to make the change that they are the equivalent of other at an earlier date. We believed then, of the Canada Life, at that com-

oin with the commissioner for Mi-an in making the usual periodical inination of the company. We also mated to the officers of the Cana-

months before made his simulter months before made his simulter nation, did not then think it nece to make a further one. The con

examinations, which was di

by the officials of the latter de

in, in the month of September of ear, when the public mind was a

d make such further examina

peressary. We were, however, of y informed that the accounts for year 1904, had all been verified the securities examined, and that

of all our affairs as he mig

In the month of November last, dur-in the month of November last, dur-ing the session of the Armstrong com-useion in New York, we offered to and our officers with official docu-

nte to New York to give eviden

transact business. Not only did we of-fer to give evidence in New York, but we invited the Armstrong Commission

to send their experts to our head of-fice and make an examination of our

You will thus see that we have made

wo requests to the Canadian superin-

nination, one request to the commis-oner for Ohio, one to the commissi-ter for Mishigan, and two offers to a Armstrong committee of the New ork Legislature. The directors, and

rs of this company submit that foregoing statement of facts will dy any fair-minded person that

ferring to the relations existing a shareholders and policy-hold-mator Cox gave the following ex-

d in August, 1847, and was in-

the late Province of Canada, in

April, 1849, with an authorized capital of £50,000. By section xxiii. of the charter, authority was given the shareholders to increase the capital to a sum not exceeding £250,000. This authority was exercised in 1855-6, and payments were made on account of the subscribed capital in various years following until, in 1864, the amount paid until 1900, when it was decided, after careful consideration by the shareholders to require payment in full for the shares. Every dollar of this amount, \$875,000.00, was paid in each

mount, \$875,000.00, was paid in cash

to the company by the shareholders, and this, as you know, was completed in 1904, the company now having a paid-up capital of \$1,000,000.00, of

per cent. was paid in acts

APETAL AND CHARTER.

in New York, we renewed the re-

to the Canadian Superin

I will ask you to bear in mind that nent British and American actuaries, the \$1,000,000.00 paid in by the share- with a number of the most prominent

r mutual, has given better securitor better results to its policyholders read over a long term of yearshan has the Canada Life, and in the ears, I include our last two quir sennial distributions that have fallen smewhat below the previous distribu-

through legislation, or in some other way, this evil may be effectually erad-

this dividend (over and above the interests of the policyholders the interests of the policyholders the interests of the policyholders to the immediate application the immediate application to the immediate application only about 30 cents per \$1,000 of in- ers as a whole. The sum of over \$2,- towards premium reduction of future books since January Jst, 1900, or,

temporarily reduce the amount of surplus available for distribution as profits. The steady increase in our new
business, a good percentage of
which is additional insurance upon our
present policyholders and new insurance upon the members of their faance upon the members of their fagive the largest rebate. The result is
that the assurers received by way of
milles, testifies to the fact that we
the steady increase in our new
business, a good percentage of
which is additional insurance upon our
present policyholders and new insurance upon the members of their fagive the largest rebate. The result is
that the assurers received by way of
milles, testifies to the fact that we
the steady increase in our new
business, whereby many agents are
development of the country, instead of
only \$30,000,000, as we have at presfunds, for directors to buy bonds, carent; in other words, we are trying to
bring back to Canada a portion of the
many millions that foreign insurance
pany, and holding the common stock
this country for the past fifty years.

Perhaps the supreme test of a life
tions in which the company and discussions in the
development of the country, instead of
the country, instead of th have a contented and satisfied body of rebate a very large proportion of the Perhaps the supreme test of a life tions in which the company and direcsatisfied. I have no hesitation in making the statement that no other coments in Canada in 1905, and on acing conditions, but what the comwhile the profits have been divided. ents in Canada in 1905, and on account of which the companies are blambany has done for its policyholders. It is find this regard the Canada Life can I do not know what other form the company. to be hoped in the interest of the challenge a comparison with the best suggestions have taken, but the whole agents, the companies and the as- companies in the world. Here is its of them imply some relations between derstanding between the companies, RETURNS TO POLICYHOLDERS.

see that we have during the past year paid out in profits to policyholders or applied to purchase bonus additions to underwriting; and have had no personwere able besides to allot to policy-holders during the past year \$1,200, heen unwarranted, 000.00, I do not think that this company or its directors or agents have pany and its moneys were used for cord, especially when that record was directors or others. accomplished at a time when we were rapidly extending our agencies to new this time to holster up its position,

count between the company and its policyholders since its commencement up to the end of 1905. It is often difficult for one not intimately acquainted with our total record to realize just how well the directors of this company in the past fifty-nine years have managed the great trust com- rare occasions. Its moneys have not mitted to their care.

From its organization to the end of 1905 the company has received in premiums from policy-Paid policyholders and beneficiaries ...\$30,911,309 Credited to pol-

icyholders 29,329,365

Total paid or credited \$60,240,674 Ratio of amounts paid or credited to policyholders to premiums received

from policyholders 114.5 In other words, during the past fifty-nine years the company has paid or credited to policyholders, on the aver-

Further, of the amount received from able portion is also in connection with subsequently sold at a profit, hence do nonparticipating and annuity policies, not appear on the list of published seand it may interest you to know what curities. In the other instance the sewe have paid or allotted in profits to curities are still held and appear on policyholders over \$11,000,000.00 or the published list on the table. There over 20 per cent, of all premiums (both with and without profits) received director to my knowledge has had from policyholders, and that, too, ex- common stock attached to any bonds red at different periods from the sur- to my knowledge has had any perplus to strengthen the policyholders' sonal profits arising out of his con-reserve, owing to the fall in the rate nection with the company. No director of interest from time to time. If we to my knowledge has had any loan on exclude the non-participating premi- stocks or securities from the company ums, and considerations received for annuities, the ratio of profit allotted the company and the directors were sharers in the profits or losses.

to existence, that would have been an that call loans were larger, and that exceptionally good record, and we if a truthful explanation were forthshould have been able to strengthen coming it would show how improper our reserves to a 31 per cent, basis these call loans had been. without making any reduction whatev- The answer is both a simple and er in the profits, but for many years natural one. The reduction comes were \$25.00 and \$26.25 per thousand of years three separate and distinct per annum. This rate of bonus, which large call loans were carried against was quite too liberal for the years be- Canada Atlantic bonds; against Lake tween 1865 and 1890, could not be Erie & Detroit River Railway commaintained when the average rate of pany bonds; against Bay of Quinte interest earned by the company on its | railway bonds. These loans aggregatinvestments fell at least 2 per cent. per annum. It was easier to obtain 61 per cent. per annum during that time than having no connection, directly or init is now, on equally good security, to directly, with the directors, and the earn 41 per cent. If you compute the loans were made prior to the present difference of 2 per cent. per annum on administration of the company. our present assets of \$30,000,000.00 Either the sale of the railways or a you will see the loss in interest am- reorganization of their securities led ounts to \$600,000.00 per annum, or to the paying off of these loans. These \$3,000,000.00 for each quinquennial | three items alone, therefore, represent period of distribution. To overcome more than three-quarters of the mystethat difference in our interest earnings, to comply with the government requirements in the strengthening of our reserves, and to pursue, as we have ing for money, it was possible to buy done, a progressive policy in the extension of our business to the United vorable terms, and your directors be-

One of the policholders' directors, J. W. Flavelle, spoke at some length simple and natural way.

upon the points touched upon in the Until my association with the Can-Canada Life's annual report and the ada Life I had had little experience in President's address. He expressed him- investment companies. I have little or self as personally greatly pleased that no knowledge of how investments are the government had issued a commis- made in other life insurance corporasion, and as hoping the examination tions. The impression which has been would be thorough, fearless and left upon me as the result of associasearching. He admitted frankly that it tion with the Canada Life is that its was hardly possible that its findings investments were made w'th conserva-would endorse the judgment of the directors of any or all life insurance During the entire period of my identity companies, Canadian, British and American, in all their methods of doing the associate manager of the Canabusiness or securing investments. He dian Bank of Commerce in New York, hoped, however, that it would estab- or Mr. Watt, the present treasurer, lish the good faith and honor of the have been the treasurers of the commen who sat on the respective boards. pany, and each transaction which For himself and his fellow-directors he came to the board came on the refelt he could say without reservation commendation of the treasurer that any possible errors were due to vestment committee. limitations of their human judgment, It has been alleged that the direcand were of the same inadvertent char- tors have been careful of shareholders

the strong and safe policy that he been carried out, even though it o temporarily reduce the amount of surplus available for distribution as pro-

than that of a trust relation, and that personal profits have come to the directors of an improper and wrong kind, 1904 we proceeded to calculate and al- I wish to say on behalf of myself lot the profits due as at that date that every such statement or sugges-From the directors' report you will have borrowed no money, have had no plied to purchase bonus addition of all profit. I wish to say on behalf of When I say that after completing during the last quinquennial period the know they are in the same position. I transfer to the new reserve basis we believe that the whole field of conjec-

with the public by the discovery of L would like to place before you silent assets. It has also been suggested that in connection with such underwriting blocks of common stock been used in underwriting on behalf of its directors or their friends. It took \$100,000.00 of the original underwriting of the Electrical Development company's bonds; received with underwrit-... 852,630,923 ing, which was practically a purch ase, \$100,000.00 of common stock. This stock will be found in the published statement of securities now before you

and has been carried in the assets of the company from the first. The company had an underwriting transaction in Grand Trunk Pacific bonds, which also was a purchase. No common stock, however, was issued with these bonds. I am not aware that it has had any other underwriting transactions. I am not aware that it has had any common stock, as a bonus, except age the sum of \$114.50 for each \$100 in two instances, where it purchased received in premiums from policyhold- securities. In one of these the securities were the Mexican Light & Power company bonds, and were purchased premiums, while the larger part is for from the Dominion Scurities company. "with profit" policies, yet a consider- These bonds and common stock were clusive of the large amounts transfer. the company has bought. No director

It has been implied that the marked If a uniform bonus of 2 per cent, per difference in the volume of call loans annum, or \$20.00 per thousand had against securities at present, as combeen allotted to the policyholders for pared to a few years ago, indicated every year since the company came in some improper relations at the time

bonus additions to the policies from two causes : First, for a number rious reduction. The remaining onequarter is to be accounted for by the fact that, with the high rates prevaillong-date, high-grade securities on falieved it would be sound policy to further reduce their call loans and use the money thus called in to increase their holdings of high-grade securities. I can think of no question which might be asked in relation to the in vestments of the company, which could not be answered in the

CANADALIFE Assurance Company

59th ANNUAL STATEMENT

Stocks and Debentures ges on Real Estate 5,785,612 99 Loans on Bonds, Stocks, Etc.

Loans on Policies.

Real Estate owned (including Company's Buildings in Toronto, Hamilton, Montreal, Winnipeg, St. John, N.B., London, Eng).

Premiums in Transit and Deferred (net) 3,629,593 86 ,934,307 92 601,314 03 st and Rents accrued 388,700 4 ther Assets..... Cash on hand and in Banks .

548,945 00 266,072 32 \$30,329 365 36

RECEIPTS nterest, Etc 1,294,593 54 Profits on sale of Securities 70,380 24

\$5,469,568 64

Death Claims (including Bonuses) \$1,389,053 28
Endowments paid (including Bonuses) 402,730 24
Cash Dividends to Policyholders 390,067 96
Cash Dividends to Purchase Bonus additions to Policies 466 294 40
Cash Dividends to meet anticipated Bonuses
on Minimum Policies 338,327 0
Surrender Values of Policies 144,292 1 Cash Values of Matured Tontine Policies . . Paid Annuitants

LIABILITIES.

cent. and 3 per cent. \$28,505,936 00

PAYMENTS

Re-insurance Reserve Fund (Hm.) 35 per

Death claims in course of Settlement and

Instalment Fund
Dividend to Policyholders in Course of Pay-

ment
Reserve for Policies which may be revived.
Other Liabilities
Total Surplus on Policyholders' Account
(Hm. 3) per cent. and 3 per cent.) after distributing surplus as below

144,292 13 114,625 00 26,691 35 TOTAL PAID TO POLICYHOLDERS . \$3,272,081 4 Commission, Salaries and Expenses...... 739,515 21 Excess of Receipts over Payments

\$5,469,568 64

261,030 01

35,843 41 41,962 00 91,190 66

1,393,403 28

\$30,329,365 36

...GAINS IN 1905...

Amount of Assurances applied for INCREASE \$14 571 153 \$314 931 13 043,503 282 076 TOTAL BUSINESS IN FORCE 11 211,721 1.003.541 5,875,939

The new business paid for in 1905 was greater in amount than that of any previous year in the Company's history.

A full report of the annual meeting and a complete list of the invested assets will appear in the Company's Paper, "Life Echoes,"

cash and the balance of 6 per cent. by bonus out of profits during the early years of the company—1849 to 1865—when little or no cash dividends were assets, aggregating over \$30,000,000.

Alexander Bruce, a.C., chairman of the investment committee, and H. L. for policyholders and earning addition-Watt, the treasurer of the company, will give to any policyholder who may desire it—at the close of the meeting—the fullest information as to where, the nature and function of a reserve

surance per year, and for this they 500,000.00 which had been added to profits. The policies specified that if say, 40 per cent. of the total amount have not only the guarantee of \$1, our reserves somewhat sooner than re the actual rate of profit earned was for the last six years, as against 60 oon,000.08 additional security, but a continuity of management and an assurance that it is in the shareholders' more than has the \$10,000,000 of repart to make as large profits for the bank of More merely a measure of instinct to make as large profits for the bank of More merely a measure of instinct the matter of profit earned was difference should be charged up against the policy. This, it was explained, was has been accomplished by the extension of instinct the actual rate of profit earned was difference should be charged up against our company and used by the policy. This, it was explained, was has been accomplished by the extension of instinct the actual rate of profit earned was difference should be charged up against our company and used by the policy. This, it was explained, was has been accomplished by the extension of instinct the actual rate of profit earned was difference should be charged up against our company and used by the policy. This, it was explained, was has been accomplished by the extension of instinct the actual rate of profit earned was difference should be charged up against our company and used by the policy. This, it was explained, was has been accomplished by the extension of instinct the actual rate of profit earned was profit and the actual rate of profit earned was profit and the actual rate of profit earned was profit as a grant to the actual rate of profit earned was profit as a grant to the actual rate of profit earned was profit as a grant to the actual rate of profit earned was profit as a grant to the actual rate of profit earned was profit as a grant to the actual rate of profit earned was profit as a grant to the actual rate of profit earned was profit as a grant to the actual rate of profit earned was profit as a grant to the actual rate of profit earned was profit as a grant to the actual rate of profit earned was profit as a grant to the actual rate of profit earned was profit as a grant to the actual rate of profit earned was profit as a grant to the actual rate of pr interest to make as large profits for policyholders as possible.

In the shareholders as large profits for treal been diverted from its sharehold-minimum and full-prout policies.

In the shareholders as large profits for treal been diverted from its sharehold-minimum and full-prout policies.

In the shareholders as large profits for treal been diverted from its sharehold-minimum and full-prout policies.

In the shareholders as large profits for treal been diverted from its sharehold-minimum and full-prout policies.

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In the shareholders as large profits for treal been diverted from its sharehold-minimum and full-prout policies.

In the shareholders as large profits for treal been diverted from its sharehold-minimum and full-prout policies.

In the shareholders as large profits for treal been diverted from its sharehold-minimum and full-prout policies. showing in detail every dollar of our is credited direct to his policy ac-

when, and at what price, and from in life insurance, I may just say that whom these various securities were it is entirely different from the term to give his consent before parliament would interfere with its vested rights.

The shareholders, thus, of their own

A printed list is laid upon the table of this fund represented by his policy other plans made by Senator Cox:

The opening up of new territors How low the minimum prentiums branches in the United States and by

The opening up of new territory, the Whole Life Rates. Full profit. Minimum. 19,00 17.30

profits arising from the business should be divided in the proportion of 25 per cent. to the shareholders and 76 per cent. to the shareholders and 76 per cent. The shareholders are commendation of the treating securities were in a bank or ordinary joint stock company. In a life company the you the following example: On a \$10,000.00 policy issued in 1876 at age 35, cent. cent. to the shareholders and 75 per cent. to the policyholders. It remained in that way until the year 1879, when the the decree of the decre Gibson, Dr. John Hoskin, K.C., E. R. Wood, the general manager, and the president, and each transaction is then reported to the full board, which meets every two weeks. The securities of the company are worth a good of the policy was good of the division of profits in 1895 the amount added to the policy was 625.00 At the division of profits in 1895 the amount added to the policy was 625.00 At the division of profits in 1895 the amount added to the policy was 625.00 At the division of profits in 1895 the amount added to the policy was 625.00 At the division of profits in 1895 the amount added to the policy was 625.00 At the division of profits in 1895 the amount

deal more than their face value, and a good many thousands of dollars and a good many thousands of dollars are sheededers, these of their own believes the sheededers, these of their own believes the sheededers, the sheeded

Present profit rates.

14.70

819.40

trm of twenty years, renewable a discretion of the Minister of the Int. The lessee shall have a dredge in stien within one season from the dr is lease for each five miles. Rents Months output after it exceeds \$1 W. W. CORY Deputy of the Minister of the In N.B.-Unauthorized publication dvertisement will not be paid for X RAY

Because of its deli

HIGHEST AW

MADPACKETS 25c., 30c., 4

Provinces, excepting 8 and 26, may be homesteaded upon

my person who is the sole head of

Entry may be made personally at

as had to be taken is situated, or in

be had to be taken is situated. Or in the besterder desires, he may, on a situation to the Minister of the Interesting the Commissioner of Immiger, Winnipeg, or the local agent

the district in which the land is

HOMESTEAD DUTIES : A settler

ed is required to perform the

ther is deceased) of any person wi

med the requirements of this Act a madeuce prior to obtaining patent e satisfied by such person residing

(8) If the settler has his perma midesce upon farming land owned him in the vicinity of his homestead.

tribents of this Act as to resid

APPLICATION FOR PATENT at

be made at the end of three years, bre the Local Agent, Sub-Agent o

emestead Inspector. Before making applications for p

he settler must give six months' no he writing to the Commissioner of minion Lands at Ottawa, of his inter-

YNOPSIS OF CANADIAN NOI

WEST MINING REGULATION

thracte. Not more than 320 acres

asy. Royalty at the rate of ten

Quartz .- A free miner's certificat

asted upon payment in advance

om \$50 to \$100 per annum for a

A free miner, having discovered mi

he fee for recording a claim is

in each year or paid to the minin

der in lieu thereof. When \$500

be expended or paid, the locator having a survey made, and

marlying with other requirements,

PLACER mining claims generall of het square; entry fce \$5, rene

Coal Coal lands may be purchase

the provisions of this Act, rewa a farm in the vicinity of the

At Strachan's Hard

"THERE IS 4 TIME FOR ALL THINGS." Now, while prices

low, is the time to your coal bin with quality SCRANTON C

P. Walsh's Ya BARRACK STREET.

SUBJ

of the year. It may sound of nesk of coal buying and selli science, but that's what we've, I Important discoveries made are that complete satisfar sur customers pays best, and

FOOT OF WEST ST.

BOSSING Gres for Paper and En

Letter Besides all classes of Lett Printing from a card to a volu THE WHIG, Ki