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 $328,000,000, 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 $5,000,00 to provide for market fluctuations, making the total deduction under this heading $16,000,000.

"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 item to $2,000,000; 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 profitableness 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—for how long we cannot tell. The outlook for investors in bonds and mortgages is not encouraging. That fact causes us no anxiety. We have enlisted many large groups of the bainiest, 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, 6.69 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.

Busines 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 Riordon, 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. B. McNaught.

Keeping Fit

HOW ENGLISH GIRL GUIDES PLAY HOCKEY

The All-England Touring Hockey team, which was so successful in Australia, played a match with the Girl Guides' past and present team at Merton.

A Garden All My Own

If grown-ups got little and I got grown,
I'd plant a garden all my own.
But it wouldn't have gates or a stuck-up hedge
Or gravelly walks with a prissy edge.
I'd hire a squirrel to run my paths,
I'd invite the sparrows to public baths,
And sociable posies might run away
To visit their neighbors every day.
And there I'd live like a fairy story
In a bower of roses and morning glory,
And four o'clocks would tell me the hours,
And even my dresses would smell like flowers!

(Harriet Eager Davis in Delineator.)

How Rockies Got Their Name

The name "Rocky Mountains" appears to be of Cree Indian origin. Long before the advent of the white man the Indians of the Canadian prairies, gazing at the glistening line of peaks stretched across the West, called them the "Shining mountains." Legardeur St. Pierre in his journal, 1752, stated that among the Cress they were called "Assin-wati," that is, literally, "stany or rocky mountains." He translated the name into French—"Montagnes des Roches"—and by the English equivalent they have been known.

One of the interesting speculations in connection with the automobile outlook for the year is what impressive new words they will be able to think of that mean second-hand.—Ohio State Journal.

The Cleaning And Care of Furs

Furs are being used to-day by Canadian women to a greater extent and in greater variety than ever before. They are expensive and to some extent a luxuary; their proper care is therefore a matter of considerable importance in order that the wearing quality and beauty may be preserved to the fullest extent. In this connection the Natural Resources Intelligence Service, of the Department of the Interior, considers that it would not be amiss at this season of the year to give some information regarding the proper care and storage of fur garments.

Furs not only collect dust but cosmetics, grease and other foreign matter which works down to the leather unless thoroughly beaten or brushed or blown out. It will be readily understood that if these are allowed to remain and accumulate they will have a deteriorating effect not only on the life of the leather but on the beauty and texture of the fur as well.

A good deal may be done in the home in the superficial cleaning of furg arments, mostly in the way of shaking and beating. Frequent shakings are a fairly good insurance against moths. Furs should always be cleaned and aired before being stored. They should not be hung in the sun but in the shade where the wind can blow on them.

To clean furs they should be shaken vigorously and then be beaten with a smooth switch or light cane. There should not be too much beating for fear of damage to the skin. A vacuum cleaner may be run over them with good effect. Hardwood sawdust rubbed into a fur and then thoroughly beaten out will much improve the appearance and the process can be repeated several times if necssary. The use of hair brushes and combs on furs should be with moderation. Combs, if user, should be large toothed.

This is about the extent to which cleaning should go in the home and if carried out frequently, it will be very beneficial in the upkeep of fur garments. Thorough cleaning of the linings and the fur should be undertaken by an expert with proper facilities and experience. The use of cleaningfluids such as alcohol, etc., are dangerous in the hands of the amateur. Besides danger from fire, irreparable damage may be done to the garment.

Some cleaners, who have little or no real knowledge of fur, advertise fur cleaning. Furs should only be entrusted into competent hands. The process of the fully equipped furrier in cleaning furs includes a considerable number of operations and is generally as follows. First the linings are removed and cleaned separately. Then the fur body in tumbled over and over in a revolving drum and afterwards laid on a padded table and whipped or beaten. The duration and severity of these actions depends on the kind and condition of the object. The fur is then vacuum cleaned by blowing and suction after which any dust is sucked out by a cleaning fluid made up highly refined naphtha or benzine and rubbed into the fur. After the dampened sawdust is rubbed into the fur until the grease, powder rouge and other materials have been cut by the cleaning solution, the garment is shaken and beaten again. The fur is then placed on a figure and glazed with water, care being taken so that thew afur will not soak into the skin, and ironed with paper between the iron and the skin. Finally the cleaned fur and linings are brought together again.

Enough has been indicated to show that fur cleaning is really a craft of its own and one which should be taken advantage of. It is frequently convenient to have fur garments thoroughly cleaned at such time as alterations or retailoring is being carried out. The furs will emerge like new and worn skins can then be easily replaced and the garment brought up to the latest fashion.

A word about storage. Do not hang hang furs in closets or wardrobes filled with other garments or near fires and radiators. This applies especially to wet furs; there are natural oils in furs and heat softens the leather. Attention has already been directed to the desirability of vigorous shaking and beating, etc., before putting away furs. They should then be wrapped carefully and completely in a good paper covering (tar paper and carbolized paper are sometimes used) scattering some napthaline flakes, camphor, moth balls or cedar shavings in them. Plenty of moth preventatives should be used. Wrap the package in a second wrapping of heavy paper or place in a good paper bag and store in a dark cool closet or in a box with a close fitting lid. Some careful persons even wrap the box in one or two coverings of paper and seal.

Moths may sometimes persist even in a well cleaned and packed fur garment. They cannot however live in a temperature below zero and thus many place their furs in cold storage over the summer for safe keeping. Most of the larger furriers are now equipped to handle furs in this way. Furs are valuable and can be completely destroyed by fire. Insurance is advisable and the furrier attends to this also. Lastly one should see that the storage receipt and insurance papers are placed in a safe place, preferably the safety deposit box.

Canada's Fire Loss Centres in Quebec

More Than 50 Per Cent. of the Damage and Fatalities for Dominion Occur in One Province

The Province of Quebec has the unenviable distinction of having provided more than 50 per cent. of the loso of life and material losses caused by fire during the last ten years in the whole of Canada.

During the period of 1917-1927 Quebec had 70 per cent. of the fires in churches and chapels; 60 per cent. of the fires in convents, hospitals and asylums; a little over 50 per cent. of the fires in schools and colleges, and a little less than half of the fires in theatres and public halls. During the same ten years there were 6,554 fires in such institutions for the whole of Canada, with the Province of Quebec supplying 2,953 of this number.

There were 461 lives lost in these and 293 of these fatalities were in Quebec, the two heaviest contributions being, the Laurier Palace fire of January, 1927, when seventy-eight lives were lost, and the Hospice St. Charles fire in Quebec last December when thirty little lives were snuffed out.

Quebec maintained its heavy proportion of loss in property value, for out of the Dominion total of $43,565,112 for the ten-year period this Province suppiled $25,924,890.

Quebec's heavy loss is explainable, to a certain point, by the antiquity of its buildings, but a local newspaper is asking citizens of the Province to co-operate with governments and directors to ameliorate a deplorable situation.

It is pointed out that the two principal means of preventing fires are day and night watchmen for buildings lodging fifty or more people and the installation of automatic extinguishers in all public buildings.

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 principle. But they misconstrued the meaning of religion. Thus in the matter of purity they laid all the stress upon 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.

Nothing valuable can be lost by taking time.—Abraham Lincoln.

They Evidently Studied More Than Farms

CANADIAN FARMERS MEET COMEDIAN

The Canadian agriculturists visiting England enjoyed a joke with George Robey and Marie Blanche after seeing a performance of Robey's Revue, "Bits and Pieces."