

## Bolwerk of \$100,000,000 Protects Sun Life Investments

Unique Financial Position of Company Disclosed by  
President Macaulay in Annual Address

Montreal, Feb. 14.—The phenomenal growth and success of the Sun Life Insurance Company of Canada have been discussed in detail at the annual address of the President, Mr. T. R. Macaulay.

The annual meeting, which has just been held, disclosed a continuation of the expansion, but it was more noteworthy still for an announcement, almost startling in character, by Mr. Macaulay regarding the financial strength of the Company. He stated that so carefully had the directors anticipated every possible adverse contingency in the money market that even a panic which would reduce the value of the assets by one hundred millions of dollars would still leave untouched and unimpaired the shown surplus and reserves of the Company.

Mr. Macaulay dwelt as well in a most interesting and illuminating manner upon the relative merits of the varied securities in which insurance companies invest their funds, and of how traditional views on investment have altered owing to the changed conditions of modern business. He said in part:

"A mere statement of the increases over the figures of the previous year is impressive. In income the increase is \$41,972,000; in assets \$87,650,000; in surplus \$9,157,000; in new assurances \$112,836,000; and in total in force \$408,925,000. A company with total business equal to these increases would be a large and powerful institution. It is but three years since we rejoiced at passing the mile-stone of \$1,000,000,000 of assurance in force, and yet already we are nearing \$2,000,000,000, while at this moment our assets exceed \$500,000,000.

"But there is another feature even more striking and important. Advance figures indicate that the increase over the previous year in the new business written by the combined life companies of the continent was approximately 6 per cent., and the increase in the combined total in force approximately 9 per cent. Against these percentages let me place the figures of the Sun Life: our new assurances increased 34 per cent., while our total in force increased 27 per cent.

"I need not further emphasize the rapid expansion of our business. It is but a continuation, though in accelerating degree, of our normal condition. That the Company is extraordinarily popular with the insuring public is evident. But people will hardly now so pronounced a preference without reason. That reason unquestionably is the great strength of the Company, and its unusual profit-earning power. The earnings announced in the report are slightly in excess of \$40,000,000; but it is clearly intimated that had we desired to do so we could have taken credit for a much larger amount. We however follow our usual conservative policy. We always have before our minds the possibility of a business depression, which might occasion heavy shrinkage in market values of all classes of securities. Mortgage securities may at such a time become totally unsaleable but that fact is not patent; while every fluctuation in the prices at which stocks and bonds can be turned into immediate cash is noted on the Stock Exchange.

"Securities Heavily Undervalued  
"I have decided to take our policyholders into our confidence in the most complete way, so that they may realize how fully our directors have provided against any contingency of this kind. You will notice that we say that the values quoted are those given by the government department or lower. There is much in those two words. They mean that the values given in the report are approximately \$62,500,000 less than the actual current values of those securities on the Exchanges. Then we have the additional deduction from market values of \$20,000,000, referred to in the report, and also the special contingency reserve of \$12,500,000. These items total \$95,000,000, and our unlied assets and other margins raise the amount to \$100,000,000.

"This means that the market values of our securities could shrink by \$100,000,000 without reducing our surplus by one dollar. Such a shrinkage is of course almost inconceivable. I indeed doubt very much if even the catastrophe of another world war could produce so drastic a depression. Supposing it did, we would still have intact our undivided surplus of over \$54,000,000. We are hardly likely, I think, to be criticized for lack of conservatism. I do not know any other financial corporation which has its assets so protected. I imagine we are more likely to be told that we have been too conservative; if so, that is a criticism we must endure. Our safety margins may perhaps be unnecessarily large, but safety must be our paramount consideration; and if, as we confidently anticipate, the margins prove not to be required, they will in time be available for distribution among our policyholders. And what possibilities for our policyholders do these margins represent!

Investment Provisions  
"It may be timely to summarize briefly the provision of our law. They permit investments in:—first, mortgages (up to sixty per cent. of the appraised value); government and municipal bonds; corporation bonds secured by mortgage; preferred stocks of corporations which have paid dividends for the preceding five years; and common stocks of corporations which have paid dividends for the preceding seven years, such dividends being not less than four per cent. per annum or \$500,000 per annum in amount. These provisions avoid the extreme both of unwise freedom and of harmful restriction. To my mind they are almost ideal.

"Our list of assets shows that we own securities of large amount in all classes authorized by the Act.

"For a very considerable part of our investments we must, consequently, look to those classes of common stocks which are authorized by our Canadian Act. Fortunately, when the same degree of care as is necessary for safety in selecting mortgages and bonds is applied to the selection of common stocks, especially within the conservative limits laid down by the Act, these selected securities are, in the judgment and experience of the thoughtful and well-informed, among the choicest and safest of all investments and by far the most profitable and desirable.

### No Magic in 'Bond'

"Consider mortgages. What company has not suffered losses, and sometimes very heavy losses, on its mortgage investments? As to bonds, some people seem to consider that there is magic security in the label 'bond'. This popular belief is not supported by experience. The surplus earnings and margins of many companies, over and above the dividend requirements of their stocks, are much greater than the surplus earned by other companies in excess of the interest requirements of their bonds. Few experienced financiers would claim that the bonds usually offered are safer than, or even as safe as, stock of such companies as the Montreal, Light, Heat & Power, American Telephone and Telegraph, Commonwealth Edison, and many others I could name. The payment of the interest on the bonds is certainly no more sure than the payment of the dividends on the stocks. In the very unlikely event of the dividend on any such choice stock being reduced, it would be certain to be far more than offset by increases in the dividends on others. Our own average interest rate has been steadily mounting year after year, due solely to increased dividends and bonuses received on our stocks beyond the rates payable on these stocks at the time of purchase, while the average value of the rights and bonuses received during the intervening five years has amounted to a further 38 per cent. per annum.

The Bill Before Parliament  
"I will now say a few words about the Bill we have before Parliament. There has been so much misunderstanding and misrepresentation about it that I think you would like a plain statement of the facts.

"The original Charter, granted in 1845, authorized the Company's capital at \$4,000,000. An amending Act passed in 1871 contained a somewhat ambiguous clause, which has been interpreted in some quarters as limiting the capital to \$2,000,000. Five eminent legal authorities to whom we submitted the question assure us that the original authorization was unaffected by that amendment, but advised us that it would be well to have the matter put beyond doubt by a brief clarifying Act of Parliament.

"We do not ask that the capital be increased; we merely ask that our right to issue stock up to the amount originally authorized be freed from legal ambiguity by a simple declaratory clause.

"But why do we require a larger capital than the present \$2,000,000? Chiefly for two reasons: (1) Because the present capital is manifestly out of all proportion to the magnitude of the Company's operations. It is absurd that a Company, whose assets are already \$500,000,000, should be controlled by a capital of \$2,000,000.

"(2) Because we wish to ensure that this great Company shall never fall into undesirable hands. We cannot alter the status of our existing shares, but we can impose restrictions on the transfer of the new shares which will be an effective safeguard. It has been said that such an increase would divert from the policyholders profits properly belonging to them. This is the exact opposite of the truth.

"The Insurance Act allows stockholders to receive ten per cent. of the profits distributed from the participating branch. Our stockholders long ago reduced their share to five per cent. All our contracts for thirty years past have been made on the agreement that the participating policyholders shall receive ninety-five per cent. of these profits, and that right any of our members could enforce in any court of law.

"It's difficult to figure how a player has reached a goal when he's only half back."  
The enormous difficulties in the way of preventing war are strikingly illustrated by the inextinguishable outbreak in the highly civilized Salvation Army.

## Royal Devotee of Popular Sport



ROUMANIA'S PRINCESS AS A LOVER OF SPORTS  
Princess Elena, youngest daughter of Queen Marie of Roumania, just twenty-one, enjoys an afternoon of skiing at Predaia in the Carpathian mountains, where she goes to school.

## Table Bay

Even the most perverse efforts of man cannot spoil the natural magnificence of Table Bay, nor the natural beauty of its surroundings. I am temperamentally a stay-at-home person, and I liked the Cape because it reminded me of home, or rather of the South of England; it was settled and cultivated for one thing; for another its woods of oak and pine were refreshing after mangroves and palms. The road to Simondium might have lain across a Dorset heath, but that instead of furbushes there were ten-foot Proteas with flowers the size of cabbages; the town of Paarl might have been in the Vale of Evesham, where it is not for the stupendous polished dome of the Paarl Rock and the fantastic ridge of the Drakensberg. One had all the amenities of our familiar landscape, with a lot of splendid mountains thrown in. Here one cannot get away from the mountains; except to seaward they bound every horizon, and especially near Cape Town, where they rise abruptly from a level plain, seem to justify any height with which the tricks of the atmosphere may happen to invest them.

I was not able to explore any of the outlying ranges, for they are not yet made accessible by roads and inns, and any agent involves a considerable expedition, but I spent a good deal of time on Table Mountain.

What a top that was! I looked over great sloping sheets of rock, fantastically grooved and tunnelled, down to the Southern Ocean; as standing at Dun Angus, I have looked over the bare blue slabs of Aran, down to Galway Bay; but with a difference. One can walk over the limestone of Aran, stepping across the narrow cracks in which lurk male fern and maiden-hair; the Table Mountain sandstone is split by chasms ten feet wide and thirty deep, choked with giant heaths and proteas. But near by the elements have proved too strong for the rocks—the mountain is about the same height as Snowdon—and all has been washed away except some few isolated fragments, worn into the queerest shapes, that stand like Mesozoic monsters on the level surface of the subjacent slab.

On such levels, on any place where moisture can lodge, and especially on the wet ledges of the cliffs, grows the most varied flora in the world. Heaths of forty kinds, brooms, and proteas of a hundred different forms on the more exposed tops; then lilies, Madoll and tall dog-daisies; on this wide, shady shelf a sheet of arum lilies, and under the mossy dripping of that narrow gully the great red orchids, the Disa, pride of the Cape. All these nature planned on the mountain; it was man that planted the woods, in some places, as it seems to me, especially as seen from below, too exclusively coniferous; but it was a Government scheme, and therefore has an economic aspect. But beyond this sombre forest, where the spires of the spruce rise more sparsely through the pale mist of the silver-leaves and the thinner blue haze of the eucalyptus, and oaks and their congeners sweep down the rocky ravines and gradually merge into the gardens of Kirstenbosch (for all this side is a reserve for the protection of the flora) in which the rarer and more delicate plants are tended, there you will see woodlands as beautiful as any in the world. I know, for I have slept there. In this delightful climate the city man goes out in the evening.

and pitches his camp; at sunrise he crosses the mountain and is down in time to open his office at the appointed hour. So near is the town; when one sits on the ledge of the Table one seems to be swinging one's legs over Orangezicht.

This was the morning before a South-Easter; one of those hard clear mornings when there is no very definite light in the sky or anywhere else, merely a sort of yellowness between the dark bars of cloud; but on the purple mountains every rock-face and gully showed up as clear as if picked out by the beam of some luminary other than ours. From the Dassenberg to Cape Hangklip their serrated skyline ran in a great semicircle at the nearest some thirty miles away, to the north and to the south rising beyond salt water, and in the middle beyond a plain no less level, and seeming even less substantial beneath a pale blue haze that veiled the crudity of black pinewood and yellow sand.—Conor O'Brien, in "Across Three Oceans."

## London to Paris

(By Airway)  
England lies below like a gigantic picture puzzle; its pieces—the meadows—rimmed by hedges, roads and streams, fit perfectly each into the others.

The oblong fields of France, precisely laid, shading from saffron gold to indigo, are like nothing so much as a multicolored patchwork quilt. —Margaret Nellis.



## Druggists Observe

Buckley's Cough Mixture Week  
The week of February 23rd to March 6th is being observed by the retail druggists of Canada as "Buckley's Cough Mixture Week."  
This week has been arranged by the Retail Merchants' Association of Canada and the Provincial Boards of the Retail Merchants' Association, in co-operation with Messrs. W. K. Buckley Limited, the manufacturers. This product has been on the market for many years and because of its rapidly increasing favor with Canadians during the last few years, "The Week" is being featured this season to focus additional attention on this fine cough remedy.

## For Key Windows

Windows may be kept free from ice during the winter months by rubbing over them a sponge dipped in

## LIMERICK CORNER

Joyous Jingles By Gifted Rhymsters

Hundreds of contributions are reaching us that just fall short of requirements either in rhyme, rhythm or expression, but we hope those who have failed so far will not be discouraged, but like the historic spider will try again.

Strive for originality in the idea behind the limerick as well as in the manner of expression.

The following are a few of last week's winners:—

Heintzman Pianos  
There was a young lady named Anna,  
Who wanted to have a piano,  
Said her Ma it is true  
No other will do  
But a Heintzman Upright for our Anna.  
MRS. R. M. TAYLOR,  
Nipawin, Sask.

Purity Flour  
There was an old lady named Bower,  
Who always used Purity Flour;  
She declared the day long  
To be healthy and strong  
But bread made of Purity Flour,  
MRS. HENRY COULTHARD,  
R.R. No. 1, Eugenia, Ont.

Royal Yeast  
There was a farm woman named Mary,  
Whose bread was as light as a fairy;  
When asked to explain,  
She replied, "It is plain  
Royal Yeast Cakes your worries  
will bury."  
MRS. T. GENOE,  
Ceylon, Ont.

Wrigley's Gum  
There once was a boy found a penny,  
Who being a Scotty was canny,  
So he bought Wrigley's Gum  
And he said, "Oh yum yum!  
I knew this was better than any."  
ELSIE ROBINSON,  
Box 75, Prescott, Ont.

Red Rose Tea  
Said a sprightly old man in Toronto,  
"I drink all the tea that I want to.  
As I've drunk but Red Rose  
I've not got a red nose—  
Wife, put on the teakettle pronto."  
MRS. H. W. STEVENS,  
Macleod, Alta.

Mrs. T. Genoe. No decision has been reached as to when the contest will be closed. Compare carefully the rhythm of the limerick with which you won a prize with the others and you will see just where they fall short.

Mrs. T. Neal. Sorry we cannot return any limericks submitted as they are not kept.

Salada Tea  
A matron who lives in Nevada,  
Recommends very highly "Salada";  
Come friends when you can  
To taste my Japan,  
My delectable Green Tea, Salada.  
MRS. H. B. FLETCHER,  
Paisley, Ont.

Big Ben Tobacco  
There lived on the Island of Thacker,  
A jolly old farmer named Packer,  
Who said with a smile,  
"The 'Weed' that's worth while  
Is a plug of this Big Ben 'Tobaccoer.'"  
MISS MOLLE PATTERSON,  
Blenheim, Ont.

Royal Purple  
There was an old woman at Shooster,  
And she had a very sick rooster;  
Royal Purple, she fed,  
And she smiled and she said,  
"Now he crows again just like he use 'ter."  
MRS. WARD HULLER,  
R.R. 3, Ridgetown, Ont.

Cuticura  
A flapper neglected her duty  
To her skin—so she lost all her beauty,  
Although all those pimples  
Detract from her dimples  
Cuticura will cure her—poor cutie!  
MRS. HURST,  
Buckingham, Que.

Williams' Pink Pills  
There was a young Toiler named Tilly,  
Who became white and frail as a lily,  
Took Williams' Pink Pills,  
Which cured all her ills,  
And now she's as gay as a lily.  
MISS ETHEL MCKELLAR,  
Belmont, Ont.

There is plenty of enjoyment for the whole family if all join in the fun of writing Limericks.

Any nationally advertised article or service found in this or any previous issues of this paper may be made the subject of a limerick.

One dollar will be sent for every Limerick accepted. Give name and address and name of this paper. Write: Limerick Editor, Associated Publishers, Rooms 421-5, 78 Adelaide St. West, Toronto, 2.

## To a Poet

Many singers, like the phoebe,  
Who have little to say,  
Declaim in places prominent  
The living day.

But one I know, a hermit thrush,  
With glamour to display,  
Even from all admirers  
Steals beautifully away.  
—Walter Hendricks, in "Spines and Spears."

A living-room is just a detour on the route from the bedroom to the garage.



UP-TO-DATE  
Spider: Won't you step into my parlor?

Miss Fly. Not unless you have a radio, serve cocktails and allow petting!

IF you ever have rheumatism, lumbago or other pains that penetrate to the very bones and joints, Aspirin offers such quick relief, and such complete comfort that it's folly to suffer. Keep these tablets handy in the house; and carry them in your pocket. Then you need never suffer long from any attack of neuralgia, neuritis, rheumatism, or from a bad headache. Aspirin is always a marvelous antidote for all pain and has no effect on the heart. Proven directions for many valuable uses in every box of genuine Aspirin. Every druggist has it.

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