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It may not always be easy to meet the instalments. It will be harder still for your widow.

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The Maritime Life

HEAD OFFICE HALIFAX, CAN.

T. W. BENTLEY, Manager for Prince Edward Island

In Memoriam

MRS. JOHN W. CANTELLO

bridge, Mass.; Donald and Annie at home, also one sister (Mrs. Margaret Robertson of Fairbanks, Alaska, and two brothers, John and James of Mt. Vernon, P. E. I.

Deceased was a most estimable woman, as was evidenced by the large number that attended her funeral. The services at the house and grave were conducted by the Rev. Thomas A. Rodger of Belfast. The pall bearers were S. A. Murchison, John J. MacDonald, Neil S. Morrison, James Cantello, Donald and Dougald MacKinnon.

(Patriot please copy.)

Bulwark of \$100, 000,000 Protects Sun Life Investments

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

Montreal, Feb. 18th.—The phenomenal growth and success of the Sun Life Assurance Company of Canada lends widespread interest each year to the annual address of the President, Mr. T. B. Macaulay.

The annual meeting, which has just been held, disclosed a continuation of this 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:

"It is a great pleasure to move the adoption of this report, for the record it sets forth is a remarkable one.

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 8 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 show 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 unmarketable, but that fact is not patent; while every fluctuation in the prices at which stocks and bonds can be turned into immediate cash is quoted 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 unlisted as-

sets 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. 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 hot to be required, they will in time be available for distribution among our policyholders. And what possibilities for our policyholders do these margins represent!

Praises Canadian Law

"But let us look further into our earning power. There are many contributing factors: energetic, yet cautious and economical agency management; careful selection of risks; conservatism in always retaining a considerable proportion of our earnings to build up protective reserves; and, above all, specialization in the safe and profitable investment of the funds.

"Our investment policy is in fact a distinguishing characteristic of the Company. Our development and prosperity would have been impossible but for our investment policy, and our investment policy could not have been pursued but for the wise investment provisions of our Canadian Insurance Law. That law stands before the world as a monument to the wisdom of our Dominion Parliament. Companies of many other lands are either permitted unwise freedom, or are hampered by restrictions, equally unwise, which prohibit investment in many of the most desirable securities. The Canadian law, by contrast, permits reasonable freedom to the companies, while fully safeguarding policyholders.

Investment Provisions

"It may be timely to summarize briefly the provisions 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.

"With the great growth of the Company, the problem of investing its constantly increasing fund becomes more and more important. What avenues are open to us? As for mortgages, we are most unwilling to establish agencies in distant centres, of whose real estate value conditions are dangerous, we know nothing. That would be to entrust the safety of our investments, even to a large extent the safety of our Company, to the judgment of strangers. Government and municipal bonds yield but low rates of interest. As for bonds of corporations, we must face the fact that apart from occasional railway and public utility issues, the strongest corporations are rapidly redeeming their obligations, and no longer need to borrow. Desirable bonds therefore represent a constantly decreasing field.

"For a very considerable part of our investments we must, consequently, look to the 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 our judgment, not only safe, but the most 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 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 those stocks when we purchased them. As an illustration,

take the common stocks purchased by us in 1923; the actual cash yield from these in 1928, represented a return of 2.38 per cent. on the purchase price greater than the dividends payable on these stocks at the time of purchase, while the average value of the rights and bonuses received during the intervening five years had amounted to a further .38 per cent. per annum.

Only Tested Securities Purchased

"Our Canadian law wisely excludes stocks of all companies that do not have a long record of dividend paying and prosperity. But we go much further than that. We limit ourselves almost entirely to corporations that have attained outstanding financial strength, with great reserves and resources already established, that supply some product or service essential to the life of the community, and that usually are dominant in their respective spheres. Such corporations have their roots deep in the life of the nation they serve, and are almost part of the nation itself. The nation cannot grow and prosper without their growing and prospering. The operations can hardly fail to expand, and their profits to increase, surely and steadily; and this is but another way of saying that the stocks of such select and outstanding corporations can hardly fail to be of greater intrinsic value five, ten and twenty years hence than they are to-day.

"Let me repeat what I have already said on many occasions. We do not speculate. We buy to keep. We sell the stock merely because it has risen to a high figure. Stock exchange quotations influence our decisions as to whether we should buy a security, but not as to whether we should sell. If quotations be high, we can ignore them, and, in fact, do ignore them.

Policyholders' Profits Again Increased

"There is no department of a Company's business which deserves closer study and investigation than the investments of its funds. No other department will give such a generous return for the attention devoted to it.

"It is to its investments that our Company owes its impregnable position and the magnitude of the profits in which our policyholders rejoice. Many years ago I expressed the hope that I should be able to announce an increased scale of profits every year for at least ten years. We now make that announcement for the ninth successive year, and I certainly cannot say that I expect the increases to stop with even the tenth announcement.

"Our profits are accumulating as never before, and it is inevitable that a larger and larger proportion will be disbursed to our policyholders with the passing years.

A Company with a Soul

"But there are other features to which my mind reverts with pleasure. One of the most delightful of our commitments, I ever received was when I was once introduced to an audience as the president of a corporation that had a soul. That this was no mere phrase is shown by the sympathetic comradeship that exists between all ranks of the Company's service, both at head office and in the field. It is seen also in the enthusiastic support accorded us by our legions of policyholders. Our relationship with them is something more than that of mere business co-operation. The sense of mutual confidence and mutual appreciation is so strong as to be akin to friendship, and it is as our friends I like to think of them. This delightful relationship is the reward of unwearied and successful service on their behalf and it is a reward which is greatly prized.

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 1865, 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 effectual 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 policyholder shall receive ninety-five per cent of these profits, and that right any of our members could enforce, in any court of law.

Policyholders to Benefit by Bill

"The amount of profit accruing to shareholders cannot be increased or in any way affected by higher capitalization. It is impossible that any

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You need save only five (5) sets of "Poker Hands" to have this attractive Alarm Clock ticking away in your home, keeping the right time, all the time.

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INVESTORS who purchased the original units of Federated Capital Corporation, Oil Shares Incorporated and Metal and Mining Shares Incorporated today have an average appreciation of 25.95% over and above regular dividend payments.

Federated Capital Corporation, which in 1927 sold in Units of 2 Shares of \$25 par value 6% Preferred and 1 Share of Common at \$70, today has a value of \$105—an appreciation of 50%.

Oil Shares Incorporated, which was originally offered in April 1928 in Units of 1 Share of \$50 par value Preferred and 1 Share of Common at \$70, today has a value of \$87—an appreciation of 24.29%.

Metal & Mining Shares Incorporated, originally offered in October 1928 in Units of 1 Share \$50 par value 6% Preferred and 1 Share Common at \$70, today has a value of \$74—an appreciation of 5.7%.

As we believe there will be still further substantial appreciation in these Units, we strongly recommend their purchase at current prices. Particulars gladly furnished on request.

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FAMOUS PLAYERS Canadian Corporation owns, leases, controls or is affiliated with most of the modern motion picture theatres in Canada, from Montreal to Victoria. The Company has an uninterrupted record of physical growth and financial success since its incorporation in 1920. Its gross earnings have increased more than 60% within a period of two years.

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THE STOCK MARKET

Dividends And Rights

By DON MOORMAN

A great many people trading in the Stock market do not realize the importance of the proper registration of a certificate of stock. Frequently the owner of stock will take delivery of the certificate in what is known as "Street Name" and expects to receive all of the benefits which accrue from actual ownership.

The proper registration of a certificate of stock is of vital importance to the real owner of it, and neglect or indifference of this point frequently causes trouble and expense and in many cases results in actual loss of money.

If, in the opinion of a company, the whole or a portion of the earnings should be disbursed for the benefit of the shareholders, this disbursement is passed out in the form of a dividend. The common custom is for a company to declare a regular dividend policy on a yearly basis which is divided into four equal payments made every three months. The dividend is paid to shareholders of record as of a certain date and on this date the stock is said to sell ex-dividend.

For example, Eastern Gadgets pays a dividend of \$4.00 yearly, of \$1.00 quarterly, and on February 1 sold ex-dividend. This means that the registered owners on the books of the company on February 1 were entitled to \$1 for each share held. Note the "registered owners."

If you were carrying 100 shares on margin, your broker collected the dividend and credited your account. But if you paid in full for the stock and if you had had the stock ordered out in your own name you would have been registered owner and in cheque for \$100 would have been sent to you by the company. Instead, you took delivery of the stock in "Street Name" and received four certificates of 25 shares each in the names of people you never heard of before. You are entitled to \$100 but you were not a registered owner and the company will not recognize you. What to do? How will you collect?

You take the problem to your broker and he makes the necessary claims for you. After considerable time and correspondence he collects \$75 for three of the certificates, but the "registered owner" of the fourth cannot be located. The dividend cheque was sent to him on February 15th, but now the man has disappeared entirely. You have lost \$25. The company recognizes as owner only the name on its books corresponding to the number of the certificate. Any broker will tell you that one of the difficult features of his work is to collect dividends for customers who have refused or neglected to have certificates transferred to their own names.

RIGHTS

In order to expand its business or for other legitimate purposes a company sometimes finds it necessary to raise new capital, and to carry out this new financing several methods may be resorted to. One popular method is by increasing the capitalization of the company by the sale of new stock which is first offered to the shareholders by the issuance of rights distributed much in the same manner as dividends. Rights are not cash payments but are privileges to participate in the issue of new stock at an advantage to the shareholder.

Just recently a well-known public utility company announced its intention of issuing new stock in order to finance the expansion of its activities. The company stated that shareholders of record of February 15 would be given the right to subscribe to new stock at \$40 per share in the proportion of one new share for each seven shares held. The privilege or right expiring on April 1.

Now, provided the owner of 70 shares remains the owner of them on February 15 he receives 70 rights (gratis) from the company which have an approximate value of \$5 per right. This entitled him to subscribe to 10 new shares at a cost of \$400, whereas if he bought them in the open market to shares would cost about \$750. If he does not wish to exercise his rights he may sell them for cash in the market, but whichever course he decided to adopt must be completed before the privilege expires. He has received a benefit through ownership. As in the case of dividends the proper registration of the certificate is of vital importance. The company will issue rights only to the registered owners.

If you own the stock, and take delivery, make sure that all the certificates are registered in your own name, at your permanent address, and insure yourself against loss of dividends and rights.

The "Flu" Left Her With A Wretched Cough

Mrs. E. A. Brooks, 1164 Robson St., Vancouver, B.C., writes: "Last winter had the flu twice, and the last time it left me with a wretched cough that seemed to stay right with me until I used

Dr. Wood's Norway Pine Syrup



"The first bottle I used seemed to relieve it so much I purchased the second one, and now, I find my cough has completely left me.

"I shall certainly never be without a bottle of Dr. Wood's Pine Syrup in the house."

Price 25c a bottle; large family size 60c at all druggists and dealers. Put up only by The T. Milburn Co. Ltd., Toronto, Ont.

BANKS

Table with 2 columns: Bank Name and Value. Includes Bank Commerce, Bank Royal, Bank Nova Scotia.

WHEAT

Table with 2 columns: Month and Value. Includes Mar, May, July.

CORN

Table with 2 columns: Month and Value. Includes Mar, May, July.

OATS

Table with 2 columns: Month and Value. Includes Mar, May, July.

WHEAT

Table with 2 columns: Month and Value. Includes May, July, Oct.

BORDEN. Regular programme of meeting was carried out, and no business was taken up. A pantry sale is to be held February 2nd, and the members intend holding whist parties every Monday night. A dance was to be given January 30th, and the sum of \$5.00 was voted for Janitor service. A paper entitled "Prince Edward Island Day" was read, and meeting adjourned to meet again at home of Mrs. Melvina MacDonald in February.

ALBERTON. As the evening was very stormy only eleven members were present. Reports of School and Sick committees were given, and ways of raising money discussed. It was decided that a series of lectures be held. \$36.00 reported as proceeds of bean supper. Next meeting is at home of Mrs. A. L. Burdy.

Stock Quotation

HALIFAX, Feb. 16 — Quotations furnished by Johnston and Ward, members Montreal Stock Exchange.

NEW YORK EXCHANGE

Table with 2 columns: Stock Name and Price. Includes At, Top & Santa Fe Ry, Ann Can Co, etc.

MONTREAL STOCK EXCHANGE

Table with 2 columns: Stock Name and Price. Includes Abitibi, Miss Kansas and Texas Ry, Montreal Power, etc.



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