

FINANCIAL STATEMENT

PRINCE EDWARD ISLAND MUTUAL FIRE INSURANCE COMPANY STATEMENT OF INCOME AND EXPENSES for the year ended December 31st, 1950

INCOME:		
Net Premiums collected	\$107,367.83	
Interest received	10,553.97	\$117,921.80
EXPENSES:		
Agents' Commissions	\$ 17,238.83	
Assess incurred	69,760.34	
Inspection costs	1,250.00	
Administration Expenses	13,922.12	102,171.29
Net Income		\$ 15,750.51
Deduct: Provision for Income Taxes		3,948.40
Surplus for the Year		\$ 11,802.11

BALANCE SHEET December 31st, 1950

ASSETS		
Cash on hand and in bank	\$ 4,258.70	
Premium Notes Receivable	787.01	
Agents' Accounts	73.25	\$ 5,118.96
LIABILITIES		
Unpaid Loss Claims	\$ 750.00	
Agents' and Manager's Accounts	1,047.51	
Provision for Income Taxes	\$ 3,948.40	
Less: Advance Instalments	2,651.72	1,296.68
Net Assets, December 31st, 1949	\$292,537.70	
Add: Surplus for the year	11,802.11	
Net Assets, December 31st, 1950		\$304,339.81

AUDITORS' REPORT

We have audited the records of the Prince Edward Island Mutual Fire Insurance Company for the year ended December 31st, 1950, and verified the cash and bank balances and securities.

As all insurance is on the premium note plan, the reserve for unearned premiums described in section 69 (4) of The Insurance Act is not required.

We have examined the reserve for unpaid claims and in our opinion it is adequate.

We have verified the balances owing by agents and on premium notes.

The Balance Sheet does not include as assets items prohibited by the Insurance Act from being shown in the annual statements required to be filed thereunder.

Subject to the foregoing comments, in our opinion, and according to the best of our information, and the explanations given us, the foregoing Balance Sheet sets forth fairly and truly the state of affairs of the Prince Edward Island Mutual Fire Insurance Company as at December 31st, 1950.

All transactions of the Company that have come within our notice have been within its powers.

H. R. Doane and Company
Chartered Accountants.

Charlottetown,
Prince Edward Island,
January 16th, 1951.

TO: THE POLICY HOLDERS OF PRINCE EDWARD ISLAND MUTUAL FIRE INSURANCE COMPANY

Your Directors wish to submit the Tenth Financial Statement of the amalgamated Companies for the year ending the Thirty-First day of December A.D. 1950.

If there were no amalgamation this would be the Sixty-Seventh year of the Prince Edward Island Mutual Fire Insurance Company was in operation and the Fifty-Second year of the original Prince Edward Island Mutual Fire Insurance Company.

Owing to the fact that the Company has had no permanent Head Office your Directors thought it advisable that a site be purchased and a new building erected.

A site was purchased and a contract for the erection of a new building was let to M. F. Schurman Company Limited.

We have not as yet had a final settlement with the Schurman Company but as there was no extras we do not anticipate that the cost will be over the contract price.

Owing to the fact that our experience in regard to saw mill losses showed that we had an average income per year of about \$975.00 and an average outlay of approximately \$3,000.00, your Directors found it necessary to quadruple the rates on saw mills.

This, we realize is a large burden on the ordinary saw mill operators and your Directors are studying the situation to try and find a way to reduce the rates without jeopardizing the economy of the Company.

The net premium income for the year amounts to \$107,367.83. This amount is the largest premium income in the history of the Company.

The net premium income of the Company has been increasing every year which shows conclusively that the citizens of this Province have confidence in the affairs of the Company.

Our premium income is One Hundred and Fifty-four per cent of the premium income for the corresponding year 1947.

The amount of interest collected as current revenue for the year is \$10,553.97. This compares favourably with 1949.

Our assets are in a liquid form and are entered in our balance sheet at the face value.

If our total assets were liquidated the amount received would be a considerable amount more than the amount at which the assets are listed on the balance sheet.

Our total investments amount to \$276,354.16. This amount is divided as follows:

Dominion, Provincial and Municipal Bonds	\$202,745.17
Mortgages and other Securities	72,529.11
Accrued interest on Securities	1,079.88

In our opinion all the assets are in liquid form and are readily collectable.

The losses for the year amount to \$69,760.34. This amounts to approximately Sixty-five per cent of our premium income. During the last ten years this percentage has been exceeded only in 1939 which year the losses were Seventy-Four per cent of the premium income. There is no definite trend in regard to the percentage of the losses of the premium income.

The following is an analysis of the losses that we paid for year 1950:

Rural or farm risks	\$55,237.20
Saw Mills	6,600.00
Urban or village risks	1,827.70
Schools	1,900.00
Shops	2,000.00

and the balance is made up of sundry items.

The following is an analysis of the cause of losses:

Unknown	\$18,672.07
Overheated stoves and stove pipes, faulty safes, faulty stoves and stove pipes and overheated fires	9,516.88
Careless use of gasoline and oils	6,657.77
Suspected Incendiarism	7,610.43
Engine Backfiring	7,366.66
Faulty Shingles	3,336.65
Lightning	2,006.03
Grass fires	6,370.00
Faulty wiring	2,229.46
Children playing with matches	1,550.00
Threshing Machine	1,450.00

and the balance by other means.

Your Directors think that the largest percentage of the cause of losses listed under the heading of unknown could have been avoided if a periodic inspection of the building and heating equipment be made by the insured and the necessary action is taken forthwith to eliminate any potential fire hazard.

Again we repeat that fires do not just happen they are caused by some means and in a lot of cases by carelessness. To protect our economy and save useless destruction of lives and property it is the duty of every individual to endeavour as far as his capability goes to eliminate any fire hazard.

This year we effected \$11,670,416.00 insurance. We now carry a total of \$30,266,882.00. This is the largest amount of insurance we have carried.

The assets of the Company have been increasing so also have the liabilities. Our liabilities, as you know, are the policies of insurance which we carry.

We have a comfortable leeway between the minimum amount of

THE WESTERN GUARDIAN

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The Guardian will be delivered to any home in Summerside by Carrier Boy at 50 per day or 30c per week. Phone 8031 for this service or give your order to the boy responsible for delivery on your route.

—AUCTION card party, Masonic Hall, Kensington, January 25th at eight o'clock, Kensington Branch, Prince County Hospital Ladies' Aid.

—MAGISTRATE'S COURT —
Before Magistrate R. S. Hinton, K.C., in Summerside, yesterday a local man was fined \$100 and costs or two months in jail for having liquor in a place other than his residence. A party from West Prince was fined \$25 and costs for having moonshine in his possession.—S.

—TO NOMINATE — Mr. Leigh Stewart, who held the term as Water and Sewerage Commissioner in Summerside expires this year, advised this paper last evening that he intends to file nomination papers for another term. Mr. Stewart has served three consecutive terms on the Commission, totalling nine years. At present he is on sick leave from his position as maintenance foreman with the Island Telephone Co. Ltd.—S.

—FUNERAL YESTERDAY —
The funeral of the late Howard Vaughan MacFarlane, who met his death in a car accident on Saturday last, was held yesterday afternoon from his late residence where a service was conducted by Rev. Mr. Harper of the Summerside Baptist Church. It was one of the largest funerals held in Summerside in a long time and many and beautiful were the floral tributes, attesting to the popularity of the deceased. George pall bearers were Messrs. George Walker, Davis Lidstone, Dave Morrison, Lowell Allen, Alan Lecky, John Ellis. Interment was in the People's Cemetery.—S.

—Mr. and Mrs. Roy Geddis and family, June and Leigh, left Summerside Monday morning for Sydney N.S. where they will reside.—S

Renovations Made At Epworth Hall Trinity Church

—Epworth Hall, Summerside, has recently undergone extensive renovations and is now one of the up-to-date halls in the town. The old kitchen was dismantled and replaced with a two-story annex 23 feet by 25 feet, containing what might be called the last word in a modern kitchen with its frigid-are electric range, shelves and built-in cupboards. The second floor with its southern and western exposure, contains the church parlor and is attractively finished in silver cord plywood.

A dumb waiter from the kitchen to this floor will give service to the different church organizations. The basement is being made into a recreational lounge with lockers and showers.

The old part of the building, where the Sunday School classes had been held prior to the newly constructed class rooms in the basement of the church, has a gymnasium or auditorium with a stage door doing double duty with its sliding doors which when closed gives accommodation for the Trinity Credit Union. The class rooms upstairs have been changed into a large Young People's room.

All rooms are thermostatically controlled from an oil forced air heating furnace and have fluorescent lighting. To comply with fire regulations, there are three exits.

Those responsible for these alterations are the members of the building committee: Messrs. W. K. Jewell, Silas MacFarlane and Walter Duggan. The contractor is Mr. J. Harold MacLennan and the painter is Mr. James MacDonald.—S.

CRYSTAL RINK ACTIVITIES

TUESDAY—Hockey 8.30 R.C.A.F. Versus Summerside Crystals.
WEDNESDAY—Skating 3 to 5.00. Skating 5.00 to 10.00
THURSDAY—Hockey 8.15 The Islanders. Skating 8.00 to 10.00.

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reserve required by the Insurance Act and the actual amount of our reserve.

It is the aim of your Directors to keep the ratio between the insurance carried and the reserve in a good healthy state and also supply the necessary service at the lowest possible premium rate.

Our surplus for the year amounts to \$15,750.51, from this we deduct the amount of Income Tax namely \$3,948.40. Thus we have a net surplus of \$11,802.11.

At the beginning of the year our reserve amounted to \$292,537.70, to this we add the surplus as mentioned above, therefore on the Thirty-first of December A.D. 1950 our net reserve amounts to \$304,339.81.

With very few exceptions your Directors feel that the time is not opportune for any reduction in premium rates, because as we increase our reserve our liabilities, that is, our insurance carried is also increased.

The cost of building material and the general cost of repairing damaged buildings has greatly increased in the last few years. This increases the previously small fire damage so that the ratio between small damages and the complete loss is narrowing.

The average commission paid to the Agents amount to about 16.06% of the premium income.

The expenses of administration of the Company amounts to about 11.8% of the income.

Your Directors trust that the current year will be a successful year and will again demonstrate the benefit of the co-operative principal which underlies the system of Mutual Insurance.

Respectfully submitted this Twenty-Third day of January A.D. 1951.
(Signed)
GREGOR MACCALLUM,
T. J. INKMAN,
T. L. LINKLETTER,
Committee on behalf of Directors.

S'side Board Of Trade Holds Annual Meeting; Hon. Mr. Darby Is Speaker

Mr. Fred Bell last night was elected president of the Summerside Board of Trade at the fifty-first annual banquet held at Leo Coyle's Restaurant. Mr. A. S. Hopkins, manager of the Summerside branch of the Royal Bank of Canada was elected to the office of vice-president. Mr. Harold Rodd was re-elected secretary and R. E. Ellis and R. T. Dodds as auditors.

The banquet was presided over by the retiring president, Mr. R. S. Hinton, who before presenting his report on the year's activities extended a welcome to all members and guests and said that a remembrance had been sent to Mr. Charles R. Rogers, the only living charter member of the Board. A minute's silence was observed in memory of three members who had passed away during the year, Mr. H. T. Holman, Mr. John E. Campbell and Mr. Heath Strong.

The president introduced the guest speaker of the evening, the Hon. Walter E. Darby, who opened his address with a fitting tribute to the three departed members of the Board.

Land of Opportunity

Mr. Darby chose for the subject of his talk "The land of opportunity, the land of opportunity".

He traced first, the history of the Board of Trade as an organization from the time when the first board had been organized in 1768 down to the present day.

The speaker said that Prince Edward Island was indeed the land of opportunity, a land of unbounded fertility and why, he said, "should we not seek to develop this land so that it will be for all the land of opportunity? Where can our young men find better opportunities than right here in our own Province? Income may not be as large as in other places but in the final analysis they are just as well off financially and they will be serving their own people."

Referring to the hospital he said that "it is one of the finest in any Province, where a young doctor may find the opportunity to practice and serve his fellow men."

"In the realm of agriculture," he continued, "where else does a greater opportunity exist? Some will say that the life is too hard but it is no harder here than anywhere else. Here they can develop markets second to none. But in all these things we have to maintain a proper balance and I think that mixed farming is that balance."

Mr. Darby said that "under a properly developed system forestry can be developed into a great side line to a farmer's income."

It is in the fisheries industry, he contended, that this is the Province of opportunity. He said that "we have never yet produced from our fisheries sufficient to maintain a steady market." He suggested the system of dragners and said that the Federal and Provincial Depart-

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