

**PRINCE EDWARD ISLAND MUTUAL FIRE INSURANCE COMPANY**

**Directors:**

Oscar Johnstone, Long River, President.  
Walter G. MacKenzie, Springfield Lot 67, Vice-President.  
T. Leland Linkletter, Summerside, Secretary-Treasurer.  
James MacKay, Charlottetown R.R. 8  
John Macintosh, Tignish  
Gregor MacCallum, Brackley Beach  
Albert Linkletter, Linkletter Road  
T. J. Inman, Bedeque  
Chessel Anear, Lower Montague

**STATEMENT OF INCOME AND EXPENSES**

for the year ended December 31st, 1954

<b>INCOME:</b>	
Net Premiums	\$136,331.16
Net Interest	9,551.14
Net Office Rentals	452.14
	<b>\$146,334.44</b>
<b>EXPENSES:</b>	
Agents' Commissions	\$ 21,243.75
Losses Incurred	76,489.79
Inspection Costs	999.00
Administration Expenses	19,913.27
Depreciation on Building and Office Equipment	1,974.12
	<b>120,619.93</b>
<b>NET INCOME</b>	<b>\$ 25,714.51</b>
Deduct: Provision for Income Taxes	1,878.38
	<b>\$ 23,836.13</b>
<b>ASSETS:</b>	
Cash on hand and in bank	\$ 10,332.22
Notes Receivable—Cash Premiums	697.10
Manager's Account	1,646.68
	<b>\$ 12,675.00</b>
Dominion, Provincial and Municipal Bonds, at cost (approximate market value \$235,186.50)	\$236,794.79
Mortgages and Other Securities	118,626.30
Accrued Interest on Securities	1,149.67
Real Estate, at cost, less depreciation	43,218.08
	<b>\$356,570.76</b>
	<b>\$412,464.84</b>

**BALANCE SHEET**

December 31st, 1954

<b>LIABILITIES:</b>	
Agents' Accounts	\$ 432.18
Income Taxes Payable	954.38
Provision for unpaid loss claims	9,050.00
	<b>\$ 10,436.56</b>
<b>NET ASSETS:</b>	
Balance, December 31st, 1953	\$379,200.63
Add: Surplus for the year	23,836.13
	<b>\$403,036.76</b>
Deduct: Net Investment in Office Equipment	1,008.48
	<b>402,028.28</b>
Balance, December 31st, 1954	
	<b>\$412,464.84</b>

**AUDITORS' REPORT**

We have audited the records of the Prince Edward Island Mutual Fire Insurance Company for the year ended December 31st, 1954, and verified the cash and bank balance and securities.  
As all insurance is on the premium note plan, a reserve for unearned premiums, as described in Section 69(4) of the Insurance Act, is not required to be segregated from the Company's general reserve.  
We have examined the reserve for unpaid claims and in our opinion it is adequate.  
We have verified the balances owing to agents by the Manager and by policy holders for notes for cash premiums.  
After deducting the net investment in office equipment, as shown above, 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, 1954. All transactions of the Company that have come within our notice have been within its powers.

H. R. DOANE AND COMPANY,  
Chartered Accountants.

Charlottetown, P. E. I.  
January 15th, 1955

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

Your Directors wish to submit the Fourteenth Financial Statement of the amalgamated Companies for the year ending December 31st, 1954. If there were no amalgamation this would be Seventy-One years Prince Edward Island Agricultural Mutual Fire Insurance Company would be in operation and the Fifty-Sixth year the original Prince Edward Island Mutual Fire Insurance Company would be in operation.  
The net premium income for the year amounts to \$136,331.16. This is an increase of approximately \$12,000.00. A great part of this \$12,000.00 was short term insurance such as potatoes and other produce.  
The net amount of interest collected as current revenue for the year is \$9,551.14. This amount is not increased proportionally because at the end of the year we bought bonds on which we had to pay out the accrued interest which was charged to the incoming interest. This accrued interest will be shown in the 1955 collections.  
Our assets are in a liquid form and are entered in our Financial Statement at cost. The approximate market value of our bonds is according to the present day values \$1,500.00 less than they show in the financial statement.  
Our total investments excluding the building amount to \$356,370.60. In our opinion these assets are all liquid and can be turned into cash in a very short time.  
The losses for the year amount to \$76,489.00, which is approximately \$25,000.00 more than last year. This amounts to approximately Fifty-Six per cent of the premium income. During the last fifteen years the percentage of the premium income paid out in losses has been approximately Fifty-six per cent. Our experience shows that in ordinary times the law of averages governs the amount of loss and the average over fifteen years is approximately Fifty-six per cent so that this year was an average year. Your Directors therefore do not see it advisable to make any overall reduction in the premium rate.  
The following is an analysis of the losses which were paid for the year 1954:

Rural Dwellings	\$37,377.13
Rural Outbuildings	15,593.37
Urban or Village Risk	5,886.74
Hangar	30.00
Seed Cleaning Plant	700.00
Potato Warehouse	1,200.00
Churches	56.00
Dance Hall	30.00
Service Stations	4,010.00
Machine Shop	46.84
Urban Apartments	17.06
Dairying Company	15.33
Summer Cottages	492.77
Cannery	75.00
Adjustments	2,755.23

and the balance is miscellaneous.  
The following is an analysis of the causes of losses:  
Unknown \$33,022.71  
Faulty wiring 1,865.00  
Overheated stovepipe and flue 9,406.50  
Lightning 2,355.05  
Caught from adjoining building 1,010.00  
Faulty shingles 495.15  
Oil Stove 80.00  
Spark from stove 743.33  
Ignited from thrasher blower 2,300.00  
Christmas Tree 30.00  
Defective Flue 6,529.00  
Spark from exhaust of diesel engine 787.01  
Stove exploded 440.67  
Grass fire 407.50  
Wind 115.23  
Spontaneous Combustion 500.00  
Cigarettes, But 50.00  
Suspected incendiary 2,420.00  
Gasoline fumes igniting 255.00  
Children playing with matches 25.00  
Gasoline lamp exploded 94.00  
Using gasoline in stove 1,775.00  
Material falling on stove 500.00  
Fire Departments 225.00  
and the balance is miscellaneous.  
This year we effected \$14,818,000.00 insurance. We now carry a total of approximately \$40,000,000.00.  
Again we repeat that the amount of insurance we carry has been steadily increasing, therefore, our liabilities have been increasing. Our liabilities as you know are the policies of insurance which we carry. Our liabilities have increased but so also have our assets. The security

**CARD PARTY in Sea View Hall,**

Friday, January 28th.  
—WALTER E. SHAW will give a radio address dealing with the 1955 Red Cross Campaign over C. F. C. Y. on Thursday, January 27th, at 8.15 p. m.  
—HOCKEY, Bedeque Rink, Friday, January 28. Fourth game in South Shore League. Wilnot Aces vs Lot 16 Rangers. Game starts at 8.15. Admission 25 and 35 cents.  
—WEST PRINCE zone rally, Canadian Legion, at O'Leary branch on Friday, Jan. 28th, at 8 p.m. Special speaker, Lt. Col. John A. MacLennan, M.L.A., P. E. I. representative to Dominion Council.  
—KENSINGTON school district rate payers: A special school meeting will be held in the school on Friday, the 28th day of January, 1955, at 7.30 o'clock in the evening to discuss the establishing of grade 12 for the Kensington area. A representative of the Department of Education will be present.  
—LADIES' CLUB MEETS — The president, Mrs. J. Lloyd Gorrill, occupied the chair at the regular meeting of the Ladies' Club of the Summerside Presbyterian Church on Tuesday evening at the home of Mrs. Maurice Mill, with a large attendance. The members spent the evening sewing on Red Cross articles and club work. Delicious refreshments were served by the hostesses.  
—PRESBYTERIAN Y.P.S. — The Summerside Y.P.S. of the Presbyterian Church held its regular meeting on Monday evening in the church hall with the president, Miss Irene Mountain in the chair. The worship session was conducted by Merrill Bishop and the president and the hymns sung were "O, Master Let Me Walk With Thee" and "Jesus Shall Reign". The Bible study from the book entitled "Follow Me" was presented by Myra Hancock. Roll call was responded to by 16 members and a new member was introduced to the group. Interesting films were shown by John Hancock, after which refreshments were served.  
—SUMMERSIDE GUIDES — The Summerside Girl Guide Association held its January meeting on Tuesday evening at the home of the County Commissioner, Mrs. D. L. Miller. District Commissioner Mrs. T. L. Linkletter conducted the meeting, opening with "The Promise" repeated in unison. The badge secretary, Mrs. R. A. Horne, explained in detail, the requirements for the courses to be completed by the Girl Guides to obtain their Little House emblem. Mrs. K. Crump, secretary, read a letter from the Dominion Commissioner, Mrs. Rankin Nesbitt, containing suggestions for the observation of the "Jeans Day" which is February 22nd.  
—FUNERAL SUNDAY — The funeral of the Major Carruthers was held Sunday afternoon, January 23rd. A short service at his late residence in Augustine Cove at 2.30 p.m. was followed by service in the Tryon United Church. The services, which were very largely attended, were conducted by his pastor, the Rev. Lloyd Archer. The choir with Dr. Peter MacDonald as organist led in the singing of the hymns, "Unto The Hills," and "Abide With Me." A male quartet composed of Dr. Peter MacDonald, Arthur MacKay, Austin Smith, and Roy Dawson, sang "The Beautiful Land." Pall bearers were Messrs. James Carruthers, Cedric Campbell, Wendell MacFadyen, Edwin MacWilliams, Harold Howatt, and Vernie Webster. Interment was in the Tryon United Church cemetery.  
—MASS CARDS — The following names were omitted in the "In Memoriam" for the late Mrs. N.

J. MacNeill, New Annan, from the list of those who gave mass cards: Mrs. John S. MacNeill, Brooklyn, N. Y.; Dr. and Mrs. Hubert MacDonald, Dearborn, Michigan; Mr. and Mrs. James E. MacDonald, North Bedeque, P. E. I.; Dr. and Mrs. Alex MacDonald, Temple, Texas.  
—ALL BOYS wishing to play in a midget league are invited to the Bedeque rink to go on the ice at 8 o'clock tonight, Thursday, January 27. Ages 14 to 16 inclusive. Admission free to all.  
—KENSINGTON RINK, tonight, January 27, 8.15 sharp. The Farmers League, Springfield versus Cavendish. Friday, January 28, Charlottetown Abbie Juveniles versus Kensington Juveniles, 8 p.m. sharp.  
—DIES IN NEBRASKA — Mr. and Mrs. D. F. Mackay, New London, have received word of the death of Mr. Mackay's brother, Hugh J. Mackay in Haigler, Nebraska. Burial will be in Haigler.  
—GUEST SPEAKER — Squadron Leader Murray Shanks, principal of the Air Marshal Johnston School was the guest speaker on Tuesday evening for the Good Fellowship Group of the Summerside Baptist Church. He gave a most interesting and thought provoking talk on "The Crises in Education", which was followed by a discussion. This was preceded by a devotional period. The president, Mr. C.B. Jelly, conducted the business session. A number of games were played, after which refreshments were served by the hostess, Mrs. J. E. Morrison and Mrs. J. F. Jenkins.

**Personals**

—Mr. Cayton Callaghan, Ebbesfleet, returned to his home Saturday, Jan. 22nd after spending his holidays in Framingham, Mass., guest of his uncle Mr. Austin P. Callaghan and Mrs. Callaghan.  
—The many friends of little Nancy Arsenault, 222 First Street, Summerside, will be sorry to learn that she is confined to bed with her right leg in a cast. All will join in wishing her a speedy recovery.

**P.E.I. Mutual Fire Insurance Co. Annual Meeting**

—The annual meeting of the Prince Edward Island Mutual Fire Insurance Company was held at the Town Hall in Summerside on Tuesday the twenty-fifth day of January A.D. 1955. The secretary-treasurer, Mr. T. L. Linkletter presented the financial statement, director's report and auditor's report. On looking over the statement it will be noticed that the Company had another successful year.  
Mr. Louis O'Connor, Mr. T. J. Inman, Mr. Vernon Craig, Mr. George Grant the manager and others took part in a discussion in regard to wind insurance. No final decision was made but the door was left open for further discussion. Elsewhere in this paper the financial statement, directors' report and auditor's report are published.  
The following are the officers for the ensuing year:  
Walter G. MacKenzie, Springfield, president; Gregor MacCallum, Brackley Beach, vice-president; T. L. Linkletter, Summerside, secretary; John N. MacLennan, Tignish; Albert Linkletter, Linkletter Road; Oscar Johnstone, Long River; Chessel Anear, Lower Montague; James MacKay, Charlottetown R.R. No. 6, and T. J. Inman, Summerside R.R. No. 3.

reserve percentage of the insurance liability has been very steady.  
We have a comfortable leeway between the minimum amount of reserve required by the Insurance Act and the actual amount of reserve.  
It has always been the aim of your Directors to keep the ratio between the insurance carried and the reserve in a good healthy state and also perform the best services at the lowest possible premium rate.  
The commission paid to the Agents amounts to about 15.60 per cent of the premium income.  
The expenses of administration of the Company amount to 13.7 per cent of the premium income.  
These latter two figures have been about constant for some time.  
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-Fifth day of January A.D. 1955.  
(Sgd.)  
OSCAR JOHNSTONE  
WALTER G. MACKENZIE  
T. L. LINKLETTER  
Committee on behalf of Directors

**SPECIAL MEETING**  
Special meeting Borden Branch Canadian Legion will be held in Borden Legion Hall on  
**THURSDAY, JANUARY 27 at 7 P.M. SHARP**  
All members please attend  
E. RICHARD, Secretary

**TO THE ELECTORS OF THE TOWN OF KENSINGTON**  
We the undersigned candidates for Mayor and Councillors will, if elected, give immediate attention to  
(1) The appointment of a fire-brigade which will select its own officers; the maintenance of fire-fighting equipment, and regular fire drills.  
(2) Find the cost of providing water and sewerage; publish the figures; and conduct a plebiscite to determine the wishes of the citizens on this matter.  
Signed,  
Ben Champion, H. Daniel Boyle, W. Elmer Paynter, H. Bruce MacLeod, Robert Carruthers, Sterling Hunter.

—Mrs. Stephen Gillis was elected president of the Ladies auxiliary, No. 5 branch, Canadian Legion, last evening at the annual meeting held at the Legion Home in Summerside.  
Other officers elected were past president, Mrs. Harold Harkness; first vice-president, Mrs. Clifford McGuigan; second vice-president, Mrs. Gordon Sullivan; treasurer, Mrs. Lea Birch; secretary, Miss Bunny Clow.  
Executive: Mrs. Harold MacLennan, Mrs. Morley Wylie, Mrs. Percy Ramsay, Mrs. John Watson, Mrs. George Chappell, Mrs. Leo Blacquire.  
Ways and means committee: Mrs. Cornelius Bulger, Mrs. John Watson, Mrs. E. C. Smith, Mrs. Frank Silliker.  
Telephone committee: Mrs. Leo Blacquire, Mrs. Percy Ramsay, Mrs. Eddie Perry, Mrs. Clifford McGuigan.  
Sick committee: Mrs. Lea Birch, Mrs. Edmund Gallant.  
Buying committee: Mrs. Calice Gallant, Mrs. Howard Waite.  
Mrs. Harold Harkness, retiring president, reported a most successful year, the highlight being the installation of a new modern kitchen.  
A vote of thanks was moved to Mrs. Harkness and her retiring executive.  
The reports of the various committees were read and showed that progress was made during the year. Mrs. Stephen Gillis submitted the treasurer's report which showed that the expenditures for the past year were approximately \$1,600.00 with a substantial bank balance.  
Mrs. Harold Harkness is the canteen convener for February. One new member was welcomed and the names of two prospective members were approved by the meeting. Following the business, lunch was served by the committee in charge.

**COAL DEFICIT**  
Argentina produces about 100,000 tons of coal a year but consumes about 2,000,000 tons.

**HOCKEY**  
BORDEN RINK TONIGHT  
Summerside Aces  
vs  
Borden Nationals  
Game Time 8:30 sharp  
Admission 35 and 25c  
Meeting to arrange schedule of C League after game.

**REGENT TO-NIGHT 7.15 - 9.15**  
**SHIELD FOR MURDER**  
EDMOND O'BRIEN  
— THE UNITED ARTIST

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LOS ANGELES (AP) — General Douglas MacArthur Wednesday night urged the United States to "proclaim our readiness to the great powers of the world."  
"The result would be magical," he said.  
MacArthur rejected preparedness as a sure path to peace, or collective security as a steadfast bulwark of the free world.  
Abolition of war, as he sees it, need not even rest on international inspection of armaments. Public opinion and the great gains enjoyed by a world of peace would ensure it, in his opinion.  
The alternative, he warned, is a preparedness race that may plunge the world into nuclear warfare by "spontaneous combustion."

**FISH, GAME MEETING**  
The monthly meeting of the Prince County Fish and Game Association will be held in the Town Hall, Borden, Friday, January 28, at 8 o'clock. Interesting Agenda. Bird calling competition. Everyone welcome.  
N. E. MacLEOD,  
Secretary.

**CAPITOL Summerside**  
TODAY (Thursday) 3:30 - 7:15 - 9:15  
20th Century Fox's Encore Triumph  
**"FOREVER AMBER"**  
WITH 4 GREAT SCREEN PERSONALITIES  
Linda Darnell - Cornel Wilde - Richard Greene  
George Sanders

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**"ROYAL" BORDEN**  
Wed.-Thur. 7:15 & 9:15; Matinee Thursday 3:30 — "THE DIAMOND QUEEN" in technicolor, starring Fernando Lamas, Arlene Dahl and Gilbert Roland.  
**"CAMEO" KENSINGTON**  
Wed.-Thur. 7 and 9; Matinee Thur. 3:30. The musical adventure — "THE DESERT SONG" technicolor. Starring Gordon MacRae, Kathryn Grayson, Steve Cochran. This show is sponsored by "The Lion's Club".

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**E. E. Parkman**  
Opt.D. R.O.  
PHONE 3287  
REGENT THEATRE BLDG.  
Summer St. Summerside

**Chartered Accountants**  
T. Earle Hickey  
Canadian Bank of Commerce  
Building  
Summerside, P.E.I. — Phone 2888

**W. Albert Robertson**  
F. E. I. MUTUAL BUILDING  
Granville at Water Street  
Summerside  
DIAL 5344 P. O. BOX 681

**INSURANCE**  
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Fire — Auto — Casualty  
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**A. Raymond Grant,**  
B.Sc. O.D.  
288 Water Street Summerside  
Above Maurice Mill's Men's Wear  
PHONE 5330

**PHYSICIANS**  
L. K. ZIELINSKI, M.D.  
General Practitioner  
Malpeque Road  
Kensington P. E. I.  
Phone: Kensington 2

**PHOTOGRAPHERS**  
THE READ STUDIO  
D. W. SEARS

**Dentists**  
Dr. J. A. Doiron  
SMALLMAN BUILDING  
Dial 2366 Summerside

**Dr. Hubert MacNeill, M.F.**  
Physician—Surgeon  
Water Street, Summerside.  
Phone 7032.

**HOW GOOD CAN REAL COFFEE BE?**

**Make this test...**



at a Special **25¢ SAVING**

**Prove to Yourself that New Nescafé Gives Better Flavour, cup after cup, than Ground Coffee**

Here's all you do. Put ¼ of a teaspoonful of New Nescafé in a cup, add piping hot water. Instantly you have delicious, exhilarating coffee at its flavourful best. For New Nescafé is all coffee, nothing but coffee made from choicest coffee beans—fresh roasted, pressure percolated, flavour sealed. Every precious drop of coffee goodness is preserved in the making. So quick, so easy, so convenient — so economical too. Take advantage of this special offer now. You'll save 25¢ on the Giant Economy size... 10¢ on the regular size. So start today. Make New Nescafé your family coffee.

**Even at the regular price, New Nescafé saves you up to 40¢ a pound over ground coffee**