

# FINANCIAL STATEMENT

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

Your Directors wish to submit the Sixteenth Financial Statement of the Amalgamated Companies for the year ending December 31st, 1956.

If there were no amalgamation this would be Seventy-Three years of the original Prince Edward Island Mutual Fire Insurance Company which was in operation and the Fifty-Eighth year of the original Prince Edward Island Mutual Fire Insurance Company which was in operation.

During the year this Company suffered a severe loss in the passing of one of the Directors, Mr. Walter Grant MacKenzie. Mr. MacKenzie was one of the Senior Directors and was a very conscientious supporter of the Company. He would not in any way bow to any pressure to which he might be submitted.

If you will examine the Financial Statement as certified by the Auditors you will see that our net premium income was \$146,082.53 for the year ending December 31st, 1956. This is a decrease of approximately \$5,000.00 when it is compared with the 1955 income.

The interest income has increased approximately \$400.00. The losses which we paid amounted to \$97,469.00. This is a decrease of approximately \$20,000.00 when it is compared with the 1955 figure.

Last year the losses were approximately 77.5 per cent of the premium income. This year the losses are 66.7 per cent of the premium income so that we have a net excess of receipts over expenditures of \$16,623.06.

We carry a total of \$41,896,436.00 fire insurance. You will notice that this is an increase from last year. No doubt you will wonder why the insurance liability has increased when the premium income has decreased. This is due to the fact that this fall we effected a great amount of short term insurance which produces a small income and which runs for a short time but which has to be taken in as a liability as at December 31st, when the short term insurance is at its peak. The short term insurance covers produce such as potatoes, grain, etc., stock and farm implements during the six months of winter or from November until approximately May.

Our net income from insurance on farm and fishing risks was \$85,507.62.

Our net income from mercantile risks was \$10,355.00. The balance is income collected for insurance on dwellings which are not considered farm risks and other miscellaneous risks such as churches, etc.

The loss percentage of the premium income on rural buildings in 1956 was Seventy-Four per cent. The loss percentage of the premium income on other risks for 1956 was Fifty-Six per cent.

The following is an analysis of the losses which we paid for the year 1956:

Rural Dwellings	\$33,230.71
Rural Buildings	23,112.27
Urban Stores	14,020.00
School	8,000.00
Bakery	3,033.50
Urban Dwellings	1,977.43
Urban Drug Store	1,220.00
Rural Furniture	1,058.00
Blacksmith Shop	1,010.00
Tractor	429.84
Commercial Summer Cabins	309.03
Urban Furniture	277.30
Fire Departments	275.00
Rural Garages	150.00
Private Summer Cottage	40.00
Woodworking Plant	35.00
Commercial Garage	7.20
Adjustments	2,460.92
And the balance is miscellaneous.	

The following is an analysis of the causes of losses:

Unknown	\$38,007.41
Overheated and faulty arranged stovepipes	20,277.40
Overheated and faulty flue	10,667.20
Tractor backfiring	7,500.00
Sparks from flue and faulty shingles	4,677.52
Oil burner overflowed	3,319.03
Careless use of pitch	2,950.00
Clothing too near stove	2,094.20
Careless use of gasoline and oil	1,911.01
Lightning	1,657.70
Caught from adjoining building	1,129.85
Grass fire	1,129.85
Children playing with matches	480.65
Tractor	326.84
Kindling in oven	103.40
Overheated wax	70.23
Cigarette Butts	30.00
Oil Lamp Exploded	40.00
Fire Crackers	5.51
Fire Departments	275.00
Adjustments	2,460.92
And the balance is miscellaneous.	

Your Directors are considering the advisability of amending Section 5B of the Statutory Conditions in the policy so that a reasonable amount of fuel oil may be stored in proper containers and a reasonable amount of gasoline may be stored in proper containers in out-buildings. It is now very common for farmers to have as much as two hundred and fifty gallons of gasoline stored on the farm and probably as much as six hundred gallons of fuel oil for heating purposes.

May we repeat that 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 service at the lowest possible premium rate.

It has always been the policy of your Directors to keep the expenses of the Company at a minimum.

This year the expense percentage of the income is, we believe, the lowest it has ever been namely 13.01 per cent.

The commission percentage paid to the Agents is steady at 14.00 per cent of the premium income.

According to the requirements of the Insurance Act our minimum reserve would be \$126,300.00 therefore you the policyholders can rest assured that the financial circumstances of the Company is in an excellent condition.

From the above you will notice that we have had a successful year.

If you will examine carefully you will see that the book value of our bonds exceeds the actual market value of the bonds. In the opinion of your Directors this does not cause any alarm because the bonds are of a high quality and your Directors do not see any reason which would require us to sell these bonds.

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

Respectfully submitted this Twenty-Second day of January, A.D. 1957.

(Sgd.) T. J. INMAN  
(Sgd.) JOHN MACINTOSH  
(Sgd.) T. L. LINKLETTER  
Committee on behalf of Directors.

## PRINCE EDWARD ISLAND MUTUAL FIRE INSURANCE COMPANY STATEMENT OF INCOME AND EXPENSES For the year ended December 31st, 1956

INCOME:—	
Net Premiums	\$146,082.53
Net Interest	13,354.79
Net Office Rentals	395.35
Total	\$159,832.67
EXPENSES:—	
Agents' commissions	21,683.40
Losses incurred	97,469.94
Inspection costs	1,026.29
Administration expenses	21,302.47
Depreciation on building and office equipment	1,907.60
Total	143,209.61
Surplus for the year	16,623.06

BALANCE SHEET	
ASSETS:—Cash on hand, and in bank	
	14,309.56
Notes receivable for cash premiums	1,099.59
Agents' accounts	83.80
Total	15,492.95
Domination, Provincial and Municipal bonds at cost	
(approximate market value \$221,070.00)	342,738.29
Mortgages and other securities	129,688.28
Accrued interest on securities	3,834.00
Total	369,523.62
Real estate, at cost less depreciation	40,228.55
Grand total	\$425,014.92
LIABILITIES:—	
Agents' accounts	34.65
Manager's account	588.49
Provision for unpaid loss claims	3,444.37
Total	4,067.51
NET ASSETS	
Balance, December 31, 1956	408,770.08
Add: Surplus for the year	16,623.06
Total	425,393.14
Deduct: Net investment in office equipment	1,618.22
Total	423,774.92
Grand Total	\$425,014.92

# MacNaught Urges Inquiry Re Freight Rates Increase

OTTAWA, (Special) — J. Watson MacNaught, Liberal M.P. for Prince and parliamentary assistant to Fisheries Minister Sinclair urged the government on the floor of the commons Wednesday "to lose no time in appointing a commission to enquire into the effects of freight rate increases in the Maritimes and to recommend remedial measures."

For many years, Mr. MacNaught said, transportation had been the most thorny problem for the Atlantic Provinces. The Gordon Commission itself had dealt with it to some extent and had recommended that Maritime freight rates be the subject of a special inquiry. Every commission for the past sixty years which had investigated Maritime affairs had stressed the problem of costly transportation.

The member for Prince said it was unfortunate that the Gordon commission report had received unfavorable reception on the part of daily newspapers of the Maritime Provinces. The newspapers, he felt, had emphasized the negative aspects of the report and had virtually ignored many worthwhile suggestions that had been made.

The great difficulty at the present time Mr. MacNaught said, was that the original benefits conferred on the Maritime Provinces by the Maritime Freight Rates Act, had been "whittled away" by a series of horizontal freight rate increases.

He congratulated T.J. Kichham, Liberal M.P. for Kings for the able way in which he had dealt with the problems of Prince Edward Island in his speech on the Draft Address the previous day. When extending congratulations to the mover and seconder of the address in reply, Mr. MacNaught recalled that he himself had the honor to move the address in reply some 10 years ago.

Two years ago, the member for Prince continued, he had stated in the House that he felt the unjust United States tariff on Canadian potatoes should be renegotiated. The U.S. president was in the Maritime Provinces was inequitable, he said, and was a matter of much concern on the part of Maritime potato-growers.

"I hope," he said, "that Canada and the United States will get together and work out an equitable tariff arrangement on potatoes." He told the chamber that Canada had asked and had been granted permission to review and to renegotiate the potato tariff agreement with the United States. This is a practice carried out under the Gatt.

## Alberton United Church Annual Meeting Was Held Wednesday

The annual meeting of Alberton United Church of Canada was held in the church hall at Alberton Wednesday afternoon.

Rev. A.S. Weir, D.D. conducted the opening worship and presided over the business meeting. Minutes of the last annual meeting were read by the recording secretary, Roy Leard, and adopted. Rev. Dr. Weir gave the report of session for the past year. For the Men's Association, Wesley Hardy reported thirty-six members. Eight meetings were held during the year with an average attendance of twenty. At seven of the meetings there were guest speakers. Members of O'Leary Men's Brotherhood were guests at one meeting. Projects during the year included some work on church and parsonage grounds and assistance with a special financial project of the congregation.

Miss Beth Waugh reported a year of increased activity of the Alberton Ladies' Guild. Projects of the year included catering to the Men's Association on two occasions, co-operating with the Ladies' Aid in catering to a wedding reception, three food sales, assisting in serving exhibition meals, providing flowers for the church at Easter and decorating it for Christmas. A silent auction was held at the meeting and a snipping party at another. A parting gift was presented to a member who was leaving the community. The friendship secretary sent out a number of cards during the year and members made 195 home and 193 hospital calls. Financial income was larger than in previous years.

## WESTERN GUARDIAN

RAYMOND Grant, optometrist, will be in his Tignish office Saturday, Jan. 26.

KENSINGTON Rink, Thursday-Indian River vs. Sherbrooke. Game time 8:15. Skate after.

THERE will be no dances in Kensington Legion Hall until further notice.

SEE Mona Mayhew, Jean Murray and Dianne Jenkins on C.G. I.T. interview CFXY - TV Friday at 6:50.

MUSICAL FESTIVAL Syllabus available Allison MacLean's office, Summerside, Albert Noonan's, Alberton.

BEDEQUE Rink Thursday, South Shore League, Albany, St. Fais vs. Lot 16 Rangers. Game time 8:30. Skate after. Free school skate in afternoon, 2:30 to 4:30 p.m.

REGULAR Thursday night dances, Kensington Legion Home. Music by Mellowares Orchestra. Dancing from 9:30 - 12:30. Admission 50 cents.

GUARDIAN DELIVERY routes. Several Guardian routes are now available for boys interested in delivering Guardians. Apply Guardian Office, Summerside.

CRAPAUD RINK tonight, Frank Myers League. Last night's postponed game will be held tonight, 7:30. Vocational School vs. Crapaud; 9:00 p.m., Victoria, Argyle Shore vs. Fairview. Skate after.

NAME OMITTED — In yesterday's report of Burns' Night concert held in the Presbyterial Hall, Summerside, on Tuesday evening, the name of Dave Carnegie, who was a very capable master of ceremonies, was inadvertently omitted.

RETURN FROM FUNERAL — Mr. and Mrs. Moffatt MacLean and son Jim have returned from Halifax after attending the funeral of Mrs. MacLean's sister, Miss Florence MacInnis, who passed away Saturday at the Victoria General Hospital.

AUDITORS' REPORT

We have audited the records of the Prince Edward Island Mutual Fire Insurance Company for the year ended December 31, 1956, and verified the cash and bank balances on the premium and expense accounts 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 by agents 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.

By virtue of Section 63 (1) (5) of the Income Tax Act, it has been determined that the Company is not liable for income taxes, since more than 50 per cent of its premium income was in respect of the insurance of farming and fishing risks.

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 the true state of affairs of the Prince Edward Island Mutual Fire Insurance Company as at December 31, 1956. All transactions of the Company that have come within our notice have been within its powers.

Charlottetown, P.E.I. January 14, 1957

H. R. Doane and Company Chartered Accountants

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## Delightful

(Continued from page 2)

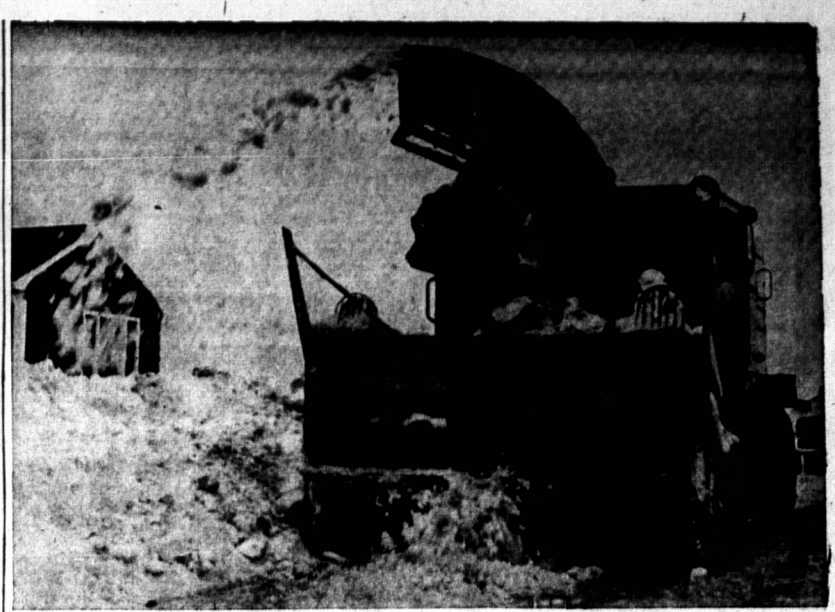
the eerie "Danse Macabre" by Camille Saint-Saens; the beautiful "Papae Curumissu" and the savage "Xango" both adapted from Brazilian folklore by Heitor Villa-Lobos.

Accompanist John Wustman gave the audience a brief glimpse of his artistic attainment in brilliant, masterful interpretations of Intermezzo in E major, Opus 116, No. 6, and Rhapsody in G minor, Opus 79, No. 2, by Brahms.

The sustained applause of a well-pleased audience required Miss McMurphy to sing three additional numbers after the conclusion of the regular program. As encores the artist chose a humorous sketch, "There's No Hiding Place Down There;" the ever popular love song "In The Gloaming, O My Darling;" and from the deep South "My Lindy Lou."

## MOUNTAIN AREA

The kingdom of Nepal in the Himalayas covers 54,000 square miles, including Mount Everest and other great peaks.



AIRPORT LOANS BLOWER TO TOWN

An R.C.A.F. snow blower, which was made available to the town of Summerside for a few hours through the kind co-operation of group Captain W.H. Swetnam, commanding officer of R.C.A.F. Station Summerside, removed snow piled high by town plows along both sides of streets, and thus quickly and efficiently solved a problem which had been of great concern to the town.

After the first big snow storm the town plows had scarcely completed the work of opening streets when a much larger snow storm blocked all streets again, and while snow plows were able to open up the streets for traffic the height of the snow banks on the sides of the street proved to be a problem because of the quantity of snow which could not be pushed back any further and which made it almost impossible to widen the narrow traffic lanes except by snow removal methods.

With the arrival of the R.C.A.F. snow blower all these difficulties disappeared, and with a surprising degree of speed, Summerside streets were fully widened as the blower cruised steadily along cutting a nice clean edge right to the curb and depositing the snow in any spot, direction, or distance the operator desired.

A feature of the machine which was appreciated by home owners

was the fact that unlike the town-owned equipment which cannot spare the newly shoveled walk or driveway, the snow blower is controlled so that the snow is deposited in some other direction.

Photo by Wotton

## Monacans Celebrate Birth Of Princess

MONTE CARLO (AP) — Grace Kelly, princess of Monaco, gave birth Wednesday to a dark-haired blue-eyed daughter weighing eight pounds, two ounces.

"The delivery went very quickly and in a normal way," said a medical bulletin signed by three attending physicians.

"Her Highness the Princess and the child are doing very well."

A 21-gun salute announced the arrival of Princess Caroline Louise Marguerite, first child of reigning Prince Rainier III and the 26-year-old Hollywood movie star he married last April.

Princess Caroline-as she will be called-will succeed her father on the throne of the 367-acre Riviera principality unless a son is born later to the royal couple.

Monacans were jubilant. If Rainier dies without an heir, Monaco becomes a French protectorate.

Hodgson and Earle Atkinson, Trustees J.R. Bonnyman, Frank Weeks, Charles Johnston, Cedric Hunter and Heber Corbett, were re-elected.

Treasurer Wesley Hardy and recording steward Roy Leard were re-elected and Miss Mabel Fielding was appointed auditor.

Mrs. A.C. Green was named Presbyterial representative for the coming year. On motion the official board was empowered to secure a minister by call or otherwise as seems expedient. The pastoral relations committee is comprised of Russell Leard, Elmer Wallace, Reginald Travers, Mrs. A.C. Green and Kenneth Leard.

A vote of thanks was extended to Rev. Dr. Weir, who is serving as Presbyterial supply in Alberton Pastoral Charge until the end of the conference year and to Rev. N.R. Green of Elmisdale, who served as interim moderator while the congregation was without a minister.

## Carleton Siding Man New Head Of Prince Co. Fish, Game Ass'n

Mr. Frank Howatt, Carleton Siding was elected president of the Prince County branch of the P.E. Fish and Game Association at the annual meeting held last evening at the Summerside Armoury building and presided over by retiring president, B.I. Rayner.

Other officers elected are: 1st vice, Blair Ballen, Summerside; secretary-treasurer, Earl Hayes, Summerside; Directors: B.I. Rayner, Summerside, Glydon Willis and Fred Semple, both of Kensington. The directors will serve on the provincial council.

In his report the retiring president, Mr. Rayner, stated that the branch now has the largest membership since its organization, of which a great number were active in the pheasant program carried out last year. He said this pheasant program had been very successful and revealed that approximately 2,400 pheasants had been released in Prince County. This number, he said, is about 400 short of the original quota, but added that this year's Free County will get one-third of all birds released plus last year's shortage.

Mr. Rayner informed the meeting that about 60 quail had also been released on the island as well as approximately 15 wild turkeys. He called upon every member of the Association to give the game warden every assistance possible in the prevention of the closed season and also thanked the members for their assistance and kind cooperation during the past year. A hearty vote of thanks was extended to the outgoing president. A motion was approved to submit a petition to the provincial association which requests that the government acquire and develop the Tyne Valley pond site. The petition is signed by 108 members.

The meeting also approved a motion to defer discussion on stream improvement on the Dunk River until the next general meeting because of the small attendance at last night's gathering. The secretary's report was read by retiring secretary Glydon Willis.

B.I. Rayner informed the members that barley has been bagged and is ready for distribution to those who wish to assist in feeding the huns. Anyone wishing to help in this important feeding program may pick up the barley or have it shipped to them, by contacting MacFarlane Produce warehouse or any fish and game member. Those appointed to look after dis-

## MILLAR'S STORE

Kensington, P. E. I.

## January Clearance Sale

JAN. 24th to FEB. 2nd

20% DISCOUNT on all Men's and Boys' COATS and JACKETS.

Men's V-neck Sleeveless SWEATERS, Reg. \$5.95—Clearing \$3.95.

20% OFF all Men's and Boys CAPS.

Men's Wool UNDERWEAR, med. weight combinations (Turnbull's) Reg. \$7.50—Closing \$5.00

Men's CARDIGAN SWEATERS. Regular \$6.98—Special \$4.25.

20% DISCOUNT on all men's PANTS.

Men's Lined Overall JUMPERS, sizes 38 to 46. Reg. \$6.50—Special \$5.00.

Men's Unlined Overall JUMPERS, sizes 36 to 46. Reg. \$4.50—Special \$3.25.

30% DISCOUNT on all women's CAPS left.

30% DISCOUNT on all women's DRESSES, SKIRTS and SLACKS.

All Women's BLOUSES—Clearing at \$2.25 each.

Women's Flannellette PYJAMAS, sizes small only—Special \$2.75.

Misses' Flannellette PYJAMAS, sizes 8 to 14—Special \$1.75.

Children's Flannellette PYJAMAS, sizes 2 to 6 years—Special \$1.35.

Men's Felt Top GUM RUBBERS, sizes 6 to 9—Special \$5.00.

2 pair Men's Neopane 4 Buckle Rubber OVERSHOES size 8, reg. \$11.00—Special \$9.00.

Men's 4 Buckle Cashmere OVERSHOES, reg. \$7.95 Special \$5.75.

Men's Zipper Cashmere OVERSHOES, sizes 6 and 7—Special \$4.00 pair.

10% DISCOUNT on all FOOTWEAR during this SALE.

## MILLAR'S STORE

KENSINGTON

## NOTICE

Effective January 26, 1957, our registered Egg Grading Station P-59 will be closed. We thank you for your valued patronage and regret we cannot accept any more eggs for grading after the above date.

R. T. HOLMAN LIMITED  
Summerside

## THIS WEEK AT CIVIC STADIUM

THURSDAY  
4:00-5:30—Skating  
8:00-10:00—Skating

FRIDAY  
1:30-3:00—Pre School Skate  
9:15—MONTAGUE vs. ACES

SATURDAY  
2:00-4:00—Skating  
7:15—St. Mary's Convent Ice Sports—One hour skate after

SUNDAY  
9:00-11:00 p.m.—Skating Club

## Professional Cards

Chartered Accountants

T. Earle Hickey & Co.  
Canadian Bank of Commerce Building  
Summerside, P. E. I. Phone 228

INSURANCE

E. E. Ellis & Son Limited  
Fire - Auto - Casualty  
5 Summer St. Summerside

Optometrist

E. E. Parkman  
Opt. D. R.O.  
PHONE 227

OPPOSITE GUARDIAN OFFICE  
Summer St. Summerside

B. F. Hunter, R.O.  
Summerside, P. E. I. Phone 2110  
SMALLMAN'S BUILDING

A. Raymond Grant,  
B.Sc., O.D.  
288 Water Street - Summerside  
Above Maurice Mill's Men's Wear  
PHONE 350

Photographers  
THE READ STUDIO  
D. W. READS

## IMMUNIZATION CLINIC

Friday, Jan. 25, 1957

2-4 P.M.