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MORE ABOUT THE I.O.F.'S INVESTMENTS.

A study of the newly issued preliminary report of the Superintendent of Insurance in conjunction with his last final report, that for the year 1912, enables some interesting information to be obtained regarding the recent course of the investments of the Independent Order of Foresters. The real gem of the Order's investments is of course its magnificent white elephant, the Temple at Toronto, in which nearly a million dollars has been sunk to produce a revenue averaging something well under one per cent. per annum. Apart from this there are various other matters which members of this organization might be well advised to study for themselves.

For a Canadian Order, the Independent Order of Foresters seems to invest a considerable proportion of its funds in the United States. Of course the Order has many members in the States, and it is only natural therefore that some investments should be made there, but it seems rather remarkable that the authorities of the Order in their relentless chase for safe and remunerative investments in which to place the aggregate funds of the Brethren, should have found so often exactly what they wanted in the United States. In the 1912 Canadian report, the book value of the bonds and debentures held by the Order is put down at \$7,302,794. Of this amount, \$2,720,000 is represented by the bonds and stock of a railway and power company in Georgia, and nearly \$1,600,000 by the bonds of an interurban electric railway in Michigan, so that these two investments represent in fact nearly 60 per cent. of the bonds and debentures held by the I. O. F. at the close of 1912. At the same date the Union Trust Company, which at present invests a certain amount of the Order's funds, also had invested, on behalf of the I. O. F., nearly half a million (book value) in the bonds of a subsidiary of the before-mentioned Georgia company. To complete the tale of 1912, it remains to be said that also at the end of that year the Order had outstanding large loans on collateral, the collateral including the bonds and shares of the already-mentioned Georgia company and one of its

subsidiaries, and shares of the Michigan inter-urban railway.

It seems that the Order, or at any rate those responsible for its investment policy, must have made up their minds that they had got an exceedingly good thing in Georgia, for we find that last year they invested another \$1,356,500 in the purchase of further bonds of the Georgia company aforesaid, and as they apparently did not sell any of their previous holdings, this brings up their investments in this particular company to about four million dollars. The Michigan electric railway also seems to be a good thing, for the Order last year invested another \$133,450 in its bonds. The collateral loans figuring in the Canadian returns at the close of 1912 were largely liquidated last year. But the Order invested \$160,650 in the purchase of bonds of a lumber company in North Carolina, some of the bonds of which had also previously figured as security for a loan on collateral.

One further interesting fact about these investments is this, that the Detroit financier to whom large loans on collateral, now repaid, were made is on the board of the Georgia company already mentioned; is also widely known as being intimately connected with the financing of the Michigan railway proposition, and, if we mistake not, has also something to do with the North Carolina lumber property in which the Order last year invested some of its funds. Moreover, there is apparently in existence, or was last year, a loan on collateral of the North Carolina company's bonds by the I. O. F. to a Lancian house in London, England, with which the Detroit financier before mentioned has somewhat intimate relations, and which house in fact some years ago sold in London a very large quantity of the bonds of the Michigan inter-urban railway.

The investments which we have mentioned may be for all we know to the contrary, excellent of their kind. But in any case the officials of the I. O. F. ought to be aware that they are not entitled to take even ordinary business risks with the funds which are entrusted to their care. Those funds, morally, if not legally, are trust funds simply and wholly and ought to be invested on that basis.