

WHERE DID HUNDRED THOUSAND GO?

Question Arises at Union Life Inquiry—How English Capital Was Tempted

The Union Life inquiry was resumed on Monday and on Tuesday afternoon was adjourned until December 10th. Mr. H. Pollman Evans, formally president of the company, was on the stand. He told of the relations of the various allied corporations in connection with large losses sustained by the Union Life before its failure. The disappearance of \$100,000 of the moneys obtained from British investors by the Union Life Assurance Company through the circulation of an optimistic prospectus and the fact that the company paid \$340,000 of the English capital to obtain \$176,000 worth of Home Life Assurance Association stock was brought out at the investigation. Mr. C. A. Masten, K.C., representing the government, elicited the fact that the prospectus issued for circulation in the United Kingdom showed only the gross assets of the company, and that with the exception of the government reserve fund no other liabilities were shown. It also transpired that the London advisory board were not consulted by the management of the Union Life when the moneys of the British shareholders were invested.

Some Union Life Loans.

Of the first payment of English capital received, \$50,000 of the amount went to discharge the debt of the Colonial Loan Company, of which the British investors knew absolutely nothing. When asked why this was not made known to the British public, Mr. Evans stated that the British prospectus did not purport to give a statement of the company's affairs in that way.

It was also learned that to float the stock issue and secure the sale of £157,000 worth of stock, it cost the Union Life £22,272 for the services of a London broker. There was expended for friendly articles in a financial journal £2,000, and a British Viscount, and another London society gentleman received £105 each for their assistance in assisting in floating the issue. This was floated by the London brokerage house on the understanding that they would receive a percentage of the amount sold, and that if the affair was a failure they would receive £7,500 worth of National Agency bonds.

All the Directors Knew.

The statement made by Mr. Symons that he did not believe that the directors of the Union Life were aware of some of the investments made by Mr. Evans was flatly denied by the latter. He said that the directors were conversant with all business done by the company, and that although some of the investments did not appear in the minutes of the meetings, the board were well aware of them.

The string of corporations controlled by Mr. Evans and his associates and used by him to finance the Union Life, or financed by the latter company, and their present standing, are as follows:—

The Union Life Assurance Company, now in liquidation; estimated loss about \$1,200,000; contracts re-insured by the Metropolitan Life; policyholders who did not reinsure will receive a dividend of about 60 or 70 per cent.; stockholders not expected to receive any return.

These in Liquidation.

The National Agency Company, now in liquidation, parent company of the Union Life, will probably pay nothing to creditors, debentureholders, or shareholders.

The National Land, Fruit and Packing Company, now in liquidation; attempt now being made to reorganize; unless reorganization successful, loss will be almost \$500,000.

The Imperial Loan Company; application has now been made for winding-up of company; dividends are uncertain.

The Canada Provident Investment Company, still operating, owes the Union Life \$340,000; officers state company has no tangible assets which can be realized upon.

The Home Life Assurance Company, business reinsured by the Sun Life recently; policyholders fully protected, and company expected to make substantial, if not entire, returns to shareholders, with the exception of the block owned by the National Agency, which was disposed of to cover a debt of \$10,000.

Some Other Companies.

The Stratford Building and Loan Association, still in business; debentures worth \$200,000 held by the Union Life, but company has small tangible assets to meet payment.

The Agency Land and Security Company, still in business, and still controlled by Mr. Evans.

The National Credit Clearing Company, still in business, and controlled by Mr. Evans, owes the Union Life \$6,700; assets said to consist of shares of the allied chain of corporations.

MUNICIPALITIES TO ECONOMIZE

Burnaby's Treasury Certificates May Go to United States House—Port Arthur's Departmental Returns

Burnaby, B.C., has made satisfactory progress in their negotiations for the disposal of the entire issue of \$1,250,000 in 3-year treasury certificates to a Toledo, Ohio, financial house, subject to the approval of their solicitors.

Estimates for the forthcoming municipal year are in many instances in active preparation. *The Monetary Times* thinks those who are responsible for these expenditures, should follow a policy of care and economy.

No Money By-laws.

Vancouver's financial condition was discussed by Mayor Baxter and the chairmen of the standing committees at a luncheon of the Progress Club. The mayor made the announcement that no money by-laws would be submitted to the ratepayers at the election on the second Thursday in January in view of conditions in the London market. In this, he has secured the unanimous approval of the aldermen, and is also backed up by the city's fiscal agents, Messrs. Brown, Shipley and Company, London. Sewer work in various parts of the city next year may be needed, but when this is required the by-laws will probably be voted upon.

Alderman Hepburn, chairman of the finance committee, made the interesting statement that the city had a balance of \$358,000, and while this would not be sufficient to carry it through to the end of the year, the overdraft would not be more than \$300,000 or \$400,000. The city's estimated revenue had been \$300,000 more than what was actually received. All the treasury notes in London had been retired and an overdraft of \$2,000,000 left by the last council had been wiped out.

Port Arthur's Expenditures.

That the different departments in Port Arthur are well within the estimates prepared at the beginning of the year is shown by a report submitted by city treasurer Gurney for the first nine months at the meeting of the city council. In the finance department the expenditures were \$48,302.01 and the estimates \$60,999. The fire, water and light department showed that \$38,488.78 had been spent in keeping up the fire fighting equipment of the city and the street lighting, while the estimate was for \$51,996. The board of works had expended \$31,927.41 and the estimates were for \$48,000. The license, police and relief committee expended \$17,799.22 and received \$15,105.52.

An effort will be made by Mayor Allan and the city officials to convince Hamilton city council that it will be a mistake to float \$3,000,000 by debenture next year, as will be the case if the people carry all the schemes it is proposed to put before them.

AMONG THE LIFE UNDERWRITERS' ASSOCIATIONS.

One of the best meetings ever held by the Life Underwriters' Association of Toronto, took place last week when nearly a hundred attended. There were four ten-minute addresses dealing with the four steps in salesmanship—namely, approach, interest, creation of desire and the closing of business. These were dealt with by Messrs. F. H. Richardson, F. R. Shants, J. B. Hall and W. E. Nugent. An actual canvass of a prospect for life insurance was then given, Mr. A. L. Boyd being the seller and Mr. L. J. Lugsdin the buyer. Mr. Lugsdin raised all the old objections to taking further life insurance, about which every field man knows, but Mr. Boyd overcame these difficulties with excellent arguments. The chief criticism of his canvass was the method of his approach, which was a trifle too involved and did not get down to the real talking point soon enough. Mr. Taylor, vice-president of the association presided in the absence of Mr. T. B. Parkinson, president. Mr. A. H. Vipond, Montreal, and Mr. George Williams, also addressed the meeting.

Certain persons have been representing themselves as life insurance agents, and have been accepting premiums from persons taking out life insurance, which has led to a resolution being passed by the Saskatoon Life Insurance Underwriters' Association to the following effect:—"That this association do publish in the local daily papers the names of the members of the Saskatoon life underwriters' association in good standing, together with the company they represent."

The Edmonton Life Underwriters Association have been using the following advertisement in the papers issued in that city:—"When you buy life insurance from a non-resident agent you are at a disadvantage. He's here to-day and gone to-morrow. The resident agent is here ready to stand behind his contract. He spends in Edmonton the commission produced by the transaction. He can meet your insurance requirements, so be well advised and buy it from a resident agent."