

WESTERN BOARDS OF TRADE FAVOR BONUSING

Important Topics Discussed at Winnipeg—Need of Good Roads

The need for legislative restrictions to the bonusing of industries in western Canada was the pith of a resolution moved by Mr. D. T. Leslie, of Swift Current, which was defeated at the meeting of the Associated Boards of Trade of Western Canada, held recently at Winnipeg. Mr. Leslie said that the practice was a serious question, and that it was jeopardizing the future of the cities and towns concerned. He told of many abuses in the way manufacturers applied for cash and site bonuses, and declared that when manufacturers who intended to employ ten men came along and asked \$20,000 bonus, it was getting time to stop.

Strong Opposition Shown.

Opposition to the resolution came from Fort William, Medicine Hat and Prince Albert, whose representatives endeavoured to show that the system could be made a sound and paying investment. Mr. W. B. Wilcox showed that Medicine Hat had granted in concessions to industries during the last eighteen months 137 acres of land, which, with all other concessions, had cost \$150,000. These industries, when completed, and in full running order, in accordance with the contracts signed with the city, would employ 1,850 men. Experience had shown them that in the natural gas department of Medicine Hat that in selling their natural gas for domestic purposes at 13½ cents per thousand and at 5 cents for manufacturing purposes, the city realizes a net revenue of \$5 per annum for each head of population, and this increase, due to the coming of the industries spoken of, meant \$50,000 per annum, or that the total cost to the city would be paid back in gas revenue alone every three years.

"Are you going to deprive us of taking advantage of our natural resources by passing a resolution to the effect that the bonusing of industries will be illegal, just because we have had the foresight to make provision for these things—and you haven't?" asked Mr. W. E. Gunn, of Prince Albert.

"The entire system of progress has been based upon the bonusing system from the Canadian Pacific Railway down," he continued, "and it would be ruinous to attempt to put a stop to it. Furthermore, there is no law that can prohibit the system because a city can sell its land for 10 cents per acre if it wants to."

Benefits of Good Roads.

A resolution which dealt with the important question of good roads was introduced by Mr. D. J. Campbell, Calgary, who stated that the Dominion and provincial governments enter into some scheme whereby a direct national highway be constructed in western Canada without delay, and that roads from this highway connect up all important commercial centres and well-settled farming districts be planned and constructed. Mr. Campbell gave many interesting statistics to show the value of good roads. He deprecated the present system of road making, and said that good roads would mean an immense saving in hauling of grain out to railways and of provisions into the farm. Basing his remarks on the crop figures of 1911 he said that the crop that year amounted to 4,378,131 tons of wheat, 927,967 oats, 215,700 flax, 151,228 barley and 1,176 rye. Adding one-sixth for root crops there was a total of 6,622,238 tons at \$2 a ton, making a cost of \$13,244,476 for haulage that year. It might be computed that 60 per cent. was saved by having good roads, along the lines of less depreciation; less wear on horses. In cash the saving would amount to \$7,846,682 on the 1911 crop. Then they had to consider the increase in value of farm lands due to good roads and the improvement in social intercourse. The roads were feeders to the railways and the importance of good roads must be recognized along with that of the railways. The resolution was carried unanimously.

Reduction of Duties.

A resolution asking for a reduction of the import duty on automobiles to 17½ per cent. and that on motor trucks and farm tractors to 10 per cent. was introduced by Mr. F. McClure Sclanders, Saskatoon, who said that the automobile was now getting to be a general necessity and farm tractors ought to be more accessible to the farmer. Mr. D. Y. Leslie, Humboldt, strongly opposed the motion. He thought it would kill the possibility of securing more manufacturing industries in these lines. American manufacturing firms came to this country to escape the duty, and Canada wanted these industries as largely as possible.

Mr. G. C. Thomson, Swift Current, thought the matter ought not to be put before them and bring out a discussion between conflicting claims of farming and manufacturing interests. Ultimately the resolution was lost.

PROMINENT AUSTRALIAN LIFE COMPANY IN CANADA

Mutual Life and Citizens Assurance Company Has Obtained Dominion License

Another important life insurance company is writing business in Canada, the Mutual Life and Citizens' Assurance Company, Limited, having obtained a Dominion license for the transaction of business in the Dominion. The company is writing new business in the Quebec province, and will be in Ontario shortly.

Until this year, the company has been operating only in Australia, New Zealand and the United Kingdom, but it has for some time, been placing some of its investments in Canada, and the satisfactory experience in this direction may have had some influence in the decision to write new business here.

Founded in Eighty-Seven.

The company, which is known familiarly as the M.L.C., was founded in 1887, to transact the business of industrial life assurance in Australia, where this class of life business had previously been practically unknown. In 1888 it wrote its first ordinary policy, and since that time the progress of the company has been marked. The following table showing the income and the funds for quinquennial periods will give an idea of the company's development:—

Year.	Income.	Funds (including Capital).
1887	\$ 74,870	\$ 135,175
1892	626,635	754,020
1897	1,110,115	1,699,945
1902	1,930,560	4,811,745
1907	2,551,990	10,385,945
1912	7,145,385	41,040,705

Both branches of the company's business have reached large dimensions, but the ordinary branch is transacting more business than the industrial, the premium income of the former being \$3,917,564, and of the latter \$1,183,516. The new business of the ordinary branch written for 1912 exceeded \$12,500,000.

Low Expense Rate.

The company has experienced a low expense rate in conducting business, this being 12.15 per cent. of the premiums in the ordinary and 42.95 per cent. in the industrial branch. The company's mortality experience has been favorable throughout its career, this being due in part, perhaps, to the low rate of mortality prevailing in Australia. It has paid in claims to policyholders or their beneficiaries a sum exceeding \$19,000,000. The total business in force comprises about 380,000 policies assuring a sum of over \$150,000,000. The latest valuation report shows that the surplus for the year 1912 was \$1,126,430, after special increases of \$260,000 had been made in the reserves. In the ordinary branch profits are distributed annually in the shape of reversionary bonuses. The industrial branch is non-participating. Here is a table showing the cash value of five years' reversionary bonuses declared from 1908 to 1912, taking a whole life policy for \$1,000, as a standard:—

Age at entry.	1908.	1903.	1898.	1893.	1888.
25	\$25.00	\$40.67	\$ 56.83	\$ 64.04	\$ 71.83
35	31.25	51.25	71.83	80.54	89.71
45	39.50	64.46	89.70	98.83	108.00
55	49.33	79.08	108.00	116.42	123.46

By comparing these with the first period, second period, third period, fourth and fifth period, ordinary life quinquennial dividends of other companies an idea may be obtained of the profit-earning power of the Mutual Life Citizen's Company.

Companies Canadian Branch.

The company has a reputation for good management, economical administration and large bonuses. Nearly half its assets, or 45 per cent., are invested in Australian, English and Canadian securities (government, municipal, etc.), and its policy liabilities are valued on a stringent basis.

Mr. W. J. Bloomfield, B.A., LL.B., the secretary of the company is in Canada in connection with the opening of the branch. Mr. J. P. Moore, A.I.A., will be Canadian secretary, and will hold a power of attorney enabling him to issue policies in Canada, so that this company will be able to give prompt attention to its policyholders. It has a strong directorate and trustee board in Australia, among these being the chancellor of Sydney University, the Hon. Sir Normand MacLaurin, M.D., M.L.C., chairman of the board, Hon. Sir C. K. Mackellar, M.D., M.L.C., the Hon. James Ashton, M.L.C., Sir W. P. Manning, Hon. Henry Gullett, M.L.C., Rev. Alexander Marshall, Hon. W. J. Trickett, M.L.C., senator Simon Fraser, a native of Canada, by the way, and the managing director, John J. Garvan.