

**The Rights of
Life Company
Shareholders.**

There is always advantage in seeing ourselves as others see us. Among United States observers of life insurance matters in Canada, none is more thorough and discriminating than The Insurance Monitor, of New York. Its comments during past months upon proposed legislative changes have shown intimate knowledge of the whole situation. Special interest attaches, therefore, to its views upon the amended bill recently passed on by the Commons to the Senate.

The improvements made in the original bill are given full recognition; at the same time attention is called to certain features several times touched upon by THE CHRONICLE, which are looked upon as threatening the rights of stockholders in the companies. The points taken correspond closely to those made by Mr. T. B. Macaulay in a letter recently addressed to Hon. William Gibson, chairman of the Senate Banking and Commerce Committee.

It will be remembered that the bill provides that policyholders shall have not less than two-fifths of the directors of a life company. But full voting powers on all matters are given to the policyholders at the meetings of the companies. There seems a possibility, therefore, that the latter, by reason of superior numbers, might change by-laws and otherwise exercise complete control over the policy of the company and the distribution of its funds. The bill provides that not less than 90 per cent. of surplus profits shall go to the policyholders, but no limitations whatever are fixed as to the proportion which must be given to the stockholders. The question suggests itself as to whether this does not put it within the power of the policyholders to appropriate the entire profits.

**Dangers to be
Guarded Against.**

The Insurance Monitor fears the possibility that under the Insurance Bill, as passed on to the Senate, wrongly interested parties might obtain the proxies of the policyholders, and by combining place a directorate in office satisfactory to themselves, and thus control the company.

The bill provides that all directors must retire annually, a clearly unwise feature which would afford an opportunity of throwing out the entire board at the end of each year and radically changing the entire management. "The possibilities for mischief involved in such a law must be obvious to all when it is remembered that a life company is a great financial institution offering every temptation to speculators and schemers to seize the control of its funds for their own pur-

poses, regardless of the rights of the owners. It practically places in the hands of such parties the power to virtually confiscate the property of the stockholders, who are the real owners of a stock corporation."

It is pointed out that in the States a legal barrier apparently exists against such legislation, the strength of which was recently tested in the Equitable suit concerning the amended by-law giving voting power to policyholders. It was held by the highest court in the state that any modification of the chartered rights of the parties which, through a change in the voting system, deprived the stockholders of any of their power to a voice in the management as it before existed was an unconstitutional taking of their property.

And it asks whether a similar principle should not apply in Canada.

**Dominion Iron &
Steel Company.** The report of the Dominion Iron & Steel Company for the year ending May 31, adopted at the annual meeting yesterday,

states the year's profit to have been \$2,225,835—after setting aside the necessary appropriations for sinking funds, depreciation and so forth. Interest charges for the year amounted to \$654,423, leaving a net surplus of \$1,571,412. Although this shows a falling off of about \$350,000 from the preceding year's figures, the directors refer to the outcome as satisfactory, in view of prevailing business conditions which much more seriously affected the earnings of United States concerns.

The recent audit of the company's books, made on behalf of the purchasers of the consolidated mortgage bonds, was referred to; and also the investigation of the company's properties and plant conducted by British experts. Satisfaction was expressed with regard to the outcome of these examinations, and an outline given of the extensions and improvements recommended and undertaken. Arrangements were announced as having been made for these changes, through the sale of a portion of the authorized issue of consolidated mortgage bonds. The company's balance sheet appears elsewhere in this issue.

**Imperial Press
Conference.**

Lord Crewe at the Government dinner to the press conference expressed the opinion that the Imperial Press Conference would have effects as far-reaching and beneficial as any conference that ever had been or ever would be held. Some people have assumed that because the delegates had no official mandate and no defined representative responsibility, their discussions must be barren of practical results.