dividends had been declared. The business had become well established and the shareholders were glad to pay such calls and invest their money in an established and flourishing business, as by so doing, it was made possible for their invested moneys to obtain a sure and substantial rate of interest.

Interest or Dividends on Investment.

A glance at the under-mentioned table, which refers to such companies as are now paying dividends on their capital stock, shows how excellent the return is to the investor from the majority of companies. The return, however, is really very much better than appears on the surface, particularly in so far as the original investor is concerned, as in many instances a large part of the paid-up capital has been paid up out of bonuses or profits. A clear example of what has been done in this way may be instanced from what took place in the case of the Confederation Life. The following is an extract from the Royal Commission on Life Insurance, page 33:—"This Association was incorporated by Act of the Parliament of Canada in 1871, 54 Vic., cap. 54, with an authorized capital stock of $500,000 and power to increase the same up to $1,000,000. Ten per cent., or $50,000, of the authorized capital was required to be, and was, paid up. In 1881 the stock was increased to $1,000,000 and 10 per cent. upon the increased capital was called up and paid out of profits or bonus, 6 per cent. or $30,000 in 1881, and 4 per cent. or $20,000 in 1886."

Other Facts and Figures.

The Confederation Life has to-day a paid-up capital of $100,000, but as will be noticed from the report of the Royal Commission on Life Insurance, one-half of their present capital was paid entirely out of profits or bonus. The effect of this is, of course, to exactly double the return to the original investor, and the $20,000 per annum now paid to their shareholders represents a return of 40 per cent. per annum to the original investor.

A perusal of the following table compiled from the last report of the Superintendent of Insurance issued 1912 in respect of year ending December, 1911, which refers to such companies as are now paying dividends on their capital stock, will show the amount of dividends paid per cent. on the paid-up capital:—

	Paid-up Capital	Total Income	Amn't of Divid'ds paid	% of paid-up Capital	Total Assets
Canada Life	$1,000.000	$6,543,201	$80,000	8	$44,257 341
Confederation Life....	100,000	2,825,489	20,000	20	16,337 908
Continental Life	200.000	300 555	11,467	6	1,292,212
Crown Life.............	100,055	276 329	11,173	11	990.546
Dominion Life	100,000	528,333	11,000	11	2,530,402
Excelsior Life	75,000	599 506	5,990	8	2,469,476
Federal Life	130 000	1,034,436	13,000	10	4,446,969
Great-West Life	548 500	2,764,159	76,618	14	10,453,071
Imperial Life..........	450,000	1,546,172	45,000	10	7,095,443
London Life	50 000	959,194	4,000	8	3,589,798
Manufacturers' Life ..	1,300,000	3,267,421	24,000	8	14.601,668
Nat. Life of Canada ..	225,000	507.837	20,250	9	1,740,702
North America	60,000	2,295,176	6,000	10	12,313,108
Northern Life	459,781	363.190	30,143	6	1,622,102
Sovereign Life	209,995	162,343	12,600	6	863,546
Sun Life	250,000	10,589,133	37,500	15	43,900,886

Excellent as these dividends are from the point of view of the present investor, the return to the investor who originally subscribed for the stock is much greater. For example, as we have seen, the return yielded to a Confederation Life shareholder is 20 per cent., but on examination of the company's past record, as furnished by the Royal Commission, the actual return to the original investor is 40 per cent. per annum, instead of 20 per cent. Moreover, when considered relatively in proportion to the total income of the companies, the dividends are really very small. The percentage is, in fact, on the whole very reasonable, bearing in mind the important part played by capital at the commencement of a life assurance company's career.

When Company is Established.

Generally, it may be said that once a company has become well established, there is no difficulty in paying a substantial return to the stockholder without it affecting the policyholders' interest to any appreciable extent. The case of each company could be cited in detail. But the same principle would seem to have generally obtained in the case of most of the well-established and successful companies.

Once a dividend has been declared, the tendency has always been for such dividend to be maintained and up to a point the rate of interest shows a sure and steady increase. The practice has generally been, however, when once a substantial return has been secured, to declare no further increase. The policy of many life insurance directors apparently having been to consider that the rate of interest is so handsome that a further increase is unnecessary. For example, as pointed out in *The Monetary Times'* Annual Review of 1913, in the case of the Confederation Life, the shareholders' proportion of surplus $38,148 has been magnanimously excluded from the shareholders' account and credited into the policyholders' surplus fund. From this it will be seen that a well-established life insurance company can, without difficulty, pay the most substantial returns to their stockholders. In fact it will be noted that without affecting the policyholders' interest to any appreciable degree, the various companies can readily provide annual dividends amounting from $30,000 to $80,000 per annum.

And this is the case, not only with the older life companies, but it will be seen that the companies of fairly recent date are now paying out large amounts in dividends. The Great West Life, which started business in 1894, only 20 years ago, paid out $82,618 in dividends in the year 1911. The success of this company in the short space of twenty years is proof of the great earning power of a life company's stock. The result has been achieved by the company successfully building up a large volume of business. The first issue of stock cost the original investor $25 per share. A further issue was made in 1903 at a cost of $50 per share to the then stockholder, and $85 per share to the public (page 79 of the report of the Royal Commission on Life Insurance). In ten years the stock had begun to greatly appreciate in value.

Purchased the Rights.

This was indicated (say the Royal Commissioners) by the fact that certain shareholders, including the managing director,purchased the shareholders' rights to the new issue of stock at a premium higher than that at which it was issued. In January, 1904, the managing director bought additional shares at 187 (page 80, Royal Commission Report). The policy of the directors of this company in regard to declaration of dividends would seem to differ from that of the older companies. The Royal Commissioners themselves say:—"It is difficult to deny, however, to the capital actually adventured, the position of security and profit which its adventure has earned." (Page 168, Royal Commission Report.) The Great West Life directors evidently consider that the stockholders are entitled to the profit this adventure has earned and on reference to the last blue book issued (1912) by the Superintendent of Insurance, it will be seen that there was carried to the credit of the shareholders' account in the year 1911 interest on shareholders' funds—$39,074, and shareholders' proportion of profits $158,612, or a total of $197,686 for the year 1911. As a result the price of Great West Life stock for the past few years has averaged over $300 per share on the Winnipeg stock market. It has now 63½ per cent. paid up on capital account.

In	
1893 it cost	$25 per share.
1903 " "	$50 to$85 per share.
1904 it was bought at	$187 per share.
1911-1913 it was bought at	$275 to $320 per share.

It will readily be appreciated that the stock of this company has proved a remunerative investment to the original stockholders, and it may be noted that in addition to the profits mentioned above, there is a note in the last blue book issued 1912, that the surplus from the company's non-participating business is kept in a separate account and held to be ultimately used as may be decided by the Directors.

These facts go far to show that whether in the initial stage or at maturity of a company, life assurance stock, but in a well-managed company, goes far to meet the ideal of an investor.

MANUFACTURERS AND ONTARIO WORKMEN'S COMPENSATION

The Canadian Manufacturers' Association committee on workmen's compensation report that the greater part of their work last year consisted "in offsetting the efforts of the liability insurance companies to discredit the proposals of the association and to induce the Ontario Commissioner, Sir W. R. Meredith, to adopt an act of the English type," which would open up a much larger field for private liability insurance in the province.

The draft measure of the Commissioner embodied many provisions from the draft act of the association, says the manufacturers' report, but combined with that provisions adapted from the English act, which is based on a principle entirely different from and incompatible with that underlying the proposal of the Manufacturers' Association. Without attempting any description of this measure, it was pointed out that in the opinion of the committee it was quite unworkable. The schedule of benefits was altogether too high, being 25 per cent. higher than the minimum proposed by the association. "No government could, we are convinced, consider seriously the adoption of the Commissioner's schedule or his draft act in its present form." The Transportation and Railway Committee, in the course of an exhaustive report, referred to the proposed introduction of the parcel post system in Canada, commending the proposal, but disapproving of the intention to restrict or limit the service to certain zones, as is the case in the United States. To be effective, the service should not be limited.