FRIDAY MORNING

The Toronto World

ts-Main 252. In 1896 no less than a hundred scien-Appartments Main 232 SCRIPTION RATES IN ADVANCE. year, Daily, Sunday included \$5.00 months 2.50 ee mouths 1.25 ee mouths 4.45 in loss to test the test the test of test is not surprising that a system of scientific research of this nature has resulted in an enormous increase in the annual value of chemical products

and a free delivery at the above and the stablish thoroly equipped electrical other parts the stablish thoroly equipped the prace that the Canada Life policyholders

rtisements and subscriptions are re-through any responsible advertising in England, the United States, Australia, Germany, etc. vertising his commercial or industrial career, cessary. The World can be obtained at the foi-fowing News Stands:

SIR LOUIS DAVIES SPEAKS.

unjust legislation rested chiefly on the

The letter to Sir Sandford Fleming such a vast expenditure on higher edufrom Hon. Sir Louis Henry Davies a cational endowment and equipment not justice of the supreme court of appeal only on the part of its wealthier citiof Canada, and formerly minister of zens, but also on the part of members marine and fisheries in Sir Wilfrid Lau- of the community as a whole. rier's government, which is printed on the first page of The World this morn-the running in the industrial race it investing capital stock at 414 per cent, at the ing, is probably the most important is very necessary that the provision document of the kind ever published by for the youth of the country should any Canadian newspaper engaged in not be inferior to that in the most an effort to help public opinion towards advanced communities. There cannot demanding new legislation on any be any doubt that if the Province of Incidentally, the letter shows how Ontario grasps the opportunity which subject.

nervous the insurance companies are now presents itself it may easily beand how they dread leading men ex-pressing opinions adverse to the meth-of a first place, the men who car-ried the risk for so many years were pressing opinions adverse to the meth-ods. Sir Louis Davies gave a proxy on the strength of which Mr. Harpell obtained place for a stenographer who furnished a verbatim report of the an- position of being able to influence the created on paper. nual meeting of the North American origins of her future claims to a lead- In the second place, the men who Life. The president of that company ing place among the great nations of "carried the risk for so many years" wrote Sir Sandford Fleming, apparently the world. If advantage is taken of have for long years been beyond the with the intention of bringing Sir Sand- the lessons which are being read and reach of risks. ford's influence to bear on the judge of the examples which are being set by the supreme court in favor of the com-older countries. Canada will profit by \$\$75,000 are not taking "only the interpany, by adopting the foolish course their experience. Only thus will the est that it earns." They are taking the of abusing a critic. No doubt a public tweatieth century be hers.

expression of the judge's confidence A RECORD AND AN OPPORTUNITY, est which over three-quarters of a A RECORD AND AN OPPORTUNITY, a very agreeable result of Mr. Blaikie's letter to Sir Sandford Fleming, but thy correspondence has produced an oppo-site effect. It has been charged that specific dis It has been charged that specific dis-brations is to receive

trust of Canadian companies' methods that the Liberal governments of the

enlightened and progressive policy. To serve the people faithfully and to trust the people wholly is the surest way of earning the gratitude and retaining the confidence of the people. rous factories and are constantly ing new discoveries and introducions in manufacturing

POOR CANADA LIFE.

A reading and re-reading of the full report of the speeches of Senator Cox and Mr. Flavelle at Wednesday's Can-ada Life meeting, which as advertised in The World's contemporaries yester day, increases the astonishment during the last thirty years. In that time they have risen from a small amount to the sum of \$250,000,000. This wer to the criticisms of the manage-swer to the criticisms of the manage-

terms to agents and wholesale newsdealers on application. Address rates on application, Address THE WOBLD, THE WOBLD, rtising rates on application. Address THE WOBLD. Toronto, Canada. Hamilton Office, Royal Corner, James FOREIGN AGENCIES. Advertisements and subscriptions are re

This, the report says, is the fact that Allowance

has most impressed many of those who titude of men penned into a corner. have gone to Germany to study the But the brazen glorying in things con demned in New York, the palliation of system of technical education.

What specially struck Mr. Haldane underwriting, and backing stockbrokers and his colleagues in connection with with policyholders' money, and the dethe United schools of science and tech- fence of speculation-it can't be truly nology was variety-variety in aim, called by any other name-in the Do minion Coal Company by directory variety in organization, variety in the one of whom is president of the ubjects and methods of instruction. But the same importance is attached minion Coal Company, and another has to the successful development of ad- a proninent seat on the board-these vanced technical teaching in institu-ions of university rank. In no other ions of university rank. In no other

country, the report proceeds, is there ality is needed in this country. Look at another sample of just tion by profits. The Canada Life a generation ago announced itself as one of the soundest institutions on earth. So it was. In 1905 Senator Cox defends

expense of policyholders' investment, by saying "Is it unreasonable that the men who carried the risk for so many years should make payment of the \$875,000, if they so desired and receive in return only the interest which it earns?

interest which it earns, plus the inter

THE TORONTO WORLD

NFESSIONS

The speeches made at the annual meeting of the Canada Life by President Cox and Policyholders' Director J. W. Flavelle are the most interesting that have been made in Canada on any financial subject for many years. In view of the disclosures' made before the Armstrong committee in New York, and of the recommendations based upon those disclosures, the speeches are really confessions and poorly-attempted justifications of methods before the Armstrong committee in New York, and of the recommendations based upon those disclosures, the speeches are really confessions and poorly-attempted justifications of methods before the Armstrong committee in New York, and of the recommendations based upon those disclosures, the speeches are really confessions and poorly-attempted justifications of methods be and in the recommendations based upon those disclosures, the speeches are really confessions and poorly-attempted justifications of methods be been poly of the terminal poly of such leaders as Senator Cox to be employed in other channels than in the manipulation of excessive premiums of insurance, put up by policyholders. For it won't put them to be policyholders' trustees. Here are some of the confessions of the Canada Life:

1. IN THE POLICYHOLDERS' INTEREST THERE WAS NO NEED FOR INCREASING THE PAID-UP CAPITAL FROM \$125,000

NEED FOR INCREASING THE Fride TO \$1,000,000. President Cox's own words were: "The company is safe beyond the per-adventure of a doubt." It was because the policyholders' money made the company safe beyond the peradventure of a doubt that the shareholders put up an additional \$875,000 and took 8 per cent. interest for it, altho the money invested only earned a little over 4 per cent. 2. THE BIGGEST GAINERS FROM THE CANADA LIFE ARE THE COX FAMILY. The president takes \$15,000 a year; one son takes \$20,000; another "not

The cox PAMILY. The president takes \$15,000 a year; one son takes \$20,000; another "not more than" \$19,000. If the investigation commission puts the whole family on the stand the public will have an opportunity of judging as to how far each member of it really earns the money he receives. A remarkably high proportion of the \$80,000 taken by shareholders goes into Cox pockets. 3. SUBSIDIARY COMPANIES FORMED BY THE PRESIDENT HAVE DESIM MAXIMUM PROFILES THEN HANDLING CANADA

HAVE BEEN MAKING PROFITS THRU HANDLING CANADA LIFE SECURITIES.

It is attempted to justify this on the ground that the transactions have been bona fide. Nobody has ever suggested that Senator Cox or his friends and dependents, who compose the investment committee of the Canada Life, were such fools as to make bogus investments. But that profits had been made by the Dominion Securities Company, which, under proper manage-ment, should have been reserved for the benefit of policyholders, is note

4. THE CANADA LIFE HAS DONE AN UNDERWRITING BUSINESS, AND IS, THEREFORE, PRACTICALLY A STOCK EX-CHANGE CONCERN AS WELL AS AN INSURANCE COMPANY.

Mr. Flavelle confesses that, as far as he knows, only three underwriting transactions have taken place within the last few years. The gravity of an offence against morals does not consist in the number of times it has been committed. It is no excuse to say that the impropriety was only a little one. Take, for example, the financing of the Mexican Light and Power Company. The president of that is Mr. James Ross, a policyholders' director of the Canada Life, who does not go into promotion schemes for nothing.

5. CANADA LIFE POLICYHOLDERS' MONEY WAS USED TO

5. CANADA LIFE POLICYHOLDERS' MONEY WAS USED TO FINANCE A STOCK BROKER. Mr. Flavelle admits that three large sums were out on call loan. One of them was for \$1,300,000. Mr. Flavelle, to be quite candid, should have given the names to whom the advances were made. The World has asked whether, in this case, the person backed was not the president's son-in-law, and a "high-filer" stock broker. But call loans are only about one-thirtleth of what they were just after Senator Cox became the president. The policy-holder will want to know details and names of those loans, amounting in the first year of the Cox administration to over four million dollars.

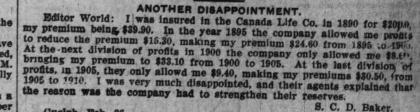
the first year of the Cox administration to over four million dollars. 6. TO PAY THE PROFITS WHICH HAVE BEEN ACCUMU-LATING ON DEFERRED DIVIDEND POLICIES FOR THE LAST 15 YEARS, THERE IS AT THE PRESENT MOMENT IN THE SURPLUS ONLY A TRIVIAL AMOUNT AVAILABLE, EXCEPT THE MILLION DOLLARS OF CAPITAL. The net surplus of policycholders' money now systable is less by \$1551

The net surplus of policyholders' money now available is less by \$155,542 than the amount represented in the surplus by value of stocks and bonds

"written up." The Canada Life began the quinquennium ended with \$16,895 net surplus to policyholders, PLUS over \$70,000, the amount of bond and stock values written up. They end the quinquennium, after paying less profits to policy-holders, the their income is greater, with a net surplus to policyholders of only \$393,403. To get that amount they had to "write up" their bonds. and stocks to the tune of \$548,945.

7. THE PRESENT POLICYHOLDER HAS BEEN DEPRIVED OF HIS PROFITS IN ORDER THAT THE FUTURE POLICY-HOLDER AND THE FUTURE SHAREHOLDER SHALL GAIN.

HOLDER AND THE FUTURE SHAREHQLDER SHALL GAIN. This has been done on the excuse that it was advisable to increase the amount in reserve much more rapidly than the government required. According to the sworn reports of the Canada Life, the reserves have been placed on the same basis in each year of the quinquennium just ended, viz., the 3 1-2 per cent. H.M. standard, prior to 1900, and the 3 per cent. H.M. standard on subsequent business; and the premiums have been materially higher on all new business ince the quinquennium becan



Guelph, Feb. 26.

than that, they show what they've undergone—the best of tailoring. The prices-based on actual values-tell a tale too good to miss. The Spring Topper is the acme of smartness. Fashioned in plain and striped covert cloths, Oxford grey cheviets, with silk facings, and a very stylish covert cloth, with light-grey stripe. Silk faced and self-collar. Sizes 34 to 44. Special value at 10.00

MARCH 2 1906

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Very appropriate to the changeable spring weather is this New Cravenette Raincoat - up-todate in every particular-unsur-passed for shapeliness-made from imported finely finished cravenette cloth - new colorings and patterns - Oxford and steel grey, with overplaid and the fashionable new bronze shade, with large colored overplaid - quarter lined. Sizes 36 to 44. 12.50

-MAIN FLOOR -QUBEN STREET.

Robert Melvin, Esq., the president of the said company, for the time being, and E. P. Clement, Esq., K. C., Berlin, or either of them to be my true and lawful attorney for me and in my name, place and stead, and as my proxy, to vote at all annual and special meetings of the policyholders of the said company, upon all matters which may come before such meetings. Witness my hand, this day of 1903.

ANOTHER DISAPPOINTMENT.

Signature

fore the commission, but they must ee to it that their representatives in par-and ludicrous to be taken seriously. fair play for themselves. It is up to them.

TECHNICAL EDUCATION. England seems to be waking up at technical education. The deficiency in the provision of this has long been their own with those of the more adto be done in the way of securing the co-operation of British employers the administration. themselves, not only directly by

There was recently issued a departmental report on technical education verse criticism. He will best fulfil .is years to the development of technical but much remains, and not a little may instruction of a university grade. For be retrieved. Henceforward there must her success in all departments of ap- be no more sacrifice of the public plied chemistry she has been mainly rights. The Liberal-Conservative party indebted to the utilization of the re- of the province has to-day an unrivalsults of the researches made by an ed opportunity to vindicate democratic army of highly trained chemists who principles by providing clean and effi-are employed in large numbers in clent administration and pursuing an

OSGOODE HALL,

trust of Canadian companies' methods is due to wild and reckless allegations made by irresponsible newspapers such as The World. We now have it on the authority of one of His Majestys judges, that confidence has been in pro-cess of disintegration ever since he legislation of 1899. We also have it on the authority of a member of the cabinet at that time that he legisla-tion was the result of the government yielding to representations of insurance companies—which representation had no reasonable basis in fact. Mr. Ma-caulay, the president of the Sun Life, as The World has several times re peated, openly declared during 1891 that the odium of obtaining this

1891 that the odium of obtaining this ccaled. All the same, it is necessary to wear

CHANGES IN COMPANY.

In face of this remarkable statement to make the next legislation remewith the models and record of the late admanaging director of the Wells & Richardson Co., Limited, 200 Mountaining the second state of the models and record of the late admanaging director of the Wells & Richardson Co., Limited, 200 Mountaining the second state of the models and record of the late admanaging director of the Wells & Richardson Co., Limited, 200 Mountaining the second state of the models and record of the late admanaging director of the Wells & Richardson Co., Limited, 200 Mountaining the second state of the models and record of the late admanaging director of the Wells & Richardson Co., Limited, 200 Mountaining the second state of the models and record of the faithful, who haves the next legislitic tion as favorable to them as the last was? Whatever the Langmuir commission any or may not do, the power ae hind the throne in assurance matters has been feveraled in a manner which the oan orea question. The public that on mistake. The moral for policyholders is obvious. They must combine not only to have the truth, the whole truth, and nothing but the truth dragged out be fore the commission, but they must ce to disting a second state of the truth, the whole truth, and nothing but the truth dragged out be fore the commission, but they must ce to disting a consistation of the faithful who have the truth the truth dragged out be fore the commission, but they must ce to disting a second state of the state for the shole truth, and nothing the the truth dragged out be fore the commission, but they must ce to disting a second state of the sholes and other holdings, and consequences live after the death of the truth dragged out be fore the commission, but they must ce to the that the truth the representatives in parcing the the truth dragged out be fore the commission, but they must ce to the the dilt take the option of the truth dragged out be fore the commission, but they must ce to the sholes records the sholes and dinter

WHICH WAS FIRST ?

to it that their representatives in par-liament cannot be influenced by any such specious pleas as were made in 1899. The need for a policyholders as sociation could not be more conclusive-ly shown than by the terrible logic of Sir Henry Davies letter. Hand ludicrous to be taken seriously. Mr. Whitney will certainly find valu-able lessons in the administrative ca-treer of his predecessors, but they will be lessons of warning. If he is shrewd enough and wise enough he will see in the thread the difference hended on by the

Sir Henry Davies' letter. The policyholders must act and must act quickly. Once more The World the Liberal traditions handed on by the late government little to follow, but a great deal to avoid. In particular he According to the best scientific states that it does not wish to run a policyholders' association. It is anythil recognize that fidelity to public centre of the solar system, existed bepolicyholders' association. It is anxi-interests is what the province requires fore any of the planets or planetary satellites, of which the moon is one.ous to give every support in its power from the men it entrusts with the conto any organization which the policy-Ed. World,

holders may form, in order to secure attitude the late cabinets were conspi-TO BE INVESTIGATED. cuously lacking. The Liberals of the Ottawa, March E-Carrying out his

province happened to be in power whan promise of yesterday at the artillary meeting. Sir Frederick Borden has de its great development began. Their responsible leaders, had they been true last to the value and necessity of technical education The technical education whence they derived their name, would

Frozen on Roadway, have secured for the people of Ontario the provision of this has long been the subject of comment and many of the industrial centres have establish-ed or extended schools and colleges for technical training which can now hold their own with those of the more ad-wanced nations. But much yet remains to be done in the way of securing the

public ownership as a cardinal rule in Gloucester, Mass., March 1.-The lit-

the administration. This betrayal of the cause of the peo-the data and the peo-the contributions of money and equipment, but indirectly by giving employment to technical graduates and facilities to technical graduates and facilities to undergraduates to work during vato undergraduates to work during va-Whitney is informed that if the present three others were drowned. government continues the same policy

Killed by Roof Collapse

there will be but little cause for ad-Cleveland, Ohio, March 1.-A root over a new building at a cabinet fac in which occurs a striking picture of pledges to the electors by reversing the over a new building at a capitor the tory, near the Superior street viaduct. the progress made in Germany and the United States. All the energies of Gér-many have been devoted of recent

> For the table, get WINDSOR TABLE SALT. Every grain a perfect crystal. Absolutely pure, clean and never cakes.

The Canada Life changed the reserves from time to time; starting on a 6 per cent. basis and going down from 6 per cent. to 5 per cent., 4 1-2 per cent., and so on, until 3 per cent. was reached—all without any diminution of the ratio of profits paid to policyholders, until recent years.

of the ratio of profits paid to policyholders, until recent years. 8. THE COMPANY IS A SHAREHOLDERS' COMPANY RATH-ER THAN A POLICYHOLDERS'. While the amounts received by policyholders had declined, the amounts taken by shareholders have increased to an extent which has absorbed the whole of the earning power of a larger proportion of the policyholders' money than has been the case heretofore. In the five years ending 1900, the shareholders were paid \$110,000. In the five years just ended they took \$356,162. If the policyholders got the same proportion of profits in the last quinquennium as they did in the one preceding, they would be \$818,372 better off than they are.

Assets including capital Average rate p.c. of earnings to total as'ts 1900 \$22,643,484 4,050,834 5,574,598 4.134 4.242 30,329,365 Di vidends Dividends to policyholders General expenses sha \$1,129,415 1,669,786 1890 \$ 6,001,379 \$1,593,590 26.55 1,526,957 1,662,948 14.46 2,259,481 1.467,213 10.30 4.097.681 356,162 DIVIDENDS PAID Proportion to of Capital to Total Assets Interest Earnings Ins
Capital Assets Amount Entropy
Assets Amount

considered highly favorable, from an investment standpoint. The possession of several of the holdings, however, was criticized as hardly showing good judgment on the part of trustees. Particularly was this in the case of the holdings of Domhion Coal common stock, of which about 3000 shares were shown to be held by the company at a valuation of about \$80 a share. This stock was considered to be certainly out of the category of investments, and no one seemed to surmise that a life insurance company would ever have entertained the purchase of such a security, its history in the stock markets having shown it to be what is usually termed a "wild cat." At one time it was as high as \$147, and at another below \$40 per share. The statement made by President Cox, that the Canada Life had purchased s its securities and investments thru the agency of the Dominion Securities in Company, was accepted as a plain fact, but many thought that as Mr. Cox 8

gation into the life insurance systems is the proper thing if a thoro investi-Company, was accepted as a plain fact, but many thought that, as Mr. Cox and Mr. E. R. Wood acted in the capacity of purchasing securities for the Dominion Securities Company, they could, at least, have done the same for the Canada Life, and saved the rake-off which the Dominion Securities Comgation is made, but a bungle, or half way, or smooth over would do more harm than good. Let it be done in right order. Any company doing an honest business should ask for it. Wishing you success. pany must have made as the go-between between the original seller and the Canada Life.

WHAT POLICYHOLDERS ARE SAYING

HIS FAITH IS WEAK.

Editor World: Enclosed please find my signature to petition, asking for a parliamentary insurance investigation. I have not much faith in in-vestigations in these days of graft, when principle, justice and honor are brushed aside, and "no sentiment in this" is made the slogan to rob legally The set of your articles of the proposed merger articles. The attorney-general holds that the proposed merger will constitute a monopoly of the present elevated, sur-for a parliamentary insurance investigation. I have not much faith in in-brushed aside, and "no sentiment in this" is made the slogan to rob legally the common people. Apparently, the best legal minds are no longer the bulwark of the nation's laws, but rather the assets of the powerful monetary time, to escape the penitentiary. This condition of affairs destroys faith in investigations, and emboldens insurance companies, monetary institutions, etc., to purchase these brainy men to carry on their operations. West Lake, Feb. 27.

West Lake, Feb. 27.

FARCE OF VOTING POWER.

Editor World: I have been a reader of your paper for some time. I like your work, and hope it will be the means of getting our just profits from the insurance company. Keep right on. The government will be forced to give its people justice at the mands of insurance companies. I am a policyholder in five different companies. I was induced to take out a policy in the Mutual Life of Canada, formerly the Ontario Mutual. As soon as I got my policy from this company, I received the enclosed proxy, to sign away my 209 Euclid-avenue. policy from this company, i received the enclosed proxy, to sign away my right of voting on the management of the company's affairs. The very thing I took a policy for was, along with others, to have a vote. Now, they ask me to sign off. The agent meant well enough, for he was right in saying I would be entitled to a vote, that any of my other policies did not give me. But to think that they wanted to, deprive me of the very thing that I took a policy for! This has got the jay business licked to a standstill. Another Dolley holder

Another Policyholder.

COPY OF PROXY. The Mutual Life Assurance Company of Canada, Formerly the On-tario Mutual Life Assurance Company. Power of Attorney to Act as Proxy.

Know, all men, by these presents, that I, whose name is here-Robert Melvin, Esq., the president of the Mutual Life Assurance Company of Canada, under policy No., do hereby appoint

A PUBLIC NECESSITY. Editor World: Please find form signed re. insurance invest sation. Not only in the interests of the policyholders, but for the encouragement of further insurance, a thoto investigation into the methods of conducting life insurance business is necessary in Canada. If everything is straight and as it should be, the companies will gain, as well as the policyholders. Thanking you for the interest you have taken in this matter, and hoping to see the legislature take this matter up, as suggested, by the mover in the house. W. H. McFarlane, TORONTO LIFE.

S. C. D. Baker.

TORONTO LIFE. Editor World: "Policyholder," who asked about Toronto Life, should have gone to the meeting on Feb. 15. Everything passed off O. K. The third annual statement was read, showing: Deferred premiums, \$47,832.27; premi-ums in transit, \$23,408.62. Mr. Lee of the Famous Grocery Store, moved that the retiring directors be re-elected, and Mr. Stacey of the Y. C. Farm seconded the motion, which was carried without a hitch. Everything seemed to be cut and dried. Another Policyholder. Toronto, Feb. 27, 1906.

EXAMPLE FOR PRINCETON.

Editor World: I send petition, signed by a few of my neighbors, who are insured in some Canadian companies. A. W. Gissing. Princeton, Feb. 28.

WANTS COUNSEL'S FUND. have not been half what they once were, Wm. Coates. Editor World: I have been for more than 20 years a policyholder in the Canada Life for \$10,000, under the were. Brockville, Feb. 28.

PERMISSIBLE MONOPLY.

Hearst's Attempt to Smash Traction Merger Fails,

Albany, N.Y., March 1.-Attorney-General Mayer to-day announced that he had denied the application of Wm. R. Hearst, demanding that he begin proceedings to annul the charter of the Interborough-Metropolitan Holding

Editor World: I have been an in Company, under which the merger is terested reader of your articles on life intended to be effected.

Policyholder.

Kincardine, Feb. 27.

BENEFIT OF INVESTIGATION.

DISSATISFIED FOR YEARS.

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