The Daily Planet

S. STEPHENSON, PROPRIETOR.

TELEPHONES
Business Office 53. Editorial Room 102.

MONDAY, JUNE 25, 1906.

IS IT RIGHT TO BLEED THE GOVERNMENT?

The investigation into the purchase of supplies for the Arctic has revealed a cynical acceptance, by some of those who have to do with the spending of Government money, of rules of conduct which people have in the past suspected to govern such operations, but which they have never thought to hear so openly admitted, comments the Montreal Star. The other day we had a witness, who has been in the employ of various Canadian Governments since a date prior to Confederation, telling us calmly that when he was ordered to purchase supplies for the Government, he merely suggested lists of prices from "the friends of the Government," and added that he had got into serious trouble when once he went outside of this charmed circle. Pessimists have told us all along that this was the rule; but the ordinary man has been inclined to hope that politicians would not, as a class, "have the face" to so divert public money into the pockets of their "friends."

Now another witness tells us that he thinks it quite proper to charge the Government a little more than the ordinary public. Why?—in the name of all that is honest. What is the Government but the organized representative of the "ordinary public?" What money has the Government to spend but money which it takes in taxes from the individuals who make up the "ordinary public?" Why is it right to rob the people as a whole when it would be wrong to rob them individually?

This witness was a temporary Government employe. Now if the representatives of the government go upon the theory that it is right for the government to pay more for an article than it is worth, we can easily deduce one reason why it is possible to "charge the government a little more than the ordinary public." If the "ordinary public" did its buying through an agent who was willing to pay more for an article than it could be got for the "ordinary public" would be gouged, too. But what would the individual purchaser think of an agent who would so betray his interests? Yet there is absolutely no difference between an agent who would thus deliver a single principal bound and helpless, into the hands of his natural financial enemy, the party with whom he was making a trade; and an agent who would consent to pay more on behalf of the entire "ordinary public"—i. e., the country—for goods which it needed than those were worth.

Now that these rules of conduct have been placed, officially, as it were, before parliament and the country, some recognition should be taken of them, and both parliament and the country ought to make it clear that they entirely disagree with the principle laid down. We can hardly permit such cynical exposures of such dangerous doctrines to pass unnoticed. If no protest is to be registered against them, surely all public servants can hereafter plead that they have passed into the orthodox list of "rules of conduct" for good representatives of the people's purchasing department.

Yet there is no difference between robbing the people through the government and robbing the same people directly.

$62.50 PACIFIC COAST AND RETURN.

Round trip tickets from Chicago at above low rate will be sold by the Chicago and North Western Railway to Portland, Ore., Seattle, Wash., Vancouver and Victoria, B. C., daily from June 18th to 22nd inclusive, good for return within sixty days. Choice of routes and favorable stopovers granted. For folders and further particulars write B. H. Bennett, General Agent, 2 East King street, Toronto, Ont.

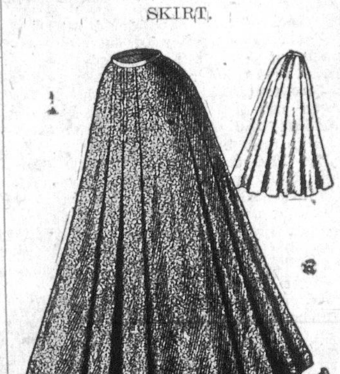
If you must refuse a favor, learn the art of being polite about it.

To "get next" you must first get busy.

The cheerful cannot help being charming.

FASHION HINTS

LADIES' FOUR-GORED CIRCULAR SKIRT.



No. 4141.

As an odd skirt to wear with blouses and shirt-waists, the model shown here is attractive, the box pleats at the front, sides and back giving a pretty flare to the bottom of the skirt. Four gores are used in the shaping and the closing is made at the centre back. Machine stitching or braid gives a neat finish to the round-length skirt, or bias bands may be applied instead. Panama cloth, sicilian, mohair, taffeta, mixed goods, plaid, voile, etamine, linen, pongee, duck or crash are all recommended for successful results.

The quantity of material required for size 26 is 6 1-4 yards of 42-inch goods. Pattern No. 4141 is cut in sizes 22 to 30 inches waist measure. Mailed postpaid on receipt of 10 cts., name, size and address to the Fashion Department of the C. Austin & Co., Chatham, Ont.

There are some women who seem to be personally youthful. The grown daughters are companions as well as children, and the color in the mother's cheeks, the brightness in her eyes, the roundness of her form, all speak of abounding health. What is her secret? She is at the middle age of life when so many women are worn, wasted and faded, and yet time has only ripened her charms. The secret of this matronly health and beauty may be told in the brief phrase, Dr. Pierce's Favorite Prescription. The general health of woman is so intimately related to the local health of the delicate womanly organs, that where these are diseased the whole body must suffer. "Favorite Prescription" dries the debilitating drains, heals ulceration and inflammation, cures female weakness and imparts to the delicate female organs natural vigor and vitality. Women who have lost their health and their beauty have been made robust and rosy cheeked by the use of this marvelous medicine.

A good listener maketh a good husband.

THE "CROWN" LIFE CO

Scrutiny Reveals Discrepancy in Loss and Gain of $9,000.

Difference Between Returns to Government and Prepared Statement Handed In to Commission—Meagre Information From Chief Officer—Extravagant Methods of "Excelsior" Brought Out by Dominion Counsel.

Toronto, June 22.—Mr. Tilley continued his examination of Edwin Marshall, manager of the Excelsior Life yesterday morning before the Royal Commission on Insurance. The subject of commission was first dealt with. The office staff received commissions on all business they procured. The first year's commission on new business ran up as high as 75 per cent., but no renewals were allowed. Mr. Marshall's salary amounted to $2,500 a year with a bonus or a share of commissions.

Mr. Tilley asked the witness if there was any clause in the policies which definitely guaranteed to any policyholder a dollar of profits, and Mr. Marshall answered in the negative. The directors fixed the amount the policyholder should receive.

The question of percentage of expenses to income was next. For nine years the premium income of the Excelsior amounted to $1,335,499, with expenses of $591,543, making the average expense 44.6 per cent. of premium income, and 36.9 per cent. of total income.

"Rebating was wrong," said the witness, "but unless the Government took the matter in hand and penalized the guilty parties the companies were powerless to remedy the evil." The Excelsior Life did a lot of rebating.

The extravagant methods of the Excelsior were brought out by Mr. Tilley. The statement of 1900 showed expenses of $109,341, on a premium income of $56,198. Mr. Marshall explained this by saying that only two Canadian companies had a lower expense rate.

The Proper Kind.

Commissioner Kent here made the following statement: "It has been my belief all through the course of this enquiry that the proper kind of insurance is the straight life without profits."

This concluded the examination of the Excelsior Life.

Chas. J. Hughes, managing director and actuary of the Crown Life, was called at the afternoon session. Mr. Hughes has been actuary and manager since February last. He succeeded his brother as actuary, who was previously actuary for the Manufacturers' Life and now connected with an American company, and Geo. H. Roberts, as manager, the founder of the company. The company was chartered in 1901. The capital stock was put at $1,000,000 with $250,000 subscribed.

Excluded the Policyholders.

Mr. Tilley then took up the clauses of the charter. One point was the fact that no person could be a director unless he owned twenty-five shares. This, Mr. Tilley said, excluded the policyholders from holding a seat on the board, and the witness assented.

The subscribed capital was now $609,000, and the paid-up capital was $129,000, and the company would accept subscriptions though not endeavoring to get subscriptions, not because there was capital enough, but because witness did not think it was an opportune time to seek subscriptions. The stock was sold at a premium of 25 per cent. The first was a call of 25 per cent., of which 800 shares were paid on the instalment plan, which permitted the shareholder to pay for his shares in ten different instalments. No shares had been forfeited by the company for non-payment of call. There were no shareholders who had not paid anything on their stock. There were no directors who held unpaid stock. Promissory notes had been accepted.

"How were these treated in the annual statement, as 'bills receivable'?" asked Mr. Tilley.

"No, they were treated as cash."

"What method was involved in getting these notes into cash?"

"They were discounted toward the end of the year by the Sovereign and Union Banks, and taken up three months later, the maker of the note paying the discount."

"The note was not endorsed by the company," suggested Mr. Marks, the secretary of the company, who assisted the witness in his answers.

Agents on Commission.

Mr. Tilley took up the agents next. He elicited the fact that all agents of the Crown were paid on a commission basis with a certain guarantee each month that is not to be returned. This, however, is not stipulated in the agents' contract. Agents' advances for 1905 were over $6,000. This amount was written off. Witness said that about $5,000 a year for the past few years.

Mr. Tilley asked if this was not an odd condition of insurance business, rather than a normal.

"It is the normal condition," said the witness. "A young company cannot afford to treat this item as older companies do. A large company would keep it out of their books altogether."

Surrender values was the next item. The clause relating to this provided that such value be paid as the directors may fix. The policy went farther than the act in this regard and stipulated that the insured is entitled to a cash surrender value at any time.

"Have you ever given policyholders the right to vote, as set forth in the charter?" asked Mr. Tilley.

"No. I don't think policyholders should have a right to vote, for in the early stages of a company there were so many difficulties to meet it was not desirable to have too many masters. I would not like proxy voting at all. If you leave it to one person to guide the hand you will have a sorry state of affairs."

The Crown carried on general business, an industrial business, an abstainers department and a woman's department. The non-participating and participating were all treated in one set of books. He could see no gain in separating them.

A Guarded Secret.

Mr. Tilley spent considerable time in trying to find out what was due the policyholders, but Mr. Hughes, like other insurance men, objected to showing what participating policyholders should get.

Mr. Hughes is opposed to rebating, claiming that business obtained by giving rebates is not persistent.

Witness then told the commission that Sir Charles Tupper, president of the Crown Life until 1905, had a contract with the company by which he received a straight salary of $2,000, 1 per cent. of all calls on stock over $100,000, 1 per cent. on all premiums on subscribed stock, and 1 per cent. on all first year premiums.

G. H. Roberts as manager received $5,000, the same salary was paid the witness—a year from the inception of the company, which witness thought was too high for any young company and that the Tupper arrangement was a poor one.

Witness gave particulars of a dispute between a policyholder and the company. The application for policy had held instalments and the beneficiaries applied for the insurance; the company would not come up. Not wishing to quarrel with the complainant the company offered $1,000 settlement, which was still open.

In the matter of estimates of profits the Crown Life had followed the same line as older companies. Their estimates, as Mr. Tilley proved in a searching examination, were altogether too high, and witness acquiesced.

The "not taken policies," said Mr. Tilley, were 16 per cent. in 1902, 20 per cent. in 1903, 25 per cent. in 1904, and 17 per cent. in 1905.

"Do you find that most of these policies were issued last month to swell returns?" asked Mr. Tilley.

"We have never done anything out of the ordinary, except tell agents that the end of the year was coming, and that it was desirable to make a good showing. These 'not taken' policies were scattered over the whole year."

A rather loose method was certain discrimination of policies. For instance, in some cases to alter the policy it was dated back to last birthday, giving the insurer a sort of rebate, and according to Mr. Tilley, an unfair advantage.

The lapse ratio was about 10 per cent.

Mrs. Tilley prepared a statement showing percentage of commission on new premiums. In 1901 it was 85.4 per cent.; in 1902, 64.5 per cent.; in 1903, 59.2 per cent.; in 1904, 68.7 per cent.; in 1905, 79.1 per cent.

When asked why the commission had gone as high as 85 per cent. the witness could not say.

A Discrepancy of $9,000.

The loss and gain statement prepared by Mr. Hughes was dissected.

Mr. Tilley asked Mr. Hughes, in reference to the "loss and gain" statement, which he had handed in to the commission and pointed out that it did not agree with the Government return. The return showed a loss of $22,000, while Mr. Hughes' statement showed only a loss of $9,000.

"Where did the rest go?" asked Mr. Tilley.

"I don't know," said the manager of the Crown Life.

It aws shown that the loss incurred in the first year's business would take four or five years to make up. It was over $43,000. This, of course, was due to heavy expenses in connection with agents' commissions. The Crown Life had never tried to remedy the rebating evil.

The Crown Life investments were in municipal bonds and bank stocks. Investments showed no particular losses.

The Crown Life suffered the usual impairment of capital, which amounted to $100,000.

The company made loans on policies at a rate of 5 per cent.

G. R. Geary took the witness just before adjournment.

The company did business all over the country and had offices at Montreal and Halifax.

—The disgusting discharges from the nose and throat, and the foul catarrhal breath, are quickly dispensed with by using Dr. Shoop's Catarrh Cure. Such soothing antiseptic agents as Oil Eucalyptus, Thymol, Wild Indigo, etc., have been incorporated into a snow white cream making a catarrhal balm unexcelled. Sold by C. H. Gunn & Co.

The girl with the broken heart always manages to save the pieces.

Ignorance may be bliss except where it is ignorance of the law.

He who would be a great soul in the future must be a great soul now.

..RAILWAYS.

CANADI PACIFIC

GOING EAST	GOING WEST
† 7 a. m. daily ex. Sunday	*1.03 a. m
*3.18 a. m. Express	*1.13 a. m
*3.32 p. m. "	*9.50 p. m

† This train runs daily except Sunday. Starts from here and remains over night.

GRAND TRUNK

WEST

† 8.30 a.m. for Windsor, Detroit and intermediate stations, except Sunday.
* 12.52 p.m. for Windsor and Detroit.
† 4.18 p m. for Windsor and Detroit.
* 9.9 p.m for Detroit, Chicago and west. International Limited, daily.
† Mixed 2.30 p.m.

EAST

8.37 a.m. for London, Hamilton, Toronto and Buffalo.
† 2.00 p.m. for London, Toronto, Montreal, Buffalo and New York.
** 5.18 for London, Hamilton, Toronto, Montreal and East.
† 9 p. m. for London and intermediate stations.
† Daily except Sunday. * Daily.

CHATHAM, WALLACEBURG AND LAKE ERIE RAILWAY.
ELECTRIC SERVICE

Time Table No. 5. In effect Wednesday, May 9th, 1906.

CHATHAM LEAVE	CHATHAM ARRIVE	WALLACEBURG LEAVE	WALLACEBURG ARRIVE
* 6.00a.m	*8.10 a.m	*7.10 a.m	*7.00 a.m
9.00 a.m	11.25 a.m	10.15 a.m	10.10 a.m
11.30 a.m	1.40 p.m	12.30 p.m	12.30 p.m
2.15 p.m	4.30 p.m	3.20 p.m	3.15 p.m
4.30 p.m	6.55 p.m	5.45 p.m	5.40 p.m
*5.45 p.m	*8.10 p.m	7.00 p.m	*6.55 p.m
*7.00 p.m	*925 p.m	*8.15 pm	*8.10 p.m
9.50 p.m	12.00 p.m	11.00 p.m	11.00 p.m

Extra cars on Saturday leave Chatham 7.15 a.m., 1.10 p.m. Leave Wallaceburg 9.00 a.m. and 2.15 p.m.
*Except Sunday all other cars daily.

PERE MARQUETTE

BUFFALO DIVISION

Leave Chatham FOR	Express	Express
Blenheim and West	7.15 a.m.	5.15 p.m
Blenheim and East	8.55 a.m.	6.10 p.m
Sarnia	9.35 a.m	6.30 p.m
Arrive in Chatham From		
Walkerville	10.15 a.m.	7.25 p.m
St. Thomas	9.35 a. m.	6.30 p.m.
Sarnia	8.55 a. m.	6.10 p.m.

RONDEAU. Leaving	RONDEAU ARRIVING
7.15 am.	9.35 a.m.
10.30 a.m.	4.00 p.m.
4.30 p.m.	6.40 p.m.
6.59 p.m.	9.40 p.m.

All trains run by Eastern Standard time.
H. F MOELLER, G. I. A., Detroit
W. M. HOOD Frt. Agent, Chatham.
E. . DOWNEY Ticket Agent. Chatham

Minard's Liniment cures Burns, etc

WABASH

GOING WEST	GOING EAST
No. 1—6.25 a. m.	No. 2—12.23 p. m
3—1.07 p. m.	4—11.19 p. m
13—1.25 p. m.	
5—9.38 p. m.	6—1.32 p. m
9—1.13 a. m.	8—2.49 p. m

J. A. Richardson, Dist. Pass. Agent, Toronto and St. Thomas.
J. C. Pritchard, Station Agent.
W. E. Rispin, W. P. A. 115 King St., Chatham

Minard's Liniment Cures Garget in Cows.