

form of security. Another has made a specialty of large loans on city properties in all parts of the country. Another has placed its money in some few great centres. Others have made a specialty of municipal, State, railway or general corporation securities. Why this divergence? It is perfectly natural and it is sound. It is based upon the peculiar conditions surrounding each company, and upon the peculiar kind of knowledge and experience each company has. By this natural choice, based on knowledge and experience, we are now securing a greater variety of investments than could be secured in any other way. There is nothing mysterious about the movement of capital. If one wishes it to come his way, he must court it by offering ample security, a satisfactory interest return and friendly treatment. One of the most curious inconsistencies of our time is that many communities which are most insistent in their calls for foreign capital are most outspoken in their condemnation of that article which they so earnestly crave.

There is only one way by which trustees of life insurance companies can be properly induced to enter new fields of investment. Not by coercion—not by threats—not by attack, but by education. It must be proven to the trustees that the security offered is sound, and that the return is ample, and then capital will soon seek these new channels, following the simple and immutable laws of economic gravitation.

The assets of insurance companies have helped to build our cities, to construct our railways, to promote our industries, to develop our farms and to finance our municipal, our State and National governments. We can well afford to allow this divergence in investments to expand on natural lines. We must not try to force it in one direction or another by artificial stimulus which will inevitably be followed by discouraging reaction. We must remember always that the sole duty of life insurance trustees is a simple one; namely, to conserve as a sacred trust the enormous funds committed to their charge. They should not be persuaded by pressure from within nor mandates from without to invest in new fields until they have explored most thoroughly the unknown land.

A SACRED TRUST.

Life insurance is a national American institution. Here it has found its greatest and soundest growth. It is our duty to view the matter of life insurance investments on broad lines, if we are to handle safely and judiciously this aggregation of wealth. Petty individual interests must be forgotten. State jealousies and rivalries must be buried; sectional feeling must be eliminated. The trustees must be absolutely free in the administration of their trust to act on those lines which their own knowledge may dictate, free from carping criticism, free from outside pressure, free from legislative interference. This vast fund must be distributed without restriction except as it is properly and automatically restrained by the rules of common honesty and business intelligence, and by the unchangeable economic laws which govern the ebb and flow of capital. All attempts to check or alter these laws will surely bring distrust and disaster. In handling these vast and mighty funds in which millions of our people are so vitally interested, there is no place for theoretical experiment nor for the promotion of selfish interests.

CANADA INTERLAKE LINE, LIMITED.

Messrs. A. E. Ames & Company, of Toronto and Montreal, are now offering at par \$950,000 7 per cent. cumulative preference shares with 15 per cent. bonus of common shares in the Canada Interlake Line, Limited, of Toronto. This company has been formed to take over the well-established and prosperous business of the Canadian Interlake Line, Limited. The company is the largest purely lake freight transportation company in Canada, and has become thoroughly established in business, Mr. J. W. Norcross, the managing director, being generally recognized as perhaps the most efficient and conservative conductor of transportation on the lakes. All its fourteen vessels are modern and of steel construction.

The capitalization of the company is \$1,500,000 7 p.c. cumulative preference stock, redeemable at 110, and \$1,500,000 common stock. Of both these \$1,000,000 is issued. The preference shares, \$950,000 of which are now offered, are preferential both as to assets and cumulative dividends, and the preference shareholders have the right to elect two of the seven directors. The company's charter provides that a reserve fund, which may be used in the business of the company, shall be established out of the earnings at the rate of 3 per cent. per annum on the amount of the outstanding preference capital. This transfer to reserve is cumulative and is to be made before payment of any dividend upon the common stock. When the fund reaches 50 p.c. of the total outstanding preference stock, it is to be so maintained, and if drawn upon for the contingency against which it is provided to be restored and maintained. Actual earnings from operation of nine vessels for the season 1912, up to November 30th, were \$211,270 although two of the vessels were not available until July. The estimated earnings from the end of November to the close of navigation will bring the total earnings of the nine vessels to \$225,270 for 1912. The net earnings of the fourteen vessels of the fleet for 1913 have been estimated by Mr. Norcross, the managing director, at \$348,000. Deducting from this amount, interest and sinking fund on bonds, \$113,750, there is left a balance of \$234,250, which represents 23.4 p.c. on the preference capital, or over three times the dividend thereon. After providing the dividend on the preference capital and the special reserve of 3 p.c., there is a surplus of \$134,250 or over 13 p.c. on the common stock.

The first dividend on the preference shares is to be paid on April 1, 1913, and thereafter preference dividends will be paid quarterly. In view of the large earnings for the current season, and the valuable freight contracts held by the company, combined with the generally favorable business prospects, the directors propose to place the common stock on a dividend-paying basis from July 1st next, at the rate of five per cent. per annum, payable quarterly, the first payment to be on October 1st.

Payments for the preference shares are to be made as follows:—\$25 per share with subscription, \$25 per share on January 2nd, 1913, \$25 per share on February 1st, 1913, \$25 per share on March 1st, 1913. Subscription books are now open at Messrs. A. E. Ames & Company's offices, Toronto and Montreal, and will close not later than Saturday, December 21, at noon.