

show dividend payments at the rate of 12 per cent. per annum on the increased capital. In the shareholders' surplus account the company not only has in hand the premium received by the company on its stock subscriptions, but a surplus in addition of over \$35,000. Excelsior Life—1914-15-16 reports. Capital increased \$15,000 out of bonus or profits whilst dividends are maintained at 8 per cent. per annum on increased capital.

Great West Life—1912-16 reports. Reports show that the shareholders received \$493,500 in cash dividends, of which amount \$385,303 was applied towards increase of the company's capital stock. The 1916 report shows the original capital stock of \$250,000 increased to \$933,803. In the shareholders' surplus account the company has in hand \$98,000 over and above the premium received on the sale of its stock. The revenue belonging to the shareholders from the capital stock and surplus fund was over \$71,000 for the year.

Imperial Life—1914 report. Report shows a cash bonus of \$125,000 paid to shareholders in addition to payment of usual 10 per cent. dividend on paid-up capital, \$450,000. The company appears to favour giving its shareholders a cash distribution to a capital increase. The 1916 report shows \$131,400 to the credit of the shareholders' surplus account, after payment of the usual \$45,000 in dividends to the shareholders. It is interesting to note that this company was organized just 20 years ago as it commenced business on October 1st, 1897, and it was the first company to issue its stock at a premium so that the company could commence business without impairment of its capital. The stock was issued at \$125 per share and its premium of \$112,500 still stands to the shareholders' credit in their surplus account, in addition to a further \$20,000.

Sun Life—1916 report. Report shows \$100,000 applied to increase of capital and \$45,000 dividends paid to shareholders being 15 per cent. on the increased capital. For many years the company has been content with dividends of \$37,500 per annum, or 15 per cent. on \$250,000. As in the case of the Canada Life, the \$145,000 just paid out is but a small fraction of its income of \$16,072,645. Nevertheless the course now adopted shows the ease with which an established life assurance company can convert its uncalled capital into a ready asset entitling it to receive a greater interest return. The \$145,000 paid the shareholders represents a return of 232 per cent. to the original investor, as the Royal Commission says the whole cash, apart from profits necessarily put up by its shareholders, was \$62,500.

As we have shown, the percentage return to the investor depends on the policy pursued by the directors in regard to the declaration of dividends or bonuses.

Average Return of 14 Per Cent.

The average present return of over 14 per cent. per annum is not only well assured but bound to steadily increase in the future. Approximately one-half is actually earned by the interest received from the investment of the shareholders own capital stock and surplus fund. The surplus fund belongs to the shareholders apart from the policyholders, and in the case of some of the younger companies was established by the shareholders themselves by their paying to the company a premium on their stock.

The other half is derived from a limited percentage of the profits derived from the companies' participating business and the whole of the profits from their non-participating business. It is usually allocated to the shareholders when the profits are declared and paid to the policyholders. As the various companies' surpluses of these fifteen companies amounted in 1915 to over twenty-six and a half million dollars, it can readily be seen how well the continuity and increase of the dividends are assured and secured.

Trust and Government Securities.

When it is considered that the dividends are all paid from the interest earnings of unimpeachable trust and government securities, and that future dividends must as surely increase as the yearly increasing profits are declared and paid by the companies; that such profits are derived from interest compounded and to be received from the same unimpeachable securities, already held in the vaults of the companies as a guarantee that they will be duly paid when declared, it can well be seen how great are the inherent and potential values of life insurance stock as an investment. Values that are apt to be overlooked and not realized by the investor of to-day owing to the general lack of information on the subject.

The opinion of the late Senator Geo. A. Cox in this connection is worth quoting. His reply to Mr. Shepley, counsel for Royal Commission, on being asked as to whether he was interested in companies other than the Canada Life or Imperial Life was: "I am interested in life insurance companies: wherever I get a chance to buy a little stock in a life insurance company, I buy it."

CANADA'S BANK CLEARINGS

The following are the bank clearings for the weeks of July 15th, 1916, and July 14th, 1917, respectively, with changes:—

	Week ended July 14, 17.	Week ended July 15, '16.	Changes.
Montreal	\$ 99,320,057	\$ 82,117,101	+ \$17,202,956
Toronto	66,663,014	47,592,814	+ 19,070,200
Winnipeg	43,362,995	37,935,967	+ 5,427,028
Vancouver	8,073,599	6,824,518	+ 1,249,081
Ottawa	6,509,889	5,856,406	+ 653,483
Calgary	6,106,058	3,934,481	+ 2,171,577
Hamilton	5,054,234	3,570,180	+ 1,484,054
Quebec	4,426,262	4,090,005	+ 336,257
Edmonton	2,789,060	2,093,441	+ 695,619
Halifax	3,654,520	2,827,606	+ 826,914
London	2,339,058	2,072,793	+ 266,265
Regina	3,343,470	2,177,671	+ 1,165,799
St. John	2,238,147	1,977,543	+ 260,604
Victoria	1,940,012	2,203,513	— 263,501
Saskatoon	1,653,061	1,036,310	+ 616,751
Moose Jaw	1,054,060	835,167	+ 218,893
Brandon	462,012	513,856	— 51,844
Brantford	946,481	613,548	+ 332,933
Fort William	690,075	575,213	+ 114,862
Lethbridge	868,308	531,658	+ 336,650
Medicine Hat	562,119	297,970	+ 264,149
New Westminster	335,097	283,819	+ 51,278
Peterboro'	736,288	531,166	+ 205,122
Sherbrooke	617,485	509,750	+ 107,735
Kitchener	638,254	461,823	+ 176,431
Totals	\$264,383,615	\$211,464,319	+ \$52,919,296

RAILROAD EARNINGS

The following are the earnings of Canada's transcontinental lines during the first two weeks in July:—

Canadian Pacific Railway.				
	1916.	1917.	Increase.	
July 7	\$2,616,000	\$3,101,000	+ \$485,000	
July 14	2,738,000	2,867,000	+ 129,000	
Grand Trunk Railway.				
July 7	\$1,145,029	\$1,297,003	+ \$141,974	
July 14	1,211,393	1,379,293	+ 167,900	
Canadian Northern Railway.				
July 7	\$ 885,100	\$ 902,300	+ \$ 17,200	
July 14	874,900	935,600	+ 60,700	

Gross earnings of the three principal Canadian railroads in the first six months of the year were \$15,080,876 in excess of the former record for the period, a gain of 14.4 per cent.

From the low point of the early war depression, the figures for the first half of the current year show a spectacular recovery of 60 per cent., the first six months of 1915 having yielded a gross business of only \$74,835,067 for the three roads, nearly \$45,000,000 less than the total now reported for 1917.

All three roads shared in the increased traffic, the percentage gains for the six months varying from 11.8 per cent., in the case of Grand Trunk, to 22 per cent. in the case of Canadian Northern. By companies the six months' results as given in the preliminary weekly returns, with the increases over a year ago:—

Road.	Six month's gross.	Increase.	Per cent.
Canadian Pacific Railway ..	\$ 69,575,000	\$ 8,323,000	13.6
Grand Trunk Railway	30,501,564	3,218,176	11.8
Canadian Northern Railway..	19,612,500	3,539,700	22.0
Totals	\$119,689,064	\$15,080,876	14.4