No. 45 — March 9, 1909

VALUE, ONE VOTE.

EUROPEAN TRIP CONTEST OF THE LONDON ADVERTISER

This Vote Is Cast For

....
(Name of Candidate.)

As the most popular lady in District No. .... of The London Advertiser European trip Contest.

VOID AFTER 15 DAYS FROM DATE.

INSURANCE BILL BEFORE HOUSE

The Minister of Finance Introduces the Measure.

BASED ON LAST SESSION'S BILL

Several Changes Made in Order to Remove Hardships to Companies.

Ottawa, March 8. — The insurance bill, as amended from the original draft of last year to meet some of the valid objections raised by the companies before the special committee of the Commons, which had the bill under consideration last session, was introduced in the House this afternoon by Hon. Mr. Fielding, and was given a first reading. The bill shows some very important modifications from the bill drafted according to the recommendations of the insuransce commission, and in its present form should, from the standpoint of the insurance companies at least, not prove a very contentious measure. In its principal features, with respect to publicity of returns by the companies, the restriction of securities in which the funds of insurance companies may be legally invested, limitation of expenses of management and provision for the representation of policyholders on the boards of directors, the new bill follows largely the lines of last year's bill. But considerably more latitude is given to the companies in respect to investments in company bonds and securities, and in this respect the bill is not nearly so revolutionary and drastic as the first draft. One of the most important features is the omission of the proposed new laws respecting assessment or fraternal insurance companies, as contained in the former bill. There will be no change from the existing act with regard to these companies. The Government believe that they are steadily strengthening their position, and conforming to adequate actuarial tables by raising their rates, and that no further compulsion is needed.

Made Improvements.

Mr. Fielding, explaining his bill, said:

"This bill is, to a very large extent, the bill which was presented last session. It is not, however, the same in all respects. The bill of last year was the subject of a protracted inquiry before the committee on banking and commerce, during which many suggestions were offered by way of amendment. We have had the benefit of that inquiry, and the benefit of further study which has been had. In consequence of the delay, and with the better light which has come to us, we have endeavored to make some improvements in the bill.

Assessments.

"We do not make any change in the existing law with respect to assessment insurance. A proposal in relation to these institutions was made in the bill of last year, but even if we had gone on with that bill the proposal, as was stated at that time, would have been withdrawn. The principal companies engaged in that line of business represented to us that they recognized the need for strengthening their position, and that they were going about it in their own way, and desired to be left to themselves for that purpose. We are aware that efforts are being made in that direction, and so we do not propose in this bill to make any change in the existing law with respect to these organizations.

Investments.

"Probably the question of investments is the one which engaged the most attention before the committee last session. We have made some changes with respect to the provisions of the law on that subject."

Mr. Fielding then read section 60 of the new bill, which relates to investments.

"Any life insurance company which derives its corporate powers, or any of them, from an act of Parliament of Canada, or which is within the legislative power of the Parliament of Canada, may invest its funds, or any portion thereof, in the purchase of (a) debentures, bonds, stocks, or securities of or guaranteed by the Government of the Dominion of Canada, or of or guaranteed by the Government of the Dominion of Canada, or of or guaranteed by the Government of Great Britain, or any colony or dependency thereof, or of or guaranteed by the Government of any foreign country, or of any state forming a portion of such foreign country, wherein the company carries on, or is about to carry on its business of life insurance, or any school or municipal corporation in Canada, or elsewhere the company is carrying on business."

"This," said the finance minister, "is substantially the same as in the bill of last year."

The former bill restricted these bonds to bonds of a corporation incorporated in a county in which the insurance company was carrying on business. This restriction has been removed. In the former bill it was required that the debentures in which companies might invest should be such as were of seven years' standing. In the present bill a time limit is applied not to debentures but to the standing of the company which insures them. If a company is of five years' standing and has made no default, it is presumed that its debentures may be treated as good.

With respect to preferred or guaranteed stocks of any company which had paid regular dividends for not less than five years, last year's bill provided that such stocks were a proper field for investment if they had paid four per cent for seven years. The present bill drops the four per cent provision and provides that the company shall have paid regular dividends for five years on this class of stock without specifying the rate. The argument is that this is a high class of stock which may in some instances have not paid as much as four per cent and that it was not wise to insist on a four per cent rate.

Rates of Interest.

Sub-section 4 of this clause states that investments may be made in common stocks of any company upon which regular dividends of at least 4 per cent have been paid for seven years next preceding the purchase of such stocks, provided that not more than 20 per cent of the common stocks, and not more than 20 per cent of the total issue of the stocks of any company shall be purchased by any such life insurance company, and that no company shall be permitted to invest in its own shares or in the shares of another life insurance company.

In the last year's bill it was provided that the common stock should have paid at least 5 per cent dividends for ten years. The present bill recognizes the stock as good if it has paid 4 per cent for seven years.

"The principle of the clause relating to the period and the rate of interest is changed," said Mr. Fielding. "There is a provision here as to the percentage of money which may be invested in the securities of any one company. This was in the last bill, the object being to provide that a company should not create a subsidiary company and obtain a controlling interest. It was found, however, that the words of the clause seemed to be too broad, and we have now amended it. Last year the bill limited the investment to 20 per cent of all stocks or securities of a company.

Stocks and Bonds.

"In the present bill we are distinguishing between stocks and bonds, and our provision is that the investment may not exceed 20 per cent in stocks of any company, but leaves the company free to invest in the bonds if they are deemed to be good securities. Sub-sections C and D of this clause recognize the ground rents or mortgages on real estate and life and endowment policies as proper subjects, but these are not changes, and it is not necessary to say anything concerning them. A question arose as to what action should be taken respecting any investments of a company in securities which might not come within new laws. Provision was made that in the case of securities not recognized by the new bill, securities should be disposed of within a certain time. We have changed that to provide that where investments were made in securities which at the time of their purchase were legal and proper, the company shall be free to dispose of them at such time as it may find most convenient. In the case of securities which were not strictly within the terms of the old insurance act, provision is made that such securities shall be disposed of within a period of five years."

Limit on Expenses.

Mr. Fielding next discussed the expenses of management. In the last bill provision was made for a limitation of expenses on new business, and at one stage it seemed that such a provision was called for, if not by what had occurred in Canada, at least by developments in other countries. In investigation abroad great importance was attached to this question, but when it came to be discussed by insurance men before the committee it was urged that it would be exceedingly difficult to apply a limitation of that kind without interfering with the volume of insurance.

"We have," said Mr. Fielding, "inserted a provision in the present bill not to put any limitation on the expense of business particularly, but to provide a limitation upon expenses generally.

"Provision is made for new companies. Limitation of expenses shall apply at once to old companies which have a standing of fifteen years, or to any company so soon as it comes to the age of fifteen years, and in the case of new companies to be incorporated hereafter, this limitation shall be given when they have had ten years of existence. Last year's bill required that the returns should show the expense of new business separate from ordinary business.

"Such a division," said the Finance Minister, "has been found difficult, and we have dropped this provision, and substituted one providing for a return of what is technically called a gain and loss exhibit, which, it is thought, might to some extent serve the same purpose."

The previous bill proposed that each class of insurance should be dealt with in a separate policy. This year's bill continues that provision, with, however this qualification, that accident and sickness insurance may be deemed as practically one, and these two may be included in one policy.

"There is a provision with regard to what I may call exchange of securities," said Mr. Fielding. "That is to say, where a company is required by the terms of the proposed legislation to dispose of securities within a given time, it may be found convenient that they should exchange these securities for some others, which, while not coming within the class approved by the bill, would still be desirable securities, and of a better class than these now held by a company. The conditions are somewhat exceptional, and we think it well to make a provision which will meet these conditions."

A provision in the present law that no life insurance company shall loan any of its funds to any director, shareholder, officer or clerk is modified by a stipulation that it shall not be held to interfere with an ordinary loan to any policyholder who is entitled to receive this, merely because he is an officer of the company. Henceforth all life insurance companies shall provide for their policyholders, as well as for the shareholders, having directors.

Policyholder Directors.

To guard against hasty, radical changes in the management a certain number of directors shall retire annually. Policyholders and shareholders are to have an equal number of directors and two of each class are to retire every year.

Last year's provision that proxies shall be recognized is continued with a provision that proxies shall not be good for more than three months. Shareholders will not be eligible to be policyholders.

Provision is made that a company may withdraw itself from Dominion jurisdiction. Any company which wishes to confine its business to one province only may withdraw its Dominion deposit and transfer it to the insurance department of a province.

Publicity of Returns.

With respect to the clauses requiring publicity of returns, Mr. Fielding said: "Certain companies objected that some of the restrictions proposed to be laid on them were not necessary. But it was held that the best guarantee which the public could have was adequate publicity.

"Last year's bill provided that the return should show the sums received by any officer or agent of the company in excess of $4,000. It was presumed that though limited, a number might receive a larger sum, there would not be any trouble in providing a return of that character. It was, however, pointed out to us that such a return when made public might be misleading, inasmuch as many of the insurance agents have to pay their subagents, and therefore the amount that might be placed opposite their names would not represent their own earnings, but only the money that had passed through their hands. We continue the clause in the present bill with a proviso that wherever an agent is in receipt of money which he has in part to pay to subagents that should be indicated in the return."

A change is made in the tables used for the valuation of policies. The table in use for many years was that of the Institute of Actuaries of Great Britain. A more modern table is the British Life Officers' table, which has come into more general use. It is proposed to adopt this table.

A new section of the bill has been added, incorporating all clauses of the companies act applicable to insurance companies, with a view to consolidating them within the insurance act.

"We have," said Mr. Fielding, "also added a form of model bill with a view to facilitating the insurance legislation of the future so that a company's charter shall be as bank charters are a simple, uniform measure."

In conclusion, Mr. Fielding noted that he would ask to have the bill referred to the banking and commerce committee on moving the second reading, and in that committee the bill might again be referred to a sub-committee.

KING AT A PARIS PLAY

Edward Laughs at Episode Which Turns All Eyes in the House on Himself.

Paris, March 8.—King Edward evidently enjoyed his visit to the Varietes Theatre last night to witness the 235th performance of "Le Roi," a satirical comedy dealing with the visit of the imaginary King of Cerdagne to Paris. One passage in the play turned all eyes toward the royal box.

The imaginary King of Cerdagne, recalling the pleasant visit he had made at Paris seven years before to an actress known as Therese Marnix, again calls on her. The actress, not having been tipped off on the king's visit, has only time to tell her maid to place the king's photograph on the table when his majesty arrives. Therese assures him that she has never forgotten him, that in fact his photograph has never left her table.

The King of Cerdagne, much flattered, goes to the table and takes up the photograph and exclaims: "But that is the King of England's photograph." Therese, much confused, explains that the King of Cerdagne's photograph is in her bedroom.

King Edward joined cheerfully in the laughter which the passage aroused.

A COLORED MIXUP.

Toronto, March 8—Agatha Johnston, a young colored girl, was arrested last night, charged with shooting at James Jackson, also colored, with intent to kill.

The alleged shooting took place at Jackson's house, 16 Bulwer street. According to evidence given when the girl was arraigned in the police court today, Jackson and the girl were entertaining another negro named Williams. A dispute arose between them, and the woman pulled a revolver and fired at Jackson, missing him by an inch.

Williams disarmed the girl, but Jackson was so frightened that he ran out of the house in a somewhat undressed condition and called the police. Miss Johnston pleaded not guilty, and was remanded for a week. Her counsel stated that Jackson had taken the girl's wages.

A STRENUOUS OBJECTION.

Ottawa, March 9.—The Dominion Marine Association yesterday by deputation put up strenuous objection to the proposed harnessing of the Long Sault Rapids in the St. Lawrence River by an American company.

Must Call a Halt To Pneumonia

IT OFTEN CANNOT BE CURED BUT IT CAN BE PREVENTED.

Every Cold Must Be Taken Seriously, and Care Taken in Selecting Effective Treatment Such as Dr. Chase's Syrup of Linseed and Turpentine.

While consumptives are being taken care of and tuberculosis is being conquered who is going to fight pneumonia, which seems each year to claim more and more victims?

It is the children and older people who yield most readily to this disease, but with the system rundown or from undue exposure it is to be looked for as the result of any severe cold on the chest and lungs.

While the doctors are experimenting with cures why not do all we can to prevent this dreadful ailment by taking every cold seriously and using Dr. Chase's Syrup of Linseed and Turpentine to allay the inflammation of the bronchial tubes, to aid expectoration and to keep the cough free and loose.

This great medicine has a thorough and far-reaching action, which is not obtained from ordinary cough medicines, and this is why three bottles of it are sold for one of any similar treatment. It has proven its extraordinary value in the cure of coughs, colds, croup, bronchitis and asthma, and people have learned to trust it implicitly and to keep it constantly at hand.

Mrs. F. Dwyer, Chesterville, Ont., writes: "My little girl of three years had an attack of bronchial pneumonia. My husband and I thought she was going to leave this world, as her case resisted the doctor's treatment. After the first two doses of Dr. Chase's Syrup of Linseed and Turpentine the child began to get better and we are thankful to say is now well again after seven weeks' illness." 25 cents a bottle at all dealers or Edmanson, Bates & Co., Toronto.