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ARCH PRESENTED TO THE CITY OF VALPARAISO, BY THE BRITISH COLONY,
TO COMMEMORATE THE CENTENARY OF CHILEAN INDEPENDENCE, 1910.

SUNSHINE

PUBLISHED BY THE
SUN LIFE ASSURANCE COMPANY OF CANADA,
AT HEAD OFFICE, MONTREAL,

W. F. STEEDMAN, *Editor.*



HEAD OFFICE BUILDINGS
SUN LIFE ASSURANCE COMPANY
OF CANADA

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CHIEF MEDICAL OFFICER.

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Visions and Facts.

As the years flit by one by one, each leaves behind it another new record set by the Sun Life Company of Canada.

One by one the various ambitions which have been ours in the past have been achieved. Points that once were on a far horizon ahead have been reached and passed, until now they are on just as far a horizon behind. New landscapes open before us, new ambitions present themselves.

A glance at the Directors' Annual Report for 1912, printed elsewhere in this issue, or at the figures printed on the back cover, will prove interesting. Increases are visible everywhere that increases are desirable.

But a casual glance at these figures alone is not sufficient to show the big facts in connection with the business of the Sun of Canada in 1912. The facts, which have been obtained by comparing our figures with those of other companies, are these:

The Sun Life of Canada is now the largest Canadian Company in each of the following respects:

- Assets.
- Premium Income.
- Annuity Income.
- Interest Income.
- Total Income.
- New Business.
- Business in Force.
- Net Surplus.

The Sun Life of Canada does the largest annuity business in the British Empire.

The Sun Life of Canada does a larger new life business than any other company incorporated in the British Empire which does not issue industrial policies.

A few years ago these achievements were vague visions. A comparatively short time has crystallized dreams into actualities.

The visions of to-day are the facts of to-morrow. We look forward now to the time when the Sun of Canada will be the leading life assurance company of the world, and we are confident that that day is not too far off for many of us to live to see it.

The Sun of Canada is the greatest Canadian company. Look also at its strength. The gain in assets is remarkable. Investments have proven the judgment of the Directors both as to security and return. The huge income and rapid expansion of business show the company is prosperous and progressive: the splendid assets show that it is sound.

Do you know of any company that can make a better showing?

Don't Lapse.

Because: You are older than you were when you secured your policy, and can never get another on as favorable terms.

Because: If you lapse the policy you sustain a serious loss and deal a staggering blow at loved ones.

Because: Market fluctuations, adverse financial conditions, etc., do not affect its value. So long as the premiums are paid promptly, it is always good for its face value.

Because: Physical disability, coming suddenly, or perhaps even now present and still unexpected, may prevent you from getting another in any company.

Because: When you secured a policy you had confidence in the company, and it is more your friend to-day than ever before, standing ready to serve and help you in your hour of need.

You should be as prompt in the payment of your premiums as you expect the company to be in payment of your claim when it matures.—Exchange.

The Annual Meeting.

The annual meeting of the Sun Life Assurance Company of Canada was held on Tuesday, March 4th, at the Head Office of the Company.

The Directors' Report for the year 1912 was unanimously adopted as submitted.

The Report was as follows:

Directors' Report for 1912.

It is with more than usual satisfaction that your Directors present the Forty-second Annual Report on the transactions of the Company. The past year has been marked by continued and increasing prosperity, and the figures require no comment.

The New Policies issued and paid for during the year numbered 16,567, assuring \$30,814,409.64, an increase over the previous year of \$4,377,628.45.

The Assurances in force at the close of the year totalled \$182,732,420.00, under 118,888 policies, an increase of \$18,160,347.00.

The Income for the year, including premiums, interest, etc., was \$12,333,081.60, an increase of \$1,775,746.08.

The Interest earned has been equivalent to 6.02 per cent. on the mean invested assets.

The Death Claims paid were \$1,761,536.22, under 1,115 policies. Payments of Matured Endowments, Annuities, Profits, etc., raised the total disbursements of the year to policyholders or their representatives to \$4,732,463.29. The total of such disbursements since organization is \$34,402,734.66.

The Assets now amount to \$49,605,616.49, the addition for the year having been \$5,704,730.51.

During the year the Company distributed \$691,975.87 as profits to policyholders entitled to participate, and \$37,500 as dividends to shareholders. In addition \$614,008.09 was added to the undivided surplus.

The Liabilities have been calculated by the Company's own standard, which is much more stringent than the official basis prescribed by the government. Of the total life assurances, \$114,093,476.00 or seventy-nine per cent. have been valued on a 3 per cent. basis, or, in other words, on the assumption that the Company will be able to earn interest of but 3 per cent. per annum during the future lifetime of the policies, and \$38,638,944.00, or twenty-one per cent. on the basis of 3½ per cent. By this test the surplus over all liabilities and capital stock now amounts to \$5,331,081.82; by the government standard the surplus would have been \$6,580,978.78.

It is interesting to note that since organization the Company has received in premiums \$83,027,104.30. The payments made to policyholders during that period, together with the present accumulated assets, total \$84,008,351.15. The Company has, therefore, either paid to policyholders or holds for their future protection and benefit nearly a million dollars more than the total premiums received.

Your Directors may be pardoned if they refer to the fact that the Company now occupies the premier position among Canadian life assurance offices; and not only is the new business transacted much greater than that of any other Canadian company, but it is, we believe, greater also than that of any other company incorporated in the British Empire which does not issue industrial policies.

Your Directors are pleased to announce that the plans for the new Head Office building on Dominion Square, Montreal, are practically complete. The work of clearing the site is nearly finished and construction operations will be commenced early in the coming year.

The Directors who retire at this time are:

Representatives of the Shareholders—Messrs. R. Macaulay, A. Kingman, Geo. E. Drummond and J. McKergow.

Representatives of the Policyholders—Messrs. W. M. Birks and C. R. Hosmer.

All are eligible for re-election.

R. MACAULAY,
President.

T. B. MACAULAY,
Managing-Director.

S. H. EWING,
Vice-President.

The retiring Directors were re-elected. A full list of the Directors appears on page 2 of this issue.

The detailed results for 1912 appear on the back cover.

The Ideal Assurance.

It is scarcely probable that we are likely to attain the ideal of that famous social reformer, H. G. Wells, who considers that the State might compel every man to assure his life for the benefit of his family, starting the policy from the date of his marriage—if not before. But there is no doubt that those parents who voluntarily start such a policy for their children during the latter's infancy, are conferring on them a benefit whose effects are likely to be equally far-reaching and beneficial.—Roland Belfort in T.P.'s Weekly.

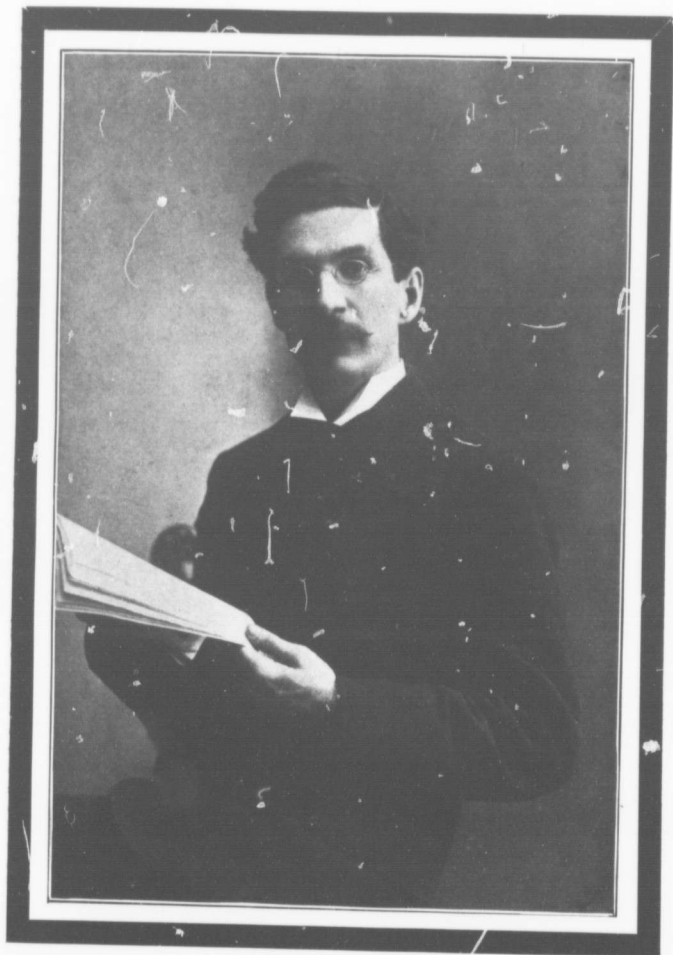
The Late Mr. A. M. Mackay.

Through the columns of the daily papers many of the readers of SUNSHINE will have learned with regret of the death of its editor, A. M. Mackay. Many such, of course, knew him as the bright, interesting writer who made his work a brilliant success. But among the staff at the Head Office, and the hundreds of agents all over the world, who received from his pen the varied assurance literature needed in their work, he made many dear friends, to whom the news brings a deep sense of personal loss.

Mr. Mackay was born at Salt Springs, Pictou, Co., Nova Scotia, in 1865. His parents were of the pure type from the Scotch Highlands. It was natural that the strongly religious atmosphere of that Presbyterian home should have strongly influenced the life and character of the son. At the time of his early manhood the work of the Young Men's Christian Association was being rapidly extended throughout the Maritime Provinces. Young Mackay became deeply interested. After a course at the Training School at Springfield, he entered upon secretarial work, first in Pictou, then in Moncton, then in Hamilton, Ont., where he laboured for five years most successfully. When he severed his official connection with the Association he retained the heartiest interest in its work in Montreal. He became also a very active member of Melville Presbyterian Church, Westmount, of the Kirk Session of which he was long a valued member.

While still in Hamilton he had occasion to ask the Sun Life of Canada to insert an advertisement in the publication of the local Y. M. C. A. The local manager complied on condition that Mackay himself should write it. So effective was his effort that it attracted the attention of the heads of the Company in Montreal. The result was that when the editorship of SUNSHINE became vacant through the retirement of the late J. Macdonald Oxley, the position was offered to Mr. Mackay, who accepted. For fourteen years he carried on the work of the literary department of the Company with the greatest success, winning the complete confidence and hearty support of the management.

Mr. Mackay's abilities were exactly adapted to his work. To him his duties were a labour of love. "Labour" indeed is hardly the appropriate word, so rapidly and easily did he work, and even in his failing health he seemed to do as much in one day as another would do in two. There was about him in this, as in other things, a vehement enthusiasm, that was both irresistible and contagious.



THE LATE MR. A. M. MACKAY.

Nor were his interests confined to the daily routine of business. He was most public spirited and patriotic, taking the deepest interest in politics, both Canadian and Imperial. His views on all subjects were clear-cut and pronounced, and he had in a marked degree the characteristic Scotch delight in keen logical argument. He was a lover of flowers, being in his days of health a most enthusiastic and successful gardener.

Many of Mr. Mackay's happiest hours were spent in the companionship of the books of his well-chosen library, and in questions literary his judgment was sound and discriminating. His best loved author was Robert Louis Stevenson, and his favourite book the *Life and Letters*, edited by Sidney Colvin. In that delightful volume the charm and loveableness, the brilliance and the versatility of Stevenson in his varying moods, his broad humanity, are strikingly portrayed.

In such there was much akin to Mackay's own nature. In both there was the same eager vehemence of temperament softened with a tender kindness of disposition, the same love of fun, wit and picturesque originality of speech, the same buoyancy and hearty zest in the good things of life. Each, too, made the same long gallant struggle against the dread disease that in the end overcame them both.

The resemblance in the characters of the two men was in some degree reflected in their personal appearance. In fact, the lines of Henley's well-known sonnet on Stevenson were often applied by his friends to Mackay:

" In his face,
 " Lean, large-nosed, curved of beak and touched with race,
 " Bold-lipped, rich tinted, mutable as the sea,
 " There gleams a brilliant and romantic grace,
 " A spirit intense and rare,
 " Most generous, sternly critical,
 " A deal of Ariel, just a shade of Puck,
 " Much Anthony, of Hamlet most of all,
 " And something of the Shorter Catchist."

As we have said, Mr. Mackay was widely known and loved in the relationships of his business circle. But he was pre-eminently a man of home. There he spent his leisure hours, there he was happiest, and appeared at his best. Those who were admitted to the intimacy of his family circle will ever treasure the memory of his personality—it will be hard, indeed, for them to find his like again.

Mr. Mackay leaves a widow, formerly Miss Robley, of Pictou, two sons and two daughters. For all the mourning circle, the readers of SUNSHINE will join with us in deepest sympathy in the hour of their bereavement.

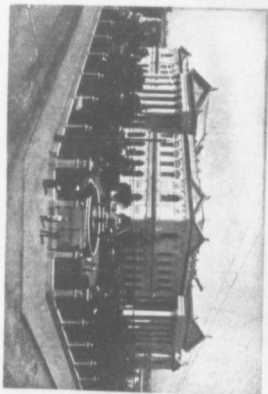
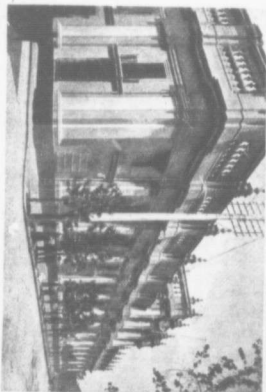
The Republic of Chile.

There is nowhere in the world a more peculiarly shaped country than Chile. Egypt alone resembles it in huge length and narrow breadth. From the borders of Peru and Bolivia in tropical South America, Chile stretches for nearly three thousand miles along the shores of the Pacific, well down towards the Antarctic, terminating only at Cape Horn, the cold and storm-buffed island extremity of the continent. In all this huge length, Chile at no point exceeds one hundred and thirty miles in width, and for the most part it is very much less.

The country consists of the comparatively narrow strip of territory hemmed in between the huge ramparts of the Andes and the blue waters of the Pacific Ocean. It runs through a long gamut of climatic conditions, from a rainless, burning, tropical desert in the north, through a magnificent temperate, agricultural zone, and a region of hills, trees and rain, to the more or less cold and bleak extremity of the western world. It might be concluded that the people of the country would have so little in common with one another that political and territorial instability would result. Yet in the heart of the Chilean there burns an intense patriotism, that has resulted in Chile producing absolutely the most stable, and in many respects the most powerful of all the Latin-American republics. The name of revolution is almost unknown.

Physically Chile may be considered as being divided into three distinct regions. In the north there is a great desert, hot and absolutely rainless, extending from the Andes to the coast. Between the great mountains and the sea, the land is of a more or less uniform height of several thousands of feet. Almost at the seaboard it rises into a coast range of hills and then breaks down precipitously into the Pacific Ocean. No tree, nor shrub, nor blade of grass relieves the brown monotony of the huge plateau and the rolling hills; not a rivulet runs through its sterile wastes.

Yet it is a region of great wealth. Huge portions of this desert are covered with valuable nitrates in the form of a hard, brown rock known as caliche, which is refined into commercial form for use in the manufacture of fertilizer and explosives. These nitrate deposits are believed to have been made in the first place by the drying up of huge lagoons formed by the sudden volcanic upheaval of the region from the bed of the sea. The filling and refilling of these lagoons by tidal waves, followed by



National Museum, Santiago.
Official Residence of the President, Santiago.

Plaza de Armas, Santiago.
Congress Building, Santiago.



THREE BEAUTIFUL TYPES OF CHILEAN SENORITAS. (The "Manta," shown in two of the photographs, is worn to church and in early shopping.

evaporation and re-evaporation, is accepted as the explanation of the thickness of the deposits, which varies from three to fifteen feet. The lack of rain has allowed the gradual hardening of the soil into rock without being washed away, and the action of the atmosphere accounts for the valuable chemical formation of the beds.

The nitrate gathering and refining industries give employment to twenty thousand men. The royalties on nitrate manufacture and export contribute about forty per cent. of the country's revenue. The trade in the commodity forms the bulk of Chile's exports. Thus it will be seen what an important economic value the nitrate fields represent to the country. It is believed that the present known supply will last for over a century.

South of the nitrate deposits the country takes on a vastly different character. Between the Andes and lower coast range lies some of the most fertile land to be found anywhere. One great well-watered valley extends for hundreds of miles north and south between the mountains and the hills, while beautiful vales run at frequent intervals from the coast inland.

In this section of the country a great variety of agricultural products is grown. The land has been tilled for hundreds of years. Irrigation has been carefully developed, and modern methods of agriculture introduced. Wheat, Indian corn, and other staple products are cultivated in large quantities, and huge vineyards produce a very fine claret. There is also a certain amount of stock farming.

Much of the farming is done on a large scale,

on magnificent estates held by wealthy families, who still own huge tracts of land given to their ancestors at the time of the Spanish conquest. The climate here is equable and the rainfall adequate, but not excessive. It is in the central portion of Chile that the bulk of the population is found, a fact which helps to explain the striking unity of the nation.

While the central valley extends far south, still the general aspect of the country undergoes a radical change as one journeys in a southerly direction. The Andes break down considerably, but the whole country becomes one of densely forested hills. Rivers and lakes abound, and the rainfall is heavy. It is a land of excessive moisture and the climate is much colder than in central Chile. Nevertheless the range of temperature is not great. The land is fertile; the wealth of forest, lake, stream and mine considerable. Owing to the difficulties of transportation and former troubles with the Indian aborigines, development of this section has been very slow, but a start has now been made, and indications are that southern Chile will soon enter upon an era of great development. Except the native Indians there at present few settlers outside of some Germans in and about a few thriving towns and villages.

Various Indian tribes inhabit the many islands into which the lower coast is broken up. The island of Chiloe is the home of an interesting tribe, who are believed to have been the first cultivators of the potato, and who still use the toothsome tuber as one of the staples of their diet.

At the extreme south of the mainland, the

FALLS OF THE RIVER LAJA, NEAR LOS ANGELES, CHILE.





BEAUTIFUL LITTLE LAKE AWAY UP IN THE ANDES.

character of the country is considerably modified, and while the climate is quite cold, a great business is done in stock farming here and across the Straits of Magellan on the island of Tierra Del Fuego. One huge ranch has over two million head of sheep not to mention other stock.

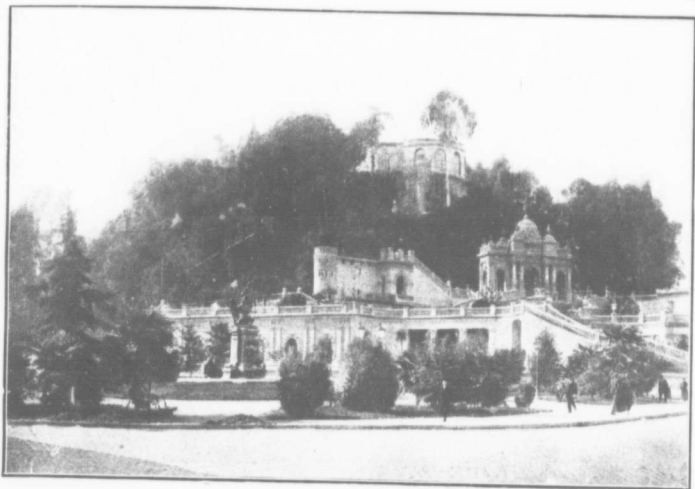
The development of the country is being greatly helped by railway construction. One road crosses the Andes and the continent to Buenos Ayres, and another, running north and south, is being rapidly extended, with branch lines to tap adjacent territory.

The history of Chile can be briefly sketched. When Pizzaro was busy conquering the great empire of the Incas in Bolivia and Peru, one of his most daring lieutenants, Valdivia, came south to subjugate those of the tribe in what is now known as Chile. He penetrated well down into the country, founding a fort on the hill of Santa Lucia, in 1541. Around this fort the city of Santiago has since grown up. Further south he went, establishing another fort at the mouth of a river in southern Chile, to which he gave his own name. He was now fighting a tribe of

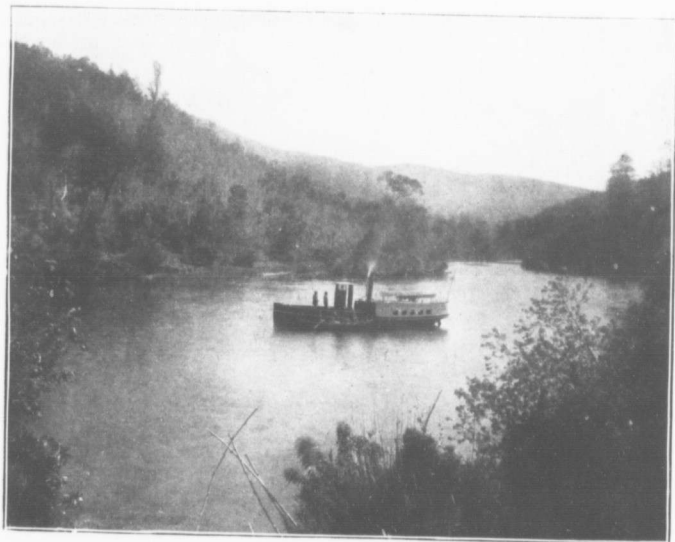
Indians known as the Mapoche or Araucanians, a race of less civilization but stronger physique and better fighting qualities than the Incas. The Araucanians fought desperately for sixty years, defeating and slaying Valdivia and many others of the invading Spanish forces. They finally secured by treaty dominion of all the territory south of the Biobio river. North of that frontier the Spaniards gradually settled and developed the land. There was a good deal of intermingling with Indian blood and a distinctive population grew up in central Chile.

In 1810 the Chileans rose in revolt against Spain, and under the leadership of Lord Cochrane and a number of European Chileans, succeeded in securing their independence. A republic was formed, with the capital at Santiago. Since that time there has not been a real revolution in Chile, although there was a sharply-fought civil war in the nineties when President Balmaceda attempted to impose taxes without the authority of Congress.

The people of Chile may be separated into four elements: (a) Indian aborigines; (b) descendants of the early Spanish settlers; (c)



SANTA LUCIA HILL, SANTIAGO, CHILE.



RIVER SCENE IN SOUTHERN CHILE. (This is the great forest district of the south.)



PALACIO DÍAZ GANA
 THE PALATIAL HOME OF A DISTINGUISHED CHILEAN DIPLOMAT,
 SITUATED IN SANTIAGO, THE CAPITAL.

Spanish-Indian mixed race; (d) recent European settlers and descendants.

The pure Spanish element is preserved only by the upper classes, the big land-holding families who have owned their estates from the early days. These people have maintained their pure Castilian strain. They are well-bred, refined people. In summer they live on their magnificent country estates, and in winter they come into the cities, chiefly Santiago, where there exists a social life on a par with that of a European capital. Here art, music and literature flourish.

The mixed race of Spanish-Indians forms the chief bulk of the people. The "roto," as the Chilean half-breed is called, is a good citizen. The hardships of the early days, and the comparatively high type of Indian blood which flows in his veins, have contributed towards making him a hardy, bright, diligent man, of good moral fibre and considerable stamina.

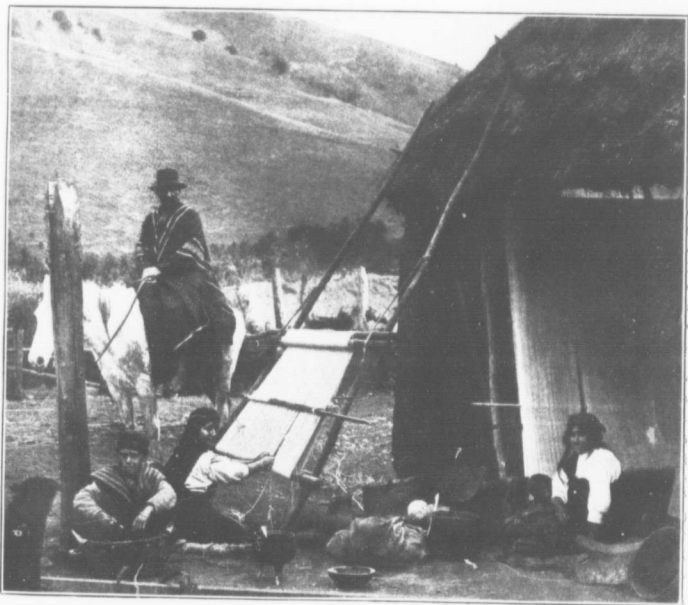
The European races represented are for the most part British and German, with a fair amount of French and others.

The Araucanian Indians or "Mapoche" are a splendid race. For years they successfully resisted the Spaniards and finally secured peace terms as an unconquered people. For centuries they lived by themselves, but of recent years they have become more and more closely brought into contact with the other elements of the population, and since the assumption by Chile of the territory they occupied, they have settled down to a regular and practically civilized life in harmony with the main body of Chileans. They are a fine race physically and mentally. They were good fighters, and good tillers of the soil. Unfortunately disease and drink are taking a terrible toll among them, and their numbers are gradually diminishing.

The Chilean people are fond of sports, although they have no distinctive national pastime. Horse-racing is very popular, and splendid animals are raced on the many magnificent race-courses in the chief towns and cities. The "huasos," or cowboys, have sports not unlike the cowboy sports of North America, and many European games have become popular. Among



INDIAN TYPES, CHILE.



INDIAN FAMILY AT HOME, HAND WEAVING, SOUTHERN CHILE.

the upper class polo has taken a considerable hold.

Education has made rapid strides in recent years. Formerly there was a very large percentage of illiterates in Chile; in fact not so long ago it was as high as seventy-five per cent., but the adoption of a practically free education policy and the establishment of schools throughout the country have had a good effect in decreasing the ratio of illiterates. The state religion is Roman Catholicism, but all religions are tolerated.

Something must be said of the towns of Chile. The capital is Santiago, the fourth largest town in South America, which has grown up in the heart of the agricultural region, around Valdivia's old fort on Santa Lucia hill. Here is the centre of politics and culture. Valparaiso, the chief port of Chile and the second town, is on the coast at the other end of the Limache valley. The harbor is not naturally a good one, but extensive improvements are under way, which will greatly increase the port's facilities. Valparaiso is the chief town of the Pacific coast of the Southern American continent. It is quite metropolitan, and boasts a stock exchange among its business features. A beautiful summer resort, Vina del Mar, forms a suburb to the north. Iquique and Antofagasta are nitrate ports, huddled up on the narrow shore between the northern plateau and the sea. They are unlovely and uninteresting except for the importance of their commerce. Megillones is another nitrate port, with some small pretensions to beauty. Coquimbo is at the southern extremity of the arid country, and exports a large amount of mineral. Talcahuano has a fine harbor and is the naval base. Concepcion and Valdivia are also fair-sized seaport towns in southern Chile. On the Straits of Magellan is situated Punta Arenas, a thriving commercial city, the most southerly in the world.

Chile has a very efficient army. All able-bodied male citizens from the age of eighteen to forty-five are liable to be called on for service. Service is for one year in the active force, and for a longer period in the reserve and territorial forces.

The Chilean navy is the most effective among the South American republics. It was developed with the assistance of staff officers of the British Royal Navy and engineers imported from Scotland, and has always been in a high state of efficiency.

Mention has been made of the intense patriotism of the Chileans. An example was given on

the occasion of threatened trouble with Argentina over the boundary question. The Argentine government was making a move towards a display of force, when Chile's statesmen appealed to their countrymen to rally to the flag. Almost instantly every able-bodied man in the country offered for service. The demonstrations were even more complete and enthusiastic than those which were recently witnessed in the Balkan States. So complete and overwhelming were they that Argentina thought better of her attitude, and Chile's point was gained.

This episode has been quoted in closing, as illustrating the fervent patriotic spirit that animates this comparatively young nation, which has developed a homogeneity and strength far in advance of most of its sister Latin-American republics.

Mr. McBain Honored.

The Indian mail brings news of a striking honor that has been conferred on a Sun of Canada man. Mr. Jas. A. D. McBain, the Company's manager for India, Burma and Ceylon, has been appointed by the Governor of Bombay to the Legislative Council of the Presidency. This position carries with it the title of "Honourable," during the nominee's three-year term of office.

Mr. McBain was born in Arbroath, Scotland, about forty-four years ago. His earliest business experience was gained in the banking office of his father, Mr. J. M. McBain, F.S.A., Scotland, a well-known author and writer on antiquarian subjects, who for half a century conducted a large and successful insurance business in the east of Scotland. It was while being thus very strictly trained that Mr. McBain imbibed those excellent business habits and obtained that thorough insight into the principles of assurance the knowledge of which has been so eminently useful to him.

In 1893, when the Sun Life Assurance Company of Canada extended its operations to the Dutch West Indies, Mr. McBain was the manager at Batavia for a large mercantile house, on whose behalf he took up and successfully carried on the Company's agency for a number of years.

In the beginning of 1898 he joined the staff of the Sun Life of Canada, as its manager for Burma, Siam and Sumatra. In these countries he speedily established flourishing agencies.

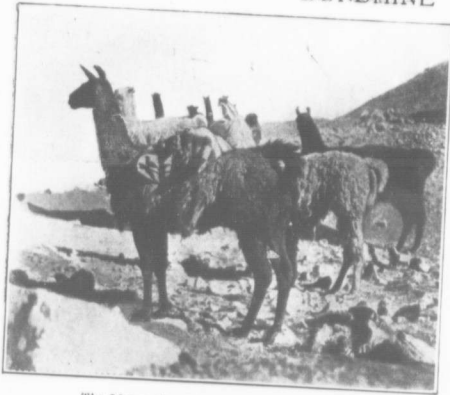
In 1901 Mr. McBain was appointed Manager for India, Burma and Ceylon, with headquarters at Bombay. The business in India has so rapidly increased under his energetic management as to justify the erection by the Company in Bom-



INTERIOR VIEW, SHOWING THE LIBRARY IN THE COUNTRY HOME OF A CHILLEAN LANDLORD.



VIEW FROM HILLS LOOKING EAST, VALPARAISO.



The Llama, the ship of the Chilean Desert.
The animal belongs to the camel kind.

bay of one of the handsomest office buildings in India.

Mr. McBain already holds several public offices. He is an honorary Presidency Magistrate and a Justice of the Peace, and has represented the Justices on the Bombay Municipal Corporation.

Ever ready to lend a helping hand, he is an assiduous worker in church and philanthropic affairs. While he is a staunch Britisher, he is also exceedingly popular with the native element in whose welfare he takes great interest.

In his younger days as a patriotic citizen he held the rank of captain in the Forfarshire Volunteer Artillery.

SUNSHINE wishes to extend its heartiest congratulations to the Honourable Mr. McBain, and to wish him all success in his new office.

COMPANY'S CONGRATULATIONS.

The following letter was sent to the Hon. Mr. McBain by the Managing-Director of the Company :

MONTREAL, Jan. 22, 1913.

HON. JAMES A. D. MCBAIN,
Sun Life Assur. Co. of Canada,
Bombay, India.

My dear Mr. McBain,—I do most heartily congratulate you on your appointment to the Legislative Council of Bombay. It is indeed a high honor, and reflects credit, not merely upon yourself, but upon the Company which you represent. I am proud to think that our Manager for India should enjoy the confidence of those in authority to such a very exceptional extent. I am, however, not surprised, for I myself know his high qualifications, and the choice I am quite sure is one that will make for the benefit of the whole Presidency.

Yours very truly,

T. B. MACAULAY,
Managing-Director.

Mr. P. Parry-Jones.

Readers of SUNSHINE are quite familiar with the name of our manager for Chile, and more particularly those who follow the biographies of our different Managers.

Mr. Parry-Jones, as has been already stated in previous editions of this paper, is now one of the Company's senior Managers, having joined the Company in 1892, as Chief General Agent in Chile, under our present Inspector of Foreign Agencies, who at that time was Superintendent of the West Coast business of the Company.

In 1897 the subject of this notice was appointed to the Managership for Chile, and during the past sixteen years he has steadily advanced the Company's business in his territory, until now the Sun of Canada stands first in business in force among the foreign companies transacting business in the Republic.

Mr. Parry-Jones has at all times enjoyed the Company's fullest confidence. The fact that he has resided in Chile for nearly thirty years, and enjoys the respect and confidence of both the foreign and native population is the very best proof that his selection as our chief representative was a most wise and happy one.

Born in Herefordshire, educated for a seaman's life on H.M.S. Conway, the famous old schoolship, and holding a Master Mariner's Certificate from the British Board of Trade, our Manager is, as is said of sailormen, equipped to go anywhere or do anything. His Agency has just closed its record year's business, and it is not anticipating too much to say that the present year gives promise of surpassing the fine volume of business done in 1912.

We understand that Mr. Parry-Jones has been authorized to look out for suitable offices in Santiago, with the idea of making the capital city of Chile the Company's headquarters in the near future.

Mr. Owen Honored.

At the annual banquet of the Life Underwriters' Association of Alberta, held in Calgary recently, the guest of honor was Mr. Ernest W. Owen, for some years manager for the Sun Life Company in Canada in Alberta, who was bidden God-speed on the eve of his departure for Detroit, Mich., to take over the managership of his Company's agency there. Mr. Owen has now taken up his duties in his new sphere.



Typical Chilean farmer and wife (Huasos) going to town.

First and Second Born Children.

A great deal of appreciative comment has appeared in the press with regard to an address on "The Supposed Inferiority of First and Second Born Children," delivered before the Eugenics Congress in London last summer by Mr. T. B. Macaulay, Managing-Director of the Sun Life of Canada.

The subject is one of such general interest, and the press has hailed it as such a discriminating pronouncement on the matter, that we publish herewith a synopsis of Mr. Macaulay's remarks:

The claim has been frequently made by Prof. Karl Pearson and his disciples, and strongly emphasised by them in both scientific and popular journals, that first and second born children are, on the average, inferior to their later born brothers and sisters physically, mentally and morally. If this claim were limited to cases where the parents of these early born children were immature, I would have nothing to say; but no such limit is imposed. The inferiority

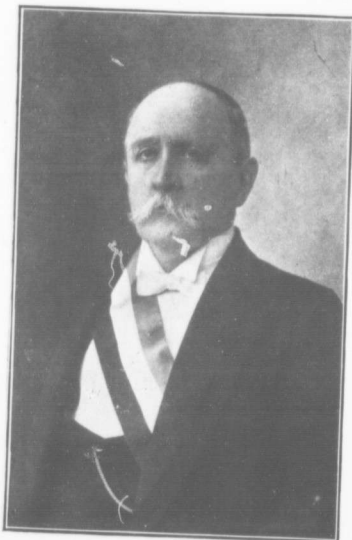
is said to hold quite regardless of the age of the parents.

This is a very important and very interesting question, and deserves careful investigation. I was led not long ago, purely from actuarial interest, to examine the statistics on which the claim is based, and found, greatly to my surprise, that the statistics in question proved nothing of the kind. A fallacy runs through almost all of them which utterly destroys their value. Possibly however the fact that I think this, will itself be considered by some as mere proof of my own degeneracy, for I myself am an eldest child!

How are these statistics prepared? The records of some institution are taken as a basis, as for example, a sanatorium or penitentiary. The inmates are questioned as to the number of children in the families to which they belong, and their own order in their families. The number of inmates who are first born is then compared with the total number of first born children in the families; and so on with second, third and later born. The percentages thus found are higher in the case of early born inmates than of later born. This is certainly so, but what does it prove? Nothing! Absolutely nothing! Why? Because those later born members of the families are to a large extent children, perhaps even babies, and the percentages therefore must be higher for the older than for the younger. I said that these percentages prove nothing, but that is hardly correct. They do prove that children and babies are nor as a rule old enough to develop consumption or to be sentenced to penitentiaries—but that is all.

Why, ladies and gentlemen, by statistics prepared in precisely that way I can prove almost anything. I can begin with this very audience now before me. It is certain that very many of you have younger brothers and sisters who are yet but boys and girls. The percentages of elder born among you will therefore certainly be decidedly in excess of those of the younger born. Would I be justified, however, in assuming from this that the composition of this audience proves that first and second born children are mentally superior to their younger brothers and sisters? It would be very pleasant if I could pay you that flattering compliment, but truth compels me to say that all that such statistics would really prove would be that children and babies are too young to attend this congress.

Let us take another illustration. If we were to select a group of men weighing, say, not less



HIS EXCELLENCY RAMON BARROS LUCO,
President of the Republic of Chile

than fourteen stone, the percentages of early born would certainly be greater than of later born. Would that however prove that first and second born children develop into larger, stronger men than the later born? Not at all! It would merely prove that boys and babies rarely weigh fourteen stone (196 lbs.)

And so I might go on with other groups—doctors, clergymen, lawyers, married men, etc. From the very nature of the case, these higher percentages for elder born will be found to exist in almost all statistics based on groups selected because of some feature which develops only in adult life, or is chiefly associated with adult life, and in fact in almost all groups where the individuals are, for any reason whatever, chiefly or entirely adults. That these higher percentages should be found among inmates of sanatoria and penitentiaries was inevitable and could have been foretold, and their existence proves nothing whatever. Conclusions based on such a foundation are mere statistical fallacies.

But another claim has been made in this connection. The number of children in the families of the inmates of these institutions has been added up and the total thus found divided by the number of inmates. The average thus produced has been shown to be larger than the average family in the total population. We have been told that this proves that the families of the afflicted are larger, not smaller, than

those of the normal population. But do these figures prove that? Most certainly not! These institution figures are not based on marriages or families, but on children. A family of ten children has ten times as great a chance of producing a consumptive or criminal member as a family of one child only has. A family of twenty children has twenty times as great a chance, while a childless family would not be represented at all. To compare an average so found with the average size of family in the total population is to compare entirely different things and merely to deceive ourselves. This claim also, therefore, is found to be but another statistical fallacy.

Mr. Macaulay dealt at length with the statistics of these questions on another occasion.

Chile's President.

Hon. Ramon Barros Luco, veteran in the political life of Chile, reached the Presidency at 75 years of age after devoting most of his life to the public service.

His Excellency was born in Santiago de Chile, and, after receiving an excellent education, entered the bar at 25 years of age and the Congress at 26. In his long political life he has filled almost all the important charges of his country, finally being elevated to the Presidency.

A proof of the faith that the Chilean people have in the President may be seen in the fact that out of the total of 427 votes of the electoral college for the Presidency, he obtained 413.

A Satisfied Client.

41 SUSSEX PLACE,
BRISTOL, 2nd December, 1912.

Mr. C. FRANKLYN TETT, District Manager,
Sun Life Assurance Company of Canada,
44 Corn Street, Bristol.

Re Policy No. 71078.

Dear Sir,—I beg to acknowledge with thanks receipt of your cheque for £124 15 0, being the amount of my Endowment policy of £100 effected fifteen years ago with your office.

I am more than pleased with the result, which shows a return of 4 per cent, compound interest on my investment, whilst giving the assurance for £100 for fifteen years.

I shall have much pleasure in recommending your Company when I get the opportunity.

Yours faithfully,

W. JENNINGS.

The Sun Life of Canada is
"Prosperous and Progressive."

Produced by Québec



A GOOD-SIZED INDIAN HOME, WITH THATCHED ROOF, TYPICAL OF CHILEAN WIGWAMS.

Fire and Life Assurance.

MONTREAL, December 28th, 1912.

MANAGER, MONTREAL CITY AGENCY,
Sun Life Assurance Company of Canada,
Montreal.

Dear Sir,—Acknowledging receipt of your statement of result under my policy No. 38015, issued twenty years ago for \$2,000, on the Endowment 20 R.D. 20 plan, I find that the cash return to me is equivalent to all paid to you with over 3 per cent. compound interest. In this calculation I have made no allowance for the cost of protection. This, however, should be done, as the risk has been carried by the Company, and had I died, my estate would have received \$2,000.

In the matter of fire assurance, if one's building does not burn, we do not regard the premium paid for the assurance as money wasted. The same principle should apply to life assurance. Your building is valuable to you, but your life is more valuable to your family.

Allowing \$25.00 per year, the actual cost of carrying the assurance of \$2,000, and deducting this from the premium, the cash return to me is equivalent to 6 per cent. compound interest on the balance of the premiums. Looking at it from this standpoint, the result is more than satisfactory.

Yours very truly,

J. A. PAULHAUS.

More Than I Expected.

BOX 68, NELSON, B.C., Dec. 28th, 1912.

Mr. JOHN POFF,
Vancouver, B.C.

Dear Sir,—Your letter of December 24th with dividend certificate on my policy No. 235076, received, and I was very much surprised at the options given me. They are all so good and so much better than I expected. The only difficulty there is, is in choosing; it is difficult to decide which is best.

I think under the circumstances I will take the second option, that is the reduction of my premium for next five years from \$32.55 to \$27.10, which I think is a splendid reduction and a splendid advertisement for the Sun Life of Canada.

Wishing you a happy and prosperous New Year, I remain,

Yours truly,

ALEXANDER HOWIE CASSIDY.

Did you ever consider what a one-sided contract a life assurance policy is? You pay a small premium and the company assumes a thousand or more dollars of liability. If you get tired of carrying the assurance, you can cancel it. If the company deems it wise to terminate the contract, it can *not* do so.—Insurance Press, N.Y.

Sun Life Assurance Company of Canada

The Results for 1912

Assets

Assets as at 31st December, 1912	\$49,605,616.49
Increase over 1911	5,704,730.51

Income

Cash Income from Premiums, Interest, Rents, etc., in 1912.	12,333,081.60
Increase over 1911	1,775,746.08

Surplus

Surplus distributed to policyholders entitled to participate in 1912	691,975.84
Added to Surplus during 1912	614,008.09
Surplus earned in 1912	\$1,305,983.93
Total Surplus 31st December, 1912, over all liabilities and capital	\$5,331,081.82

(According to the Company's Standard, viz., for assurances, the Om. (5) Table, with 3½ and 3 per cent. interest, and, for annuities the B. O. Select Annuity Tables, with 3½ per cent. interest).

Payments to Policyholders

Death Claims, Matured Endowments, Profits, etc., during 1912	4,732,463.29
Payments to policyholders since organization	34,402,734.66

Assurances Issued during 1912

Assurances issued and paid for in cash during 1912	30,814,409.64
Increase over 1911	4,377,628.45

Business in Force

Life Assurances in force 31st December, 1912	182,732,420.00
Increase over 1911	18,160,347.00

The Company's Growth

YEAR	INCOME	ASSETS	LIFE ASSURANCES IN FORCE
1872	\$ 48,210.93	\$ 96,461.95	\$ 1,064,350.00
1892	1,108,680.43	3,403,700.88	23,901,047.00
1902	3,561,509.34	13,480,272.88	67,181,602.00
1912	12,333,081.60	49,605,616.49	182,732,420.00