## Monarch looks back

By HARRY L. MARDON

Tribune Associate Editor

Solid Monarch Life Assurance Company Limited has become almost completely Canadian.

That was the encouraging report from Monarch Life president Darrell Laird at the 63rd. annual meeting of the company in the basement auditorium of the Monarch Life building on Broadway late Tuesday.

A year ago Canadian shareholders held only about 75 per cent of the company's stock. During the past year, however, a couple of well known Winnipeggers put their names to a purchase deal which resulted in Canadians now owning 98 per cent of the outstanding stock. Connecticut General Life parted with the shares.

To save Tribune readers phoning anybody, the two names I heard Tuesday as being the back-to-Canada movers were Maitland Steinkopf and Richard S. Malone.

W. A. Johnston, Q.C., distinguished and portly in appearance, was chairman of the annual meeting, attended by four ladies and about 80 gentlemen. Some were policyholders, some were shareholders and there were a number of gentlemen who were top-notch sales representatives for Monarch Life.

Mr. Johnston called on president Laird to report on the 1968 operations of the company. They were excellent. Sales were up 12 per cent over 1967, at $124,000,000. Business in force had increased from $706,000,000 to $759,000,000. Total assets at year-end had reached $144,346,977.

Mr. Laird said the net rate of interest earned on investments increased to 6.25 per cent in 1968 compared with 6.13 per cent the previous year.

The layman might have difficulty understanding an insurance company's annual report. However, a chartered accountant has assured me that Monarch Life is in a very healthful financial position, with sensible amounts held in reserve.

The company held a surplus in insurance funds at the end of 1968 of about $12,000,000, some $1,000,000 more than the previous year-end. About $135,000 was paid in dividends to shareholders last year, $10,000 more than in 1967, and income taxes in 1968 totalled $131,000, compared with $112,500 in 1967.

### Reserves increased

Monarch Life's revenue topped $23,000,000 in 1968, compared with nearly $22,000,000 in 1967. The biggest single bite from this was taken by management, to increase reserves for future payments to policyholders and beneficiaries. This totalled over $7,000,000. Next in order was surrender benefits, which totalled over $4,000,000.

This latter figure was obviously a matter of concern to Monarch's management.

Mr. Laird reported that 1968 had witnessed an increase in the number of insurance policies surrendered for cash. Also, there had been an increase in the number of policies which had lapsed due to non-payment of premiums. Another thing on the black side, he said, was the fact the federal government had announced plans to impose corporate income taxes on life insurance companies, but so far had not been spelled out details.

On the bright side, however, were the facts that last year the company had split its shares five-for-one most successfully; that Canadians had bought out Conneticut General Life's holdings of the company's stock; and that starting Feb. 3, Monarch Life's stock would be listed for trading on the Toronto Stock Exchange.

"All in all, 1968 was a very good year for the company," Mr. Laird reported. "The outlook for 1969 is good. There will be problems but there will be opportunities."

Mr. Laird explained why $325,000 had been transferred from the Staff Insurance Fund to general surplus. He said that a re-evaluation of the fund had been carried out because of the excellent performance of the fund. This had resulted in management transferring the $325,000.

Alan E. Tarr, Monarch's vice-president in charge of investments, was disappointingly abrupt. There was no succinct analysis of the past, current or future investment scene.

He reported there was an increased emphasis during 1968 on investment in mortgages. Collection experience had been good. There had been an increase in attention to investment in common stocks.

By the 1968 year-end the company had over $72,000,000 of its assets in bonds, $52,000,000 in first mortgages, nearly $6,000,000 in policy loans, about $5,000,000 in common stocks.

This just isn't good enough for equity-conscious Canadians, who are becoming increasingly aware of the fact that one way to beat inflation is through increased attention to equity investments.

### Hot-House fund

Of course, we shouldn't overlook the fact that Mr. Tarr — at last report also was a director of a hot-house mutual fund named Incubation Group. It's been incubating very well, and could well be Monarch Life's salvation when dual licencing comes along. Dual licencing, already in existence in the United States, means — or could mean — that a life insurance salesman also can offer mutual fund shares to clients and prospects, and vice versa.

Talking of salesman, Dave Kilgour might be interested to learn that Monarch now has 22 branches across Canada, from Montreal to Victoria, B.C. Manpower increased by a net of eight persons last year, to a total of 155 representatives. Clark B. Fuller, vice-president of marketing, also reported that increased emphasis was being placed upon sales training, both in the field and at head office on Broadway.

Harold Thompson, vice-president in charge of administration, told the meeting that the mortality rate among clients was roughly the same in 1968 as in 1967. In fact, in the non-participating side of the business the mortality rate was the best in 10 years.

When the meeting got around to new business, a smart-suited man who obviously read last Saturday's Tribune facetiously remarked to the chairman: "Is it true that Monarch Life is buying Great-West Life?" There was general laughter.

Which reminds me of Laugh-In.

Guess who was elected for a three-year term as a director of Monarch Life. Our good friend Richard S. Malone. All downtown Brooklands hails with the salute: "H-e-e-e-r-e's Dickie!"

## U.S. steel—German made

New York Times Service

NEW YORK — Several years ago, rumors had it that the mighty German Krupp combine was considering a production plant in the United States.

The rumors never materialized.

What is materializing is the bold plan of a young German entrepreneur to make steel in the U.S.

Willy Korf, a dwarf when compared with such giants as Thyssen or Krupp, is a firm believer that small integrated steel mills can exist profitably among much bigger competitors. He proved it in Germany, and he is out to prove it in the U.S.

It is coincidental that his Georgetown Steel Corporation at Georgetown, S.C., will go into production during a year when Japanese and European steelmakers will voluntarily restrict exports to the U.S. to avoid import quotas demanded by American producers.

"Our motivations to make steel in the U.S. were strictly on business considerations," Wolfgang Jansen, the 29-year-president of Georgetown Steel, said the other day.

Sketch by Libling, Michener of new Holiday Inn complex in downtown Winnipeg.

## A 20-storey hotel for city in 1970

Premier Walter Weir and Metro Chairman Jack Willis showed up late Tuesday for the announcement of plans for a multi-million-dollar downtown Winnipeg development.

Key to the project is a 20-storey Holiday Inn, to be operated under franchise from prairie-born John Adams, president of Atlific Inns of Canada Ltd., who controls all Holiday Inns in Canada except in Ontario. He is based in Montreal.

Mr. Adams told a new conference at the Hotel Fort Garry that his firm had researched Winnipeg extensively, and finally picked Edmonton St. and Graham Ave. as the core of the city and the ideal location for a new hotel. The Holiday Inn, to be started by July 1 and completed in 1970, would include 275 rooms, parking space, restaurants, medium-size banquet facilities and other amenities.

It would be connected by a covered mall to a second tower, also to cost about $4,000,000, which would be built in due course. It probably would be an apartment complex.

Mr. Adams said his market researchers had closely examined the potential of the Greater Winnipeg market for his fast-growing hotel chain. This research had indicated the company should expand "in due course" to include hotels on Portage Ave. West and on the main highway leading to the U.S. border. The company also was considering building hotels elsewhere in Manitoba, both in the northern and the western areas of the province.

Premier Weir and Metro Chairman Willis praised the company for showing its confidence in the potential growth of Greater Winnipeg and Manitoba.

"I am particularly encouraged by the fact you'll likely expand in Manitoba," Premier Weir said.

It was reported that the project, being designed by Libling, Michener as architects, was attracted here by Mayor Stephen Juba's "downtown tax freeze" proposal.

## Massive takeovers being probed in U.K.

From DON McGILLIVRAY in London Tribune Staff Correspondent

LONDON — Britain's Monopolies Commission is going to study whether big conglomerate mergers involving products ranging from banknotes to beer are damaging to the public interest.

Two massive takeover bids — involving about $1,000,000,000 were halted by the government and referred to the commission.

The announcement, just before the stock market opened, caused confusion and resentment among traders and shares of two of the companies involved suffered sharp drops in value, amounting to $100,000,000 in all.

One company involved is Unilever — a giant in the soap and food trade — which is bidding for the $750,000,000 Allied Breweries, Britain's second largest beer producer. Allied shares dropped by $88,000,000 following the announcement.

The decision is monstrous, said Jasper Knight, Unilevers finance director. Sir Derek Pritchard of Allied Breweries said the boards of both companies were surprised and disappointed.

The merger would not create a monopoly situation. It would not be contrary to the public interest. It would be of benefit to the companies, employees, customers and shareholders.

The second bid involved was an offer by the Rank Organization — which runs movie theatres, hotels and produces office copiers — to pay $100,000,000 for the De La Rue group of companies which is best known as a printer of banknotes and stamps for countries around the world.

The take over has been bitterly contested by the De La Rue board and Tuesday Rank said it was allowing its offer to lapse in view of the government's action. De La Rue shares dropped by $9,000,000 on the stock exchange.

The government's action is thought to reflect growing pressure on Anthony Crosland, Britain's trade minister, to do something about the merger mania in British business.

Until now, proposed mergers have been referred to the monopolies commission only when they threatened to create a firm which would dominate an industry.

But in the bids halted yesterday, there was little overlapping in the products of the firms involved so the mergers would not have increased the element of monopoly much in any industry.

Some business sources are afraid that the government is moving toward setting out its own guidelines for mergers and takeover bids, particularly because the takeover code set out by the British financial community seems to have been ineffectual in stopping some abuses.

*Projection for 1991*

## Ontario's population to reach 11.6 million

By JOCK OSLER

Financial Times of Canada

TORONTO — By 1991 Ontario's population will be between 9,100,000 and 11,600,000 — despite increasing pressures on couples to limit the size of their families.

The economic analysis branch of the Ontario department of treasury and economics makes the predictions in a report on provincial population projections for the 1971-1991 period.

Ontario's population on June 1, 1968, was estimated to be 7,300,000 and the projections are made from the 1966 census figure of 6,960,870.

The study presents nine sets of predictions which result from three different assumptions on fertility rates and three variants in annual net migration to the province. The decline in mortality rate — the other key component — is expected to remain fairly constant.

### BIG JUMP

Taking the average, Ontario's population would be 10,100,000 by 1991, growing from 7,200,000 in 1971.

The study underlines the importance of such projections to the formulation of public and private policy.

Future population estimates are necessary in planning for such things as employment opportunities, schools, transportation and recreational facilities, medical and health services, water supplies, sewage disposal and housing, the economists state.

Since the turn of the century, the province's population has grown almost three-fold, with about two-thirds of the gain traced to natural increase and the other third to net immigration.

### FAMILIES LIMITED

The study assumes three rates of further decline in fertility. The average number of children per female of child-bearing years dropped to 2.79 in 1966 from 3.71 in 1957.

"Fertility is being controlled within the institution of marriage. Moreover, it is anticipated that the social, economic and psychological pressures that motivate married couples to limit their families are likely to continue unabated for some time."

The report singles out the increasing number of years being spent by young women in educational institutions, increasing urbanization, greater work experience and higher rates of female participation in the labor force as factors contributing to the further decline in fertility.

The study notes that immigration accounted for 43 per cent of the Ontario population increase between 1961 and 1965. Since 1949, more than 50 per cent of all immigrants arriving in Canada gave Ontario as their province of destination.

## Midwest pays $500,000 for newest helicopter

Midwest Aviation has purchased a $500,000 helicopter.

Called the Bell 205, it is belived to be the largest and only one of its kind in Canada, a company spokesman said.

It will be used primarily in northern Manitoba for transporting materials and men on construction projects as well as in the use of mining explorations, he added.

Seating capacity is 18 people. The spokesman said that market research done by the company indicated that there was a definite need for this type of helicopter. Midwest now owns 14 helicopters.

## Car cutbacks ordered

New York Times Service

DETROIT — The Chrysler Corporation has ordered a sharp auto production cutback. But other car manufacturers say they are holding to present schedules and are not pulling back.

There are reports that both General Motors Corporation and Ford Motor Company are trimming some overtime operations, but cutting overtime is the mildest kind of production trim. Chrysler is chopping 36,720 cars from its February auto output schedule, a 25 per cent reduction from the old program that called for 140,000 auto output. Chrsysler said it will close six assembly plants with 32,000 workers for one or two weeks next month.

Some auto analysts have been expecting production cutbacks in the industry because retail car sales are less than impressive, running around last year's level, while new car inventories are a record.

Chrysler said it will close next month its plants at Windsor, Ont., for two weeks.

## Royal Trust Appointment

S. M. Davison

The appointment of **S. M. Davison** to its Winnipeg Advisory Board is announced by The Royal Trust Company. Mr. Davison is Senior Vice-President, Manitoba and Saskatchewan Division, Bank of Montreal.

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## 'Tight credit won't hurt auto firms'

K. E. Scott, president of Ford of Canada, said here Tuesday that he didn't expect tightened credit conditions would hurt the auto industry.

"The cost of money is already expensive," he said, in an interview at the Hotel Fort Garry. "I don't expect that there will be any substantially additional tightening of credit."

Mr. Scott said that all economic indices showed 1969 would be a good year for Canada's automobile industry. "There seems to be no basic reason to think otherwise," he said.

"Savings are high. Wages and general income levels are high. And the demand for automobiles is excellent. As the population continues to increase and exerts a demand, the automobile will continue to have to meet the need."

Mr. Scott said that Ford of Canada had no immediate plans to expand further in Western Canada. "We have engaged in heavy capital expenditures during the past couple of years We had to make these expansions in Ontario because of economic factors."

Among the big capital spendings for 1969 was the switchover of the Ford plant in St. Thomas, Ont., to production for the Maverick auto, due on the market at the beginning of March. Also, the company was spending heavily on revamping the engine plant at Windsor, Ont.

"We see no reason why 1969 should's be as good a year as last year," he added. "Our dealers seem to have a very high morale. They are happy with our 1969 cars and services."

Mr. Scott, accompanied by a number of head-office executives, was here to talk with Manitoba Ford Dealers. He is continuing his cross-country tour.

## Income up

VANCOUVER (CP) — Crown Zellerbach Canada Limited has reported 1968 net income of $12,800,000 compared with $9,300,000 earned in 1967. Total sales volume of the Vancouver-based forest products company was $181,000,000, an increase of four per cent compared with the $174,000,000 the previous year.

## LIBBY, McNEILL & LIBBY OF CANADA, LTD.

B. G. Kalef

The appointment of Bryan G. Kalef as Product Manager is announced by P. K. Blay, Director of Product Management, Libby, McNeill & Libby of Canada, Ltd. A native of Winnipeg, Mr. Kalef is a graduate of the University of North Dakota with a degree in Business Administration and has a post-graduate degree in International Business from the American Institute of Foreign Trade. Before joining Libby's, he held responsible marketing positions with several major companies, in Canada and the United States. Mr. Kalef reports to the Director of Product Management and now resides in Chatham.

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