

exclusive of the large amount of the uncalled guarantee capital, a surplus of nearly \$80,000 for the security of policy-holders, or about \$160 of assets to every \$100 of liabilities.

Including the uncalled guarantee capital, the surplus to policy-holders is about \$700,000. To the officers and agents much praise is due for faithful, intelligent, and successful work on behalf of the company.

Had your directors enlarged our limited staff of agents, a larger amount of assurance could have been written during the year. However, it is the belief of the directors that the amount written and obtained at a low ratio of expense, will better promote the prosperity of the company.

AUDITORS' REPORT.

The President and Directors of the Federal Life Assurance Company:

GENTLEMEN,—We beg to advise completion of the audit of the books of your company for the year ending 31st December last. The books, vouchers, etc., have been carefully examined, and we have much pleasure in certifying to their accuracy. As usual, all assets of a doubtful character have been eliminated. The accompanying statement indicates the financial position of your company as at 31st December.

Respectfully submitted.

H. STEPHENS,

SHERMAN E. TOWNSEND, } *Auditors.*

Hamilton, March 3rd, 1891.

FINANCIAL STATEMENT.

Premium receipts, net.....	\$210,736 68
Receipts from other sources.....	34,828 78
	\$245,565 31

Disbursements.

Claims by death, net.....	\$ 98,850 00
Dividends to policy-holders.....	52,118 06
Surrendered policies.....	840 16
General expenses.....	63,674 08
	\$212,482 25

Assets.

Mortgages, debentures and bonds..	\$ 98,355 36
Cash in banks and on hand.....	55,764 55
Loans on policies.....	3,504 62
Other ledger assets, net.....	10,435 95
Premiums outstanding and deferred (10% deducted).....	37,449 61
Interest accrued.....	1,598 66
Re-insurance due (since received)...	2,000 00
	\$209,108 75
Guarantee capital subject to call..	619,803 00
	\$828,911 75

Capital and assets.....

Liabilities.

Assurance or Reserve Fund, including \$6,500 claims waiting proof.....	\$180,160 96
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Surplus of assets and capital on policy-holders' account.....	\$698,750 79
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Mr. James H. Beatty, president, in moving the adoption of the report, and after expressing the pleasure it afforded him to do so, said: Education of public sentiment in favor of life insurance has been rapidly extending for many years. There are few people now who do not believe in the benefits and advantages it affords, though not determined to secure it. Different from other matters of trade or finance, the demand does not to any extent precede the supply. Life insurance is seldom sought by those who are in need of it, but on the other hand, those who are in need of it must be sought and persuaded.

The rapid growth of this business may be seen from the amount of assurance written in 1880 as compared with that written in 1889. The full report for 1890 is not yet issued. The amount written in Canada in 1880 was \$13,906,887, of which \$7,547,876 was written by Canadian companies and \$6,359,011 by foreign companies. In 1889 the total amount written by 31 companies was \$44,556,937, of which \$26,438,358 was written by Canadian companies and \$18,118,579 by foreign companies. The amount paid for death claims in 1889 was \$2,483,818.

The greater growth of business written by Canadian companies is due to a growing sentiment in favor of home institutions, and the greater number of thoroughly responsible home companies now in the field.

The Federal has paid, within the past three

years, to beneficiaries of the insured, over a quarter of a million dollars, secured at a comparatively small cost to those benefited.

Mr. Wm. Kerns, in seconding the adoption of the report, referred particularly to the agency department. He said, the time is not long past when life insurance agents were not favorably received.

Probably the lack of a sufficient respect for them was in part due to a want of appreciation of the cause they represented, and the good they were endeavoring to do. Now the intelligent agent is well regarded and received, however; the better general knowledge existing of the principles and plans of life insurance demands a correspondingly better representation in the agent. The successful agent of today must be a man of education, good address, energy, tact and personal magnetism, in fact must be possessed of excellent qualities of body and mind.

The large number of such men now employed in this work is evidence of the magnitude of the interests involved.

The resolution was then put and carried unanimously.

On motion the secretary was instructed to deposit a ballot to elect as directors the gentlemen who constituted the retiring board.

After passing the usual votes of thanks the meeting adjourned.

At a subsequent meeting of the directors Mr. James H. Beatty was re-elected president; Messrs. Wm. Kerns, M.L.A., and A. Burns, L.L.D., vice-presidents; David Dexter, managing director; A. Woolverton, M.D., medical director.

BANK OF BRITISH COLUMBIA.

At the half yearly general meeting of this bank, held in London, Eng., on the 18th Feb., the chairman, Mr. Robert Gillespie, said:—"The success of the half-year's business is again a matter of congratulation, and I hope it is as satisfactory to you to receive as it is to me to submit to you—for you will, on reference to former half-years, observe that we have now to deal with larger profits than on any former occasion, and this in the face of much stringency in money both here and abroad, greater competition, and an increased capital to earn dividend upon. The marked progress and prosperity, I think, fully justifies the demand we made upon you last year for an increase of capital, and I am happy to inform you that the success attending the opening of the two new branches at Tacoma and Seattle has fully warranted the expectations of your directors; indeed, I may add, with the exception of Kamloops, which shows a small deficit, all our branches have earned handsome profits. At the end of 1889 our capital was \$500,000. In June we increased it to \$600,000, and of course during the last half-year we have been working on that increased capital. The reserve fund in 1889 was \$115,000. It has since been raised to \$200,000, and we propose to-day, with your approval, to add further to it. Notes in circulation show a very material improvement. In looking at this question of note circulation (\$212,751) I always value it for this reason: it shows increasing confidence in the institution. The bills discounted and loans now aggregate a very considerable sum—I believe the largest we have ever seen. They represented on the 31st December, 1889, \$1,600,000; in June, 1890, \$1,696,000; and in December last, \$1,981,229; showing a material increase over the two previous half-years. I think it also bears this record on the face of it, that with our increased resources we have been able to add very materially to our business. Bills receivable also indicate a very large increase. They amount to \$752,000, as compared with \$680,000 in December, 1889, and \$870,000 in June last. Our gross profit for the half-year is in excess of that of any previous half-year. The gross profit shows an increase of \$10,000 as compared with December, 1889, and of \$18,000 as compared with June last. The charges undoubtedly amount to a large sum, but we have now a very large staff; I think it numbers seventy-six. I have within the last few days taken some little trouble, with my good friend the general manager, to ascertain what the expenses are in similar institutions. I have got a list of twenty-six colonial and Indian banks working much on the same lines as we are, and find that out of that number we are the lowest but two, and they are doing a very

small business. Therefore, under those circumstances, although it is a large sum, I do not think it is extravagant. We endeavor to do our best to keep down the expenses, but we must have efficient and good men, and as they grow old in our service so they expect—and fairly expect—higher remuneration and consideration; and I am only speaking the sentiments of my colleagues when I say that we have pleasure in considering their appeals and their services from time to time.

"Now, the question we have to ask your approval of, is how we shall distribute the \$53,443 of net profits. We propose to you that we should pay a dividend at the rate of 6 per cent. per annum, which will absorb \$18,000. We propose also to pay you a bonus of 3 per cent., or \$18,000; and we propose, further, to carry to the Reserve Fund, \$8,000, carrying forward \$9,443 to next year. I trust this distribution will be satisfactory. (A resolution to that effect was subsequently adopted by the meeting). With regard to the future, so far as we know, the crops promise fairly well. They were very good last year, and, on the whole, our advices lead us to suppose that we are on the eve of renewed prosperity and success. Everything indicates, I hope, a sound basis."

Mr. Robert Ward, president of the British Columbia Board of Trade, said that the chairman had very clearly put matters before the meeting such as they existed on the Pacific coast at the present time. Probably no other portion of Her Majesty's colonial possessions could show a similar degree of advancement and prosperity as had been witnessed there. It was true that the most important developments had taken place in the cities and towns of the coast, but it must not be inferred from that that no attention had been paid to the interior of British Columbia, the western province of the Dominion of Canada. A very great deal had been done in the interior. There were a number of railway bills at present before the local legislature, which certainly indicated that railways were the order of the day, and only two days ago the shareholders probably saw in the papers a cablegram announcing the opening of a railway connecting New Westminster on the Fraser River with the railway system to the south. He might also state as a matter of interest to the shareholders that the Provincial Government was fully alive to the importance of developing the great and rich province of British Columbia. At the last session of the local house a very liberal grant was made for surveys of that large and unexplored portion of the country, which was unknown, and he felt satisfied that the result of those surveys would be beneficial to the country, and be the means of attracting capital, and assist materially the development of that great province. It was well known that at the north of the great Canadian Pacific Railway, which ran through British Columbia, a large fertile belt existed, and he had every reason to hope that the day was not very far distant when that splendid country would be covered by a second trans-continental railway. The prosperity which he had spoken of, and which the chairman also alluded to, had not been felt only in the province of British Columbia, but also throughout the State of Washington. It was most extraordinary to notice the developments of the cities of Seattle and Tacoma, and on the other side the cities of Vancouver and New Westminster. In the city of Victoria last year the amount expended upon building alone amounted to about \$2,000,000. That was an indication that the country was going ahead, that there was a future in store for the province of British Columbia such as the most sanguine had not the least idea of, and of course it was natural to infer that, in the prosperity which the country was likely to enjoy, the Bank of British Columbia would come in for its proper proportion.

LUBRICATING OILS AND GREASES.

At a meeting of the Insurance Institute, of Manchester, England, held on the 14th January last, a paper on the above subject was read by Mr. Carter Bell, A.R.S.M., &c., the Lancashire County Analyst, which is of much practical value both to owners of special risks requiring to use such oils and to insurance companies covering such premises. The question of spontaneous combustion is one little understood and rarely guarded against.

In order to a better understanding of the