

Balance of assets.....	13,652,142 98
	\$15,018,103 09
<i>Assets.</i>	
Mortgages, debentures, stocks, loans, etc., etc.....	\$13,652,142 98
Cash in agents' hands, half- yearly and quarterly premi- ums, accrued interest.....	661,500 48
	\$14,313,643 46
<i>Liabilities.</i>	
Assurance, annuity and profit funds.....	\$13,099,571 94
Reserve on mutual policies.....	104,532 73
Special reserve on account of 4 per cent. basis.....	250,000 00
All other liabilities.....	198,038 31
	\$13,652,142 98

AUDITOR'S REPORT.

To the president, vice-president and directors of
the Canada Life Assurance Company:

Gentlemen,—The audit of your company's books for the year which closed on the 31st December, 1893, and the examination of the securities, representing the investments and loans existing at that date, have now been completed.

I have pleasure in certifying that the books are correct, and that the statements of receipts and payments, and of assets and liabilities, which I have certified, agree with the books and are a true exhibit of the company's affairs.

I further certify that the securities were found in perfect order, and as set forth in the statements; also that the cash and bank balances were duly verified.

I have the honor to be, gentlemen, your obedient servant,

MAITLAND YOUNG, Auditor.

Hamilton, 31st March, 1894.

THE PRESIDENT'S ADDRESS.

The report has been printed and circulated generally, so I suppose everybody has seen it. With your leave I would beg to move its adoption. It has been before you for some time, and you are no doubt informed of its contents.

In moving its adoption I am afforded the opportunity of calling your attention specially to some of its features and facts. As the report points out, the business of 1893 was a large one, exceeding that of any previous year, and taking that in conjunction with the fact of the death claims being fewer in number and smaller in amount than they were in 1892, and greatly under what was anticipated and provided for, although the risks carried were so much larger, there is unmistakable evidence that the business has been selected with the care and caution essential for the real and permanent prosperity of the company. No doubt an even larger business could readily have been obtained had the company entered upon the various new and distinct fields to which it has frequently been pressing invited, but we have not thought it well to adopt that course where extensions of the kind are of no real advantage to the company or the assured, and where they certainly involve increased expenses and consequent decreased profits, as they have proved they do by the experience and accounts of the so-called enterprising and progressive companies which have entered upon business of this kind. As I said in other words last year, any man knows that to do business which by moderate expenses yields him a profit of \$5,000 is more advantageous than to so enlarge his business by increased expenses as to reduce his profit to \$3,000.

The company's income has now reached two and a half million dollars a year, and the investments which that and the company's other large funds of some fourteen million dollars necessitate, are a constant consideration and care of the directors. As you all know, the rate of interest which can be safely realized has fallen very much during the past few years, and while that may perhaps be beneficial to the general public, it certainly diminishes the revenues, and must thereby affect the profits which this and other companies can give to their policy-holders.

It will please you, I am sure, to learn that a careful investigation of the company's mortality experience since its commencement has been in progress for some time, and we had hoped that its results would have been in

shape to present to you upon the present occasion, but the labor which it has involved has proved more than could yet be overtaken with the assistance of our ordinary staff. With the qualified assistance which is now engaged upon the work, however, we fully expect to be able at your next meeting to lay before you such results of this important investigation as will, I am sure, be of great interest to you, as well as useful and instructive to the company, and to other institutions who may care to be informed of the Canada Life's experience during the lengthened period of 47 years.

I would draw your attention to the expression of the board's satisfaction with the business of our various branches and agencies last year, and I very cordially join in that. Where so many have done well, it may appear invidious to allude to any particular one, but a feature of the success of the Michigan branch is so deserving of mention that I call your attention to it. It is that the Government report of the State shows that the Canada Life increased its Michigan business last year by a larger amount than any of the other thirty-four companies doing business in that State.

The building of the company in Montreal having for some length of time proved unsatisfactory for its purposes, and less conspicuous and attractive than is desirable, the directors have acquired a very advantageous site at the corner of St. James and St. Peter streets, opposite the Merchants and Molsons banks in that city, and a building is about to be erected thereon, such as, while being worthy of the important business capital of the Province of Quebec, will also, it is anticipated, yield the company a fair return for its investment.

The present year, 1894, being the last of the current quinquennium, the five years' profits realized during that period will fall to be divided as at 31st December next, and as persons assuring during the year will secure a share of these profits, we may look for a large additional number of assurers desiring to obtain so important an advantage.

Nothing occurs to me further that is sufficiently important to take up your time with, but if there are any further particulars I can give you or any information I can furnish, I shall be pleased to do so.

Vice-President Gates—I have much pleasure in seconding the adoption of the report. The address of the president has, as usual, been so explanatory and comprehensive that there is little that I can add thereto, except to concur in the conviction that considering that the past year has not been prosperous in general business, that the large increase in the company's business ought to be considered satisfactory to the shareholders, as it has been secured on sound commercial lines, as evidenced by the low ratio of its expense account. There may be, indeed, there are various opinions as regards the National Policy in fiscal matters. I wish we could infuse in our countrymen something akin to the national policy in life assurance interests. Besides our own company there are several good Canadian life companies whose standing and responsibility are unquestioned. If our countrymen would patronize home institutions more generally it would keep a much larger amount of money in the country, where it could fructify and become available for the many Canadian enterprises which are from time to time launched forth, and money would thus become cheaper, and generally it would prove beneficial to the country. I may mention that in addition to the careful examination of our securities by a committee of the board and by our auditors, the Dominion Government inspector of assurance, Mr. Fitzgerald, made a careful scrutiny of them during the past year, and confirmed their accuracy. I have pleasure in seconding the adoption of the report.

The resolution was unanimously adopted.

THANKS TO THE OFFICERS.

B. E. Walker moved, seconded by H. McLaren, a vote of thanks to the president and directors for their attention to the interests of the company during the year.

In moving the resolution Mr. Walker said: Mr. Chairman and gentlemen, it is with much pleasure I rise to move this vote of thanks to the president and directors for their attention to the interests of the company during the year. I think it must be patent to the minds of all of us that the task of taking care of the business of this great company is a grow-

ing one—one that is increasing every year. I know personally what a task it is to take care of such an amount of money as fifteen million dollars yearly in the mere matter of selecting careful investments, but when we add to that the responsibility of conducting the business of the company—the necessity in these times of intense competition of selecting the risks, and the care that is necessary in doing so—we can understand the great responsibility that is thrown upon the directors and officers of this company. It seems to me that in reference to the future of this company there are a few points to bear in mind. The competitors are, many of them, Canadian companies, and I agree with the previous speaker that it is desirable that we should have other companies established, great and successful ones—like the Canada Life, and that it would help business in Canada. As for the American companies, I think it is quite clear that such corporations may be too large. While it is, perhaps, desirable to grow larger, size, after it gets beyond a certain point, is a great disadvantage, because the company that is under an economical management is at a disadvantage the moment it gets beyond the control of the comparatively small number of men who manage it. Companies in Scotland have difficulty in getting investments for their money, and cannot get as good a return as they did in the past. Taking all things into consideration, we can easily realize how the task of providing investments may be very great. Our position as competitors with American and Scotch companies has increased our business, and I do not see why the business of the Canada Life should not be as large as the directors desire it to be. On the whole, however, I think slow progress is the best, and all of us, as the years go on, will appreciate the fact that steadiness in progress is preferable to that volcanic sort of prosperity that some companies have had in the past, and which must necessarily be checked in times such as these.

Major McLaren—I have much pleasure in seconding the resolution, and I quite agree with the mover that this should not be a merely formal one. We are under obligations to the directors as the years go on, for the manner in which they look after the affairs of the company, and we should feel a great deal of gratitude to them. One feature of the report struck me as most satisfactory, and that is, the progress made in the State of Michigan, where we have been able to compete so advantageously with the American companies.

The resolution was unanimously adopted.

President Ramsay—I desire to return, on behalf of myself and the other members of the board, our warm thanks for the kind expressions which have been used concerning us. Our position is one that entails considerable anxiety and responsibility, and it is gratifying to know that our services are so appreciated by you. We highly value this vote expressing confidence in us, and do not by any means regard it as merely formal.

DIRECTORS RE-ELECTED.

W. Gibson, M.P., seconded by M. Leggat, moved the appointment of Messrs. W. F. Findlay and George A. Young as scrutineers of votes for the election of directors in room of the three retiring, and that the poll shall now be opened, and be closed upon five minutes elapsing without a vote being tendered.

In moving the above resolution, Mr. Gibson said: I have much pleasure in moving the above resolution, and it is scarcely necessary for me to add anything to it. The directors who have been conducting the business of the company have done so to our entire satisfaction. I cannot altogether agree with the vice-president regarding a national policy in the matter of insurance, for I carry my free trade principles into everything, including business. I notice that we refused 257 applications during the past year, and if we hadn't foreign insurance companies in the country, there would be no dumping ground for the Canada Life were these other companies not in the market. (Laughter.) I am proud of the prosperity that the Canada Life enjoys, and I am sure that it is the wish of us all that it may long continue in its present prosperous state, and be managed in the same admirable manner as in the past.

Mr. Leggat, who seconded the resolution, said the Canada Life has been distinguished in the past by a conservative, but also aggressive, policy.