

Meetings.

BRITISH EMPIRE MUTUAL LIFE ASSURANCE COMPANY.

The 52nd annual report of this company being for the year ending 31st December, 1898, was submitted at the annual meeting, held in London, on April 12th, 1899. It shows continued prosperity in the affairs of the company. Both report and balance sheet evidence that healthy increase which is desirable in the interests of policy-holders.

In the year 1898, the policies issued, all of which were paid for, were carefully selected risks, amounting to \$3,438,850, out of \$4,884,630 offered. The net life premium income is increased, its amount being \$1,357,906. The annuity business of the year was more than double that of any previous year in the history of the company. The purchase moneys received amounted to \$294,165 to secure new annuities for \$29,605, p.a. This phase of the business presents the surest possible sign of the confidence of the public in the financial stability of the company, for people always look for a strong company when they are going to buy an annuity. The interest revenue exceeded \$500,000, the rate of the yield on the whole of the funds, invested and uninvested, after payment of income tax, showing favorably with all the leading British offices, and being well in excess of the rates assumed in the valuation of the liabilities.

The death claims at \$800,000—they were \$750,000 last year—were again well within the amount expected, and allow a substantial profit on mortality account. It is also important to note that the cost of managing the business, including commission paid, was the lowest on record, being only 16.94 per cent. of the net life premium income. The cost of the Canadian branch (including all charges in full), was, as already announced, only 16.83 per cent., which is a record to be proud of. If the cost be shown as a percentage of the total income from all sources, then the ratio is only 10.64 per cent.

The audit of the accounts has been continuous, and of a very strict character, and was, as usual, conducted by the professional accountants appointed by the members. At the annual meeting the auditors testified in the following satisfactory terms:

"We found that the business was conducted on sound principles, with a due regard to the caution which should be observed in conducting a business of this kind. It has been especially gratifying to us to find, after having gone most carefully into the market value of the investments and property, that almost everything you have in the balance sheet is below its value. There is no doubt the house property and ground rents, as well as the convertible securities, are stated considerably below what it would be possible to put them at."

As a result of the year's effort, added to what had gone before, there are now 25,452 assurances in force for \$43,148,595, and 195 annuities securing \$93,735 per annum; moreover, the funds in hand have increased by \$850,000, and now amount to \$13,631,693, this total being heavily in excess of all liabilities, valued on the strict net premium method by the Hm. Mortality Table, with interest at 3 per cent.

It will be of interest to recall that the next bonus distribution falls to be made at the close of the present year, and it may fairly be expected that the solid and steady prosperity of the company, with its strong reserves and low cost of working, will result in the disclosure of another increase in the bonus-yielding power of the British Empire Life.

A few words should be said respecting the Canadian business of the year under notice. The net amount of the new policies issued and paid for in Canada was \$128,225 in excess of the previous year, while the proportion of the sums assured under new policies issued, to the amounts applied for, was only 63 per cent., showing careful examination of risks. Not a dollar of "Not Taken" business was placed on the books.

The average amount of the new policies issued was \$3,667, and the cost of the business was the lowest since the company commenced operations in Canada, nearly twenty years ago. The rate of interest earned during the year, on the funds invested and uninvested, showed an increase of nearly one-third or one per cent. over the previous year.

Viewed from every standpoint, the improving and staying quality of the business is apparent, and points to satisfactory future bonuses for the with-profit policy-holders of the British Empire Life Company in the Dominion.

It may be of interest to recall the financial standing of the company, as exhibited in the latest balance sheet. Although the balance sheet, as made up in £. s. d. does not show the surplus as our blue book does, we note that the assets in Canada were last year \$1,945,923, and the liabilities in Canada \$1,305,532; surplus therefore in Canada, \$640,391 at close of 1897. The total assets of the company at the close of 1898, as given at the meeting in April this year, were £2,768,266, which in our currency is, say, \$13,840,000. This is a showing of strength that should satisfy the most careful investor.

Correspondence.

THE CASH SYSTEM IN CANADA.

Editor MONETARY TIMES:

SIR,—In your issue of the 5th inst., there is an article, "Pay Your Notes," with some remarks from a correspondent, and stringent ones by yourself. Surely your correspondent cannot be a very old merchant or he would see a very great improvement in what he complains of compared to the state of things twenty or twenty-five years ago. It is better now; and the evil is growing less every year.

Your journal has a very large circulation with the retail merchants throughout the Dominion, and your most persistent effort to show them the advantages of the cash system over the credit system has had its effect. And considering the circumstances of our country the cash system has spread very rapidly. In fact, the sensible retailer sees now that unless he is prepared to buy and sell for cash, he is "not in it," with his competitors for business.

You may ask any old wholesaler or manufacturer who deals direct with the retailer what is his experience as to the amount he sells for cash—what I mean by cash is thirty days—now compared with what he did then. A retailer, then, who would pay cash, was an exception, but to-day a large portion of the retail trade is for cash. The progress has been marked, and now should be considered satisfactory.

The wholesale dealer and the manufacturer should allow the largest possible discount for cash, as an incentive to the retailer to pay on the spot; thereby he materially lessens his own discount at the bank and runs no risk for a bad debt. In giving credit he is obliged to get the larger price in order to pay the interest, and at the same time he has to act as insurer that he will get his pay.

Looking at the amount of business done to-day, and that done twenty or twenty-five years ago, there is not a tithe of the

credit business done by either in 1899 that was done in 1879, which is for the better, and all may thank your journal for its persistent and constant course in advising people in that direction.

E. K.

Walkerton, May 8th, 1899.

THE AUSTRALIAN CABLE.

Editor MONETARY TIMES:

SIR,—It might be instructive to quite a number of people if some figures were given about the probable cost of the cable from British Columbia shore to Australia, and the probable revenue, I think I have seen somewhere an estimate of the cost, but I never saw any figures about the estimated revenue. Where did Mr. Fleming get his ideas on the matter?

We all would like the cable, of course, and we would all hurrah over it as a "blest tie that binds," and an empire-builder, without giving any attention to who was paying for its up-keep. It will take quite a little penny to keep it up, and now that the Mother Country does not propose to take any hand in it, it will press heavily on us and the Australians for the first few years, until traffic develops, as it is sure to do.

Yours,

TRAVELLER.

London, May 8th, 1899.

ONTARIO INSTITUTE OF ACCOUNTANTS.

We give below further portions of the address of the president to the annual meeting, which we had not room for last week:

The examinations held in May last increased the number of associates by five; and nine gentlemen passed the intermediate and thereby became eligible for the final examinations of the Institute.

During the year the Institute lost by the death of Wm. Powis, a well-known and eminent member, one who, by his continued active work in public accountancy, linked the past decade of accountants with the younger members of the re-organized Institute. Mr. Powis, though departed, will live in our memories; if, for no other reason than as the author of that standard work on "Sinking Funds and Debenture Tables," a book in constant use by financial and municipal accountants throughout the province. Another old member of the Institute, Peter Corridi, has gone to his last rest.

Gentlemen, I am pleased to state that the standard of excellence of the monthly meetings has been maintained, and although the members of the Council, who have so kindly prepared the papers for such meetings, have not increased, I have great expectations as the result of many promises that others of our members will take some of that burden off the willing though wearied shoulders of the few.

The calibre of the candidates for the Institute's examinations has improved, and from all sides the Council have received encomiums of praise and thankfulness for the programme of practical subjects they prepared, and from which so much useful information of a practical nature was derived. You can corroborate me when I state that the merchants and financial gentlemen who attended the monthly meetings were peculiarly gratified with the discussions which took place at the conclusion of the reading of the papers.

I understand that within a few days a "Canadian Manual" will be published, in which the questions set by the Institute at the examinations in 1896—97—98 have been answered, and matters of practical accountancy discussed by two of the active members of the Institute, Messrs. Eddis and Hoskins. These two gentlemen ought to give us some valuable ideas as