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AND INSURANCE CHRONICLE,

DEVOTED TO FINANCE, COMMERCE, INSURANCE, BANKS, RAILWAYS, NAVIGATION, MINES, INVESTMENT PUBLIC COMPANIES, AND JOINT STOCK ENTERPRISE.

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TORONTO, THURSDAY, SEPT. 12, 1867.

SUBSCRIPTION, \$2 A YEAR.

Meetings.

ROYAL INSURANCE COMPANY.—The following is the conclusion of the Directors' Report, read at the annual meeting of the above Institution:

Though carefully avoiding, however, precipitate conclusions from the increased rigour now exercised in investigating proposals for Fire Insurance, the proceeding would be deprived of a large portion of its intended usefulness if the results were not carefully watched and tabulated as they occur from the first moment of its adoption.

It is found, then, in this way, that 33 Proposals have already been distinctly traced for sums amounting to a total of £77,643, declined by the Company, in this or preceding years, on which losses have occurred within the last six months, to the extent of nearly £400,000, which this office would have to pay if it had accepted the Insurances. It is a fair conclusion to draw from these statistics, that if every declined Proposal, without exception, could have been individually traced in like manner, the amount saved by cautionary processes would prove to be much larger than the sum actually discovered.

Doubtless, the same judicious course has been adopted by many Offices within the last year; and it is not too much to say, that if continued by them, and extended to all Companies, a powerful influence would be thereby created, that would have a direct tendency to bring Insurance Business again into a healthy condition.

Life Branch.—The present aspect and future prospects of the Life Branch remain as promising as ever, and it is confidently believed that the measures to be announced on this occasion will lead to its increased permanent prosperity.

The report of the last year exhibited the progress of the Company by grouping the Sums Assured into Four quinquennial periods, showing in the—

1st period of 5 years to 1849 a total sum assured of	£272,796
2nd " " " " " " " "	723,408
3rd " " " " " " " "	1,655,678
4th " " " " " " " "	3,430,215

Two years have now expired of a fresh quinquennial period, and it cannot but be deemed satisfactory evidence of great success to find that in those years (1865 and 1866) Assurances have been effected to the extent of £1,784,571, being more than the entire Five years of the 3rd period, viz., to 1859 inclusive.

It can be shown that in those same Two years the standard of eligibility has been strictly maintained, as 744 lives have been declined in the period for no less an aggregate Sum Assured than £418,975 12s. 3d.

These figures should not be passed over unheeded, since they indicate clearly the caution still exercised in accepting Lives, and they form the weightiest argument to induce good lives to select a Company which gives to its Assurers an entire body of co-partners with the best prospects of longevity.

The Directors would again refer to the estimate in the last Actuarial Report of a probable increase to the Life and Annuity Funds of One Million Sterling in 10 years, or of £100,000 annually, during that period. The actual increase to those Funds in the past year is £124,165 7s. 5d.

As one-half of a fresh quinquennial period has at the present moment expired, a statement of the increase of Funds invested for the period may be interesting:—

	£	s.	d.
In 1864—after appropriating the portion of Profits of the preceding five years to the Shareholders—the Funds stood at	621,434	15	5
In 1865, the Amount invested for the year, after paying all Claims and Expenses was	103,146	7	3
In 1866, do. do.	124,165	7	5

Whilst an estimate of the amount of Premiums during which is smaller than in the remaining six months) shows a Credit Balance of about

	£	s.	d.
51,000	0	0	0

Total Sums now Invested on the Life Accounts £699,746 10 1
This shows an annual increase in the Funds of £111,324 13s. 10d., considerably in advance of the Actuary's estimate. The computed expectation would indicate a small increase rather than a diminution of this annual addition to the Funds, at any rate for some few years to come.

It remains to be stated that the Sum Assured on New Policies for the last Six Months, shows a considerable diminution of amount,—a result which has, however, been experienced, it is believed, by many of the Life Assurance Establishments of the country, and is partly attributable to the commercial pressure of the period.

This, among other reasons, but more especially observations on the whole subject spreading over many years,

and, above all, the strong conviction which exists that the proposed step will give a fresh impetus to the Life Branch, which will operate continuously, have induced the Directors, on the advice of the Actuary of the Company, to determine on the propriety of the following changes with respect to the Distribution of Profits, viz.:

That the Bonus to be declared to the Participating Assured up to the end of December, 1869, be, as heretofore, two-thirds of Profits of the Life Business; but that at the following Quinquennial period, ending 31st December, 1874, the Participating Assured, both now existing and future, entitled to Bonus, shall participate at the rate of three-fourths of the profits. By this regulation all new Participating Assurances, from the 1st of January, 1868, inclusive (which do not by the existing regulations participate in the Bonus to December, 1869, not being full two years in existence at the time), will come under the new arrangement from the date of the Policies, by participating at the latter proportion, viz., three-fourths of the Profits of the Life Branch.

Directors.—The following Directors now retire, and are eligible for re-election:—Michael Belcher, Esq., Thomas Bouch, Esq., George H. Horsfall, Esq., Richard Houghton, Esq., Roger L. Jones, Esq., Edward T. Kearsley, Esq., William Smith, Esq., Charles Turner, Esq., M.P.

Dividend and Bonus.—The Directors propose to the Proprietors that a Dividend be declared of 3s. per Share, and a Bonus of 4s. per Share, together 7s. per Share, free of income tax.

The considerations which have induced the Directors to propose a continuance of the same Dividend and Bonus for the present year, have been partly anticipated in a preceding paragraph of the Report.

It is true that the payment of the Dividend will exhaust the amount remaining at the credit of Profit and Loss standing at the end of the year 1866; as, however, it can be accomplished without encroaching on the amount of Reserve, which will stand as before at the sum of £116,915 2s. 10d., it has been considered consistent with propriety to continue the same amount rather than declare a reduced sum on one occasion, which, from the present somewhat improved aspect of the accounts, might possibly not be deemed needful again. Looking at the heavy losses throughout the entire year, visiting all parts of the world, and hardly sparing one Insurance Establishment in this or any other country, it was not anticipated (until the accounts were made up and found to exhibit more favourable features than expected) that the Dividend could be paid out of Profit and Loss, leaving the reserve to stand at the amount at which it stood in the preceding year. There will, moreover, remain a sum of about £40,000, since added to the credit of Profit and Loss on account of the Profits of the present year.

The Proprietors will not fail to draw the following inevitable conclusions from a review of the whole subject:—
1stly—That if the adverse experience of the past years had been carried on to the same extent during the six months of the present year, it must have resulted in the declaration of a largely-reduced Dividend, extending through and possibly far beyond the period which marked the continuance of such disaster.

2ndly—That the uniform resistance made by the Directors in times past to the declaration of any Dividend likely to be reduced in time to come, is now shown to be in entire accordance with the true government of an Insurance Company; and,

3rdly—That any future periods of prosperity, when they arrive, should primarily be used to accumulate such a Reserve Fund as will give at least a high degree of probability that any future Dividends declared by the Directors shall be permanently continued.

These are the axioms which fixed themselves on the minds of the first projectors of the ROYAL Insurance Company, as self-evident truths, in their efforts to work out the problem of a safe and profitable investment for the money of the public. And it will doubtless be considered by the Shareholders in accordance with their present interests and future expectations of prosperity, that they should be continuously and inflexibly maintained.

THE DE LERY GOLD MINING COMPANY.—The Annual Meeting of this Company was held in Quebec, July 11th.

The following stockholders were present: Messrs. Buckingham, E. Burstall, Barbeau, J. Groaves Clapham, Coker, Cinq-Mars, Coman, J. Bell Forsyth, Fear, Fry, Greacen, Garneau, Glover, Hogan, Holbrook, Harris, Joseph, Kirwin, Levy, LaRue, Newton, Nash, R. F. Rinfret, Robt. Shaw, P. A. Shaw, H. S. Scott, M. Stevenson, J. Stevenson, H. Shackell, Vance, P. Vallee, F. Vezein, Wm. White, Wheeler, Winchell, Weippert and Wurtele.

The meeting being called to order, the Chairman read the Report of the Directors for the past year, in which

they state: "The finances of the Company will be seen to be in a state of entire soundness; and its resources are amply adequate to meet any reasonable requirements. At the same time, it would be well to dispose of the small remnant of Guaranteed Stock unsubscribed—only about four hundred shares of both issues—and thus close the subscription account."

The Directors have endeavored to make the management assiduous, intelligent and economical. Their confidence in the value of the property increases with each new evidence produced; and they have every reason to anticipate a complete success for the enterprise."

The Treasurer's report gave the following particulars: "At the last Annual Meeting, the number of shares of the Guaranteed Stock subscribed was 2099. Since that time all the Stock has been subscribed, with the exception of 15 shares of the First Issue, and 316 shares of the Second Issue. I may remark, however, that 75 shares are held in trust by one of the Directors, to be sold for the benefit of the Company. These shares had been issued in New York as collateral security for temporary loans, which have since been liquidated."

Of the Common Stock, the sum of \$1,250,000 is now held in trust by one of the Directors, to be issued in the proportion of five shares to one, to the stockholders of the Second Issue, so soon as the par value of that stock shall be reached. The sum of \$320,000 is similarly reserved, in the proportion of ten shares to one on the Guaranteed Stock of the First Issue, when full paid; leaving a balance of about \$1,780,000 in the hands of the Company."

Mr. Winchell, the General Manager, also made a report which fully detailed the operations of the Company. He said: In the month of February, the American Directors increased the subscribed stock of the Company in the United States about \$100,000; and in March, through the intelligent efforts of the Quebec Directors, additional subscriptions were made in Canada to the extent of \$140,000 more.

In April a reorganization of the Board was consummated, giving the practical supervision of affairs to the Directors in Canada, and transferring to the office here all books, registers and vouchers. During this month also, I engaged Prof. H. Y. Hind, of Nova Scotia, to make a geological survey of the north-east quarter of the Seigneurie during the month of June. The weather and the condition of the roads prevented the prosecution of outside work on the property during this month, and a large portion of the next.

In May, however, the office in Quebec was completely organized, the mill finished and made ready for work, and a quantity of rock prepared for treatment.

On the first day of June, at seven o'clock in the morning, the whistle of the quartz mill sounded, and the stamps commenced work, which has been regularly continued to the present time.

During that month, it was my constant effort to procure as many practical tests as possible by working mill process, of the character of our quartz rock. Some half dozen lots, from three to twenty tons each, from different ledges, were crushed, and amalgamated by the simplest process; in every case yielding more or less amalgam (which I have deposited in the Quebec office) and in several instances giving evidences of decided value. As this rock, with one exception, was taken from the surface, I regard the results as remarkable, and more encouraging than we had any right to expect from a trial of this nature. By this severe process, exercised on raw material—unselected, and generally intricable from the presence of sulphur, arsenic and iron in large quantities—the actual result is necessarily made as unfavorable as possible. After crushing such rocks, months of time, and the action of the elements on the mass, are absolutely essential to the mechanical separation of the gold from its base associations. In proof that we did not extract from the rock treated nearly all the precious metal it contained, one assay, of course, would not have sufficed. And reason and universal experience teach us that when rock shall be procured from the heart of the vein, and treated by the means prescribed by science and approved by practice, for the various positions in which it exists, the amount of gold procured by mill process will be largely increased. In proof of this, the later assays of Prof. Hayes, of rock taken out from different depths on the same vein, show greatly increased richness.

During the same month, it was also a matter of solicitude with me to terminate the trespasses so long tolerated on the alluvial property of the Company. These were mainly in the Valley of the Gilbert River, on some lots where the agricultural right is owned by the Reciprocity Company, an organization of American capitalists, whose purchase seems originally to have been made under the mistaken belief that the right of soil carried with it the right to mine. Vigorous legal proceedings had been commenced in April; after which this Company manifested