

# THE GENERAL ACCIDENT ASSURANCE COMPANY OF CANADA, Toronto, Ont.

## First Annual Report.

The Directors beg to present the First Annual Report to 31st December, 1906.

The premiums, less re-insurances, amounted to \$23,660.32, interest on investments \$762.73, and the sum of \$25,000.00 was received as premium on Shares issued; making a total income of \$49,423.05.

After including all Organization expenses and other charges, and making liberal allowance for outstanding claims and unexpired risks, the Revenue Account shows a credit balance of \$8,817.66.

The Directors consider the results shown by this statement to be satisfactory in view of the fact that the Company only commenced business in the latter part of 1906.

Toronto, 16th April, 1907. CHARLES COCKSHUTT, President.

## BALANCE SHEET AS AT 31st DECEMBER, 1906.

Liabilities.		
Capital Subscribed	\$200,000 00	
Capital Paid Up	\$50,000 00	
Sundry Creditors	1,171 19	
Balances due other Companies	345 44	1,516 63
Reserve for Unexpired Risks and Claims awaiting Proof	17,228 81	
Balance of Revenue Account	8,817 66	
		\$77,563 10
Assets.		
Investments at Cost:		
City of Kingston 4½% Debentures	\$ 3,045 90	
Winnipeg 4% Debentures	12,910 00	
Victoria 4% Debentures	5,940 00	
Hamilton 4% Debentures	9,782 74	
Town of Brampton 4¼% Bonds	12,459 02	
Niagara Navigation Co.'s 4½% Bonds	9,626 00	\$53,763 66
Interest Accrued on above	373 38	
Cash in Bank and in hand	4,721 41	9,684 92
Sundry Debtors		
Agents' Balances	155 34	
Bill Receivable	131 40	
Outstanding Premiums (less cost of collection)	7,593 59	7,880 33
(Reserve on above included in Liabilities.)		1,139 40
Furniture and Fittings		\$77,563 10

## REVENUE ACCOUNT TO 31st DECEMBER, 1906.

Revenue.		
Premiums	\$26,934 93	
less Re-insurances	3,274 61	\$23,660 32
Interest on Investments	762 73	
Premium at 12½% on 2,000 Shares	25,000 00	\$49,423 05
Expenditure.		
General Expenses: Including all Organization Expenses, Law Costs, Commissions, Printing, Stationery and Books, Rents, Taxes, Salaries, Directors' and Auditors' Fees, etc.		\$22,991 48
Claims	1,385 10	
Reserve for Unexpired Risks	16,228 81	\$40,605 39
Surplus as at 31st December, 1906	8,817 66	
		\$49,423 05

W. G. FALCONER, Managers.  
C. NORIE-MILLER.

Audited and found correct,  
H. D. Lockhart Gordon, F.C.A. (Can.)  
Toronto, January 29th, 1907.

## President.

Charles Cockshutt, Esq., Director, Imperial Bank of Canada.

## Vice-President.

D. R. Wilkie, Esq., President, Imperial Bank of Canada.  
Directors.—Hon. Senator Robert Jaffray, Vice-President, The Crows Nest Pass Coal Co., Limited, Fernie, B.C.; J. Kerr Osborne, Esq., Vice-President, The Massey-Harris Co., Limited; T. J. Drummond, Esq., Vice-President, The Lake Superior Corporation; R. Hobson, Esq., Vice-President and General Manager, The Hamilton Steel and Iron Co., Limited; F. Norie-Miller, Esq., J.P., General Manager, General Accident Fire and Life Assurance Corporation, Limited, of Perth, Scotland; Oliver Adams, Esq., Toronto;

Franklin J. Moore, Esq., Vice-President and Secretary, General Accident Insurance Co., of Philadelphia, Pa.  
Managers for Canada.—W. G. Falconer, C. Norie-Miller.  
Auditor.—H. D. Lockhart Gordon, Toronto.

## INVESTMENTS AND EARTHQUAKES.

At the very time special efforts are being made to promote the investment of outside capital in the West Indies and Mexico, both countries have been visited by disastrous earthquakes. These occurrences have been frequent recently. They cause investors to become anxious for their capital. News of the destruction of three Mexican cities this week gives additional anxiety in this respect. A correspondent sends the following views on the question of investments being made in enterprises situate in the earthquake zone. One would hardly wish as a result of these earthquakes that foreign capital should be withdrawn. But our correspondent is desirous, evidently, of emphasizing the fact that the opportunities for investment in Canada are far from being exhausted.

The seismic disturbances of the past few years, he says, are in future bound to influence very considerably the movement of capital. At the beginning of the present century the average investor never thought seriously of earthquakes as a factor, when considering the various projects placed before him by the promoter. Strikes, hard times, taxation, the tariff, and the growing tendency on the part of the public to strike from franchises all clauses favoring of monopoly, were the features which attracted attention. When the Canadian captains of industry commenced to build railways and develop the water powers of Brazil, Mexico, Cuba, Jamaica and other southern countries, the only upheavals feared were those of a political nature. These being set at rest, and practically all the ventures showing evidences of a splendid future, the way of the promoter became comparatively easy. An enormous amount of Canadian capital drifted into southern enterprises. The returns, so far, have proved in most instances unusually satisfactory and the security undisturbed.

## Earthquakes Must be Reckoned With.

A most unexpected menace to the security of these southern enterprises has appeared within the last few months in the occurrence of the San Francisco, Jamaica, and Mexico earthquakes. The first of these came as a severe blow to the financial world last spring. Thousands of enterprises and millions of money disappeared before there was even time to flash the news to the outside world. The full effect of the upheaval which shook the Californian city to its very foundations has not been felt yet. It was only a few weeks ago that the failure of several insurance companies, as a consequence of the losses, was announced.

Following on the heels of the San Francisco disaster, is another in the Island of Jamaica. Here again the destruction of property means the wiping out of industries which, but for the earthquake, might have given a splendid return to those whose money was invested in them. Montreal has much capital at stake in traction and other enterprises in the West Indies and Mexico. Even taking the most hopeful view, it will be difficult probably for some time to come, to get capital to invest in these countries.

It becomes now of the utmost importance to acquaint ourselves with the latest word of science respecting earthquakes and their probable areas. Much data have been collected upon the subject, and it is now possible to define, at least in a general way, the earthquake zone. These earthquake disturbances form a line along certain portions of the earth's surface. Henceforth the investor will demand big returns for taking risks in this area, while the really prudent will probably avoid it altogether.

## Canada in No Danger.

Under the circumstances, the information contained in a lecture given in Montreal by Professor F. D. Adams, professor of geology and Palaeontology, at McGill, is interesting. Explaining the causes of earthquakes, he said that as the earth revolved in the cold atmosphere, its crust was constantly contracting, and hence the displacements. The displacements of faults were marked by fissures following the crust of least resistance. The shifting of the strata along these fissures produced the shocks. Sometimes the pressure squeezed the earth's bowels out through volcanoes, these occurrences being frequently coincident with eruptions. Professor Adams then referred to the screen, showing that the zone of greater seismic disturbances followed the margin of continents. There was a long fissure or "fault" extending from Alaska and running along the Pacific coast as far as Chili, passing through the West Indies. Similarly, the margins of most of the European continents were also subject to severe earthquakes and included dangerous volcanoes. The site of San Francisco was particularly dangerous as the Pacific "fault" passed through it. It was not necessary to change the site of San Francisco entirely as some had suggested, but by careful engineering much damage could be avoided in the future.

The regions of the Island of Jamaica were likewise subject to seismic disturbances. The coast of the island was

a "fault" which plunges the sea. Earthquakes any time.

It is well to be to Canada is in no danger. While making Canada will also attract capital in other places. It is of these southerly enterprises in Brazil, in which an has been invested—to from earthquakes in the capital is due more to management on their earthquake zone is still

## ATTRAC

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Some further st reached the Monetary Mines Company mak shares may be bought "A careful investigati directors," says the conservative investor is in safe hands. All for these men have n note that no officer o mine superintendent, the dividend paying s annually declared." come event is likely t

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