

Assets.

Mortgages and real estate...	\$4,200,198.20
Bonds and debentures	1,386,436.43
Loans on policies and stocks	604,224.52
Outstanding and deferred premiums	202,069.57
Int. and rents due and accrued	128,390.47
Cash in banks, and sundries	101,902.33
	\$6,825,116.81

Liabilities.

Reserve, Hm. 31-2 and 4 1-2 p.c.	\$6,230,728.00
(Reserve, government standard, \$6,178,459.00)	
Declared profits	90,690.52
Capital stock paid up.....	100,000.00
Sundry items	39,721.24
Cash surplus	308,977.05
	\$6,825,116.81
Cash surplus (Gov. standard)	\$ 416,206.05
Capital stock	\$1,000,000
TOTAL SURPLUS SECURITY FOR POLICYHOLDERS	
ERS	\$1,416,206.05

AUDITOR'S REPORT.

We beg to report that we have completed the audit of the books of the association for the year ending December 31st, 1898, and have examined the vouchers connected therewith, and certify that the financial statements agree with the books and are correct.

The securities represented in the assets (with the exception of those lodged with the Dominion Government, amounting to \$84,600, and those deposited with the Government of Newfoundland, amounting to \$25,000) have been examined and compared with the books of the Association, and are correct, and correspond with the schedules and ledgers.

The bank balances and cash are certified as correct.

W. R. HARRIS, R. F. SPENCE Auditors
Toronto, March 4th, 1899.

Sir W. P. Howland, President, in moving the adoption of the report and financial statement, said:

"It affords us sincere pleasure, gentlemen, to be able to present you with the report and statements in regard to the business and the position of the company which you have just read. They afford evidences of satisfactory progress and success in every department of the company's business. The new business secured during the year, notwithstanding the increased competition, was somewhat in excess of that obtained in the previous year, and at the end of the year we had insurances in force aggregating \$29,677,418, an increase of \$1,245,417 over the amount in force at the end of 1897. This large and satisfactory amount of business has all been obtained while the expense ratio of the company has been less than that of the previous year, which proves that the business of the association continues to be of a permanent and reliable character. The death claims for the year aggregated \$183,931, which were \$59,693 less than those of the previous year. Our financial statements show an increase in income for the year of \$46,670.00. There was paid to policyholders during the year the large sum of \$453,973, and our cash surplus over all liabilities, according to the government standard of valuation, is \$116,206, an increase over the previous year of \$50,367.

"We consider that these facts fully justify us in the belief that they will prove eminently satisfactory to our policyholders and shareholders, and will insure the continuance of the generous support which the company has received from the public."

Mr W. H. Beatty, Vice-President, in seconding the adoption of the report said:

"I will not make one remark, which I am sure you will be delighted to hear, and that is, that it will be particularly gratifying to the gentlemen of the field staff,

namely, that this year, down to the present time, the business secured is largely in excess of that for the corresponding period of last year, and is greater than that of any previous year."

Mr. W. Macdonald, in moving the resolution thanking the President and directors of the Association for their faithful attention to the affairs of the Company, during the past year, said: "I do not think, in view of the report which we have just heard read, and the remarks of the President, and the one remark made by the Vice-President, that a resolution of this kind ought to be considered of a formal character. As a policyholder I have had a great deal of satisfaction in substantial reductions made upon my premiums out of the profits, and I have been a shareholder with very considerable satisfaction to myself, and while it is true that the President, Vice-President and Directors are in one sense doing no more than their duty in looking carefully after the affairs of the Association, as has been done last year, yet I think that it is due to them that there should be an earnest word of appreciative thanks, seeing that the duty has been so well discharged as in the present case. I therefore have much pleasure in moving this resolution."

Rev. Mr. McGillivray, in seconding this resolution, said: "I share very fully with the pleasure of the mover of this resolution in rising to second it. My pleasure does not reach quite as far as that of the mover. He is both a policyholder and a stockholder. I only have the privilege of being a policyholder in the Confederation Life Association, but I feel in that particular I have, in common with all policyholders, a very good and a very safe investment, and if it does not yield any very immediate returns, it is sure to yield very satisfactory returns in due time, if not to myself, to others.

"No one can read the statement or hear it read without being fully satisfied with the very satisfactory way in which the business of the Association has been conducted and prosecuted during the year.

"It is interesting to notice that the income from premiums is very near the million mark, and that the income from interest and rents has been more than sufficient to pay all the death claims during the year.

"Speaking for the policyholders and as one who has now been a policyholder for twenty years, I have very great pleasure in expressing my entire satisfaction with the way in which the business of the company is conducted, and the splendid exhibit which has been presented to us of the past year assures one that the greatest possible care has been bestowed upon our affairs by the Directors and Officers of the Association, and with very great satisfaction I second the resolution proposed by Mr. Macdonald."

A resolution thanking the officers the members of the agency and office staffs for their faithful service in the interests of the Association during the past year was proposed by Mr. W. H. Gibbs and seconded by Hon. James Young and replied to by many of those present, the members of the field staff generally expressing themselves as highly gratified with the very encouraging report of the operations of the Association for the past year, which has been presented to the meeting.

All the retiring Board of Directors were unanimously re-elected, and at the meeting of the new Board, held immediately after the adjournment of the annual meeting, Sir W. P. Howland, Q. R. K. O. M. G., was re-elected President, and Messrs. Edward Hooper and W. H. Beatty, Vice-Presidents.

The Union Shoe and Leather company, Winnipeg, is meeting with such a demand for its products that the facilities for turning out work have to be increased as rapidly as improvements in machinery appear. This spring about \$7,000 worth of new machinery is being put into their boot and shoe factory.

THE GROCERY TRADE.

CHEAP GOODS.

In these days of keen competition among merchants to get something that they can sell cheaper than competitors it would seem desirable on the part of merchants to endeavor to cultivate a demand for quality, rather than for the lowest priced goods. Many consumers could be easily educated to call for quality rather than low cost, particularly in regard to food stuffs. Even as it is, those who give more attention to quality than to price, will succeed the best in the long run. If merchants would study the composition of the goods they sell and have their clerks do the same, with the object of posting their customers, they could do much to cultivate a demand for good goods, and certainly it is more satisfactory to sell good than poor stuff. The following from an exchange will indicate the different plans followed in the different stores. We will guarantee that the clerk who recommended the pure article did more to gain and keep a good customer than in the case of the one who pushed the sale of the lowest priced goods:

Scene 1, Grocery Store, (Clerk behind the counter).

Enter Lady—Good morning, sir.
Clerk—Good morning, mam. What can I do for you this morning?

Lady—I want a pound of tea.
Clerk—Yes, Mam, what kind would you like?

Lady—What kind have you?
Clerk—Black or green.
Lady—I will take it mixed.

Clerk—What price?
Lady—What prices have you?
Clerk—60c 50c, 40c, and 25c. We have a lovely 25c tea, just as fine a tea as you want to drink.

Lady—Well, give me a pound of that.
Clerk—Anything else?

Lady—What kind of coffee have you? I like it good.
Clerk—We have a very fine coffee at 20c.

Lady—I'll take a pound of that if you can recommend it.
Clerk—And anything else, mam?

Lady—I want a pound of good jam.
Clerk—Yes, mam, we have a good pure jam at 7c a lb.

Lady—Give me a pound of it. Would you please send them up?
Clerk—Yes, mam. (Exit Lady.)

Scene 2, Grocery Store (Clerk behind the counter).

Enter Lady.
Clerk—Good morning, mam.
Lady—Good morning, is not this a lovely morning?

Clerk—Indeed, it is just an ideal day. What may I have the pleasure of doing for you to-day?

Lady—I want to get a pound of nice tea, one that you can recommend.
Clerk—Yes, mam, something I suppose at about 50c. or 60c. We have something nice at those prices.

Lady—Have you anything less than 50c or 60c?

Clerk—Certainly, mam, but you asked me for something I could recommend. Now I always make it a point never to recommend an inferior article, as I always feel that my reputation is at stake, and it is the same with teas as it is with most other articles of diet, there are the pure and the impure. I always believe in recommending the pure because I have too much respect for