

tone. It is the intention of the company to publish these more fully later for the information of its policy-holders.

MR. B. E. WALKER'S OBSERVATIONS.

Mr. B. E. Walker, general manager, Canadian Bank of Commerce, made some very important observations in moving a vote of thanks to the company's solicitors.

Mr. Walker said: The solicitors of a great company have a very serious responsibility cast upon them; of this the most evident to us is that of looking into mortgages, and keeping the company (as this firm has so successfully done for fifty years) out of litigation; but while that is a very serious it is not the most serious responsibility. There is the question of debentures and bonds and loans of all kinds, and death claims; but beyond all that there is the great advantage of a solicitor of a company, especially if he be also a director of the company, being so well acquainted with the general business of the company that as a director as well as a solicitor he may, on all kinds of subjects, offer the calmer wisdom that a lawyer with a judicial mind is more apt to have than business men. This company has been singularly fortunate in that respect, and I wish to bear special reference to it at this time, because you know we have been talking of the Canada Life passing through what may be called a critical period in its existence. This is not only the end of a quinquennium, but we are here to meet a fall in interest, partly because we see it is necessary ourselves and partly because of the action of the Government; and also because the old administration is passing away. I might say here that ex-President Ramsay occupied several offices that are occupied now by at least four men to-day. This is the beginning of a new administration, and, as you have been told, this company has been keel-hauled from stem to stern, and has been gone over in every part, has been examined in a manner that in my own experience in other institutions few companies have ever been subjected to, and in all this we have had the greatest possible help, not only as an ordinary business man, but as a solicitor, and in every way, from Mr. Bruce.

Departing from the mere matter of the resolution for a moment, I would like to say that there is one point which has not been very emphatically made here to-day: it is this: This company has been at the end of a long administration put through the crucible, a thing which to any company, bank or other institution, whether it results in a disappointing statement or not, is of enormous value, because in that we have a supreme test; and that test has been responded to, and the company has been able to stand it. That is a thing every agent, every policy-holder, every shareholder of the company, everyone concerned in the Canada Life, might bear in mind, that after a long period of administration, largely by one man, whose administration we all respect, it has been put to the supreme test, and has answered to it so splendidly. There is this point to remember in addition, that if it hadn't been necessary to make this adjustment of interest, we would have presented after the examination a statement practically not different from all the statements of the past. The great thing in a company after all is to know whether we are really doing the right thing, the wisest thing. No bank, no insurance company, no mercantile company, and no business concern of any kind, has ever yet suffered from doing the thing that was the right thing. (Hear, hear). And I believe that is what we are doing to-day. I do not hesitate to say that my own view is in favor of going to three and a half per cent. entirely. I cordially agree with what has been done, it is a more moderate course, but I wait for the time when this company will be able to say it is on a three and a half per cent. basis, and will point to the fact that it stands where the best companies in North America stand, and that it is able to put itself in the front in that position.

I have slipped away from my resolution, except that through all the discussion and consideration we have had—new legislation at Ottawa as well as everything else—we have been greatly blessed in having on the board one gentleman (Sir George Burton), who had long since retired from the firm of solicitors, but who had that experience, and another, who is actively engaged to-day in the work of solicitor of the company as well as being a director.

I have pleasure in moving that a vote of thanks be tendered to the solicitors for their attention to the legal business of the institution for the past year; coupled with the names of Mr. A. Bruce, Q.C., and Mr. Warren F. Burton.

Mr. A. Bruce, Q.C., in acknowledging the vote of thanks to the solicitors, said:

I acknowledge with gratitude this expression of your satisfaction with the way in which the solicitors have discharged their duties, for it is a great satisfaction to the lawyer who honestly gives of his best to his clients to find his efforts appreciated.

As I am addressing what is in part a new constituency I may be pardoned for referring with some measure of pride to two points—first, that among the many millions of dollars of securities for money which have passed through our hands there has never been one instance of a defective title in any class of security; and second, that we have kept the company much out of the courts, and thus left the officials free to attend to the management of its affairs instead of being harassed with litigation.

The solicitors are not entitled to all the credit on these points.

for the care exercised by all connected with the company, both in the insurance of lives and in the investment of the funds, no doubt conduces largely to the immunity from loss and litigation which the company has enjoyed; and this observation leads me naturally to say something of the company's investments and the safeguards which are thrown around them, which may not be out of place at this time.

This is an important epoch in the company's history and affairs, as it has recently come under new executive management, and it happens that the quinquennial investigation report, which is presented near the beginning of that management, goes to show that the company cannot afford to pay so large a bonus to policy-holders as heretofore, and that may be a source of disappointment to some.

The diminished bonus is due entirely to the lower rate of interest received on investments in recent years, as has already been pointed out by others, and I may be permitted to give one illustration on that point. In giving evidence before the County Judge at Hamilton, some two years ago, on the question of assessment on income, Mr. Ramsay showed the respective amounts received from premiums and interest thereon in the case of a given number of lives entering at the age of thirty for a twenty-year endowment, and the proportions on \$1,000 were:

\$660.33 from premiums
and \$339.67 from interest earned thereon.

As life insurance is largely undertaken as a provision for the wife and children of the assured it may be assumed without argument that the chief desire of the assured is that the payment of the policy should be safe beyond question of doubt, and those who are assured in the Canada Life Assurance Company are entitled to feel that, as I believe.

The statements submitted in the report show abundantly the solvency and strong position of the company at the present time, after it passed through the ordeal of an investigation by the Michigan Insurance Department, where five experts were occupied nearly four weeks, and the close scrutiny of a new official, the treasurer, who naturally does not care to take over an asset at more than its worth.

You, therefore, begin with a sound basis reflecting credit on the late management, and I want to say a word as to the protection afforded for the future.

1. You have the limitations imposed by the Dominion Legislation on Insurance Investments, and here I may say that the Government last year considerably extended the area, and wisely so, in view of the large amount of funds of insurance companies seeking investment beyond the limited classes formerly open to some companies, realizing as was pointed out by the Canada Life at Ottawa some years ago that after all much must depend on the wisdom and good judgment of those entrusted with the investments.

2. The treasurer is at the head of the Investment Department, his life has been spent in financial matters, and his whole time is devoted to seeking out and looking after the company's investments, and the importance of the profitable use of the funds is shown by the illustration I have given, and it is true economy to have that department in very competent hands.

3. The treasurer having thoroughly investigated a proposed investment, brings it before the Board of Directors with all the information obtained and the board pass upon it, and it is worthy of mention that the board adopts the practice of not passing any investment should any director take formal exception to it.

4. And before the investment is carried out the solicitors of the company pass upon its validity from a legal aspect.

5. Besides all these safeguards all the securities pass under the scrutiny of the Dominion Superintendent of Insurance year by year, and are subject to enquiry and inspection by the Insurance Departments of the various States in which the company transacts business.

6. Then the securities when taken are kept most carefully in a fire and burglar proof safe with two combinations, kept by two officers, independent of each other.

7. Further, the securities are yearly or oftener examined by a committee of directors, and also by the auditors, who make a continuous audit during the year of all the money transactions of the company.

I trust that the policy-holders will fully realize the care taken in making investments and providing for their continued safety and security, and will continue the confidence in the Canada Life Assurance Company which the company has so long enjoyed.

The following gentlemen were appointed directors on behalf of the policy-holders: Sir Geo. Burton, Hon. Donald McInnes, Very Rev. Dean Innes, A. Bruce, Q.C., Wm. Gibson, M.P., J. W. Flavell, Esq.

The following gentlemen were elected directors on behalf of the shareholders: F. W. Gates, Esq.; Adam Brown, Esq.; N. Merritt, Esq.; B. E. Walker, Esq.; Hon. Geo. A. Cox, Z. A. Lash, Q.C.; Dr. John Hoskin, E. W. Cox, Esq.; H. B. Walker, Esq.

At a subsequent meeting of the directors the Hon. Geo. A. Cox was unanimously re-elected president, and Mr. F. W. Gates vice-president.