

ties, and demand from all State dependencies any information considered necessary.

— The following is a copy of a letter received by a railroad officer demanding damages for the killing of a cow on the track of a railroad in the West:

"Dear Sir,—I am informed that some time about Christmas one of your trains run over and so crippled a black-spotted heifer of mine that she had to be killed. Mr. — says he skinned her and can give date—or near it—of the accident. This heifer was not a 'Durham' or any other thoroughbred stock, but she was the last of the young stock from a cow my wife's mother gave her fourteen years ago, and we hoped to perpetuate the stock through her. Now my wife says she wants \$15 for that heifer as legitimate damages; if you pay constructive or any other damages on the love and affection part, why it will foot up more. Let me hear from you—if I have got to prove all that—if not send us what you usually pay. Of course we hated especially to lose this heifer, but I have always received such fair dealings from you that I will not grumble at whatever you may do in the premises. We have only two more cows on our farm to kill, if you wish to commute for those and run over them at your leisure, make us a proposition."

CONFEDERATION LIFE ASSOCIATION.

The seventh annual meeting of the Association was held at the head office, Toronto street, Toronto, on Thursday, April 10th, at noon. The Hon. W. P. Howland, C.B., President, took the chair, and Mr. J. K. Macdonald, Managing Director, acted as secretary. The following gentlemen were also present:—Hon. W. McMaster, W. H. Gibbs, James Young (of Galt), John N. Lake, John Langton, T. C. Irving, C. E. Hooper, J. N. Yeomans, F. A. Ball, Wm. Elliot, R. S. Baird, R. Manning, E. Hooper, Irwin Diamond, L. Goldman, Dr. Oldwright, W. S. Lee, His Worship Mayor Beatty, S. Nordheimer, J. H. Mason, J. C. Hamilton, J. Adamson, C. Carmichael. After reading the notice calling the meeting, the minutes of last meeting were taken as read and confirmed. The President then submitted the following report and financial statements:—

Your Directors beg to report that during the year 1878 1,289 applications for assurances amounting to \$1,957,018 were received. Of these, 1,173 for \$1,741,318 were accepted, and 1,174 policies written. 107, for \$202,700, were not considered desirable risks, and were declined; 9 were deferred for a time.

The continued depression in trade and commerce has borne so heavily upon the income of many persons as to leave them without the means to pay their premiums; this, together with the very liberal rules of this Association in respect to surrender values, has doubtless led to an abnormal number of lapses and surrenders. Your Directors, however, have no reason to believe that, notwithstanding the liberal surrender values given, the business will be less favourable than that of other Companies. The cash account and balance sheet, which are submitted herewith, will show a satisfactory increase both in income and assets, while a handsome surplus has accrued from the business of the year. The audit of the Company's affairs has been made in the same efficient manner as in the past. A special Committee of the Directors has, as heretofore, gone over the securities. The report of this Committee will be found appended hereto. The Actuary has made the valuation of the liability under the policies and annuity bonds granted by the Association. His report is also appended.

Two half-yearly dividends at the rate of 8 per cent. per annum were paid to the shareholders in the year 1878, which, with the bonus of 2 per cent., makes 10 per cent. In considering the dividend for the half year ending December 31st, 1878, your Directors felt that it might be more satisfactory to have a dividend of 5 per

cent. each half year instead of 4 per cent. and a bonus, and as the state of the account would warrant this, a dividend of 5 per cent. was ordered and has been paid.

The Board realizing that annual valuations and the issue of an annual balance sheet afford the greatest possible security, not only to the policy-holders, but also to the Directors in dealing with matters for the relief of the policy-holders, felt warranted in adopting the plan of an annual distribution of the ascertained surplus, and the application of one-half of the surplus at the credit of policies of five or more years standing, in the following manner:—First—in helping to pay the premium for the succeeding year. Second—in case of death, in the purchase of a bonus addition to the policy or in case the party takes his profits in cash, the moiety to be paid in cash with the claim.

The effect of this will be seen from the average of 32 policies of various ages ranging from 22 to 56, on which the premiums are \$3,316 16. Half of the profits for the one year 1877 represents a reduction in the premium of nineteen per cent., an equal percentage being carried forward to the credit of the policies to be dealt with at the next quinquennial division. This will be a substantial relief to our policy-holders.

Your Directors felt it wise to ask Parliament for an amendment to the Act of Incorporation by which the Association will be enabled to make direct loans on the policies, also to repeal sub-section 5 of sec. 13 of the Charter. This clause had been intended as a protection to the mutual policy-holders by limiting the liability, but, owing to an unfortunate wording, was susceptible of being misrepresented and distorted. Power was also asked to make investments in the securities of Great Britain and Ireland and in those of the United States to an extent necessary for deposit purposes, so that at any time it may be decided to do business in these countries the necessary investments may be made. The Amending Act granting these changes and powers has passed the Commons, and there is no doubt but it will be duly passed in the Senate.

It having been announced in the speech from the Throne that the question of the Government taking up the business of Life Insurance would be brought before Parliament, your Directors deemed it wise to co-operate with the other Life Companies in remonstrating with the Government, and it is to be hoped that due attention will be given to the facts brought before the Finance Minister and other members of the Government. In resigning the charge of the affairs of the Association, your Directors have pleasure in being able to congratulate the meeting on the satisfactory condition of the business, all branches of which have had the close attention of the Board. At the same time they desire to bear testimony to the devotion and efficiency of the officers and agents. The Act of Incorporation provides that all the Directors retire, but are eligible for re-election. J. K. MACDONALD, W. P. HOWLAND, Managing Director. President.

CASH ACCOUNT.

1877.	Dr.	
Dec. 31. To cash on hand and in banks.....	\$ 12,412 68	
1878. To cash for premiums.....	147,799 56	
Dec. 31. To cash for premiums on annuities.....	1,100 00	
To cash for interest.....	24,124 38	
To cash for deposit on debentures account.....	71 49	
To cash for loans on policies repaid.....	261 39	
To cash for loans on mortgage repaid.....	37,988 32	
To cash for loans on debentures repaid.....	4,456 00	
To cash for loans on stock repaid.....	4,650 00	
To cash for sundry sources.....	868 82	
To cash for loss under policy re-assured.....	610 00	

\$234,342 64

1878.	Cr.	
Dec. 31. By expenses for year.....	\$45,403 84	
By re-insurance.....	2,976 89	
By surrendered policies.....	3,495 68	
By death claims.....	30,621 85	
By profits to policy-holders.....	2,914 18	
By one year's dividend on stock.....	5,000 00	
By annuities.....	700 00	
By profit and loss account.....	29 28	

INVESTMENTS.

By mortgages.....	\$103,717 04
By debentures.....	5,151 02
By loans on stock.....	8,760 00
By Government five per cent. deposit.....	600 00
By loans on policies.....	5,450 69
By sundry advances.....	431 56
By furniture.....	285 38
	\$124,385 69
By cash in banks.....	18,760 43
By cash on hand.....	54 80

\$234,342 64

BALANCE SHEET.

Liabilities.

Dec. 31, 1878.	
To assurance fund, on the Hm. Institute of Actuaries' mortality and 4½ per cent. (including bonus additions).....	\$323,035 85
Less for reserve on policies re-insured.....	9,045 98
	\$313,989 87
To reserve on lapsed policies, liable for surrender or restoration.....	3,396 75
To annuity fund.....	6,095 40
To losses by death, accrued but not due (since paid).....	4,060 00
To all other accounts, including premiums paid in advance.....	4,276 71
Total liabilities to policy holders.....	\$331,818 73
To amount of paid-up stock, being 10 per cent. on subscribed capital of \$500,000.....	50,000 00
To amount held to cover the cost of collecting the premiums outstanding and deferred on Dec. 31st, 1878.....	3,377 07
To half year's dividend on stock, payable 1st Jan., 1879.....	2,500 00
To surplus.....	68,040 53
	\$456,337 23

Assets.

Dec. 31st, 1878.	
By Debentures (Market value, \$111,258 35)..... (cost)	\$107,378 22
By Mortgages.....	265,077 04
By Loans on Stock.....	9,350 00
By Government 5 per cent. stock (par \$4,100)..... (cost)...	4,097 50
By Loans on Policies.....	6,095 69
By Sundry Accounts.....	541 05
By Furniture.....	1,124 69
By cash on hand.....	54 80
By cash in Banks.....	18,760 43
By premiums in course of collection (reserve thereon included in Liabilities) (of this the sum of \$11,901 53 is covered by notes).	22,452 11
By quarterly and half-yearly Premium on existing Policies due subsequent to Dec. 31st, 1878 (reserve thereon included in Liabilities).....	11,327 58
By interest due, \$2,110 50; and accrued, \$7,967 62.....	10,078 12

\$456,337 23

J. K. MACDONALD,
Managing Director.