

tailers who have been driven out of trade by the competition of the two vast establishments in that city, and they will secure all the capital needed for a rival business. Another million and a half of capital included in above schedule represents the stock of manufacturing enterprises that were already in operation, but which in 1896 were converted into joint stock companies. The

NEW ORGANIZATIONS.

which called for entirely new capital would not represent more than six millions of stock, of which probably not more than one half would be called up last year. The two most significant items are those of bicycle companies with an aggregate capital of \$525,000, and organizations for supplying electricity which were incorporated with a total capital of \$1,460,000. The very small amount subscribed in 1896 for the capital of new manufacturing enterprises seems to indicate a check having been given to such industries, as the total does not approach the amount of the new organizations of this class in previous years. The capital formerly attracted to mercantile channels is being largely diverted to mining enterprises where much of it is likely to remain, as it will never be seen again in any form by its proprietors.

THE CANADIAN PACIFIC RAILWAY STATEMENT.

The statement presented to the shareholders of the Canadian Pacific Railway shows an improved business over 1895, but not what was anticipated. A serious falling off in the traffic of the subsidiary lines in the States, the Minneapolis, St. Paul & Sault Ste. Marie, and the Duluth, South Shore & Atlantic, is attributed to the stagnation of business caused by the elections. The balance sheet of the Company's affairs as at 31st December last is as follows:—

The gross earnings of the year were .. \$20,681,596
The working expenses were 12,574,015

Net earnings \$ 8,107,581
Interest on deposits, loans and bonds .. 511,165

\$ 8,618,746

Deduct fixed charges and interest on guarantee of M., St. Paul, etc., Ry. .. . 6,911,974

Leaving surplus of the year \$ 1,706,772

Out of this surplus there have been paid \$152,813 for half-yearly 2 per cent. dividend on preference stock, and \$650,000 for 1 per cent. dividend on ordinary stock, leaving \$903,959, which is appropriated for a second dividend on preference stock, which will absorb \$160,133, and for a second dividend of 1 per cent. on common stock which will take \$650,000, the balance of \$93,826 being carried forward. The working expenses were a trifle higher than in 1895, the net earnings being proportionately reduced. The Company proposes large capital expenditures this year in improving the road bed and plant, acquiring steamers for service in the Kootenay region, but

mainly in building what is styled the Crow's Nest Pass Railway, towards which they have already taken steps.

THE FEDERAL LIFE ASSURANCE COMPANY.

The fifteenth Annual Report of the Federal Life Assurance Company, which we have the pleasure of publishing in this issue, is the most favorable ever laid before its shareholders. The sanguine anticipations in the report of 1895 were based upon the hope of a revival in business. There has not been any marked improvement in general business, but in that of the Federal Life the improvement was most gratifying, as is manifest from the following exhibit of the result of the year's business as compared with 1895:—

FINANCIAL MOVEMENT.

	1895.	1896.	Increase+
			Decrease—
Net premiums received....	\$ 257,647	\$ 312,398	+ \$54,751
Interest, rents, etc.....	19,929	24,344	+ 4,415
Total Income.....	277,576	336,742	+ 59,166
Payments to Policyholders.	115,224	131,856	+ 16,632
Expenses, etc.....	95,800	97,968	+ 2,168
Total Outgo.....	211,024	229,824	+ 18,800
Excess of Income over outgo	66,552	106,918	+ 40,366
Total Assets.....	498,471	607,713	+ 109,242
Policy reserves and other liabilities.....	415,621	517,878	+ 102,257
Surplus to Policyholders, guarantee capital not included.....	82,849	89,835	+ 6,986
Surplus over all liabilities..	2,652	8,538	+ 5,886

MOVEMENT OF POLICIES.

	1895.	1896.	
No. of new policies issued.....	1,362	1,496	+ 134
Sums assured thereunder.....	\$1,830,000	\$2,085,050	+ \$255,050
No. of policies in force	5,775	6,014	+ 239
Sums assured thereunder.....	\$10,156,227	\$10,337	+ \$181,255

It will be noticed that every item of business shows an increase over 1895. An increase of \$59,166 of income was secured at the very trifling outlay of \$2,168 additional expenses. The excess of income over payments to policy-holders and all other expenses was \$106,918, an advance over the excess of 1895 by about 60 per cent. The assets received the large addition of \$109,242, the total at close of 1896 being \$607,713. To this is added \$618,703 for "Guarantee Capital," making a total of \$1,226,415 as "Total Reserve for security of policy-holders." The liabilities are \$495,478 for "Reserve Fund," and \$22,400 as "claims unadjusted," a total of \$517,878. The average premium for each \$1,000 of insurance, and the average amount at risk on each life, are now regarded as more satisfactory than at any previous period in the Company's history. In 1895 the average premium per \$1,000 was \$14, in 1896 the average was raised to 14.98 per \$1,000. Under the vigorous and skillful management of Mr. David Dexter, Managing Director, with the able co-operation of Mr. James H. Beatty, President, the Federal is rapidly rising into a strong and prominent position.