D. W. Karn, president of the D. W. Karn Company, Woodstock; C. Kloepfer, M.P., manufacturer, and director Traders' Bank, Toronto; T. P. Coffee and F. M. Holland, Toronto.

At a subsequent meeting of the directors, Hon. J. R. Stratton was re-elected President, and Mr. T. P. Coffee vice-President.

WESTERN ASSURANCE CO.

The annual meeting of shareholders was held at the company's offices, in Toronto, on Wednesday, March 7th, the President, Hon. George A. Cox, occupied the chair.

The following annual report of the directors, with accompanying financial statement, was read by the secretary:—

REPORT.

The directors beg to submit herewith the annual statement of the company's accounts for the year ending 31st of December last.

The revenue account shows a satisfactory growth in premium income, and after payment of losses and expenses, there is a profit balance of $118,642.60, as a result of the year's transactions. Two half-yearly dividends have been provided for at the rate of 10 per cent. per annum, as well as an amount to cover depreciation in securities, and the reserve fund has been increased to $1,100,380.50.

Taking into account the fact that during the year 1899 the fire losses in the United States were exceptionally heavy, the directors feel that these results must be regarded as eminently satisfactory.

For some time past your directors have had under consideration the question of extending the agencies of the company beyond the limits of the North American continent, and shortly before the close of the year arrangements were completed for the establishment of a branch office in London, England, under what appear to be favorable auspices.

GEO. A. COX,
President.

Toronto, 26th February, 1900.

FINANCIAL STATEMENT FOR YEAR ENDING ENDING 31ST DEC., 1899.

REVENUE ACCOUNT.

Dr.

Fire premium...	$2,102,013 76	
Marine premium.	939,622 22	
		$3,041,635 98
Less reassurance		573,924 62
		$2,467,711 36
Interest account		65,030 14
		$2,532,741 50

Cr.

Fire losses, including an appropriation for all losses reported to Dec. 31st, 1899...	$1,135,844 48
Marine losses, including an appropriation for all losses reported to Dec. 31st, 1899..	505,810 66
General expenses, agents' commissions, etc.	772,443 76
Balance to profit and loss ..	118,642 60
	$2,532,741 50

PROFIT AND LOSS ACCOUNT.

Dr.

Reserve fund at Dec. 31st 1898	$1,088,793 00
Balance of revenue account .	118,642 60
	$1,207,435 60

Cr.

Sundry amounts written off. $	7,055 10
Dividend No. 76	50,000 00
Dividend No. 77	50,000 00
Balance—Reserve at Dec. 31st, 1899	1,100,380 50
	$1,207,435 60

Assets.

United States and State bonds ....$	343,981 25
Dominion of Canada stock .	67,637 25
Bank, loan company and other stocks	287,414 85
Company's building	65,000 00
Municipal bonds and debentures	753,773 46
Cash on hand and on deposit	120,239 71
Bills receivable	53,067 73
Mortgages	32,550 00
Due from other companies—current account	187,155 76
Interest due and accrued	8,239 50
Furniture, insurance plans, etc., head office and branches	65,327 00
Agents' balances and sundry accounts	337,376 34
	$2,321,762 85

Liabilities.

Capital stock paid up	$1,000,000 00
Losses under adjustment	171,382 35
Dividend payable January 5th, 1900	50,000 00
Reserve fund	1,100,380 50
	$2,321,762 85

REINSURANCE AND SURPLUS FUNDS.

Total reserve fund	$1,100,380 50
Reserve to cover estimated liability on outstanding risks	860,168 13

GEO. COX,
President.

J. J. KENNY,
Vice-President and Managing Director.

Western Assurance Company's Offices, Toronto, February 26th, 1900.

AUDITORS' REPORT.

To the President and Directors of the Western Assurance Company:

GENTLEMEN,—We hereby certify that the books of the company have been audited, and the vouchers and securities relating thereto have been examined for the year ending December 31st, 1899, and the same are carefully kept, correct, and properly set forth in the above statement.

(Signed),
JOHN M. MARTIN, F.C.A.,
R. F. WALTON
Auditors.

Toronto, February 26th, 1900.

The president, in moving the adoption of the report, said: It cannot fail to be gratifying to the shareholders, as it is to the directors and officers of the company, to note the evidence of the appreciation by the insuring public of the security offered by the Western to its policy-holders, which is afforded by the growth in the volume of business transacted—the total income for the year having exceeded, for the first time in the history of the company, two and one-half million dollars. It is still more satisfactory to note that notwithstanding the exceptionally heavy fire losses, which have occurred in some of the chief cities in the United States—where the business proved generally unprofitable to the companies engaged in it—we are able to show, as a result of the year's transactions, a profit balance of $118,642. The experience of the year 1899 in Canada was exceptionally favorable, and the diminished fire waste in this country is certainly a matter for congratulation, aside from our interests in the business of fire insurance. It is to be hoped that the introduction of improved fire protection in our cities and towns, and the adoption of more substantial methods in the construction of buildings, will tend to a further reduction of the burden which the payment of some five million dollars per annum by insurance companies for fire losses in Canada imposes upon the community, for I need scarcely say that this has to be provided from the premiums collected from the insuring public. I desire to emphasize what I believe to be a fact—that it is only by adopting measures that will reduce this serious annual waste that any material reduction in the tax which the public pay in fire insurance premiums can be brought about, for it is only necessary to refer to the Government reports, showing the income and expenditure of companies licensed to do business in the Dominion, to prove that there has been, during the whole period embraced in these returns, but a very moderate margin of profit to the companies at the rates and under the conditions which have prevailed in this country in the past.

In this connection, it may not be out of place to refer to the fact that during the past year a number of new companies have come into the field, offering fire insurance at lower rates than those current with the old-established offices. It will be interesting to observe whether these experiments will prove more successful than previous attempts, which have been made to afford indemnity against loss by fire on more favorable terms than companies which have been long engaged in the business feel safe in offering. While as insurers we may hope these new companies may have discovered the secret of combining cheapness with security, we cannot overlook the fact that the record of the fire insurance business in Canada during the past twenty years shows a loss of upwards of two million dollars of capital, which was invested in companies organized to transact business at what are termed "cut rates." We may at least feel assured that companies working upon these lines, whose entire cash assets are limited to fifty or sixty thousand dollars, are scarcely in a position to assume any considerable share of the many millions of liability which fire insurance companies are carrying for the protection of merchants and property-holders in Canada, and until it has been shown that, with due regard for the safety of stockholders and the security of policy-holders, any material reductions can be made in fire insurance rates in this country, your directors do not feel warranted in advocating any departure from the policy we have been following for many years past.

But to return to the consideration of our business during the year under review, it will, no doubt, be interesting to shareholders to learn that the marine branch, which has been responsible in some former years for rather serious losses, has shown a profit upon the business of 1899, and that the general outlook in this branch appears to be more promising than for some time past.

In our earnings from interest, there has been a falling off, such as might naturally be looked for owing to the reduced rates obtainable, particularly upon the class of securities which are held by this company.

There is one matter to which I wish particularly to refer at this time. It is now within a year of half a century since the company commenced business in Canada. Some twenty-five years ago it completed its system of agencies throughout the United States, and I think I am warranted in saying that it is now established over the whole of the North American Continent on a favorable footing, with an efficient force of branch managers, special agents and local agents working in its interests. Under these circumstances your directors have turned their attention to the consideration of the question of the desirability of following the example of the majority of the successful British fire offices, and embracing a larger field of operations than we at present occupy. In view of the efforts which are being made--happily with no small measure of success—to enlarge the trade relations between the Mother Country and her self-governing colonies, and to cultivate intercolonial business connections, we have felt that the present is an opportune time for