

the public to prevent fraud. The Premier did not think the last word had been said on the subject, but asked the House to refer the question to the committee on Banking and Commerce.

THE EXTERNAL AUDIT.

The Premier stated that he believed that the provisions submitted regarding an external audit, could be so moulded that men above reproach or without any suspicion of collusion with the directors, could be appointed at every annual meeting of the bank. The shareholders had after all not only the first but the chief responsibility. Every bank had already a pretty thorough system of inspection of branches, but what was wanted was to secure an independent audit of head offices. Though the examination by the directors had been made with the greatest diligence it had not always given the best results. He believed the duty of the inspection should be imposed upon the shareholders. If they were relieved of that responsibility it could be said that the Government was undertaking something not complete and thorough. It would be impossible for the Government to undertake a thorough inspection of head offices, and all their branches.

QUESTION OF A COMMISSION.

"There is no reason," said Mr. Borden, "why we should not inquire into the systems of inspection in other countries. We might eventually come to the conclusion that there is something to be learned from their experience in that regard. Any such consideration, however, would not in the least interfere with our extending the bank charters at this stage, nor interfere with our establishment of a system of inspection by means of experts appointed by shareholders. Such system, if established, could be carried on for a certain period and in the meantime we could learn by a Royal Commission if necessary or otherwise if some better system could be devised. Then there would not be the slightest difficulty in two or three years from now, or at any other period, in amending the banking law and in doing so profit by the experience thus gained."

BILL SENT TO COMMITTEE.

The second reading debate was concluded yesterday when the bill was referred to the Banking and Commerce Committee. Mr. White, in winding up the debate, stated that he was not favorable to the idea of establishing a national bank in Canada, and he did not think there was any demand for such an institution. Neither did he believe that it would be wise to issue a large amount of Dominion notes, secured by gold only to the amount of 25 per cent. of their face value. He suggested that the banking and Commerce Committee should consider the question of the registration of farmers' liens on threshed grain and cattle. Any scheme to ensure the appointment of auditors who would not be guilty of collusion with officers or directors of the banks would be considered by the committee and the Government, Mr. White stated. He also expressed his willingness to consider suggestions for the improvement of the clause authorizing the Government to secure reports from the auditor appointed by the shareholders, and to consider the suggestion that a minority of shareholders might be permitted to appoint an auditor.

CONFEDERATION LIFE ASSOCIATION.

Among the important Canadian life insurance companies, the Confederation Life Association holds a conspicuous position. Established now more than forty years, it has long been known as an organisation distinguished alike for the sound conservatism of its management and the steadiness of its development and progress. Perusal of the newly issued annual statement, which appears on another page, shows that there was no innovation upon the traditional policy during 1912, but that with its continuance, a new high mark both in resources and in the extent of the Association's operations was reached. To Mr. J. K. Macdonald, who after many years at the helm as managing director, was last year elected president and to Mr. W. C. Macdonald, the secretary and actuary, to whose joint care and skill the present excellent position of the Confederation Life is very largely due, the results achieved must be particularly gratifying. But indeed they are such as to give pleasure to all who are connected with this well-known institution, whether as members of the staff or as policyholders.

The newly-published figures show that the Confederation Life fully shared last year in the increasing business which year by year with the growth of the Dominion's population and wealth is open for the Canadian life companies. The insurance written during the year was \$12,248,173, which is excellent evidence of the activity of the field force. It represents a gain over 1911 of \$4,165,649, and is an increase of more than 50 p.c. over any previous year. In regard to the total amount of insurance in force also, a favorable advance was made during 1912. At December 31 last, the amount in force was \$63,764,311, being an increase over a year earlier of \$6,362,331.

An advance over 1911 of almost \$400,000 in net premium income brings this item up to \$2,379,296, and there has also been a satisfactory advance of nearly \$100,000 in receipts from interest and rentals, which for 1912 were \$870,268. Total payments to policyholders or their representatives came to \$1,637,057. These include death claims, endowments, annuities, matured investment policies, surrendered policies and profits. The last named, it may be noted, totalled \$194,303, being \$45,978 in advance of those paid for 1911. After payments of expenses, etc., the balance left was such as to increase the net invested assets of the company from \$15,477,994, at which figure they stood on December 31, 1911, to \$16,357,290, on December 31, 1912.

The cash surplus over all liabilities is handsomely increased to \$1,815,261, an accretion of nearly \$150,000 having been made last year. As is well known the reserves of the Confederation Life are calculated on a stringent basis, so that the advance in surplus is particularly gratifying.

The assets of the Association now total \$17,270,739, an increase of nearly \$1,000,000 upon the total of 1911. The whole showing of the annual statement, in fact, is one which will thoroughly commend itself. There is every indication that the Confederation Life will continue to occupy that prominent position among the Canadian life companies, which the solidity of its position, its careful management, ample earning power and sound development have long since given to it. The Confederation Life is represented in Montreal by Mr. J. G. Bruneau, manager for the Province of Quebec.