

During the past year, I notice you have introduced two new plans of insurance, viz., the Compound Investment Plan and the 7 per cent Guaranteed Income Bond, both containing attractive features.

The Compound Investment Policy, while perfectly safe, is an exceedingly liberal contract. The many options you offer the insured in settlement, combined with the mortuary dividend and also the guarantee to loan the insured the eleventh and subsequent premiums, the latter being cancelled in case of the death of the insured and the full face of the policy being payable, make this one of the most desirable forms of insurance ever offered to the public.

The Seven per cent. Guaranteed Income Bond is well adapted to meet the wants of those desiring an annuity in the later years of life. This admirable plan, combined as it is with insurance, should certainly prove acceptable to large numbers desirous of having a guaranteed income upon attaining a certain age.

I have examined the Commercial Plan and its practical operation as shown by your books, and think this must be an exceedingly attractive form of insurance to the man who desires to pay in the present only the actual cost of carrying his insurance, thereby enabling him for any fixed sum to carry about twice the amount he could on the ordinary plans.

The persistence of your business, as shown by the fact that your terminations are considerably below the average, is a very conclusive proof that your methods and plans are popularly endorsed, and also that your agents have not committed the fault of giving you what we call high-pressure business, but have confined themselves to a strictly legitimate business.

As a matter of great interest to your policy-holders, it may be worth while for your management to point out to them that an examination will show that your percentage of increase in surplus, as compared with your mean assets, is 6.12 for the past year as against less than four per cent. for the average of other leading companies doing business in Canada, as shown by their last reports.

Those of your tontine investment policies maturing this year are entitled to a withdrawal of their surplus in cash, or the application of the same in any one of the various ways provided for in the policies. I am gratified to find that the amount of dividend which you can safely allot to these policies, as shown in my detailed report, is somewhat in excess of your semi-tontine estimates, and this result should give satisfaction to those who were fortunate enough to select this form of insurance.

W. T. STANDEN,
Consulting Actuary.

The chairman, Hon. A. Mackenzie, M.P., in moving the adoption of the report said:

GENTLEMEN,—Owing to the Dominion Parliament not meeting as early this year as last, I have the great satisfaction and pleasure of being with you at this, our tenth annual meeting, to give you an account of our stewardship. From year to year, during the past ten years, you have entrusted to our care the direction of the affairs of this institution. The splendid financial statement laid before you, showing the prosperous position of the company, affords the best evidence that we have strictly fulfilled the trust reposed in us and that the expectations made from time to time as to its success have been realized.

As you are probably aware, we closed our books promptly on the last day of the year, when our Government Report was completed and mailed to the Insurance Department on the following day. From the report, I was gratified to notice that our interest receipts for 1890 were more than sufficient to pay our death losses for the year.

Notwithstanding the keen competition that has prevailed and the fact that some companies have lowered their premium rates, we have never considered it advisable to deviate from what we believed to be the true principles of life insurance. We hold that an adequate premium is essential to secure a solid foundation and the permanent success and safety of a life company. Under our system, whatever surplus arises is practically returned to our policy-holders.

After making ample provision for every liability we have left the handsome cash surplus of \$128,718.58. This enables us to perform a pleasurable duty, viz., to meet those of our policy-holders having ten-year investment policies maturing this year and give them results exceeding those stated in our present Book of Estimates for such policies.

A comparison with our report of 1889 shows that our premium income increased by \$48,922.90, our interest by \$15,215.18, our assets by \$219,189.63, our insurance in force exceeds ten millions and the surplus increased by the large sum of \$56,878.54, or nearly 80 per cent.—a relative gain, probably never equalled by any of our competitors. A gratifying feature of these satisfactory results is that they were accomplished at a reduced ratio in our expenses.

During last year the business of the Dominion on the whole has not been as prosperous as could have been desired, but I am pleased to notice that considerable attention has been given and activity displayed in developing the vast and splendid mineral resources of our beloved Dominion. The thanks of the whole community are due to the gentlemen who are devoting their time and energy to this new enterprise, and I sincerely trust they may be successful in inducing British capitalists to supply the means necessary to the accomplishment of satisfactory results. The successful working and developing of these mines will be an important factor in attracting both population and capital to this country, which, as you are aware, are necessary elements to aid us in building up this Dominion.

In conclusion, I would remind you that the great success of this company, and the solid position in which it stands, are not through any lucky accident, but through recognizing certain principles in its early years, sticking to these, and in carefully investing and husbanding the funds entrusted to us, and what is of the highest importance, that the management has been in skilled hands. I am proud, and rejoice at the position the company has attained, and with our great profit-earning power I look forward confidently to each succeeding year equalling, if not surpassing, the splendid results now before you of 1890.

John L. Blaikie, vice-president, in seconding the motion, said:—

GENTLEMEN,—Connected with this annual meeting there are many things of a pleasing, gratifying nature, and I may say nothing whatever of an opposite description. Let me avail myself of this opportunity to testify as to the great value of Mr. Mackenzie's services to the company. His name, representing as it does in his case, sterling worth and integrity, has been of vast service to the company, but independent of that, I may say that except during the time Mr. Mackenzie is in Ottawa attending to his parliamentary duties, he is almost daily to be found at his desk in this office, giving to every important matter that transpires the benefit of his sound judgment and clear penetration. Everyone will heartily unite in the fervent hope that he may be long spared to preside over this flourishing institution, enjoying, as he does, the confidence and esteem of the entire community.

It is also extremely gratifying that the report, and all the accompanying statements, are of such an encouraging nature.

The report of Mr. Standen, Actuary, of New York, has already been

referred to by the president, so I would only remark with respect to it, that it is worthy of very special notice, seeing that Mr. Standen occupies a very prominent position among the insurance experts of this continent, and, therefore, he speaks with authority, making his endorsement of this company's plans, financial position and general management of great value and importance.

The statements before you show a decrease in the past year as compared with 1889 in the death rate, which assuredly is cause for rejoicing, as, notwithstanding an increase of over one million dollars of insurance in force, there is a decrease of \$11,850.47 in death claims, which speaks volumes for the increasing vigilance, care and skill of Dr. Thorburn, our Medical Director.

It affords me special satisfaction to announce, gentlemen, as I now do, that the company has no dormant loans, all are active and interest yielding, and not only so, but, with one exception, yielding a higher rate of interest than those of any company doing business in Canada. This is all the more gratifying when it is borne in mind that this is the condition of our investments after the company has been in existence for ten years, and establishes beyond all question that the Finance Committee has acted in a most conservative, careful manner in conducting this important branch of the company's business. Indeed, very few loan companies, if any, established for the express purpose of lending money, having all the machinery and agencies necessary for successfully carrying on such business, can show a better record than the North American Life Assurance Company, and very few a record equally satisfactory.

In conclusion, gentlemen, let me have the pleasure of bearing testimony to the unwearied diligence and skilful management of our managing director, Mr. McCabe; also to Mr. Goldman's zeal and fidelity in discharging his important duties, and I may add, the officers of the company generally, as, to the united and hearty efforts of all the officers, we are indebted for the great success attained by the company.

Hon. G. W. Allan said: As a vice-president of the company he had much pleasure in noting the continued prosperity of the company and the marked advance made during the past year. He congratulated the president on being present on this occasion and expressed the wish that the Hon. Alex. Mackenzie might be spared many years to give the company the benefit of his advice and counsel, which no doubt had contributed so largely to the company's success.

On motion, the thanks of the policy-holders and guarantors were unanimously tendered to the president, vice-president, directors and members of the Provincial and Local Boards of Directors for their attention to the interests of the company during the past year.

Dr. Thorburn, in acknowledging the thanks of the meeting, said: As medical director he joined most heartily in the congratulations on the great success the company had attained. In his department he was pleased to record the favourable mortality experienced during the past year. The very highest proof that great care had been given to the work of the medical department was evidenced by the favourable mortality of the company during the past ten years. Another point upon which the doctor dwelt was the desirability of having reliable local examiners, in whom implicit confidence might be reposed. He believed that the North American Life had as examiners gentlemen of the highest integrity, and concluded by thanking them for their past efforts on behalf of the company.

Dr. Carlyle, auditor of the company, said: Perhaps it will be satisfactory to those who placed me in office if I make a few remarks with reference to the financial statement before us viewed from the standpoint of an auditor. From the beginning I have been one of the company's auditors. Owing to the illness and finally the death of my late colleague, I have made the audit for 1890 alone. Thus necessarily I have seen, as it were, both sides of all the moneyed transactions of the company. It affords me pleasure to be able to say that the more thorough my knowledge becomes of the book-keeping and the financial management of the company, the more I am satisfied that the statements placed before you, year after year, are altogether reliable.

It is very gratifying to an auditor to be able to say that the books and the vouchers of a company are correct and as represented, but it is more than this if he can say that he believes the money of the company is safely invested. What are the evidences of security in connection with the statement before us?

I know that the mortgages representing \$600,000 of the company's funds are in its vaults, for I examined each one of them. I find that out of so large a number of mortgages the company has had to make but one foreclosure. After examining the Government's published report of the financial condition of the various loan companies of Ontario and ascertaining the number of foreclosures made by them, and the amount of overdue payments, I am led to believe that less than one-fourth of one per cent. of overdue interest, and only one foreclosure, when so large a sum is involved, is not only highly satisfactory but somewhat phenomenal.

The debentures of the company are in the company's safe, or in the vaults of the Toronto Trusts Corporation, or deposited with the Government. Those with the company and those with the Trusts Corporation I have examined and found correct as represented; those with the Government are acknowledged in its annual published report regarding life assurance companies. I also saw that the company had scrip for all loans made on stock. These are the grounds for my belief that the company's funds are safely invested.

In conclusion allow me to say that your auditor is allowed full and free access to all he wishes to see, to satisfy himself that everything is as represented. I sometimes think that the sterling integrity of all those at the head of the company is reflected on all below them, and hence my work continues to be very agreeable to me.

Replying to a vote of thanks tendered to the agents of the company for their efficient services during the past year, Mr. Geo. E. Lavers, the company's Nova Scotian manager at Halifax, said: It cannot but be gratifying to myself as one of the oldest agents of the North American Life to note the splendid progress of the company during the first decade of its existence. A few of the salient points of this report you will permit me to call attention to. In the first place, it is certainly gratifying to note that in comparison with other strong competitive companies, the North American shows to-day a financial position not excelled by any. In the item of ratio of assets to liabilities we are also able to make a very favourable comparison.

Another point of great interest to the policy-holders, and that shows the excellent earning power of the North American assets, is evidenced by the fact that with one exception in Canada, the rate of interest earned on its investments was in excess of that of any of them, the figures for 1889, as given by *The Insurance and Finance Chronicle*, being for the North American 6.00, while the average of six of the competitors referred to was 5.23. This splendid showing of the rate of interest earned by the North American indicates to the public the careful and solid character of its investments. I have certainly much confidence in the future success of the North American as not only a safe company for insurers, but one that from its investments will give as satisfactory returns to its policy-holders under its investment policies as any other on this continent.

The usual votes of thanks to office-bearers and committees were then passed.

The directors were then elected for the ensuing year, and at a subsequent meeting the Hon. A. Mackenzie, M.P., was unanimously re-elected as president, and John L. Blaikie, Esq., and the Hon. G. W. Allan as vice-presidents.

THERE is little room to doubt that the masses of the French-Canadians have a sound practical loyalty to the British Crown and the Canadian Confederation. In a certain powerful French-Canadian romance, depicting the time of the conquest of New France by England, and brimming with what we may call French-Canadianism, one of the leading characters is a seigneur who has fought with passionate loyalty under the flag of the Bourbons. After the cession, however, he accepts the new order of things; and on his death-bed he says to his son and heir: "Serve thy new sovereign as faithfully as I have served the King of France, and receive my blessing!" It seems to us that this may be taken as an indication of a healthy sentiment at times concealed beneath the rampant "nationalism," so-called, of Quebec politics.—*Halifax Critic*.

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