have had laid before you a detailed statement of the accounts of the company as certified by the auditors, and have also had read to you the report of the directors dealing with some of the important details of the past year's business, and our president has supplemented these by his own remarks, going into the matter very fully. I would therefore only make a remark or two in regard to some features of the company's work that have come under my personal notice during the past year. My duties during the twelve months past have necessitated a considerable amount of travelling throughout the Dominion, presenting opportunities of meeting a great many of the agents of this company, especially in eastern Canada, and I was much surprised at the very superior class of men we have representing us. I think this is largely accounted for by the fact that the local boards of directors we have been so fortunate to secure have been taking a great deal of interest in the affairs of the company. It frequently happens that the gentlemen selected to act upon local boards of directors look upon the appointment as simply a compliment, to them, and take only a casual interest in the affairs of the company. But during the past year I happened to be in Toronto on three separate occasions when our Ontario board held its monthly meeting. Mr. J. H. Mason, the chairman of the board, was promptly on time, and there was only one member of the board absent during the three meetings. At these meetings every application for an agency in any portion of the province was carefully considered, and in every instance the fullest information obtainable was submitted, either the applicant or at least one of his referees being personally known to some of the members. After the applications for agencies had been disposed of, the board then passed upon the applications for life insurance, each application being taken up and given careful consideration. When this was completed a general discussion of the affairs of the company ensued, and I was asked a great many questions in regard to the progress of our business. I need hardly say that I came away from each of these meetings very much impressed with the manner in which these gentlemen looked after the interests of the company in their province; and I think to the fact that we have such good working boards and agents we can ascribe the results attained outside of the western country. In establishing our business in eastern Canada we have met keen competition—some of it fair, some of it unfair—the life insurance companies of the eastern provinces looking upon that portion of the country as their preserve that ought to be especially kept for them, and they strongly resent any effort to divide business to the west.

A question frequently brought up is in regard to our investments and as to loaning money in the west. All I can say as to this is that in our balance sheet we have $78 599, loans on real estate, and on the whole of $78,599 there was only some $16.00 of interest that was overdue. You will notice also that we have on our balance sheet a very large amount of cash lying in banks here. That is due to the fact that the board here has exercised very great care indeed in loaning out money. About the easiest thing I know of is to make bad loans. We have received a great many applications for loans and in every case the security offered has been carefully scrutinized, and only such as are undoubtedly good have been accepted, the board considering it wiser to have a large sum of money drawing a low rate of interest in the banks than to put any loans on our books that they have the slightest hesitation in passing as first class. In regard to the loaning of money it has been observed that of late this business has been undergoing a great change in the east, the smaller loans being taken care of by building societies on the monthly instalment plan, and the loan companies state that the life insurance companies are taking nearly all the big loans at a rate of interest that they find it difficult to compete with. Believing that the smaller loans will in the future be made here in the same manner as in the east, we have deemed it advisable to adopt a system on the monthly instalment plan. the basis adopted being such as to net the company 8 per cent per annum.

The accounts of the company are in good shape, and I would draw your attention to the fact that while the life assurance accounts are very complicated, the accounts and records of our company are kept in a most satisfactory manner. Our balance sheet has been approved by your auditors, and every item of expenditure is passed upon by the finance committee of the board of directors.

Before closing I would like to draw your attention to the fact that we are losing the services of some of our directors, who do not present themselves for re-election, viz., Mr. W. B. Scarth has left the city, now residing in Ottawa; Mr. T. J. McBride who has recently left the city to reside in Toronto; Mr. Jas. McLenaghen who is also now residing in Toronto, and is assisting the company in its business in the province of Ontario: and Hon. Forbes George Vernon, who is now living in Europe, and has signified his desire to retire from the board owing to absence from the country.

I am sure we will regret losing the service of these gentlemen on our board.

I am glad to be able to congratulate the company on the improved condition of our balance sheet. Many of us have said all along that the company would require something like five years to get on a good paying basis. The greater portion of that period has now elapsed, we have now turned the corner, and there is every probability of soon seeing the company firmly established on a good dividend paying basis. I have great pleasure in seconding the motion for the adoption of the report.

J. H. Brock. managing director of the company said: "I suppose it will be expected I should have something to say in connection with the report, the adoption of which has just been moved and seconded. Before making any remarks, I would like to read a letter received from Mr. W. T. Standen, of New York, consulting actuary of the company, to whom was submitted a full statement of the company's accounts:

To the President and Directors of the Great West Life Assurance Co., Winnipeg, Manitoba.

Gentlemen,—I think, from a close examination of your December 31st, 1895, statement, that the progress of the company is satisfactory; and while upon the rigid standard of a 4 per cent valuation of your policy liabilities, a trifling impairment still remains to be wiped out, it must not be forgotten that no other Canadian Life Company adopts so severe a standard, and that upon the ordinary basis upon which policy reserves are computed, a fair working surplus would stand to your credit. To have avoided a small temporary impairment under the present existing conditions of competition, and high cost of obtaining good buisness, would have been impossible, and I feel that you are to be congratulated on the prospect of being able to wipe out the small impairment now existing, during the current year.

Your very small death loss in 1895 conclusively proves how careful your risks are selected, and reflects great credit upon your medical directors, and shows that they must have been guided by very conservative rules.

The amount of new business written is as large as you can afford to write, and is quite sufficient to give you all the benfits expected rom a fair general average of risks. An examination of the policies shows them to run generally upon those plans which will tend to give the greatest strength to a young company, and I strongly recommend the continued encouragement of the 20 Payment Life plan, upon which such a large proportion of your policies are written.

As you have only been doing business a little over three years, I regard your progress thus far as affording many grounds of congratulation, and I believe that an honorable and useful future lies before your company I confidently expect that the next year and a half will place to your surplus account a very acceptable dividend to be distributed among the ordinary participating policies, the dividends on which will then begin to accrue.

Respectfully submitted,

WM. T. STANDEN.

Consulting Actuary.

New York, March 14, 1896.

Mr. Standen, in addition to the 4 per cent valuation, has also sent us the valuation on a 4½ per cent basis, which is $22,495 less than the 4 per cent reserve. As we have decided to provide reserve on a 4 per cent valuation—having done so on the recommendation of our actuary, believeing it will ultimately be necessary—the results given in our statement are based upon this higher standard of valuation.

Reference has been made by Mr. Riley to the question of competition. In life insurance as in every other business, there is in these days great rivalry, and in starting we expected to meet with keen competition, and we have not been disappointed in this, but we have been most fairly treated by the companies generally.

We have had from Mr. Riley a statement as to the assistance given by our provincial boards throughout Canada that I am pleased to endorse. I would like to say a word about the work of the board of directors. As heretofore, the directors have positively refused to vote themselves any pecuniary consideration for the time they have given to the company's service, although they are entitled to do so, and I can only say that during the past year the amount of time and trouble given to the company's business has been quite up to that given when the company started. They have not abated their interest in the company's success, and continue to manifest the same determination to make the Great West Life such a success that we shall be proud of it as a western company.

Mr. S. A. D. Bertrand, in supporting the motion, said: "Reference has been made in the directors' report to the opening of our branch office under Mr. Jas Lyster, as manager for the province of Quebec. As I was asked to visit my native province with the managing director in connection with the necessary arrangements I am pleased to be able to inform the shareholders that we are fortunate in having a gentleman with Mr. James Lyster's experience and ability, in charge of the company's business in such an important field.

In selecting a provincial board of directors it was important that confidence should be inspired, and to do this we decided that we must have the very strongest names in the province, and were fortunate in being able to get the gentlemen selected to act. They are all so well known throughout Canada that it is only necessary to refer their names as given in the directors' report to convince you that better could not have been done.

There is no doubt the prospects of the company for a satisfactory business throughout the province of Quebec are good, and we have already received an amount of business from there sufficient to justify a favorable estimate.

There is one matter which comes to my attention as a member of the application