practice, however, the opposite course was pursued, and he did not undertake to solve the paradox. The fact was all he had now to deal with—the fact of increased commercial confidence, and, as a result, a larger accession of Life Assurance business. Reverting again to the financial condition of the Company, a balance of £54,439 10s 7d would be found, distributed thus: at credit of shareholders, £8,337 10s; depositors, £6,802 19s 2d; annuity fund, £1576 3s 6d; accumulated assurance fund, £37,722 17s 11d. The last named item forms an important element in any just comparison which may be made between the Canada and other Companies, and on investigation would be found of a highly satisfactory character. It was necessary that he should further explain that the balance, or surplus, of £71,843 12s 3d shown in the general abstract of assets and liabilities, is not employed in any way whatever in the valuations for profit, and is published simply in compliance with the terms of the charter. The remarks of the report in regard to this item and its collateral considerations well merit candid attention. Another point, on which the report preserves silence, is also entitled to weight, and that is, the wisdom of the course pursued by this Company in limiting its business to Life Assurance. It was needless to remind them that during the last two or two-and-a-half years, the greatest possible difficulty has occurred in the management of all Fire and Marine Insurance Companies. Throughout the continent those companies have suffered severely from losses, and the result has been the bringing down of many and the serious embarrassment of others. In preceding years, the Directors of the Canada had dwelt upon the importance of keeping Life Assurance distinct from Fire or Marine Insurance, and he thought that their views had been amply sustained by recent events. The two branches of business involved risks so diverse in their character that it is not the part of wisdom ever to attempt to connect them. The motives of this Company in insisting upon the distinction may have been misunderstood in some quarters, but it is now clear that any other course would have been attended with peril to funds which ought to be most scrupulously guarded for the