

On the contrary, had the Assets been taken into account at their fair market value instead of the book value at which they are maintained by the Company, and the Liabilities computed only as by law required instead of on the Company's stricter standard, the Surplus of Assets over Liabilities which might be shown under such conditions, would be very largely increased over the amounts shown in the statement.

I have much pleasure in moving the adoption of the Report.

The Vice-President, Dr. A. O. Jeffrey, K.C., in seconding the adoption of the Report, said:

In addition to the matters referred to by the President, there are a number of very gratifying features in the statement of the year's business which should not be overlooked.

Of the large amount paid Policyowners during the year it is noticeable that \$117,856.50 was paid to the holders of Matured Industrial Endowment Policies, by far the largest payment of the kind in Canada by any Company. The number of letters of appreciation that are constantly being received is ample evidence that the promptness with which payment of these policies has been made is affording gratification. The amount of Matured Endowments in the Ordinary Branch also shows considerable increase, and the profit results on these policies have brought from these Policyholders, without exception, expressions of the utmost satisfaction.

The Company's record in regard to profits to Policyholders as compared with estimates, has been fully maintained, and during the year no diminution was made from the full scale of profit estimates placed in the hands of the agents many years ago. I may say that this year the profit payments are actually in excess of the old estimates.

The high standard of valuation that has always been a feature of our reports has, this year, been still further im-

proved, the new Ordinary business for the year being placed on a 3 per cent. interest basis, as stated in the Actuary's Report.

The excellent condition of the Company's business is again shown this year by the fact that the net advance payments in the Industrial Branch amount to nearly 50 per cent. of the total weekly debit. In the Ordinary Branch the amount of outstanding and deferred premiums again shows, proportionately, a reduction and indicates that the collections during the year have been very satisfactory.

Towards the close of the year the Directors, finding that excellent investments, larger in amount than our funds then on hand, could be obtained, decided to anticipate the January payments, which are always large. A temporary advance from our bankers was arranged for with this end in view. The bankers state that such advance has been fully repaid, and we have now secured investments of a more productive nature than could now be obtained.

I have much pleasure in seconding the adoption of the Report.

The Report was adopted unanimously.

A hearty vote of thanks was tendered the agents and other employees of the Company for the very efficient manner in which their duties during the year had been discharged. The vote of thanks was briefly acknowledged on behalf of the agents by T. B. Parkinson, Superintendent of Agencies, "Ordinary" Branch; J. F. Maine, Inspector of Agencies, "Industrial" Branch, and George McBroom.

The following Directors were re-elected for the current year: John McClary, President; Dr. A. O. Jeffrey, K.C., Vice-President; A. S. Emery, W. F. Bullen, Sir George C. Gibbons, Thomas H. Smallman, T. W. Baker, Judge Bell (Chatham), W. J. Christie (Winnipeg).

THREE BANK RATE REDUCTIONS.

Effect of Action by English, German and Belgian Banks is Not Marked in Canadian Money Markets.

The effect of the reduction in the Bank of England rate from 4 to $3\frac{1}{2}$ per cent. last week was only slightly noticeable at Montreal, where money became a little easier. At least one bank has new money to loan at the prevailing rate of $5\frac{1}{2}$ per cent. In most cases banks report little change in conditions. Some brokers complain of the high rates at Montreal, stating New York money brings from 2 to $2\frac{1}{4}$ per cent. and London and European money has been comparatively easy for several weeks. In all probability cheaper money will prevail early here in March. Money is easy in Toronto.

Western Reports are Good.

Money conditions at Winnipeg are a little easier. Renewed calls were made in some quarters, the rate to brokers remains at $5\frac{1}{2}$ per cent. The slack market in London, New York, and Eastern Ontario has had little effect in Western Canada. The Winnipeg money market is in good shape and collections are fair to good.

The supplies of money forwarded to New York have been so ample that notwithstanding the refusal of some of the large banks to release funds at present prices interest rates are still seeking lower levels. It is said that there is much idle cash piled in some of the New York lending institutions.

Dear Money in Germany.

The Berlin bank rate was reduced on Saturday from $4\frac{1}{2}$ to 4 per cent. A reduction had been anticipated since the Bank of England reduced its rate on the previous Thursday. The last reduction was from 5 per cent. to $4\frac{1}{2}$ per cent., made on February 7, following, as in this case, similar action in London. The rate remained at 4 per cent. from February 10, 1910, to September 26. It has not been below 4 per cent. since September, 1909, and the new 4 per cent. rate is below the average for the time of year. There has not been a 3 per cent. bank rate in Berlin since September, 1905. Money continues relatively dearer and capital scarcer in Germany than in any of the great markets of the world.

The rate of discount of the National Bank of Belgium was reduced on Saturday from 5 to $4\frac{1}{2}$ per cent.

NOVA SCOTIA STEEL AND COAL COMPANY.

One of the strongest statements issued recently by any Canadian industrial corporation was that made public last week by the directors of the Nova Scotia Steel and Coal Company. Net earnings of \$1,140,504.37, an increase of \$232,555, over 1909, and reductions in fixed charges were shown, enabling the directors to increase the dividend on the common stock to six per cent. The big reduction in fixed charges was due entirely to the refinancing carried out some eighteen months ago. When President Harris announced that the old bond issue, with its fixed charges of eight per cent. would be converted, and new bonds with fixed charges of 5 per cent. substituted, there was some criticism of the plan, but it is now apparent how much has been saved through this policy.

In 1908, the year previous to the conversion of the old bonds, the company had \$3,561,500 outstanding in bonds and borrowed nearly \$900,000 from its bankers, a total of \$4,461,500. The fixed charges in that year were \$382,000. In 1910, the company had bonds and debentures of \$5,960,000 upon which the interest charges were \$308,000. Next year there will be \$25,000 payable to sinking fund, which will bring the total fixed charges up to \$333,000. Thus the company has secured \$1,566,000 more capital at a reduction in fixed charges of \$50,000.

A strong policy has been followed in at once writing off all the discounts and expenses in the issue of these bonds. As the company has authority to issue \$7,000,000 more bonds and debentures further capital is amply provided for. As regards current assets and liability the company is nearly \$800,000 better than last year. Current assets have increased \$348,000, while current liabilities have decreased \$444,000, and a balance of \$500,602.95 has been carried forward. On the whole the statement is decidedly the best ever presented to Scotia shareholders, and the showing contained therein was enough to warrant the increase in dividends.

FEDERAL LIFE ASSURANCE COMPANY.

The twenty-ninth annual report of the Federal Life Assurance Company of Canada is a satisfactory one, and indicates that a careful and progressive policy has been employed by the company. The assets have been increased by \$352,493.55, and now are \$3,996,443.08 exclusive of guarantee capital. The security for policyholders, including guaranteed capital, shows \$4,866,443.08, and the liabilities for reserves, and all outstanding claims, including \$25,000 set aside as a special addition to policy reserves, amounted to \$3,720,855, showing a surplus of \$1,145,588.08. Exclusive of uncalled guaranteed capital the surplus to policyholders is \$275,538.08. The total insurance carried by the company amounted to \$22,309,929.42. During the year 2,527 policies aggregating \$3,720,436.21 were issued. The change in the control of the management is referred to elsewhere in this issue.

DOMINION BOND COMPANY WILL MAKE SEVERAL ISSUES.

Mr. Garnet P. Grant, president of the Dominion Bond Company, Limited, returned to Toronto after a business trip to London and Paris. Mr. Grant, in an interview with The Monetary Times, stated that his trip had been very successful. He completed arrangements for the public issue of the \$1,300,000, 6 per cent. first mortgage bonds of the Spanish River Pulp and Paper Mills, Limited, and the issue will be made very shortly. He stated that strong interests there had been identified with the issue, and that the bigger part of the amount available had already been taken up. He has also made arrangements while abroad, for the financing of several other issues which the company has in hand.