

able reasons for the assumption as a Dominion work of the deepening of the Channel of the St. Lawrence will have more weight than the carrying of the people of Quebec who never have had, and never can have, the control of the St. Lawrence trade. Whether they can succeed in diverting it to united channels is the real question at issue. The Quebec Government is most anxious for a decision on the better terms question, which there is little doubt has been presented as forcibly as possible. There are doubtless many other parties interested in other schemes of more or less importance.

THE RIVAL RAILROADS.

The *Canada Gazette*, a new paper recently established in London, has published the Government cablegram signed by Sir Henry Tyler on the part of the Grand Trunk Co. and Mr. George Stephen, on behalf of the Canadian Pacific Co., the main object of which is that the latter shall cede to the former the Credit Valley, the Ontario & Quebec, and the Atlantic, North West, and South Eastern lines—an arrangement that most assuredly would have given great dissatisfaction to the public at large. The *Canada Gazette*, while expressing regret that the agreement was not ratified by the Pacific Co., frankly admits that "the people of Canada cannot be justly reproached for raising their voices against the agreement," and adds "it can be easily realized that much the same feeling would prevail here in like circumstances; and if Canadian companies will work in the friendly rivalry common to England there is no reason to suppose that investors will suffer more in Canada than they do here." In closing the negotiation Mr. Stephen assured Sir Henry Tyler that, "it will be my endeavor to maintain the most friendly relations with your company in every way consistent with the interests of the Canadian Pacific Railway." In his reply Sir Henry Tyler confirms himself to an expression of regret that Mr. Stephen was in a position to carry out the arrangement which he believed was practically concluded, and "which formed the subject of our joint telegram of instructions to the general managers of the two companies in Canada." It appears to us that Sir Henry Tyler has failed to consider a most important difference between the two negotiations. London is the seat of Government of the Grand Trunk, and Sir Henry Tyler could of course send instructions to the general manager in Canada. Such was not the case with Mr. Stephen. Montreal is the

seat of government of the Canadian Pacific railway, and its directors are on this side of the Atlantic. There can be no doubt that Mr. Stephen's recommendation has great weight, but then the directors could not shrink from the responsibility of forcing their own judgment in the point at issue. The *Canada Gazette* announces that the effect on the money market was a fall in the Grand Trunk shares. As regards the traffic between Montreal and Toronto, there can be little doubt that it will be large enough to employ both roads, and possibly the failure of the negotiations may necessitate a double track.

Meetings &c.

CONFEDERATION LIFE ASSOCIATION.

The annual meeting of the Confederation Life Association was held at the head offices, Toronto, on Monday last, the president, Sir Wm. Howland, in the chair. A large number of shareholders attended. The following report was read:

The directors have much pleasure in again meeting the policy-holders and shareholders at the annual meeting, and in being able to submit to them the following statements of the business of the association, which attest in the strongest possible manner to the progress and stability attained.

During the year 1618 new applications, for a total assurance of \$2,713,887 have been considered. Of these 1504, for \$2,497,387, were approved, and 114, for \$216,500, were declined or withdrawn, not being considered desirable risks. Including 9 revived policies, 1513 new policies for \$2,510,387 were issued, and the year closed with 6,357 policies, assuring \$9,909,246.10 in force.

The financial statements, duly certified by the auditors, drawn up in the complete and simple form adopted by the association, leave nothing to be explained. They afford a positive exhibit of the business and position of the company, and show the large increase that has been made in both the premium and interest income, and also a handsome increase in the cash assets, notwithstanding the large sum paid out in cash profits to the policy-holders, and the repayment of the special loan outstanding at the close of 1881.

The care exercised in the selection of risks continues to be exemplified in the favorable death-rate experienced. There were 34 deaths, by which 36 policies became claims, involving, with \$826 of reversionary additions, the sum of \$51,656.18.

The usual investigation of the securities by a committee of the board has been made, and the report of that committee, and the report of the actuary, will be found following the financial statements.

The results of the quinquennial allotment of profits have given unbounded satisfaction to our policy-holders; and probably it is not a matter calling for surprise that these handsome and unsurpassed results should have led to an attack upon this association, conspicuous for its cowardliness and untruthfulness, by envious managers whose companies could not equal these results, or which operated under a system that deprives their policy-holders of the beneficial help afforded by the payment of cash profits.

The directors tried to bring the responsibility home to those persons who were thought to have been the instigators, by an action for libel; but failing in being able to secure that direct evidence necessary, the suit was withdrawn. In view of that fact the directors

thought it would be satisfactory to the policy-holders and shareholders to have, in addition to those made by our own actuary, such valuations of the association's liabilities as would show the severe way in which the liabilities have heretofore been ascertained and provided for. It was therefore decided to have the policy and annuity obligations valued by Professor Cherriman, superintendent of insurance for the Dominion, on the basis of the Government standard, and by Mr. Sheppard Homans, the well-known actuary of New York, on the basis of the standard for that State. The valuations by these gentlemen are appended. The higher reserve called for by the valuation made by our own actuary over that by Professor Cherriman, both being on the same mortality table and using the same rate of interest, is accounted for by the fact that in our practice it has been deemed wise to add a percentage to the net reserve in the case of paid up and limited payment policies, to provide for the future cost of taking care of such business and for any contingency in the future, a course, we believe, peculiar to this association. The much greater difference when compared with the valuation made by Mr. Homans is to be accounted for by the increased severity of the H. M. Institute of Actuaries' table of Great Britain, as compared with the American experience table of mortality, the same rate of interest (4½ per cent.) being used by each.

The following tabulated exhibit of the three valuations will be interesting as well as instructive.

Valuation by Mr. Homans.

Total liability.....	\$713,846 00
Less for amount reinsured.....	13,593 79
Net liability.....	\$700,252 21

Valuation by Prof. Cherriman.

Total liability.....	\$741,416 76
Less for amount reinsured.....	14,119 00
Net liability.....	\$727,297 76

Valuation by the Company's own Actuary.

Total liability.....	\$753,580 96
Less for amount reinsured.....	14,350 44
	\$739,230 52

The adoption of the valuation made by the Insurance Department, which the Directors would be fully justified in assuming, would yield a surplus over all liabilities of \$75,053.07, while the adoption of the valuation of Mr. Homans, which is the basis called for by the State of New York, would yield a surplus of no less a sum than \$102,633.83.

The expense entailed by these extra valuations will doubtless be considered to have been well incurred, as they furnish the most convincing proof of the entire absence of foundation for those statements which the calumniators of the association have made and circulated.

The fact that the new business for the year has reached the sum of two and one-half millions, and that the year closed with so near an approach to ten millions of insurance in force, will be gratifying to all interested in the company, while that fact also suggests a reason why less popular companies should endeavour to weaken the popularity of this association by attacks through the medium of an irresponsible foreign newspaper, the responsibility of whose misrepresentations, however, they are careful to avoid.

The further fact, that at the end of the first year after the Quinquennial Allotment, our Policy-holders have a security, over all liabilities to them, including unpaid profits to the close of 1881, even on the basis of our own valuation of \$142,898.87, thoroughly establishes the pre-eminence of the security afforded by this association.

It is a pleasing duty to testify to the continued faithfulness and efficiency of the office, agency and medical staff.

J. K. MACDONALD, W. P. HOWLAND,
Managing Director. President.