Claims under adjustment	6,361 92	
Bills payable	14,500 00	
		$ 37,147 40

Deposit with Ontario Government $14,000.

AUDITORS' REPORT.

The auditors of the Wellington Mutual Fire Insurance Company beg to report that they have examined the books, accounts and vouchers of the company for the year ending 31st of December, 1897, and they have found the same correct and in order.

The balance of cash in the hands of the secretary-treasurer at that time was $863.28, and the balance in the Traders' Bank at the credit of the company at that date was $1,775.64.

All of which is respectfully submitted.

(Signed.) THOS. W. SAUNDERS,
ALEX. MACKENZIE,
Auditors.

The president stated that they regretted that the last three months had been so plentiful both in number and amount of fires. He also referred to the continued illness and failing powers of Mr. Charles Davidson, who had been secretary-treasurer and managing director of the company for so many years and for whom he could hold out no hopes of his ever being able to meet with them at the board meetings again, and at the request of the family his name would not be put forward for re-election.

As stated in the report, a by-law to create a reserve would be presented, which he hoped would meet with their approval. He would move the adoption of the report. John I. Hobson seconded the motion, which was carried.

Moved by J. I. Hobson, seconded by J. R. Wissler, that the by-law authorizing the directors to take the necessary steps to form a reserve fund be read. Carried.

The by-law was accordingly passed.

Moved by J. R. Wissler, seconded by J. I. Hobson, that J. Melross and J. A. Ross act as scrutineers, and that a ballot be taken for the election of directors to fill the places of those retiring. Carried.

A ballot having been taken, Messrs. W. H. Storey, Thos. Gowdy and Harry Murton were declared elected.

Moved by J. R. Wissler, seconded by G. A. Clare, that T. W. Saunders and A. Mackenzie be auditors. Carried.

Moved by H. Murton, seconded by J. Melross, that a vote of thanks be given the directors, officers and agents of the company for the way in which they have conducted the affairs of the company. Carried.

The meeting then adjourned.

At a meeting of the directors, held after the annual meeting, Geo. Sleeman was elected president, and John I. Hobson, vice-president. John Davidson was appointed secretary.

FEDERAL LIFE ASSURANCE CO.

The sixteenth annual meeting of the shareholders of this company was held at the head office in Hamilton at two o'clock on Tuesday, the 1st inst. Mr. James H. Beatty, the president, was appointed chairman, and Mr. David Dexter, managing director, secretary. The following report was submitted:

REPORT.

The directors have pleasure in submitting for the information and approval of the shareholders the following report of the business of the company, together with a statement of receipts and disbursements for the year which closed on 31st December last, and of the assets and liabilities on that date.

New business consisted of sixteen hundred and fifty applications for insurance, aggregating $2,212,000, of which fifteen hundred and seventy-one applications for $2,104,000 were accepted. Applications for $108,000 having been rejected or held for further information.

Annuity premiums to the amount of $8,400 were also received.

During the past five years $7,000,000 of renewable term assurances have been replaced by higher premium policies—principally on limited payment life plans—through which means the premium income and reserve funds of the company have been largely increased, though but little addition has been made to the amount of assurances at risk. These assurances are distributed over a greater number of lives in smaller amounts than heretofore. The number of lives assured increased from 5,784 at the beginning of the year to 6,255 at the close, an addition of 471.

The income, exclusive of capital stock, shows an increase of $46,156.50 over the previous year, and the assets an increase of $114,735.46, the income proper being $381,798.41 for the year, and the assets $722,448.27, exclusive of uncalled guarantee capital.

The security for policyholders, including guarantee capital, was at the close of the year, $1,331,448.27, and the liabilities for reserves and all outstanding claims, $618,481.33—showing a surplus of $712,966.94. Exclusive of uncalled guarantee capital, the surplus for policyholders was $103,966.94.

Assurances for $122,826, on forty-four lives became claims through death, of which amount the company was re-insured for $23,000. Including cash dividends and dividends applied to the reduction of premiums ($41,246.47), with a matured endowment of $2,000, the total payments to policyholders amounted to $164,072.47.

In pursuance of the authority granted at the last annual meeting of the shareholders, your directors have made application to the Parliament of Canada for a special Act of incorporation, with a view to facilitating the business and investments of the company. Up to the present time we have been doing business in all the provinces under a Provincial charter and Dominion license.

During the past few months there have been indications of a general improvement in business most encouraging in their character; should this improvement continue, life insurance interests will share in the benefits arising therefrom.

The office and agency staff of the company have given excellent service, and are worthy of your commendation.

The accompanying certificate from the auditors vouches for the correctness of the statements submitted herewith. All accounts, securities and vouchers having been examined by them.

JAMES H. BEATTY,
President.
DAVID DEXTER,
Managing Director.

AUDITORS' REPORT.

To the President and Directors of the Federal Life Assurance Company:

Gentlemen,—We have made a careful audit of the books of your company for the year ending 31st December, 1897, and have certified to their correctness.

The securities have been inspected and compared with the ledger accounts, and found to agree therewith.

The financial position of your company as on 31st December is indicated by the accompanying statement.

Respectfully submitted,
H. S. STEPHENS,
SHERMAN E. TOWNSEND,
Auditors.

Hamilton, 1st March, 1898.

FINANCIAL STATEMENT.

Income.

Insurance and annuity premiums	$360,713 94
Interest and rent	32,209 79
Capital stock	9,703 00
	$402,626 73

Disbursements.

Death claims and annuities	$112,485 80
Endowments and surrendered policies	5,934 47
Dividends to policyholders	39,246 47
Re-insurance premiums	11,125 32
Commissions, salaries and other expenses	114,678 77
Dividends to shareholders	4,773 60
	$288,244 77
Balance	$114,381 96
	$402,626 73

Assets.

Mortgages and debentures	$ 290,545 14
Loans on policies	159,487 35
Cash in banks and on hand	133,159 65
Real estate	30,000 00
Premiums deferred, interest accrued and other assets	109,256 13
	$722,448 27
Guarantee capital	609,000 00
	$1,331,448 27

Liabilities.

Reserve funds	$ 609,981 33
Claims unadjusted	8,500 00
	$ 618,481 33
Balance	712,966 94
	$1,331,448 27

On motion of the president, Mr. Beatty, seconded by Dr. Burns, followed by felicitous remarks from the mover and seconder and other shareholders, the directors' report was adopted.

The thanks of the shareholders were tendered to the officers and agents of the company and suitably responded to. The retiring directors were re-elected and the auditors re-appointed.

At a subsequent meeting of the directors the officers of the previous year were re-elected.

TRANSACTIONS ON TORONTO STOCK EXCHANGE.

The Toronto stock market has been generally dull and weaker. The principal stocks dealt in have been C.P.R., Commercial Cable, and Toronto Railway. The first-named has declined from 85½ to 81. Commercial Cable is also lower, selling at 177⅜, a loss of $4½ during the week. Toronto Railway is firm at 101¼; Bank shares have been firm, with no change in prices; Loan companies' shares inactive.

Following are the transactions for the week: Ontario Bank, 8 at 104¾; Bank of Commerce, 146 at 141¼-140¾; Dominion Bank, 10 at 255½; Standard Bank, 26 at 175-174; Bank of Hamilton, 26 at 174; British America Assurance Co., 147 at 128½-128; Western Assurance Co., 400 at 168⅜-167¼; Montreal Gas Co., 525 at 196; Canada N. W. Land, pref., 50 at 51½-51¾; C.P.R. Stock, 2,821 at 85½-81, Toronto Electric Light Co., 70 at 135½; new, 7 at 117½; Commercial Cable, 1,286 at 181¼-177⅜; Reg. bonds, $47,200 at 106⅜-106; Coup. bonds, $1,000 at 106; Bell Telephone, 24 at 176½; Richelieu and Ontario Navigation Co., 25 at 105; Toronto Railway, 462 at 103-101½; London Street Railway, 309 at 181-182; Canada Landed and National Investment Co., 10 at 100; Central Canada Loan Co., 20 at 124½; Freehold Loan and Savings Co., 20 per cent., 6 at 73; Real Estate Loan Co., 20 at 55.

—Mr. Chauncey M. Depew attributes the decrease in drunkenness among railway employees partly to the work and influence of the railway Y.M.C.A., which has been as a rule generously aided by the corporations. The companies themselves have at the same time adopted and enforced more stringent rules on this subject than formerly. Twenty years ago, when the New York Central had 15,000 employees, the average proportion of men discharged for drunkenness within a certain period was 20 per cent. Now, with 30,000 employees, the discharges are less than one per cent. in the same length of time. Perhaps the change has not been so great as this everywhere: but that there has been an enormous improvement in the morale of railway employees generally cannot be denied. Possibly some of this has been due to better example on the part of superior officers.