ness for the past year, showing the condition of the company.

The demand for money has been fair, but at excessively low rates. The sum of $587,176 has been loaned during the year, and $766,559, principal and interest, has been repaid.

The net earnings of the year, including $442.05 brought forward, amounted to $100,056.34, from which two half-yearly dividends, at the rate of 6 per cent. per annum, have been paid to the shareholders, $25,000 added to the reserve fund, and the balance, $3,056.34, carried forward. The reserve fund now amounts to $515,000.

Properties foreclosed and properties brought to sale and unsold, together, amounted at the end of the previous year to $125,488. These have been to a great extent disposed of, and now stand at $48,426.

Messrs. Mylne & Cook, C.A., of Edinburgh, the company's financial agents for Scotland, still continue to forward our interests there.

It is with deep regret that the directors have to record the demise of an esteemed member of the board, Mr. William A. Gunn. The vacancy has been filled by the appointment thereto of Lieut.-Col. Gartshore.

All of which is respectfully submitted,

JOHN MCCLARY,
President.

REVENUE ACCOUNT.

| | | |
|---|---|---|
| Interest on sterling debentures | | $ 42,536 31 |
| Interest on currency debentures | | 8,872 32 |
| Interest on deposits | | 17,209 45 |
| Expenses connected with sterling debentures | | 1,392 92 |
| Commissions and expenses in connection with loans | | 4,353 86 |
| Expenses of management | | 15,838 02 |
| Taxes paid Ontario Government | $ 980 00 | |
| Taxes paid City of London | 2,412 85 | |
| | | 3,392 85 |
| Dividend No. 71, paid 2nd July, 1899 | | 36,000 00 |
| Dividend No. 72, due 2nd Jan., 1900 | | 36,000 00 |
| Carried to reserve fund | | 25,000 00 |
| Balance carried forward | | 3,056 34 |
| | | $193,652 07 |
| Balance from last year | | $ 442 05 |
| Interest earned on mortgages, rents, etc. | | 193,210 02 |
| | | $193,652 07 |

FINANCIAL STATEMENT.

*Assets.*

| | | |
|---|---|---|
| 1. Mortgages on real estate | | $3,282,676 84 |
| 2. Loans on debentures | | 102,501 54 |
| 3. Loans on this company's stock | | 34,265 56 |
| 4. Real estate, foreclosed and owned | $14,800 00 | |
| Real estate brought to sale and unsold | 33,626 07 | |
| | | 48,426 07 |
| 5. Office premises (Freehold) | | 40,000 00 |
| 6. Cash with Bank of Scotland | | 834 45 |
| 7. Cash with banks in Canada | | 88,167 06 |
| | | $3,596,871 52 |

*Liabilities.*

| | | |
|---|---|---|
| Liabilities to the Public— | | |
| Sterling debentures | $1,074,940 27 | |
| Accrued interest on same | 9,641 45 | |
| Currency debentures | 199,708 00 | |
| Accrued interest on same | 2,624 04 | |
| Deposits | 555,901 42 | |
| | | $1,842,815 18 |
| Surplus | | $1,754,056 34 |

| | | |
|---|---|---|
| Liabilities to the Shareholders— | | |
| Capital stock paid up | $1,200,000 00 | |
| Dividend No. 72 (since paid) | 36,000 00 | |
| Reserve fund, $490,000; carried to do., $25,000 | 515,000 00 | |
| Balance at credit of revenue account | 3,056 34 | |
| | | $1,754,056 34 |

Aggregate liabilities, $3,596,871.52.

To the Shareholders of the Ontario Loan and Debenture Co.:—

We hereby certify that we have audited the books and accounts of the Ontario Loan and Debenture Company for the year 1899, comprising a monthly cash audit and the verification of the postings and balances in all the company's books, and we find the whole correct and in accordance with the above statements. We have also examined the securities and find them in order.

GEO. F. JEWELL, F.C.A.,
A. M. SMART,
Auditors.

London, Ontario, Jan. 17th, 1900.

The retiring directors, Messrs. John McClary, A. S. Emery, William Bowman, William McDonough, and Lieut.-Col. Wm. M. Gartshore, were re-elected, as well as the auditors, Messrs. George F. Jewell, F.C.A., and A. M. Smart.

At a subsequent meeting of the directors Mr. John McClary was re-elected president, and Mr. A. S. Emery, vice-president.

WM. F. BULLEN,
Manager.

## Correspondence.

### REBATING LIFE PREMIUMS.

Editor MONETARY TIMES:

SIR,—There is a subject that I think you ought to sound a trumpet note on in this Canada of ours, for it is one that interests a good many people. I am an insurance agent, and try to do my business square and straight. As I have a good company to work for, I do not need to boast and defame other companies because they are not as big or as old as mine. Nor I don't have to tell lies about what profits will be made in the next century by our policies. But when I propose to a man, say of 30 years old, to take out an application with me, and persuade him, and, by-and-bye, ask him for the proper amount of first premium, he tells me straight that I must do better for him, because Jimson P. X. Jonesbury (who is agent for an opposition company in the next village), has offered him a policy, almost the same, for five or six dollars less. This kind of thing I have had done to me this week.

Now, I know the proper rates for a man at age 30, and I know what can be done and what can't be in the way of profit by life companies. So this man, Jonesbury, I am sure, wouldn't be allowed to cut rates this way by his company, and so he just rebates one-fourth the first premium. Some of these fools of rebaters give away more than the fourth—they tell me, more than the half of the first yearly premium, but I never had any body play it so bad on me as that. Anyhow, this is dangerous business, Mr. Editor, to go on the sly, and take and chop off, as you might say, the earnings that the company is depending on to pay profits.

I hope you will have something to say about it, You are often hammering those assessment concerns—and right enough, too—for promising too much and because they don't charge enough assessments for what they promise. But if they do not get enough premium money to keep them afloat more than a dozen years, how can the old line companies keep on and pay the profits they have promised to policyholders, when their agents are giving away quarter or half the first premiums? It is a wrong and underhanded business, this rebate business, and I wonder the big and strong companies allow it to be done, for they can't help knowing something about it.

Yours truly,
WELLINGTON.

24th February, 1900.

### THE TAXATION OF MORTGAGES.

The question of taxation, as it has been raised in New York by Governor Roosevelt's tax commission is both important and interesting. The main point of controversy, thus far, aside from that on some details as to the proposed tax on State banks and trust companies, touches the proposal to levy a small direct tax on mortgages for the benefit of the State, taxation for local purposes on mortgages being then forbidden. The only objection to this proposition is that the tax will fall upon the mortgagor—that is, upon the real estate—and will thus be a double burden on the owner. The commissioners believed that the incidence of taxation will not fall on the owner of the land, but on the owner of the mortgage. An examination made of mortgages in California sustains this theory; but, on the other hand, the other theory is fortified by the experience of Maryland. In that State, the law taxes mortgages and forbids the holder of the instrument to compel the borrower to pay the tax, directly or indirectly. Nevertheless, the experts of Baltimore trust companies and savings banks say that the law is evaded by raising the rates of interest, and by other methods, the result being that the tax inevitably falls on the owner of the land. This testimony from Maryland is very likely to have a good deal of effect on the Legislature of New York, whose members are not likely to invite the wrath of the thousands of farmers who think that they are already overtaxed.—Harper's Bazar.

### A PECULIARITY OF FIRE LOSSES.

Louis F. Payne's last report, as superintendent of insurance for New York State, just presented, contains this paragraph:

It is a significant fact that the fire losses in the city of New York, within the limits of the city—which, for the calendar year ending December 31st, 1897, amounted to $3,010,804, and in 1898 to $4,147,639, during which periods a tariff of rates was in operation, accompanied with suggestions for decreasing rates for improvements in risks, under which strict rules, looking to the prevention of fire, were enforced by the collective power of the companies— have more than doubled since the suspension of the tariff. For the twelve months ending December 31st last, in this same district with a suspended tariff, the statistics of the fire patrol of the city of New York show losses of not less than $10,000,000.

—It affords us much pleasure to be able to state with certainty, says the Halifax Chronicle, that all litigation in connection with the Broad Cove Coal Company, in Inverness County, Cape Breton, has been settled. Mr. William Penn Hussey and his American friends have retired from the management of the company, and the business has passed into the hands of London capitalists. Work on an extensive scale will be commenced at an early day, and be prosecuted with vigor.