

Cr.	£	s.	d.
By Remuneration to Directors and Auditors.....	4,710	0	0
“ Salaries—			
Head Office,.....	2,673	9	5
Branches.....	2,544	13	10
	6,218	3	3
By Rent and Taxes—			
Head Office.....	3,699	15	3
Branch Offices.....	1,138	10	1
	4,838	11	4
By Freehold Offices, Cornhill—			
Amount written off this Account.....	1,695	2	1
By Advertising, Printing, and Stationery.....	1,672	12	5
“ Travelling Postages and Parcels.....	673	12	2
“ Law Expense.....	130	5	7
“ Local Boards, and Agents expenses.....	3,828	3	1
“ Messengers, Servants, and Miscellaneous.....	832	9	6
	7,101	2	9
By Balance.....	252,453	2	3
	276,016	1	8

The Chairman John Boustead, Esq., then made the following statement in moving the adoption of the Report:—

On the occasion of our last meeting, we had reason to congratulate ourselves upon the improved prospects of the company. I think it is again a matter of congratulation that a like measure of prosperity has characterized our transactions in the past year. Our increased premiums indicate that our place in the confidence of the public has been maintained, and our increased balances show that the business we have secured has been of a remunerative character. The accounts of our several departments are in the usual form, and call for little remark. In the Fire Account the premiums of 1868 show an increase of about £3,000 over those of 1867. The average percentage of loss is rather higher, but still below the estimated average. Some sections of the business have resulted most favourably; others, though in no case entailing a loss, have not yielded an equal profit. As in the first, we think we recognize the consequence of that careful elimination of hazardous risks referred to in the report, so we believe that the application of the same principles to other sections of business will tend to establish more uniform results in all, and a lower percentage of loss than has yet been attained in the transactions of the Fire branch. [Hear, hear.] It will be satisfactory to you to know that the premiums received since the 1st January, have sufficed to meet the claims of £8,000 outstanding at that date, and all losses that have occurred since. In the Life Department our report refers to two subjects of the greatest interest in connection with that branch, viz., the appropriation of the first bonus declared, and the progress of the business during 1868. The allocation of the bonus, and the various methods of distribution were so fully explained last year that it only remains for me to state that the satisfaction which it was expected the policy holders would feel at the addition made to their policies has been fully realized. If our shareholders and our policy holders will bear in mind that the Life Reserve of the office is proportionately larger than that of most other Assurance Companies, and its bonus amongst the largest ever declared, and will do their best to impress this point upon their connections, there is no doubt that a large increase of business would result to us during the present year [Hear, hear.] On reference to the business of 1868, it will be seen that the policies effected were 508 in number, as compared with 439 of the previous year, and the total sum assured was £290,760 in 1867. The new premiums are slightly less

owing to the average of the lives assured being less, but the amount of business is actually greater. The claims which have arisen in the year have again been very small, for out of the £16,000 paid, re-assurances gave us £5,000, and a further sum of £8,000 which accrued during 1867, was deducted from the assets before the bonus was declared, so that the claims accrued and paid during 1868 amounted to only £6,000. To this should be added £2,000 outstanding on 31st December last, making a total for the year of £8,000. The importance and value of this circumstance will be best appreciated when I state that the claims expected and provided for (mind, I say provided for,) at the valuation were £20,000; in other words, we made a provision of £12,000 in excess of the amount that we have been called upon to pay. [Hear, hear.] There has been an additional source of profit in the falling in of the largest annuity granted by the office. The annuity was for £490, and the sum of £3,284 was reserved in respect to it at the valuation in the beginning of the year. The charges of management show an increase over preceding years; but, as mentioned in the report, the increase is owing chiefly to the expenses in connection with the valuation and bonus. There is one other feature deserving notice, and that is, the direct business effected at the Head Office, where the character of the company is best known, and where the advantages it offers can be best tested, is greater than the total amount received from all the branches and all the agencies. To those but little acquainted with the company, this circumstance should give the assurance that if they strive to know us better, they will not know us worse. [Cheers.] The events of the past year, otherwise so favorable, have been clouded by the deaths of our esteemed colleagues Mr. David Hart and Mr. Humphery. Their long connection with the company, and their watchful care of its interests, render the circumstances of their removal from amongst us peculiarly sad to the directors, who have been associated with them from the first promotion of the company. [Hear, hear.] The directors have elected Mr. Giles, who will be recognised among us at our annual general meetings as one of our largest shareholders, and who has at all times shown himself to be well versed in our accounts, and to possess a thorough knowledge of our proceedings. In Mr. Alexander Robertson we have a Director of the National Provincial Bank of England, whose experience in that capacity, and whose great influence must contribute to the interests of our company. [Cheers.] The only other subject to which I need advert, is in connection with the dividend and bonus, which we ask you to confirm at the rate together of 7½ per cent. Our recommendation of the dividend is based upon the fact that after providing the £18,750, that it will absorb, and making ample provision for our liabilities on the Fire and Marine accounts, (I purposely except the Life account, as all the liabilities in connection therewith are provided for by special funds in the names of separate trustees), I say that after making ample provision for Fire and Marine liabilities, there will still remain a very large reserve. The circumstance that the balance is much in excess of our liabilities, may possibly have originated a whisper that has reached us that some of our shareholders looked for a higher dividend than the 7½ per cent. we propose to recommend for your confirmation. There are one or two reasons, however, that should induce us to a certain self-restraint in this matter. We do not feel justified in appropriating towards dividend or bonus any portion of the sums that have come into our hands in respect to liabilities we have undertaken, so long as those liabilities are undischarged. When those liabilities have run off, then, and not till then, will a certain proportion of the sums which remain in our hands become properly available for distribution. Again we must remember that credit abroad is the very breath of existence to an Assurance company, and that upon the maintenance of this credit must depend the extension of our business, and the

opportunity of increasing our dividends in the future. No directorate, however influential, no proprietary, however wealthy, can ever influence the insuring world in a degree equal to the fact that a company possess large and adequate reserves. [Cheers.] Names and reputations are nothing compared with balances in hand. [Cheers.]

The comments of the shareholders upon the report and accounts were chiefly of a congratulatory character, and it is not necessary therefore to record them.

In the evening, says an exchange, the Directors—not the Company—gave a dinner, to which several bankers and men of high commercial standing were invited, and among the guests were Sir G. E. Cartier, Bart., and the Hon. Wm. MacDougall, C. B., who sat on the right and left of the Chairman. Among the toasts, that of “prosperity to the Colonies” was proposed by Mr. Larkworthy, one of the Directors, who remarked that most men of property in England had a direct interest in the colonies, and he might venture to say that every other gentleman in the room derived from them a large portion of his income. Advertising especially in Canada, he considered that colony the model dependency of England, whether viewed as to its population, system of education, loyalty to the mother country, or lightness of taxation.

Sir George E. Cartier responded to the toast, and observed that the prosperity of the mother country was implied in that of the colonies. However important Canada was to England at the present time, it was destined to become of much more importance in the future, as Canadians had determined to extend their territory from the Atlantic to the Pacific, and to assume in America the position, without the despotism, of Russia in Europe. He insisted upon the loyalty of Canada, and stated that should a disagreement arise between England and the United States, the Canadians were fully prepared to fight the battles of England upon Canadian territory. He concluded with the hope that the success which the ‘Commercial Union’ had achieved in England might be equalled by its success in Canada.

The Hon. Wm. MacDougall proposed, “Prosperity to the Commercial Union Assurance Company,” and said that, having the pleasure to know the Company’s representative in Canada, he believed the Branch there could not help progressing while it continued so ably directed. Alluding to the distress which the scheme of Assurance tended to mitigate, he spoke at length upon the subject of emigration as a powerful means of lessening poverty and misery, and directed attention to the fruitful territory of Hudson’s Bay, which, if it were possessed by Canada, only awaited labourers to become one of the most fertile regions in the world.

MONTREAL AND CHAMPLAIN RAILWAY.

The following is the report of the directors for the year ended 31st Dec., 1868:—

The accounts for the year 1868, which are appended to this report, show that the proportion of net revenue due to this company, under the agreement with the Grand Trunk Company, has amounted to the sum of \$90,663.56. The amount accruing under the lease, for the year 1866, was \$72,613.09, showing an improvement during the year 1868 of \$18,050.47. The amount earned in 1868, is very nearly sufficient to meet the interest on bonds, and pay the dividend on ten per cent. preferred stock. The large extent of renewals rendered necessary upon the amalgamated lines, has rendered the amount of net profit below what would otherwise have been the case. The accounts have been examined by the joint committee—as provided for by the agreement—and they report that they are satisfied that justice has been done both to the line and rolling stock during the last twelve months, within the meaning of the terms of an amalgamation of the two companies. Both