Meetings.

HURON AND ERIE LOAN AND SAVINGS COMPANY.

The thirty-fourth general annual meeting of this company was held at its office, in London, Ont., on Wednesday, February 9th, 1898.

Present—Edmund Beltz, F. P. Betts, T. A. Browne, P. W. D. Brodrick, Thos. Caldwell, Hume Cronyn, Verschoyle Cronyn, H. E. Gates, Geo. F. Jewell, John Labatt, F. E. Leonard, J. W. Little, Chas. Morton, Philip Mackenzie, J. M. McWhinney, the manager, and others.

The president, J. W. Little, took the chair, and the manager, Mr. G. A. Somerville, acted as secretary. The minutes of the last annual meeting were read and approved, and the annual report and financial statement were submitted, as follows:—

REPORT.

The directors of the Huron and Erie Loan and Savings Company beg to submit herewith their thirty-fourth annual report, showing the results of the business of the company for the past year, accompanied by the balance sheet to December 31st, 1897, duly audited.

After defraying the expenses of management and all other charges, and making provision for doubtful debts, the business for the past year, including $22,113.39 brought forward from last year's accounts, shows a net profit of $166,085.25. Two half-yearly dividends of four and one-half per cent. each, and the income tax of $2,657.31 thereon, absorbed $128,657.31, leaving a surplus of $37,427.94, of which $20,000 has been added to the Reserve Fund, and the balance, $17,427.94, carried forward to next year.

The reserve fund now amounts to $750,000, or over fifty-three and one-half per cent. of the paid-up capital stock of the company.

The reduction in the prevailing rate of interest on choice mortgage loans has been largely met by the reduced rate at which money has been obtained on deposit and on the debentures of the company.

The re-valuation of mortgaged lands referred to in the last annual report has been continued, so that within the past two years almost every security held by the company has been inspected by a competent valuator, other than the inspector upon whose report the investment was originally made. Where the margin of security appeared doubtful, ample provision has been made.

The value of the real estate held by the company, exclusive of office premises, is $20,350. This sum includes all properties remaining unsold which have come into the possession of the company by foreclosure, failure to obtain purchasers under power of sale, or otherwise. Interest was paid more promptly than usual, and the arrears at December 31st were less than for a number of years previously.

Your directors desire to bear testimony to the very efficient manner in which the manager and other officers of the company have discharged their respective duties.

All of which is respectfully submitted.

J. W. LITTLE,
President.

London, Ont., 26th Jan., 1898.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING 31ST DECEMBER, 1897.

Dr.

To dividend No. 66, 4½ per cent	$63,000 00	
Dividend No. 67, 4½ per cent	63,000 00	
Income tax	2,657 31	
		$128,657 31
Interest on deposits	$47,673 82	
Interest on sterling debentures	57,016 39	
Interest on Canadian debentures (Including interest accrued but not due.)	57,151 38	
		161,841 59
General expense account	$15,419 42	
Other expenses, including directors' fees, auditors' salaries, solicitors' fees, taxes on office premises, etc	5.504 69	
Commission on loans	2,919 72	
Land inspection	5,065 12	
Commission and other expenses on sterling debentures	5,589 46	
		34,498 41
Losses on real estate, not previously provided for		5,938 23
Provision for possible depreciation in land values		15,000 00
Transferred to reserve fund		20,000 00
Balance		17,427 94
		$383,363 48

Cr.

By balance brought forward	$ 22,113 39
Interest earned	360,356 71
Rents collected	521 00
Profit on sterling exchange	372 38
	$383,363 48

STATEMENT OF LIABILITIES AND ASSETS AS AT 31ST DECEMBER, 1897.

Dr.

Liabilities to the public:—		
To deposits	$1,363,634 14	
Sterling debentures	1,450,646 24	
Canadian debentures	1,418,846 60	
Interest accrued but not due	33,578 17	
		$4,266,705 15
To the shareholders:—		
To capital stock paid-up	$1,400,000 00	
Sixty-seventh dividend, due 3rd January, 1898	63,000 00	
Reserve fund	750,000 00	
Unclaimed dividends	60 03	
Balance	17,427 94	
		2,230,487 97
		$6,497,193 12

Cr.

By cash value of mortgages	$5,919,840 00	
Less amount retained to pay prior mortgages	22,750 84	
		$5.897,089 16
Real estate on hand		20.350 00
Office premises		20,000 00
Cash value of debentures and Government Inscribed Stock	167,677 00	
Cash in office	3,671 43	
Cash in banks	388,405 53	
		559,753 96
		$6,497,193 12

G. A. SOMERVILLE,
Manager.

We hereby certify that we have carefully audited the books and accounts of the Huron and Erie Loan and Savings Company for the year ending December 31st, 1897. The cash and bank accounts have been audited monthly; the postings and balances of all the company's ledgers examined quarterly; and we find the whole correct and in accordance with the above statements. We have also examined the company's securities, and find them in order.

GEO. F. JEWELL, F.C.A.,
THOMAS A. BROWNE, } Auditors.

London, 26th January, 1898.

The President, in moving the adoption of the report, said:—

"I am sure that the report which has just been read will prove satisfactory to all who are interested in the Huron and Erie. Notwithstanding the increased competition for good loans, the reduced rates of interest prevailing, and the low prices obtainable for real estate, the earning power of the company has been well maintained, the usual dividends have been paid and the sum of $20,000 added to the reserve fund.

"During the year seven hundred and fifty-two applications for loans were considered, of which only two hundred and ninety-nine were accepted. The policy of the board to confine investments strictly to Western Ontario remains unchanged, so that all the loans are within a comparatively short distance of the company's office.

"The real estate held as security for advances has practically all been re-inspected by competent valuators specially selected for the purpose, and their reports are a source of great satisfaction to the board, and will prove most valuable to the company.

"The real estate on hand amounts to $20,350, or about $16,000 less than at the close of last year. It consists entirely of farm property, part of which has been sold since the books were closed, and it is expected that the remainder will be quickly disposed of, especially in view of the improved demand for farms at somewhat higher prices, due to the abundant crops of last year and the better returns for farm produce generally.

"No part of the company's business receives more careful attention than the arrears on mortgages. Not only are they closely watched by the management under a most efficient system, but they are brought before the board at regular intervals, and each case is carefully considered.

"At the end of the year the total arrears of principal and interest amounted to only $70,605, being less than at any time for the past twenty years, with one exception. No doubt this satisfactory result is largely due to the excellent system adopted.

"Since the limit of our borrowing powers was reached a few years ago, no increase in the total amount of debentures issued by the company has been possible, but the dividend and net profits have been maintained chiefly in consequence of the more favorable terms on which money has been borrowed on debenture. Last summer the manager visited Great Britain and arranged to renew or replace by new money a large amount of maturing debentures at much lower rates than were formerly paid. Arrangements for further supplies of capital on very satisfactory terms were also made, and the saving thus effected, together with reduced rates on deposits and Canadian debentures, should have a very noticeable effect on the coming year's profits.

"I may state that since the first of January I have personally examined every account in the company's ledgers, except those in the savings department, and, as a result of that examination, I am in a position to say that, in my opinion, the company is not carrying at its face value a single account which does not appear to be healthy and active, or where the valuations do not indicate that the security is perfectly safe. In all cases where the margin, as disclosed by recent inspections, appears to be close, even where interest payments have been promptly met, an allowance has been made, apparently ample to meet any possible contingency, and no property has been withheld from sale waiting for better times.

"The manager and staff have, as in the past, performed their duties with energy and zeal, and no small share of the company's prosperity is due to their efforts.

"I have much pleasure in moving the adoption of the report."

Mr. Philip Mackenzie, vice-president, seconded the motion, which was carried unanimously.

The usual votes of thanks were tendered the president, directors, manager and other officers of the company.

Mr. V. Cronyn, in acknowledging the vote of thanks to the directors, referred to the fact that the Canadian debentures were almost equal in amount to those held in Great Britain. This he regarded as a very favorable feature, and a source of strength to the company, as any crisis arising would not likely affect debenture holders in both countries at the same time. Reports had occasionally been heard of companies finding it necessary to give very full explanations to bondholders in Scotland to allay suspicions aroused by the difficulties of financial institutions carrying on operations apparently similar, but in reality perhaps quite different from the legitimate business of a loan company. Fortunately we have been free from any trouble of that sort, but it was intended that the company should always be maintained in a position sufficiently strong to meet any demands that might be made upon its resources.

Messrs. George F. Jewell and Thomas A. Browne, having been appointed scrutineers, reported the following gentlemen elected as directors for the ensuing year: Messrs. J. W. Little, Philllip Mackenzie, Prof. Wm. Saunders, F. E. Leonard, V. Cronyn, and John Labatt.

At a subsequent meeting of the board, Mr. J. W. Little was elected president, and Mr. Philip Mackenzie vice-president.