

PRESIDENT'S ADDRESS.

The president, in moving the adoption of the report, said:

In the report you have just heard read, the directors have placed before the shareholders what I think must be regarded as a clear and intelligible statement of the transactions of the company for the past year, and of its financial condition at the close of 1893. We have referred to the experience of the company in the past and to our anticipations for its future, and briefly alluded to the exceptional conditions which have prevailed throughout the financial and commercial world; but it may not be inappropriate for me to extend my observations somewhat and call your attention for a few moments to the general experience of companies during the trying times through which we have passed in the business in which we are engaged. Insurance has been called the hand-maiden of commerce, and it must be admitted that without the protection it offers, the trade and commerce of the country would become paralyzed. Upon the security afforded by insurance companies every merchant and manufacturer is largely dependent, and upon this same protection our banks, loan companies and other financial institutions rely for immunity from the risk of loss by fire and marine disaster; in fact, underwriters may be regarded as endorers, in a limited sense, of almost every commercial and financial transaction of the business community. With these intimate relations existing it might naturally be supposed that insurance companies could not fail to be affected in no slight degree by the disturbed conditions prevailing in all branches of trade during 1893, and a few extracts from the statements of the companies which have been published in Canada and the United States will afford conclusive evidence that this has been the case. The thirty-seven companies licensed by the Dominion Government to do business in Canada report total premium receipts for the year of \$6,740,958, and total losses of \$4,970,266, a ratio of losses to premiums of 73½ per cent., or 12 per cent. in excess of the average ratio of the preceding six years; and in the United States, although the total figures of all the companies doing business there have not been compiled, we find in the report just issued by the New York State Superintendent of Insurance unquestionable evidence that the business of the country has been done at a considerable loss to the companies. The report embraces the statements of one hundred and twenty-eight American and foreign companies doing fire and marine business in the United States, and shows a shrinkage of nearly \$10,000,000 in the combined surplus funds of these companies, compared with that which they had a year ago, due to the extraordinary losses of the past year, and to the decline in the market value of many of their assets.

Turning from these figures to our own experience, we find that our loss ratio in Canada is nearly ten per cent. below the average of the companies as a whole, and that in the United States we compare favorably with the American and foreign companies doing business there. I feel, therefore, that I may sum up the result of our year's business by saying that, comparatively speaking, we regard it as a favorable one when we consider the general experience as demonstrated by the figures I have quoted.

In presenting the last annual report to the shareholders a year ago, I pointed out that in the preceding twenty-seven years during which I had the honor of occupying a seat at this board, we had, notwithstanding the adverse experience of several years, in which expenditure exceeded income, been able, out of the earnings of the business, to pay \$1,015,000 in dividends to shareholders and to carry nearly \$900,000 to our Reserve Fund; and before resuming my seat, it may be well for me to state briefly the grounds upon which the directors base the opinions expressed in their report, that at least an equally favorable record may reasonably be looked for in the future.

First, let me say that our business is subject to elements largely beyond human control, as well as sensitive to the fluctuations and disturbance of the commercial world, and that we cannot reduce it to anything like an exact science, nor estimate with any degree of certainty the losses which are likely to occur in any one year. Nevertheless, the history of fire insurance shows—and our own records

confirm this—that, notwithstanding the fact we occasionally meet years which are liable to upset our calculations as to rates which should yield a profit, if we take a period (say, of five or ten years) sufficient to equalize fluctuations such as I have referred to, we find that the premiums are sufficient to yield a profit to the companies after paying all losses and expenses. Further, we believe that the present rates of premium, speaking generally, are such as likely to prove remunerative, and that with these maintained, as they doubtless will be, and a return to anything like a normal fire record, companies will be reimbursed for the losses of 1893; and I am glad to be in a position to say that during the past few months losses have steadily diminished, and that thus far in the present year we have nothing to complain of in this respect. Our confidence in the future is largely based upon the present strong financial condition of the company, possessing as it does cash assets of upwards of \$2,400,000, which must continue to command for it a liberal share of the best business of this continent.

The vice-president seconded the adoption of the report, which was carried unanimously, and a cordial vote of thanks was passed to the president and board of directors for their services and attention to the interests of the company during the past year.

The election of the directors for the ensuing year was then proceeded with, and resulted in the unanimous re-election of the old board, viz.: Messrs. A. M. Smith, George A. Cox, Hon. S. C. Wood, Robert Beatty, G. R. R. Cockburn, M. P., George McMurrich, H. N. Baird, W. R. Brock and J. J. Kenny.

At a meeting of the board of directors held subsequently, Mr. A. M. Smith was re-elected president, and Mr. George A. Cox vice-president for the ensuing year.

LANDED BANKING AND LOAN COMPANY.

The seventeenth general annual meeting of the shareholders of this company was held in its office, Hamilton, on Wednesday, 21st February, the following shareholders being present: M. Leggat, John Waldie, Alex. Main, Geo. H. Bull, J. J. Mason, R. E. Kennedy, Samuel Barker, Thomas Bain, M. P., A. H. Moore, J. C. McKeand, Henry McLaren, John Eastwood, William Gibson, M. P., W. A. Robinson, Hon. J. M. Gibson, F. Mackelcan, Q. C., S. C. Mewburn, E. B. O'Reilly, M. D., Edward Martin, Q. C., W. F. Findlay, Rev. Geo. Forneret.

On motion the president, Matthew Leggat, acted as chairman, and the treasurer, C. W. Cartwright, as secretary. The secretary read the notice convening the meeting, also the minutes of meeting held the previous year, which were confirmed. The annual report of the board of directors, of which the following is a copy, was then presented:

REPORT.

The directors have pleasure in submitting to the shareholders the seventeenth annual report of the company's affairs, together with the profit and loss account and balance sheet for the year ending 31st December, 1893, duly audited.

The net profits for the year, after deducting all charges, amount to \$57,104 62
Added to which is the balance carried forward from last year 2,931 75

\$60,036 37

Which amount has been appropriated as follows, namely:

Two half-yearly dividends at the rate of 6 per cent. per annum, amounting, with the income tax, to \$41,056 97
Added to reserve fund 10,000 00
Carried to contingent fund 8,000 00
Carried forward to next year 979 40

\$60,036 37

The reserve fund, with the addition this year, amounts to \$145,000.

The cash value of the securities show an increase over last year of \$27,250.34.

The savings bank deposits show a decrease from the previous year, but this has been met by the increase of currency debentures issued, the policy of the board having been directed to the procuring of borrowed capital on the latter

system, a course of action which has been pursued with gratifying results.

Having regard to the deficient crop, and the low price for produce prevailing, payments by borrowers have been very satisfactory.

The officers of the company continue to perform their several duties to the satisfaction of the directors.

All of which is respectfully submitted.

MATTHEW LEGGAT,
President.

Hamilton, 7th Feb., 1894.

GENERAL BALANCE SHEET, DEC. 31, 1893.

Assets.

Cash value of securities	\$1,885,417 26
Less amount undisbursed	2,052 62
	\$1,883,364 64
Cash on hand and at bankers....	30,168 20
	\$1,913,532 84

Liabilities.

To the public—	
Savings bank deposits..	\$475,595 49
Currency debentures..	429,301 13
Sterling debentures..	146,230 30
Interest accrued, but not due	8,055 56
Sundry unpaid accounts	1,645 13
	\$1,060,827 61
To the shareholders—	
Permanent stock	\$663,100 00
Accumulating stock..	11,281 99
Interest on accumulating stock	4,466 19
Reserve fund, 31 Dec., 1892, \$135,000. Added, Dec. 31, 1893, \$10,000	145,000 00
Contingent fund	8,000 00
Dividend No. 33, on permanent stock, payable 2nd January, 1894.....	19,877 65
Balance carried forward.....	979 40
	852,705 23
	\$1,913,532 84

PROFIT AND LOSS ACCOUNT FOR 1893.

Dr.

To dividend No. 32, on permanent stock	\$ 19,835 87
Dividend No. 33, on permanent stock	19,877 65
Interest on accumulated stock, div. No. 32.....	387 18
Interest on accumulated stock, div. No. 33.....	438 77
Income tax.....	522 50
Interest on deposits.....	21,895 69
Interest on debentures.....	22,731 52
Expenses of management, including salaries, office expenses, directors' and auditors' fees	7,842 85
Land inspection, including inspector's salary.....	2,595 97
Rents and taxes	1,206 84
Valuators' commissions.....	1,377 25
Debiture expense	1,166 43
Transfer to Reserve Fund	10,000 00
Transfer to Contingent Fund....	8,000 00
Balance carried forward.....	979 40
	\$118,352 92

Cr.

Balance brought forward	\$ 2,931 75
Interest earned	115,050 68
Sundries.....	370 54
	\$118,352 92

C. W. CARTWRIGHT,
Treasurer.

We, the undersigned, have audited the books of the Landed Banking and Loan Company, for the year ending 31st December, 1893, and certify that the foregoing statements are in conformity therewith.

We have also examined the securities held by the company, and found them correctly set forth in the securities book. The expenditures have been duly vouched for.

W. F. FINDLAY, F.C.A. } Auditors.
WM. MARSHALL,

Hamilton, 7th Feb., 1894.

The adoption of the report was moved by Matthew Leggat, seconded by John Waldie, and was carried unanimously.