SIXTEENTH ANNUAL STATEMENT.

Net Assets, December 31st, 1884..		$563,900 25
Less cancelled liens on lapsed policies......$	2,571 61	
Less ledger balances written off	295 24	
		$ 2,866 85
		$561,033 40

INCOME :—

Premiums............$240,414 43		
Less re-assurance	2,749 11	
		237,665 32
Interest..............		33,032 12
		$270,697 44
		$831,730 84

EXPENDITURE :—To Policy-holders.

Claims under 45 policies................$	76,836 00	
Matured endowment ..	1,000 00	
Purchased policies	9,796 25	
Surplus..............	25,465 06	
Returned premiums ..	216 13	
		$113,313 44

GENERAL EXPENSES :—

Commissions and Genern Agents' Salaries.$	34,397 62	
Medical Examinations.	5,694 24	
		$ 40,091 86

SALARIES :—

President and Directors' Fees and Mileage ....$	2,186 20	
Manager, Secretary and Assistants..........	7,895 48	
Auditors	200 00	
		$ 10,281 68
Rents of Agents' Offices ....$	353 34	
Books and Stationery.	686 00	
Telegraphy and Telephone	95 82	
Postage..............	1,009 38	
Printing	946 77	
Advertising	1,227 15	
Travelling Expenses ..	831 07	
Commissions on loans, and Valuation Fees.	668 60	
Insurance Department.	194 29	
Office Furnishings	217 65	
Incidentals	753 06	
Taxes................	138 67	
Solicitors' Fees	305 01	
		$171,113 79
Total Net Assets......		$660,617 05

Comprising the following investments :—

Municipal Debentures, Face Value, $116,084.41.

Municipal Debentures, market value $122,785.86.

Municipal Debentures, cost................$	118,091 07	
Mortgages (Cash Valuation $904,863.00)	392,969 12	
Loans on Policies (Reserves to credit $156,-241.11)	67,148 49	
Liens on Policies (Reserves to credit $59,-582.00)	32,834 86	
Bills Receivable	1,353 40	
Company's Office	6,314 53	
Agents, and other balances	1,181 93	
Commuted Commissions	2,280 13	
Molsons Bank, Deposit Receipts	29,400 00	
Molsons Bank, account current ..$20,043 17; Less out-standing cheques .. 14,179 45	5,863 72	
Bank of Commerce account current	1,322 58	
Cash in Office	1,857 22	
		$660,617 05

Additional Assets.

Short date notes, secured by policies in force ..$	19,192 14	
Premiums due and in course of transmission	1,380 18	
Deferred half-yearly and quarterly premiums on existing policies due in 3, 6 and 9 months	31,793 93	
Interest due on Mortgages................	5,428 02	
Interest accrued on mortgages and debentures not due..............	14,394 45	
Interest due on Policy Loans	2,582 65	
Int. accrued on Policy Loans not due........	1,709 26	
Interest accrued on liens not due..........	9,838 67	
Market value of Debentures over cost	4,694 79	
Liens on Deferred Surplus Policies, (Reserve at credit, $4,803.05) ..	2,030 73	
		$93,044 82
Total Assets, Dec. 31st, 1885......		$753,661 87

Liabilities.

Reserve required Hm 4½ per cent. including liens, notes, premiums, due and deferred	695,601 36	
Claims under eight policies awaiting Claim Papers	11,250 00	
Premiums paid in advance	2,681 20	
Collection fee on deferred and other premium notes................	5,236 62	
		$714,769 18
Surplus December 31st, 1885......		$38,892 69

We beg to report that we have carefully examined the books and accounts of your company for the year ending 31st December, 1885, and that we find the same correct and in accordance with the foregoing statement.

We have also examined the mortgages, debentures and other securities held by your company, and we hereby certify that they are correctly shewn upon the statement submitted herewith.

H. F. J. JACKSON, J. M. SCULLY, } Auditors.

Waterloo, March 4th, 1886.

In moving the adoption of the Directors' Report, the President said :

That the volume of new business for the past year is not quite equal to that of 1884, owing partly to the general depression in trade throughout the Dominion, partly to vacancies and changes in our agencies during the year, and also to some extent to the unusual competition from the Co-operative Associations, whose activity has somewhat interfered with the regular Life Assurance companies among the working men, which, however, will be only for a short time, until the public has had an opportunity of testing by practical experience the insecure basis on which these associations stand.

During the first three and a half. months of 1886, we issued new policies covering $110,250 more than the amount issued during the same period of 1885, which shows that public opinion is again rapidly changing in favor of sound life assurance, resting on a solid reserve, such as the Ontario Mutual possesses in its interest-bearing investments.

Owing to the unusually heavy death claims for the past year, our surplus has been slightly reduced. The reduction, however, is not sufficient to necessitate a change in the division among the policyholders, and therefore the board has authorized the same distribution as last year.

Our death losses since the first of January, 1886, are only about one half of what they were for the same period of 1885, so that we have good grounds to expect that the surplus available for distribution will again be considerably augmented during the current year.

Our investments have earned a fair rate of interest for 1885, as the following statement will show :—

The amount of interest-bearing assets, consisting of Debentures, Mortgages, Policy Loans and Liens on hand first January, 1885, was $524,513.65, to which was added during the year $86,529.89 ; but as a large portion of this sum was invested towards the close of the year, it did not bear interest for more than an average of six months or half the sum ($43,-264.99) for the whole year.

The interest collected is $33,032.12, and the increase in the amount accrued is $5,307.93, making the total amount earned $38,340.05 on a capital of $567,778.64, which is equal to a rate of 6¾% on the amount invested.

Our Superintendent of Agencies, Mr. Hodgins, has, during the past few months, appointed a number of new local agents, who have now got fairly to work and nearly all our old agents have, during the same period, met with such encouraging success in obtaining new work that we confidently predict a large increase in the business of the company for 1886.

The adoption of the reports was seconded by several prominent policyholders who expressed eminent gratification with the present standing, popularity, and prospects of the company, and hearty congratulations were tendered to the officers, directors and agents on the results of the past year's business. The fact that so large a sum as $113,313.00 was paid to policyholders or their representatives during 1885, was pointed to to show the ability of the management to meet promptly all legitimate claims on the funds of the company, without impairing in any way the stability of the institution and with so very trifling a diminution in the net amount of surplus, as compared with that of the previous years. The principles on which the company rests were sound and reliable, and the management of its affairs was characterized by energy, prudence and economy, consistent with efficiency and a healthy development of the company's business. Among the speakers who supported the adoption of the reports were Messrs. Morrow, Sipprell, Hughes, Lee, Fennell, McQuesten, Allison, Williamson and others.

On motion, Messrs. Geo. Wegenast, and C. E. German were appointed scrutineers to receive the ballots for the election of four directors. A number of eligible nominations having been made, the balloting was proceeded with, resulting in the election of Messrs. B. M. Britton, I. B. McQuesten, John Marshall, and John Fisken, Jr., for the ensuing term of three years.

On motion, Messrs. Henry F. J. Jackson and J. M. Scully were appointed by vote of members present, auditors for the current year.

Votes of thanks to the p esident and directors; to the manager, secretary and official staff, to the agents, medical examiners and referee, having been tendered and responded to, one of the most enthusiastic, representative and harmonious meetings the company ever held was brought to a close.

After the annual meeting, the board met, when Mr. I. E. Bowman was re.elected president, and Mr. C. M. Taylor, vice-president for the ensuing year.

The *Shipping List* learns that a Nova Scotia lumberman has "caught on" to what he considers a brilliant idea, and is preparing to put the same in force. The idea upon which at present he has centered his whole attention is the rafting of lumber in quantity to New York, and he is now engaged, so report says, in massing together 3,000,000 feet of piles, logs, spars, hardwood timber, and boards. For the purpose of forming this raft he has had constructed an immense cradle which he proposes to launch when completed, removing the same when the entire cargo is in the water. The dimensions of this monster float will be 410 feet in length, 55 feet in width, and 35 feet in depth, with a draught, it is said, of 21 feet, the whole weighing 8000 tons; he proposes to tow the raft to New York by two powerful tugs. This venture no doubt will be found both dangerous and unprofitable, and the experiment will probably never again be attempted.

Commercial.

MONTREAL MARKETS.

MONTREAL, April 20th, 1886.

We cannot give any general report of the markets this week, as wholesale business in Montreal has been virtually paralyzed by the terrible flood which has held possession of the business and manufacturing districts of the city since Friday last.

The Grand Trunk, Central Vermont, and South Eastern Railways are all unable to receive or dispatch freight. Thus the Canadian Pacific is the only road that is able to do anything in this direction. Commissioners street and St. Paul street are under water ; Griffin-