

Earnings on loans.....	85,263 38
Interest on bank deposits....	2,286 48
Premium on stock.....	125 80

\$104,690 54

ASSETS AND LIABILITIES.

Assets are as follows:

Cash value of mortgages and other securities.....	\$1,533,048 07
Cash in Dominion Bank.....	139,713 40

\$1,672,761 47

Liabilities are as follows:

Savings bank deposits.....	\$ 495,070 11
Interest on savings bank deposits.....	6,870 18
Debentures.....	539,118 07
Interest on debentures.....	10,274 25

\$1,051,332 61

Surplus assets.....\$621,428 86

The surplus assets are composed of:

Fixed and permanent stock subscribed, \$720,000, on which has been paid.....	\$424,000 00
Dividend payable Jan. 3, 1898.....	16,960 00
Reserve fund.....	155,125 80
Contingent fund.....	25,343 06

\$621,428 86

J. E. McELDERRY, Secretary.

We have audited the books and vouchers of the Guelph and Ontario Investment and Savings Society monthly during 1897, and have found them correct. We have also examined the mortgages, and calculated the value and earnings of each one separately, checked the savings bank balances, proved the bank balances, and certify that the foregoing balance sheet is a correct statement of the society's affairs to 31st December, 1897.

A. J. BREWSTER,
J. W. KILGOUR,
Auditors.

Guelph, January 26th, 1898.

The president, Mr. A. B. Petrie, in moving the adoption of the report and financial statement, said:

Gentlemen,—With the report which is to-day presented to you I am sure you will be much pleased, the result of the year's business as shown thereby being very satisfactory indeed. We are now reaping the result of the careful management which has in the past been given to the business of the company, and the strict watchfulness over the class of securities on which your money has been advanced. We are thus free from the difficulties with which other companies find themselves surrounded, and which in some cases have been brought about by want of foresight on the part of the management.

You will observe that the amount of property which we have on hand is only about \$1,000 less than a year ago. We might have disposed of more during the past year than we did, but the directors thought it better not to sacrifice properties in view of the favorable prospect for an advance in prices, and particularly as those which we have are yielding us a fair rate of interest. The contingent fund of \$25,343.06 the board consider is more than ample to pay all losses, and, while we might have made a larger addition to the reserve fund this year, it was thought better to place the surplus earnings of \$8,328.18 to the contingent fund, as it is earning just the same interest as the reserve. The \$125.80 placed to reserve was premium on stock which was paid up during the year.

Your directors have continued to exercise the same great care over the securities as in past years, and one of the safeguards taken by them is to get a repayment on principal money of mortgages every year, and when we say that payments have been better met than in other years we also include these repayments on principal.

The decline in the rate of interest on mortgages has been largely met by the lower rates paid on deposits and debentures,

so that the earning power of the capital is very nearly as great as ever.

The manager and office staff have performed their duties to the entire satisfaction of the board, and of all who have had business dealings with the company. The inspector has performed his duties most satisfactorily, and his services in inspecting and re-valuing properties have been very efficient. The work of the auditors, which has been somewhat increased during the year, has been done well and thoroughly.

You will all be glad to know that Mr. Stirton is now feeling better than he was a year ago, and has kept in close touch with the company's business, nothing transpiring with which he has not been fully acquainted. He desired me to say how much he appreciated the kindness of the shareholders in their expressions conveyed to him by resolution at last general meeting, and the presentation to the company of his portrait.

The vice-president, Mr. Melvin, seconded the adoption of the report and financial statement, and said:

Gentlemen,—In rising to second the adoption of the report, I may say that having spoken so often upon the business of the Guelph & Ontario Company, I have felt that I should leave the plain statement of its affairs to yourselves, without comment, but as time went on I thought it well, in these times when there is so much doubt and distrust with regard to financial institutions, to apply a test to our business, and to give you the result, which I shall endeavor to do, and from which you will see that every statement made in the report is fully borne out. The statement which I have had prepared will show that we were enabled to pay and did pay our dividends and all our liabilities, not out of supposed earnings, but out of actual earnings. I find that, taking the amount of money which we actually received during 1897 for interest which fell due in that year and overdue interest at the end of 1896, and deducting from it the dividends paid to shareholders, the interest paid to depositors and debenture-holders, and making provision for interest accrued but not due on deposits and debentures, we have a large surplus of money actually collected, and to this surplus is to be added the interest earned and unpaid during 1897. It is clear, therefore, that while we have paid you the handsome dividend of eight per cent., we have not paid one farthing but what we have actually earned and collected during the past year. I desire to make it plain to you that I have been dealing with interest which fell due during the year and the amount unpaid from last year. The item of earnings includes the interest accrued and not due, as well as all other profits, and we are therefore enabled to pay all the items I have mentioned and carry a large surplus to contingent fund.

I think I am safe in saying that you have a statement before you to-day that very few companies in Canada can lay before shareholders. If you take into consideration the difference between the earning power of money now and six or eight years ago, you will find that the eight per cent. dividend which we are paying you is about equal to a ten per cent. dividend now. We pay the highest dividend of all the companies in Ontario except one, which pays nine per cent., and the great majority of the companies are paying only six; and while the selling worth of the stock of most companies has greatly diminished, there is but little difference in the price of ours. I think we should feel highly pleased with our splendid standing, and I hope that in years to come the same measure of success may attend us.

The motion for the adoption of the report and financial statement was carried unanimously.

Moved by Mr. T. J. Day, seconded by Mr. A. W. Alexander, that Messrs. A. J. Brewster and J. W. Kilgour be auditors for the current year, and that their salaries be \$200 and \$180 respectively, for the past year as well as for the current year. Carried.

The scrutineers, Messrs. A. W. Alexander and W. A. McLean, reported the following gentlemen elected as directors, viz.: Messrs. A. B. Petrie, Robert Melvin, D. Stirton, John Phin, George D. Forbes, Henry Howitt, M.D., James P. Phin, John M. Bond, James Innes, ex-M.P.

Moved by Mr. J. W. Kilgour, seconded by Mr. George Shortreed, that the thanks of this meeting be tendered the scrutineers for their services, and that their report be received. Carried.

Moved by Mr. W. A. McLean, seconded by Rev. Dr. Torrance, that a vote of thanks be tendered the president, vice-president, directors, manager and other officers of the society for their services during the past year. Carried.

In accordance with notice of motion given by Rev. Dr. Torrance at last annual meeting, a resolution was introduced and passed unanimously, fixing the salaries of the president and vice-president and the directors' fees.

At a subsequent meeting of the board Mr. A. B. Petrie was re-elected president, and Mr. Robert Melvin vice-president.

IMPERIAL LIFE ASSURANCE CO., OF CANADA.

The annual general meeting of this company was held at its head office in Toronto, Ontario, on Wednesday, Feb. 23, 1898.

Those present were: Hon. Sir O. Mowat, president; J. W. Flavell, vice-president; Sir Mackenzie Bowell, J. H. Plummer, Hon. George A. Cox, H. N. Baird, J. J. Kenny, A. E. Ames, S. G. Beatty, R. K. Connell, E. R. Wood, C. C. Baines, Dr. J. L. Davidson, E. T. Malone, F. G. Cox and others.

The president, Hon. Sir O. Mowat, took the chair, and the secretary of the company, Mr. T. Bradshaw, acted as secretary of the meeting.

The annual report and financial statement were submitted as follows:

REPORT.

The directors have pleasure in reporting to the members the result of the first three months' operations of the company. The Dominion Insurance Act requires all life insurance companies transacting business in this country to furnish a statement of their affairs as at the 31st December in each year, so that the report now presented is only for a part of a year.

(1) BALANCE SHEET.

Your directors have had the balance sheet herewith submitted prepared in the same form as that required by the Government for the annual report of the Superintendent of Insurance, and it will be observed that there are no assets included which are not strictly of the character allowed by the Insurance Department. There is, however, an important difference between the statement and the requirements of the Government, viz., that, for the reasons hereafter noted, the directors, in the interest of the policy-holders, have adopted for the valuation of the company's assurances and annuities a 3½ per cent. interest rate, instead of the less onerous rate of 4½ per cent.

(2) ORGANIZATION.

In order to provide for the necessarily heavy expenses of organization, and for the apparent loss which a life insurance company must show in the first few months of the company's existence, your directors issued the capital stock at a premium of 25 per cent., amounting on \$250,000 of capital paid-up, to \$62,500. The wisdom of this procedure will, your directors feel assured, be evident to all interested, from the strong financial statement now presented, a statement which they think is perhaps without a parallel.

The company has been fortunate in securing the services, as district managers and agents, of men well and favorably known in their respective communities, and as a result is now strongly represented in the Provinces of Nova Scotia, New Brunswick, Prince Edward Island, Ontario,