W. A. Gunn were re-elected for the ensuing year

Messrs. George F. Jewell, F.C.A., and A. M. Smart were reappointed auditors for the ensuing year.

At a subsequent meeting of the board Mr. John McClary was re-elected president and Mr. A. S. Emery vice-president.

WILLIAM F. BULLEN,
Manager.

FREEHOLD LOAN AND SAVINGS COMPANY.

At the annual meeting of this company held on February 15th at the company's offices, corner Victoria and Adelaide streets, Toronto, the following were present:

C. H. Gooderham, T. S. Stayner, Hon. Senator J. C. Aikins, Capt. W. F. McMaster, Hon. S. C. Wood, T. R. Wood, A. J. Somerville, Henry Gooderham, William Cook, H. D. Gamble, Rev. Dr. Robert C. Moffatt, Price Jackes, George W. Jackes, Wm. Spry, C.E., C. S. Gzowski, Dr. Uzziel Ogden, C. R. Rundle, John Stark, Philip Browne, Percival Ridout, Rev. E. A. Chown, Joseph Blakeley, Richard Wickens, Fred G. Allenby, Alexander Smith, Charles Marriott, Wm. Lamport, M. A. Thomas and others.

Mr. C. H. Gooderham presided, and the Hon. S. C. Wood, acting as secretary, read the report with the financial statement and the fortieth annual report of the auditors, as follows:

REPORT.

The board of directors beg to submit the annual report, together with the accounts for the eight months ending December 31, 1898:

The earnings of the company for the eight months amounted to $181,838.82, and after deducting commissions and all other expenses and paying two dividends, one for six and the other for two months, at the rate of 6 per cent. per annum, a surplus remains of $5,489.44, which has been carried to contingent account.

As anticipated in our report of the 7th of June last, farms have been in greater demand and rentals have materially improved, especially in the city of Toronto.

We have sold during the eight months one hundred and seventeen farms and city properties. The demand for city investments continues to increase and we trust another year will show a large reduction in properties on hand.

The deposits and debentures of the company, including interest, amount to $3,540,671.35. These constitute our total liability to the public, for which we hold the following securities:

Mortgages on real estate, office premises, etc.	$5,220,154 90
Unpaid subscribed stock	1,904,400 00
Making a total of	$7,124,554 90

being $3,583,883 in excess of and about double the amount of our liabilities.

It is our painful duty to record the death of Mr. Hugh Ryan, late director of this company. His large experience, matured judgment, along with his loyalty to the interests of the company, and urbanity and kindness to all with whom he came in contact, won our confidence, esteem and friendship.

The directors have again to acknowledge the valuable services of our agents in Edinburgh and Glasgow.

The books, vouchers and securities of the company have been carefully examined by the auditors, whose reports are hereto appended.

S. C. WOOD,
Managing Director.
C. H. GOODERHAM,
President.

Toronto, February 15, 1899.

ASSETS AND LIABILITIES, DEC. 31ST., 1898

Dr.

To the Public:	
Deposits	$ 570,996 59
Debentures, currency	775,623 36
Debentures, sterling	2,161,159 75
Interest on above	32,891 65
To the Shareholders:	
Capital	$1,319,100 00
Reserve	300,000 00
Contingent	47,192 55
Dividend due 1st February	13,191 00
	$5,220,154 90

Cr.

By Investments:	
Mortgages, etc.	$5,000,175 90
Property Owned:	
Office building, furniture, etc.	200,000 00
Balances:	
In banks and on hand	19,978 91
	$5,220,154 90

PROFIT AND LOSS FOR EIGHT MONTHS ENDING DECEMBER 31ST, 1898.

Dr.

To interest paid and allowed:	
On deposits	$ 14,973 78
On debentures currency	23,320 03
On debentures, sterling	55,606 29
To expenses, including cost of management	28,695 42
To profits apportioned as follows:	
Dividends, 8 months, at rate of 6 per cent. per annum and tax thereon	53,753 86
Surplus carried to contingent fund	5,489 44
	$181,838 82

Cr.

By interest on investments, bank balances, etc.	$181,838 82
	$181,838 82

C. H. GOODERHAM,
President.
S. C. WOOD,
Director.

Toronto, 28th January, 1899.

To the President, Directors and Shareholders of the Freehold Loan and Savings Company, Toronto:

Gentlemen.—We, the undersigned, having examined the securities and vouchers, and audited the books of the company (excepting the business of the Manitoba branch, which has been duly audited and certified to by local auditors), certify that we have found them correct, and that the annexed balance sheet is a correct statement of the company's affairs for the eight months ending December 31st, 1898.

Toronto, 26th January, 1899.

JOSEPH BLAKELEY,
W. A. DOUGLASS, B.A.,
Auditors.

Gentlemen.—We, the undersigned, have examined the securities and vouchers, and audited the books of the Freehold Loan & Savings Company, for the eight months ending December 31st, 1898, and kept in their office, in the city of Winnipeg, and have found them correct.

Winnipeg, 13th January, 1899.

W. HUTCHINSON,
J. SCROGGIE,
Auditors.

The president, in moving the adoption of the report, made the following remarks:

Gentlemen.—In appearing before you for the sixth time as president and addressing you at what is altogether likely the last annual meeting of this company, it becomes my painful duty to allude to the death of our late colleague, Mr. Hugh Ryan. He was a man of high character and standing, of mature judgment and large and varied experience. He served the company long and faithfully, and well deserved the friendship and high regard entertained for him by his fellow-directors.

As regards the affairs of the Freehold and the outlook, it affords me great pleasure to be able to say that hopes of better times, alluded to at our last annual gathering, are being realized. Values are improving, properties in the city and country are in greater demand, both for purchase and for rental; borrowers are meeting their instalments more promptly, and most of the financial authorities are predicting a continuation of increasing prosperity.

It should be borne in mind that although we have had depressed times in Canada and values of real estate and buildings have been reduced, our financial position as a province has steadily improved.

Compare the deposits of the people of Canada (largely Ontario) at a period when this and sister loan companies were comparatively young, say 1868, just subsequent to the Confederation of the Provinces, and outside of Government funds the amount on deposit in banks and savings banks in 1868 was forty-six million dollars; in 1898 three hundred and thirteen million dollars.

Deposits with loan companies in 1868 were seven hundred thousand dollars; in 1898 nineteen million dollars.

Money is plentiful, large investments are being made in Dominion, Provincial, municipal and other long-date securities to pay investors 3½ to 4 per cent., and gilt-edged loans on city property and first-class farm lands are being placed at low rates. Our Canadian life assurance companies, trust corporations and private estates find difficulty in investing in block at satisfactory rates of interest and our banking capital is fully equal to our requirements.

When the rate of interest was high and the margin between money borrowed and invested ample, there was no difficulty in paying large dividends, large salaries, and at the same time carrying a fair sum each year to reserve or contingent account. The rates prevailing for borrowed money have been very much reduced during the past ten years, but the interest obtainable on good loans has declined to a much greater extent. As a consequence dividends have been lowered, less liberal salaries paid and the pruning knife has been applied to expenses generally.

Thinking men have been discussing for some time the desirability of amalgamating loan companies, with a view to lessening the expense, raising the financial standing and relieving to a certain extent competition.

A committee, composed of representatives of the directors of the Canada Permanent, the Western Canada, the Freehold and the London Ontario Companies, has had several conferences, having in view the formation of a new company to take over all the assets and assume the liabilities of the four companies referred to. This committee has had several meetings, and, with the unanimous approval of the different boards of directors, has come to a satisfactory understanding.

You have seen by the newspapers that certain action has been taken. A president, first and second vice-president and a general manager have been selected as well as a provisional board of directors. An investigation into the assets of each company is being proceeded with and application for a special act has been made.

Before the proposed arrangement can go into operation a special meeting of the shareholders of each company will be called and their approval and consent obtained.

I will not endeavor to foreshadow the policy, plans or intentions of the new company. Its management will be in the hands of gentlemen with large resources and great experience, having the entire confidence of financial men in Great Britain and Canada, and we confidently predict for it a prosperous future.

Mr. T. S. Stayner seconded the report, which was then unanimously adopted.

After a resolution thanking the president and directors for their attention to the interests of the company, and also a resolution thanking the manager and staff for their services during the year, Messrs. Joseph Blakeley and W. A. Douglass, B.A., were appointed general auditors for the current year and W. Hutchinson and James Scroggie auditors for the Winnipeg agency.