

inference to be drawn that in point of volume, at any rate, the trade of this bank has not been diminished.

Special attention has also been given during the year to the extension of commercial relations; it is a pleasure for me to state that we have lately completed agreements with foreign bankers which enable us to float Government bonds and city debentures on the English market, with as much chance of success as any other institution, and in fact during last year we have effected several large loans and sales with benefit.

Hence it is gratifying to be in a position, after such a year of general depression, to state to the shareholders that as a result of our endeavors, we have in almost every respect gained ground, that the general statement shows an increase of deposits and advances to the public, while the earnings have netted 9½ per cent., which may be considered a fair result.

So far as the commercial situation of the Dominion is concerned, although trade is admittedly quiet, and for a period may continue to be restricted mainly to present wants, we have every reason to believe in a rapid expansion when circumstances and conditions warrant. With the output of forest, farming produce and fisheries remaining large, the export trade well maintained and the domestic business conducted upon prudent and conservative lines, we have every reason to believe that a light degree of activity will set in at spring especially.

There certainly also exists actually in Canada a feeling of uncertainty as to the future, due to pending elections. The fear of radical changes is always detrimental to business, and is a great influence in arresting the wheels of commerce, and while the uncertainty exists it causes suspense, and this in itself causes stagnation in all the departments of trade and industry.

But the causes of the present state of things being removable by wise government, there is good ground for believing that any party elected into power will enact industrial legislation to not seriously disturb the machinery of our general trade.

MIDLAND LOAN AND SAVINGS COMPANY.

The twenty-second annual meeting of the shareholders was held at the company's offices, Port Hope, Ont., on Tuesday, February 5th, 1895, at 2 p.m. Present: H. H. Burnham, Judge Benson, James G. Williams, Adam Purslow, LL.D., R. Dingwall, W. Williamson, T. T. Baines, Henry Mulligan, Thomas Hewson, A. W. Pringle, A. McMann, James Craick, Dr. Clemesha, John Helm, J. H. Helm, Wm. Henwood, John Mulligan, Rev. T. R. Hull and George M. Furby.

The chair was taken by the president, Mr. John Mulligan, and on motion, the manager, Mr. Geo. M. Furby, was appointed secretary of the meeting. The minutes of the last meeting were read and approved of. At the request of the president, the secretary then read the twenty-second annual report of the directors of the company.

REPORT.

The directors beg to submit herewith their twenty-second annual report, showing the results of the business of the company for the past year, accompanied by the balance sheet of 31st December, 1894, duly audited.

From the net profits of the year, your directors, after defraying all expenses of management, providing for interest to depositors and debenture holders, and payment of municipal taxes, have been enabled to pay two half-yearly dividends of three and one-half per cent. each, leaving a balance of \$7,047.66, which has been carried to the credit of the Contingent fund.

Following upon the extreme stringency of the money market during the latter part of 1893, the demand for the company's available funds during the first half of the year was active, the securities offered of the highest character, and the rates of interest better than have prevailed for some time past. This active demand did not continue throughout the year. The high rate of interest received during the early part of the year, must, however, be considered exceptional.

The total earnings of the company for the year were \$79,186.52, being slightly in excess of those of 1893; the total payment of interest amounted to the sum of \$76,305.52—very good evidence of the general high character of the company's securities.

The amount invested on mortgages on real estate during the year was \$110,533, and the amount of repayments on principal moneys of mortgages on real estate was \$111,806. The total amount placed for investment with the company in debentures and deposits is now represented by the sum of \$910,240.05, being an increase as compared with 1893 of more than twenty thousand dollars.

The security the debenture holders and depositors hold for this liability of the company is as follows:

Mortgages on real estate and other small assets of the company	\$1,339,614 96
Company's offices	7,000 00
Cash in banks and on hand	46,609 32
Capital subscribed but not called in	200,000 00
	\$1,593,224 28
Liability	910,240 05

Balance in excess of the company's liabilities to its debenture holders and depositors.....\$ 682,984 23

The large amount of \$40,097 18 has been paid to depositors during the year as interest on their deposits. The results of the year's business, considering the times, must, on the whole, be considered gratifying, and the directors have great pleasure in submitting them to the shareholders.

In conclusion, your directors have great pleasure in testifying to the zeal and efficiency of the officers of the company in the discharge of their various duties.

JOHN MULLIGAN,
President.

Port Hope, Jan. 15th, 1895.

REVENUE ACCOUNT.

Receipts.

Interest on mortgages, bank balances and rents of company's properties	\$79,186 52
	\$79,186 52

Disbursements.

To the shareholders—	
Dividend No. 42, at 7 per cent.	\$12,600 00
Dividend No. 43, at 7 per cent.	12,600 00
	\$25,200 00
Interest paid and reserved on deposits and debentures	40,097 18
General expense account	\$ 6,491 15
Municipal tax on dividend	350 53
	\$ 6,841 68
Surplus earnings applied as follows—	
Contingent fund	7,047 66
	\$79,186 52

ASSETS AND LIABILITIES.

Assets.

Loans on mortgages on real estate	\$1,313,966 65
Loans to shareholders on mortgages on their stock	12,362 12
Real estate foreclosed	10,504 62
Company's new offices	7,000 00
Rents	2,229 85
Office furniture	551 72
Cash in banks	45,809 32
Cash on hand	800 00
	\$1,393,224 28

Liabilities.

To the shareholders:—	
Capital stock paid up	\$ 360,000 00
Reserve fund	80,000 00
Contingent fund	13,077 76
Dividend No. 43	12,600 00
Dividend not called for	63 00
To depositors:—	
Accrued interest on debentures	\$ 17,243 47
Savings deposits, including interest on same to Dec. 31st	\$300,556 50
Debentures	609,683 55
	\$ 910,240 05
	\$1,393,224 28

GEORGE M. FURBY,
Manager.

We, the undersigned auditors, hereby certify that we have compared the company's vouchers with the cash book, checked the postings from the cash book and journal to the different ledgers, tested the various ledger balances and

compared the same with the balance sheets, compared the various securities of the company with the registers, and found all correct and in good order. The above balance sheet gives a true statement of the position of the company as shown by the books on the 31st December, 1894.

HENRY WHITE, } Auditors.
J. D. SMITH, }

Port Hope, January 18th, 1895.

The president then moved the adoption of the report as follows:—

In moving the adoption of the report which—together with the financial statement—has just been read, I do not propose to make any lengthened remarks.

The business of the year has on the whole been satisfactory and affords ample grounds for encouragement, notwithstanding the partial failure of crops in the district covered by the company's operations, the great depreciation in the value of landed property and the continued low prices prevailing for most of the products of the farm.

It will be observed that no portion of the surplus earnings of the year has been added to the Reserve fund. The whole amount, some \$7,044 has been placed to the credit of the Contingent account. The amount of this account is now more than \$13,000, and is ample, if not more than sufficient, to cover all possible losses on properties foreclosed or held for sale. I am pleased to be able to certify that all the lands that have been taken over by the company, with perhaps a single exception, are of a productive character, well situated and yielding fair rents for the times, and as to the exception referred to, I have reason to believe that this year we shall realize a fair revenue from it and continue to do so in time to come. Reference is made in the report to the active demand for the company's funds in the early part of the year, and to the satisfactory rates obtained. It is pointed out, however, that this condition of things, so far as rates are concerned, must be considered exceptional. There can be no question that the tendency of rates for the best class of securities is a downward one. It therefore follows that the earning power of this company, and of similar ones, will on this account in the future be diminished. Some companies have already reduced their dividend and probably more will find it to their advantage to follow in the same direction. As an evidence of the high character of the securities of the company the report refers to the very satisfactory payments made during the year, on account of interest—\$76,305—the total earnings for the year being \$79,186; as emphasizing this statement I may add that the sum of over \$22,000 was also paid on account of principal on ninety-seven of the company's mortgages during the year in sums of from \$100 to \$500. I may also state that the payments of interest for the month of January this year are largely in excess of those made in the corresponding month of last year. The high position of credit accorded to the company continues to be maintained, and notwithstanding the fact that the rate of interest paid on debentures has been lowered, there has been an increase in the amount invested with the company. There is evidence of restricted operations and diminished earnings everywhere to be seen, and it may be found necessary in the near future to reduce the rate now paid on deposits, and still further the rate upon debentures. I have no doubt if this course be decided upon by the directors the change will be cheerfully accepted by our depositors. As an evidence of the zeal of the directors in guarding the interests of the company, I think it proper to state that it is their practice from time to time to go through the list of mortgagors in arrears and carefully scrutinize every account—giving the management their valuable advice in dealing with each case, and speaking generally, I feel that I cannot speak too highly of the careful attention given by the directors to the business of the company.

In conclusion, I feel that I am warranted in repeating that the report must be considered as a favorable one. It must be admitted that there is extreme depression in the country—that there has been a serious shrinkage in the value of all landed property—but, notwithstanding this, I have unbounded faith in our good Province of Ontario. Perhaps in our time, or in the time of most of us here, we shall not see the high prices of the past, but that we shall again have good crops and comparatively prosperous times I have no fear or doubt.

In justice to the manager and office staff, as