

It is a matter of great regret that no further advancement has been effected in regard to the Extradition Treaty between the United States and Canada, but the special facilities which this company possesses through its extensive organization in Canada and the United States, as well as other parts of the world, are such that it is difficult for defaulters bonded by it to long elude pursuit.

The total assets of the company at 31st December, 1885, are \$481,916.73, and the resources for the security of the Insured, \$825,768.46. The surplus to the insured being \$362,907.26, exclusive of uncalled capital.

The cordial thanks of the directors are due and are hereby tendered to the gentlemen forming the several branch boards, and the local secretaries and general agents of the company, for their valuable and faithful services during the year, and which have so largely contributed to the success of its operations. The Directors deeply regret to record the loss from the board, by death, during the year, of the late Donald Lorn MacDougall, Esq., who was one of the active directors in the formation of the company, and an earnest supporter of its best interests. The seat thus rendered vacant will be required to be filled at the annual meeting.

The whole of the board retire, but are eligible for re-election.

The balance sheet and statement, as certified by the auditors, are on the table for the inspection of the shareholders.

JAMES FERRIER,

Vice-President.

EDWARD RAWLINGS,

Managing-Director.

Montreal, February 5th, 1886.

The following constitute the Board for 1886:—Sir Alexander T. Galt, Hon. James Ferrier, W. J. Buchanan, Hon. J. Gregory Smith, Hartland S. MacDougall, John L. Blaikie, Edward Rawlings, Wm. Withall, Wm. Wainwright; and, at a subsequent meeting of the directors, Sir A. T. Galt was elected president, Hon. James Ferrier vice-president, and Mr. Edward Rawlings managing director.

ONTARIO INVESTMENT ASSOCIATION (LIMITED).

The general annual meeting of the shareholders of the Ontario Investment Association (limited) was held in its office in London, on Tuesday, the 16th inst. There were present Mr. Chas. Murray, president, in the chair; S. Crawford, vice-president; Henry Taylor, manager; Richard M. Meredith, J. B. Boyle, R. N. Curry, H. Brodie, R. W. Kidner, D. Macfie, A. Wallace, Thos. Blakeney, I. Danks, John Labatt, A. T. McMahon, W. D. Pavey, G. W. Danks, John Burnett, and others.

After the notice calling this meeting and the minutes of last annual meeting had been read and confirmed, the Secretary read the annual report and financial statement, as follows:

REPORT.

The directors beg to submit their report and financial statement of the affairs of the association for the year ending December 31, 1885.

The continued depression in mercantile and manufacturing business has caused the accumulation of capital in the various monetary institutions of the country, the result being keen competition for loans, and the consequent diminution of profits.

Your directors have pleasure in stating that, notwithstanding these somewhat adverse circumstances, they have been able to maintain the usual half-yearly dividends of four per cent., equal to eight per cent. per annum, free of income tax, to shareholders; and after payment of all expenses of management, the proper proportion of commission, exchange, and other expenses connected with the issue of debentures, a fair surplus has been transferred to suspense account, which account is now reduced to a comparatively small sum.

The directors would call attention to the favorable position attained by the Association in Britain, evidenced by the ready sale of its sterling debentures, now reaching an amount such as to yield a fair return to the Association.

In view of the prevailing low rates of interest obtainable here, and to provide against the accumulation of money, the directors thought it prudent to reduce the debenture rate to four

and four and one-half per cent. per annum, according to term. This arrangement came into force on the 1st of December last, since which time considerable remittances have been received, and the directors feel assured that debentures at the reduced rates will from time to time be placed amply sufficient for the requirements of the Association.

The earnings for the past year were \$146,246.21 (£30,050 11s. 11d.), equal to about 7 per cent. on the average amount invested, and have been applied as shown by the profit and loss account in the accompanying statement.

Attention is invited to the large increase in loans on mortgages on real estate, which have had the usual careful examination by the directors, as well as the supervision of the land inspector of the Association.

The vouchers, books and statements have been competently audited.

The directors have pleasure in testifying to the zeal and efficiency of the officers of the Association.

As provided by by-law, all the directors retire annually, but are eligible for re-election.

All of which is respectfully submitted.

CHAS. MURRAY,
President.

London, Canada, Feb. 8th, 1886.

STATEMENT FOR THE YEAR ENDING DECEMBER 31st, 1885.

Assets.

Loans on mortgages	\$1,535,673 07	£315,549 5	3½
Loans on debentures	470,046 44	96,584 17	9½
Loans on Mortgage Company's stocks	307,774 99	63,241 8	9
Suspense acct...	4,371 49	898 5	0½
Proportion of Debenture Company's account	14,973 92	3,076 16	7½
The Bank of London in Canada	51,352 86	10,551 19	2½
The Federal Bank of Canada (special deposit)	25,000 00	5,136 19	8½
The National Bank of Scotland (limited)	4,406 42	905 8	7
With agents in Edinburgh ..	359 20	73 16	2
	\$2,413,958 39	£496,018 17	1½

Liabilities.

Liabilities to the shareholders—			
Capital stock paid up	\$ 662,787 06	£136,189 2	6
Reserve fund ..	500,000 00	102,739 14	6½
Liabilities to the public—			
Sterling debentures	1,084,780 00	222,900 0	0
Interest on sterling debentures accrued, but not yet due	10,792 15	2,217 11	3½
Currency debentures, viz:—			
The Montreal City and District Savings' Bank, maturing Dec. 1, '86	110,000 00	22,602 14	10
The Trustees Presbyterian College, Montreal, maturing April 11, 1888	45,000 00	9,246 11	6½
Interest on currency debentures accrued, but not yet due	599 18	123 2	4½
	\$2,413,958 39	£496,018 17	1½

PROFIT AND LOSS.

Permanent stock dividend	\$ 52,587 02	£10,815 11	1
Interest on debentures	48,265 05	9,917 9	6½
Interest occurred on debentures, not yet due ..	11,391 33	2,340 13	8½

Expense account including directors' fees, salaries, taxes, rent, commission on loans, inspection, etc.	16,280 30	3,345 5	4½
Sterling debenture commission and exchange acct.	4,552 81	935 10	2½
Carried to suspense account	13,169 70	2,706 2	0½
	\$146,246 21	£30,050 11	11

Interest earned.. \$146,246 21 £30,050 11 11

We hereby certify that we have completed the audit of the books, accounts and securities of the Ontario Investment Association (limited), for the year ending Dec. 31, 1885, including a monthly audit of cash account and bank account, mortgage ledgers, stock ledgers, real estate and debenture books, and have pleasure in confirming the above statement as correct.

JOHN BURNETT, } Auditors.
THOS. BLAKENEY, }

London, Canada, Feb. 8, 1886.

In moving the adoption of the report the President said: I feel justified in congratulating the shareholders upon the very satisfactory showing of the company.

Your are all aware of the abundance of money in the hands of loan companies and banks and the fall in rates of interest, and can understand that unusual activity had to be exercised in order to maintain our position and keep earnings up to a profitable point. I think it will be admitted that we have not only succeeded in this but have shown a substantial improvement in the position of the Association.

You will observe that in the past few years we have largely increased investments on real estate security—have, in fact, confined our loans almost exclusively to such security in the western part of Ontario, either on property in this neighborhood or within easy distance of this place.

I need hardly tell you that our outside valuers have been most carefully selected, and without, I believe, a single exception, are men of position and influence, and competent judges of the value of real estate. Every application for a loan when it is received is closely scrutinized by the Loan Committee of the Board, and by our own inspector, and where there is the least doubt as to security not a dollar is lent until the property has been personally examined by that officer, who also makes periodical inspections generally. I think you will agree with me that with such a system rigidly adhered to we have minimized the task of taking bad or doubtful securities.

A very gratifying feature in connection with our business is the solid position the Association occupies in Great Britain.

It is less than three years since the first of our present issue of sterling debentures was sold, and we have now received from that source considerably over \$1,000,000, and while the reduction of debenture rates may check sales, I am satisfied we will receive money quite as fast as we can profitably employ it.

I have pleasure in this connection in placing on record our appreciation of the services of our general agents in Edinburgh, Messrs. Paulin, Sorley, and Martin, to whom we are, in a great measure, indebted for our success on the other side of the water.

I have been asked to refer to the item in the statement "Proportion of Debenture Commission Account." I may explain that the arrangement with our general agents is to pay commission on sales of debentures in proportion to the term they have to run, and it is only reasonable that each year's profits should be chargeable with its share of such commission. If sales were limited in amount the commission could be wiped out each year without seriously affecting profits, but when they reach the large amounts we are now receiving, the burden on a single year's profits would be too heavy. I may say that all other expenses connected with the issue of debentures are promptly written off.

I have much pleasure in moving the adoption of the report.

The report was seconded by Mr. S. Crawford, vice-president, and unanimously adopted. Messrs. John Burnett and Thos. Blakeney