

Kay, Duncan McIntyre and Hugh Mackay, Esqrs., who are all eligible for re-election. The whole respectfully submitted,
 JOHN OSTELL, President.
 Montreal, 7th February, 1878.

Statement of Condition of the Royal Canadian Insurance Company for The Year Ending 31st Dec., 1877.

ASSETS.

<i>Investments:—</i>	
United States Bonds	\$547,909 00
Montreal Harbour Bonds	57,000 00
Montreal Warehousing Company's Bonds	24,333 38
Mortgages	45,500 00
Bank Stocks, Canadian	43,030 00
	\$717,763 38
<i>Bills Receivable:—</i>	
Bills Receivable on Hand	\$ 38,369 15
<i>Cash:—</i>	
On Deposit in Banks, Canada and United States, and in the Company's Hands	\$ 32,186 03
<i>Other Assets:—</i>	
Agents' Balances	\$ 91,783 23
Sundry debtors for Salvages, outstanding premiums due Home Office, Commissions and other claims due the Company	28,725 51
Interest due on investments and all other property belonging to the Company	39,167 87
	\$947,995 12
Surplus for protection of policy holders	\$851,668 87
LIABILITIES.	
<i>Sundry Creditors:—</i>	
Due by the Company to sundry persons	\$7,232 18
<i>Outstanding Losses:—</i>	
Marine and Fire, adjusted and in course of adjustment	89,094 07
Surplus for protection of policy-holders	851,668 87
	\$947,995 12
Re-insurance as required by law	\$410,135 62
Surplus for shareholders	441,533 25
	\$851,668 87

ARTHUR GAGNON,
 Secretary-Treasurer.

We have verified the various securities and cash, and certify that the above statement is a true abstract of the books.

COURR & McINTOSH, Auditors.

Montreal, 7th February, 1878.

Copies of the report, printed in French, were on the table, but, at the suggestion of Mr. Ostell, it was taken as read in French, in order to save time.

Messrs. William O'Brien and A. Desforges were appointed scrutineers, and the ballot for directors was considered open from the commencement of the meeting, to be closed at 4 o'clock.

Mr. John Ostell, said—Gentlemen, in the report which you have just had presented to you for your information and consideration we have endeavoured to lay before you as succinctly as possible, the exact position of the company at this moment. We have not gone back into the past history of the company. We have had losses the same as every other insurance company, but we have endeavoured to arrive at what is a sound basis for the present position of the company, not only for the information of you, the shareholders, but likewise accurate information to the policyholders in the company. As you will see by the report, you have, in round figures, \$851,000 of assets belonging to your Company which have been brought down to bottom prices, having been estimated at their real market value. We think that you can feel assured that so far you have got a correctly ascertained value of what the means of your Company are at the present time. These means—\$851,000,—combined as they are with the considerable value of the proprietorship of the shareholders, which has been so well and

fully established and proved by the promptness with which the recent calls were paid, ought to be ample security for any one wishing to do business with the Company. Of course, the circumstances of the past year have not been so pleasant or agreeable as might be desired. Your Directors have, therefore, devoted themselves to giving particular attention to a system of economy, and likewise in reducing the area of country in which they do business. With that in view, a number of agencies both in Canada and the United States have been closed in order to bring business into better shape. The serious mercantile suffering that has passed over this continent has necessarily had a serious effect upon the insurance business, which always suffers in a greater ratio from that cause than any other business. It is to be hoped that recurring prosperity with our industrial and mercantile branches, there will be increased prosperity for your Company. You have received the abstract account; the details of those statements are all lying on the table, both with regard to the working of the Company and the securities that the Company hold. I don't know that I can say anything further than simply move the adoption of the report, which I have great pleasure in doing. If any gentleman has any enquiries to make we shall be glad to give him all the information in our possession.

Mr. Pierre A. Fauteux seconded the motion.

Mr. Jonathan Hodgson—Have you any idea, sir, what proportion of the last calls still remains unpaid?

Mr. Ostell—One-sixth is the proportion of the last two calls.

Mr. McCarthy—Regarding the Marine insurance department, how does that stand with respect to losses or benefits to the Company.

Mr. Ostell—You are aware, gentlemen, that changes were made in the management of the marine department which became necessary in the interests of the Company, and the new manager who took charge from the 1st of February last year brings forward a statement by which he carries the whole of the outstanding \$34,000, and shows \$17,000 to the credit of his management. (Hear, hear.)

Mr. Wm. O'Brien—Have you taken any steps to collect the whole of this one-sixth?

Mr. Ostell—The energy of the Board is being exerted to bring in the outstanding calls. Every step consistent with the condition of business is being taken, and we consider we shall get in a considerable portion of the unpaid balance. (Hear, hear.)

Mr. McCarthy—Respecting insurance in the United States, are you extending it?

Mr. Ostell—Oh, no, sir. I stated already we have circumscribed considerably and reduced the amount; the business is being brought within a closer limit altogether.

Mr. J. B. Coghlan—There is one question I would like to ask before the motion is put. What is meant by bills receivable shown in the report as assets?

Mr. Ostell—Bills receivable are for marine premiums.

Mr. Wood (Toronto)—said that through the kindness of the directors he had been able to look over the details of the accounts. The income, speaking in round numbers, was \$837,000, less cancellation \$190,000; the Marine income, less cancellation, \$125,000; making the gross a little over \$800,000. The losses during the year had simply been enormous, so far as fire insurance business in Canada was concerned; outside St. Johns they had not been so unfortunate. With respect to the management of the business for the past year, he was satisfied that the Company had been placed in a very much improved condition by reducing the large lines of insurance. The business in Montreal, he thought, should be largely increased through the resident shareholders, and not through brokers, to whom they had to pay large commissions. These commissions were sufficient to almost support the head office. The great trouble with the business of the Company in the United States, especially in New York, was the enormous expenses that

were incurred, and the point to which they must look to for profit was the reduction of expenses there.

Mr. John Ostell—At the present moment the New York business shows a profit less the question of re-insurance.

Mr. T. R. Wood said that so far as the marine business was concerned, personally he was not alarmed. He was always afraid of a disaster happening in the Gulf. They might insure twelve vessels at one time, and the whole of them might be in the Gulf together and meet with some misfortune. At the same time he was willing to allow matters to remain as at present in the marine department. He was convinced they had now got the Canadian business in hand; the next thing for them to do was to get the American business well under control. They had much better do half the amount of business and make money than meet with any losses.

Mr. Hodgson—I understand from what Mr. Wood says that he would not recommend carrying on the marine department.

Mr. Wood replied to the effect that personally he felt afraid of the character of the business but still recommended its continuance as at present, but would not favor incurring additional expenses. He regretted that the business in New York was not more remunerative. He felt that the Royal Canadian was a commercial company, and should have no sympathy with anybody, and, above all, eschew politics. They were organized to make money, and if his own brother was connected with the company in any official capacity, and neglected to work for the interests of the whole he would oppose him. In closing his remarks, the speaker made use of Mr. McNamee's name.

Mr. McNamee desired to know what the last speaker was talking about. Was it to him he was talking or the chairman of the meeting?

Mr. Wood said he referred to Mr. McNamee because he had taken him to task.

Mr. McNamee had yet to learn that he had spoken one word before. (Laughter.) The flowery flow of eloquence the gentleman was treating them to did alarm him a little if they liked; he showed him a ghost (laughter), and if he did feel a little alarmed at it that was no reason why he (Mr. Wood) should branch off into religion and politics. (Laughter.) This he thought was a meeting of the Royal Canadian Insurance Company, but he had not the slightest doubt Mr. Wood had got slightly mixed. (Laughter.) If the President of the Company had correctly stated the history of the company in the city of New York it would be found that that city had done better than any other State in the Union. If Mr. Wood was right about losses in the Gulf, he thought the best thing they could do would be to make a present to some one of all their stock, and thus get rid of the catastrophe, that was predicted would follow a continuance of the department. (Hear, hear, and laughter.) The novices, or he might use a familiar expression, "greenhorns," at the business, had cause to be alarmed at Mr. Wood's remarks, but he took them for what they were worth, and so far as he could see he thought he (Mr. Wood) was laboring under a terrible delusion. If when Mr. Wood rose to speak again, he would confine his remarks to insurance matters he had no doubt some of the gentlemen would be able to answer him satisfactorily. (Hear, hear.)

Mr. Ostell—The New York office has not been the most successful, since the removal from one office to the other. The office vacated has been rented, and the directors have been giving their best thoughts to the maturing of some plan for reducing the expenses. The expensive office referred to was the suggestion of the agent and not the action of the Directors or any President. It was at the recommendation of the agent that the offices were removed to Broadway, as it was thought, under ordinary circumstances and in ordinary times, the removal to Broadway would contribute towards increasing the business of the Company.

Mr. Dumesnil asked a question with reference to the paid-up stock, to which

The President replied that the stock of the