

As a consequence there have been a few slight losses which were not anticipated when we last met together. But in the fact that these have been provided for out of the year's earnings; that the customary dividend has been maintained at the respectable rate of seven per cent.; and that there have been surplus earnings, in the neighborhood of the amount so appropriated last year, to be again carried to the reserve fund, is the proof not only of foresight and thrift in the management, but of the vitality of the company.

At the beginning of 1888 there was a continuance of the stiffened demand for money at higher rates, which the report of last year stated to have characterized the close of 1887; but, as therein predicted, this was but of a spasmodic and fitful character. It passed away as the summer approached, and the subsequent revival, which is usual on the advent of winter, did not develop the former strength, either in point of demand or of rates.

The depression has not checked the inflow of deposits, which now stand at a higher figure in our accounts than in any previous year, attributable to the retention of the old customers, and their constant increase by many that are new. We still pay the rate of interest which prevailed when money was dearer, and the security given to depositors has, if anything, increased. The matter of security is the matter of highest consideration to every intelligent person. That given by this company conveys assurance in a sentence: We have more than four dollars in landed property, mostly farms, for every dollar we liability. Depositors could not directly invest their means on anything approaching in degree to the security that is given them through the agency of this company; and for the simple reason that, in addition to the large margins in real estate that we require on our investments, \$450,000 of subscribed stock and a reserve fund of \$52,000 have been built up as a breakwater for the absolute protection of the deposits. The deposit branch of our business has become so active, and is held in such high appreciation, as to justify this slight departure from the course hitherto adopted in reports of this nature; especially as we always place depositors on a par with ourselves as sharers in the full information which is given of the company's operations.

The present prevailing competition for loans, and the increasing difficulty experienced by the borrowing classes in giving the kind of security necessary to warrant advances, require the exercise of continued activity and vigilance; and the possession of these qualities, and the estimation in which the company is held by the public, may be safely depended upon to continue to bring us a fair share of the better class of the loaning business.

ANDREW MONTEITH, President.
Stratford, January 17th, 1889.

FINANCIAL STATEMENT OF THE BRITISH MORTGAGE LOAN COMPANY OF ONTARIO, FOR THE YEAR ENDED DEC. 31ST, 1888.

Receipts.

Repayments on loans	\$168,655 02
Payments on capital stock	5,502 66
Deposits received	441,251 61
General interest	1,671 91
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	\$617,081 20

Disbursements.

Due Bank of Montreal on Dec. 31, 1887	\$ 12,926 27
Loans on mortgages	127,811 38
Deposits withdrawn	436,211 91
Interests on deposits	12,681 34
Dividend No. 19, paid in January	10,098 77
Office No. 20, paid in July	10,182 91
And all other expenses	4,541 16
Commissions on loans	62 32
Solicitors' fees, paid by company	21 25
Balance in Bank of Montreal	2,543 89
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	\$617,081 20

ASSETS AND LIABILITIES.

Assets.

Cash value of mortgages	\$695,153 00
Balance in Bank of Montreal	2,543 89
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	\$697,696 89

Liabilities.

Paid up on capital stock	\$294,539 45
Deposits and accrued interest	340,415 56
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	\$634,955 01

Dividend No. 20, payable Jan. 3, '89	10,297 40
Reserve fund on Dec 31, '87, \$48,500	
Added for 1888	3,500—52,000 00
Balance to credit of Profit and Loss	444 48
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	\$697,696 89

WM. BUCKINGHAM,
Manager.

AUDITORS' REPORT.

We hereby certify that we have audited the books of the British Mortgage Loan Company monthly for the year 1888; that we have examined all vouchers, and found them to correspond with the entries therein; and that the foregoing statement is correct, and indicates the financial position of the company on the 31st December, 1888.

C. J. MACGREGOR, }
WM. DAVIDSON, } Auditors.
Stratford, Jan. 15, 1889.

Mr. Monteith (the president) moved the adoption of the report in a speech of some length, dwelling chiefly on the increased difficulty of obtaining the high class of securities required by the company, the fewness of the losses in the past, and the provision that had been made for them out of surplus earnings, leaving considerable sums over and above, notwithstanding such provision, to be carried from year to year to the reserve fund.

Mr. Trow, M.P. (the vice-president), in seconding the motion, pointed to the figures, which told the story of the company's high standing more forcibly than could be told in words. Its success had been extraordinary, and he was sure there was no safer or more solid or solvent institution in the Dominion of Canada. Referring to the fact previously alluded to, that the attendance at these meetings was not usually large, he said it was a sign of the entire confidence of the shareholders in the management, and reminded him of an anecdote of a certain old lady who was regular in her attendance at her stated place of worship, and slept soundly during the greater part of the sermon of her own minister, but was wide enough awake when a stranger came to preach. One Monday her minister asked her how it was she slumbered when he preached, while her faculties were at the full stretch if a different minister came to the church. "Oh, faith," she said, "I have to watch these other folk; but you, I ken, are always right." It was so here. Everything went on so well, that the shareholders did not trouble themselves at all about it.

The motion was carried unanimously.

Mr. W. Davidson, ex-warden of the county and county clerk, and Mr. C. J. Macgregor, M.A., ex-mayor of Stratford and chairman of the Stratford Collegiate Institute Board, were appointed auditors.

A poll was then opened, and resulted in the unanimous re-election as directors of the board of the previous year:—Mr. A. Monteith, Mr. Trow, M.P., Mr. Corcoran, Mr. J. W. Scott, Mr. Fuller, Mr. Ballantyne, M.P.P., Mr. Youngs, Mr. McMillan, Mr. Parker, Mr. Morton, Mr. Innes, Mr. Malcolm MacFarlane.

The sum of \$100 each was voted to the president and vice-president, in recognition of their services during the past year, in addition to the usual directors' fees for attendance at meetings. This Mr. Monteith stated to be inadequate, in his case, and tendered his resignation.

A cordial vote of thanks to the manager closed the proceedings.

Subsequently the directors met and elected Mr. James Trow, M.P., president, and Mr. Samuel Street Fuller vice-president.

ECONOMICAL MUTUAL FIRE INSURANCE COMPANY.

The seventeenth annual meeting of the Economical Insurance Company was held at the company's new office, corner of King and Foundry streets, Berlin, Ont., on Friday, the 11th of January, 1889. The minutes of last annual meeting were read and adopted, when the president, Mr. Hugo Kranz, read the directors' report and the financial statement, both of which follow:

REPORT.

It was the object of the promoters of the Economical, many of whom are still connected with it, to establish a mutual fire insurance company which would afford to its members

cheap insurance, coupled with unquestionable security. This result, your directors may claim, has been derived to a satisfactory extent during a successful career of 18 years.

Within this period \$125,924.22 have been paid for losses, every single loss having been carefully investigated and promptly settled with due regard to the interests of both the claimant and the company. The losses of the past year sum up to \$15,741.60, which may be considered as a low proportion to the large amount at risk.

This year 1,890 policies have been issued, covering \$1,847,340.00. We carry now under 4,326 policies:

Isolated risks	\$2,072,429
Mercantile risks	1,849,028
Manufacturing risks	409,255
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	\$4,330,712

Thus ranking amongst the largest mutual fire insurance companies of the province.

Our premium notes are based upon the lowest rates compatible with safety, and although our annual assessments have been kept at the low rates of 12½ per cent. for isolated and 15 per cent. for mercantile risks, we were enabled to accumulate a cash reserve of \$45,247.13, having added during the year just closed an increase of \$5,645.67.

In accordance with a resolution passed at the last annual meeting, we have erected, at a cost of \$15,000 (including land, store fixtures, and hoist), the fine and substantial building in which you meet to-day for the first time. Being situated in the business centre of our prosperous and growing town, it will be a safe and remunerative investment of a part of our cash reserve.

We beg to call your attention to the interesting financial statement of the manager. The insignificantly small amount of \$163.00 agents' balances proves that the sixty agents who work so faithfully and successfully for this company are gentlemen of strict business principles.

Possessing a cash reserve very much larger than the sum required to re-insure all our risks and premium notes, representing a capital of over a quarter of a million dollars, we enter upon the new year's business feeling confident that the Economical will retain in the future, as it has done in the past, its good reputation for cheapness, safety, and fair dealing.

All of which is respectfully submitted. On behalf of the Board of Directors,

HUGO KRANZ,
President.

MANAGER'S STATEMENT OF RECEIPTS AND EXPENDITURES FOR THE YEAR 1888.

Receipts.

To Assessments	\$17,530 75
" First premiums	14,565 61
" Interest	1,667 20
" Transfer fees	119 00
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Income during the year	\$33,882 56

Expenditures.

By Claims carried over from 1887	\$ 1,902 00
" Claims during 1888	15,741 60
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	\$17,643 60
" Re-insurance premiums	372 52
" Refund of unearned premiums	330 41
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	702 93
" Government license	103 80
" Rent of old office and taxes	120 00
" Printing and stationery	429 81
" Travelling expenses	651 22
" Fuel, light, and a stove	73 14
" Postage	259 02
" Express, telegraph, and telephone	50 72
" Salaries, directors' and auditors' fees	3,763 10
" Agents' commissions, \$3,149.00; agents' bonus for 1887, \$665.77	3,814 77
" Costs of arbitrations	550 43
" Prosecution of Ryder, of Acton, for arson	10 00
" Underwriters' Association	11 50
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(Continued on page 857).