

1888.	Cr.	
Dec. 31—By Interest accrued	\$83,324 33	
“ Premium on stock	225 00	
		\$83,549 33

We, the undersigned, beg to report that we have made the usual thorough examination of the books of The People's Loan and Deposit Company for the year ending 31st December, 1888, and hereby certify that the above statements are strictly correct and in accordance with the same.

(Signed)
 J. C. PATTON, }
 ROBERT SEWELL, } Auditors.

Toronto, 2nd February, 1889.

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

Some one has said that that country is a happy one that has no history, meaning, I suppose, that there have been no wars to chronicle, nor any untoward events to record, but that things generally have moved on in the even tenor of their way. If the same is true in principle respecting a loaning company, then we ought to be happy, for nothing has occurred during the past year out of the ordinary way. Business has gone on in the usual uneventful manner as formerly. We should, however, have been pleased to have had a little more history of a favorable kind, so as to have been able to report a larger sum being added to the Reserve; but as promised at the last annual meeting your directors have earned all they honestly could for you, which we know is all you desire, and remembering the adage that a penny saved is two pence gained, we have endeavored to work the business with as great a regard to economy as is consistent with efficiency. You will see a proof of this in the smallness of the amount paid for commissions, it being only \$7.50. In some companies this runs up to the hundreds. We encourage parties who want to borrow or to loan to apply direct. I may here remark that your directors interest themselves personally in assisting the manager in acquiring loans and in examining values. And in this connection I may state that the office expenses, rent, salaries, books, stationery, printing, postage, etc., are 56½ cents on the \$100 of the money under loan; and all expenses, including the city tax of \$510, allowance on office furniture, directors' and auditors' fees, show a small fraction over 75½ cents on the \$100.

I have much satisfaction in testifying to the reliability of all our officers, from the manager down, so that I am under no apprehension of hearing, what is now unhappily so common, after a holiday, that one is missing, and with the missing man something else besides. A great safeguard against such things are habits of industry and economy and freedom from speculation, which, I fully believe, are the characteristics of our officers.

We are not unaware of the fact that there are large numbers of buildings in the city wanting purchasers and tenants; and still that enterprising class, builders, are constantly desirous of increasing them. The high price of building lots and the great increase of wages, together with the amount of work performed in a day being less than formerly, tend largely to increase of rents, so that mechanics and laborers may discover that high wages are not an unmixed good, and those entrusted with the savings of thrifty people will require to be careful not to encourage by indiscriminate lending the tendency to overproduction. I believe your incoming board will be on their guard respecting this matter.

The great amount of foreign capital brought into this country tends largely to promote the danger referred to. So far we have not been exposed to these temptations. Moderation and safety should be the motto in all business affairs.

I have pleasure in moving the adoption of the directors' report.

Mr. Richard Dunbar seconded the motion, which was carried unanimously.

It was moved by Mr. James Scott, and seconded by Dr. M. H. Aikins,

That the president, vice-president, directors, manager, and officers be tendered a hearty vote of thanks for their prudent and successful management of the affairs of the company during the past year and for the unremitting attention they have devoted to the same, and that fourteen hundred dollars be granted to the board for their services during the year, to be divided among them as they may agree upon. Carried.

On motion of Mr. T. S. Stayner, seconded by Mr. Bernard Saunders, the thanks of the meeting were tendered to the auditors, Messrs. Patton and Sewell, for their faithful services and careful audit during the past year, they were voted \$175 each, and were re-appointed auditors for the ensuing year.

It was moved by Dr. J. Carlyle, seconded by Mr. Fred. W. Walker, that the meeting now proceed to elect five persons to act as directors of the company during the ensuing year, Messrs. Robert Sewell and Alexander Smith scrutineers for the ballot. Carried.

The scrutineers reported that the ballot resulted in the unanimous re-election of the following gentlemen, viz.:—William Elliot, Richard Dunbar, John Aikins, Fred. W. Walker, and James Carlyle, M.D.

At a meeting of the directors held subsequently, Mr. Wm. Elliot was re-elected president, and Mr. Richard Dunbar vice-president.

JAMES WATSON, Manager.

Toronto, February 11th, 1889.

MIDLAND LOAN AND SAVINGS COMPANY.

The sixteenth annual general meeting of the shareholders of this company was held at the company's offices, Queen street, Port Hope, on Tuesday, February 5th, 1889.

Present:—John Smart, Joseph Gallagher, Nathan Choate, John Mulligan, Richard Trick, John Helm, William Williamson, R. Dingwall, J. T. Henwood, H. H. Burnham, James Craick, William Craig, D. Chisholm, Dr. A. Purslow, William Henwood, Adam Harrison, H. H. Meredith, Dr. Clamesha, J. G. Williams, Asa Choate, and George M. Furby.

The chair was taken by the president, Mr. John Mulligan, at two o'clock p.m., and, on motion, the manager, Mr. George M. Furby, was appointed secretary of the meeting.

The secretary read the minutes of the last annual meeting, which, on motion, were confirmed.

At the request of the president, the secretary read the sixteenth annual report.

REPORT.

The directors have much pleasure in submitting to the shareholders, for their consideration, the sixteenth annual report and financial statements, for the year 1888.

The business of the year has been of a most satisfactory character, and with the single exception of the deposits an increase is observable in every department. The deposit decrease is insignificant, however, and may be attributed to the large amount that was withdrawn by the shareholders having accounts with the company (about \$20,000) to take up the shares allotted to them out of the new issue of stock. At the time of writing this report, however, this decrease has disappeared, and the deposits are now larger than they were at the close of 1887, as shown in the annual report for that year.

As foreshadowed in the last annual report, in consequence of the borrowing powers of the company having become nearly exhausted, the directors found it necessary in the early part of the year to exercise the authority given them by the shareholders at the last annual meeting, and issue new stock to the amount of \$30,000, which was offered to the shareholders *pro rata*, at a premium of ten per cent. As the stock of the company sells readily at a premium of fifteen per cent., and the new stock was issued at a premium of only ten per cent., each shareholder received a bonus of \$2.50 on each share subscribed for by him. The new issue was mostly taken by the allottees, and the shares not so taken were sold at a premium of fifteen per cent. The sum of \$3,180 was realized from the premiums and has been added to the Reserve Fund. The fully paid-up stock of the company is now \$300,000.

The demand for the company's funds during the year was active and rates up to November were better and firmer than in 1887, but at the close of the year they weakened, and from present indications are likely to rule low for some time.

The total assets of the company, not including the \$80,000 of subscribed stock not called in, at the close of the year were \$956,573.89, as against \$921,952.48 in 1887.

The net earnings of the year, after paying all charges, expenses, and the usual half-yearly dividend at the rate of seven per cent.,

were \$8,418.99. \$7,000 of this amount has been added to the Reserve Fund, and the balance, \$1,418.99, to the Contingent Fund. This latter fund now amounts to \$3,863.63, and is considered quite sufficient to cover all visible possible losses on real estate owned by and held for sale by the company. Below is given the usual summary of the year's business:—

The total earnings of the year, including the sum of \$3,180, premium received on the sale of new stock, amount to	\$60,136 39
And have been applied as follows:—	
Two half-yearly dividends, at the rate of 7% per annum	\$20,312 05
Interest to depositors.	24,728 92
Expenses, commissions on loans, etc.	6,326 43
Municipal tax on dividend	350 00
Transferred to Contingent Fund	1,418 99
Transferred to Reserve Fund	7,000 00
	\$60,136 39

The total earnings for the year 1887, exclusive of the premium received on the new issue of stock for that year, were \$55,295.14, and for 1888 \$56,956.99, also omitting the premium on that year's new issue of stock, showing an increase of \$1,661.85.

The Reserve Fund is now \$53,000, being over seventeen and one-half per cent. on the capital paid up.

The total amount invested on mortgages on real estate during the year was \$153,444.09; the total amount of repayments on principal moneys of mortgages on real estate, \$94,102.78. Increase during the year, \$59,341.31.

The total amount on deposit December 31, 1887, was \$591,064.85; on December 31, 1888, it was \$589,149.02. Decrease, \$1,915.83.

The large amount of \$24,728.92 has been paid to depositors during the year as interest on their deposits.

The security this company offers its depositors is as follows:

Mortgages on real estate (the cash value of which is upwards of two millions of dollars) to the amount of	\$ 900,014 10
Real estate on hand	19,546 13
Loans to shareholders on mortgages of their stock	12,470 75
Capital subscribed and not called in	80,000 00
Cash on hand and in bank, rents, etc.	24,542 91
Total security to depositors	\$1,036,573 89
Total liabilities to depositors	589,149 02

Balance (in excess of the company's liabilities to its depositors) \$ 447,424 87

The company had on hand at the commencement of the year properties to the amount of 25,055 17

Have acquired some since and have sold some. The amount now held is 19,546 13

The value of the properties offered as security for advances and the character and prospects of those who offer them continue to be made the subject of careful enquiry and examination, both by our inspector and the management. During the year new loans were effected to the amount of \$153,444 on properties valued by the inspector or members of the board at \$332,850. Applications to the amount of \$132,000 were declined during the year. This company being situated almost as it were, in the midst of its loans, has an important advantage in the selection of investments.

The obligations of mortgagors have been met in a very satisfactory manner during the year, the sum of \$52,000.97 having been received on account of interest, the total earnings for the year being \$56,956.99.

It gives your directors much pleasure again to report the efficiency of the manager and officers of the company, and the lively interest they continue to manifest in its behalf.

JOHN MULLIGAN,
 President.

Port Hope, January 18, 1889.

REVENUE ACCOUNT.
 Receipts.

Interest on investments, bank bal.