

balances reported, rent, &c., and dividend for half year ending 31st December, 1879, payable 6th January, 1880, amount to	5,264 54
Surplus in hand as regards policy-holder, over and above uncalled capital	\$43,207 45
Against this there has to be temporarily reserved—Estimated proportion of premiums in hand unearned	\$ 5,939 00
Also, paid-up capital..	27,120 00
Leaving	33,059 00

Net surplus as regards shareholders (over and above capital and all liabilities) at credit of reserve

\$10,148 45

The losses paid and provided for during the past year amount to nearly \$8,000, thus making the total claims to date over \$30,000, the number of claims comprised therein being over 700. There are only three cases in abeyance, one of which the directors, after due deliberation, considered it right to defend; this is the only claim which the company has, in its five years' existence, contested, and notwithstanding that the directors are of opinion that the company is not liable, provision has been made for it in the estimates at the full amount (\$2,000). The other two claims, amounting to \$111.42, are simply awaiting the usual proofs, and will be paid as soon as these are forthcoming.

The bonus to insurers referred to in last annual report has been applied in the several cases entitled to it, and the amount of insurance given free by virtue of that system this year amounts to over \$150,000.

The system will apply again this year to those who will have completed five years' insurance without claiming upon the company.

The ultimate results of the year's transactions show that in addition to paying a dividend of 8 per cent. on the paid-up stock, distributing the bonus to the insured as referred to, making ample provision for all outstanding matters and writing off the balance of the preliminary expenses, there has been a slight amount added to the net surplus, which now stands at \$10,148.45 over and above all liabilities, and independent of capital paid-up.

The dividend of 8 per cent. is, as on former occasions, less than the interest earned on the investments of the Company.

The investments of the Company continue to be satisfactory, and although included in the balance sheet at par, are in many instances at a considerable premium thereon.

The Directors retiring this year are Messrs. Ferrier, Cramp and MacDougall.

The thanks of the Directors are due, and are hereby tendered to the various local directors and agents for their valuable co-operation in the interests of the Company during the past year.

Statements of receipts and expenditures are submitted for the scrutiny of the shareholders present, and will be open for inspection of any shareholder who may desire to see them at the head office.

A. T. GALT, President.
EDWARD RAWLINGS, Manager.

The President, in moving the adoption of the report, referred to the satisfactory amount of business transacted, in face of the extreme depression which had existed during the past year and had affected every description of business in the country. The Company had paid a large number of claims during the year, and for the first time in its existence the Board had felt it

necessary to dispute their responsibility under circumstances in which they felt justified in defending the Company's interests. They had paid over 700 claims without hesitation, and in this was good evidence of the usefulness of the Company to the community. He was glad to see that as a Canadian institution this Company was duly appreciated and supported by the Canadian public, and he believed that it would always be found to act in an honorable and liberal spirit with all those who placed confidence in it. He referred to the fact of the bonus to insurers, by which a large number of persons had this year obtained their insurance free by virtue of their having been five years on the books without claiming against the Company, and he also referred to the fact that the dividend paid to the stockholders, being less than the amount received as interest on the investments of the Company, did not in any way affect the funds arising from the premiums received on account of insurances. He regarded the progress of the Company as highly satisfactory and believed that the shareholders would endorse him in that opinion.

The usual votes of thanks to the Directors and to the Manager and staff were carried and responded to in an appropriate manner by the President on behalf of the Directors, and Mr. Rawlings on behalf of himself and the staff.

The scrutineers reported the retiring Directors, Messrs. Ferrier, Cramp and MacDougall re-elected, after which the usual vote of thanks to the chairman closed the proceedings.

The Executive for the year 1880 is as follows: President, Sir A. T. Galt, K.C.M.G.; Vice-President, John Rankin; Messrs. Thomas Cramp, Hon. Jas. Ferrier, Senator; D. L. MacDougall, And. Robertson, Edward Mackay, R. J. Reekie, Jas. Rose, Wm. Moore (Quebec). Manager and Secretary, Edward Rawlings.

Head office, 260 St. James street, Montreal, corner St. James and McGill streets.

CANADA GUARANTEE COMPANY.

The Annual Meeting of this Company was held at its offices in Montreal, on Thursday, the 22nd inst., the President, Sir A. T. Galt, in the chair. The following is a copy, slightly abridged, of the seventh annual

Report.

The new business of the year showed 1,301 Proposals were received for \$1,759,750 00
203 of which were declined..... 448,900 00

1,098 Bonds issued, covering \$1,310,850 00

New annual premium thereon .. 13,069 25

The total number of bonds in force was 3,432 4,663,500 00

Total annual revenue 50,803 18

The financial position is as follows:

Receipts.

Balance 31st December, 1879..... \$110,046 53

Gross revenue of year..... 53,272 93

\$163,319 46

Disbursements.

Working expenses—including advertising, law expenses, rent, taxes, printing, stationery, postage, telegrams, salaries, Correspondents and inspectors' expenses, travelling \$11,991 88
Commissions, and Directors' and Auditors' fees 5,012 52
Bonus rebate to insurers and premiums returned 3,786 70

Losses paid 12,771 80
Dividends 3,540 46
Sundry items..... 568 25
37,671 61

Balance, forward to next year..... \$125,647 85

(Representing the assets of the Company)
Against which has to be held the following liabilities:—

Paid up capital..... \$51,380 00
Provision for claims made and under consideration 25,000 00
Sundry other provisions. 4,392 68
80,772 68

Gross surplus..... \$44,875 17

Against which, however, must be temporarily held the estimated amount of premiums in hand, but as yet unearned

13,868 40

Net surplus, to credit of reserve account.....

\$31,003 77

The gross ultimate resources of the Company for the security of those holding its bonds amounts to

\$494,168 24

The Report goes on to state that the total amount of business on the books of the Company was less than at this time last year, chiefly owing to the cessation of two banks, and the withdrawal of the Company from a large number of risks which, on revision, it was found were not continuing up to the standard qualifying them for the Company's confidence.

The losses paid by the Company during the year were above the average in amount.

The total claims paid to this date amount to \$106,600.

The Directors feel that were they to pay all calls made upon the Company, without due investigation, they would not be doing justice to those transacting business with it on a legitimate basis, and, moreover, much higher rates would be requisite in order to produce a sufficient income and prudent reserve; whereas it has been and will continue to be a primary object, by care in the selection of risks and discrimination in the treatment of claims, to reduce the charge to the insured to the lowest rate practicable, and the Directors feel that they will be endorsed and upheld not only by the shareholders, but by all who transact business with the Company, in the course which they may adopt in defence of the combined interests involved.

Notwithstanding, however, the doubtful character of some of the outstanding claims, the Directors cannot in prudence ignore them in their estimates, and it will be seen that the sum of \$25,000 has in the meantime been set against the assets for this item. This appears a heavy sum to set apart amongst the liabilities, but as the Board anticipate that a large part of the claims composing it will not be ultimately sustained, there will doubtless be much of the appropriation revert to the credit of the Company.

The Directors believe that beyond the mere payment of losses, the operations of the Company have done and are still doing a valuable work in the interest of not only employers but the public generally, by the application of the means which they have at their command for the prevention of the appointment of unworthy persons to positions of trust, and by the protection which the Company is thus in a position to afford those who avail themselves of its facilities.

They would point to the fact that during the past seven years, they have rejected in all no less than 461 applicants for guarantee in posi-