Debenture money shows a slight diminution—from $66,168 to $60,931. During most of the year it represented a much larger sum, and beyond this it might have been considerably increased had the directors been disposed to accept all that was offered on debenture account. They were unable to use to advantage much of the money already on hand, amounting at one time to close upon $70,000, and therefore had to decline a good deal of new capital that was pressed upon them. They are glad, however, to be able to state that a better demand has again set in, and that at the date of this report there is a very fair market once more for all the company's funds. Judicial sales by public tender of a considerable block of the company's stock to close the estate of a deceased shareholder, since the reduction of the dividend, have established its price at 20 per cent. premium, the highest rate hitherto known to the directors.

Warned by examples in other quarters, unusual care continues to be exercised in regard to securities. Applications for loans have not only to pass the keen scrutiny of the manager, but the executive committee consider them carefully from every point of view, as well as the character of the applicants, most of whom are known to them, and they make no advances whatever until the properties are closely inspected and reported upon in writing by an experienced director, possessing a sound practical knowledge of farming lands. Nor does supervision end here; for the directors deem it to be their duty, at the request of the manager, to keep the debits and credits in the mortgage ledger frequently reviewed, and they speak therefore from practical knowledge, and with all confidence in the accuracy of the statement, when they give expression to their belief that the foundations of the company are firmly established upon bed-rock.

On loans of over a million of dollars, mortgaged property now in the hands of the company represents the insignificant sum of $8,174. It produces an adequate revenue, and is worth all the money set against it.

The amount at the credit of the profit and loss account at the end of 1896 was $660.28; at the close of 1897, $1,368.58. The gross earnings for the year 1896 were $55,827.77; last year, $58,403.30.

THOMAS BALLANTYNE,
President.

Stratford, January 27, 1898.

FINANCIAL STATEMENT OF THE BRITISH MORTGAGE LOAN COMPANY OF ONTARIO FOR THE YEAR ENDED DECEMBER 31ST, 1897.

CASH ACCOUNT.

Receipts.

Due company by Bank of Montreal, Dec. 31, 1896....$	7,747 26
Repayments on loans, including interest	317,921 77
Payments on capital stock	1,710 43
Deposits received	608,824 81
Debenture money received and accrued interest	20,431 85
General interest	2,717 25
	$ 959,353 37

Disbursements.

Loans ....$	294,814 31
Deposits withdrawn	554,401 75
Interest on deposits	17,739 71
Debenture money paid	25,000 00
Interest on debentures	4,342 90
Dividend No. 37, paid in January	11,017 59
Dividend No. 38, paid in July	9,468 98
Office and all other expenses	5,471 57
Income tax	458 81
Commissions on loans	696 00
Solicitors' fees paid by company	34 04
Balance due company by Bank of Montreal, Dec. 31st, 1897	35,907 71
	$ 959,353 37

ASSETS AND LIABILITIES.

Assets.

Cash value of securities ......$	1,015,229 00
Company's building	11,000 00
Cash in bank	35,907 71
	$1,062,136 71

Liabilities.

Paid on capital stock........$		316,504 68
Deposits and accrued interest		573,839 94
Debentures and accrued int.		60,931 85
Dividend No. 39, payable Jan. 3rd, 1898		9,491 66
Reserve Fund, Dec. 31st, 1896	$90,000	
Added for 1897	10,000	
		100,000 00
Balance to credit of Profit and Loss account		1,368 58
		$1,062,136 71

WM BUCKINGHAM, Manager.

AUDITORS' REPORT.

We certify that we have carefully audited the books of the British Mortgage Loan Company, of Ontario, monthly for the year 1897; that we have examined all vouchers and find them to correspond with the entries therein; and that the foregoing statement indicates the financial position of the Company on the 31st day of Dec. 1897.

C. J. MACGREGOR,
WM. DAVIDSON,
Auditors.

Stratford, January 17th, 1898.

The president, in moving that the reports and statements be adopted, said that while the reports of some companies of late had unfortunately been proven by subsequent events to be unreliable, he knew from his personal knowledge that the report of the directors and the audited statement signed by the manager, just read, were true and accurate accounts of the position of this company. The directors had discharged their duties in no perfunctory manner, but had followed their usual painstaking practice of verifying the correctness of the value of each security. It would be seen that the company was in a splendid position and that if a slight reduction had been made in the dividend rate, it was not because the seven per cent. had not been earned, but because the directors concurred in the sound judgment of good financiers as to the wisdom of continuing to build up the reserve. The effect of this policy was to enable the company to meet the ever-growing tendency towards lower earning rates by getting the command of cheaper capital, and it had come in upon them in excess of their requirements. As the investments had been mostly made within the limits of the county, where there had been no depressing after-effects of a "boom" in prices, the company had escaped losses in a remarkable degree.

The vice-president, in seconding the resolution, said it was the best of the many good reports invariably made since the company was established.

Mr. James Innes expressed the highest confidence in the management, which he said had discovered the true secret of success, and that was to make careful selection of the securities, and consequently to avoid the burden of carrying on its shoulders a lot of useless property. This was most commendable at a time when there had been such alarming shrinkages in values. He approved of the reduction in the dividend, so as to strengthen the position of the company.

Mr. Scott and others spoke in similar congratulatory terms, after which the motion was adopted.

Mr. C. J. Macgregor, M.A., and Mr. W. Davidson, county clerk, were re-appointed auditors.

Messrs. Maynard and Trow were chosen scrutineers, and reported the unanimous re-election of the former board of directors, namely: Hon. Thos. Ballantyne, Messrs. S. S. Fuller, James Corcoran, J. W. Scott, John McMillan, Geo. Innes, John Parker and Malcolm MacFarlane.

Thanks were cordially voted to the president and vice-president, the manager and assistant manager, and a grant of $200 was made to the president, and of $150 to the vice-president, in recognition of their services during the past year.

Hon. Mr. Ballantyne was afterwards re-elected president, and Mr. S. S. Fuller, vice-president.

WATERLOO MUTUAL INSURANCE COMPANY.

The thirty-fifth annual meeting of the policy-holders of the Waterloo Mutual Fire Insurance Company was held in the board room at the head office, Waterloo, Ont., on Saturday, January 22nd.

Among those present were Messrs. Geo. Randall, John Shuh, Wm. Snider, Simon Snyder, J. M. Muir, George Diebel, John Killer, C. M. Taylor, David Bean, Thomas Hilliard, J. H. Webb, M.D., M. Devitt, of Waterloo; John Allchin, New Hamburg; Thomas Gowdy, Guelph; P. E. Shantz, Preston; Allan Bowman, Blair; W. H. Bowlby, Q.C., and L. J. Breithaupt, Berlin; J. E. Livingston, M.P., Baden; J. L. Wideman, St. Jacobs.

The chair was taken by Mr. George Randall, president, and Mr. C. M. Taylor acted as secretary. The secretary read the minutes of the last annual meeting, which were confirmed.

The directors' report and the several financial statements were then read by the secretary, as follows:

REPORT.

Your board of directors beg to lay before you their report for the year ending the 31st of December, 1897, being their 35th annual report.

The following abstract has been prepared from several detailed statements about to be read to you, viz.: We have during the year just passed, issued 13,290 policies: the total number of policies in force is 27,244; the total amount insured thereunder, less amount re-insured, is $27,900,326. The average liability, therefore, under each policy is shown to be $1,024.

The aggregate assets of the company are $327,300.75, and the total liabilities $114,688.09, leaving a balance of assets over all liabilities to the amount of $212,612.66.

By comparing the printed statements in your hands for 1897 with the corresponding statements of 1896, you will notice that the business exclusively pertaining to the year through which the company has just passed has been such as to warrant your board in stating that the company has held its own notwithstanding the increase in the amount paid for losses in 1897 over that of 1896. In making this statement, we regret to say that a number of insurance companies doing business in Canada are not able to say as much regarding their Canadian business for 1897.

We conclude our brief synopsis of the business of the past year by calling your attention to the two main objects of this meeting, namely, the disposing of the several detailed statements to be read to you and the election of four directors. The retiring directors are: Messrs. John Allchin, Simon Snyder, Allan Bowman and John L. Wideman, all of whom are eligible for re-election.

GEO. RANDALL,
President.

FINANCIAL STATEMENT.

Balance on hand as per statement 31st December, 1896....$		99,778 30
Receipts.		
Premiums and instalments..........$	215,235 38	
Interest and transfer fees	3,803 23	
Rent	892 50	
		$219,931 11
		$319,709 41
Expenditures.		
Losses occurring in 1897..........$	134,106 38	
Less re-insurance	8,782 78	
		$125,323 60
Losses from 1896		8,085 00
		$133,408 60