

LIABILITIES.	
Capital stock paid up.....	\$300,000 00
Losses under adjustment.....	43,689 41
Losses outstanding, United States (old business).....	11,340 00
Dividend No. 5, reserved.....	15,000 00
Balance.....	143,809 33
	\$313,838 74

CONTINGENT ACCOUNT.	
Balance from last year.....	\$133,105 01
Less suspense account.....	1,286 40
	\$131,818 61
Assessment calls col- lected.....	6,635 00
Profit balance.....	50,877 13
	\$189,380 74
From which deduct— Dividend No. 4, paid 1st March, 1880.....	\$15,000 00
Dividend No. 5, re- served, payable 15th February, 1881.....	15,000 00
Written off for U. S. liquidation account.....	15,571 41
	45,571 41
Leaving a balance of.....	\$143,809 33
From this sum has to be deducted, for unearned premiums as re- quired by the Government stan- dard.....	115,654 53
Leaving a net surplus over capi- tal and liabilities of.....	\$28,154 80

The business of the year up to the end of September was very good, and your Board were in high hopes that if the same good fortune had continued to the end of the year, it would have closed with a gratifying increase to our resources. After that time the disasters which befall nearly all companies doing a marine business were very great, and in consequence our prospects were, as with others, very materially changed. It is, however, gratifying to be able to close the whole business of the year with a profit. You will observe from the change of assets, that we have been enabled during the year to bring back the larger portion of the bonds we had deposited in the insurance departments of the United States. The retiring directors are Messrs. Ostell, Archer, Hodgson and Moss, who are all eligible for re-election. The whole respectfully submitted.

ANDREW ROBERTSON, President.

January 27th, 1881.

The President moved the adoption of the report, and in doing so, recapitulated the principal items of interest contained in it. He stated that the Company could show a surplus of \$56,000 to \$57,000, if the principle adopted by some companies of reserving 25 per cent. of the unearned premiums was adopted. He thought that the results of the operations of the year were, on the whole, gratifying, although, in common with all other companies, they had suffered considerable loss at the close of navigation. Mr. Wm. O'Brien had accepted the position on the Board to which Mr. John C. Hodgson had been elected last year, the latter declining to serve, and it would be for the shareholders to declare whether or not that action on the part of the Board was satisfactory to them.

Mr. Gilman asked how it was that the revenue from interest on investments had fallen off.—The Chairman replied that the bonds of the United States bearing 5 and 6 per cent, and held in connection with the business of the Company in the United States, had been sold out, and the proceeds transferred to Canada, where only 3 per cent could be obtained for the money.

Mr. Gilman inquired why it was that the expenses this year exceeded those of the previous year?—The Chairman replied that the business of the year just closed exceeded that of the previous year by \$20,000, and while the gross amount of expenses was some \$2,000 more, the percentage was considerably less. The assets

of the Company, he went on to explain, were taken at their market value on December 31st.

Mr. Gilman said there was entered as liability on capital stock \$300,000, in the report just presented, while in the Government report the liability on account of capital stock was entered as \$52,000 less. He maintained that the Company had not received the \$300,000 of capital from the shareholders. Some 7,000 shares had been forfeited by non-payment of calls, and he claimed that the amount of capital represented by these shares should not be entered as a liability, but that the liabilities, as stated in the report before them, should be reduced by that amount of \$52,000.

The Chairman replied that the full amount of the capital \$300,000 had been paid in, but no shares had been forfeited by the Directors for non-payment of assessments, as yet, because they considered it more in the interest of the Company that the calls due should be paid up, and the proceeds be carried to the reserve fund.

Hon. Mr. Thibaudan explained that the capital had been fully paid up, and it was only the 3rd and 4th assessment calls that had been defaulted upon by shareholders who had forfeited their stock. The first and second calls had been upon capital account, and had been fully paid up. He instanced the case of the Jacques Cartier Bank, which held \$100,000 of its own stock of \$500,000, but it only paid dividends upon the amount in the hands of the shareholders of \$400,000.

Mr. Gilman again contended that the statement in order to be correct ought to show a reduced liability on capital account of \$52,000.

Mr. Coghlin asked if the shareholders who had refused to pay their calls in times of adversity should now be allowed to come in and reap the new harvest of prosperity.

The Chairman replied that the stock could be purchased in the open market at lower prices than those at which they would enter by paying the full calls, and the reason to induce them to do so would be to thereby enable them to escape their liability.

Mr. Gilman said that if his view was carried out the value of the stock in the market would be improved. The Directors had been requested two years ago to take steps to forfeit the stock on which calls were unpaid, and the Government return showed that 7,000 of these shares could be forfeited. He held that the shareholders remaining in the Company would derive a considerable benefit from such a proceeding. The discussion of this point was continued for some time without eliciting any other facts, when

The Chairman called attention to the fact that the ballot for the election of Directors had to remain open for two hours, and moved that it be now open, appointing Messrs. G. H. Dumesnil and B. J. Coghlin scrutineers.

Mr. Gilman said he understood that the President voted upon a large number of proxies, and he desired that they should be examined by the scrutineers.

The Chairman—Certainly.

Mr. Jonathan Hodgson said he was more pleased with the present statement than with any ever issued by the Company, and it was more satisfactory than he could have anticipated.

Mr. Gilman asked what had become of the \$500,000 of United States bonds held last year.

The Chairman.—They were sold, liabilities in that country discharged, and the balance transferred here.

Mr. Gilman desired to know what proportion of the losses was on fire, and what on marine account.

The Chairman answered that \$52,012 were on fire account, and \$102,181 on marine account.

Mr. Gilman.—Then the marine business has been conducted at a loss during the past year. I would like to know what object there is to be gained by carrying on this branch of the business?

The Chairman.—The marine business has been profitable in times past, and it is confidently anticipated that it will be so in the future. Since the inception of the company there has been a profit on the marine business

taken as a whole, and the prospect for the coming season is that higher rates will prevail, and the net outcome be much more satisfactory.

Mr. Gilman asked what were the expenses of the head office?

The Chairman.—The expenses were \$3,000, and they have been reduced since last year. The expenses were moderate, and pared down to the lowest figure consistent with efficiency.

Mr. Gilman asked for particulars as to the investment in Canada Central bonds.

The Chairman replied that the investment was an excellent one, a profit of \$7,000 having already accrued to the company from it, by the advance in the market value of these bonds.

Mr. Gilman asked how the amount of estimated losses had been arrived at?

At the request of the Chairman,

Mr. Davison, manager of the Fire Department, said that the estimates of losses were made most carefully, and only after the fullest and most detailed enquiry. The amounts entered were in almost every case over the mark.

Mr. Stewart, manager of the Marine Department, said that the estimate of marine losses generally ran over, rather than under the ultimate loss, the latter being entered at their full value, without any deduction for salvage.

The report was then adopted.

Mr. Gilman asked the opinion of the Board as to the continuation of the marine business?

The Chairman said that the past year had been an unfavorable one, but he thought it would be injudicious to close the business at the present time, because the outlook for the coming season was very encouraging, promising higher rates than prevailed in the year just closed. Until September the past season's business had been very satisfactory, and, but for the storms and exceptionally early closing of navigation, they would have derived a large profit from the marine branch of their business.

Some discussion then ensued upon a motion of Mr. Gilman, for the conversion of assessments upon stock into calls upon stock, and the motion was withdrawn.

It was moved by F. B. Matthews, seconded by Robt. Brown, That the thanks of the shareholders are due and are hereby tendered to the President and Directors for their services and attention to the business of the Company during the past year. Carried.

Mr. Gilman moved that the Directors be instructed to forthwith cause to be forfeited all shares of the Company in arrears of calls.

Mr. Hodgson asked that the resolution of 1879 be allowed to stand, because the Directors had been considering the question, and he believed the action of the Board during the coming year in the matter would be satisfactory to the shareholders.

Mr. Gilman after some further conversation, withdrew his motion.

The scrutineers reported the re-election of the retiring Directors, Messrs. Ostell, Archer, Hodgson and Moss, and the meeting adjourned.

THE CITIZENS' INSURANCE COMPANY OF CANADA.

The sixteenth annual meeting of the Citizens' Insurance Company of Canada was held last Monday afternoon in the Head Office of the Company, 179 St. James street, at which were present:—Sir Hugh Allan (President), in the chair; Henry Lyman, Andrew Allan, N. B. Corse, Robert Anderson, J. B. Rolland, Arthur Prevost, Thos. Wilson, F. X. Beaudry, G. F. C. Smith, C. J. Brydges, Duncan MacDonald, Wm. Smith, F. X. Beauchamp, C. D. Proctor, Francis Scholes, J. E. O. Labadie (representing estate of Hon. C. S. Rodier), Jackson Rar, Owen McGarvey, M. S. Foley, P. M. Galarneau, John Turnbull (representing George Stephen), C. F. Vinet, F. X. St. Charles, Dr. Jos. Leduc (representing U. Archambault), R. J. Reekie, L. Allard, Dr. E. H. Trudel, R. Bellemare, F. B. Matthews (estate A. Wilson), C. Dupras, J. B. Biron, E. Mathieu, Dr. L. E. A. Desjardins, and D. Pariseau.

The President read the report, as follows:—