

is that nearly twenty-five per cent. of the assets are new assets. This, of course, does not mean that they are all new loans; they consist partly of renewals, which were carefully selected.

In addition to the property actually sold, many loans considered too close were put on a safe basis by getting payments on principal by the borrowers, and thus increasing the margin of value. By this means any possible loss on such loans was avoided. Some new fields for loaning were selected, after a visit thereto by the president, vice-president, Mr. J. P. Phin, and the manager.

The amount of arrears of interest and principal standing on the books of the society at the end of the year, was, I am pleased to say, less than any during the past ten years.

The various officers of the society have discharged their duties in a thoroughly efficient and satisfactory manner.

It will, I doubt not, be a pleasure to you to know that our esteemed former president, Mr. Storton, notwithstanding his poor health, continues to take the same active interest in the affairs of the society as in years past, and expressed to me his appreciation of the many gratifying features of the report.

The vice-president, Mr. R. Melvin, seconded the motion, and said:

Though I do not think that the report needs any words of mine to recommend it to you, I may be permitted a few remarks in connection with it. It is essential that the profits paid to shareholders should not only be earned by the securities, but should be actually paid, and I can assure you that you have received nothing but what has been actually earned and paid; our earnings are not based on inactive loans, but on active, paying investments, and I believe that in this respect our record is unexcelled by any other financial institution in the country. Our loans, as a class, are all that could be desired. We have a contingent fund which will more than meet any possible losses in disposing of the properties on hand, and as this fund bears the same rate of interest as the other moneys of the society, we lose nothing on it.

There is at the present time a good deal said about loan companies amalgamating for the purpose of controlling the loaning business, or for some other seemingly advantageous purpose. I may say that this society has no intention of entering into any such arrangement, and I do not believe that these amalgamations will in any way injure us. On the contrary, I am inclined to believe that the effect would be the opposite.

I have no doubt whatever that, relative to the earning power of money, we will continue to do very well, indeed, but, as I stated to you away back in 1894, and my opinion in this respect has not changed, the lower rates which rule on mortgage investments cannot fail to show an effect upon our profits.

Mr. Innes.—The great care exercised by the directors and manager in the selecting of first-class loans is, I think, clearly evidenced by the item of the report which shows that of \$720,000 of applications received, only \$373,000 were accepted. It should be a satisfaction to the shareholders to know that the undivided attention of the board and management is given to the affairs of the society, and it is a good guarantee that in future the business will be carried on in the same careful way as in the past. I consider that we have made a most satisfactory showing, and have much reason to be gratified with it.

Mr. Bond.—Perhaps nothing shows more clearly the good standing of the society, and the confidence of the public which we enjoy, than the great demand for stock, and the high price which it commands whenever it is offered for sale. The practice which we follow of making

a close examination of the securities, at stated intervals, is a good safeguard. We try to make everything as solid as possible. We borrow all our money from our own people, that is to say, from the people of Guelph and vicinity; we do not require to go to the Old Country for it. Our loans are in the best sections of Ontario—largely in the county of Wellington and neighboring counties. In this we have the advantage not only of good loans, but of being able to look after them without much expense. All these things contribute much to the success of the company.

Mr. James P. Phin.—I feel very well satisfied with the progress which the company has made, and although the low rates of interest may affect our earnings to some extent, I see no reason why we should not continue to occupy the same relative position in future as in past years. We have a handsome reserve fund, and if we see fit we can well afford to pay the profits to the shareholders and not be obliged to add further to that fund. I am very much pleased with the report, and believe there is scarcely another company in Ontario in as good a position as we are.

The motion of the adoption of the annual report and financial statement was carried unanimously.

On motion of Messrs. William Hunter and George Shortreed, Messrs. T. J. Day and James Cormack acted as scrutineers, and the election of directors was proceeded with. The following were declared duly elected: Messrs. A. B. Petrie, Robert Melvin, D. Storton, John Phin, G. D. Forbes, H. Howitt, M.D.; James P. Phin, John M. Bond, James Innes, ex-M.P.

The following resolutions were passed:

Moved by Mr. T. J. Day, seconded by Mr. James Forrest, that Messrs. A. J. Brewster and J. W. Kilgour be auditors for the current year. Carried.

Moved by Mr. Joseph Smith, seconded by Mr. George Shortreed, that a vote of thanks be tendered the president, vice-president, directors, manager, and other officers of the society for their services during the past year. Carried.

At a subsequent meeting of the board, Mr. A. B. Petrie was re-elected president, and Mr. Robert Melvin, vice-president.

BUILDING & LOAN ASSOCIATION.

The twenty-ninth annual general meeting of the Building and Loan Association was held at its offices, No. 13 Toronto street, Toronto, at 2.30 p.m., on Tuesday, the 14th day of February, 1899, the president, Larratt W. Smith, Q.C., D.C.L., in the chair.

There were present: George Gamble, Price Jackes, W. Mortimer Clark, Q.C., W. S., Charles Niehaus, Tom Webb, George Martin Rae, Bernard Saunders, Terence Jones, D. A. Milne, Robert Jenkins, John Harvie, R. L. Benson, C. S. Gzowski, Alexander Smith, W. B. Hamilton, A. J. Somerville, Robert Thompson, Geo. W. Jackes, M.D., John Wightman, H. W. Eddis, J. F. Smith, Q.C., E. C. Rutherford, Edward R. Greig, George R. R. Cockburn, Percival F. Ridout, Edward J. Hobson and others.

The twenty-ninth annual report was submitted as follows:

REPORT.

The directors beg to submit to the shareholders their report for 1898, with the accompanying certified statements.

Although there has been some improvement in Toronto real estate during the past year, it has not yet been sufficient to produce any material results to the association. In some cases, rentals have been advanced, but sales can only be effected at low prices. It is satisfactory, however, to feel assured that the tendency is towards a gradual improvement in all descriptions of property.

The repayments of loans, including interest, have realized \$161,708.

Sterling debentures have decreased \$1,700; on the other hand, currency debentures have increased \$2,500, in comparison with the previous year. The interest paid on debentures shows a saving of \$670.

Deposits have been paid off to the extent of \$41,700, reducing this item, since the last annual statement, to \$89,056.83.

The sales of property during the year have amounted to \$36,285, on which there has been a loss of \$5,123.22, and this has been written off.

Real estate in Winnipeg is looking up, a few sales have been made, and there is now an increased demand at improving rates. From present appearances, much unproductive property in that city will be disposed of during the current year.

The expenditure, on properties in the hands of the association, has been so large as to necessitate a further reduction in the last half year's dividend. The directors have considered it to be the proper course to meet this out of the earnings of the year. As the sales of this class of property increase, this burden will be gradually removed.

In view of the general improvement in the financial condition of the country, which must necessarily result in an increase in the value of real estate, the directors do not suggest any change in the policy of the association.

The debentures falling due in Scotland were renewed to a gratifying extent, and new money obtained at lower rates than formerly, for which the association is indebted to the energy of their Edinburgh agents.

The vacancies on the board, caused by the death of Mr. Joseph Jackes, and the retirement of Mr. George R. R. Cockburn on assuming the presidency of another loan company, have been filled by the election of Mr. George Martin Rae and Mr. Walter Gillespie, the latter of whom takes the position of managing-director.

The auditors' certificate will be found appended to this report.

All of which is respectfully submitted.
LARRATT W. SMITH, President.

BALANCE SHEET FOR YEAR ENDING DECEMBER 31ST, 1898.

Liabilities.

To the Public:	
Debentures, sterling	\$546,718 69
Debentures, cur'cy	137,695 52
Deposits	89,056 83
Unpaid dividends,	
etc.	481 58
	\$ 773,952 62
To the Shareholders:	
Capital stock	\$750,000 00
Reserve fund	100,000 00
Guarantee fund	\$30,000 00
Less losses on real estate	5,123 22
	24,876 78
Dividend payable 3rd Jan., 1899	7,500 00
Balance at credit of profit and loss account	443 43
	\$ 882,820 21
Total	\$1,656,772 83

Assets.

Loans	\$1,307,302 29
Real estate vested in the Association	238,610 37
Premises, Toronto street	80,000 00
" " rents due	321 50
Cash in banks	29,990 34
Cash in office	548 33
Total	\$1,656,772 83

PROFIT AND LOSS ACCOUNT.

Dr.

Interest on sterling debentures, due and accrued	\$22,242 95
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