of $389,214 has been paid in on stock, and $130,000 belongs to the reserve fund. Thus $519,214 would require to be wholly lost to the shareholders of the company before depositors and debenture holders could lose anything whatever. In the light of experience it is known that the loss to the company of over half a million dollars, or for that matter a very small part of it, is a reduction ad absurdum—a reduction of the position to an absurdity.

In each of the years 1898 and 1899 there was actually no loss of any kind. Practically the same may be said of 1900; it is true that on a long-running loan, which came then to be closed out, there was found to be a small deficiency of $131, but as there was an unexpected gain of $40 from another account, which was written off as worthless, and was not, therefore, included in the assets of a previous year, the precise diminution was $91, a sum next to nothing on hundreds of mortgages aggregating the large amount of $1,187,939.

Deposits have somewhat decreased, chiefly by reason of shareholders withdrawing moneys in the savings branch and applying them on stock, so as to get the higher rate of interest; debentures have slightly increased. On the whole, there has been an augmentation of the funds by the sum of $55,544.81.

There were marked features in the character of the loaning business. The first part of the year brought in sufficient applications to absorb the capital, which in consequence, accumulated in the bank; in the latter months there were brisk demands and stiffened rates, and these give present promise of continuance. At the same time it is but right to repeat the statement made in a previous report that as the older loans at better rates gradually mature, the general average borne by the entire volume of the securities will for some time longer continue to fall. Had they been maintained even at the standard of 1899, the company's earnings would in the past year have been greater by two thousand dollars.

Besides $10,000 carried to the reserve fund, $519.26 was added to the credit of the profit and loss account, and $710 was expended on a hot-water heating system for the company's building, which was rendered necessary by the incurable inefficiency of the hot-air apparatus previously installed. We have now reached the stage when the interest derived from the investment of the reserve fund more than suffices to pay the municipal tax on income, the provincial tax, and the entire expenses of management.

With a remunerative and well-established business, and an ever-brightening prospect for its extension, the directors feel they have abundant reason for offering their fellow shareholders hearty congratulations on entering upon another epoch in their history.

THOMAS BALLANTYNE,
President.

Stratford, January 24, 1901.

FINANCIAL STATEMENT OF THE BRITISH MORTGAGE LOAN COMPANY OF ONTARIO FOR THE YEAR ENDED DECEMBER 31ST, 1900.

CASH ACCOUNT.

Receipts.

Due company by Bank of Montreal, Dec. 31st, 1899..	15,703 17
Repayments on loans, including interest	352,189 19
Payments on capital stock...	68,176 77
Deposits received	586,689 28
Debenture moneys received .	12,583 70
General interest	989 40
	$1,036,331 51

Disbursements.

Loans	$ 343,245 38
Deposits withdrawn	612,677 62