

admit how wide-spread the depression has been, both in its injurious effects upon the trade and business, and upon the value of real estate, yet there seems to be a general consensus of opinion that already there are indications of improvement, "that trade is reviving," and that "farm lands in some sections of the country are in good demand" and that we may reasonably anticipate that '95 has better days in store, both for the merchant and the farmer. Now, I can look back to a period in the financial history of this province, and especially of the city of Toronto, in 1857 and 1858, and for several years afterwards, when the aspect of things was far darker than it has ever been during the present "hard times," when real estate everywhere, but especially in this city, went down, as it seemed, hopelessly in value, and there were not wanting then pessimists who prophesied that it would never rise again to anything like its former value. Yet, after all, though there were years, and long years, of depression, the tide turned at last, trade and business revived, and with returning prosperity real estate once more rose, and continued to rise, in value.

Now, I maintain that we possess in this country, and especially in this Province of Ontario, and this city of Toronto, elements of strength and powers of recuperation which did not exist in '57 and '58. The resources of the country now are infinitely greater, there is much more wealth, far more capital ready to be invested and seek profitable employment whenever the opportunity offers. And, looking to the magnificent position which all the financial institutions of the country have maintained through all these days of trial, in striking contrast to what we have seen across our own borders, I cannot but believe that the return of more prosperous times—of which the shrewd and careful observers I have alluded to already see glimpses—will not be very long delayed. I have alluded to what has been said in this connection as to the increasing demand for farm lands in some sections of the country, and which we may hope is an indication that more prosperous times, notwithstanding the low prices which have prevailed, are in store for the farmer also. There is no class of the community whose well-being is of greater importance to the country, and in which we, as loan companies, are more interested.

I need not dwell upon what I am sure you have all heard a great deal of lately, the new industries in dairying, cheesemaking, etc., to which our farmers have been induced to apply themselves. I only allude to it because it shows that the farmers of Ontario have within their reach resources which only require to be properly developed and judiciously made use of to become increasingly profitable, and largely helpful in bringing back better times. And if we turn to Manitoba and the Northwest, we shall find that the same lesson is being learned there, and that the farmers there are beginning to understand that they possess in their broad acres not only the finest wheat-growing land, but other hitherto undeveloped resources, which only require to be properly worked to become a source of increasing wealth.

Turning now to the other question, are the low rates of interest now prevailing likely to become permanent, and even to have a more downward tendency, and to render it more difficult for investors, either companies or individuals, to employ their money as profitably as hitherto? I do not find that there is quite such an unanimity of opinion on this point among those best qualified to "read the signs of the times." That lower rates of interest than were formerly obtained will continue to prevail, seems to be generally admitted; though in the opinion of many it is not so certain that, should times improve, and trade and business revive, and profitable openings present themselves for the investment of capital, the rate of interest will go down any lower, if, indeed, it does not have a tendency to rise. In regard to the effects upon the business of loan companies and other money-lending corporations, so far as loan companies are concerned, more than one authority whose views should carry great weight has expressed the opinion that the low rate now obtained on mortgages is counterbalanced by the lower rate which the companies pay for their money. On the other hand, others, whose opinions are equally entitled to consideration, have given as their view that the low rate of interest at which money is now obtained does not by any means make up fully for the reduced rates at which companies have to lend their moneys, and that these lower

rates of interest must lead to such a reduction of profits that reduced dividends must naturally follow. These are rather conflicting opinions, but whatever may be the ultimate outcome of the present state of things your directors are persuaded that the wisest course to adopt in the interests of the shareholders is, while exercising redoubled care and caution, and endeavouring to strengthen at all points the position of the company, to watch carefully the progress of events, and be prepared to adopt whatever course shall appear best calculated to inspire the shareholders and the public generally with the fullest confidence in the financial soundness and stability of the institution to whose care they have entrusted their money, whether as holders of our stock, depositors in our savings bank, or investors in our debentures.

In conclusion, let me say that my colleagues and I feel that in our managing director we have one who is constantly on the watch to note each "sign of the times," and by his ability and vigilance the interests of the company are most safely guarded; and I may further add that in respect to our whole staff the company possesses most faithful and efficient officers.

The retiring directors, viz.: Messrs. George Gooderham, Alfred Gooderham, George W. Lewis, and Walter S. Lee, were re-elected. These gentlemen, with the Hon. George W. Allan, Mr. Thomas H. Lee, and Hon. Sir David Macpherson, K.C.M.G., form the board. At a subsequent meeting held by the directors, the Hon. George W. Allan and Mr. George Gooderham, were re-elected president and vice-president, respectively.

HURON AND ERIE SAVINGS AND LOAN COMPANY.

The annual meeting of this company was held at its office in London, Ont., on Wednesday, Feb. 13, 1895.

Present: Messrs. J. W. Little, Philip Mackenzie, F. E. Leonard, V. Cronyn, A. W. Porte, F. P. Betts, Geo. A. Somerville, J. M. McWhinney, J. H. A. Beattie, Hume Cronyn, Joseph Wheaton, Geo. F. Jewell, A. G. McWhinney, C. F. Hanson, D. Regan, Thomas A. Browne and others.

The president, Mr. J. W. Little, took the chair, and the manager, Mr. G. A. Somerville, acted as secretary. The minutes of the last annual meeting were read and approved, after which the report and financial statement were submitted, as follows:

REPORT.

The directors of the Huron and Erie Loan and Savings Company beg to submit herewith their thirty-first annual report, showing the results of the business of the company for the past year, accompanied by the balance sheet to Dec. 31, 1894, duly audited.

As explained at the last annual meeting, the need of additional accommodation in the offices and vaults of the company had been urgently felt, and during the past year somewhat extensive additions and alterations were made, at a cost of \$15,219.70. This expenditure was met by the application of \$14,219.70 out of the surplus profits of the year, and the addition of \$1,000 to the figure (\$19,000) at which the office premises had previously been taken into account.

After defraying all expenses of management and all other charges, the net profits, including \$7,341.12 brought forward, have been sufficient to pay two half yearly dividends at the rate of 9 per cent. per annum, together with the shareholders' income tax of \$2,132.04 thereon, to apply \$14,219.70 upon the company's building, and to carry forward, as an unappropriated balance, \$15,798.65.

The call due in July last on the new shares issued in 1893 has been paid in full, and the premium added to the reserve fund, which now amounts to \$700,000, or 50 per cent. of the paid-up capital stock of the company.

During the year there has been an increase in the savings bank deposits of \$100,131.22, in Canadian debentures of \$50,460, and in sterling debentures of \$198,003.88. The total assets of the company are \$6,364,339.70, being an increase for the year of \$455,306.86.

The value of the real estate held by the company, other than office premises, is \$13,457. This sum includes all properties remaining unsold, which have come into possession of the company by foreclosure, failure to obtain purchasers under power of sale, or otherwise.

As in the past, the company's loaning operations have been confined strictly to Western Ontario, and the system of inspection by the company's own officers of property offered as security has been continued.

Your directors desire to bear testimony to the very efficient manner in which the manager and other officers of the company have discharged their respective duties.

All of which is respectfully submitted.

J. W. LITTLE,

President.

London, Ont., Jan. 30, 1895.

PROFIT AND LOSS STATEMENT FOR YEAR ENDING DEC. 31, 1894.

Disbursements.	
To dividend No. 60, 4 1/2 per cent.	\$ 61,907 65
Dividend No. 61, 4 1/2 per cent. . . . .	62,658 13
Income tax . . . . .	2,132 04
Interest on deposits . . . . .	56,069 93
Interest on sterling debentures . . . . .	65,397 10
Interest on Canadian debentures (Including interest accrued, but not due.)	43,043 20
General expense account . . . . .	14,045 40
Other expenses, including directors' fees, auditors' salaries, solicitors' fees, taxes on office premises, etc . . . . .	4,570 40
Commission on loans . . . . .	6,670 06
Land inspection . . . . .	4,538 20
Commission and other expenses on sterling debentures . . . . .	4,924 86
Losses on real estate . . . . .	5,950 47
Alterations and additions to company's building and vaults . . . . .	14,219 70
Balance . . . . .	15,798 65
<b>Total . . . . .</b>	<b>\$361,925 79</b>

Receipts.	
By balance brought forward . . . . .	\$ 7,341 12
Interest earned . . . . .	353,794 94
Rents collected . . . . .	375 00
Profit on sterling exchange . . . . .	414 73
<b>Total . . . . .</b>	<b>\$361,925 79</b>

STATEMENT OF LIABILITIES AND ASSETS AS AT DECEMBER 31, 1894.

Liabilities.	
Liabilities to the public—	
To deposits . . . . .	\$1,397,800 09
Sterling debentures . . . . .	1,709,122 14
Canadian debentures . . . . .	1,047,078 86
Interest accrued, but not due . . . . .	31,767 88
To the shareholders—	
To capital stock, paid up . . . . .	1,400,000 00
61st dividend, due Jan. 2, 1895 . . . . .	62,658 13
To reserve fund—	
At December 31, 1893 . . . . .	670,129 16
Added December, 1894—	
From stock premiums . . . . .	29,870 84
Unclaimed dividends . . . . .	113 95
Balance . . . . .	15,798 65
<b>Total . . . . .</b>	<b>\$6,364,339 70</b>

Assets.	
By cash value of mortgages . . . . .	\$6,103,708 81
Less amount retained to pay prior mortgages . . . . .	75,008 08
	\$6,028,700 73
Real estate on hand . . . . .	13,457 00
Office premises . . . . .	20,000 00
Cash value of debentures and Government inscribed stock . . . . .	156,039 00
Cash in office . . . . .	10,714 30
Cash in banks . . . . .	135,428 67
<b>Total . . . . .</b>	<b>\$6,364,339 70</b>

G. A. SOMERVILLE,

Manager.

We hereby certify that we have carefully audited the books and accounts of the Huron and Erie Loan and Savings Company for the year ending December 31, 1894. The cash and bank accounts have been audited monthly; the postings and balances of all the company's ledgers examined quarterly, and we find the whole correct, and in accordance with the above statements. We have also examined the company's securities and find them in order.

GEO. F. JEWELL, F.C.A., } Auditors.  
THOMAS A. BROWNE, }

London, January 30, 1895.

In moving the adoption of the report the president said:

The duty of moving the adoption of the annual report of this company has been for many years a simple one. We have not suffered to any great extent from the agricultural depression or