

so that after crediting our free interest of \$763,675, there remained only the small sum of \$140,000 to be supplied from trading profit. (Hear, hear.) I estimate, indeed, that in the current year the strain upon our trading profit will be even smaller than this, inasmuch as income-tax will operate at a higher rate and reduce our dividend payments, while, on the other hand, we have reason to hope that our net interest receipts may not be smaller than last year. From these figures I think you may safely infer that what I may call our dividend position is quite favourable.

Summing up, you will perhaps be able to appreciate more clearly the magnitude and importance of our operations throughout the world when I mention that our total assets amount to not less than \$86,872,445 and our year's income to upwards of \$21,500,000.

THE COMPANY'S FINANCIAL ASSISTANCE TO THE GOVERNMENT.

An account of our position would be incomplete if I did not make a passing reference to the assistance which we are glad to have been able to render to the Government in regard to finance. Throughout the year 1916 we supported the Treasury Deposit Scheme with every security which was available, and in other ways we were fortunately able to be of some service to the Government. Since the close of the year we have gone even further in the same direction, and when the new War Loan was issued in February of this year we made a very large application for stock so as to do our utmost in supporting the issue. I find that we have no less than \$16,500,000 of the new War Loan, and, adding to this, as a measure of our total subscriptions, securities lent to the Government and our holdings in Colonial and Allied nations' War Loans, we reached a total of \$22,500,000, representing not less than 26 per cent. of the company's funds. (Hear, hear.) I need hardly point out to you that we have got an admirable investment both as regards security and the high rate of interest yielded; but, nevertheless, it was gratifying that we were able to render such substantial aid in promoting the success of the greatest War Loan that has ever been issued.

EFFECT OF WAR CONDITIONS ON THE BUSINESS.

Turning once more to the question which overshadows all others at the present time, namely, the influence of the war, I think it may interest the proprietors to have some information as to the aggregate effect of war conditions upon certain elements in our business. I find that in the last pre-war year, viz., 1913, our accounts showed items amounting to about \$190,000 paid away for income-tax on our interest and profits. In the year just closed the corresponding figure (including the new excess profits tax) was no less than \$1,090,000, a remarkable indication of the increase in the burden of taxation upon insurance companies like our own. In the second place, throughout the three years 1914, 1915, and 1916 we have written down our funds by no less than \$5,035,000—again a figure of great magnitude which has cast a strain upon our assets; and, finally, in the same period, we have paid away as life claims due to deaths in action the large total of \$975,000. Perhaps these figures will convey some idea of the direct and immediate result of the war upon our financial position. That, notwithstanding all this, our company should be in such a healthy, prosperous, and progressive position is a matter of the highest satisfaction to the board, and I hope will be so also to the proprietors.

THE COMPANY'S PREMISES.

You will remember that until we concentrated our staff in the building we now occupy they were housed in the West-end at Charing Cross and at 70, Lombard-street, and 19, Lombard-street. We sold two of these buildings some time back, and we disposed of the third, viz., 19, Lombard-street, a few weeks ago. It will be gratifying to the proprietors to know that we have realized by the sale of these buildings and sites a sum in excess of the valuation put upon them by our surveyor some time back. (Hear, hear.) Our new building has fully realized our expectations as to its convenience and accommodation. I dare say, when coming up to this room, many of you noticed the difference which our office presents from that which it has superseded. In the old days it was a rare thing to see any but male clerks at their duties; now there is a preponderance in some departments of females. To show you to what extent the constitution of our head office staff has changed, I may mention that, whereas at the end of the year 1913 we had only 33 female employees, we now have 132. I am advised that we have every reason to be pleased with the work of our lady clerks, and there is little reason to doubt that the employment of women in the great City offices will be much more general in the future. They have, in fact, won for themselves the right to a place in the organization of commercial industry.

THE STAFF AND THE WAR.

Our own lady clerks help to fill the place of those members of our male staff who are engaged in military or naval duties. Of these we have no fewer than 366—forming a large percentage of our total service—and I deeply regret to say that we have to mourn the loss of 34 gallant fellows who have given up their lives in the nation's cause. On the brighter side of the case we can congratulate 11 members of our body on gaining high distinction on the field of battle. Our colleague on the board, Colonel Bouverie, has received the coveted D.S.O., six of our staff have received the Military Cross or Medal, and four have been mentioned in dispatches for meritorious service. (Hear, hear.)

If I turn from the inside of our office to the outside, and to the sphere of action where our gallant soldiers are fighting with such splendid valour and success, does it not send through all of us a thrill of pride to know that our City business men and boys have shown themselves in the field to be a match—and more than a match—for the best fighters of the much vaunted Prussian Army? (Cheers.)

THE FUTURE.

The future, as you know, is full of anxiety, for the untoward effects of war upon commerce, finance, and industry have to be reckoned with, and must be carefully watched in the future conduct of our business. Still, in the interval between our last annual meeting and to-day we have much for which to be thankful. The United States, with no uncertain voice, have thrown in their lot with us—a momentous and far-reaching decision for generations to come. We must never forget that though there have been differences between the two nations, there is an affinity of race, an identity in language, a similarity in ideas as to what is right and wrong between ourselves and the United States such as exist between no other two nations in the world, and these natural ties will, during the war, be strengthened and quickened by a sense of common sacrifice, of common danger, and, as we believe, of common success. Such a unity of moral power and material force by which right and might are irresistibly combined cannot but be beneficial to the future civilization of the world, for between us we can establish for all time to come, on an invincible foundation, the dominance of the great principles of peace, liberty and justice. (Cheers.)

I have now to move:—"That the report be adopted, and that a final dividend of \$1.15 per share, subject to income-tax, be declared in respect of the year 1916, and be payable on May 1 next to members on the register on the 30th inst."

The DEPUTY-CHAIRMAN (Mr. Bristow Bovill) seconded the resolution, which was carried unanimously.

On the motion of Sir JOHN RUNTZ, seconded by Mr. W. H. C. WHIGHAM, the retiring directors—Mr. G. G. T. Treherne, Mr. John Tryon, and the Hon. Edwin Ponsonby—were re-elected; and Messrs. Chatteris, Nichols, and Co., and Messrs. Spain Brothers and Co. were appointed auditors of the company for the year ending December 31, 1917, on the motion of Mr. H. L. RISELEY, seconded by Mr. CHARLES WILLIS.

VOTE OF THANKS TO THE DIRECTORS, OFFICERS, AND AGENTS.

Mr. JOHN COLES observed that as one of the oldest shareholders in the company he had read the directors' report and the statement of accounts with a good deal of satisfaction, and he complimented the directors very much indeed on the prosperous working of the departments of the business. That prosperity had enabled the board to strengthen the foundations of the company, and he looked to that rather than to larger dividends. The amount of trading profit from the fire department was in excess of 12 per cent. on the premium income, which more than paid the dividend itself; and the marine department, with its interest added, also provided more than sufficient to pay the amount. He desired to take his hat off to Mr. Sandeman Allen because he ventured three or four years ago to criticize the account which that gentleman brought before them then. He (the speaker) was one of those who had studied insurance in this great city for many years, and he was amazed and delighted at the way in which the leading companies held their own in these distressing times. They were paying enormous taxation, and in many ways they had suffered losses, but they were coming through it all, and he congratulated the Phoenix and the other leading offices in the City of London. He concluded by moving:—"That the thanks of the meeting be given to the directors, officers, and agents of the company for their services during the past year and to the Right Hon. Lord George Hamilton for his services in the chair on the present occasion."

Mr. D. R. L. LOWE seconded the motion, and the vote was unanimously accorded.

The CHAIRMAN.—Gentlemen, on behalf of the directors, I thank you very much for the kind compliment you have

(Continued on page 529)