

ment License granted, and our first Policy of Insurance issued in May, 1874, (8 months ago.)

Before commencing business, your Directors entered into negotiations with the Agricultural Insurance Company of Watertown, N. Y., for the transfer of their Canadian Business, which resulted in the reinsurance of their entire business in the Dominion, and upon terms which your Directors considered advantageous to our Company, although, many who seemed to feel unfriendly towards us, predicted that the arrangement was one which would surely lead the Company to ruin within twelve months from its organization.

In accepting a transfer of the Canadian Business of the Watertown Company, which had been doing business in Canada for several years, we were undertaking all the cares and heavy responsibilities of an old Company carrying a full line of three years risks. Upon making an inspection of the business, it was found necessary to inaugurate a thorough reconstruction of the Agency system, many of the old agencies were discontinued and new ones planted. A large number of the agents were occupying too much territory, this had to be divided, and in many cases subdivided. Risks were inspected, and many of them were cancelled or changed, in fact an enormous amount of work had to be done which taxed the management very heavily, as the changes required in the old business, and the systematizing of the new required the oversight and direction of experienced hands, who understood every part of the complicated machinery, and could act promptly, intelligently and decisively;—this work has all been successfully accomplished, and a large and progressive business established.

The volume of business actually done, we consider somewhat remarkable, considering that only risks upon isolated or detached Farm Property, Residences, and Churches are accepted (averaging only about  $\frac{1}{4}$  of one cent per annum on the \$1.00), and taking into account the difficulties incidental to the organization of all large Corporations, we feel that our record thus far is one we may justly be proud of;—it shows conclusively that we have been warmly supported by the public, and that we enjoy their fullest confidence.

Your Directors in congratulating the Shareholders upon the success we have attained, would impress upon each, individually, the great importance of taking an active interest in soliciting new business for the Company, and never losing an opportunity of advocating its claims upon the public for support, by so doing we feel confident our business operations can easily be doubled within the present year.

A dividend at the rate of 10 per cent. per annum has been declared, and is payable on and after the 26th inst. All of which is respectfully submitted,

EDWARD H. GOFF, *Managing Director.*

A. C. D'L. HARWOOD, *President.*

*Report of Business ending December 31st, 1874.*

#### RECEIPTS.

Premiums received.....	\$109,892 68
Interest received.....	453 27
Interest accrued.....	2,648 05
	<u>\$112,994 00</u>

#### DISBURSEMENTS.

Fire Losses.....	\$41,317 99
Loss adjusted but not paid.....	7,961 75
Returned Premiums on Cancelled Policies.....	2,197 30
General Expenses of Management, including Organization of Company, Commission to Agents, Salaries, Printing and Advertising,	

Stationery, Office Rents, Legal Expenses, Adjusting Losses, &c.	44,201 55
Balance to Surplus account.....	33,238 91
	<u>\$112,994 00</u>

#### ASSETS.

Office Furniture and Plant, Head and Branch Office.....	\$5,945 60
Receiver General on Deposit.....	50,000 00
Municipal Debentures on hand....	5,000 00
Bills Receivable.....	64,545 84
Agency Balances.....	11,852 23
Interest accrued.....	2,648 05
Cash on hand and in Bank.....	11,470 93
	<u>\$151,462 65</u>

#### LIABILITIES.

Amount paid on Capital Stock....	\$113,200 00
Bills Payable.....	4,497 75
Bills Unpaid.....	525 99
Losses (since paid).....	7,961 75
Balance to surplus account.....	25,277 16
	<u>\$151,462 65</u>

#### PROFIT AND LOSS ACCOUNT.

Balance to surplus account.....	\$33,238 91
Less Losses adjusted, (since paid).	7,961 75
	<u>\$25,277 16</u>

Surplus.....

*To the President and Officers of the Canada Agricultural Insurance Company.*

MONTREAL January 20th, 1875.

We, the undersigned, having made the usual examination of the Books and Vouchers, connected with the business of the Canada Agricultural Insurance Company, for the year ending 31st December, 1874, beg leave to report that we find the same correct, and in accordance with the Statements and Balance Sheet.

(Signed,)

JOHN FULTON,

F. MONTAGUE SOWDON,

*Auditors.*

The President, in moving the adoption of the Report, congratulated the Shareholders upon the progress made thus far, the actual business transacted being far in advance of anything he had anticipated upon the establishment of the Company. The Canada Agricultural was established upon a sound basis, and he trusted the Shareholders would use every effort to advance its interest.

Mr. Wm. Angus seconded the resolution, which was carried unanimously.

Remarks were made by Messrs. James Morgan, R. Mulholland, J. C. Norseworthy and Alex. Ramsay, upon the favourable report made, and the brilliant prospects of the Company for the future.

The usual vote of thanks was passed to the Directors for their services.

Moved by James Morgan and seconded by J. C. Norseworthy, that the thanks of the Shareholders be given the Managing Director Inspectors and Agents, for their zealous efforts in behalf of the Company.

The following is the list of Directors:—Col. A. C. D'L. Harwood, D. A. G., Vaudreuil; A. Desjardins, M. P., (*Proprietor "Le Nouveau Monde,"* Montreal; Wm. Angus, (*President Canada Paper Company,*) Montreal; Hon. M. H. Cochrane, Compton; Edward H. Goff, (*Managing Director,*) Montreal; J. M. Browning, (*President Council of Agriculture,*) Montreal; Col. A. A. Stevenson, Montreal; J. B. Poultit; M. P., River du Loup, Thomas Logan, Sherbrooke; T. H. Mahony, Quebec; L. H. Blais, Montmagny; R. Mulholland, Cobourg, Ont; John Fisher, Cobourg, Ont; R. Agur, (*Banker,*) Ingersoll; L. Mollere, M. P., (*President St. John's Bank,*) St. Johns, Q.

At a meeting of the Board of Directors, held immediately thereafter, Clo. A. C. D'L. Harwood was re-elected President; Wm. Angus, Vice-President; and Edward H. Goff, Managing Director.

## BANK OF NOVA SCOTIA.

### Report.

In submitting the annexed statements to the shareholders, it may be interesting to review the progress of the Bank during the past four years:

In January, 1871, the then capital (\$560,000 old currency) was reported to be impaired to the extent of \$32,000, which has since been restored. It was subsequently raised to \$560,000 Canadian currency, a difference of about \$15,000; debts then estimated as good, proved bad to the extent of \$20,000; and a reserve fund has been accumulated of \$150,000, while dividends were declared in 1871 of  $4\frac{1}{2}$  per cent; 1872,  $7\frac{1}{2}$  per cent; and 1873, and 1874 of 8 per cent. With the exception of \$38,000 realised from the issue of new shares at 20 per cent. premium in 1873, and \$20,000 recovered under Forman's bond, this has been done from the earnings of the Bank during the four years.

For the past six months an Agency of the Bank has been in operation at St. John, N. B., which has been well received by the mercantile community and has met with reasonable success.

Finding both there and in Nova Scotia an active as well as a safe employment for the Bank's capital and its largely increased deposits, the Board considered it advisable to call in the balance of capital authorized to be issued at the meeting of shareholders in February, 1873, and in September last 1,250 new shares of \$200 each were allotted to the shareholders at 25 per cent. premium, and were very generally accepted. The balance of 248 shares not accepted have been sold since the close of the year at an average of about  $40\frac{1}{2}$  per cent. premium, and the amount realized over the issue price will be divided on the 1st of February among the shareholders to whom they belonged. The subscribed capital will thus stand at \$1,000,000.

While from the enjoyment of a fair share of the business of the Province, and a comparative immunity from bad debts, the Bank has been able to show the above satisfactory results during the four years under review, it may be well for the shareholders to remember that an enlarged capital necessarily involves increased risk, and, for a time at least, a diminished rate of profit, and that they must not be disappointed if such returns should not be maintained in future.

By order of the Board.

W. C. MENZIES, *Cashier.*

Halifax, 14th Jan., 1875.

*Statement of the Assets and Liabilities of the Bank of Nova Scotia as at 31st December, 1874.*

#### Assets.

Specie and Dominion Notes.....	\$295,047 20
Notes of, and cheques on other Banks	117,848 13
Due by other Banks.....	94,551 10
Investments.....	147,812 00
Mortgage over Real Estate sold....	17,850 00
Forman property, not realized....	24,284 05
Bank Premises.....	27,000 00
Bills of Exchange remitted to London, £71,510 5s.....	348,016 54
Overdue Notes or Bills of Exchange	33,434 70
Notes Discounted current and other	
Assets not included above....	2,494,033 26
	<u>\$3,599,875 98</u>

#### Liabilities.

Capital paid up—old....	\$750,000
" " new..	30,600
Premium on new shares.....	\$ 780,600 00
Reserve Fund.....	16,650 00
Dividends unpaid.....	150,000 00
Notes in circulation.....	34,334 50
Due to other Banks.....	606,595 25
Deposits at call.....	38,908 48
	<u>437,907 92</u>