

ravages of fire during the year just closed, but, notwithstanding this, we find that there is ample reason for congratulation from the fact that your company is now, after an experience of sixteen and a half months' business, well established in Ontario, Quebec and the Maritime Provinces, with 283 agencies in active operation, and is in daily receipt of a rapidly increasing and first class business. During the year we have issued 11,764 policies, and there are 13,182 policies in full force and effect at this date. The balance sheet and statement of your company's affairs to date are herewith submitted, showing the balance at credit of Profit and Loss account to be \$36,714.16. Your directors feel that although anxious to declare a dividend in the interests of the shareholders, yet, looking to the prosperity of the company, they have deemed it advisable to reserve the entire amount, for the present, rather than diminish the same by declaring the payment of any dividend on the paid-up stock of the company. The returns from all Fire Insurance companies now required by the Government go to show that a large fund, for the purpose of re-insurance is absolutely necessary, in order to maintain any insurance company in a sound and healthy position, and as a substantial guarantee, in addition to the large amount deposited with the Government, that the interests of policy-holders will be protected, your directors trust that this decision on their part will meet the approval of the shareholders generally, and that you are satisfied that our best efforts have been put forth to bring your company into a safe and legitimate standing. Your directors now resign their trust into your hands with a heartfelt wish for the future prosperity of your company.

All of which is respectfully submitted.

JAMES SKEAD,
President.

Office of the
Ottawa Agricultural Insurance Co.,
Ottawa, 30th December, 1876.

FINANCIAL STATEMENT.

Receipts.

Recd: For premiums on 11,764 policies issued during the year	\$83,011 57
Less. Cancelled Policies & refunded prem. acc.	992 27
Interest	\$82,019 30
	2,516 88
	\$84,536 18

Expenditure.

Paid for Fire Losses	\$14,361 87
" Placing Stock ..	3,360 00
" Organizing etc. & Estab'g new agencies	2,640 00
" Com to Agents..	16,472 00
" Exp. of Managt	
" Salaries	\$4,524 00
" Stationary	1,567 01
" Printing	6,134 00
" Legal Expenses, rent, taxes, postage etc., adjusting claims etc. etc., and re-insurance	4,863 18

\$17,088 19 \$53,922 15

Balance	\$30,614 03
Bal: at credit of profit and loss ac. at 31st Dec. 1875	6,100 13
	\$36,714 16

Assets.

Deposit with the Govern- ment of Canada	\$50,000 00
Cash in Bank of Ottawa..	10,216 80
Interest accrued on deposit	416 36
Bills receivable on hand..	25,404 44
Office furniture	1,041 58

Balance in hands of agents 11,882 38

\$98,961 56

Liabilities.

Amount due stockholders	\$58,527 40
Bills payable	3,720 00
Amt. at credit of profit & loss	36,714 16

\$98,961 58

Office of the Ottawa Agricultural Insurance
Company, Ottawa, December 30, 1876.

To the President and Directors of the Ottawa
Agricultural Insurance Company:

GENTLEMEN,—The undersigned beg to report that they have carefully examined the books of the company for the year ended the 31st December, 1876, and have found them in accordance with the statements herewith submitted, which correctly represents the position of the company, and shows the balance at the credit of the profit and loss account to be \$36,714.16, on the date mentioned.

All of which is respectfully submitted.

JAMES LINDSAY, } Auditors.
JAS. CUNNINGHAM, }
Ottawa, February 5, 1877.

BILLS OF LADING.

At a special meeting of the Halifax Importers' Association, the following report was read:—
To JAMES B. DUFFUS, Esq., President Halifax Importers' Association.

Your Committee has examined the conditions of the Bills of Lading in use by twelve steamship lines running to this port, viz:

- The Allan Line.
- " Anchor do.
- " Temperley do.
- " Dominion do.
- " Cunard's Bermuda and St. Thomas Line.
- " Boston and Prince Edward Island do.
- " Cromwell Line.
- " Anglo-French do.
- " Gulf Ports Steamship Co.
- " New-England and Nova Scotia Line.
- Fishwick's Line.
- Pickford & Black's Line.

The conditions vary considerably.

Your Committee is of opinion that the ordinary steamship forms as used by Fishwick's Line and Pickford & Black's Line afford every reasonable security and protection to shippers and consignees, and the same will apply to the special forms in use by the Cromwell Line and the Boston and P. E. I. Line. The special forms in use by the other eight lines contain onerous restrictions and conditions endeavouring to free shipowners from liability, every conceivable contingency being expressly guarded against, and responsibility in connection therewith repudiated. The most palpable evasion of shipowners' liability seems to be the clause under which shipowners seek to shelter themselves from the consequences of the negligence or carelessness of employees.

The following exemptions, which have been gradually introduced of late years, are all more or less open to objection, viz: leakage, breakage (when followed by the words "however caused," pilferage, rain, rust, damage from hooks, etc., etc., contact with other goods, &c., injury to wrappers, &c., &c. The assertion of non-liability for loss or damage resulting from short shipment, or carriage beyond destination, requires most emphatic protest from shippers and consignees.

Your Committee directs special attention to a clause in the form used by one line under review, holding the consignees responsible for any previous default of shippers. The clause runs as follows: "The owners and agents to have a

lien on these goods, not only for the freight and charges herein, but for all previously unsatisfied freights and charges due to them by the shippers and consignees." Four lines show a clause claiming exemption from any loss that is capable of being covered by insurance.

The "Custom of Lloyds," which is conceded to govern the conditions of ordinary marine risks, defines the liabilities of underwriters in terms almost identical with the excepted perils in ordinary Bills of Lading; but there is no provision made to indemnify the policy-holder for the negligence or carelessness of employees, or any of the other innovations and restrictions previously referred to in special Bills of Lading. An admitted authority on Marine Insurance, "Manly Hopkins," lays down the principle that the foundation of claims on underwriters is Accident. It has been held by Lord Stowell that "persons undertaking the conveyance of goods are answerable for the conduct of persons whom they employ, of whom the parties suffering damage know nothing and over whom they have no control." The question then arises—is indifference to the interests of shippers and consignees, as illustrated by improper stowage, reckless handling, landing in the rain, etc., an accident? or is it the necessary consequence of efforts to save shipowners time and expense, regardless of all obligations as common carriers? Sir William Mitchell, a well-known writer on Shipping Law and Usage, makes use of the following language in the "Shipping and Mercantile Gazette": "Merchants, it appears to us, can insure their goods against all risks, including those of Negligence of Mariners and for first class vessels of known owners, the increase of premiums would be but trifling." If such is the case, it ought certainly to be widely known, but be that as it may, there is little doubt that the keen competition of modern commerce is constantly producing contention as to the relative liability of owners under Bills of Lading, and Insurers under Marine Policies. The last clause in five of the special forms examined is construed by your Committee as a warning to Consignees to expect no satisfaction for loss or damage of any kind from shipowners. Your Committee is of opinion that shippers and consignees covering all insurance risks, according to the custom of Lloyds, should not be called upon to share in any of the chances of loss or damage caused by circumstances over which they have no control, but over which the shipowners alone has control. The innovation in the conditions of Bill of Lading have already led to urgent remonstrance in some of the great centers of the world's trade. Two years ago the members of the produce Exchange in New York agitated the question of introducing modifications favourable to shippers and consignees in American Bills of Lading, with a view of special legislation on the subject in Congress. In London, more recently, an influential meeting of merchants was held at the Baltic Rooms on this important question, resulting in a very decided and adverse opinion with regard to the restrictive clauses in Bills of Lading, and a determination to obtain legislative aid in the shape of a proviso to one of the clauses in the Merchant Shipping Bill referring to the subject, as follows:

"That any agreement, provision, or stipulation, having for its object or effect to avoid or limit the liability of a shipowner in the cases referred to in this section, shall be void."

Your Committee, while recognizing the differences of opinion that exist with regard to the liability of carriers by sea, indulges the hope that legislation may yet define the liability of shipowners so clearly as to leave no room for doubt on the subject.

Respectfully submitted.

(Signed) ISAAC H. MATHERS,
JNO. McDONALD,
A. MARTIN PAYNE.

Halifax, N. S., Jan. 20, 1877.