crued but not due)	1,849 65
Currency debenture coupons	7,110 98
Currency debenture coupons (due 1st January, 1898)	1,723 64
Income tax	982 76
Rent	525 00
Surplus carried to contingent account	6,483 17
	$118,397 82

Cr.

Earnings for year ending 31st December, 1897	$118.397 82
	$118,397 82

ASSETS AND LIABILITIES.

Dr.

Liabilities to the Public:	
To Savings Bank depositors	$ 752,992 09
Sterling debentures	357,029 40
Sterling debentures (interest accrued but not due)	1,849 65
Currency debentures	172,100 00
Currency debentures (coupons due 1st January, 1898)	1,723 64
	$1,285,694 78
To the Stockholders—	
To permanent stock	$ 934,200 00
Accumulating stock and dividends	291 38
Contingent account	17,248 81
Reserve fund	10,000 00
	$2,247.434 97

Cr.

By cash value of mortgages and other securities (discounted at the rates they bear)	$2,215,461 99
Cash in Bank of Toronto	8,337 58
Cash in Traders Bank	11,015 92
Cash in Union Bank of Scotland	2,780 79
Cash in National Bank of Scotland	6,990 72
Cash in office	1,847 97
Office fittings	1,000 00
	$2,247,434 97

NATHANIEL MILLS, Manager.

London, January 26th, 1898.

We hereby certify that we have made a regular audit of the books of the Dominion Savings and Investment Society during the year 1897. The cash, bank accounts and vouchers have been kept under careful examination. All postings have been checked: all entries in the society's ledgers have been verified, and the accompanying statements of "Profit and Loss," and "Assets and Liabilities," are a correct showing of the affairs of the society.

J. K. McDERMID,
JOHN LOCHEAD,
Auditors.

Mr. Reid referred to the result of the year's business as satisfactory, pointing out the increase in the Savings Bank department, and referring to the fact that the rates of interest obtainable on loans continue to be low. He thought the report should give satisfaction for the present and hope for the future, notwithstanding that there was no reason to expect increased rates of interest in the future.

It was then moved by Mr. T. H. Purdom, seconded by Dr. Bettridge, that the election of directors be proceeded with, and that Messrs. E. Jones Parke, Q.C., and Francis Love be appointed scrutineers, and that the poll be closed whenever five minutes shall have elapsed without a ballot being cast. Carried.

The following gentlemen were then unanimously elected directors: Messrs. Robert Reid, C. H. Elliott, T. H. Purdom, J. H. Starr, Wm. Bettridge, W. J. McMurtry, Robert Lewis, John Ferguson, and John Morison.

It was then moved by Samuel Wright, seconded by Col. Lewis, that Messrs. J. K. McDermid and John Lochead be appointed auditors for the year 1898. Carried.

After a vote of thanks to the directors, the meeting adjourned.

At a subsequent meeting of the directors Mr. Robert Reid was re-elected president, Mr. Charles H. Elliott, vice-president, and Mr. T. H. Purdom, inspecting director.

BUILDING AND LOAN ASSOCIATION.

The annual general meeting of the Building and Loan Association was held at its offices, No. 13 Toronto street, Toronto, at 2 p.m. on Tuesday, the 8th day of February, 1898, the president, Larratt W. Smith, Q.C., D.C.L., in the chair.

There were present: Alex. Smith, Geo. W. Jackes, M.D., C. S. Gzowski, jr., H. L. Hime, J. J. Woodhouse, Robert Jenkins, Hamilton Cassels, Robert Thompson, R. L. Benson, W. Mortimer Clark, W.S., T. E. McCraken, H. W. Eddis, Allan Cassels, A. V. Delaporte, A. J. Somerville, Bernard Saunders, W. B. Hamilton, C. C. Baines, George R. R. Cockburn, M.A., J. G. Ridout, Sir John H. Hagarty, T. Sutherland Stayner, J. F. Smith, Q.C., Percival F. Ridout, Edward R. Greig, and others.

The following report was read:

REPORT.

The directors beg to submit to the shareholders their report for the past year, ending 31st December last, together with the usual financial statements.

The directors have deemed it advisable, in the interests of the association, to reduce the dividend for the last half year. The causes which have influenced the board in this course are: the continued depression in the value of real estate, the steady decline in the rate of interest obtainable on loans, and the necessity for a large expenditure, exceeding $9,000, from the revenue account, for repairs and permanent improvements on the properties which have fallen into the hands of the association.

Great care has also been exercised in taking credit only for such interest on investments as has been actually received, or is considered unquestionable.

The repayments by borrowers during the year have amounted to $161,363.

The sales of property, especially in Toronto, have been limited during the past year, but there is every prospect of improvement in this respect in the near future.

The bountiful harvest, both in Ontario and Manitoba, has encouraged the farmers to such an extent, that an increased demand is already noticeable for farm lands held for sale.

The association is largely interested in Winnipeg property, and what benefits Manitoba will no doubt, ere long, benefit the principal city of that province.

It will be noticed that there is a considerable increase in debenture expenses during the past year. This is accounted for by the fact that a greater number of debentures than usual came due during 1897, a very large percentage of which were renewed on favorable terms. In 1898 very few debentures will mature, either here or in Scotland, and consequently this item of expense will show a material reduction in the next annual statement.

A further saving of $2,355 has been effected in the office expenses, which are now reduced to the lowest possible point consistent with due efficiency.

For the information of the shareholders, it may be stated:

1. That the total amount invested in vacant lands, in Toronto and its suburbs, upon which the owners have ceased to pay interest, is under $50,000.

2. Of the house property here, in the hands of the association as mortgagees in possession, the vacancies have been reduced from 25 to 8 per cent. during the year.

3. That 87 per cent. of the interest taken credit for during the year has been received in cash over the counter, whilst the ultimate payment of the remaining 13 per cent. is considered unquestionable.

The usual monthly audit has been maintained as heretofore.

The manager has been most indefatigable, and has spared no efforts throughout a very trying year, to improve the position of the company, and the directors have very great pleasure in testifying to the value of his services as well as to those of his efficient staff.

All of which is respectfully submitted,

LARRATT W. SMITH,
President.

BALANCE SHEET FOR THE YEAR ENDING 31ST DECEMBER, 1897.

Liabilities.

To the Public:		
Debentures, stg.	$548,441 58	
Debentures, cur'cy.	135,155 41	
Deposits	130,741 58	
Unpaid accounts	378 58	
		$ 814,717 15
To the Shareholders:		
Capital stock	$750,000 00	
Reserve fund	100,000 00	
Manitoba guarantee fund	30,000 00	
Dividend payable 3rd Jan., 1898	15,000 00	
Balance at credit of profit and loss account	1,091 36	
		$ 896,091 36
Total		$1,710,808 51

Assets.

Loans	$1,388,173 43
Real estate vested in the association	221,995 36
Premises, Toronto street	80,000 00
Premises, Toronto street, rents due	599 33
Cash in banks	18,959 84
Cash in office	1,080 55
Total	$1,710,808 51

PROFIT AND LOSS ACCOUNT.

Dr.

Interest on sterling debentures, due and accrued	$22,745 08	
Interest on currency debentures, due and accrued	5,908 34	
		$28,653 42
Interest to depositors		4,614 42
Debenture expenses		2,005 65
Directors' and auditors fees, salaries, office expenses, tax on dividend, allowance for rent, etc.		6,627 55
Inspection expenses, agents' commissions, and legal costs		427 32
Dividends Nos. 54 and 55		33,750 00
Balance carried forward		1,091 36
Total		$77,169 72

Cr.

Balance at credit	$ 625 42
Interest on investments, net rentals of Toronto street premises, and transfer from reserve fund, less losses on real estate	76,544 30
Total	$77,169 72

WALTER GILLESPIE, Manager.

We hereby certify that we have audited the books of the association, and have examined the vouchers and securities relating thereto, for the year ending 31st December, 1897, and have found the same carefully kept, correct, and properly set forth in the above statements.

HENRY WM. EDDIS, F.C.A.
JOHN M. MARTIN, F.C.A.,
Auditors.

Toronto, 13th January, 1898.

The report and financial statement having been read, the president, in his address to the shareholders said: Before submitting a motion for the adoption of the report which has just been read, I propose to make some remarks on the same, as well as on the financial statements accompanying it. The past year, especially towards the close of it, has been more than usually trying to loan companies here, owing to the collapse of a Toronto loan company under peculiar circumstances, calculated to