

to congratulate themselves. Loan companies during the past year had great difficulty in placing their funds, even at the low rates prevailing, upon good security, and unless the security was good it was better to be without the loans, nevertheless our investments during the year were nearly one hundred thousand dollars in advance of last year. This Company had an advantage over most companies that it was situated in the midst of its loans, and the secretary and board had a personal knowledge of the securities offered, and hence there was a greatly decreased possibility of losses. Our deposits had now reached the very large sum of over \$360,000, an amount which would be creditable to companies in large centres and which was certainly beyond the highest expectations of the most sanguine promoters of this Company at its organization.

Mr. Cowan in seconding the adoption of the report said: In the report which has been submitted for your consideration by the chairman, allusion is made to the probability of a future reduction of the dividend. It might be urged that no immediate necessity existed for entertaining this idea, as the business of the year, now under review, has been eminently satisfactory, and with the earning power now in sight, the new year upon which we are now entering promises a still larger return. A general reduction of profits must, however, eventually result from the maturing and payment of the mortgages now in possession of the Company, the proceeds of which cannot be reinvested within two per cent. of the original rates of interest which they bear. While this decrease may be partially overcome by a corresponding reduction on the interest allowed on an increased deposit, still, so long as the capital stock forms so large a proportion of the total investment, the loss of revenue cannot entirely be replaced. Since its inception this Company has paid its shareholders an average dividend of 9½ per cent. per annum, besides placing to rest a sum equivalent to 13 per cent on the paid-up capital: but now that the interest derivable from all classes of security has depreciated one-fourth, so that fairly safe six per cents, instead of eight, as formerly, represent par in the open market, it would be unreasonable to expect that the holders of loan companies' shares should altogether escape in the general curtailment of income obtainable from invested capital.

Under these circumstances, I am of opinion that the interests of the Company would be conserved by distributing a smaller percentage of the earnings, and adding the moneys thus retained to the rest account, which would, in about three years, aggregate a round sum, the interest of which would cover the total cost of management. Periods of assured prosperity afford the opportunity of acquiring a rest account, and the present financial position of the Company is favorable for its accomplishment. Outside also of its earning power, a large reserve increases the confidence of depositors; while, at the same time, it strengthens the hands of the directors and enables them to take prompt advantage of all profitable business which most frequently presents itself during these periods of depression, the advent of which, sooner or later, it does not need a prophet to predict. With the hope that the report and the suggestions which have been made, foreshadowing the future operations of the Company may meet with your approval, I beg to second the adoption of the report, which is now open for discussion. Carried. After some formal proceedings the scrutineers reported the following nine gentlemen who were duly declared elected directors for the ensuing year: Hon. T. N. Gibbs, Messrs. W. H. Gibbs, W. F. Cowan, R. S. Hamlin, W. F. Allen, J. S. Larke, W. T. Dingle, J. A. Gibson and W. H. Thomas. At a subsequent meeting of the directors Hon. T. N. Gibbs was unanimously re-elected President, and Mr. W. F. Cowan, Vice-President.

SOUTHWESTERN FARMERS' AND MECHANICS' SAVINGS AND LOAN SOCIETY.

The sixth annual meeting of this company was held at its office, St. Thomas, on Wednesday the 2nd of February 1881, when the annual report was submitted.

REPORT.

The Directors have much pleasure in submitting this, their sixth annual report for the year ending 31st December, 1880, accompanied with the financial statement for the year, duly verified by your auditors.

From the statement submitted, the shareholders must see that there is good cause for congratulation at the profits realized by the Society during the year just closed. We have been enabled to pay two half-yearly dividends at the rate of eight per cent. per annum, added \$600 to the reserve fund, and carried forward \$251 51 for contingencies. Considering the great competition that has ruled for investments on mortgages, and the unprecedentedly low rates of interest offered to borrowers, your directors think this result is very satisfactory.

The caution hitherto exercised by the Board in granting loans has borne good fruit, as instanced by the very gratifying fact, that during the last year it was not found necessary to take legal proceedings against a single borrower, and the amount in default at the end of 1880 only amounted to the small sum of \$3,340.79. A considerable part of even this sum is not in the strict sense of the term really in default, as in some cases, where the principal was payable in instalments, and the security undoubted, the Board thought it in their interests to allow the payments to stand over.

The Board in their wisdom have thought it just and expedient in the interests of the shareholders to place a premium upon its stock, of at first three, and latterly five per cent., which we hope will meet with your approval. The stock at the latter figure is considered by the Board as, at least, within its value, considering the reserve accumulated, and the amount of remunerative and safe securities held by the society, and a considerable amount has been sold since a premium was imposed, (only about a month ago.)

The society is as heretofore, entirely free from any liability to depositors never having opened a Savings Bank, which should recommend it to investors as giving assurance of great safety.

The shareholders are called upon to elect six directors to serve for a term of two years, in place of those retiring, viz: T.W. Kirkpatrick, Isaac Courser, Samuel Shepard, James Warwick, John Pierce and Joseph McAdam, but who are all eligible for re-election.

All of which is respectfully submitted.

M. A. GILBERT, Secretary-Treasurer. E. W. GUSTIN, President.

STATEMENT OF ASSETS AND LIABILITIES.

Assets.

Cash on hand, 31st Dec., 1880	\$ 85 10
Cash in Imperial Bank	6,201 83
Petty ledger	26 25
Cash value of mortgages	71,517 10
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	\$77,830 28

Liabilities.

Reserve fund	\$ 1,800 00
Permanent stockholders	69,063 01
Accumulating "	3,922 98
Reserve to pay Dividend No. 11	2,790 78
Balance at credit, profit and loss acc't	251 51
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	\$77,830 28

PROFIT AND LOSS.

Dr.

Expense account	\$ 607 60
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Solicitor's fees	59 39
Dividend No. 10	2,531 96
" " 11 (reserved)	2,790 78
Added to reserve fund	600 00
Balance at credit, 31st Dec., 1880	251 51
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	\$ 6,841 24

Cr.

Balance at credit, 31st Dec., 1879	\$ 119 67
Sundries and fines	122 01
Premium received on stock	111 00
Interest earned on mortgages	6,488 56
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	\$ 6,841 24

WILLIAM J. WHITE, } Auditors.
JOHN A. KAINS, }

After the report was adopted, and the usual complimentary resolutions passed, the following directors were elected:—Messrs. E. W. Gustin, T. L. Lindop, T. W. Kirkpatrick, Isaac Courser, Peter Couse, Samuel Shepard, John Dodd, Jos. McAdam, John Pierce, James Warwick, Meredith Conn, W. E. Idsardi. Mr. E. W. Gustin was re-elected President and T. L. Lindop Vice-President.

ACCIDENT INSURANCE COMPANY OF CANADA.

The sixth annual meeting of this company was held at its office, 261 St. Jamesstreet, Montreal on Friday the 11th inst. Mr. John Rankin, Vice-President, occupied the chair, and there was a fair attendance of stockholders. The chairman read the following

Report.

The directors beg to present the following sixth annual statement of the company for the year ending 31st Dec. 1880, and setting forth its position to that date.

4,028 policies have been issued and renewed, during the year, insuring	\$5,439,235 00
The premiums received thereon were	\$31,249 51
Add—Interest received and accrued	1,186 49
Annual revenue	32,439 90
Add—profit and loss account	2,907 34
Capital account	7,840 00
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	10,747 34

Total receipts for the year	\$ 43,186 34
The balance of receipts and expenditure account, carried forward to next year, amounts to	56,752 61
The liabilities, (exclusive of paid up capital), including commission on agents' balances reported, rent, etc., and dividend for half year ending 31st Dec. 1880, payable 15th Jan. 1881, amount to	2,947 09

Surplus in hand as regards policy-holders over and above uncalled capital	53,805 52
Paid-up capital	34,960 00

To credit of reserve fund	18,845 52
Against this there has to be temporarily reserved:—	
Premiums in hand unearned, being 50 per cent. of premiums on policies now in force	10,667 17
Leaving—	
Net surplus as regards shareholders (over and above capital and all liabilities)	\$ 8,178 35

The nominal "Surplus" is apparently reduced from last year, but this is owing to the much greater reserve required by Government to be debited against the assets for premiums in hand but "unearned."