

the depreciation in the value of property, but there was not a probability, he would venture to assert, of these losses ever amounting to anything more than could, without any inconvenience be at once met by the Directors out of their contingent fund, leaving them still to go on building up their large reserve fund, and strengthening still more the standing and position of the Company in every succeeding year.

The report was adopted.

A vote of thanks to the President and Directors for their services during the past year was unanimously adopted.

Scrutineers being appointed, the ballot was taken, and the retiring directors were unanimously re-elected, viz:—Hon. G. W. Allan, Hon. D. L. Macpherson and Thos. H. Lee, Esq., who together with Messrs. Wm. Gooderham, Geo. W. Lewis, Geo. Gooderham, and Samuel Platt, M. P., constitute the Board of Directors.

At a subsequent meeting of the Board, the Hon. G. W. Allan was re-elected President, and Mr. Geo. Gooderham, Vice President.

BUILDING AND LOAN ASSOCIATION.

The annual general meeting of the Building and Loan Association was held in the buildings of the association on Tuesday, February 3rd. There were present: the Hon. Chief Justice of Ontario, Hon. Alex. Mackenzie, Col. Gzowski, Mr. Goldwin Smith, Principal Cockburn, James Beaty, Jr., Q.C., John Kerr, George Boyd, James Fleming, Wm. Mortimer Clark, Larratt W. Smith, D.C.L., Joseph Jackes, Samuel Trees, R. Gilmour, W. B. Hamilton, T. M. Thomson, John Wardrope, J. Rowland, W. H. Eddis, John Stark, W. G. Cassels, Walter Cassels, Wm. Hope, H. L. Hime, R. H. Temple, Andrew Smith, V.S., John Fogain, J. E. Day, Wm. Anderson, Donald Gibson, Richard Snelling, D.C.L., Thos. Webb, Alex. Smith, Robt. Cochran, J. E. Thompson, Hy. Smith, S. G. Wood, J. F. Smith, James Brown, Hy. Pellatt and others.

The President, Larratt W. Smith, having taken the chair, the report and financial statement were read.

Report.

In submitting the tenth annual report the directors think it desirable to give some explanations respecting the following statement of affairs for the year ending December 31st, 1879. The report for 1878 informed the shareholders that the business had not been as profitable as that of preceding years, owing to the continued commercial depression and the increasing competition of other Loan Companies. These causes still continue to operate in making good investments more or less difficult to be procured, and in reducing the rate of interest obtainable from borrowers. The directors have deemed it right, with the assistance of their new manager, to make a very minute and searching investigation into the condition and value of the properties mortgaged to, or vested in, the association. This investigation has shown that considerable losses have been incurred, mainly through the shrinkage in the value of all kinds of property. Valuers of good reputation were employed, and if the valuations of former years cannot now be sustained, it is in the great majority of cases owing to the change of times.

The amount set down for ultimate loss, as hereunder shown, is confidently believed to be sufficient to cover the deficit, and with a general revival of commercial activity, this statement may be materially altered to the advantage of the association.

The board considered it proper that the investigation should be conducted with the utmost possible rigor, with the one object of ascertaining the exact condition of the affairs of the association, and of enabling them to state explicitly the full extent of the losses which may be anticipated.

As a precautionary measure the board reduced the dividend for the last half year to 3½ per cent. Notwithstanding the general depreciation in the value of real estate, the board have pleasure in stating that the business of the past year in itself was such as would have justified the payment of even a larger dividend.

The value of the mortgages and securities held by the association on 31st Dec., 1879, as shown by the books in the office and certified by the auditors is.....\$1,049,756 61

The present claims against the real estate which has become vested in the association by default of payment of mortgages amount to 136,213 55

The cost of the building recently erected by the association stands as an asset in the books at (including a balance yet to be paid of \$5,913.16) 96,646 23

The cash in bank and office amount to the sum of....\$28,157 10
Less amount paid as dividend 25,158 64
2,998 46

The losses from causes above mentioned, though not yet ascertained, are estimated at..... 159,408 50
\$1,126,206 35

The repayments on loans during the past year have amounted to \$204,904.50.

The following changes in the board have been made during the year: Messrs. Wm. Mortimer Clark, George R. R. Cockburn, James Fleming, and Joseph Jackes have taken the places of Messrs. Robert Carrie, I. C. Gilmour, B. Walton and George Murray, resigned.

The following directors retire by rotation, but are eligible for re-election: Messrs. John Kerr, Wm. Mortimer Clark, George R. R. Cockburn and James Fleming.

The building on Toronto and Court streets has now been completed. Nearly all the rooms and suites of offices have been let, and yield a gross revenue of \$8,412. The rooms still unlet will probably produce about \$400 additional.

The board desire to express their great satisfaction with the laborious care which Mr. Galbraith, the manager, has manifested in conducting the business of the association. The other officers of the company have given entire satisfaction, and have also spared neither time nor labor to further the interests of the association. All which is respectfully submitted.

LARRATT W. SMITH President.

Toronto, Feb. 3rd, 1880.

Liabilities.

1879.			
Dec. 31.—To Capital Stock.....	\$718,800 00		
“ Accumulat’g Stock	14,414 53	733,214 53	
“ To Deposits		272,060 03	
“ St’g Debentures.....	162,060 03		
“ Currency “	26,200 00	188,260 03	
“ Dividend No. 21, payable Jan 2d, '80		25,153 64	
“ Due on new build’g	1,913 16		
“ “ Mortgage do	4,000 00	5,913 16	
“ Sundries		821 47	
“ Reserve Fund		90,000 00	
“ Conting’t Acct’t 78.....	6,730 69		
“ do do 79	3,242 99	9,973 68	
Less ascertained losses 1879.....	5,733 50	4,240 18	
		\$1,319,668 04	

Assets.

1879.		
Dec. 31.—By Loans on mortg’s.....	\$1,049,756 61	
“ Real Estate transferred to Associat’n	136,213 55	1,185,970 16

“ New premises Toronto Street	96,646 23
“ Rents of do. due	1,636 72
“ Debture expenses not due	5,945 35
“ Cash in Banks	27,495 73
“ Cash in Office	661 37
“ Office Furniture &c	468 30
“ Sundries	844 18

\$1,319,668 04

Profit and Loss Account.

1879.		
Dec. 31.—To Int. Depositors.....	\$15,943 75	
“ do St’g Debenture coupons, maturing '79	\$8,887 30	
“ do Currency do do	350 02	9,227 32
“ Debenture expenses	\$7,059 77	
“ Less carried forward St’g deb.....\$4,457 72		5,945 35
“ Cur’cy do.....1,487 63		
“ Bal. charg’ble to '79 Directors' Auditors' Fees, Salaries, Office Expenses, & Rent		1,114 42
“ Inspectors' Expenses & Ac’ts Com’n’s		13,185 92
“ Dividend No. 20.....	\$29,052 73	1,233 66
“ Dividend No. 21: on cap stk \$25,158 64		
“ Ac’g. do..... 454 40		25,613 04
“ Bal. carried to Contingent Account.....		54,665 77
		3,242 99
		\$98,613 83

1879.		
Dec. 31.—By accrued interest on Loans	\$96,602 63	
“ Revenue Acct new Building	1,976 20	
“ Sundries	35 00	98,613 83

The auditors hereby certify that they have made a detailed audit of all the Books of the Association, for the year ending the 31st December 1879, and of all the securities, vouchers, and documents relating to the same; and have compared the accompanying Balance Sheet and Profit and Loss Account with the said books, all of which have been found correct and satisfactory in every respect.

HENRY WM. EDDIS,
J. E. BERKELEY SMITH, } Auditors.

Toronto, Feb. 3rd, 1880.

Before moving the adoption of the report, the President, in commenting upon it, made the following remarks:

“Gentlemen,—I deeply regret that we have not been able to present to you a more favorable report than the one you have just heard read; but as there are few here present who have not experienced, in some degree, the effect of the long and unexampled severity of the times through which we have been passing—times which have more or less seriously affected every branch of trade and industry in the country—I think it would have been extraordinary, indeed, had this association escaped without feeling their baneful influence.

I have on more than one occasion lately, when commenting upon the annual report, alluded to the injurious effects upon us of the long continued commercial depression, and in order to test the extent of these effects, the board determined, upon the advent of the new manager, to ascertain, by a thorough revaluation of every security, whether our margins had been impaired or not. This was necessarily a very lengthy proceeding, as the loans of the association are to be found in every part of the province. As this enquiry proceeded we began for the first time to realize that, in some cases, owing to the shrinkage the old valuations could not be obtained, and that losses must be anticipated. On this account the half-yearly dividend for July last was reduced to 4 per cent. This rate, as the investigation progressed, and our position became more closely appreciated, was still further reduced to 3½ per cent. for the January dividend, just paid.