

for a thorough examination of the Company's position, and appointed a large shareholder from among themselves together with one of the Directors, as a committee to examine thoroughly into the transactions of the Company and ascertain its true position. Their report was presented to the stockholders at a meeting held in February of this year, which meeting was attended by your Treasurer and Secretary on behalf of the Society. From the report which was very exhaustive it appeared that the financial position of the Company was to say the least of it unhealthy, and the management showed great incompetence in the proper securing of its loans, the result being that the "Rest" had been wiped out leaving the capital barely intact. The management was fully criticized, and new blood infused into the Directorate, so that it is hoped as times improve and city property becomes more enhanced in value, the Company may gradually retrieve its position; but in the mean time no dividends can be looked for, for one or two years to come at least. This explanation will enable you to understand the reason of the small receipts from interest as compared with last year.

The Board regrets exceedingly to have to report such a misfortune; but at the same time it is cause for thankfulness that it is only a comparatively small proportion of the Society's funds that are there invested. The other company in which the major part of your money is placed paid a dividend of eight per cent. for the twelve months. Its Annual Report shows a very strong position, and this security may be considered quite good, the shares being saleable at a good premium.

In this connection it is well to remember that the extreme business depression which has continued for so long a time could not be expected to leave untouched the values of stocks and securities; and it is a well known fact that investors in all descriptions of stocks have had to submit to very much decreased returns; and in some instances to actual loss of money invested.

The Retiring Ministers' Fund Branch will feel this loss of income most of course as all its capital is invested there, and it will be all the more needful for the churches therefore to direct their contributions mainly to this Branch in the meantime. There is still a good deal of money promised but as yet unpaid, the result of the Rev. Mr. Clarke's canvass among the churches, and if that could be got in during 1878-79 it would be a great point gained.

At its last meeting the Society requested the Directors to consider on what terms ministers may be made beneficiary members of the Retiring Ministers' Fund Branch by the payment of a sum of money either at once or during a term of years, by themselves or their churches.

The Directors have not been able to get data sufficient to guide them to a correct and reliable decision in regard to this, and would rather it were deferred for the present.