

the 9th July, after a sufficient reduction was made in the gross amount of Insurances, and the Directors decided to carry the then existing policies to expiry.

The Special General Meeting of Shareholders above-mentioned was called and duly held on the 19th July last, at which the Directors submitted details of the Company's position, and asked approval of the measures taken by them; and their Report was duly adopted by that meeting, copies of which Report are now laid on the table.

In due course settlement of the adjusted St. John losses was made on favorable terms as to time of payment; and the Directors beg to record their sense of the generous action of the Company's St. John, St. Stephen, and Woodstock creditors in accepting the terms of payment offered by the Stadacona.

The St. John losses, after adjustment and deduction of Re-insurances, were, \$318,000; one-half of this amount has been paid, and notes, issued for the remaining half, fall due in March and June next.

All possible diligence has been used in collecting stock instalments as they fall due, and with fair results not so large a proportion of Shareholders proving defaulters as was at one time expected, but, where necessary, legal means have been employed for such collection. Details of amount of stock collected will be found in the Statement submitted.

You will now be asked to consider whether the Company, as the Directors strongly recommend, shall, on obtaining renewal of its present License, recommence business in the Fire Branch or finally wind up its affairs.

The Directors are unanimous in expressing their opinion that the resumption of business at an early date would be greatly to the advantage of the Stockholders. The general results of the Fire Branch, apart from the exceptional conflagrations, were such, joined with the expressed good will and sympathy of the Company's late customers, as to justify the expectation of a profit in future transactions, conducted with care, prudence and economy.

Notice has been given according to law of an application to Parliament for amendments to the Charter, and a draft of the bill will be submitted to you.

Its chief provision is the reduction of Capital, and, in consequence, the individual liability of Shareholders.

The Directors are of opinion that the measure proposed, whilst reducing considerably the future liability of Shareholders, will still leave a sufficient amount of uncalled Capital, together with the Government deposit, to give all necessary security to Policy-holders.

LIFE DEPARTMENT.

The Directors will ask your sanction and authority to dispose of the present Life business of the Company, either by sale *en bloc*, with consent of Policy-holders to another duly licensed Company, or by purchase of each Policy from the holders on the most advantageous terms obtainable. The present position of the Company, as very naturally, prevented new proposals for assurance being offered, and the small business now remaining on the Company's books could not be continued with any prospects of ultimate profit, and the Directors recommend its being closed, as above suggested.

The usual Life Report and Statements for the past year are submitted.

The new proposals received for 1877 were 41, insuring \$59,200. Total premium for the year, \$3,581.49.

No losses occurred in this branch during the year.

In view of the results of the business for 1877, your Directors have declined to receive any remuneration for their services during the past year.

The several officers and agents of the Company have discharged their respective duties with satisfaction to the Board.

The Company's Books and Affairs have been audited several times during the past year, and in every instance have been found correctly and carefully kept.

In accordance with the provisions of the Act of Incorporation, you will be required to ballot for the election of Directors for the ensuing year. The present members of the Board are all eligible for re-election.

GEO. J. PYKE, Manager and Secretary. J. B. RENAUD, President.

STATEMENT OF THE ASSETS AND LIABILITIES For the Year ending 31st December, 1877.

ASSETS.	
Cash on hand and in Bank.....	\$ 3,040 05
Debentures and Dominion Stock deposited with Dominion Government—Par value, \$117,538.08; Market value.....	117,600 08
Bank Stocks—Par, \$88,150.00; Cost, \$31,585.25; Market value.....	71,736 00
Balances in hands of Agents.....	2,843 68
Sundry Bills Receivable, Accrued Interest and other items.....	10,020 52
Office Furniture, Fittings, Safes, Maps, Plans, Books, Blanks, Policies, Stationery, &c.....	5,000 00
Stock Instalments due and coming due, \$284,977.00; estimated to produce....	213,587 00
	<u>\$ 423,836 33</u>

LIABILITIES.	
Fire Losses Adjusted but not yet due.....	\$3,200 00
Under Adjustment....	17,321 00
Disputed.....	9,136 00
Total.....	<u>\$29,657 00</u>
Loan on Company's Securities.....	52,000 00
Bills Payable—Fire Losses.....	180,708 85
Sundry Debts due by the Company.....	2,300 72
Certificates Granted Policy-holders for Unearned Premiums payable in 1878.....	25,031 48
Re-insurance Reserve on all Outstanding Risks—actual calculation....	20,327 90
	<u>310,115 95</u>

Balance at Credit... \$113,720 38

Statement of "Receipts and Disbursements" for the Year ending 31st December, 1877.

RECEIPTS.	
Fire Premiums from 1st January to 28th June, 1877. Net.....	\$ 81,131 61
Interest on Investments and Commission on Re-insurances.....	9,573 79
Stock Collections.....	283,245 17
Loan on Company's Securities.....	52,000 00
	<u>\$428,950 57</u>

DISBURSEMENTS.	
Fire Losses and Expenses.....	\$466,869 21
Agents' Commissions, Salaries, Rent, Taxes, Legal and General Expenses.....	50,020 43
Interest on Loan, Discounts, &c.....	5,702 67
Certificates Paid to Date on Unearned	

Premiums, (allowed in part payment of Stock Instalments due by Policy-holders who were also Shareholders).....	4,540 31
	<u>527,132 62</u>
Balance at Debit....	\$98,182 05
Statement of "Capital Account" for Year ending 31st December, 1877.	
Capital Stock paid up to date.....	\$504,298 17
or.	
By Municipal Debentures and Dominion Stock deposited with Dominion Government.....	\$117,600 08
By Bank Stocks—Costing.....	91,585 25
By Office Furniture, Fittings, Safes, Maps, Plans, Books, Blanks, Policies, Stationery, &c.....	5,000 00
	<u>214,194 33</u>
Balance.....	<u>\$290,103 84</u>

LIFE BRANCH.

Statement of Receipts and Disbursements from Commencement of Business in 1875, to 31st December, 1877.

RECEIPTS.	
Life Premiums Received.....	\$ 10,192 33
Interest on Investments and accrued to date....	8,328 15
	<u>\$18,520 48</u>

DISBURSEMENTS.

Commission to Agents and Canvassers, Medical Referee and Medical Fees, Rent, Taxes and General Expenses.....	\$7,439 30
Life Claim Account—one Claim paid.....	1,000 00
	<u>8,439 30</u>

Balance.....	\$10,081 18
As follows—In Banque Nationale.....	\$3,127 60
La Banque du Peuple—Stock, 113 Shares, \$5,650, Costing.....	4,993 17
Government Deposit Account—Interest Collected on Investments.....	995 00
Accrued Interest to date.....	557 35
Outstanding December Premiums.....	408 06
	<u>10,081 18</u>

E. E. Stadacona Fire and Life Insurance Company's Offices. Quebec, 31st December, 1877.

HENRY CROSS, Acc.

Examined and found correct.

CHAS. PRENDERGAST, } Auditors.
ALF. PARE, }

The Secretary then read in French and in English the draft of the amendments proposed to be made to the Charter.

It was moved by Mr. George LaRue, seconded by Mr. James Shea, and