

every nature, a balance remains of \$16,722 12, which has been carried to contingent account, making that \$30,584 80, and leaving our reserve account at \$350,000; that result ought to be, and I believe will be, satisfactory to both our shareholders and our debenture-holders.

You may remember that a year ago I pointed out at some length what a change has been gradually taking place in the earning power of money, and ventured to predict that having to lend at greatly reduced rates of interest and consequent diminished profits, loan companies generally would ere long be obliged to pay reduced dividends.

The accuracy of that forecast has been fully verified, as during the past year quite a number of companies have seen the propriety of reducing their dividends.

An impression prevails that loan companies have very large amounts, and increasing amounts, of past due interest. I have great satisfaction in stating that I have been carefully looking into this very important matter, as this may fairly be regarded a test as to the quality of a company's investments, and find that the company has not either a large or an increasing amount of past due interest. And, further, I may add that the company's business was never more carefully, economically or successfully managed, and was never in a more sound condition, or more firmly kept in hand by the management.

Constant vigilance and strict economy must be the rule, in these times especially, though endeavors to secure economy must not be carried the length of impairing efficiency in any department of the business.

It may not be amiss for me to remind you that the profits of this company come wholly from loans on real estate, or what in Britain is called heritable property, our charter not giving power to buy and sell securities of a variety of kinds, nor to lend money upon them.

This restriction may at times appear to some a disadvantage in that it prevents us making now and then considerable gains, but on the other hand it secures us against incurring the serious losses that are of necessity almost incident to the kind of business referred to.

You will be pleased to know that at the Martinmas term in Scotland no higher rate than 3½ per cent. was paid by the company either for new money or for the renewal of debentures.

Your directors continue to pursue a policy of extreme caution. On the one hand they do not deem it wise to increase the amount of money borrowed, especially because there is so limited a demand for loans by good borrowers; and, on the other hand, they deliberately and advisedly prefer to lend at lower rates of interest on first-class farm property in the best sections of Ontario after careful examination by our own inspector, to lending at higher rates of interest in more remote sections of the Dominion, where various contingencies have to be reckoned with that may materially affect the ultimate safety of the business.

Payments of interest by borrowers have been most satisfactory, all our dividends, our expenses and losses written off having been met out of cash for interest actually received.

I have now to move, seconded by the vice-president, Dr. Hoskin, that the report be adopted and printed for circulation among the shareholders; but before putting the resolution I shall be pleased to answer any questions, if any gentleman desires information upon any matter.

The vice-president, Dr. Hoskin, Q.C., seconded the motion, which was unanimously adopted.

The scrutineers reported the retiring directors re-elected, and the usual resolutions having been passed, the meeting adjourned. At a meeting of the directors subsequently held John L. Blaikie, Esq., was elected president and Dr. Hoskin, Q.C., vice-president.

BRITISH MORTGAGE LOAN COMPANY.

The shareholders of the British Mortgage Loan Company of Ontario held their seventeenth annual meeting in their new offices, Market street, Stratford, on Thursday, January 16th, 1896. There were present: Hon. Thomas Ballantyne, president; Mr. S. S. Fuller, vice-president; Mr. Thomas Plummer, manager Bank of Montreal; Mr. J. W. Scott, banker, Listowel; Mr. W. Maynard, jr., manager Bank of Commerce; Mr. James Corcoran, Toronto; Mr. G. G. McPherson, Mr. John McMillan, Mr. J. W. Brown; Mr. Geo. Innes,

Woodstock; Mr. John Dempsey, Downie; Mr. John Parker, Ellice; Mr. W. Machan, Mitchell; Mr. M. C. Moderwell, Mr. Wm. Buckingham.

Hon. Mr. Ballantyne was appointed chairman of the meeting, and the manager, Mr. Buckingham, secretary.

The report of the directors, the financial statement, and the report of the auditors were severally read as follows:

REPORT.

After seventeen years' occupancy as tenants of shabby and contracted offices, the directors have pleasure in meeting the shareholders in handsome premises of their own. Though the company continues practically under the same roof, the underlying structure has been transformed from dinginess and narrowness to brightness and space. This could only be accomplished by the acquirement of the property; and as the directors were reluctant to make a change in location, they accepted an option of purchase on moderate terms, and by a reasonable additional outlay they have adapted the building to every demand of modern elegance and suitability, and to every requirement of their growing business as well. In the ensuing spring they intend to provide in it proper quarters for their solicitors; in all these improvements promoting the convenience and comfort not only of their staff of officers, but of their numerous customers also. The rents from the solicitors, and from the tenants of the other business portions of the block, will make the annual charge upon the company, for vastly superior accommodation, but slightly, if anything, greater than before.

The satisfaction felt by the directors at being in a position to offer these congratulations is enhanced by their ability to present again an excellent financial statement. The dividends, despite the continued depression caused by non-paying prices, the prevailing low terms in the negotiation of loans, and the intimation given at the last yearly meeting—following in the lines of the generality of loaning companies—of a probable reduction, have been maintained at the former rate of seven per cent., a fair amount has been added to the reserve fund, and a larger sum than last year carried forward. These gratifying results are mainly due to prudent and careful management, manifesting itself in an especial manner in the avoidance of losses, so provocative of inroads upon profits, and destructive even to capital itself. We have never been tempted by the glittering hope of greater gain to take hazardous risks.

In adapting old buildings to new purposes, some amount of money is always spent, with very little to show for it, and a portion of that which, in this instance, has been so expended, has been charged to the expense account, and thereby written off, so as to leave the company's premises at what may fairly be considered to be their proper cash value.

Profit and loss account, with \$114.66 brought forward from 1894, shows gross earnings of \$53,535.06. The two dividends, amounting to \$22,016.60, and the other charges, left, besides \$4,000 additional for the rest, \$660 28 to be credited to 1896.

Not satisfied with the large amount of revenue derived annually by the city from the tax on the dividends, an attempt was made this year for the third time by the Stratford assessor, contrary to the course pursued with regard to every other loaning company in Canada, to tax the reserve, but on a further appeal to the County Judge, his Honor re-affirmed his decision of 1887 in favor of exemption.

THOS. BALLANTYNE, President.

Stratford, Jan. 16, 1896.

FINANCIAL STATEMENT OF THE BRITISH MORTGAGE LOAN COMPANY OF ONTARIO, FOR THE YEAR ENDED DEC. 31ST, 1895.

Receipts.

Repayments on loans, including interest	\$307,535 73
Payments on capital stock	315 17
Deposits received	512,033 15
Debentures	35,000 00
Balance due Bank of Montreal	8,408 33
	\$863,292 38

Disbursements

Due Bank of Montreal, December 31st, 1894	\$ 18,676 74
Loans on mortgages	271,452 33
Deposits withdrawn	524,292 71

Interest on deposits and debentures	19,724 33
General interest	137 2
Dividend No. 33, paid January	11,005 75
Dividend No. 34, paid in July	11,006 67
Office and all other expenses	6,067 81
Income tax	442 00
Commissions on loans	389 05
Solicitors' fees paid by company ..	97 70

\$863,292 38

ASSETS AND LIABILITIES.

Assets.

Cash value of mortgages	\$971,485 00
Company's building	11,000 00

\$982,485 00

Liabilities.

Paid on capital stock	\$314,756 55
Deposits and accrued interest	528,649 91
Debentures	35,000 00
Dividend No. 35, payable January 2, 1896	11,009 93
Reserve fund on December 31, 1894	\$80,000 00
Added for 1895	4,000 00
	84,000 00

Balance to credit of profit and loss account	660 28
Balance due Bank of Montreal	8,408 33

\$982,485 00

We certify that we have carefully audited the books of the British Mortgage Loan Company of Ontario, monthly, for the year 1895; that we have examined all vouchers and fine them to correspond with the entries therein; and that the foregoing statement indicates the financial position of the company on the 31st day of December, 1895.

C. J. MACGREGOR,)
WM. DAVIDSON,) Auditors.

Stratford, January 14th, 1896.

The president moved the adoption of the reports and the statement, and in so doing dwelt upon their salient features, giving expression to the satisfaction the directors felt in being able to meet the shareholders under auspices of a very favorable nature, notwithstanding the continued depression so generally prevailing. As every one knew, the days of high rates of interest had passed, and instead of profits from the 8 per cent. and 9 per cent. loans of former years, it was difficult now to maintain an average of 6 per cent.—a statement the significance of which would be realized when they considered that a reduction in interest of but a tenth of one per cent. meant a reduction in the earnings of the company equal to \$1,000 per annum. If large losses attended low earnings, the consequences of course would be serious; but the representatives of the two largest banking institutions of the country, whom he was happy to see present again to-day, would concur with him in saying that the avoidance of losses was even of more consequence than the maintenance of high rates of interest. Having to face falling values for many years past, companies had been sorely tried. The margins indeed had in many cases come dangerously near the point of disappearance; and it was due almost entirely to the extreme care of the management here and the personal knowledge possessed of borrowers and their securities that we remained after a very trying time in a position of exceptional strength. He gave an assurance, from recent special personal inspection, of the sufficiency of the securities, and concluded with an expression of pleasure at their meeting, after so many years of inferior accommodation, in a beautiful home of their own.

The motion was suitably seconded by the vice-president; and supported, at the call of the chair, by remarks from the manager, Mr. Scott, Mr. McPherson, and others, and was adopted unanimously.

Mr. Wm. Davidson, Mayor of Stratford, and Mr. C. J. Macgregor, M.A., were re-appointed auditors.

The directors were re-elected, viz.: Messrs. Ballantyne, Fuller, Scott, Corcoran, Parker, McMillan, Innes and MacFarlane.

Votes of thanks were accorded to the president, with a grant of \$200, and to the vice-president, with a grant of \$150, for their services during the past year, and thanks were also voted very cordially to the manager and the accountant.

A resolution was adopted of sympathy with Mr. A. Monteith, the first president of the