

until the final stage. He would like to know if deposit receipts were signed when they were given.

The President—Yes, by one officer of the Company, and countersigned by the Cashier.

Judge Gowan thought that every such document should bear on it not merely the signature of some subordinate officer, but of some member of the directory,—say the President. On the whole the report to him, on the face of it, appeared satisfactory. But there were one or two inquiries which he would like to make. On the 31st December about 54 per cent. of the annuities were unpaid. Since then that number had been reduced to about 24 per cent. What proportion of these unpaid annuities were over a year due?

The Secretary replied that scarcely any were over a year due. They were chiefly for annuities due in November and December; and the amount was, undoubtedly, under \$500.

Judge Gowan said he was going to inquire in what way the Company proposed to deal with irregularities of this kind, but as they did not amount to anything considerable, he would not press the point. As to the payments into the sinking fund, it occurred to him that 6 per cent. would scarcely allow much margin for management and for the necessary examination of titles in effecting loans. The next point to which he would direct attention was one suggested to him from more than one quarter, viz., as to whether the officers of the Company had given security; and if so, where that security was lodged.

The President—They have given security; it is lodged with me.

Judge Gowan would not press to know the amount, but as an indication of his opinion of what it ought to be, would state that some twenty persons held office in this county—clerks and bailiffs of Division Courts. They were required to give security for the faithful performance of their duty and the duly paying over of the public money coming into their hands. Their salaries ranged from \$200 to \$600 or \$700, and the monies passing through the hands of each varied from \$1,000 to \$8,000 or \$9,000 a year. Their securities ranged from \$1,000 to \$6,000 or \$7,000; and they found no difficulty in giving such securities as in the interest of the public it had been thought necessary to require. He had further to state—and though it might appear ungracious of him to do so, yet, as the matter had been spoken of by outsiders, it might as well find utterance through him as any one else—he had to state that there was a very strong feeling that the staff employed for the management of the business was entirely too large. More work was done with a much smaller staff in any other institution in the town. He mentioned this as a proper subject for consideration by the directory. With the former large number of shareholders, he was aware that the correspondence was heavy; but, with the number greatly reduced of late, and the calls pretty well paid up, the labor of the office had been considerably reduced, and it appeared to him that now was the time to consider whether the staff could not be reduced. From the report, he observed that there had been no new sale of debentures in England, and that subject, he thought, ought to engage the attention of the directory. If maintaining their connection with England, for the sake of their debentures, involved a large expenditure, he would be disposed to discontinue it. But if, as he believed, it merely required a percentage to the broker, perhaps it need not be discontinued. With regard to the forfeitures, while he would not like to be severe on those not paying up, still, those who had paid up ought to be considered. Besides, the security of the debenture-holders was partly on that unpaid stock, and nothing ought to be allowed to weaken that security. All the security contemplated by the law the debenture-holders should receive. He thought that, under all the circumstances, the Directors would not be justified in longer withholding the action now invoked from the meeting.

Directors should not occupy the position of Dean Swift's grand jurymen, who,

"Out of his great bounty,
Built a bridge at the expense of the county."

The President replied. He thanked Judge Gowan for his favorable opinion of the Board of Directors, and went on to notice the queries of that gentleman. The principles on which the Company had been formed—that of lending on mortgage sums at a low rate of interest, and for long periods—would, in fact, account for the present value of the stock, as compared with other institutions. That was one of the reasons why the proprietors of the Company could not expect the same return as other institutions.

Judge Gowan—I spoke of the value of the stock—not of the return.

The President was aware of that; but still the value of the stock was always measured by the return. But less than a year ago, their stock had been sold at 42, now it was 75; and that, in six or eight months' time, was not a bad advance. With regard to the Solicitor's charges, the Board were happy to have the testimony of one so competent to judge as to the Solicitor's services. They knew and fully appreciated these services, but the value of them entered into the element of the loan. Other companies were reducing the fees allowed to valuers and solicitors, and in order that the Canada Landed Credit Company should occupy a fair position, the Directors felt bound to follow the general example. With regard to the amount of advance on property, that was settled by the Act, which sets forth that no advance shall be made unless the Company is first mortgagee, and that when made, the advance shall be only for half the cash value. As to the length of time to which the mortgage extended, it would be seen that very few took the long term. Since the commencement of the Company, the amount loaned on mortgage had been \$539,450, whereas the amount due now was only \$498,550, showing the amount paid up to be \$130,900. As to the reduction of the quorum in the directory, it had occasionally appeared that a smaller number would be quite sufficient, and the suggestion of the Judge on that point deserved attention. With regard to deposits, he was happy to say that the greatest care was exercised. At the weekly meetings, a statement of the amount received was placed before the members of the Board present, and no time was lost in lending it out to the best advantage. If at any time the amount coming in should increase too rapidly, then orders were given to refuse further sums unless at a reduced rate of interest. Every care, he thought, was used to shield the interests of the Company in this respect.

Judge Gowan—There was a public announcement by the Company that sums under a certain amount, and deposited for a certain time, should draw so much interest, and that, on a regular given scale, interest would be allowed. If the Company held out that statement to the public and depositors in general, and failed to carry out their promises, would it not be a breach of faith?

The President—That order is good only till another is made.

Judge Gowan—Then the public will, of course, understand that according to the conditions of the market and the exigencies of the Company, so will the rate of interest be.

The President next noticed the large staff of the Company, and explained that the peculiar character of the Company's operations required more work than in ordinary offices of like description. The accounts were tolerably intricate, and so much was this felt to be the case that, with the view of obtaining the best system on which to continue the business, and probably lighten the labor, the Board had appointed an accountant, who had been acting as inspector, to examine the accounts, and see whether, in his judgment, a less intricate system might not be adopted. He had been in the office only a short time. But presently the Board hoped to be able to in-

itiate a system requiring less labor, and thereby enable them to reduce the present staff. With regard to the sale of debentures in England, no expense had been incurred there beyond advertising. But that was a very serious item. They found that two or three months's advertising in some of the leading papers costs about £250 *sterling*. This being the case, the Directors of late hesitated to incur so large a liability for an uncertain return. But he thought the time had now come when it might be for the benefit of the Company to incur that expense or something like it. From present appearances, money was so low there that people might readily be induced to take the debentures of the Company. Within a week they had been advised of £600 worth of debentures having been sold in that market at 6 per cent.

Hon. Wm. McMaster then addressed the meeting giving his views as to the points elicited by the discussion.

Hon. G. W. Allan also spoke in reference to various matters—commenting on the progress and position of the Company. The Report was then adopted.

It was then moved by Mr. John Beard, seconded by Mr. C. E. Chadwick, and resolved,—“That the cordial thanks of this meeting be given to the President and Board of Directors for their prudent and safe management of the Company's affairs.”

The President returned thanks.

Mr. Arthur McDonald, seconded by Mr. J. B. Osborne, moved that, due notice having been given to all the shareholders of third call of \$2 per share being made on the 19th April, 1865; and also that due notice having been given to the said shareholders of the fourth call of \$2 per share, 14th March, 1866; and certain of the said shareholders having neglected to pay the amount of the said calls respectively, or the several other calls which have since been made upon them, in respect of the said shares, and such shares having been declared by the directors forfeited, this general meeting of the Company hereby confirms such forfeiture, and order the said shares so forfeited to be sold or otherwise disposed of.—Carried.

Moved by Mr. C. Tidey, seconded by Hon. A. A. Burnham, and resolved—That W. Williamson, and C. Robertson be appointed Auditors for the ensuing year, and that their remuneration be \$50 each.

Moved by his Honor Judge Gowan, seconded by Mr. H. Mortimer, and resolved—That, whereas the Act of Incorporation of the Company requires the election of twelve Directors, and whereas it is considered expedient to reduce the number of the Board to eight members—Resolved, that the Board be authorized, should they see fit, to submit to the next half-yearly meeting of the Shareholders amendments to the said Act, with the view of making such reduction in number of the Board and such other amendments as they may consider desirable.

Mr. H. Mortimer in seconding the resolution explained that the advance in the Company's stock was more apparent than real. The advance from 45 to 75 was almost wholly owing to the payment of calls that had been made, so that the stock really stood now, relatively to the amount paid, at nearly the same point as at the beginning of the year.

A letter was then read from the Hon. George Brown resigning his position as a Director.

Moved by Judge Gowan, seconded by Mr. Sheriff Smith, and resolved, that the thanks of the meeting be given to the Chairman for his able and impartial conduct in the chair, and for his untiring zeal and attention to the general interests of the Company.

The following gentlemen were subsequently declared elected Directors for 1869:—

Hon. G. W. Allan, C. S. Gzowski, Hon. W. McMaster, Samuel Spreull, L. W. Smith, Judge Gowan, John McDonald.

The meeting then adjourned.