

Proceedings of the Thirty-eighth Annual Meeting.

The thirty-eighth Annual Meeting was held in the Company's Building on Wednesday, 22nd February, 1893, at 12 o'clock noon.

The President, J. Herbert Mason, Esq., occupied the chair, and Mr. G. H. Smith was appointed Secretary to the meeting. The following Stockholders were present:—Messrs. P. L. Allen, Ralph K. Burgess, Judge Bond, Rev. C. Ball, Melbort Boulton, H. W. Barber, George Blackburn, Reginald L. Ball, Philip Browne, Jacob Bull, Henry Cawdra, William Cook, William Davidson, Benjamin Dean, A. Ford, W. G. Gooderham, H. Gamble, C. S. Gzowski, Jr., Edward Hooper, G. R. Hamilton, R. S. Hudson, Clarkson Jones, Beverley Jones, E. C. Jones, F. H. Lamb, Alfred Myers, G. W. Monk, M.P.P., A. George Mackenzie, Alfred J. Mason, C. J. Marani, S. Nordheimer, A. Nordheimer, Dr. U. Ogden, P. L. Ridout, W. J. Robertson, A. E. Rowland, William Spry, James Scott, G. A. Stimson, F. M. Thomas, S. G. Wood, N. L. Wilcocks, Arthur Worth, J. J. Woodhouse.

The Secretary read the Report of the Directors and Financial Statements for 1892.

The President said:

GENTLEMEN.—In moving the reception and adoption of the Report of the Directors for 1892, it is not necessary for me to detain you by any lengthened remarks. It is said that good wine needs no bush, and a year's business, that, after providing for every contingency, yields its proprietors a clear profit of twelve per cent., and adds something to its Reserves, needs no apology. The position of the Company in all the Thirty-eight years of its existence was never sounder, or its revenue earning powers better assured than they are to-day.

It is true that the Directors would gladly have added a larger sum than they did to the Reserved Funds, but for the reasons referred to in the Report they did not feel justified in doing so. Under existing circumstances it is perhaps matter for congratulation that we were not obliged to take something off the Fund set aside for unforeseen contingencies. We have had to meet and to provide against a shrinkage in the value of Real Estate in this Province, which for far reaching extent and duration, is unexampled in the history of the Company. The necessity for a more frequent inspection, and closer supervision of our landed securities has led to increased expenditure in that Department. Some losses have also been incurred, or are anticipated, and these, as our custom has always been, were provided for out of the earnings of the current year. This depression in values has arisen from no local cause. Its effects, generally, as far as this Company is concerned, seem to be well nigh spent, though in certain localities the end may not yet be reached.

A tendency to reduced profits also arises from the diminished earning power of money. This condition is also wide spread, and appears likely to be lasting. Investors generally are accepting lesser rates of interest than formerly. As affecting this Company the lower rates obtained, are to a great extent compensated by the lower rates paid for borrowed capital, leaving the margin for profit much, the same as before; but as about one-third of the invested funds are Shareholders' capital, the revenue earning power of the Company must be, in some measure, curtailed.

Then, for the first time in its history, the Company sustained a loss, as shown in the statement, by allowing a transfer of Stock under, what is alleged to be, a cleverly executed forged Power of Attorney.

While revealing these adverse influences and incidents, the past year has on the other hand presented some encouraging features. The Company's business operations in the North West, which have been extended to the Pacific Coast, are yearly becoming more satisfactory and remunerative. They now contribute to the surplus Revenue instead of being as formerly a charge upon it. Our funds have been kept well employed throughout the year. The credit of the Company stands as observedly high, both in Canada and Great Britain, and abundance of money at very moderate rates is at our disposal, if we were in a position to accept it.

The inspection and watchful supervision of our securities is most thoroughly carried out by a competent Staff of Inspectors, and all the care which a lengthened experience has shown to be necessary, is given to the selection of properties offered in pledge for new loans. Our books and accounts are carefully revised month by month by competent Auditors.

On the whole, gentlemen, compared with the high standard of our own average records in recent years, or with the performances of our contemporaries, I feel warranted in congratulating you on the eminently satisfactory results of the past year's business, and on the strong and healthy position the Company continues to hold. To insure the maintenance of this prosperity we can point to our Reserve Fund of \$1,450,000, and to a Contingent Fund of \$122,619, the latter Fund being more than one per cent. on the total Assets of the Company. This Fund may be considered a provision for the equalization of Dividends, but it has never yet been drawn upon for that purpose.

The Report notices the fact that the Company has received the full proportion of borrowed money to Shareholders' paid-up Capital, fixed by law. This restriction takes no note of the accumulated Profits retained as Reserves, which are just as much Capital as that paid in, and equally contribute to the security of our Bondholders. No addition to the volume of business can therefore be made unless by increasing the Stock. Much as many of the Shareholders would like to participate in a further issue of Shares, in the opinion of the Board there are at present no sufficient inducements to warrant it.

It affords me much pleasure to again acknowledge the zeal and ability displayed in their respective spheres by the officers of the Company, producing for our large and extended business the successful results condemned into the Financial Statement. At the Head Office, and for the Province of Ontario, our staff of officers is most effective; and after my last annual visit, and travelling for some weeks with our Agent at Winnipeg, Mr. Harris, I am glad to be able to repeat the favorable testimony I had the satisfaction of bearing last year to the efficient conduct of our business in Manitoba and the North-West.

The interests of the Company in Great Britain are well cared for by our excellent Agents there. Last summer we again had the pleasure of welcoming Mr. John Campbell, S.S.C., of Edinburgh, of the firm of Messrs. Mylne & Campbell, our Chief Agents in Great Britain, who spent several weeks in Canada and the United States.

If any Shareholder present desires any further information it will be gladly furnished.

The President then moved, seconded by the Vice-President, Edward Hooper, Esq.:—

"That the Report of the Directors for the year 1892 be received and adopted, and that it be printed with the audited statements of Profit and Loss and Assets and Liabilities, for distribution to the Shareholders."—Carried.