

deposits, the same as building societies, and the effect of that measure had been very advantageous to this Company. Then frequently this Society had been straitened for want of funds, and in his position as President of a building society he had been enabled to get that society to loan this one funds to meet their requirements.

Mr. Alexander.—I never approved of borrowing money from building societies.

Mr. McMaster.—There was no objection raised at the Board against borrowing the money; on the contrary, it was considered an excellent chance. That did not look like an unfriendly act on his part towards this institution. And moreover, as they were aware, there was no commission charged on that transaction; though they had received loans from a certain stock broking firm to which a commission was attached. He felt an interest in this institution, and would have been pleased to remain on the Board could he do so consistently with his sense of honor; but was bold to assert that the gentlemen with whom he had been associated on the Board had acted with a fidelity to this institution that might be equalled, but could not be excelled. He could not turn round and act deceptively towards those gentlemen, he preferred to go out with them. It had been stated that building societies conflicted with this institution, but he held that the class of borrowers who came to this institution was totally different from those who went to building societies. But if it were true that the two societies conflicted, then it was apparent that the firm of Blaikie & Alexander, who were lenders for Scotch firms, much more conflicted, because their class of borrowers was the very class that could be accommodated by this institution. He retired from the Board with no unkind feelings towards any one. He hoped that the company would be successful, but he must say that to make such sweeping changes on the Board as was proposed, was a doubtful experiment. But there was no use trying to oppose the change, as means had been taken to secure proxies from all parts of the country. Some of them had been obtained from his own friends. One of them had sent to him to know what was the matter, as he had been requested by Blaikie & Alexander to send them his proxies. He (Mr. McM.) replied that he was not aware that anything was the matter; that the firm of Blaikie & Alexander was a very respectable firm, and might very properly be entrusted with proxies. Subsequently other similar letters came to him, and he was led to infer that Blaikie & Alexander were endeavoring to get possession of as many proxies as they could, and the list before them to-day showed that the members of that firm and their solicitor had enough proxies to enable them, with their own shares, to put in any Board they pleased.

Mr. Hoskins said he had in his hand a circular which showed the inconsistency of one gentleman sitting on the Boards of two rival institutions. It was issued by an agent of the Provincial Permanent Savings Society, the President or Vice-President of which was a Director of this Company. It professed to show that the rate of interest charged by them was only 4½ per cent., whereas, anyone acquainted with accounts could see that it was as high as 10 per cent.

Mr. Alexander remarked that he had not asked Mr. Hoskins to write for proxies, nor had his firm written to any of Mr. McMaster's friends, knowing them to be such for proxies.

Mr. Chas. Robertson was connected with another institution, but he always looked upon the Canada Landed Credit Company as in a far better position to serve borrowers than any Building Society could possibly be, and considered that they did not compete with this Company at all. Having been auditor of this institution from the first, he could speak from personal knowledge, and he did not know of any institution in this country whose loans were on a better basis than those of this Company, not even excepting the Society with which he was connected. This Company

loaned at 8 per cent. for 23 years, and can only borrow to the extent of three-fourths of its paid up capital; whereas Building Societies charge a higher rate, loan for a shorter period, and they could borrow to the full amount of their loans. These points of difference showed that the Building Society did not compete with this Company.

Hon. Mr. Allan said that not a jot of evidence had been produced to show that the Directors had not faithfully performed their duties, or had in the slightest degree favored the other societies with which they were connected at the expense of this. With regard to the absurd circular alluded to by Mr. Hoskins, he knew that, neither Mr. Gzowski, the gentleman alluded to, nor the Board of the Society, knew anything about it. As Mr. Alexander had opened up the subject, he was relieved from any feelings of delicacy in telling the shareholders all about it. There was no doubt that this movement was not set on foot by any large body of shareholders, but by Blaikie and Alexander, and that the gentlemen elected to the Board to-day would be nothing more than the nominees of that firm. For himself he had been anxious to withdraw from the Board, but at the same time, after having worked for the Company in the days of small things, he naturally felt less disposed to sever his connection with it now that it had reached a flourishing condition. With regard to the others, the Company were under great obligations to Mr. McMaster for assistance in a pecuniary way, when the Company most needed it, and now to turn him out, because forsooth he was president of a building society whose business in no way clashed with the company, would be an act, to say the least, of base ingratitude. Dr. Smith and Mr. Gzowski had also rendered the company valuable assistance, and to turn them out would benefit neither the shareholders nor the public generally.

Mr. Beard said the movement to turn out the old directors had taken him by surprise. He had never heard a word of complaint against any of them, and as to their holding positions in connection with other institutions, such a practice was very common in England, and was never objected to; some of these gentlemen were connected with building societies before they were asked to take seats at this Board, and it would be very unfair to reject them now. With reference to the manner in which proxies had been obtained, nearly all the shareholders in his vicinity (Woodstock), had come to him and told him they had been solicited for their proxies by Blaikie and Alexander. He thought it was strange for Blaikie and Alexander to take that course, but he could not conceive what was their object.

Mr. Alexander.—I did not ask any one in Mr. Beard's district to give me a proxy; but I have just learned that a gentleman, on his own authority, asked proxies in our name.

Mr. Stevenson did not understand the object of this movement. Shareholders in his section, (Lambton) had told him they had been solicited for proxies by Blaikie & Alexander, but he was sure they would not have given them if they had known that they were to be used to turn out such men as Mr. McMaster, who had been a tower of strength to the company.

Mr. Chadwick considered it would be very prejudicial to the interests of the company to make such sweeping changes in the Board as was proposed, as it would create suspicion in the country that something was wrong. He knew for a fact that shareholders in his town (Ingersoll) had been solicited for proxies by Blaikie & Alexander, and at the time he had no idea of the object for obtaining proxies.

Hon. D. L. McPherson condemned in strong terms the course taken by Mr. Alexander, a course for which there was not the slightest grounds. He thought that the meeting should be adjourned for a couple of months so that the shareholders might know what it was proposed to do with their proxies.

Dr. Smith said with regard to the Building So-

ciety he was connected with, it could not possibly interfere with this Company. He was not prepared for this stab in the back, for it was nothing else, and he could hardly believe that the attack was intended for them. He apprehended it was intended really for another channel.

Mr. Stevenson said the Company had been raised by the present Directors to be one of the first in the Dominion, and now to sweep them all away would damage the Company in the eyes of the public.

Mr. Osborne was afraid that he had been the innocent cause of this movement being taken. Last spring, in the course of a conversation with a friend, the idea of a gentleman sitting on the Board of one Society not being the proper person to be at the Board of another similar institution was mentioned, and a few days later, writing to Blaikie & Alexander on another matter, he casually referred to this subject. If this had been the gem of the present movement, it would be seen that Blaikie & Alexander, being largely interested in the welfare of this Company, had looked into the matter, and had, no doubt, good reason for the action they were taking.

Mr. McMaster said that if Blaikie & Alexander knew of any just cause for taking this course, surely in all candor and honor they ought to have brought the matter up at the Board; but nothing of the kind had been done. Nor had they brought any charge against the Board at any of its meetings.

Mr. Spivull referred to the origin of the Company, to show that it was different in principle from building societies. He had no objection that men who owned a large amount of stock should be represented at the Board, and said he and Dr. Smith were willing to retire and make room for others, but the sweeping away of the whole Board would be injurious to the Company.

Mr. Blaikie said he had been accused of obtaining proxies in an improper manner and for an improper purpose. He denied both the statements. Strange new doctrine this, not to be permitted to call for proxies! Who had a better right to ask for them than a firm that drew about one-fourth of the whole dividend of the Company? Take away from them every proxy that could be pretended to be from any friend of the retiring directors, and it would diminish their vote to a very paltry extent. The stock of the Company is now at par. To whom was that state of affairs due, if not in a large measure to those who had purchased the stock when nobody else would look at it; and who got it out of the hands of holders of one or two shares, and concentrated it in the hands of large holders? Where was the increased prosperity of the Company that was spoken of to-day? They had an increase in capital stock, in deposits, in debentures, and in loans. What should they have expected as a result of these increases? Of course an increase in profit and loss; but no, strange to say, there was a decrease in that account. He held that it was an unsound principle for gentlemen to have seats at this Board who held similar positions in rival institutions; but this movement was not originated by his firm. They had been repeatedly spoken to about it by shareholders. A great many of them borrowers of this institution, were the same class as those that borrowed from building societies, and they, too, did conflict. His firm had had odium heaped upon their heads, because they solicited proxies. Every shareholder had a right to ask for proxies. They used no improper means in getting them. Moreover, they had proxies entrusted to them by shareholders, with no condition attached to them, but which they were to use to the best of their judgment. It was an entirely gratuitous presumption to suppose that the country would not have confidence in the new Board, whoever they might be. It had been stated that his firm had conflicted with this Society, but the fact was, they had been the means of bringing many loans to the company; and on no occasion had they received one cent of commission, as had