

The Company is governed by a President, Vice-President and Board of twelve Directors, six of whom go out of office by rotation in each year, but are eligible for re-election as Directors (see appendix). The Board is responsible to the shareholders for the appointment of their officers, and for the conduct and management of the affairs of every department, subject and in accordance to the act of Parliament and the By-Laws made thereunder.

It is a fundamental rule of the Board, indeed it is imperative by the act of Incorporation, that no advance be made but on improved landed property yielding an annual income.

No advance is allowed to be made on personal security or on personal property.

Nor does the Company lend except on a first Mortgage.

The proportion of the sum lent to the value of the estate cannot exceed in amount one half of the value ascertained by the surveyor of the Company.

It is one great advantage of this Company that the lender deals exclusively with it. He has no anxiety, care, or even thought as to the character of any individual borrower—he does not even know what particular estate or estates are his security for the money he has lent. He has to look to the Company alone, and to satisfy himself of the respectability and responsibility of that Company, and that it will not issue more debentures than it has securities in its possession; and to secure this latter object, audited returns are made to the Government of the Company's affairs, as already stated, thus giving the strongest guaranty to the public for the good management of the Company.

In Canada, where there are so many industrial enterprises, offering large returns for capital employed in them, it is not to be expected that any great amount of capital will be diverted from them, even though the investment offered by this Company be on the most solid basis—the interest fixed and certain, and the repayment attainable at any moment. But are there not a great number here, where interest is low, who will eagerly seek after the debenture which is secured by good land to more than twice its value? Such are, for example, mercantile houses, who frequently possess current funds, often considerable, which are unproductive; why should not these invest in the debentures of this Company, for whilst getting a good interest they can realize at any moment?—the funds of those who are incapable of managing for themselves—those arising from rigid economy, or periodical savings—those belonging to the public establishments—the cautious capitalist—all those who seek after sure investments, rather than very high interest obtained at great risk of security. Will not all these invest in the Landed Credit Debentures, when issued on an unexceptionable basis?

As a guaranty for the performance of its engagements with the holders of the debentures, the Company offers to them:

1st. The advantage which it possesses of the first half-years annuity of the borrower being paid in advance.

2nd. The rigour with which it enforces the punctual payment of future interest.