

CANADA LANDED CREDIT COMPY.

The Annual Meeting of this Company was held in Toronto on the 11th February. The President was called to the chair. The following Report was read by the Secretary:—

The Directors present to you the report of the Company's operations for the year 1868.

But before placing under your notice the figures of the principal items of accounts, the Directors avail themselves of the earliest opportunity to congratulate you on the continued satisfactory position of your affairs.

The issuing of Debentures in Canada and the taking of money on deposit are measures which have now been in practical working for nearly three years, and as will be seen by the following figures, have, with the amount received on capital account, resulted in a considerable increase of business.

	1866.	1867.	1868.
Capital Stock.....	\$122,884	124,422	204,458
Debentures.....	115,443	129,324	155,814
Deposits.....	27,427	36,073	56,942
Loans.....	251,600	302,400	408,550
Value of Estates mortgaged.....	800,230	631,030	1,261,697

The increase in the Capital Stock account is the result of the three calls made during the year; these were very well responded to, and the amount thus realized, with the amounts received on Debenture and Deposit accounts, have enabled us to increase our Loans by upwards of \$100,000.

The Directors will follow in this account the divisions adopted in their preceding reports, under the several heads of Loans, Annuities, Debentures, Deposits, and Profits and Loss.

MORTGAGE LOANS.

The Mortgage loans effected in 1868 were in amount.....	\$137,500
The Mortgage loans effected since the foundation of the Company to 31st Dec., 1868, have been in amount.	539,450
Of this sum there has been paid into the Sinking Fund, and received by anticipated repayments.....	130,900
Leaving a balance due to the Company, 31st Dec., 1868.....	\$408,550
The amount due 31st December, 1867, was.....	302,400
Showing an increase in the year of....	\$106,150

A few years ago, when our progress was so much retarded by the influence of the Civil War in the States, the Directors deemed it necessary, as a temporary measure, to increase the profits by lowering the rate of interest allowed on payments into the Sinking Fund; but now, in more prosperous times, they have gone back to the old law, which allows six per centum on such payments. This will take effect on all mortgages effected from the present time; and the term will, of course, be henceforward the old term of 23 years.

ANNUITIES.

The annuities payable to 31st Dec., 1868, amounted to.....	\$45,757 61
Of this amount the Company has received.....	43,185 73
Leaving a balance to receive of.....	\$2,571 88
This sum of \$2,571.88, we find has been reduced during the past month to \$1,930.58.	

DEBENTURES.

The amount of debentures issued during the year 1868 was \$35,150.	
The total amount of debentures in circulation on 31st December, 1868, was.....	\$155,814 76
In 1867 it was.....	129,324 74
Being an increase of.....	\$26,480 02
The very low rate of money which ruled in	

England, during the whole of 1868 enabled the Directors to effect a renewal of nearly all the debentures falling due there during the year, and for longer terms than the original debentures were issued.

But the aggregate amount of debentures held there has not increased.

DEPOSITS.

The amount of sums deposited during the year 1868 has been.....	\$78,621 35
The balance on 31st Dec., 1868, less interest, was.....	53,222 00
Of which there was deposited at 5 per cent.....	3,635 00
And at 6 per cent.....	49,587 00
	\$53,222 00

PROFIT AND LOSS.

The balance of the Profit and Loss account for the year 1868, after paying current expenses and allowing for the usual deductions, is \$8,405.39, to be dealt with by this meeting.

The Directors recommend that a dividend of 3 1/2 per cent. for the half year be paid, which will absorb \$6,300, leaving a balance of \$2,105.39, to be carried forward to the credit of the next account.

The duty of inspection which has always existed in certain parts of our administrative work, we have during the past year extended to all our operations, and we doubt not it will be attended with the very best results.

The Directors regret that it should be their duty to bring under your notice the default of certain shareholders in payment of the calls made so far back as 1865 and 1866. Every reasonable indulgence has been extended to them, and we recommend both for the interest of the Company generally, and in justice to those shareholders who paid so promptly, that the declaration of forfeiture made by the Board on the 28th of October, 1868, be now confirmed.

The President then offered some remarks explanatory of the Report. He mentioned that the amount of mortgage loans effected during the year, \$137,500, was composed of 283 applications of which 202 were granted and 81 declined. The balance due the Company under the head of annuities was, on the 31st Dec., \$2,571.88, and this sum had been reduced, during the past month to \$1,930.58. During the year, \$35,100 of debentures had been issued nearly all of which had been sold in Canada. After paying the dividend \$2,105.39 would remain to the credit of next year's accounts. He confidently expected such an increase of loans as would enable the company to pay 8 per cent. dividends in future. After referring to the appointment of an inspector and the cancellation of unpaid shares, he resumed his seat.

Judge Gowan, after making some remarks complimentary to the Society and the Directors, said that a good deal was remarked outside as to the Company, not as to its solvency, but as to the progress made, and these points he would like to bring before the Board. He had endeavored to understand something of the principle on which the Company acted, and any one who did so must know that it was established on the soundest, safest and most reliable principles, giving equal justice to the borrower and the lender. On the principles on which it was based, the returns would always be within a certain limit. The present position of the Company was, he believed, due partly to the low rate of interest, and partly to the length of time over which the loans extended. But he desired to call attention to the fact that notwithstanding the great inducements held out by the Company its stock held a low position in the money market. This was difficult to account for. And he would be happy to be informed how it was that a Company occupying an excellent financial position, so far as the basis on which it was founded was concerned, and being entitled to every confidence as to its management, had not succeeded better. Its stock stood at 25 to 27 per cent. discount even now. As to

the character of the Company's investments, looking at the long period for repayment, extending over twenty-three or twenty-five years, it was obvious, he need hardly say, that first class security alone should be taken, both as regarded the title and value of the property. The investigations regarding title by the Company's Solicitor were, he had every reason to believe, satisfactorily conducted. He had heard complaints that the Solicitor had been too severe in scrutinising titles, but these very complaints were, to his mind, the highest praise which could be given that officer. Hence he was sorry to see that the Company had set a gentleman to work to see whether the Solicitors fees could be cut down or not. As to the valuation of property, the amount advanced being gradually repaid, the valuation had, undoubtedly to be placed at such a figure as to prevent the possibility of loss in the future. But in fixing such an amount it should be remembered that this was a new country. In the old country, where similar institutions were in existence, very little change took place in the value of property. For ages past, property there might be said to have continued worth a certain figure; so that the valuation of property was almost reduced to a certainty. But here, as a rule, property went on increasing in value; and, therefore, it might be a question here as to whether a larger margin might not be allowed in value. Such a course would, he believed, be in the interest of the borrower and of the Company. In this connection, also, he would say that to complete the design of the institution, the borrower should really take the debentures. But he was afraid that it was scarcely possible in the present condition of the country to expect men to take uncurrent funds for the current coin of the realm. Unless extraordinary inducements were thrown out to borrowers to accept these debentures as cash, they could not be got to take that which, to a certain extent, was held at a discount. He did not look for anything of the kind for years to come. But still he mentioned the matter as something which had been spoken about. He would mention also that he thought the directory excessively large. A feeling that this was the case was very widespread. His own experience of large directories was that it was very often more difficult to get a quorum with them than with a smaller number; and hence he would strongly recommend the Board to consider whether it would not be wise to apply to Parliament to reduce the number of Directors. It also occurred to him that frequent meetings of the whole body were to a certain extent unnecessary. Monthly meetings of the directory ought to be sufficient. If three times in a week some one or more of the Board assisted the President to declare on all applications for loans—leaving in reserve to the general body any question thought proper, he thought it would be a great improvement and facilitate the working of the institution. Another matter which might very properly be dealt with, was the very absurd practice of appealing to the general meeting to say whether or not a dividend should be declared. To ask the shareholders to decide that point was really asking them to "go it blind." They were obliged to trust in the gentlemen having charge of the institution in the matter of dividend. Under the Act of Parliament he knew the matter had to be left to the general meeting, but it was a mere matter of form, and the sooner it was done away with the better. One branch of the business struck him as requiring the most careful management, in order to guard against loss. He referred to the deposit branch. They were authorised to receive \$1 and upwards to \$1,000 or \$20,000—in fact to an unlimited amount. He could not understand how without much peril unlimited deposits could be taken subject to call, or even one, two or three months notice. He did not profess to know much of the subject, but it struck him that the greatest care was required at every step, from the moment the money was received and deposit receipt granted