

Credit Company, and have found the above balance correct. We have also examined the securities in the Company's strong room, and found them in perfect order, as represented in the above statements.

W. B. PHIPPS,
W. HOPE,
Auditors.

The Chairman—Gentlemen, it is extremely gratifying to the Directors to be able to present such a report and balance sheet as has now been submitted to you. The results of the year's business have been such as I believe cannot fail to meet with the cordial approval of the shareholders generally. As you are aware, two half-yearly dividends have been paid at the rate of nine per cent. per annum; and by way of showing that the Company has been making substantial progress, I may, for the satisfaction of the shareholders, compare the position of some of the more important accounts at the close of 1874 with their position at the close of 1875. There has been an increase of loans on mortgage—and you are aware that all our loans are of that description—of \$211,000; an increase in debentures of \$108,066, and an increase in the sinking fund of \$26,108. The reserve fund has been brought up to \$40,000—at the 31st of December, 1874, it was \$27,000—and for the first time we have a contingent fund of \$6,000, which is practically an addition to the reserve fund. The reason, I may state here, why we create this fund is that it is judged desirable when once we have a reserve fund of any given amount to leave it as capital, and undesirable in the event of any little loss occurring at any time to encroach upon it at all. If we have a reserve fund of \$40,000, it is so much additional capital in our business, but capital on which we have to pay no interest. The less we have to encroach on the contingent fund the better, but by having it we are able to keep the reserve fund intact. There is one item of decrease, but it is an item in which the Directors desired a decrease—that is, the deposits. As was stated on a former occasion, it is looked upon as generally safer for the Company not to depend upon having money on deposits which might be called up in time of panic suddenly, but to have it on debentures running for fixed periods of years, and, I am happy to say, we are able to obtain our money in that way on very favorable terms. There is a new account in the balance sheet, which is styled the debenture commission account. The average length of time for which we borrow money may be said to be five years; and it is considered both fair and right, and it is what is generally done in such circumstances, to debit each year with its own proportion of the commission paid. The Company's debentures, as you are aware, are the source of our money-making power. Were we tied up strictly (with our present charter) to our capital stock, we would have a poor margin to enable us to pay nine per cent.; but we are permitted to borrow money on debentures at low rates, bring it here and lend it out at a good profit. That is what we have been doing; and you will see that there has been an increase during the year under that head of \$108,065. It might have been much more, but our borrowing powers were very nearly at an end. Our original charter permitted us to borrow only one million in all, and therefore, we have had to walk slowly in that direction during the past year. The shareholders, as you are aware, in view of that fact, authorized the Directors in the month of November last to go to the Legislature and seek to obtain an extension of our borrowing power. That has been done. The matter is now before the Legislature, and I am happy to tell you that our bill, in all its main and important features, has already passed the Private Bills Committee. By that bill we shall have liberty given to us to

increase our capital another million dollars and to borrow another million dollars on debentures. It has been found at times that we have lost excellent loans because our charter would not allow us to make what is called a "straight loan," that is, if a gentleman came to us and wanted to borrow one or two thousand dollars for four or five years, and just pay so much interest per annum, and would not listen to anything about a sinking fund. We have sometimes felt it to be a hardship to be obliged to refuse to make loans such as this; and we have sometimes refused the very best security because our hands were so closely tied down. However, we are released from that now, and I think it will be of great advantage to us at times to be able to make such loans. With reference to the debentures, those who get them may consider themselves fortunate in having a security of such value, as beyond all question they are. For careful and conservative investors in Britain, nothing could be more absolutely safe than the debentures of this Company. They have for security, as you are aware, the paid-up capital stock of the Company, invested in real estate, worth more than double the amount of money loaned upon it. They have, in addition to that, the subscribed and unpaid capital of the shareholders, and then they have the money they themselves advance for the debentures, invested again in real estate to only one-half its value, and sometimes not nearly up to that. And it is very gratifying indeed to find that our debentures are regarded in that light, and that we are getting money on terms so favourable. In this connection I may say that we are under great obligations to the gentlemen in Britain who have been acting for us in obtaining money. They have done nobly for us. As on former occasions, I will explain how it is we have so much money on hand. The explanation is very simple. It is needed to meet obligations which fell due at the first of January. In the National Bank of Scotland we have a large amount; but the most of it is required to meet liabilities there. In banks here we have also a very considerable amount. Much of this is required to pay dividends, some of it to meet debentures falling due, and the balance is nearly all required for loans in the hands of the solicitors. Therefore it is not money lying idle and unproductive. It is where it is only because it is required to be there. I do not know that I need say anything further, but that the powers sought for in the bill now before the Legislature, when obtained will be most sedulously used to advance the interests of the shareholders. Should any question occur to any of the shareholders I shall be happy, as far as I am able, to answer it. I beg to move "That the Report now read be received, approved, and printed for circulation among the shareholders."

Mr. Macdonald—When the report has been so lucidly placed before the meeting as Mr. Blakie has placed it, any words that might be added would be simply superfluous. Mr. Blakie has left nothing unexplained, and, consequently, has left nothing for me to add. I can only say that shareholders who are not satisfied with nine per cent. are hard to please. I have great pleasure in seconding the resolution.

The motion was carried.

Mr. A. M. Smith.—The motion which has been placed in my hands to move is one I can move with very great pleasure, and I think we can all join in voting for it with a great deal of satisfaction. As Mr. Macdonald has said any remarks that might be made regarding the report would be superfluous; and I think all that it is necessary to say is that we have secured a good dividend, and we ought to be satisfied with it. If any one is not satisfied with it let him try mercantile business, and he will find it less satisfactory than the business of the Canada Landed Credit Com-

pany. I beg leave to move "That the thanks of this meeting be given to the Chairman and Board of Directors for their valuable services in promoting the interests of the Company, and for their prudent and safe management of its affairs."

Mr. D. Cowan seconded the motion, which was then put and carried unanimously.

The Chairman—On my own behalf and on behalf of my co-Directors, I very heartily thank you for this vote of confidence. I can assure you and the shareholders generally that the Directors, as a whole, are exceedingly careful in everything they do relating to the affairs of this institution. No body of gentlemen could exhibit a greater amount of care than they have done, even in the conduct of their own business.

Mr. James Young, M. P.—Nothing contributes more to the success of a company of this kind than to have good agents. This is particularly the case with regard to our agents in Great Britain. They represent the company there, and certainly its prosperity must be influenced by their character, and the way in which they prosecute our business. Those members of the Board who have any knowledge of the way in which our agents in Great Britain discharge their duties, must feel that they have done so in a very satisfactory manner, more particularly Messrs. Hamilton, Kinnear, & Beatson, W. S., of Edinburgh; and I feel as a member of the Company that our thanks are due, and ought to be tendered, to our British agents. If we succeed in getting new powers—as no doubt we shall—these agents will have more important duties to discharge in the future; and it must, therefore, be gratifying to the shareholders to know that we are so exceedingly well represented there. I am sure also that our agents, particularly this firm in Edinburgh, will be delighted with the report which has been submitted this day, because it must be extremely satisfactory to their customers in Great Britain as well as to the shareholders of the Company. We have not only been able to pay a dividend of nine per cent., but to add \$14,120 to the reserve fund and form a contingent fund of \$6,000, thus raising the reserve fund practically to \$46,000, for the contingent fund, to all practical purposes, may be considered a portion of the reserve fund. I am sure that those gentlemen who represent us in England must feel that nothing could be a safer investment than the debentures of this Company. If good farms in Canada mortgaged at half their value, and great care taken by the Board to see that the titles of them were good, is not good security for money, I do not know what can be called so. I feel, therefore, that these gentlemen, if we get these new powers, will not only do a duty to this Company, but perform a great service to their customers in England in getting them investments with this Company. I move "That the shareholders tender their hearty thanks to their British Agents, more especially Messrs. Hamilton, Kinnear, & Beatson, W. S., Edinburgh, for the very valuable services they have rendered in advancing the Company's interests."

Mr. David Buchan seconded the motion.

The Chairman—In putting this resolution to the meeting I may just take occasion to say with reference to our agents in Britain that all our intercourse with them has been of the most agreeable and satisfactory character.

The motion was carried.

Moved by Mr. A. K. Roy, seconded by Mr. W. J. Baines, "That William Williamson and William B. Phipps be appointed Auditors for the ensuing year."—Carried.

Mr. John Dunlop—The following resolution has been placed in my hands, and I beg leave to move it:—"That the thanks of this meeting be given to the Chairman for his able and impartial conduct in the chair, and for his constant attention to the general interests of the Com-