

J. S. Playfair, Toronto; John Dunlop, South Zorra; Larratt W. Smith, Toronto; Dr. Thorburn, Toronto; Wm. Hope, Toronto; Thomas Lailey, Toronto; Charles Robertson, Toronto; Hon. W. McMaster, Toronto; John L. Blaikie, Toronto; S. M. Jarvis, Toronto; Geo. Stevenson, Sarnia; D. L. Macpherson, Toronto; H. R. Forbes, Toronto; L. Buchan, Toronto; Mr. Osler, Toronto.

The chair was occupied by the President, Mr. Lewis Moffatt.

Mr. John Symons, Secretary, read the notice calling the meeting, which was to the effect that the meeting was called to receive the report of the Directors, to declare a dividend, and to elect six Directors in the place of the six gentlemen who go out of office by rotation, but who are eligible for re-election. He also read the report of the Directors, which is as follows:—

Report.

1. This year the Directors have the pleasure of meeting the Shareholders a month earlier than usual, and they again meet to offer their congratulations on the steady and satisfactory progress made in every department of the Company's business.

2. The net profits, after making the usual deductions, amount to \$8,714 51, which, with \$1,037 01 balance from previous half-year, makes a total of \$9,751 52 now to be disposed of. The Directors, therefore, recommend that a dividend for the last six months of 3½ per cent., being at the rate of 7 per cent. per annum, be now declared which will absorb \$8,161 74, leaving \$1,589 78 to be carried forward to profit and loss new account.

3. It will be observed that a larger dividend might have been recommended, but the margin of profit this year not being so large as usual, from an exceptional cause, which cannot again occur, the Directors deem it best to defer any increase for the present. The Debenture interest due on the 1st January in each year, is really for money which has been received and invested in the previous year, and should, acting on the principle that each year bears its own burthens, be charged to that previous year. This has now been done, and the Directors are satisfied that it will place the stock on a more sound and satisfactory footing.

3. At the close of every half-year the interest in arrear is always large, and necessarily so, but this year it has considerably exceeded the usual amount, which is accounted for by the extension of time which has been given to some borrowers in consequence of the failure of the fall wheat crop in several parts of the country, and which appears to have been much more general than was thought to be the case in the early part of the harvest. A large portion of the arrears, however will be immediately paid, and the whole is well secured.

5. An arrangement has recently been made for the negotiation of the Company's Debentures in Glasgow. The result, so far, has been highly satisfactory, and if the usual superabundance of money in the English market continues, large investments in our Debentures may be expected.

6. The Directors who go out of office by rotation but who are eligible for re-election, are, Hon. G. W. Allan, M. P.; C. S. Gzowski, Esq.; His Hon. Judge Gowan; Hon. Wm. McMaster, M. P.; Samuel Spreull, Esq.; Larratt W. Smith, Esq.; D. C. L.

Balance Sheet, 31st December, 1870.

ASSETS.	
Loans.....	\$610,005 00
Bank of Commerce.....	27,443 66
Bank of Montreal.....	532 81
Smith, Payne, & Smiths.....	16,234 16
British Linen Co. Bank.....	9,430 72
Cash.....	2,680 43
Bills Receivable.....	179 19
Furniture and Premises.....	2,340 42
Advanced Law Charges.....	697 97
Interest.....	7,303 59
	\$676,847 95

LIABILITIES.

Capital Stock.....	\$239,437 73
Deposits.....	140,575 99
Canadian Debentures.....	113,947 00
English do.....	99,771 46
Sinking Fund.....	57,806 31
Reserve do.....	6,288 22
Unclaimed Dividends.....	1,799 88
Debenture Interest.....	6,752 64
Requisitions.....	55 00
Suspense.....	24 20
Profit and Loss.....	9,751 52
Charges.....	638 00
	\$676,847 95

TORONTO, 7th January, 1871.

We hereby certify that we have examined the books and accounts of the Canada Landed 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 statement.

Signed, CHAS. ROBERTSON,
ALEX. ROBERTSON,
Auditors.

The President congratulated the shareholders upon the gratifying progress made by the company during the past year, as shown by the balance sheet. In capital stock there was an increase over last year of \$16,651 78; in debentures an increase of \$59,043 70; in deposits an increase of \$49,938 99; in loans an increase of \$38,930. The only account which showed a diminution was the profit and loss account. The decrease in that account was \$1,611 65, but it arose from causes which could not occur again. It was in this way: The sum of \$2,954 was reserved to pay debenture interest, which accrued after the first of the month; and \$638 for directors' fees was brought into the half-year's account, which had never been done before. These two items added to the amount of the profit and loss account, namely, \$9,751 52, made the sum of \$13,343 52, which was the actual profit for the half-year. Had it not been for this change in the mode of keeping the accounts, the Directors would have been able to declare a dividend of 4 per cent. Next half-year, however, there was no doubt they would realize a 4 per cent. dividend. After some remarks upon the prosperous condition of the Company, the President concluded by moving the adoption of the report.

Mr. Chadwick, in seconding the motion, remarked that although he thought the Board was perhaps a little too conservative in their dealings with borrowers, yet he was gratified at the satisfactory condition of the institution. With reference to the item in the balance sheet of \$27,443 66, in the Bank of Commerce, he asked if this amount was lying idle awaiting investment?

The President said negotiations were now in progress for loans which would fully absorb that amount.

The report was then adopted *unanimously*.

Mr. Alexander called attention to the fact that several members of the Board of this institution were also Directors of other similar institutions, and expressed his opinion that it was not to the advantage of this Company that such should be the case. It was impossible to ignore the fact that Building Societies were increasing in number and monopolizing the business. These institutions differed in no important principle from the Canada Landed Credit Company. They took deposits, so did this Company; they loaned money, so did this Company; in fact, so closely were they related in business that in a published statement issued by one of these Building Societies he found there were only a few dollars difference in their accounts, and of course the difference was in favour of the Building Society. He had nothing to say against these Societies; he wished them every success, but it was his business to

look after the welfare of the Canada Landed Credit Company.

[At this stage it was objected that Mr. Alexander was out of order, there being no motion before the chair. As, however, he had been allowed to open up the subject, he was by general consent allowed to proceed.]

He fully believed that the majority of the shareholders coincided with the views he had just expressed, and he very much regretted that it had been stated that the shareholders had been instigated to this action by himself and others, and that the members of the Board who occupied seats at other Boards felt that their honor had been impugned by him. He had not the slightest intention of reflecting upon their honor, but the time had now come when the struggle for existence would be begun in earnest, and no divided interest could hope to cope successfully with the legion of lending institutions that were springing up. Every inch of their territory would be contested, and it would be impossible to maintain their position if they were not represented by men exclusively devoted to their interests. With reference to the balance sheet submitted to them to-day, when he compared it with that of any Building Society, even any one of recent origin, he felt ashamed of it. So much so that had it not been for the equity of their system and its superiority in this respect over other institutions, he should have regretted that his own and his friends' means had been to so large an extent invested in it. One gentleman was pleased to say to him that he would not be the nominee of Blaikie & Alexander. Let any one read the Act of Incorporation and he would see the absurdity of supposing that any single individual could control the elections to the Board. That could only be done by the shareholders; and if they were allowed to carry out their views, he would regard the future of the company as assured. In concluding his remarks he expressed the hope that the shareholders would do him the justice to believe that he had the interest of the company at heart, and that in the course he was taking, he was only conscientiously fulfilling what he regarded as his duty. The few proxies that had been entrusted to him, he would use, not as others might dictate, but the way that in his humble judgment was right, and he would do so without any unkind or ungenerous feelings towards any one.

Hon. Mr. McMaster, said he was one of these who were connected with Building Societies. It had been charged that those thus connected could not faithfully perform their duties to this institution. It must be borne in mind that there was a little inconsistency here, because he happened to be one of those to whom overtures were made to remain on the list of the new Board if he would only consent to put the others out. (Hear, hear.) It was then he made the remark, not exactly as stated by Mr. Alexander. That gentleman had stated he (Mr. McM.) had said that he would not be the nominee of Blaikie & Alexander. What he did say was that if he had acted as he had been requested to do he would be the representative of Blaikie & Alexander and not of the shareholders. That was a position that nothing on earth would induce him to occupy. He maintained that their honor had been impugned. What would be the effect of the action taken to-day, except to lead the people to believe that while they occupied their present positions they could not discharge their duties faithfully. If that was not impugning their honor, he did not know what it was. With regard to building societies, he had been connected with them before he was with this institution. When it was started, it was in a languishing condition. The Russian war prevented them from negotiating loans that they had expected; and afterwards the American war interfered with their successful progress. He was one of those who took charge of a bill in the Legislature, authorising this institution to take