

and General Managers are dealing with all cases of arrears in the best manner for the Company's interest, and we are of opinion that the matter may be left with every confidence in their hands. We are assured by the Advising Board, and by our own observation, that the chance of any loss on any of the Loans on which we have arrears is very remote. Arrears will continue to be reported to you as hitherto.

IV.—GENERAL MANAGERS' SALARY AND OFFICE EXPENSES.

These matters formed the subject of a special conference with the Advising Board, and the recommendations of that Board, which we feel constrained to endorse, are contained in a copy of their minute of 18th October, which we present to you herewith.

In conclusion, we may say that we think our visit to Canada at this time singularly fortunate. With a commercial crisis at home, so many classes of securities depressed, and confidence in commercial and monetary circles so much weakened, it is a matter for congratulation that we are able to say to you, as we do without hesitation, that the business of this Company is conducted on safe and sound principles, that its Investments in Canada have been and are being made carefully and judiciously, and that our Debentures offer to the public an Investment which yields more than the average return with perfect security.

We are, GENTLEMEN,

Your obedient Servants,

SAMUEL GUNN, *Director.*

ARCH. C. WILSON, *Secretary.*