Meetings.

CANADA LANDED AND NATIONAL INVESTMENT COMPANY.

The annual general meeting of the shareholders of this company was held in the company's office, 23 Toronto street, Toronto, on Wednesday, 26th January, 1898, at 12 o'clock noon, the following being present:

John L. Blaikie, President; John Hoskin, Q.C., LL.D., Vice-President; J. Kerr Osborne, Hon. James Young, A. R. Creelman, Q.C., John S. Playfair, Frank Turner, C.E., Newman Silverthorn, Rev. Robert C. Moffatt, D. D., Henry Pellatt, W. J. Robertson, M. Shewan, E. J. Hobson, James Mitchell, Geo. W. Lewis, Alfred Hoskin, Q.C., James Webster, C. C. Baines, John Stark, Alex. Smith, G Tower Fergusson, E. Saunders, Geo. Robinson, Geo. W. Blaikie, Miss I. Dickson, F. W. Harcourt, Geo. Porter, B. E. Bull, Larratt W. Smith, Q.C., D.C.L.

The president, Jno. L. Blaikie, Esq., having been called to the chair, the manager, Mr. Rutherford, acting as secretary, the report and balance sheet was read.

REPORT.

The directors have much pleasure in laying before the shareholders a statement of the company's accounts for the year ending 31st December, 1897.

The gross receipts for the year amount to	$213,497 45
After deducting cost of management, interest on debenture bonds and all other charges, there remains a net profit of	$ 72,940 99
An interim dividend of three per cent. was paid in June last, and a further dividend of three per cent. on the 31st ult. (making six per cent. for the year), both free of income tax. These dividends will absorb	60,240 00
and leave a surplus of	$12,700 99

The directors recommend that this surplus be transferred to the contingent fund.

The balance at the credit of this fund, after charging up losses on properties sold during the year, is $19,926 66.

The reserve fund is $350,000.

A decided improvement has taken place during the past year in the values of farming lands, both in the Province of Ontario and Manitoba. The same remark applies to property in the city of Toronto. The company's operations are confined to the three fields mentioned.

The books and accounts, as well as the company's securities, have been duly audited by the auditors, whose certificate is appended thereto.

JOHN L. BLAIKIE,
President.

Toronto, 15th January, 1898.

FINANCIAL STATEMENT, 31ST DECEMBER, 1897.

Assets.

Loans on mortgage securities..	$3,733,750 51	
Interest past due and accrued on current loans ..	140,507 05	
		$3,874,257 56
Ontario Government scrips	27,211 70	
Municipal debentures	188,377 27	
Interest accrued thereon.......	4,598 00	
		220,186 97
Advances on account of borrowers		4,851 63
Company's building on Toronto street		40,000 00
Cash in Standard Bank of Canada	22,300 33	
Cash in Bank of Hamilton	27,701 84	
Cash in Canadian Bank of Commerce	17,809 64	
Cash in National Bank of Scotland	9,887 24	
Cash in office....	1,195 64	
		78,894 69
		$4,218,190 85

Liabilities.

Liabilities to the public—		
Sterling debentures	$2,516,003 38	
Currency debentures	219,130 68	
Reserved for interest accrued thereon	14,167 25	
		$2,749,301 31
Balances at credit of borrowers on sinking fund loans		55,279 11
Sundry creditors		8,920 52
Liabilities to shareholders—		
Capital stock subscribed	$2,008,000 00	
Capital stock paid up..........		1,004,000 00
Reserve fund..................		350,000 00
Contingent fund		19,926 66
Unclaimed dividends		643 25
Dividend payable 2nd January, 1898......................		30,120 00
		$4,218,190 85

Profit and Loss Account.

Dr.

Interest paid and accrued on debentures		$111,631 63
Dividends on capital stock...............	$60,240 00	
Municipal tax thereon	1,050 00	
		61,290 00
Management, including Manitoba Agency charges		21,297 93
Commissions and charges on moneys borrowed and lent		6,576 90
Transferred to Contingent fund ..		12,700 99
		$213,497 45

Cr.

Interest collected, due and accrued on current loans..............	$210,494 42
Net rents from Company's building	1,842 89
Gain on sterling exchange........	1,160 14
	$213,497 45

ANDREW RUTHERFORD, Manager.

AUDITORS' CERTIFICATE.

We hereby certify that we have examined the several accounts of the Canada Landed and National Investment Company (Limited), for the year 1897, and have found them to be correctly stated, and that the balance sheet exhibits a correct view of the company's affairs at 31st December, 1897. We have also examined the securities and found them in perfect order.

G. TOWER FERGUSSON, }
H. W. WILLIAMSON, } Auditors.

Toronto, 14th January, 1898.

In moving the adoption of the report, the chairman said: "I have pleasure in moving that the annual report and balance sheet now submitted for your approval be adopted."

To some important and interesting particulars I avail myself of this opportunity to invite your attention.

After paying all expenses, leaving nothing to be carried forward as a charge to next year, also interest on the debentures of the company, and two half-yearly dividends of 6 per cent. per annum, $12,700 has been carried to Contingent account. The balance remaining at the credit of this fund after charging losses for the year is $19,926.66, leaving $350,000 at the credit of Reserve Fund.

Such results should be, and I believe will be, satisfactory to the shareholders.

Where did the money come from to pay all expenses, all interest on debentures, and the dividends? The answer is, not by bringing into the balance sheet amounts of interest that may never be collected, but solely from money actually received for interest on the company's liquid, active, investments. This fact I would like to emphasize, as it is all important to conduct the transactions of the company upon sound principles, and no one can dispute the soundness of the policy just mentioned.

This company, like all companies lending money over a long period of years, has of course property on its hands, but that is kept in a separate account, all income derived therefrom being credited to separate income account, and against this income is charged all taxes and disbursements of every nature connected with that property. None of the income from this source is taken into Profit and Loss account. Any surplus at the end of each year is credited, any shortage, debited to the Contingent fund.

Another extremely gratifying feature of the year's business is the way in which borrowers have paid the interest upon their loans. A widespread impression prevails that loan companies have a very large and ever-increasing amount of past due interest. So far as this company is concerned, that is not the case. On the contrary, there has never been in the whole history of the company, less past due interest than at the present time.

You will observe that at the 31st of December the amount of interest past due and accrued on the current loans of the company was $140,507.05, but since then a considerable proportion of that has been paid.

I have been led to speak of these particulars, not only because they are of interest to the shareholders of this company, and to all who are interested in its prosperity, but also because of the failure of the Farmers Loan and Savings Company, in the case of which the conduct of its affairs has been carried on with an apparent disregard of all sound business principles, and in such ways as to make failure inevitable. In contrast with that company, I can confidently affirm that your company is conducted on most conservative lines, the books and accounts are kept in a most perfect manner, and every department of the business is well and firmly kept in hand.

The Canadian loan companies have been borrowing continuously in Great Britain for nearly forty years – this company being the first to issue sterling debentures, which were placed on the London market in the year 1859—and during all these years the British investor has not lost a dollar through any such investment. If the creditors of the Farmers Loan company are not paid in full, it will be solely owing to the unique mismanagement of that concern, and not from causes likely to affect the credit of loan companies generally.

From time to time we meet with shareholders who enquire, and you permanently go on paying 6 per cent. dividends? The answer to that question is, dividends must entirely depend upon the profits of the company, and as long as our profits will warrant the payment of 6 per cent., that will be paid, but I have no hesitation in stating that no higher dividend will be declared than can be clearly earned, and no interest of a doubtful kind will be carried into a balance sheet to make things look better than they really are.

This course will, I believe, commend itself to the shareholders, as it will to debenture holders, and to all intelligent business men everywhere.

In connection with the question of dividends, this is an opportune time for me to refer to what many of you may have seen in the newspapers, viz.: that negotiations have been going on with the Manitoba and North-West Loan Company, with a view to that company being absorbed by this company. Other companies will also consider the question of absorbing the Manitoba and North-West Loan Company.

Of one thing you may rest assured, and that is, that nothing will be carried out until after a careful scrutiny of the assets of the Manitoba Company, nor until it is made plainly a safe and profitable course for this company, nor until a special meeting of our shareholders is called to consider the matter, and has voted in favor of it.

I may here say that very small companies, with lending rates for money steadily tending downwards, find profits so diminished that old-time dividends cannot long be maintained.

This company is not reckoned in the class of small ones, yet were the absorption of the Manitoba and North-West Loan Company to take place, it would materially increase our earning powers, and thereby render the continuance of the present dividend more assured.

A glance at the field of our company's operations may not be out of place. As you are all doubtless aware, our loans are made in Ontario, in Manitoba and in the city of Toronto. Higher rates of interest can be obtained in the North-West Territories, in any of the new and rougher sections of Ontario and many districts of British Columbia, but your directors have, for what appeared to them sufficient reasons, and having regard to ultimate safety, rather than an apparent present gain, preferred to confine their operations to the more settled districts of Ontario, to Manitoba proper and to this city.

The crops in Manitoba the past year have