## Proceedings of the Forty-First Annual Meeting.

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The forty-first Annual Meeting was held in the Company's Office Building on Monday, 17th February, 1896, at 12 o'clock noon. The President, Mr. J. Herbert Mason, occupied the chair, and the Secretary, Mr. George H. Smith, was appointed Secretary to the meeting. The following Shareholders were present:—Judge Boyl, Jacob Bull, John Brymer, Henry Barffer, James Barber, B. E. the meeting. The following Shareholders were present:—Judge Boyl, Jacob Bull, John Brymer, Henry Lawffer, A. W. Clarke, Mrs. Elizabeth Dodds, Bull, Dr. E. St. G. Baldwin, Philip Browne, Melfort Boulton, Henry Cawffar, A. W. Clarke, Mrs. Elizabeth Dodds, Bull, Dr. E. St. G. Baldwin, Philip Browne, Melfort Boulton, Henry Cawffar, A. W. Clarke, Mrs. Elizabeth Dodds, Bull, Dr. E. J. Hodgkin, Baldwin Jackes, Beverly Jones, J. Gorlou Jones, J. Herbert Mason, t. W. Monk, W. D. Matthews, Hamilton, Dr. T. J. Hodgkin, Baldwin Jackes, Beverly Jones, J. Gorlou Jones, J. Herbert Mason, t. W. Monk, W. D. Matthews, Hamilton, Dr. T. J. Hodgkin, Baldwin Jackes, Beverly Jones, J. Gorlou Jones, J. Herbert Mason, t. W. Monk, W. D. Matthews, Hamilton, Dr. T. J. Hodgkin, Baldwin Jackes, Beverly Jones, J. Gorlou Jones, J. Herbert Mason, t. W. Monk, W. D. Matthews, Hamilton, Dr. T. J. Hodgkin, Baldwin Jackes, Beverly Jones, J. Gorlou Jones, J. Herbert Mason, t. W. Monk, W. D. Matthews, Hamilton, Dr. T. J. Hodgkin, Baldwin Jackes, Beverly Jones, J. Gorlou Jones, J. Herbert Mason, t. W. Monk, W. D. Matthews, Hamilton, Dr. T. J. Frenzer, L. Mason, C. T. Y. Patterson, Mrs. E. Robinson, W. J. Robertson, Andrew Robb, Alex. Smith, William Spry, George A. Stimson, F. N. Thomas and Rev. E. Tremayne. and Rev. F. Tremayne.

The Secretary read the Report of the Directors and Financial Statements for 1895.

The President said:

Ladies and Gentlemen,—In asking you to adopt the Directors' Report and Financial Statement, just read, I may confidently say that it is one that, under existing circumstances, gives us much cause for congratulation. That in a year distinguished by a slack demand for money, by low rates of interest and by unusual depression in the value of real estate, the revenue was sufficient to provide for all losses, to pay a dividend of nine per cent. on the capital stock and to increase the unappropriated profits reserved for unforeseen continuous, to pay a dividend of nine per cent. on the capital stock and to increase the unappropriated profits reserved for unforeseen continuous. But the profit of the profits of the pro

only lans in comparison with our own past performances, and that from causes beyond the Company's control.

If the Board had seen fit to appropriate for distribution a few thousand dollars from the fund set apart to meet contingencies, the reduction of one per cent. would have been unnecessary. The Contingent Fund is intended to be used for equalizing divideable in the event of an unexpected or temporary reduction in profits. As it is impossible to forecast the future to-creating the creating, or to foresee here the reserves, adopted the more prudent and conservative course of reducing the dividend.

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All who hold stock in a land mortgage company such as ours know that its business consists in obtaining capital at low rates in the best markets, and in investing that capital, together with the paid-up stock and reserved funds of the Shareholders, in mortgages on the bescurity of lauded or heritable property. Subject to wise and efficient management, one of the conditions of its prosperity is take bein gabe to obtain a rate of interest for the money it lends sufficient to cover the interest and cost of obtaining it, expenses of management to observations, and leave a far margin to remunerate the Company for risk and trouble. Its prosperity is also contingent on its landed securities not shrinking in price sufficiently to wipe out the margin between their appearsed value and the sum lent upon them. When there is a tendency to both these conditions at the same time, if a depression in interest and a depression in values are concurrent, the effect in diminishing profits becomes apparent.

current, the effect in diminishing profits becomes apparent.

A you were informed last year, both these conditions were in operation then, and have so continued during the year. The favourable astignizations then included in have not yet been realized. Fortunately it has been the practice of the Directors of our Company not be astignizations then included in have not yet been realized. Fortunately it has been the practice of the Directors of our Company not be activated from the property of the Company's Appraisers, and to encourage, and to activate more than from 40 to 50 per cent. of the value of property, as reported by the Company's Appraisers, and to encourage, and searchly the constitution of the property, and remain perfectly well of the property of the property, and remain perfectly well are cases which are likely to prove otherwise. Pending sale, a good proportion of the properties thrown on our hands and held for sale produce rentals with yield a moderate interest on investment.

The Directors hold and represents because and the properties and the properties are properties and the properties that we will be produced rentals with yield a moderate interest on investment.

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Personally, I much regret that a reduction in the dividend was found necessary. The Directors hold and represent a larger amount of stock than any other eight Shareholders, and, of course, are similarly affected. I sincerely sympathize with those of limited means, whose incomes have been saterially cuttailed by the lower interest they receive on this and other investments. It is some satisfaction to know that there has been a compensating reduction in the prices of many of those commodities which constitute the necessaries of life.

The simplest and easiest way to avoid having to reduce dividends is to begin low and not to raise them. Without claiming any superiority over other companies, I may be permitted, to remind you that the earnings of this Institution have been larger, and its dividends have averaged several points higher than those of any of its cotemporaries.

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For several years there was no provision in our constitution for a reserve fund. Our Company was the first Canadian Loan Company to have such a fund. When the idea was originally proposed it was opposed by some of the Shareholders as an unnecessary innovation. When authorized by by-law, and year by year additions were made to it, Shareholders sometimes objected, and questioned the Universal of the Management as to how far they proposed to go. On more than one occasion the then President, R. Ridout, vioced the sentiants of the Board in declaring that when the Reserve Fund reached a sum equal to 50 per cent. on the paid-up capital, no further addition to it would be deemed necessary and that thereafter the earnings of each year would he divided. That understanding has been addition to it would be deemed necessary and that thereafter the earnings of each year cent, per annum, the Directors had begun to pay dends that have since occurred. It to specify the sum of the property of the paid-up capital. The property of the cake and have it.

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As to the degree of future prosperity we may expect it is hardly possible to predict with certainty. Values and rates of interest wits doubtless adjust themselves before very long. It is safe to say that under improved systems and methods, the agricultural, fining and other products of our own great Province of Ontario are annually becoming of more value. Not for many years have improved farms and other productive city properties been so low in price, or have offered such inducements to purchasers as they do to-day. The absence of and productive city properties been so low in price, or have offered such inducements to purchaser as they do to-day. The absence of demand seems to indicate a want of confidence in ourselves, in our country and in its future, for which there appears no adequate grounds.

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In the Northwest and Pacific Provinces the advance in the annual value of natural productions is phenomenal. Statistics show that steep providing for Borne consumption, Manitoba and the Territories, with a population of some 250,000, had available for export large and the state of more than thirteen millions of dollars; and British Columbia, with apopulation of year grain, stock and other-produce to the value of more than thirteen millions of dollars; and British Columbia, with apopulation of year grain, stock and other-produce to the amount of about ten millions of dollars. Countries possessing such vast capabilities, cannot long remain so largely unpeoplet. What will their trade be when these immense areas are as thickly inhabited as are the older rot long remain so largely unpeoplet. What will be of the stock of the provinces of Ontario and Quebec? That improvemently operation, the fertile lands convenient anarkets and railways will be prospers so will institutions which are required to furnish the capital necessary for its more speedy deeplopment. While it would be rotated to the province of the provi

"That the Report of the Directors for the year 1895 be received and adopted, and that it be printed with the audited statements."

Profit and Loss and Assets and Liabilities for distribution to the Shareholders."

The Vice-President, not being in good voice this morning, has asked me to second the resolution just proposed by the President in place of doing so himself.

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The President has completely cet from under my feet all the ground I would have touched upon by having made his remarks so very fall and exthautive. I have, however, one thing to say that may possibly interest the Stockholders in addition to what has fallenvery fall and extracted and it is this: Some short time ago for several days all the Directors met in this common. We had the books of the Company brought on the table; we had some of the Apprisers, Inspectors and Chief Officers of the Company before us, and we went Company brought on the table; we had some of the Apprisers, Inspectors and Chief Officers of the Company before us, and we went into a through and exhaustive examination of all the securities in default. As you know, at such times as this, it is necessary to nurse into a through and exhaustive examination of all the securities in default. As you know, at such times as this, it is necessary to nurse into a through and exhaustive examination of all the securities in default.