

The debentures of the company held in Great Britain and Canada, are gradually, as they mature, being renewed at lower rates of interest than those formerly paid. New money to take the place of such as are paid off, is also being obtained at lower rates.

The slight improvement in the rates of interest mentioned in last report, consequent on the financial disturbance of the fall of 1887, was of short duration, and from the abundance offering, they have receded to where they were before, with the tendency to still lower figures.

The harvest in Ontario, though light in some parts, especially in some of the Eastern counties, from the long absence of rain in the early part of the summer, was upon the whole fair, and from the higher prices now current for grain, the prospects for the farming community are more encouraging.

In Manitoba the harvest, which promised to exceed in abundance that of 1887, was unfortunately before maturity overtaken by frost and severely injured in some localities. Notwithstanding this, from the greater breadth of land sown, and the high price which the Manitoba wheat, whose excellence is coming to be well known, commands, it is believed the Province as a whole will receive very nearly as much from last harvest as from that of 1887. With more attention paid to mixed farming, and with greater railway facilities, which are sure to be had soon, the future prospects of the province are good, and it is gratifying to know that as the effect of the harvest of 1887, farming lands in the province are now more ready of sale.

The following are the results of the past year's transactions:—

#### Profits.

Net profits, after deducting the expenses of management, \$17,195.84, and tax on dividends, \$758.50 .....	\$ 65,959 23
Appropriated as follows:—	
Dividend No. 54, $\frac{3}{4}$ per cent., paid 3rd July, 1888 .....	\$23,340 00
Dividend No. 55, $\frac{3}{4}$ per cent., paid 2nd January, 1889 .....	23,240 00
Transferred to Reserve Fund .....	8,000 00
Transferred to Contingent Fund .....	11,479 23
	<u>\$ 65,959 23</u>

#### Loans.

Effectuated during the year .....	\$237,547 34
Paid off during the year .....	176,628 89
Increase .....	\$ 60,918 45

#### Debentures.

Borrowed during the year, new money and renewals .....	\$373,752 88
Paid off and matured during the year .....	323,634 66
Increase .....	\$ 50,118 22

The books and accounts have undergone careful scrutiny at the hands of the auditors.

The officers of the company continue to discharge their duties faithfully.

The following directors retire from office by rotation, but are eligible for re-election, viz.: John L. Blaikie, Esq., Edward Bull, M. D., John Dunlop, Esq., Hon. James R. Gowan, Thomas Lailey, Esq., John S. Playfair, Esq. All of which is respectfully submitted.

JOHN L. BLAIE,  
President.

Toronto, 16th January, 1889.

BALANCE SHEET, 31st DECEMBER, 1888.

#### Assets.

Loans .....	\$2,226,732 71
Less repaid to sinking fund ..	120,365 60
	<u>\$2,106,367 11</u>
Interest due and accrued .....	98,460 04
Canadian Bank of Commerce ..	7,935 43
Standard Bank of Canada .....	41,190 66
Cash .....	238 02
Property on Toronto street .....	40,000 00
Winnipeg agency .....	4,565 69
	<u>\$2,298,756 95</u>
<b>Liabilities.</b>	
Capital stock .....	\$664,000 00
Reserve fund .....	158,000 00
Contingent fund .....	24,028 74
Debentures .....	1,420,863 77
Debenture interest .....	549 50

Dividends claimed .....	2,818 82
Dividend No. 55, payable 2nd January, 1889 .....	23,240 00
National Bank of Scotland .....	2,701 86
Suspense .....	2,520 26
Insurance .....	34 00
	<u>\$2,298,756 95</u>
D. McGEE, Secretary.	

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.

GEO. P. DICKSON, }  
G. BANKS, } Auditors.

Toronto, January 9th, 1889.

The president, in moving the adoption of the report, said:—It now devolves upon me to move the adoption of the report that has just been read by the secretary, and that is now in your hands. In doing so I think I may fairly congratulate the shareholders upon its being of so satisfactory a character. The volume of business has increased during the year \$60,918.45, the amount borrowed on debentures of the company \$50,118.22, the net profits, after deducting all expenses, and after paying all debenture commissions, have enabled your directors to pay two half-yearly dividends at the rate of 7 per cent. per annum, to add \$8,000 to Reserve fund, and \$11,429.23 to Contingent fund, which brings Reserve fund to \$158,000 or about 24 per cent. of the capital, and gives also a Contingent fund of \$24,028.74. This I think should be regarded as showing the company to be in a thoroughly solid, good position.

It is never an agreeable thing for shareholders to receive a reduced dividend, and as the dividend for the past year has been at 7 per cent. instead of 8 per cent., as formerly, some may possibly have been disappointed. But, gentlemen, you will observe from the statements in your hands the earnings of the past year considerably exceed those of 1887 and amount to nearly 10 per cent. upon the capital.

In these circumstances it might have been thought by some that the directors should have continued to pay an 8 per cent. dividend. This question was very carefully considered, but having regard to the prevailing tendency towards lower rates of interest on loans, to increasing competition by reason of large amounts of money offering both by corporations and private lenders, and also to the fact that, owing to the profits of farming having for some time been discouraging, the values of farm lands have not been going upwards, but downwards; having regard I say to all these circumstances your directors deemed it to be a wise and prudent course not to pay more than 7 per cent. and so more rapidly build up reserve and contingent funds, thus strengthening the company and really more truly furthering the interests of the shareholders than if an 8 per cent. dividend had been paid. I trust, therefore, the course adopted will, upon mature consideration, commend itself to your judgment and approval.

As is mentioned in the report, every possible care is taken in the selection of loans, in the inspection and valuing of properties, and in the conducting of the business of the company generally. Indeed, I may venture to say that every one of your directors looks with as much care to your interests as to his own. That exceeding great care in selecting loans is now more necessary than ever must be evident to all careful observers, for reasons already mentioned.

Last harvest has not been equally good all over Ontario, but prices for many farm products have been satisfactory, and upon the whole a very large amount of money has been realized, which has given the farmers much needed encouragement.

In Manitoba the yield was materially lessened by reason of an early frost doing injury to the wheat in some localities, yet happily the enhanced prices have gone far towards making up this loss. Farmers in Manitoba have been taught a useful lesson in a very impressive way, and that is that in future they must depend less exclusively on wheat and more upon mixed farming.

The prospects of Manitoba are improving, and the country as a whole is so good, that a large influx of settlers at an early date may be reasonably anticipated.

It is scarcely necessary that I should detain you further, but there are yet two matters to which allusion may be made. The profits of a loan company, you all know, must depend largely upon its being able to borrow money upon favorable terms, and upon its officers discharging their several duties with zeal and ability.

I am glad to say that this company is able to borrow money on most favorable terms, that its agents in Great Britain, more especially its principal agents, Messrs. Hamilton, Kinnear & Beatson, W. S., Edinburgh, have done it splendid service.

At the same time that they are promoting the interests of the company, it can be very confidently stated that they are putting into the hands of their clients investments of the soundest possible description, for without any question the debentures of this company are as safe and sure as any security it is possible to imagine.

From daily contact with the officers of the company, more especially with our esteemed secretary, Mr. McGee, I can bear testimony to their unwearied labours in furthering its interests in every possible way.

I now beg to move that the report just read be adopted and printed for circulation among the shareholders."

The motion of the president was seconded by Thomas Lailey, Esq., vice-president, and duly carried.

John Hoskin, Esq., Q.C. In moving this resolution which has been placed in my hands, it will not be necessary to add anything to what has been so ably said by yourself. Everyone who has to do with the lending of money in a public or private capacity, knows that it is daily becoming more difficult to do so at once safely and profitably. The area for lending is limited, borrowers are fewer and lenders are more numerous, and as a result of this, the tendency is to lower rates of interest. In view of this the wisdom of the action of the directors in the course they have taken, improving as it does the security of the debenture holders and at the same time that of the shareholders, must be apparent to all. From long and almost daily contact with the directors, more especially with the president, and the officers of the company, I have pleasure in bearing testimony to the great attention paid to all the affairs of the company. I have, therefore, much pleasure in moving that the thanks of the meeting be and are hereby tendered to the board of directors for their careful attention to the interests of the company during the past year, and that the sum of \$2,000 be paid the president for his services during that time. This was seconded by Henry Pellatt, Esq., and carried.

Hon. Senator Gowan: "I am present to-day as one of the directorate to assume my share of the responsibility for the course taken in reducing the dividend, and was prepared to have vindicated it had the wisdom of it been called in question, which happily has not been done. It is a good feature of this company the large amount of stock in proportion to the whole held by the directors, apart from the large amount held by them in trust for friends and others, and it is not likely that these gentlemen would recommend a course which would be detrimental to their own and their friends' interests. To come more immediately to the resolution in my hands I have much pleasure in stating that our Edinburgh agents, Messrs. Hamilton, Kinnear, and Beatson, W.S., are gentlemen of high social and professional standing and having a large and influential clientele, and that our relations with them have from the first been of the most pleasant character. We are equally fortunate in having an excellent staff of officers here, who are most assiduous in the advancement of the company's interests. I therefore beg to move,

"That the thanks of the shareholders be tendered to their British agents, more especially Messrs. Hamilton, Kinnear & Beatson W. S., Edinburgh; also to the secretary and the other officers of the company, for the efficient manner in which they have discharged their respective duties."

This motion was duly seconded by J. B. Osborne, Esq., and carried. Several other usual resolutions were passed, and the proceedings terminated most harmoniously.