

It will thus be seen that, including re-investments and revenue, the aggregate volume of assets (capital and revenue) dealt with in the ten years amounts in value to about thirteen and one-half millions dollars, and that the value of the assets remaining under the charge of the company at the close of the year, after the distribution of estate funds to beneficiaries, the closing of temporary agencies and the repayment of mortgage and investment, exceeds \$6,000,000.

It should be remarked that a large portion of the mass of business transacted involves no financial responsibility, beyond that implied in the obligation to exercise close and careful attention and a sound discretion. And it is here, in its continuous application of the best methods, in its systematic conduct of business on principles settled and improved by a wide and growing experience, in the facilities due to its great connection, and in its capacity to apply a sound judgment, that the company claims special and marked advantages over any private concern, however respectable. Every difficult or important question that may arise, whether in the management of estates, in the investment of money or in any other part of the company's business, is carefully considered and disposed of by an executive composed of financial, commercial and legal men of proved ability and good standing in the community, with the help of an invaluable manager and an excellent staff; while the great volume of the transactions allows of increased efficiency and better results at very moderate charges.

There is no feature in the ten years' operations which your directors regard with more satisfaction than the steady and rapid growth of the company's transactions as executor, administrator, trustee and agent. The business which may be done by the company in these capacities is capable of great extension; and while the directors regard its growth as particularly gratifying, they believe that that growth will be continuous, since the public is daily becoming more and more convinced of the greatly increased safety and efficiency attainable by the employment of such a company as ours.

All which is respectfully submitted,
J. W. LANGMUIR, EDWARD BLAKE,
Manager. President.

In moving the adoption of the report the president said:—

I think we may congratulate ourselves on the results of our ten years' operations. These results I attribute to the fortunate circumstances that we were able, to the public gain, as well as to our advantage, to meet an urgent need in reference to the investments of the High Court, thus securing from the beginning a considerable business; to the confidence inspired by the character of our directorate; to the diligence of our executive, and to the wholly exceptional qualifications of our manager, aided latterly by the most valuable services of Vice-President Hoskin.

Our large returns have been due not to high charges—for our charges are as low as they can well be made—but to the great volume of business done on a moderate cash capital.

The character of our business demands a high class staff, not to be obtained without good salaries. Its extent has enabled us to employ such a staff, and to incur, with a view to efficiency, large expenditures. The net margin of profit which we show, handsome though it be, is yet infinitesimal, measured by the thirteen and a half millions of transactions indicated in the report. We have adhered to, and I hope will perpetuate, the policy of dividing only a moderate interest on our realised capital, and accumulating our business profits for the further security of our clients and our shareholders. As to the future, our net percentage returns derivable from court and other guaranteed investments must rather diminish than increase. The margin of gross profit has been reduced by the lowered rate of interest, and the margin of net profit has been lessened by the increased risk of loss, but of course the addition to the bulk tends to compensate for these diminutions. In this connection, I may remark, that a very careful inspection of our farm loans shows an apparent average depreciation in Ontario farms of 23½ per cent., but allowing for some original over-valuations and some under-revaluations I calculate the average depreciation at about 20 per cent. I am sorry to add that I can see no reason for anticipating any material improvement in the values of farm lands in the

immediate future, and] it is needless to say that the condition imposes great anxiety on those concerned in lending on this class of security. Notwithstanding, we have been very fortunate in the result of our investments, and, as the report informs you, have made provision for all ascertained and estimated losses.

We have lent considerably on productive city property, in which, as in farms in days gone by, there was a rising market. Here, too, the conditions are now changed, but, as you have been told, the reports of the inspecting committees as to our loans are highly satisfactory.

Our income from trusts, executorships and agencies of various kinds may be expected largely to increase. These branches of our business I regard as the more important, from the point of view of the public as well as of the company. They involve infinite variety and complication and constant care and trouble, with much less apparent profit; but, on the other hand, the financial responsibility is much smaller than in the case of guaranteed loans.

We cannot too strongly press the advantages which in these departments our company offers to the public. There is reason to believe that these advantages are being more and more realized, and that many persons, still happily alive, have left their estates in our charge, and I hope to see our business, large though it is, greatly extended during the next decade.

We have been slightly affected by a competition in the safe deposit branch, in which there was never room for more than one company; but our conditions have enabled us to meet that competition with results comparatively satisfactory. The rates charged for boxes are insignificant, and we look for a gradual appreciation of the advantage of the security we offer to depositors of papers and valuables.

We have met also with competition in our general business. Though we think that the field there can be amply filled by one company, yet we do not dread that competition, believing that our resources enable us to hold the field.

On the whole the company may, I believe, anticipate a future of usefulness and prosperity which shall compare favorably even with the bright retrospect we have been able to present.

Vice-President Hoskin, in seconding the motion for the adoption of the report, said:—

In seconding the motion for the adoption of the report, I have little to add to what has fallen from Mr. Blake. He has by his remarks most ably covered the ground. Indeed, the report itself is so complete that further comments are almost unnecessary. Still I may refer to one or two matters.

From personal observations I am convinced of the great use of the company and the advantages it confers upon its clients. The objects of the company are of such a varied nature that the advantages of securing its services are obvious. I take it that it will not be denied that it is the duty of every person who is possessed of means (be they great or small) to make a will, in order that those whom it is intended to benefit may be spared unnecessary trouble and complications. If your friends, whom you desire to influence in the direction of having the company appointed, believe that they can entrust to members of their family the duties of executors, particularly if the bulk of the estate is to be at once distributed, it can be easily shown that whatever portion of their estate they desire to place in trust for widows or children, and, more particularly, daughters, can with advantage to all concerned be entrusted to the company. The same remarks apply in a most marked way to every kind of trust created by the individual to come partially into operation during his lifetime, as, for instance, marriage settlements and the like.

I trust, therefore, now that the company has adopted the policy of publishing its annual report showing to the public the great advantages we possess, that its friends will, by their personal influence and every means in their power, further its aims and objects, knowing that in so doing they are conferring a great benefit on those who take their advice.

Another point to which I wish to refer is that of the company's compensation for the management of estates. It is almost impossible to frame a uniform tariff of compensation. If it were simply a question of the amount of the assets to be dealt with in each case it would be a very easy matter to overcome the difficulty; but to show that it is not the amount of the estate only, but the trouble,

care and responsibility connected with getting it in that is also to be taken into consideration in fixing the compensation, two instances may be referred to by way of illustration. First, take the case of an estate comprised of \$10,000 worth of assets, composed of a stock of goods, outstanding book debts, furniture and the like. In such a case the company requires to spend a good deal of time and not a little money, first in taking stock, in carefully going over the books, in notifying every debtor of the estate and in hearing and adjudicating upon all the little difficulties connected with a small business. Compare this with another estate, also having \$10,000 worth of assets, comprised say of life insurance policies, bank stock and the like. The latter estate can be wound up and distributed within a very short time; but in the case of the former it may take much longer time to wind up the estate. For such reasons, while the company should at all times be prepared to state what its compensation will be, upon a full statement and knowledge of the responsibilities that will attach to the work, there is no doubt that the proper and fair way is to say that the company is prepared to accept whatever compensation the court allows, and that in no case, notwithstanding the advantages the company possesses over a private individual, will the compensation be greater than is allowed to such private individual. This ought to be satisfactory to testators and beneficiaries, for, although a man may make his will or create a trust, placing it in the hands of a private individual in the hope that money will be saved, my knowledge of such matters, extending over a long period, leads me to believe that trustees and executors as a general rule take all that the court awards them. Of course there are exceptions to this, and I had an illustration of this last week in a very large estate in which the executors accepted from the court much less than I am satisfied the court would have allowed them. Still, the general result is what I have stated it to be.

The report was unanimously adopted.

The usual resolutions of thanks to the directors, the executive committee, the president, the vice-presidents, and the manager and staff were adopted.

The election of directors was then held and resulted in the unanimous re-election of the retiring board, viz.: Hon. Edward Blake, LL.D., Q.C.; E. A. Meredith, LL.D.; John Hoskin, LL.D., Q.C.; W. H. Beatty, W. R. Brock, George A. Cox, B. Homer Dixon, William Elliot, J. J. Foy, Q.C., George Gooderham, H. S. Howland, Amelius Irving, Q.C., Robert Jaffray, A. B. Lee, William Mulock, M.P., Hon. Frank Smith, Senator; J. G. Scott, Q.C., and T. Sutherland Stayner.

At a subsequent meeting of the board the Hon. Edward Blake was re-elected president, and Messrs. E. A. Meredith and John Hoskin vice-presidents.

QUEBEC BANK.

The seventy-fourth annual general meeting of the shareholders of the Quebec Bank was held at the banking house in Quebec, on Monday, 6th June, 1892.

Present: Sir N. F. Belleau, K.C.M.G., Messrs. R. H. Smith, J. R. Young, W. H. Carter, James Morgan, J. H. Simmons, John T. Ross, E. H. Taylor, S. J. Shaw, Edwin Jones, John Shaw, John Laird, Joseph Louis, John H. Holt and others.

The chair was taken by R. H. Smith, Esq., president, and W. R. Dean, inspector of the bank, acted as secretary of the meeting.

The president read the report of the directors, and Mr. James Stevenson, general manager, read the statement of the affairs of the bank as on the 14th May, 1892.

REPORT.

The directors have pleasure in submitting to the shareholders the statement of assets and liabilities of the bank, as at the close of its financial year on the 14th May last. Also statement of Profit and Loss Account.

They report that the net profits of the past year, after making provision for bad and doubtful debts, and after deducting all charges connected with the management, amount to\$160,488 64

The Balance of Profits from last year is brought over..... 112,382 61

\$272,871 25