

company, and our earnings cannot be considered other than satisfactory in view of the low rates of interest now obtainable on first-class securities.

Without further remark, I move the adoption of the report, which the vice-president will second.

The adoption of the report was seconded by the vice-president, who remarked that it gave him great pleasure to again meet the shareholders and be able to exhibit to them such a satisfactory statement of the company's affairs; he could assure them that the greatest care had been taken in the conduct of the business, an evidence of which was the large amount of loans that had been declined during the year, more than \$300,000; however, no matter how careful they might be, losses will be made in these times of depreciation in values of farming land and real estate generally; he was glad to say, however, we had escaped very well, and we had no reason to anticipate any loss of a serious nature; he had great pleasure in seconding the adoption of the report.

The manager having asked and been granted permission to address the meeting, remarked:—Before submitting the motion to adopt the report, I would like to make a few remarks in relation to what is known as "20 per cent. stock." I have not always had time to answer as fully as I wished enquiries concerning it, and it has occurred to me that an occasion like the present affords a fitting opportunity of placing on record a statement or explanation regarding it that may be of interest to you, and useful in the future. Before going into the matter, however, and as being intimately connected with it, I would like to say a word or two in explanation of the term "borrowing powers," as its meaning does not appear to be very well understood by many of our shareholders and others interested in the company. I may say, shortly, that our borrowing powers are fixed by law, and they consist of the amount we may issue debentures for, in addition to the amount we may receive on deposit in our Savings Bank. These amounts in the aggregate may be double our paid up and unimpaired capital, and an additional sum equal to the subscribed but not paid for capital. We may issue debentures to the full limit of our borrowing powers, but we can only receive savings deposits to an amount equal to our paid up capital stock, and the balance of any money entrusted to us must be secured by debentures. In relation to our borrowing powers, the paid up capital stock of the company is impaired by the amount of any loans made to shareholders upon their stock, but cash in bank and on hand can be set off against an equal amount in deposits or debentures. Now, as to the 20 per cent. stock. There have already been three blocks of this stock issued,—one in 1887 of \$100,000, upon which \$20,000 have been paid; one of \$55,000 in 1891, upon which \$11,000 have been paid, and one last December of \$95,000, upon which a call of 20 per cent. or \$19,000 has been made.

I may state now that there is no intention of ever making another call upon any of the unpaid portion of these issues, although all subscribers assume the liability that such a call may be made. The advantage of this description of stock is that it trebles our borrowing powers as against an issue of fully paid up stock, and consequently increases our earning powers to that extent.

To illustrate this I will take our issue of \$95,000. This gives us borrowing powers to the extent of \$114,000, made up as follows: \$38,000, an amount equal to double \$19,000, the amount called, and \$76,000, or an amount equal to the uncalled portion. If we had issued fully paid up stock to the amount of \$19,000, our borrowing powers under it would only have been \$38,000; the advantage of 20 per cent. stock is therefore obvious; in the one case we have \$114,000 to aid in earning a dividend on \$19,000, and in the other only \$38,000. Those well-known solid companies—the Canada Permanent, Western Canada, Huron & Erie, Freehold, Hamilton Provident and Ontario Debenture companies, as well as others chartered under the same act as ours—the Building Societies Act—have only issued this class of stock since it was authorised in 1884, and I observe that at the last annual meeting of the Guelph Loan and Savings Company, the leading local company in the province, the shareholders gave the directors authority to issue \$500,000 of the stock from time to time in such blocks as they may deem advisable. I may further state in this connection that

there are a large number of very strong and successful companies chartered under special acts which issue none but partially paid-up stock, among which I will name those well-known companies, the London and Canadian Loan and Agency, London and Ontario Investment, British Canadian Loan and Investment, the Trust and Loan, the Canadian Landed and National Investment, the North of Scotland Canadian Mortgage, and others. None of these companies have more than twenty per cent. of their subscribed capital paid up, except the Trust and Loan Company, which has about twenty-one per cent., and the London & Canadian has called in, I think, only fourteen per cent.

The resolution adopting the report was then submitted and unanimously adopted.

The meeting then proceeded to the election of directors for the ensuing year, and the ballot having been taken the following gentlemen were reported duly elected:—Messrs. John Mulligan, H. H. Burnham, J. W. Clemesha, M.D., William Quay, John H. Helm, William Henwood and A. W. Pringle.

Immediately after the close of the annual meeting the new directors met and organized by re-appointing Mr. John Mulligan president, and Mr. H. H. Burnham, vice-president.

CENTRAL CANADA LOAN AND SAVINGS COMPANY.

The ninth annual meeting of the shareholders of this company was held at the head office, Peterborough, on Wednesday, the 8th February, 1893, at two o'clock, the following shareholders being present:—D. W. Dumble, F. C. Taylor, J. R. Dundas, R. Hall, R. Jaffray, H. J. LeFevre, J. Stevenson, J. Ferguson, A. A. Cox, W. G. Morrow, J. B. Ferris, Rev. J. Potts, D.D., J. A. Fife, M. D., and F. E. Bell.

Mr. Cox, president, in the chair. Mr. F. G. Cox, manager, was requested to act as secretary to the meeting.

After reading the notice convening the meeting, the secretary read the ninth annual report and the accompanying financial statement.

REPORT.

The directors of the Central Canada Loan and Savings Company beg to submit herewith their ninth annual report, showing the results of the business of the company for the year ending 31st December, 1892, together with a statement of assets and liabilities as of that date.

After defraying all expenses of management, providing for interest on deposits and debentures, and meeting all the expenses in connection with the issue of \$377,800 currency debentures and £75,340 sterling debentures, your directors have been able from the profits of the year to pay two half-yearly dividends, at the rate of six per cent. per annum, together with the income tax thereon, to add \$10,000 to the Reserve Fund, and \$3,407.32 to the Contingent Fund.

At a meeting of the directors, held on Wednesday, the 14th day of September, 1892, it was decided to make a further issue of \$500,000 of new stock, to be allotted *pro rata* amongst the shareholders, twenty per cent. to be called up on said issue, at a premium of twenty per cent. It is very gratifying to be able to state that the whole of this issue was promptly taken by the shareholders. It was also decided at the same meeting to give holders of twenty per cent. stock the privilege of paying their stock in full, by paying a premium of twenty per cent. thereon, at any time up to the 1st day of November. The result of this has been that the subscribed capital has been increased by \$500,000, the paid up capital has been increased by \$200,000, and the sum of \$40,000 received as premium on said increase, which sum has been transferred to the credit of Reserve Fund, along with the \$10,000 transferred from the ordinary earnings of the year, making a total addition to that fund for the year of \$50,000.

The company has made greater progress during the year 1892 than any previous year of its history, as the following figures will show:—

The savings bank deposits have been increased by \$176,236.85 and now stand at \$655,413.92. Currency debentures have been increased during the year by \$282,800 and now stand at \$702,050. The sterling debentures

have been increased during the year by \$294,627.67 and now stand at \$1,480,391. Subscribed capital has been increased by \$500,000 and now stands at \$2,500,000. Paid-up capital has been increased by \$200,000 and now stands at \$1,000,000. The Reserve Fund has been increased by \$50,000 and now stands at \$250,000. The Contingent Fund has been increased by \$3,407.32 and now stands at \$23,407.32. The total assets have been increased by \$1,022,800.29 and now stand at \$4,183,673.66.

The company's funds have been kept well employed during the year, and although the rate of interest that can now be obtained is lower than that of previous years, the earning power of the company is not materially affected, as it is able to obtain money on deposit and debentures at a correspondingly low rate.

On the 1st September last, the company moved into its new quarters at the corner of King and Victoria streets, and now has a handsome and convenient office in one of the best locations in the city of Toronto.

All of which is respectfully submitted.
FRED G. COX, Manager. E. R. WOOD, Secretary.

FINANCIAL STATEMENT FOR THE YEAR ENDING 31st DECEMBER, 1892.

Assets.	
Net value of investments.....	\$4,123,477 44
Cash on hand.....	3,293 12
Canadian Bank of Commerce	\$ 54,252 32
Bank of Scotland, London.....	4,059 58
British Linen Bank, Glasgow	1,271 95
Sundry accounts due to company	59,583 85
	319 25
	\$4,186,673 66

Liabilities.	
To the Public—	
Deposits with accrued interest....	\$ 655,413 92
Currency debentures, accrued interest..	712,791 99
Sterling debentures, accrued interest..	1,488,763 40
	\$2,856,969 31
Amounts retained to pay encumbrances and for loans in progress	25,212 03
Sundry accounts due by company.....	4,217 87
	29,429 90

To the Shareholders—	
Capital stock subscribed \$2,500,000, Upon which is paid \$1,000,000 00	
Dividend No. 17, due 2nd Jan., 1893	26,867 13
Reserve Fund.....	250,000 00
Contingent Fund ..	23,407 32
	1,300,274 45
	\$4,186,673 66

PROFIT AND LOSS ACCOUNT.

Dr.	
Interest on deposits, debentures and bank balances	\$107,968 78
Expenses in connection with and commission paid on sale and renewal of debentures.....	9,067 70
General expenses, including cost of management, directors' and auditors' fees, officers' salaries, inspection, tax on dividend, rent, postage, advertising, etc.....	18,481 86
Dividends Nos. 16 and 17.....	51,762 13
Transferred to Reserve Fund....	50,000 00
Transferred to Contingent Fund..	3,407 32
	\$240,687 79

Cr.	
Interest on investments and bank balances.....	\$200,687 79
Twenty per cent. (20%) premium on \$200,000 paid in on capital stock	40,000 00
	\$240,687 79

We hereby certify that we have carefully audited the books and accounts of the Central Canada Loan and Savings Co'y of Ontario, at Toronto and Peterborough respectively, for the year ending 31st December, 1892. The