

THE LONDON AND CANADIAN LOAN & AGENCY COMPANY.

(LIMITED)

INCORPORATED BY ACT OF PARLIAMENT 29 VIC., CAP. 50. AMENDED BY ACT OF PARLIAMENT 35 VIC., CAP. 108.
AUTHORISED CAPITAL, \$2,000,000. SUBSCRIBED CAPITAL, \$1,250,000.

BOARD OF DIRECTORS.

PRESIDENT—THE HON. W. P. HOWLAND, C.B., Lieutenant-Governor of Ontario.

VICE-PRESIDENTS—C. S. Gzowski, Esq., C.E., of Messrs. C. S. Gzowski & Co.; Donald A. Smith, Esq., M.P., Gov. Hudson's Bay Co. The Hon. Alex. Campbell, Postmaster-General; C. J. Campbell, Esq., Banker, Toronto; A. T. Fulton, Esq., Director, Bank of Toronto; Henry S. Howland, Esq., Vice-President, Bank of Commerce; Donald M'Innes, Esq., President, Bank of Hamilton; A. R. M'Master, Esq., President, Toronto Board of Trade; The Hon. John Carling, M.P., Director, Great Western Railway; A. G. P. Dodge, Esq., M.P., Keswick; Thos. N. Gibbs, Esq., M.P., Vice-President, Ontario Bank; Lewis Moffatt, Esq., Director, Bank B. N. America; Wm. M'Giverin, Esq., President, Dominion Board of Trade; J. B. Plumb, Esq., Niagara.

MANAGER—J. GRANT MACDONALD, Esq. SOLICITOR—RICHARD GRAHAM, Esq. BANKERS—THE CANADIAN BANK OF COMMERCE, THE ONTARIO BANK. BROKERS—MESSRS. CAMPBELL & CASSELS.

OFFICES OF THE COMPANY, EXCHANGE BUILDINGS, WELLINGTON STREET, TORONTO.

I.—One of the most noteworthy features in the recent financial history of the Canadian Dominion has been the surprising and constantly increasing demand for capital, and the consequent expansion of the business transacted by the banks. This is not attributable, in any appreciable degree to undue inflation or mere speculation, but has been brought about naturally from the extension of public works throughout the country, the necessities arising out of the opening up of new territory, and the security in the future, which has been one of the main advantages of confederation; and these causes are not merely temporary, but promise to be permanently beneficial in their results.

II.—The nature of the accommodation thus required, however, is such that the inherent character of the business transacted by the banks renders it impossible for them to meet the full requirements of the public, and the necessity has accordingly arisen for the establishment of institutions of a different character, namely, such as can safely lend their moneys over more extended periods, and upon securities of a less fluctuating and more permanent character.

III.—This demand has been hitherto partially supplied by the different Building Societies and Mortgage Companies which have been established, and which, as the returns of the Stock Market show, have been most successful and remunerative to their proprietors; and, from the steady and healthful improvement in the value of all kinds of property, caused by the construction of railways and other public works, and the opening up and settlement of the newer districts, it is undoubted that this demand will continue unabated for many years to come.

IV.—Supplementary to this, however, there is now a large and constantly growing requirement for accommodation, for more or less extended periods, upon other such safe and permanent securities as Government and Municipal Debentures, to meet which the powers of these institutions are insufficient; and the desirability has accordingly arisen for the organization of an association which, while making the investment of its funds upon the security of real estate the main feature and groundwork of its business, will yet be calculated in a large measure to supply the latter species of demand.

V.—The London and Canadian Loan and Agency Company has accordingly been organized for the purpose of meeting these various wants. The capital already subscribed is \$1,250,000, which has all been taken up in Canada, the names of a large number of the most prominent and responsible capitalists in the Dominion appearing on the stock list; upon these subscriptions ten per cent. has already been paid up in accordance with the requirements of the charter, by which power is given to borrow upon the issue of debentures and by the receipt of deposits, an amount not exceeding the remainder of the subscribed capital.

VI.—The debentures will have as their security the whole subscribed capital of the Company, and, in addition, the securities in which the money derived from their issue may be invested. They will be offered both in Canada and Great Britain, and will afford to capitalists a perfectly secure investment for their funds. From the abundance of money at present looking for an outlet in Great Britain, and the difference between the ordinary rates of interest procurable there and in Canada, it is confidently expected that they will be put upon the market at rates highly remunerative to the stockholders of the Company.

VII.—It is not proposed, however, to restrict the future operations of the Company within the limits of the present subscribed capital. An Act was passed during the last session of the Dominion Legislature, by which power was given to increase the capital from time to time, as occasion might require, to \$5,000,000, and, in accordance with this power, a resolution was adopted at the general meeting of the shareholders, held on the 8th of August

last, authorizing the directors to issue additional stock to the extent of \$750,000, making in all the sum of \$2,000,000.

VIII.—It is intended to offer a large proportion of this new stock to Great Britain, as, with the assistance and co-operation of a good class of British shareholders, it is expected that better facilities will be obtained for negotiating the Company's debentures at the lowest market rates, and for extending the Agency branch of its business.

IX.—The Company is empowered to loan its share and debenture capital, including the amount received from depositors in the following securities:—

1. Mortgages upon Real Estate.
2. Government Securities.
3. The Debentures of Corporations issued under statutory authority.
4. The Stock or Shares of Incorporated Banks.

As well as to buy and sell Mortgages upon Real Estate and Municipal Debentures.

X.—In addition to those powers, the Company is authorized to act as an Agency Association, and, as such, to invest for all persons who may entrust them with money for that purpose in such securities as are mentioned above, or in any other securities which, when not specially named by the principals, the Directors may determine; and it is thought that, from this source alone, an extensive and remunerative business will be drawn.

XI.—The desirability of obtaining for the large accumulations of capital in Great Britain safe and profitable outlets in colonial securities, is undisputed, and the main difficulty investors have hitherto had has been in discriminating as to the quality and value of these securities, and in the procurement of a thoroughly responsible and trustworthy intermediary to undertake for them the judicious and profitable application of means entrusted to them. This Company will be peculiarly well calculated to supply this want, as the unusual strength of its stock list and the wide distribution of its stock will fully guarantee the capable transaction of all business entrusted to it, and the prompt fulfilment of all its obligations.

XII.—To public companies in Great Britain having moneys to invest, such as Life Assurance Societies, the advantage of a connection with an institution like "The London and Canadian" would be very great, as it would give them a safe channel for obtaining investments at rates very considerably higher than those obtainable in Britain.

XIII.—In this connection it may be well to direct attention to the 29th section of the Act of Incorporation, by which it is provided that no transfer of the Company's shares can be made without the sanction of the Directors.

XIV.—The liability of each shareholder is limited to the extent of his shares in the capital of the Company not paid up.

XV.—The Head Office will be in the City of Toronto; but it is proposed to establish agencies in the most suitable localities throughout the Province of Ontario, and, whenever the interests of the shareholders require it, to extend its operations into the other Provinces.

XVI.—Companies similar to the present have been for many years in operation in the different Colonies of the British Empire, and have been almost uniformly successful as appears from the following statement, which includes the name of every institution doing the class of business proposed to be transacted by "The London and Canadian," and whose shares are to be found quoted in the records of the London Stock Exchange. The figures in the statement are extracted from a recent number of the *London Economist*:—

NAME OF COMPANY.	Authorized Capital.	Amount Called up.	Last Dividend per annum.	Present Value per £100.	Reserve.	STATEMENT AS TO COLONIAL INVESTMENT COMPANIES ESTABLISHED IN GREAT BRITAIN.	
							£875,000
Australian Mortgage Land and Finance Company.....	£875,000	20 Per Cent.	10 Per Cent.	£145	£435		
Mauritius Land Credit and Agency Company.....	250,000	20 Per Cent.	10 Per Cent.	110	7,000		
New Zealand Loan and Mercantile Agency Company.....	500,000	10 Per Cent.	15 Per Cent.	140	34,436		
New Zealand Trust and Loan Company.....	500,000	20 Per Cent.	10 Per Cent.	133	39,359		
Otago and Southland Investment Company.....	250,000	20 Per Cent.	10 Per Cent.	125	5,000		
Trust and Agency Company of Australia.....	330,000	10 Per Cent.	20 Per Cent.	225	54,030		
Trust and Loan Company of Upper Canada.....	1,000,000	25 Per Cent.	8 Per Cent.	110	85,005		
Credit Foncier of Mauritius.....	500,000	20 Per Cent.	8 Per Cent.	115	11,155		

NAME OF COMPY.	Capital.	Rate of Dividend.	Market Value
Can. Landed Credit Co.	\$500,000	8 Per Cent.	106
Can. Per. Build'g Socy.	1,500,000	11 Per Cent.	154
Western Can. do.	500,000	10 Per Cent.	133
Freehold do.	500,000	10 Per Cent.	133
Provincial do.	350,000	9 Per Cent.	103
Imperial do.	200,000	8 Per Cent.	105
Build'g & Loan Assoc'n.	400,000	8 Per Cent.	105

XVII.—Attention may also be called to Stock Companies in Canada not perhaps known in England, but holding a high place in the confidence of Canadian capitalists, as may be seen from the following list, showing capital, dividends, and market rates of shares:—

XVIII.—It will be seen that very large and valuable shares have been given to the Corporation, which, when put into active operation, will place it amongst the leading financial institutions of the country.