

fixed by the Finance Minister who introduced the act. But the present Minister of Finance evidently does not agree with his predecessor, for he proposes to hold only three millions in gold against an issue of twenty millions. This is a dangerously low reserve. The Government securities he proposes to hold in addition to the gold is an illusory reserve, seeing they are merely promises to pay held to meet promises to pay. There is no more security in the bond than in the note for they are each the obligation of the Government, and the one is of no more binding nature than the other. Therefore, the only really available reserve, is the small amount of gold which it is proposed to hold. If not the "rag baby" pure and simple, this is very closely allied to it, and it is plain that the Dominion is about to be launched on a financial career which will sooner or later land us in an irredeemable paper currency. The necessities of the Government are so great and still growing that there will probably be another issue of notes in a short time, and the reserves may be still further lessened in proportion to the notes to be issued.

To borrow by the issue of notes is dangerous for any Government and is full of temptation to excess. In the old revolutionary days a member of congress is represented as having asked, "Do you think that I will consent to tax my constituents, when we can send to the printers and get as much money as we want?" This is the spirit which is produced and fostered by a Government borrowing by means of the issue of notes. They are so easily produced, Government can so readily pay their debts by means of them, and should they be brought back for redemption in awkward amounts a simple order in council can suspend specie payments, that there is every temptation for any Government to borrow in this way. No Government having the welfare of the country at heart should adopt this plan, for it has invariably resulted in disaster whenever it has had its full development. So long as specie payments are maintained the Government can only issue and keep in circulation as much as is required by the country, and it will be unable to increase its issues except by displacing those of the banks. This result must be calculated on by the Finance Minister, and therefore, it is clear that the Government has decided to reduce the available banking capital of the country in this way at the very time that it is assuring the country that trade is improving, and will continue to improve, whereby more banking capital will be necessary. Thus will be satisfied the "rag baby" enthusiasts and all who think that banks are injurious to the development of a young country. But sober minded men, men whose views are far reaching and clear, will view with alarm this proposed increased issue of notes combined with a diminished specie reserve. The end may not be yet, but it cannot be far off. The Government were supposed to be coquetting with the "rag baby" nurses, and it is now quite evident that the supposition was correct. Before the conquest of Canada, bills were made a legal tender in the old colonies, and as fast as one set of bills matured, others in increased amount were issued, just as the present Government is doing. Then the current expenses of Government were paid in legal tender paper as our Government now proposes to do, and should a crisis occur the inevitable result, a suspension of specie payments, will follow; and we may, sooner than some unthinking people expect, see the specie dollar worth five, eight or fourteen paper dollars as in pre-revolutionary times. The proposition of the Finance Minister to increase the issue of Dominion notes ought to be sternly resisted, for it is in every way dangerous to the state. It will tend to increase our already large expenditure (money easily gained is quickly spent), and must derange sooner or later, the Finances and endanger the commercial success of the country.

H.

## Meetings.

### UNION LOAN AND SAVINGS COMPANY.

The fifteenth annual general meeting of the stockholders of this company was held at its office, Toronto street, on Friday, the 19th day of March, 1880. Present:—Francis Richardson, Esq., President, in the chair; Messrs. Arthur Lepper, Dr. Walter B. Geikie, R. H. Trotter, James McGee, John Eastwood, James Crocker, Directors; John H. Rose (Messrs. Rose, Macdonald, Merritt & Co., Solicitors); K. Cerberry, E. Cooper, Herbert Mortimer, J. C. McGee, R. Gilmor, S. B. Canton, Rev. John Gillespie, Dr. Caryle, J. N. Lake, J. P. Clark, Robert Dow, N. A. Gamble, George Gamble, W. H. Pearson, Rev. Dr. Barclay, John Elliott, J. H. Davis, G. R. Hamilton, Dr. H. Robertson, Jas. McCaffray, W. T. Boyd, &c, and the Secretary, Mr. Maclean, read the notice convening the meeting, and then presented the following

#### Report.

1. The Directors of the Union Loan and Savings Company have the pleasure to submit their fifteenth annual report, and to direct the attention of the stockholders to the statements of account appended thereto, which will show that, notwithstanding increasing competition, the Company steadily progresses from year to year.

2. It will be observed that your Directors have been enabled, after providing for all expenses and writing off all ascertained bad debts, to pay to the stockholders two half-yearly dividends at the rate of ten per cent. per annum, and to add \$5,000 to the Reserve Fund of the Company, which now amounts to \$105,000, besides leaving \$1,600 to the credit of the Contingent Account; a result which your Directors feel assured will be highly gratifying to the stockholders.

3. The total assets of the Company amount to \$1,072,563, which includes mortgages and other securities valued at upwards of \$900,000, the Company's new building, which now produces upwards of ten per cent., gross rental, on the cost, and \$103,577 standing to the Company's credit in the Dominion Bank.

4. The loans passed during the year amount to \$212,584, being less than for the corresponding period last year, but the cash on hand and amount received on account of new stock for the year preceding will more than account for the difference. Owing to the wide-spread depression which has prevailed, the Directors have exercised the utmost possible care in the passing of all applications for loans—believing it better to loan less money with undoubted security, than to extend business on a basis less sound.

5. The deposits amount to \$388,553, and show an increase of \$80,000 over the corresponding period of last year, which affords additional proof of the increasing strength and prosperity of the Company.

6. It is not the intention of your Directors to issue any more new stock, at least until the aggregate amount of money deposits, together with the amount of debentures, shall amount to double the capital, as provided by the Act, and then only with the sanction of the stockholders; but so long as fixed and permanent deposits and debentures can be obtained at moderate rates of interest there will be no necessity to do so for some years to come.

7. Your Directors have the satisfaction to report that they have secured the services of Messrs. Rose, Macdonald, Merritt & Co., as solicitors of the Company, in place of Mr. W. Mortimer Clark, resigned.

8. The Auditors have, as usual, bestowed great pains in the examination of the Company's books and accounts, and reference is made to their certificate appended to the statement.

The Directors hold their seats from year to year, but are eligible for re-election in accordance with the Company's by-laws.

Respectfully submitted.

FRANCIS RICHARDSON, President. W. MACLEAN, Manager.

STATEMENT OF RECEIPTS AND DISBURSEMENTS OF THE UNION LOAN AND SAVINGS COMPANY FOR THE YEAR ENDING 29TH FEBRUARY, 1880.

#### Receipts.

Cash in bank from last year.....	\$ 69,555 65
" on hand.....	175 43
" on account of stock.....	22,550 30
" " " loans.....	255,168 35
" deposits received.....	417,071 16
" on account of interest.....	5,054 63
" " " premiums.....	127 13
" " " debentures.....	7,300 01
" " " rents \$1,078 63	
" " " sundries 306 68	

1,385 31

\$778,388 00

#### Disbursements.

Amount of loans.....	\$212,584 87
Amount of deposits returned.....	352,956 96
Amount of borrowers' insurance, &c	21,588 45
Dividends paid.....	45,972 12
Debenture and sundry interest....	4,073 23
Paid on account of new buildings..	28,929 33
Office expenses, rent and taxes....	5,400 00
Directors' and Auditors' fees.....	2,764 00
Petty disbursements.....	357 31
Cash in bank.....	103,577 23
Cash in hand.....	184 50

\$778,388 00

#### STATEMENT OF ASSETS AND LIABILITIES.

##### Assets.

Mortgages, present value.....	\$875,133 07
Collateral Securities.....	37,836 39
New Building.....	53,630 67
Office Furniture, &c.....	1,352 97
Agents in Scotland.....	60 55
Rents and charges, paid and outstanding.....	988 18
Cash in Bank.....	103,577 23
Cash in hand.....	184 50

\$1,072,763 56

##### Liabilities.

Due to stockholders \$500,000 00	
Less balance due on new shares... 14,687 84	
	\$485,312 16
" to Depositors, including interest.....	388,553 28
" on Debentures.....	69,106 66
" " Dividend No. 30.....	23,190 75
Reserve Fund last year \$100,000	
" added this year 5,000	
	105,000 00
Contingent account.... \$4,458 16	
Written off..... 2,857 46	
	1,600 71

\$1,072,763 56

We, the undersigned, have audited the books of the Union Loan and Savings Company for the year ending 29th February, 1880, and find them in conformity with above statement, and have checked the Vouchers and Mortgage Registers and found them correct.

JAMES CARLYLE, } Auditors.  
JOHN S. LAKE, }

The President, in moving the adoption of the report, briefly adverted to the prosperous condition of the Company, and congratulated the stockholders of the valuable property they had acquired in the erection of the handsome new edifice in which they were now assembled. He hoped when they met again next year that the