

PERRIN—That a Dividend be declared for the half year, at the rate of 10 per cent. per annum.

The Dividend was declared, but the proposal for the Reserve Fund was "agreed to be further postponed." As the Board had very recently extended the business to England, I was the more impressed with the necessity for a Reserve fund, and therefore pressed the matter again on their notice, the day before I left for England.

17th June, 1853.—The subject of the Reserve fund having been taken up, the following Resolution was adopted:—Moved by Mr. ATKINSON, seconded by W. L. PERRIN, and Resolved—That the sum of £2,000 (my proposal was £3,000) be set apart from the Cash Balance for the creation of a Reserve fund—the same to be maintained by periodical appropriations, at the discretion of the Board. Carried on a division by a majority of *one*!

On my return from England six months thereafter, I found that the above Resolution had never been acted upon, and no encouragement was given to re-open the subject. In 1854, as the business of the Company became more widely spread, and increased to such an extent and with such rapidity, I failed not to claim the serious attention of the Board to the danger of so extending the business without a corresponding extension of the paid up capital. This I did repeatedly, in writing from the United States, and the answer from Mr. O'Brien was, "the question is deferred till you return." On my return I failed to convince the Board of the necessity of a call on the Stock, to maintain our greatly extended business, encumbered with the heavy losses of the previous year and a half; the Money Market was *then* easy, but many saw the stringency which succeeded looming in the distance. The call would have been easily met then, but it was delayed till too late.

27th May, 1854.—The President brought before the Board the necessity of an increase to the paid up capital of the Company and a revision of the principle on which profits have been hitherto declared—on which a Committee, to consist of Messrs. Bowes, McDonell, Perrin and Crawford, was appointed, to investigate and report on the financial statement submitted by the President, and also to report on the state of the Office.

The Report of the Committee proposed no immediate increase to the paid up capital, which essential measure for our safety was postponed till the Money market became so stringent, that no accomo-