

Now there was another very strange thing in connection with this report. The receipts had been diminished by \$16,440, and yet the Company had done a much larger business than last year.

The President explained that in the first place there had been a very large increase in premiums till the month of March last, when there was a falling off. That increase was principally in the fire business, and that was caused chiefly by bringing over from last year the business maintained by Mr. Scott, whose rates were much lower than they should have been. In consequence, there was a much larger amount at risk while there was a much smaller commensurate return. Instead of a decrease in the receipts for the whole year, there would have been a decided increase if the business had gone on the same during the months of March, April, May and June, as on the preceding months of the year. There would have been a profit of not \$46,000, but of over \$60,000 to show. The income would certainly have been that much larger.

Mr. McKay—How comes it that the agent at Halifax insured at a lower rate than our other agents?

The President explained, that in purchasing the business of the Western Company of England, which insured at lower rates than the Provincial did, they continued the risk at the same rates as they had been insured at. Mr. Scott was representative of the Western when they suspended their business in this country, and the Provincial, in making terms with him, became re-insurers of the risks. The Provincial had to take the business as it stood, but as numbers of risks ran out, they declined to insure them at the same rates, because they were too low to be profitable. This was how there was such a large increase in fire insurance without an increase of premiums.

Mr. Ellis—It is entirely your own management.

The President said it certainly was. The Directors considered that it would likely be a very productive business on the whole. As time passed by and risks at small rates ran out, they tried, as far as possible, to work them off, feeling that it was impossible to continue them at such rates. He could not help feeling, and it was also the feeling of every member of the Board, and the statements which they were able to make of business up to March last confirmed it, that the damaging reports which had been circulated respecting the management of the Company were mistakes. The business had gone on increasing from 1860 to 1869—an increase of from 20 to 30 thousand dollars every year. So that the business had been an increasing business until last spring, and but for these attacks the Board would be enabled to show to the shareholders, according to the progressive rate of increase of former years and months, premiums amounting to \$250,000, instead of \$182,000, as now presented.

Mr. Kay said, although there were not always grounds for newspaper attacks, yet there must have been some reason for the attack against this Company, otherwise he failed to see why the Provincial Insurance Company should have been made the butt of attack more than any other company.

The President—I am unable to tell you; I don't know the cause.

Mr. Kay—It seems very strange.

Mr. Moffatt—Very extraordinary.

The President could not tell them the reason of the attack. At the time there was not a single adjusted loss of the company unpaid. The large block occupied by Mr. Desbarats, in Ottawa, was built of stone. Any one looking at it would be satisfied that it was a wise and strong insurance. Well, while the Company was actually engaged at completing the arrangements of insuring it, it was burned down. The loss was a heavy one, but it was what every company was liable to, and the claim had to be paid.

Mr. Barrett—Could you state the amount of funds to the credit of the Company in the bank?

The President—The amount of funds on hand is not large. It is principally in the hands of agents. As far as our bank account is concerned, we have had a credit account there, which the large amount of losses we have recently sustained makes necessary.

Mr. Barrett—with reference to debentures which appeared in last year's statement, is that to be found in this year's report?

President—It is in the investments, \$17,916 67.

Mr. Kay—I think it would be advisable before proceeding further to give a statement of these investments.

Mr. Barrett—Perhaps it would be better to have an adjourned meeting to look into this statement.

President—The shareholders can have an adjourned meeting if they think proper; but you can learn anything you want to know respecting the statement at once.

Mr. Barrett—I find the balance greatly reduced; I think it would be better to hold an adjourned meeting at once.

President—The difference is made up of losses this year. If there is any desire on the part of the shareholders to have an adjourned meeting, I can have no objection; let Mr. Barrett move an adjourned meeting.

Mr. Kay—With regard to debtors of the Company, there is the old item of \$20,000 in the hands of Mr. Thompson, of New York, which is not worth a cent.

The President replied that at the last meeting it was decided to allow this item to appear in the statement until it was paid up.

Mr. Kay said this was just the kind of statement which the shareholders would have no confidence in. They would get an impression that the stock was entirely valueless.

The President was ready, if the shareholders liked, to wipe off the whole amount at once. He believed the debt was good, and the Company had received assurances that it would be paid. Mr. Thompson was engaged in a railway enterprise, from which he would hardly fail to realise a good sum; but if the shareholders wished to have it stopped at once, they would do it.

Mr. Kay objected to leaving it represented as an asset value; it was really worth nothing.

The President could not say that.

Mr. Kay—You said, two years ago, that we would realise something from it; but we have never done so.

The President said, they certainly had not realised anything from it, and never might, and if shareholders wished to have it blotted out, let them say so. He thought if they were willing to take 20 per cent. per annum, it would be the fairest way in the world to settle it. If anybody would move a resolution, to have it blotted out, it would be done. The directors would conceal nothing respecting it, and it was now for the shareholders to say what was to be done.

Mr. Kay said, in reality, the Company had \$30,000 less than appeared in the statement.

President—O, no, only \$23,000.

Mr. Kay—I think it would be very satisfactory to know the amounts owed by those debtors, and who they are. As the matter stands we are able to form no opinion of them.

President—There is a list of them here, which shows the entire amount owed by debtors to be \$23,080.

Mr. Crocker—And two of those are perfectly sound.

President—You must remember always with regard to this very item that the last annual meeting assented to this way of reducing it; but if this meeting chose to blot it out, let them do so.

Hon. Malcolm Cameron—I think we had better do it.

Mr. Kay asked how much of the unpaid stock was likely to be paid. His reason for asking for a detailed statement of this was that a report had gone abroad that a system of favoritism had been pursued by the managers of the Company towards

certain shareholders with regard to the payment of stock. Parties better able to pay their stock than he was, had been allowed to hold back their stock and it was not paid to this day, while others had been prosecuted to pay theirs. A great deal of bad feeling had resulted from it, and he thought a detailed statement of those who had not paid up their stock should be given.

The President—I don't think there has been any favoritism.

Mr. Kay—I have heard there was.

President—A great deal which was not paid before June has been paid since. Some persons held very large shares, and had large amounts to pay and the Directors took their notes. These have been paid from time to time and they are all discharged but a few. The largest sum is due by Mr. McGillis of Williamstown and Mr. McLean of Cornwall. The one holds 420 shares and the other 450. Time has been given to them because the amounts they owed were really very large, and they have paid very large amounts from time to time.

Mr. Kay—Do you mean to say all the stock is owed by these men only?

President—No; but the greater part is. There is the Hon. J. Crawford, whose name also appears; his has all been paid up since 30th June, and so has Hon. Malcom Cameron's; others have also paid up since June.

Mr. Kay—The same allowance has not been made to others. For instance; a shareholder, no later than last week, mentioned to me that his brother held a large amount of stock, and offered to give his note at three or six months, and he wrote to the Board to that effect. No answer was given him, and he was, I think, the party who said he was sued for his claim.

President—Who was he?

Mr. Kay—He is a son of Dr. Archibald. He added most emphatically that he would never give a single dollar of business to this company so long as it remained under its present management.

The President said he knew nothing of this case; but he assured Mr. Kay that no man ever asked for time and offered notes but had them accepted. There had not been a single man sued. On the contrary, months and months had been allowed shareholders to pay up; and the directors themselves had been obliged to raise money on their own names rather than call on the stockholders. He ventured to assert that Mr. Archibald had been treated as leniently as any one. There was no favor or partiality shown to any one; and large shareholders who could not pay up were obliged to give their notes, and small ones had to do the same.

Mr. Kay said he had given the case as it was told to him.

The President said—On referring to the list he found that Dr. John Archibald had paid up, and he never heard any complaint from him before the Board. There never had been a better proprietary in the Province than in this company.

Mr. Barrett—Is the real estate mentioned in the statement free or encumbered?

President—Eight thousand dollars is encumbered.

Mr. Kay—In the stock list I hold two of the Archibalds are represented to hold large shares. I do not know which one was referred to; but the holder, whichever of these names it was, offered his notes to the company at three or six months, and received no answer, and was afterwards prosecuted and sued.

The President said—Notes had been invited from every one who had not paid up. A circular was first issued to noteholders, requesting them to pay up. Six months was allowed to elapse before anything was further was done. It was then announced that, if notes were not given, or the stock paid up within three months more, their stock would be forfeited.

Mr. Barrett asked how long was it since the mortgage was given on the encumbered property?