

**R E P O R T**  
**OF THE**  
**C O U R T   O F   D I R E C T O R S**  
**OF THE**  
**Canada Company,**  
**TO**  
**THE PROPRIETORS.**

---

**L O N D O N :**  
**MARCHANT SINGER AND CO., PRINTERS,**  
**INGRAM-COURT, FENCHURCH-STREET.**

---

*21st March, 1850.*



# CANADA COMPANY,

*Incorporated by Royal Charter and Act of  
Parliament in 1826.*

---

## **Directors.**

CHARLES FRANKS, Esq. GOVERNOR.

JAMES MACKILLOP, Esq. DEPUTY GOVERNOR.

ROBERT BIDDULPH, Esq.

CAPTAIN CHARLES JOHN BOSANQUET, R.N.

ROBERT W. CARDEN, Esq., Ald.

SIR JOHN EASTHOPE, Bart.

SIR W. MINTO T. FARQUHAR, Bart.

JAMES W. FRESHFIELD, Esq.

WILLIAM T. HIBBERT, Esq.

FRANCIS H. MITCHELL, Esq.

ALEXANDER STEWART, Esq.

WILLIAM WILSON, Esq.

## **Auditors.**

THOMAS POYNDER, Esq.

WILLIAM GAUSSEN, Esq.

ROBERT GILLESPIE, Esq.

## **Solicitors.**

Messrs. J. C. & H. FRESHFIELD.

## **Bankers.**

Messrs. BOSANQUET, FRANKS, & CO.

Messrs. COCKS, BIDDULPH, & CO.

## **Secretary.**

JOHN PERRY, Esq.

**THE** Directors have to submit to the Proprietors  
the Annual Statement of the Affairs of the Com-  
pany, made up to the 31st of December last.

*Statement of Lands sold and leased in the  
Year 1849.*

SALES.—

	Acres.			
Crown Reserves .....	1,920	at an average of 13s. 9d. per acre.		
Huron Tract .....	4,221	„ 13s. 1d. „		
		6,141 producing ....	Currency.	£4,087
3 Town Lots in Guelph .....		„ ....		65
10 Town Lots in the Huron Tract ....		„ ....		132
				<u>£4,284</u>

LEASES.—

	Acres.		Currency.
Crown Reserves .....	16,542	.. producing an annual valued when leased rental of.....	£693
		at 17s. 4d. per acre on average.	
Huron Tract .....	65,241	„ ..... £2438	
		valued when leased at 15s. 7d. per acre on average.	
		81,783	
45 Town Lots in the Huron Tract, at an annual rental of .....			27
			<u>£3158</u>

Total sold and leased.. 87,924 Acres.

*Receipts in Canada in the Year 1849.*

First payments on Land sold .....	£4,259
Bills receivable .. .. .	8,989
Rent ... .. .	8,415
Interest .....	4,487
Transfer fees .....	171
Timber cut .....	185
	<hr/>
	£26,506 currency.
	<hr/>

*Cost of Management in the Year 1849.*

LONDON.

Sterling.

Directors' attendance-money and allowance to Chairman of the Committee of Corre- spondence .....	£700	
Salaries .....	980	
Rent and Taxes .....	242	
Miscellaneous .....	174	
Printing and Stationery .....	69	
Postages and petty charges .....	68	
		2,233
Income-Tax .....		529

CANADA.

Salaries (including extra service) .....	£3,550	
Travelling Expenses .....	270	
Miscellaneous .....	277	
Law Charges .....	247	
Stationery and Printing .....	166	
Postages .....	140	
Office Rent .....	86	
Advertising .....	69	
		4,805
Assessment and Road Tax .....		1,979





*as they stood on the 31st December, 1849.*

***Property in London.***

	Sterling.	Cr. Sterling.
Cash at Messrs. Bosanquet & Co. ....	£2,747 10 5	
Cash at Messrs. Cocks & Co. ....	179 14 0	
	<hr/>	2,927
Petty cash.....		39
		<hr/>
		2,966

***Property in Canada.***

	Currency.	
Cash in the Bank of Upper Canada under the control of the Commissioners .....	7,647	
Sundry debts due to the Company in Canada ..	13,053	
	<hr/>	20,700
Bills receivable, bearing interest at 6 per cent., and secured by mortgage on the lands, with the improvements made thereon .....	123,175	
Interest due thereon .....	56,634	
Lands leased for 12 years at present value, with the arrears of rent thereon.....	69,000	
Arrears of rent on lands leased for 10 years....	19,944	
Cost of houses, &c. belonging to the Company..	6,392	
Cost of London Road mills in the Huron Tract, belonging to the Company.....	4,552	
Stores, &c. in the Huron Tract .....	686	
Expenditure on Goderich Harbour & Pier.....	16,715	
	<hr/>	£317,798 or 286,019

***Land Leased.***

424,888 Acres leased for 10 years at an annual rental of £16,250 currency, and which the lessees are at liberty to purchase on pay- ment of the sum of .....	324,633	292,172
---	---------	---------

***Land undisposed of.***

907,888 Acres estimated at .....	423,681	381,313
		<hr/>
		£962,470
		<hr/>

The Assets stated above would be subject to the current rate of exchange, if realised and remitted to this country. The premium of exchange paid for remittances made this year has been equal to a sum of about £1200.



The Accounts just read, which have been prepared in the usual form, will explain to the Proprietors the transactions of the Company for the year 1849, and the present state of their affairs.

This Establishment having now attained the twenty-fifth year of its corporate existence, having completed all its contracts with the Crown for the purchase of land, and having made considerable progress towards the accomplishment of its ultimate objects, your Directors consider the present to be a fit opportunity for submitting some general remarks regarding the actual condition and future prospects of the concern.

The Proprietors will no doubt bear in mind that the Company was originally incorporated by Royal Charter for the purchase from the Crown of certain large masses of land in Upper Canada, and for promoting and accelerating the general settlement of the province, thereby increasing the value of those lands with a view to their profitable resale, for the advantage of the Company. Such accordingly has been the object to which the Directors have continued to give their undivided attention.

It must have been evident from the first that in providing the capital required for carrying out an undertaking of distant advantage, with any convenience to the Shareholders, it was necessary not only to provide the money for the purchase

of the land, but also to secure to the Proprietors the payment of a certain annual rate of interest upon the capital advanced; besides providing for all current expenses, forming an aggregate outlay which must for many years exceed the sum of any receipts which could reasonably be expected to be realized. On this plan has the undertaking been carried on, leading to results which will presently be explained.

It may be previously convenient to notice the course of financial arrangement which has been adopted. The Proprietors are aware that until the end of the year 1838 all necessary requirements of capital were provided by calls upon the stock, until such calls had amounted to the sum of £32:10 upon each £100 Share. In 1839, however, the Proprietors deemed it expedient to discontinue the practice of creating further paid up capital by means of calls, and to prefer the mode of raising all further necessary funds by the issue of Debenture bonds under the Corporate Seal. Accordingly, this plan has ever since been acted upon; and as the present amount of Debenture debt created during the eleven years ending in 1849 constitutes the only charge upon the Company's estate, it may be useful to shew that the whole of that debt has been occasioned by expenditure purely appertaining to the land purchased, and to improvements thereon, as will appear by the following statement:—

	Sterling.
<i>Amount of Instalments paid to the Crown for land between the 31st of December, 1838, and the 31st of December, 1849, being a period of eleven years</i> .....	£70,000
<i>Amount expended in improvements on land during the same period</i> .....	17,726
<i>Advances to settlers for the same purpose during the same period</i> .....	3,259
<i>Interest on these sums from the time of their payment to the 31st of December, 1849, taken at 6 per cent.</i> .....	47,645
<b>Making a total of</b> .....	<b>£138,630</b>

It therefore appears that more than the whole of the existing Debenture debt of £133,200 has been applied to the purchase of land under the original contracts, or to improvements effected for the purpose of its profitable resale, with interest on those advances.

The actual collection of money in Canada during the same period of eleven years has amounted to the sum of £320,543 sterling, according to the following statement:—

1839 .....	£30,853	14	3
1840 .....	25,169	17	3
1841 .....	25,190	0	9
1842 .....	26,404	1	9
1843 .....	21,201	9	10
1844 .....	32,058	4	11
1845 .....	31,059	8	1
1846 .....	34,451	0	10
1847 .....	38,183	11	8
1848 .....	31,139	17	3
1849 .....	24,832	3	3
	<b>£320,543</b>	<b>9</b>	<b>10</b>

Average Receipts for eleven years, 1839 to 1849.....£29,140

---

Average Receipts for five years, 1845 to 1849.....£31,932

---

It should be observed from this statement that the sum received annually during this period has been upon an average £29,140; but that during the last five years of the time the average sum collected has been £31,932, or nearly £3000 a year more than the average sum during the whole of those eleven years, proving that the collection of money has continued progressively to increase, and this, notwithstanding the fact which has been already adverted to and explained at the last General Meeting, that the collection of money in the year 1849 had fallen very short and has now been found to have been £24,832 only. The inference the Directors draw from this statement is, that the reduced amount collected in 1849 was occasioned by the peculiar causes explained to the Proprietors in December last; and that the confidence then expressed that the result of the favorable harvest of 1849 would have an important influence upon the affairs of the Company, and tend materially to increase their collection of money during the present year, has been already justified by the fact that the collection of money in the months of January and

February of the present year has exceeded the amount collected in the corresponding months of 1849 by about £2500.

The money collected in the province during the last eleven years has been stated to be a sum of £320,543 sterling; but it would be a great mistake to suppose that this sum was a capital withdrawn from the province in consequence of the operations of the Company, for during the same period, besides the sum invested by the Company in the purchase of land and improvements thereon, and the whole amount of their outlay for expenses of management, taxes, &c. there has been deposited in the hands of the Company in London, and remitted by them to their own settlers or other persons established in the province, a sum of £214,204. Of the sum of £320,543 so collected by the Company in the last eleven years £191,226 : 15 has been applied in payment of the dividends to the Proprietors, and the remainder to the expense of management, taxes, and other disbursements; but it must not be supposed to be so much money lost to the concern, as it has been accompanied during the same time by an immense progress in the profitable disposal of land, for which the following contracts have been made :—

274,997 Acres have been disposed of on the terms first adopted by the Com- pany, for a sum of.....	£166,167
87,266 Acres have been disposed of on what have been called leases for twelve years, but in fact sales on twelve years' instalments, for the sum of	86,508
and 424,888 Acres by way of lease for ten years, for the sum of ....	292,172
<hr/> Total, 787,151 Acres of land for .....	<hr/> £544,847 <hr/>

and the annually accruing rent or interest on the lands so let on ten year leases is equal to about £14,625 per annum.

Such are the state and circumstances of the Company's affairs. The Directors have now to observe with reference to the financial arrangements of the Company, that the system of raising money by means of Debentures has been attended with economy, inasmuch as it has afforded occasional opportunities of varying the amount due, according to the wants of the Company, and the rate of interest according to the state of the money market. The loans have always been made for limited short periods, and the total amount is inconsiderable, compared with the extent and value of the property pledged as security for them. Meanwhile, the holders of such temporary bonds cannot fail to be well satisfied with their security, considering that it overrides all the Company's property in Canada,



besides having a further collateral claim on the capital not yet called up, amounting, at the rate of £67 : 10 per Share, to £601,762 : 10.

In taking this view of the Company's concerns, the minor items of debit and credit which appear in the annual general account, and nearly balance each other, have been disregarded; the object being to draw into consideration the amount receivable for land *already disposed of* in Canada, as compared with the entire amount of the Company's liabilities.

The aggregate amount of the sums so receivable with interest, was, on the 31st December,

\* 1849 ..... £546,224

Deduct the existing amount of debenture debt .... £133,200 0 0

And amount of paid-

up capital.... 289,737 10 0 422,937

Shewing a surplus of..... £123,287

It thus appears that the value of land *already disposed of* will much more than suffice to cover the Company's entire liabilities, including its paid-up capital; and there remain for future disposal 907,888 acres of land, the value of which conformably with a moderate estimate made at the end of 1847, of 9s. 4d. currency per acre on average, would amount to £381,313 sterling, to be added to the above surplus. It should be

observed that the claims for money due for land disposed of in Canada must not be regarded as of questionable character; they rest upon the security of land continually improving in value, by means of the industry of the several occupiers, no less than by the progressive advance of the Province itself; and as it is now perfectly evident, that Canada must rapidly progress in population and wealth, there can be no doubt that the value of the Territory will continue to increase; and consequently that the Company's claims must ultimately be realized, and the unsold lands produce as much or more than the sum above-mentioned; and here on the subject of the rapid improvement of the Province in wealth and population, the Directors at the risk of being thought prolix will quote the very remarkable returns which have been made of this progress on official authority; but which they believe are by no means generally known or properly appreciated, as bearing upon the prospects of this Company.

The Company's operations in Canada commenced in 1828, and at that time the population of Western Canada was only 186,345; and the value of the assessed property for taxation, was £2,579,083; in 1839, assisted by the operations of the Company, the population had increased to 407,515, and the assessed property to £5,345,372; and in 1848, being the latest return made, the

population was 723,332 persons; and the latest return of assessed property, which is for 1847, amounted to £8,567,001, being a progress, the extraordinary rapidity of which will bear a most favorable comparison with any part of the United States, and will have considerably exceeded that of some of the older states of the Union. In the Huron District, in which the Company are so deeply interested, the progress has been much more rapid than in the rest of the Province.

*Comparative Return of the Population and Acres cultivated in the Huron District for the Years 1834 to 1849.*

Year.	Population.	Acres cultivated.
1834 .....	2,594 .....	3,766
1835 .....	2,846 .....	6,278
1836 .....	3,927 .....	11,286
1837 .....	— .....	—
1838 .....	4,804 .....	14,993
1839 .....	— .....	—
1840 .....	5,921 .....	24,558
1841 .....	— .....	—
1842 .....	7,293 .....	34,407
1843 .....	9,178 .....	24,844
1844 .....	11,506 .....	30,816
1845 .....	13,500 .....	35,701
1846 .....	14,983 .....	44,747
1847 .....	16,643 .....	53,341
1848 .....	20,450 .....	64,599
1849 .....	26,499 .....	73,595

And this rapid addition to the population in the last few years has consisted in great degree of old and experienced settlers who have disposed of their property in other parts of the Province for the purpose of availing themselves of the advantages of soil, climate, &c. offered in the Huron Tract.

So much having been stated as to the past proceedings of the Company, the Directors are desirous, before they make any observations as to the future, to draw attention to two points resulting from what they have brought forward, and which they think will be satisfactory to the Shareholders.

*First.* — That the whole amount borrowed upon Debentures has been applied in payment of the purchase of land, and the improvements thereon ; and no part of it in payment of the Dividends to the Shareholders.

*Secondly.*—That during the last eleven years all the expenses of the Company for Management, &c., and the whole amount paid to the Shareholders for Dividends, has been provided for from the collection of money in Canada.

As concerns the future, your Directors have reason to expect that the Company's remaining land will be gradually disposed of on terms fully

equal to the estimate of their value made in 1847. With regard to the collections of money in Canada from land contracts already effected, as well as those still to be made, there is ground to anticipate that as these have considerably increased in average amount during the last five years, they will henceforth begin to derive further material accession, not only through the natural advancement of affairs in the Province, but owing to the inevitable tendency of the Company's past operations. The Proprietors will no doubt bear in mind the nature of those leasing contracts for ten years, which commenced in 1843, whereby the tenants acquired an option of purchase, at certain moderately fixed rates of value during the continuance of the term, and were charged with a small intermediate annual rent, barely equivalent to interest at 6 per cent. on such value; the conditions of these contracts, so liberal on the part of the Company, leave no room for doubt of their ultimate fulfilment; and it is from their almost inevitable issue, that the Company may ere long expect to derive a very considerable increase in their collections of money. Your Directors are desirous of recalling attention to the working of this system, which will furnish the principal facility for disposing of the remaining unsold land; and they submit a statement, exhibiting the quantities and value of

land at present under lease, and of the years in which such leases will respectively terminate.

				Acres.		Sterling.
Amount falling due in 1853				on 59,309	....	£29,534
Do.	„	„	1854	„ 55,244	....	35,379
Do.	„	„	1855	„ 63,134	....	45,291
Do.	„	„	1856	„ 27,747	....	20,028
Do.	„	„	1857	„ 83,210	....	61,687
Do.	„	„	1858	„ 55,111	....	41,386
Do.	„	„	1859	„ 81,133	....	58,867
				424,888		£292,172

The foregoing statement will suffice to shew the consecutive future results of the leasing system, above referred to. As the lands in question must have acquired great additional value through partial clearance and cultivation by the time the leases expire, it is not to be expected, nor even desired, that the several occupiers should surrender to others the fruit of their industry ; on the contrary, there is every reason to anticipate that the tenants will resort to every practicable expedient, rather than forego the benefit of largely increased value, which has resulted from their own exertions. Under these circumstances it is manifest that the results of the leasing system operating in conjunction with the realization of the money due to the Company for land sales, and of receipts from the further disposal of their lands, must at no distant time

enable the Company to provide for the extinction of its Debenture debt, and thenceforth to apply the whole remaining assets of the Company, as they are realized, among the Shareholders.