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REPORT BY THE DIRECTORS

OF THE

Tharsis Sulphur & Copper Co.

LIMITED,

TO THE

FIRST ORDINARY GENERAL MEETING OF THE MEMBERS

APPOINTED TO BE HELD WITHIN

M'LEAN'S HOTEL, St. Vincent Street, Glasgow,

ON WEDNESDAY THE 23D DAY OF OCTOBER, 1867,

AT ONE O'CLOCK AFTERNOON.

GLASGOW:
PRINTED BY JAMES HEDDERWICK & SON,
PRINTERS TO THE QUEEN.
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REPORT BY THE DIRECTORS.

In presenting the following brief Report, the Directors deem it proper to explain that the present Meeting is held *pro forma*, in compliance with the Articles of Association of the Company, which provide that "The First General Meeting shall be held within Twelve Months after the Registration of the Company." No balance sheet or state of accounts fall to be produced to this Meeting. The addition of Mr. Henderson's patent processes, and the erection of the relative new machinery on the Mines, which involve to some extent a re-modelling of the present system of operations, and of the books and accounts connected therewith, render it necessary that a detailed balance be deferred till the subsequent General Meeting, which will be held in August next year, when full reports and accounts of each department of the Company's operations will be laid before the Shareholders.

The Directors have pleasure in reporting to this Meeting as follows:—

The Company was duly incorporated, under the "Joint-Stock Companies' Act, 1862," on the 27th October, 1866.

The preliminary work, incidental to forming and setting in motion a commercial undertaking of such magnitude, commanded a large amount of the time and attention of the Board; and the Directors believe that the various arrangements and appointments which have been made will prove satisfactory to the Members, and eminently beneficial to the Company.

The Directors having previously caused inquiry to be made as to the validity of the titles of the Huelva Mining Company, and these having been found in order, no time was lost in making the necessary arrangements to enter on possession of the Mines, at and from the 1st of December, 1866. These arrangements were subsequently carried through by a deputation of the Board, who proceeded to Spain and who took formal possession of the Mines on behalf of this Company, besides attending to the inventories and valuations of the stocks of Mineral, Mining Stores, Plant, &c., taken over in terms of Lease.

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The Directors arranged that the staff on the Mines should, for the most part, be transferred to the new Company, and in this way the various operations have gone on, without further interruption than was necessary for the stock-taking and valuations just referred to. In Mons. LE BOURG, the Company have an able and energetic Manager in Spain; and the devotion which he brings to bear on the performance of his onerous and arduous duties has earned for him the respect and confidence of the Board.

In view of the earliest possible introduction of Mr. HENDERSON'S patent processes on the Mines, it was of paramount importance that there should be some one resident there competent to take charge of the erection and management of the new Extracting Works. The Directors have pleasure in reporting that they succeeded in obtaining the services of Mr. THOMAS DOWN, formerly Manager of the Staffordshire Copper Extracting Co.'s Works, who, from his intimate acquaintance with Mr. HENDERSON'S patent processes, his practical knowledge of mining, and his familiarity with the Spanish language (acquired during a lengthened residence in Spain), was peculiarly fitted for occupying the position in question, with credit to himself and advantage to this Company.

The private and confidential Report to the Board from Mons. LE BOURG, is of the most satisfactory and exhaustive character, in all respects.

The Directors refer for details of the operations on the Mines to the separate Report of Mr. DOWN.

The attention of the Board was early directed to the prosecution of the Railway; and, as soon as practicable, the Engineer's plans were prepared, tenders obtained, and a contract ultimately concluded with Mr. G. FEATHERSTONE GRIFFIN, of London. Owing, however, to the alterations on and rectifications of the original conceded Line (which, on the ground of economy, were considered advisable by Mr. MOORE, the Company's Engineer) having been objected to by the Spanish authorities, and regarded by them as equivalent to the origination of an entirely new Line, requiring a fresh concession, the Directors much regret that a delay of at least six months was incurred, besides considerable expense, in observing the formalities requisite in Spain to obtain this new concession. The Directors also regret that important modifications of the Line as planned, involving considerable extra cost of construction, were insisted on by the Spanish

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Government officials, ere it was finally approved and passed. They are happy to report that the Royal Assent was finally given on the 24th August last, and since then the Railway Works have made considerable progress. The Directors refer to the accompanying short Report from the Engineer, for further information.

The present production of Copper on the Mines—the total annual quantity of which will be materially increased by the introduction of the new processes referred to—induced the Directors to consider the importance and advantage to this Company of having a refinery in this country, the exclusive property of the Company, where the whole of this Copper could be run down anew, and its market value enhanced, through an increase in its purity; thus averting the heavy loss formerly incurred by the French Company, in selling this Copper as it came from the Mines in unrefined slabs. The Directors are glad to report, that they succeeded in purchasing the Willington Copper Works, on the Tyne, on terms advantageous to this Company; and they have now most commodious premises for the refining of all the Copper imported from Spain, besides ample room for the storage of Pyrites for the Tyne district, and the manufacture of the spongy Iron shipped to the Mines for the purpose of precipitation.

The quantity of Copper imported from the Mines, refined, and sold, since the Company commenced its operations, amounts to 1,070 tons; and although the Copper Market, during the current year, has ruled exceptionally low, a satisfactory profit has been realised to the Company.

Until the Railway is completed from Tharsis to Huelva, and the Pier and Wharves, with their appliances for loading and discharging erected and in use, the importation of Pyrites on a large scale will be both difficult and expensive. The Directors, however, being anxious to have the Ore introduced among consumers in this country, contracted to deliver, during this year commencing in May, about 30,000 tons. To convey 5,000 to 8,000 tons per month from Tharsis to El Charco, a distance of over 20 miles, and by difficult roads (whence it is conveyed in lighters to the ships at Huelva), involved the organisation of a large force of mules and carts. The cost of this transport, including the lighterage to Huelva, ranged from 20/ to 23/ per ton. Owing also to the great number of carts collected together in June and July, it was necessary to load them without choosing the Mineral, and there has resulted a

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considerable decrease in the Copper contents—the more so, that it was also necessary at that period to extract Mineral from the excavations for the railway tunnel, where it enters the Mine.

With the low prices that have been ruling for both values of Sulphur and Copper, the charge for transport of Pyrites does not encourage large importations, until the benefits from the Railway are obtained, when this Company will be enabled to meet successfully all competition.

The Pyrites imported since April has amounted to 32,000 tons, of which there have been delivered under contracts about 22,000 tons. The balance in store in this country to meet the deliveries under these contracts is 10,000 tons, while there are 8,000 tons at Charco awaiting shipment.

From the magnitude of these operations, which require at all times a large floating capital to work them to the best possible advantage, together with the large amount already paid for stocks of Mineral, Plant, and Stores of all kinds at the Mines; the new Machinery now in course of erection there; the purchase of the Willington Refining Works; and the cost of the Railway and Rolling Stock, it will be evident to the Shareholders, as it has been of late to the Directors, that the present capital will be found for the first few years proportionally inadequate. The Directors have given this subject their most anxious consideration, and it appears to them that, for a time, it will be necessary to supplement the existing capital. They are, however, of opinion that this should not be done by the creation of additional Shares, or Permanent Capital. The Directors consider that this Supplementary Capital should be created only temporarily, and extinguished at the end of six years. They accordingly recommend to this Meeting to consider the following proposal, viz.—To issue exclusively to the Members of this Company, in the first place, debentures for £100,000, bearing interest, guaranteed by the Company at the rate of 7½ per cent. per annum, payable half-yearly, and redeemable at the end of six years—the Directors taking power to purchase in these debentures, when they consider it for the interest of the Company to do so.

As an illustration of the undoubtedly safe and attractive character of these debentures as an investment, the following calculation of the probable revenue from the Railway, apart from the ordinary profits of the Company, may be given.

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ESTIMATED REVENUE FROM RAILWAY.

200,000 tons of traffic per annum to and from the Mines, @ 5/ per ton, ...		£50,000
DEDUCT.		
Working Expenses, Depreciation, &c. (estimated by Engineer, @ 1/11½ per ton), but say 2/6, ...	£25,000	
7½% Interest on £100,000 Debentures,	7,500	
		32,500
Leaving a surplus of		£17,500

This Company can well afford to pay 5/ per ton to the Railway for the carriage of its Mineral, Copper, and Stores, as this rate will effect a saving over the present means of conveyance of from 15/ to 18/ per ton. This saving, on the prospective importation of 150,000 to 200,000 tons of Pyrites per annum, will, of itself, produce a sum which will afford a highly remunerative dividend on the called-up capital of the Company.

The Directors have given their constant and earnest attention to the organisation and development of this important commercial undertaking, which has devolved upon them a large amount of anxiety and labour. These services have been, and will continue to be, most cheerfully rendered, so as to promote the future interests and prosperity of the Company, in which they individually and collectively hold no inconsiderable interest, and to the future of which they look forward with undiminished confidence. They believe that the vast resources of these Mines (which have to be seen and surveyed in order to be duly appreciated), have within them the elements of great and lasting prosperity; and that, at future General Meetings of the Company, the Directors will have the agreeable satisfaction of proposing acceptable dividends, as a return on the capital invested.

By order of the Directors,

CHARLES TENNANT, Chairman.
JONATHAN THOMSON, Secretary.

Glasgow, 18*th October*, 1867.

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MR. DOWN'S REPORT.

THARSIS MINE, *9th October*, 1867.

To the DIRECTORS *of the*

THARSIS SULPHUR & COPPER CO. LIMITED.

GENTLEMEN,

IN accordance with Mr. VEREL'S request to Mr. LE BOURG of the 25th ultimo, I send you the following Report of work done on the Mine since we took possession on the 1st December, 1866, to 31st August, 1867:—

OPEN CAST.—On the 1st December, 1866, there were available above the water level 58,133 cubic metres of Ore. This, at 4 tons to the metre, is equal to 232,532 tons. From the 1st December to the 31st August, we have taken from this stock 34,720 tons, leaving a balance of 197,812 tons. During the nine months we have uncovered and unwatered 64,637 metres of Ore, which, at 4 tons to the metre, is equal to 258,548 tons. This, added to 197,812=456,360 tons, as stock in reserve at 31st August, or 223,828 tons more than when we took possession of the Mine.

The cost of raising and taking these 34,720 tons of Ore to the Teleras or Plaza (not including the royalty) has been 25·36 reals per ton, which covers the total cost of removal of overburden, and also all the expenses of sinking new and old shafts for Norias, and driving level for unwatering the lode to greater depth, as shown by tracing enclosed, as well as driving 240 metres of adit level on the back of the north wall of the lode, which has been an expensive piece of necessary work, and from which we derive no benefit at present. This is preparatory work for the development of the Mine when the Railway is completed. Enclosed I send you tracing of open-cast, showing the Works as they are at present.

We have taken from the underground workings 44,226 tons of Ore, at a cost (not including royalty) of 19·17 reals per ton, deli-

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vered at the Teleras or Plaza, making a total of Ore raised from the Mine in nine months' working.

Open Cast, ...34,720 tons,
Underground,.....44,226 " } =78,946 tons.

The Ore which has been sent to the Teleras cost 33·10 reals per ton, including royalty (9·50 reals). The Ore which has been sent to England, 165·44 reals per ton f.o.b. at Huelva, including royalty. We have also taken out about 1,450 tons of small Ore from the Mine, the expenses of which are included in the cost, but the Ore is not taken into account. We have also about 3,000 tons now lying in the Mine, not taken into this account.

Desmonte.—We have been taking off the overburden at the rate of 9,500 metres a month. We have had for the last eight months a very hard rock to contend with on the north side of the cutting, but we are now getting well through this ground, and consequently the expense will be very considerably reduced in the next year.

Teleras.—34,500 tons of Ore have been delivered here at a cost, including royalty, of (9·50 reals),.....33·10 per ton.
Expenses of Calcining,..... 5·96 "

Total Cost of Calcined Ore,.....39·06 "

Dissolving and Precipitating Works.—45,635 tons of calcined Ore have been delivered from the Teleras to this department, which produced 1,596 T., 598 K. of Cascara, at a cost, including value of Ore, of 2,044·40 reals per ton of Cascara. In this amount there has been included the cost of repairing the Dam (50,000 reals or more). We have also added to these works about 800 metres of Canals, the cost of which has been carried to Plant Account.

Smelting Works.—Received from precipitating department 1,558 T., 667 K. of Cascara, which produced 994 T., 708 K. of Copper.

New Precipitating Works.—We are getting on with the machinery as fast as we can, and hope to be ready for work early in November.

Combined Furnace.—The chimney is up, and we hope to get the furnace finished, and fire in it this month.

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TUNNEL.—I estimate that we have about two-thirds of the excavations done. The timber men have got communication through the broken place, and we are now opening up the cutting to the eastern entrance. As soon as this is done, we shall prepare to get the masons to work about the arching, &c.

BRICK WORKS.—One kiln of brick (16,000) has been burned, and we find that a good common brick can be made with clay found on a spot near the Mine. We shall require a machine to grind the clay, as it contains a considerable quantity of schists and sand—all of which will make good brick when ground down with the clay.

The Norias and other Plant are in good working order.

I am,

GENTLEMEN,

Your obedient Servant,

THOS. DOWN.

(MEMO.—1 Real equal to 2½*d.* or 95 Reals to the £ Sterling.)

(For T read Tons; for K read Kilogrammes.)

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RAILWAY ENGINEER'S REPORT.

The Line which is being constructed is a modification of the Line granted to the Company's predecessors, and required a new concession.

The Plans, which were laid before the Spanish Government for consideration, were approved of on the 24th of August.

Pending the approval of the Government, the Works were set out; and, on the 1st of August, the Contractor began operations on the lower part of the Line, and since that time the whole Plans and Sections (excepting about 3 Kilometres) have been put into his hands, and the Works are in operation on all the chief Cuttings and Embankments on the Line.

The Girders for the Bridges are contracted for, and are now in course of construction.

All the Bridges required for the lower half of the Line will be ready by the First of January, and those for the upper half are to be ready by the end of March. In the meantime the Abutments are being raised for the reception of those Bridges. These, I expect, will be ready before the Girders are shipped.

The advantages obtained by the new concession, for the construction of the Railway and Works, were—

1. That we were allowed to take forcible possession of the additional Land required for the Line and Works.
2. That we were allowed to import into Spain all materials required for the construction of the Works, free of duty.

To obtain these unquestionable advantages, we have been compelled to make the Line in accordance with the somewhat stringent code of Spanish Railway Laws, which will tend to increase the cost of the Line about £28,500 more than was originally estimated. By this expenditure, however, we secure a superior Line, with comparatively easy gradients and curves, and the lessened cost in

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the working and maintenance will fully compensate for this additional outlay.

The Contractor entered upon and has continued his operations with much vigour; and I am confident that the lower half of the Line will be ready for Traffic early in February, and the whole Line in less than a year from this date.

WILL. MOORE, ENGINEER.

GLASGOW, 16*th October*, 1867.

Hedderwick & Son, Queen's Printers.

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REPORT BY THE DIRECTORS

OF THE

Tharsis Sulphur & Copper Co.

LIMITED,

TO THE

SECOND ORDINARY GENERAL MEETING OF SHAREHOLDERS

APPOINTED TO BE HELD WITHIN

M'LEAN'S HOTEL, St. Vincent Street, Glasgow,

ON THURSDAY THE 27TH AUGUST, 1868,

AT ONE O'CLOCK AFTERNOON.

GLASGOW:
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BOARD OF DIRECTORS.

JOHN TENNANT, Esq. St. Rollox.
CHARLES TENNANT, Esq. The Glen.
WILLIAM HENDERSON, Esq. Glasgow.
ARCHIBALD S. SCHAW, Esq. Glasgow.
LOUIS LEISLER, Esq. Glasgow.
ALEXANDER HARVEY, Esq. Glasgow.
JOHN WILLIAMSON, Esq. South Shields.
HUGH L. PATTINSON, Esq. Newcastle.
HENRY DEACON, Esq. Widnes.
DAVID GAMBLE, Esq. St. Helens.

CHARLES TENNANT, Esq. CHAIRMAN.

WM. A. VEREL, MANAGER. | JONATHAN THOMSON, SECY.

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REPORT BY THE DIRECTORS.

It affords us much pleasure to lay before the Shareholders the result of our operations during the 17 months ending with the 30th April last.

It may not be out of place here, to recall some of the changes which have occurred, since this Company was formed, in relation to the two principal ingredients which your Mines supply. Sulphur, in Pyrites, was then realising 1*s.* per unit, and Copper £90 per ton. These products have not been exempt from the reaction which has taken place in business generally, and during the period under review, Sulphur has touched 8*d.* per unit, and Copper £71 per ton. Many rich Copper Mines in various countries have suffered severe losses in consequence; some which formerly divided large profits among their partners have been shut up altogether. It is, therefore, with no little satisfaction that we announce to you, that notwithstanding those very adverse circumstances, and the difficulties which attend the organisation of a large and intricate business, this first period of our operations has culminated in results which we regard as very satisfactory, and as a pleasing earnest of better things yet to come.

As you are aware, the two great streams into which your business divides itself are:—

1.—The Export of the Crude Mineral.

2.—The Production of Copper.

With your leave we shall follow them in their order.

1st. Export of Mineral.—This has been carried on under limited and arduous means of transport. No one who has not seen the country, can form any adequate idea of the difficulty which attends the conveyance of large quantities from the Mine to the Shipping Port. Expecting to have railway communication quickly established, your Directors were desirous of forming a connection among the principal consumers of Pyrites in this country, so as to be in a position to go on with large exports when cheaper and more convenient conveyance was available. As announced to you at the last General

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Meeting, the sending of the poor Ore then referred to, as having been imported by an inadvertent mistake, arose in a great measure from the piercing of the tunnel through which the Railway enters the Mine, a great part of which is in solid Ore of low produce for Copper, and which was sent off to the Shipping Port as the readiest and most available means for its disposal. There was at one time a loss on that Account, but we are happy to inform you that it has now been converted into a profit, amounting to £9,262 : 18*s.*10*d.* This is a very insignificant sum for the quantity sold, and forms no criterion from which to judge of future results. For the present the exports are limited to 3,000 tons a month, of an average of 3 to 4 per cent. of Copper, which yields a fair profit. So soon as the Railway is opened, these exports will be largely increased, but for the present this could not be done advantageously.

The shipments to the 30th April last have amounted to 47,630 tons, containing an average of Copper of 2.53 per cent., and of Sulphur of 48 per cent.

We shall now ask you to glance for a little at—

2d. The Production of Copper.—It is worthy of note that notwithstanding the comparative poverty of the Mineral from which your Copper is extracted (all the richest Ore being selected for export), you can still produce this metal at a price which we believe to be lower than that from almost any Mine in the world. This is owing to the small expense at which the Ore is obtained.

To the 30th April there have been Teleras heaps constructed for the calcination of 103,200 tons of Mineral. This operation is slow, occupying six months from the date of kindling, until the calcination is complete and the Ore ready for washing. One of the greatest difficulties connected therewith, is that arising from the fumes emitted by these miniature volcanoes, consisting of 100 tons each. To diminish this obstacle has for some time occupied our serious attention, and we hope, when we meet you again, to be in a position to inform you that our earnest endeavours in that direction, have not been altogether without success. It is very important, as these fumes render an indefinite extension impracticable, so long as they remain unmitigated.

There have been washed at Tharsis, during the period under review, 78,735 tons of the thus Calcined Mineral, yielding 1,725 tons of slab Copper, and at Calanas, another of your Mines further in the interior,

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23,677 tons of Mineral, yielding 394 tons of slab Copper. It affords us great satisfaction to inform you that the Tharsis Ore has yielded an average of above 2 per cent. of Copper, leaving still a considerable quantity to be extracted from the washed Ore in future years. It is always the poorest Mineral that is taken for calcination. The quantity presently under treatment is sufficient to yield an average of about 250 tons of slab Copper a month from this time forward. A very serious obstacle to increased production, during this summer, has arisen from the severe and long continued drought. Measures have been taken to guard against a similar calamity in future years, by providing reservoirs for fresh water, to supply steam boilers, and also by sinking a shaft in the Ore, to draw water from a greater depth, and at the same time explore the Mine more perfectly. When these improved appliances are at work, we hope to see production steadily increasing. The Calanas Mine, not being so favourably situated for transports as Tharsis, we have not deemed it advisable to lay out any considerable amount in its development, preferring to devote our energies to Tharsis first; it is, however, capable of great extension with a moderate outlay, and, with the Railway, it will be brought much nearer the Shipping Port, and be more favourably situated than Tharsis is at present.

The profit realised from the production of Copper at both Mines, during the period under review, has been £36,262 : 17*s*.11*d*.

Manganese exists extensively all over your Calanas District. Only a few tons have yet been imported, which have proved of good quality, and yielded a very fair return; as soon as the Railway is in operation, this Mineral may be exported to some extent at remunerative prices.

Your Directors were at one time in hopes of announcing to you that the Tharsis Railway was at work. The Contractor had engaged to hand it over on the 8th inst., but has now intimated that, from a combination of adverse circumstances, it will be delayed until the 20th September, but we are not sanguine of his ability to complete it by that date. You are all aware of the great advantages it will confer on the Company; we are therefore urging it on as far as lays in our power. Had we had the benefit of it during the period under consideration, the Company would have been saved upwards of £50,000 in the carriage of the Pyrites and Copper imported.

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The Report of our Engineer, who is presently on the spot, and which we hope to receive in time for this Meeting, will furnish you with the latest information as to the progress of the Works. The cost of this undertaking will very considerably exceed our anticipations. Being still so far from completion, we cannot accurately fix the precise amount, but we believe that, with Stations, Rolling Stock, and a substantial permanent Shipping Pier, the cost for the whole will not fall very much short of £190,000. This is greatly in excess of the original Estimates, but the Line and its adjuncts are very superior to what was at first contemplated, and which the Government would not allow us to construct. The first cost, although higher, will ultimately be made up by cheaper working, the Line being so much better, and the tear and wear proportionately less.

You will find, at the end of this Report, Abstracts of the Balance Sheet and of the Profit and Loss Account. From these you will observe that the Gross Profits amount to £46,845 : 15*s.*11*d.*, which, after deducting Expenses of Management, Interest on Debentures, &c., amounting to £6,732 : 16*s.*6*d.*, leave an available surplus of £40,112 : 19*s.*5*d.*, or nearly 17 per cent. on the Capital from the dates at which it was called up, to the 30th April, 1868.

It must not be overlooked that the expenditure on account of the Railway, to the 30th April, has amounted to £92,426 : 18*s.*8*d.*, from which no benefit whatever has been obtained; not only so, but this sum having been withdrawn from the available Capital employed, has not, in any way, contributed to earn any portion of these profits.

In our last Report we made special reference to the Capital of the Company, as having been found inadequate, and then obtained powers from you to create Debentures to the extent of £100,000; of these only £55,000 have yet been issued. In addition to the causes then assigned, which referred more especially to the increased cost of the Railway, there have since arisen others, which have rendered necessary a larger Capital than originally contemplated, and to which we must direct your attention; among these we would instance the large outlay caused by the varied and valuable extensions and improvements carried out on the Mine, the formation of the exit tunnel, and the practice already partially introduced into the trade of selling the Sulphur contents only, which latter,

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of itself, renders a further and permanent increase of the Capital indispensable.

The consideration of this subject has brought the whole position and prospects of the Company, under the frequent and anxious attention of your Directors, and circumstances have arisen which have induced us to examine, whether some practicable plan could not be devised, whereby the Shareholders of this Company could be made to participate in the large profits obtained from the Burnt Cinders produced by your Pyrites, which, at present, pass over to the several Companies formed for the working of Mr. HENDERSON'S Patents.

We believe that this can be done only by an amalgamation with these Companies. During the few months this Company has been in operation, it has become very evident that the interests of both are somewhat conflicting, and that, by being thoroughly one in interest and aim, great advantages to both would be obtained for the future.

The necessity of creating additional Capital for the Tharsis Company, and the approach of the time when large exports of Ore by means of your Railway must commence, all combine in forcing upon us the importance of removing every obstacle to the large and free outflow of your produce, and none appears to us so likely to accomplish this as a union of the interests now referred to.

We therefore ask you to appoint three of your number to co-operate with as many of your Directors, who, aided by the Manager, Secretary, and Auditor, will meet with the Boards of these Companies, carefully consider the whole question, and negotiate the terms on which amalgamation would be fair and equitable to all parties, and may be carried out.

We commend this matter with the greatest confidence to your consideration, believing it to be most important to this Company; and as it is desirable that there should be as little delay as possible, we propose to adjourn this Meeting till Thursday, 10th September, then to receive the Committee's Report, and take such further steps as may be deemed desirable and necessary. Under these circumstances, your Directors have deemed it advisable to postpone the declaration of a Dividend at present, leaving that to be regulated as to amount, and date of payment, at the Meeting to be held on 10th September.

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It affords us much pleasure to state that Monsieur A. Le Bourg, your Manager in Spain, and Mr. Thomas Down, your Mining Superintendent, have reported very fully to us on the state of the Works, and of all the operations carried out at the Mines, and that these reports are most satisfactory. The piercing and arching of the Tunnel (by which the Mine is entered), although a work of engineering difficulty, and attended with no little danger, has been, under the able and careful direction of Mr. Down, brought to completion without the loss of a single life, or any serious accident. We continue to feel the greatest confidence in the energy and ability of these gentlemen.

In terms of the Articles of Association, the whole of the Directors retire from office at this Meeting, but are all eligible for re-election.

It falls to this Meeting to fix the remuneration of the Directors for their past services, and to appoint an Auditor for the current year.

By Order of the Directors,

CHARLES TENNANT, *Chairman.*
WILLIAM A. VÉREL, *Manager.*
JONATHAN THOMSON, *Secretary.*

Glasgow, 24*th August*, 1868.

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BALANCE SHEET.

THE THARSIS SULPHUR & COPPER COMPANY (LIMITED), as at 30th April, 1868.

BRITISH ACCOUNTS.

LIABILITIES.

To Capital Account, ...	£300,000 0 0		
Less Calls unpaid 30th April, 1868, but since paid, ...	750 0 0		
		£299,250 0 0	
" London Bankers' Credits, ...	£26,800 0 0		
" Debentures issued, ...	46,500 0 0		
" Sundry Creditors, ...	2,409 6 3		
		75,709 6 3	
" Salary Account, ...	£195 2 8		
" Pyrites and Copper Discount and Commission Account, ...	536 11 2		
		731 13 10	
" Interest on Debentures, ...		1,426 11 4	
" Profit and Loss Account, ...		40,112 19 5	
		£417,230 10 10	

ASSETS.

By Mines Lease, Railway Concession, and Patent Rights Account, ...			£50,000 0 0
" Bills Receivable, ...	£2,668 2 0		
" Cash at Bankers on Hand, less Balance at Credit of Newcastle Agency, ...	26,793 16 0		
" Sundry Debtors, ...	18,341 17 10		
		47,803 15 10	
" Disbursements in Britain on Railway, ...		59,271 3 5	
" Willington Copper Works Account, ...		14,396 14 0	
" Office Furniture, ...	£399 19 9		
" Laboratory and Chemicals, ...	198 9 4		
" Stationery on Hand, ...	100 0 0		
		638 9 1	
" Stocks—Copper, Pyrites, Iron, &c.		40,670 18 3	
" Preliminary Expenses written down to		5,425 5 0	
" Balance as per Spanish Accounts, ...		199,024 5 3	
		£417,230 10 10	

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SPANISH ACCOUNTS.

THE AMOUNTS IN SPANISH MONEY BEING CONVERTED INTO ENGLISH MONEY AT 95 REALS PER £.

LIABILITIES.

To Acceptances to V. Mercier & Co. not yet due,	£44,948 12 1		
" V. Mercier & Co. Current Account,	2,715 3 0		
		£47,663 15	1
" Sundries—Customhouse Dues,	£2,295 8 3		
" " Wages, next Pay-day,	5,916 17 11		
" Due for Carriage of Copper and Pyrites,	893 4 7		
" Sundry Debts,	180 18 11		
		9,286 9	8
" Balance,		199,024 5	3
		£255,974 10	0

ASSETS.

By Royalty paid in advance,	£1,880 10	0	
" Railway Deposit in Madrid,	6,669 7	7	
" San Telmo Mines Shares,	16,772 5	4	
" Workmen's Houses, Plant, and other Material,	32,461 14	7	
" Outlay on Removal of Overburden,	19,676 7	7	
" " for Railway in Spain and Purchase of Land,	33,155 15	3	
" Stocks of Iron, Wood, Coal, Provisions, Barley, Workshops, &c.	31,857 12	1	
" " Ore, Precipitate, Copper, &c.	103,314 11	3	
" Sundry Debtors,	3,410 18	7	
" Cash on hand, and at Bankers,	6,775 7	9	
	£255,974 10	0	

GLASGOW, 24*th August*, 1868.—I have audited the Books of the Tharsis Sulphur & Copper Company (Limited), for both the British and Spanish Accounts, kept at the Registered Office here, for the period from the formation of the Company, until the 30th April last. In connection therewith I have compared the British Cash Accounts with the Vouchers of payment, and find these sufficiently instructed. I have also seen that the Balances brought down against the Accounts for products correspond with the Inventories of Stocks certified by the Officers of the Company; and I certify that the foregoing Abstract Balance Sheet exhibits a correct statement of the affairs of the Company, as shown by the Books at the said date.

ALEX. MOORE, C.A., AUDITOR.

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GENERAL STATEMENT of PROFIT and LOSS from 1st December 1866 to 30th April, 1868.

Interest on Debentures till 30th April, 1868, ...	£1,426	11	4	Profit on Pyrites, ...	£9,262	18	10
Salaries, ...	1,765	2	8	" Copper, ...	36,262	17	11
Written off Preliminary Expenses, ...	602	16	1	" Spongy Iron, ...	284	11	4
Directors' Travelling Expenses and Board Meetings, ...	754	4	10	" Manganese, ...	229	7	7
Discount and Commission on Remittances to Spain, Interest and other Charges not directly debited to production Account, ...	1,699	15	4	" Provision Store, ...	328	6	6
Glasgow Rents, Rates, and Taxes, ...	200	0	4	Interest on Railway Deposit in Madrid, and Sundries, ...	477	13	9
Stationery, ...	284	5	11				
Balance—Net Profit carried forward, ...	40,112	19	5				
	£46,845	15	11		£46,845	15	11

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REPORT OF THE PROCEEDINGS

OF THE

ADJOURNED GENERAL MEETING OF SHAREHOLDERS

OF THE

Tharsis Sulphur & Copper Co.

LIMITED,

HELD WITHIN

M'LEAN'S HOTEL, ST. VINCENT STREET, GLASGOW,

On THURSDAY, 10th SEPTEMBER, 1868.

GLASGOW:
PRINTED BY WILLIAM MUNRO, 27 UNION STREET.
1868.

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REPORT.

THE Adjourned General Meeting of Shareholders of the THARSIS SULPHUR AND COPPER COMPANY, Limited, was held within M'Lean's Hotel, St. Vincent Street, Glasgow, on Thursday, the 10th September, 1868.—CHARLES TENNANT, Esq., of The Glen, Chairman of the Company, presiding. There was an influential attendance of Members, representing upwards of 17,000 Shares.

The SECRETARY (Jonathan Thomson, Esq.,) read the Minute of the meeting held on the 27th ult.

The CHAIRMAN—Gentlemen, You are aware that the object of our meeting to-day is to hear the Report of the Committee appointed at our meeting on the 27th ult., the Minute of which Mr. Thomson has just read to you. I do not know whether the Report of the Committee has been received by all of the gentlemen present, and therefore I would suggest, if the meeting think proper, that the Secretary should read it.

MR. THOMSON then read as follows:—

The Committee, consisting of three Directors, three Shareholders (nominated at the Second Ordinary General Meeting, held 27th August, 1868), aided by the Manager, Secretary, and Auditor, report as follows:—

That, in carefully considering the whole question of the proposed amalgamation with the Metal Companies, and in negotiating with the Boards of the British Metal Extracting Company (Limited), the Tyne Metal Extracting Company (Limited), the Staffordshire Copper Extracting Company (Limited), and the Lancashire Metal Company (Limited), the terms on which amalgamation would be fair and equitable to all parties, and how it may be carried out, various difficulties presented themselves, viz.:—

First.—The high relative Premiums set upon the Shares of each of these Companies by their respective Boards, in consequence of the large Dividends and Bonuses already declared or in prospect.

Secondly.—The reservation to the Promoters of the Tharsis Company of the Cinders or burnt Copper Ore.

Thirdly.—The Patent rights of Mr Henderson and others in the British Metal Extracting Company (Limited), and Staffordshire Copper Extracting Company (Limited), as well as in those parts of the United Kingdom for which no licences have yet been granted.

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Your Committee, strong in the opinion that the Tharsis Company's mines are, and will continue to be, the great source of prosperity to the said Metal Companies, and, whether amalgamated with these Companies or not, will be highly profitable to the shareholders of the Tharsis Company, have not hesitated to declare the value they set upon the Tharsis shares; but, whilst contending for a proper premium on the shares of this Company, they have not for a moment doubted that to bring about an amalgamation as suggested by the Directors is not only expedient but desirable, both as regards the removal of the many conflicting interests now in existence, which prevent the harmonious working of the various branches of the business, and the promotion of the general welfare.

These feelings have been cordially reciprocated by the various Boards and individuals concerned, and your Committee have the pleasure of reporting that the Boards of the Tharsis Sulphur and Copper Company (Limited), the British Metal Extracting Company (Limited), the Tyne Metal Extracting Company (Limited), the Staffordshire Copper Extracting Company (Limited), and the Lancashire Metal Company (Limited), subject to the approval and confirmation of their respective shareholders, have agreed to the following as a fair and equitable basis of amalgamation :—

The Tharsis Company to receive a Premium of £2 per share on their 30,000 shares of £10 each fully paid.

The Tyne Metal Company to receive a Premium of £3 per share on their 10,500 shares, on which £6 per share have been paid.

The British Metal Company to receive a Premium of £75 per share on their 150 shares, on which £75 per share have been paid.

The Lancashire Metal Company to receive a Premium of £3 per share on their 12,000 shares, upon which £6 per share shall have been paid, the whole of the last call of £24,000, payable during the year 1869, being reserved for and applied to the future extension of the Lancashire Metal Works.

The Staffordshire Company to receive a Premium of £3 per share on their 1000 shares, on which £10 per share have been paid.

The shareholders in the several Companies to receive in each case in lieu of their paid-up capital and premium thereon, the like amount in fully paid-up shares of the Amalgamated Company.

It is also a condition, that in the event of amalgamation, it be an understanding that all the usual operations of the several Companies be continued as at present, all acting in good faith towards each other, and that the same principles as to valuation of assets, depreciation of works, &c., shall be adopted by all, and be honourably applied during the stock-takings and balances to be made as at the date of amalgamation; all profits made prior to that date being the property of and divisible among the shareholders of the respective Companies.

Mr. Henderson has also, in a very handsome manner, on behalf of himself

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and the other proprietors of the Cinder and Patent rights, simplified the amalgamation scheme, by consenting to receive the sum of £24,000, in fully paid-up shares in the Amalgamated Company, as a consideration for relinquishing the whole of the Cinder or Burnt Copper Ore rights now vested in, or which may revert to Mr. Henderson and the said proprietors as well as the whole of the Patent rights for the United Kingdom, (excepting Mr. Henderson's claims on the Alderley Edge Mining Company, and Mostyn Copper Company), together with the sole use and benefit of any new processes or improvements which he may discover, and which, as coming within the scope of the Amalgamated Company's operations, may be calculated to benefit the same; Mr. Henderson being bound to take proceedings against any party or parties infringing his Patents during the existence thereof, at the joint and equal expense of himself and of the Amalgamated Company.

Your Committee are of opinion that amalgamation on the above basis will be of very great advantage to the shareholders of the Tharsis Sulphur and Copper Company (Limited), and therefore recommend it to them for adoption, to take place from 1st January, 1869.

Your Committee concur in the opinion already expressed by the Directors as to the necessity of creating additional capital for the Amalgamated Company. The Directors' proposals for this purpose accompany this Report, and have obtained the cordial approval of your Committee.

CHARLES TENNANT,
ARCHIBALD S. SCHAW,
ALEXANDER HARVEY,
} *Directors.*

JOHN BENNETT ALEXANDER,
ARCHIBALD ARROL,
JOHN MOFFAT,
} *Shareholders.*

WILLIAM A. VÉREL, *Manager.*
JONATHAN THOMSON, *Secretary.*
ALEXANDER MOORE, *Auditor.*

GLASGOW, *8th September*, 1868.

The CHAIRMAN—Gentlemen, Before moving the adoption of the Report which has just been read to you, I think it would be well if the Secretary would read the Supplementary Report of the Directors. The two are very closely connected. I think it would be better to read that Report before I proceed to move the adoption of the previous Report. (Agreed.)

MR. THOMSON read as follows:—

Your Directors have to Report that the Committee appointed by you at the General Meeting held on the 27th ult., have given very earnest attention to the business entrusted to them, and have now embodied their views in a Report which it affords us much pleasure to submit to you, and which you will find enclosed herewith:—

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After mutual explanations and interviews with the Boards of the various Metal Companies, as also with Mr Henderson and the promoters of this Company, it affords us much pleasure to inform you that such terms as your Committee feel they can recommend for your acceptance have been arrived at. This desirable object has only been attained after concessions had been made on both sides, and throughout there has been a general disposition to accomplish the end in view.

The Amalgamation proposed to you, therefore, embraces the Tyne Metal, Lancashire Metal, British Metal, and Staffordshire Copper Companies, and also includes the purchase of Mr Henderson's Patent Rights over the United Kingdom, with the exception of those possessed by the Mostyn Copper Company, and Alderly Edge Mining Company, and includes also the absolute right over the Cinders produced from your Mineral wherever used.

Your Directors refer you to the Financial Scheme which accompanies this Report. We have placed it before your Committee, with a view of fixing the amount of Capital, which, looking to the various interests to be Amalgamated, it would be advisable to recommend to you. From this statement you will see that it is proposed to increase the nominal Capital to £1,000,000, issuing at present 31,100 Shares of £10 each, or one Share for every two held in the United Company.

Your Directors suggest that the balance of 6,700 Shares should be kept in reserve for the erection of Works in new districts now under consideration.

Your Directors relying on the above Scheme meeting with your cordial approval and support, recommend a Dividend of £1 per Share on the 30,000 Shares of this Company, to be paid on the 10th November next, carrying forward the Balance of Profit and Loss Account, amounting to £10,112 19s. 5d. to New Account, which will be dealt with along with the Profits that may accrue from the 30th April to the 31st December, and which it is expected will be equal to another Dividend of 30s. per Share.

By Order of the Directors,

CHARLES TENNANT, *Chairman.*

Glasgow, *8th September*, 1868.

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STATEMENT OF THE CAPITAL AS PROPOSED UNDER THE AMALGAMATION OF THE METAL EXTRACTING COMPANIES WITH THE THARSIS SULPHUR & COPPER COMPANY (LIMITED.)

	Present Capital.	No. of Shares.	Paid-up.	Bonus per Share.	Amounts of Bonus.	Totals.
Tharsis Sulphur & Copper Company, Limited,	£300,000	30,000	£10	£2	£60,000	£360,000
British Metal Extracting Company, Limited,	11,250	150	75	75	11,250	22,500
Tyne Metal Extracting Company, Limited,	63,000	10,500	6	3	31,500	94,500
Staffordshire Copper Extracting Company, Limited,	10,000	1,000	10	3	3,000	13,000
Lancashire Metal Company, Limited, £48,000 Paid-up; £24,000 to be Paid up,	72,000	12,000	6	3	36,000	108,000
	£456,250				£141,750	£598,000
For Patent and Cinder Rights					24,000	24,000
					Total existing Capital when Amalgamated,	£622,000
New Capital proposed to be issued, 31,100 Shares at £10 each,						311,000
New Capital proposed to be kept in Reserve,						67,000
						£1,000,000

STATEMENT SHOWING THE APPLICATION DESIGNED FOR THE NEW CAPITAL AS FROM 30TH APRIL LAST. £311,000

For Completing the Railway to Huelva, the Pier, and providing Rolling Stock,	£100,000	
For Payment of the Balance of original Purchase Money of the Works and Stocks at Tharsis,	44,948	
For extending the Mining Operations in Spain,	10,000	
Amount which will have to be called up before 31st December next, (or £5 per Share),	£154,948	
For Extending the Metal Extracting Works in this country, which will have to be called up, as the Works require extension,	50,000	
Leaving available of uncalled Capital (in addition to the 6,700 unissued Shares indicated in the above statement) an amount of	106,052	£311,000

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The CHAIRMAN—Gentlemen, I rise to move the adoption of the Report of the Committee which was appointed on the 27th ult., whose duty it was to consider the terms on which amalgamation would be fair and equitable to all parties, and how the different Companies might be merged into one consolidated Company. This Report has been read to you, and in moving its adoption I will be brief, for two reasons. In the first place, you will agree with me in considering the report very ample in its details, and very simple and easily understood; and secondly, I would prefer that your views with regard to this report, so far as they are to be influenced by this meeting, should be so, not by any remarks of mine, but by those of the gentlemen whom you appointed to represent you on that Committee. And here, gentlemen, I may be allowed on behalf of myself and my colleagues to say, that we appreciate and acknowledge, on our part, the zeal, the courtesy, and the intelligence which those gentlemen brought to bear upon the consideration of the various questions laid before them; and I cannot help saying to you, that you were very fortunate in selecting gentlemen individually and collectively so well qualified for the duties intrusted to them; and I, as a large shareholder, feel that we owe a deep debt of gratitude to them for the very valuable services which they have rendered to us on this occasion. (Applause.)

Gentlemen, at our last meeting I stated to you that both for the welfare of the Tharsis, and the Metal Companies, an amalgamation was necessary. The more I reflect upon the matter, the more am I confirmed in this opinion. It must be plain to you, that a large export of ore is necessary to secure a full tide of prosperity to the Tharsis Company. This large export of ore will give a regular supply of cinders to the Metal companies. The two interests are almost identical, for both are inseparably connected; in fact, I believe that this amalgamation which we are met to-day to consider, and which I cannot but look upon as virtually carried out,—at least, I trust I may so regard it—(hear, hear)—will be fruitful of results which it is very difficult to over-estimate. With our Mine, and its inexhaustible supply of mineral, with a large number of Consumers tied to us by the surest of all bonds, the bond of interest, with well-appointed Works in several districts, and a tried and successful process to extract the various metals which our Pyrites contains, we shall find ourselves in a position of self-reliance and strength, which I believe none of our competitors can, in the smallest degree, approach.

The terms of amalgamation submitted are, I think, in every respect fair and satisfactory. This Committee, you will remember, was not asked to fix a value upon the various works and properties, with a view to an absolute sale; but to determine a fair relative value upon which all those Companies could combine their interests, and work for the common good. I believe the terms proposed are perfectly equitable to all the interests concerned. As to the future of your own Mine and the value of it, I think that, on more than one occasion, I have expressed a very

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strong opinion. As to the prospects of the Metal Companies I hesitate to speak in the presence of a gentleman who is so much better able to give an opinion, to whom those companies owe their existence, and under whose surveillance their works have mainly been constructed. And here I would diverge for a moment to confirm the opinion expressed in the Committee's Report, as to the very liberal spirit in which Mr. Henderson has acted towards the Tharsis and the Metal Companies on this occasion. Without Mr. Henderson we should not have been able to carry out this amalgamation; but he has from the first seen its desirableness, and to aid in its realization, has made sacrifices to a large amount, and given up large revenues which have been flowing to him from the Metal Companies in the shape of royalties. These royalties he has merged in the amalgamated company; in fact, he has thrown in his lot entirely with ours, and I am sure you will agree with me that, seeing there is no gentleman so competent, from his great knowledge and experience, to form an opinion as to the future of this undertaking, his action in this matter is very cheering, it evinces his very great confidence in the undertaking, and must carry great weight with us all. (Applause.) I would be glad that Mr. Henderson should, in the course of the proceedings to-day, state the views which he entertains of the present and future of these Metal Companies, under their contemplated new organisation. As I have said, he can do so much more effectively than I can; and after the report has been seconded by my friend Mr. Moffat, he will perhaps say a few words. With these few remarks I will ask Mr. Moffat to second the adoption of the Report of the Committee.

The SECRETARY read the formal motion as follows:—

"Resolved, that an amalgamation of this Company with the several Metal Companies mentioned in the report—viz., the British Metal Extracting Company (Limited), the Tyne Metal Extracting Company (Limited), the Staffordshire Copper Extracting Company (Limited), and the Lancashire Metal Company (Limited)—together with the purchase of the Patent and Cinder Rights of William Henderson and others, are expedient and desirable; that the Meeting agree with the Committee that the terms set out in the report as the basis of such amalgamation and purchase are fair and equitable; that the said report be and is hereby approved of; and that the meeting remit to the Board of Directors to adopt and follow out such measures as they may find necessary and advisable for having the said amalgamation and purchase formally and legally completed."

JOHN MOFFAT, Esq., Ardrossan—Gentlemen, I beg to second the motion proposed by the Chairman for the adoption of the Report. In so doing I doubt if in reality I can add anything to his extremely lucid statement, except to say that I entirely agree with it. But as this is an extremely important epoch in the history of this Company, and as this is the first oc-

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casion on which the shareholders have been admitted to a knowledge of the details of the concern,—which are usually left to the Directors alone,—I think it is right that we, the Committee, should state the impressions thereby derived, as to the future prospects of the Company, and give a short abstract of the negotiation itself.

I may mention, that the last meeting at which we were appointed, was the first meeting of the Company at which I was present. I then stated that I was extremely unwilling to accept the appointment, in consequence of my recent connection with the Company, and my imperfect knowledge of its affairs. There was another reason also, which I could not then state, but which I can state now,—and that was, that I had formed, on account of that imperfect knowledge, a very unfavourable opinion as to our position and prospects. I bought my shares nearly a year since, induced by the glowing accounts which were current in Glasgow at the time. I accepted these accounts with a liberal discount, as my experience of Limited companies had been very unfavourable. Shortly after I was registered, I saw the Report of the Directors issued in October last, and I thought it gave me some ground for my scepticism, as to their being able to realise their promises. Had I been present at the meeting at which that Report was presented, and had I heard the Chairman's statement, I have no doubt that that impression would have been removed. Since then I learned nothing of the proceedings of the Company, until the last Report was issued. I still regarded it as unsatisfactory, and conceived that it amounted practically to a claim for more capital, and an indefinite postponement of dividends. You see, therefore, that I entered on my duties with indifferent opinions of the prospects of the Company and of the proceedings of the Directors, and was quite prepared to find myself compelled to report, that I could not agree to their recommendations.

I believe it is not unusual, in such investigations, for Directors and Officers to be rather reticent in the communication of facts, and inclined to overestimate the good effects of their policy. I was agreeably surprised to find that the fullest information was given us, and that our special attention was drawn to unfavourable points, which might not have been noticed, on a first view of the matter. We found Balances of all kinds ready, and each of us got copies of all the documents, from which we could obtain a full knowledge of the formation and past history of the Companies. We found every one, from the Manager to the Chairman, vieing with each other in their desire to give us full explanations as to all the facts connected with the points narrated in these documents. We very soon discovered that our chief duty would be to make an accurate estimate of the actual and relative values of the stocks of the different Companies; for it was evident from the most cursory glance, that the importance of the amalgamation to the interests of all the Companies could scarcely be exaggerated. We therefore endeavoured to get the means of estimating correctly the quantities, the costs, and the prices of the products, of the different Companies,

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so that we might arrive at an approximation of the amount of the probable profits. We learnt also that our Directors had gone over the same ground for the same purpose, and had prepared a scheme of amalgamation which they submitted to us, and that was discussed at some length at our first meeting. On going home from that meeting, I went over the data obtained from the documents, and the notes I had taken, and my first impression was a very decided opinion that the Tharsis shares were under-estimated, in the scheme of the Directors—already referred to—and that we were entitled to a larger Bonus than they proposed. I immediately wrote to Mr. Arrol, explaining my views, and giving my reasons for them, and requested him to meet with me on the morning of the next meeting-day, when we might compare notes, and ascertain each other's views. I found that he was generally very much inclined to agree with me. I could not have such a meeting with Mr. Alexander, as he resides at Newcastle, and could not arrive in Glasgow until after the meeting had commenced. At this and subsequent meetings, after, as we thought we had been fully instructed as to all the facts of the case, each took up his own ground and advocated his own views, endeavouring by every means in his power to come to an adjustment of the terms of the amalgamation which would be fair, equitable, and satisfactory to all. We found that the connection between the Tharsis and the Metal Companies, and the contracts of sale under which their transactions with each other would be arranged, bristled with points of difference, and these were the strongest reasons in the world for our coming and going with each other, so as to arrive at an amalgamation which would remove all these out of the way. After a very full discussion of the various points *seriatim*, I found--and the other members of the Committee also found—that our views in so far as they differed from those of the Directors had been founded wholly or partially upon misconceptions, and as these were removed in the course of the discussion, we finally approximated to a basis of amalgamation, nearly the same as that shown to us by the Directors and embodied in the Report of the Committee.

During these discussions we had the pleasure of meeting gentlemen acting for and representing the Metal Companies; and we compared our views with them, and got very full information of special facts on their side, and as to how they looked upon ours. We met with Mr Henderson, from whom we received information as to the nature of his patent—which I confess I did not understand before—its duration, and validity. I was very much struck with the ingenuity and beauty of his process, and with its probable value to the amalgamated Companies in their extended operations; and I am of opinion that they have got very full value for the sum to be paid to him. I was also very much impressed at all the meetings with the Metal Companies, at the strong desire exhibited by all the gentlemen representing these Companies, to arrive at fair and equitable terms of amalgamation. Every point we urged was courteously received, and fully discussed; and at the end, when they knew the basis of amalga-

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mation we were inclined to stand upon, they arranged meetings of their Boards, and agreed that they would accept it. Each Board stated strongly that each Company had got too small a bonus; but in their wish to clear away obstacles to their entering upon a course of prosperity, on which I trust we are about to enter, they were disposed to waive these objections. I think, therefore, I am entitled to conclude, that when all the parties advanced objections of the same nature, to the same extent—when the only serious difficulty, that of the relative bonus, has been challenged by all—I say I think I am entitled to take that fact as the best proof of the substantial equity of the proposal laid before you. (Hear, hear.) I believe that it is as fair as any arrangement you could arrive at.

The Bonuses of the Metal Companies are higher than ours. There are two reasons for this. The first is, that they have realised the profits and divided them. The British Metal Extracting Company has divided, I find, 200 per cent. of actual dividend in four consecutive years. They have also written down their works nearly to half their value, and have besides added a bonus of 50 per cent. to their capital. Another reason is, that they do not depend upon us, although we depend nearly entirely upon them. While they have a right to purchase all our burnt copper ores, they are not compelled to do so, but if they pleased could buy elsewhere. We, on the other hand, are bound to give them this option. These are the reasons, therefore, for their getting a larger Bonus, viz., the fact of such large dividends having been realised, while ours are necessarily prospective; and that these companies have the whole world to depend upon, while we have in a measure to depend on them. I think it is quite right to give them a larger bonus. I am of opinion that the Bonus proposed is fair and equitable; and therefore I have much pleasure in recommending, in the strongest manner possible, the shareholders of this Company to agree to the basis of amalgamation which has been read to you. (Applause.)

I think it is desirable to say, regarding the Supplementary Report of the Directors, more especially as to the large amount of capital which is to be called up, that we directed our attention to the question, as to whether that large addition to capital was really wanted, and whether there was a prospect of a fair dividend being obtained upon the increased capital. We found that if the Tharsis Company was to be carried on independently, there would be required about £200,000, making a total capital of £500,000, which, added to the capital of the Metal Companies, will make the amalgamated capital a million of money, called up to the extent (if no new works of an extraordinary kind are required) of £820,000. We consider that this is necessary; but is there a fair probability of profits on that large capital? When I first looked at the great excess of the capital over that originally estimated as being required, I confess I was inclined to blame the Directors, and to suspect that there had been an unprofitable expenditure going on. The gross cost of the railway we were at first told would be £90,000; but now it is estimated to cost £190,000. It is well

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known that professional men can tell the actual cost of a railway within very narrow limits, if the line be not altered, and if wages, &c., do not change during its formation. I was not aware of any reasons which could lead to the increased cost of our railway, and I argued that if the Directors went so far wrong in a matter which could be so well ascertained beforehand, that little value could be put upon their estimates of mining and manufacturing costs, which it is impossible to calculate with certainty beforehand. I have very great pleasure in confessing, after full information, that I was entirely wrong in those inferences. The railway was laid out like one of our ironwork or colliery lines, but fitted for locomotives, and such railways do not cost more than £3000 per mile in this country, and therefore the Directors were entitled to assume £90,000 as a correct estimate; and if it had been carried out as at first intended, this sum would not have been exceeded. But when the plans were submitted to the Spanish Government, not only were they objected to, but the Directors found many restrictions and requirements imposed upon them, so that they had to make a railway for the general good, and not a mere mineral branch, but a line for the benefit of the whole district. Other causes, too, although of a minor character, induced both delay and expense. In the end, the course of the line was altered considerably, causing heavier works to be executed; and the whole railway was made of a more permanent kind. As an engineer, I would have considered that the cost of construction by these alterations would have been more than doubled. But the great point is not how this change has been caused, but whether or not we have got good value for the money expended. We are paying £190,000: are we getting value for that sum? According to the information I have received from our officials, we shall get a railway 30 miles long, with rails 50 lbs. to the yard, with spare rails to lay six additional miles in the mine itself, with bridges all of wrought iron, with four locomotives and 200 trucks, apparently capable of carrying all our own large traffic, and that we shall have a pier 1800 feet long, constructed of cast-iron screw piles in 20 feet of water, and with the necessary appliances for shipping,—and I think if we get all these for £190,000 we get an uncommonly good bargain. I would have thought that the railway alone would have cost that sum. From what I know I find that our own traffic, at the low rates which railways have been brought down to by competition in this country, would give us a dividend upon the cost of construction of 9 per cent.; and if the traffic rates are kept, as proposed by the Directors, at a figure higher than in this country, it will yield at least 12 per cent. In addition to our own traffic, we shall have the inward traffic in the shape of coal to be carried to the mine, and other materials for the neighbouring district, as well as goods to be carried down from the country to the shipping port of Huelva.

The other point is one more for commercial men to refer to—that is, the large excess of capital required, as explained by the Chairman at the last

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meeting,—on account of the change in the mode of selling our ores. At present the ores are sold to the manufacturers for cash on arrival in this country, at their full value both for sulphur and copper. They have therefore to advance to us the full value of the copper contained in the cinders which are left, after they have burnt the sulphur out in their own furnaces, and this will amount to from 30/ to 35/ per ton, which they do not get back until the cinders have been purchased from them by the Metal Companies. From the change in the trade we shall probably be forced in future to sell the Pyrites as it arrives, to those Chemical Manufacturers, for its sulphur value alone, retaining the right to receive back from them the cinders for sale to the Metal Companies. This will necessitate our being provided with capital equal to the whole cost of four months' production of the ores as they arrive in this country. We require to provide also for a possible accumulation of stock which may be caused by our sales of ore not going on at the same rate as the arrivals, and this in all would require a sum of £60,000.

I believe that the Directors at an early period must have seen that their original capital was much too small. I have heard shareholders say "they should have told us that, as soon as it was discovered." But I do not think there is any good ground for any such complaint. Had the railway been finished twelve months ago, for the sum of £90,000, our traffic and profits would have been very much larger than they have been. I should estimate in that case, that by the 31st December next, the accumulated profits of the undertaking would have amounted at least to £120,000. It would have been imprudent to have divided more than 20 per cent., with which I have no doubt all the shareholders would have been amply satisfied; so that at the end of the year, in place of being straitened for funds to defray the large additional cost of the railway, they would have had at least £60,000 of free profits at their credit. The extension of the Company's operations, caused by our amalgamation with the Metal Companies, will also require the possession of a considerable amount of new capital. The Directors' Report shows in a clear and simple manner the mode in which those various sums are to be raised and applied; and this I consider to be the best that could be adopted.

The last and most important point of all, is the probable profit which the Company would derive upon the capital thus so largely extended. It seems to me that our connections with so many of the leading Chemical Manufacturers of the kingdom, enables us to look forward with absolute certainty to the disposal of the whole of the large amount of ore, namely, 150,000 tons annually, which we are bound to export from the mine. Being made one with the various Metal Companies, we have also the means of profitably working up the whole of the cinders, made by the chemists' operations, so as to utilise all the metals they contain, viz., copper, iron, nickel, cobalt, &c.

Having thus shown how the whole of our ore can be disposed of, it only remains to estimate the probable prices that we shall receive. When

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we began operations, sulphur brought 1s. per unit, and copper £90 per ton. From the extension of supplies, and the general depression of trade, these prices have fallen to 8d. per unit for sulphur, and £70 per ton for copper. The further extension of our shipments, will still further lower the price of sulphur, to an extent difficult to estimate. A friend of mine practically interested in the trade, and not connected with our Company, has told me that with the reduction to 7d. per unit, we may count on disposing easily of 150,000 tons of pyrites. But to be quite safe, we have estimated the sulphur at 6d. per unit. England is the great copper market for the world. The annual amount sold, I believe, is about 100,000 tons, of which 60,000 tons are sent from Chili; and the price of this Chili copper rules the rates for the whole market. If the quantity from Chili is not increased, we may expect that our whole production of about 8000 tons, will not cause any great lowering of price. But I am informed that the present prices are so low, as scarcely to allow of any profit, to the very best mine in Chili. The others, therefore, can scarcely be clearing expenses, and a very small fall in price, will cause them to stop operations. Further, the demand for copper for the last 20 years has been gradually and steadily increasing, and if trade revive in a short time, as is generally expected, the increase in demand for copper, will more than take up our whole production. We are, therefore, quite safe to calculate, that our copper for the future, will not bring less than £70 per ton. At these prices, the lowest estimate which I can bring out for the profits of our extended undertaking, would warrant a dividend, varying from 20 to 25 per cent., and leaving such a balance, as would maintain our finances, in an easy and satisfactory condition.

I may mention that, large though these figures are, they are very much smaller, than those made up by some of the gentlemen now sitting at that Board, whose ideas are really to my mind so exaggerated that I would not like to name them. Taking everything into account the scheme looks so unusually promising, that I cannot help suspecting that there may be some unknown source of error and danger which may yet upset all our calculations.

I have been told that I only require to go to Tharsis, and see with my own eyes, the enormously valuable property of which we are possessed, in order to have the suspicion entirely removed. If I can find time, I intend next month making a tour on the Continent, along with my friend Mr. Wm. M'Ewen, in the course of which, we have resolved to take Tharsis in our way, to inspect the mines, the railway, and the whole of our operations. I trust the result of this inspection will be such as I have been informed, and that on my return, I shall be able to state to my fellow-shareholders, that the extremely flattering anticipations of the Directors, are likely to turn out to be sober realities. (Applause.)

John Bennett Alexander, Esq., Newcastle-on-Tyne,—Gentlemen—After the very exhaustive speech of our friend who has just sat down, I think

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there is very little left that any one can say upon the subject. Our Chairman has thanked the Committee for the care and labour they have bestowed on this matter. I may take this opportunity of returning the compliment, as, I am aware, his efforts have been incessant, in removing difficulties in the way of the proposed amalgamation, which at one time appeared insurmountable. In regard to the required increase of capital, I think it will be very plain to all the shareholders, that if we increase our Imports to 150,000 tons of ore per annum, and the chemical manufacturers do not pay for the copper as it is delivered to them, we shall certainly always need something like 25s per ton, say on the consumption of four months, which is lying like dead stock until it is ready to go into the market as manufactured copper. That shows that we shall need from £60,000 to £70,000 of capital. Mr Moffat has not referred to the extra quantity of ore burnt out in Spain. That will be proportionately increased, and there will be some additional capital required there. Mr Moffat referred to the very low prices for copper, and to the increased importation of the Tharsis Co. There, I think, he has overlooked a little fact—that if the importation of our ore increases it will shut out the low class of ores, such as those from Norway, so that the thing will soon right itself. These are all the remarks that I feel it necessary to make.

Archibald Arrol, Esq.—I have great pleasure in endorsing what the previous speakers have so well said. At a very early stage of our proceedings we arrived at the opinion, that amalgamation was both desirable and expedient, so that we soon settled down to the discussion of the terms. It was very evident that, to get rid of the 150,000 tons of ore that we were bound by our Contract to export, we required a better outlet than we have at present. The Metal Companies, on the other hand, had some trouble in obtaining Cinders in sufficient quantity to keep them going, so that we had a pull on them there, which enabled us to treat with them more easily. Mr Henderson, we all admit, in the most handsome manner met our views; and to his process we are indebted for getting rid of our burnt ores at a profit. As to the future of the Companies, we cannot tell. I think that 200,000 tons of ore will be nearer what we can bring home; but there is no limit, in my mind, to the quantity of ore which we can produce. We have not a mine, but a large open quarry. I am informed by those who have seen it, as well as by our manager, Mr Vérel, that the ore is perfectly inexhaustible. All we want is to determine the best means of bringing it home and disposing of it in this country.

Mr. Moffat.—Mr. Chairman, With your leave I wish to make an explanation, in regard to a matter I was questioned about after coming into the room. I took this paper from Mr. Alexander to enable me to do so, but find that I have omitted it. The question was—What do we get from Mr. Henderson in return for the £24,000 now allotted to him? This sum is

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given in extinction of the cinder rights reserved to him and other promoters, which, as I have indicated already, are of very considerable value. It also entitles us with two small exceptions to receive the whole royalties accruing to him as the owner of his patent process. These already for two of the Metal Companies amount to a large annual sum. For the other two Companies large amounts were paid to him in stock in lieu of annual royalties. In my opinion, therefore, we are getting these cinder and patent rights at an extremely moderate price.

The CHAIRMAN.—Gentlemen, I think from the allusions that have been made to Mr. Henderson, I must ask him to say a few words to the meeting.

WILLIAM HENDERSON, Esq.—Gentlemen, I think after the very exhaustive speeches of Mr. Moffat and our Chairman, there is very little left for me to take up. The only thing I think that Mr. Moffat wants to complete his high opinion of the mine is to do as Mr. Tennant, Mr. Schaw, and some of us did,—to go out and see it. I am quite satisfied that any shareholder that has once seen the mine, will never sell his shares. I have been connected with mines for many years, and have seen a great many copper, silver, and lead mines; but after going out and seeing this enormous quarry,—for you cannot term it a mine,—the others have all fallen into the shade. It is 126 metres or 136 yards in width, of solid ore without a particle of matrix in it, except three per cent. of silica. With that exception it is wholly pure mineral, which contains 48 per cent. of sulphur, 42 per cent. of iron, 3 per cent. of copper, a little silver, a little gold, a little nickel, a little cobalt, and a little lead. These amount to a very little, but they are very valuable; and by and bye, after we have got more time for working out the manufacturing details, we will be able to gather up these valuable minerals and utilize them, thus increasing the profits of the combined Company very considerably. I have been asked to say a little as to the future prospects of the Company. But I am very loath to do that; for it is a very difficult thing to prophecy. We in a very short time may be able to produce 400 tons of copper per month at the mine. Now, the more we produce there, the larger proportional profits we shall make. Take, however, only £20 per ton, which is about the present profit obtained, this, on 4,800 tons per annum, gives £96,000 from that source alone. Say you import 150,000 tons of pyrites per annum (the whole consumption of pyrites averages very nearly 400,000 tons), if you can produce these pyrites cheaper than at any other place—which I believe you can—I take it that this quantity can be easily disposed of at a profit of 16s per ton. That profit is based on the present price of copper, which is very low, and on 6d per unit for sulphur. That gives us another £120,000 per annum. The best experience in the working of the Metal Companies shows that if these were extended and fully sup-

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plied with ore, up to the capabilities of the works that have been laid out, much larger profits would be obtained. For instance, in the Tyne Metal Company we have spent a little over £40,000 on buildings and machinery, and we can get through 24,000 tons a year. But we have laid down machinery, so that by the expenditure of about £10,000 more, we will be able to double the output of these works. Taking this into account, we will certainly make a profit of 20s. per ton on the cinders treated, and when we are able to turn our iron ore into wrought iron we shall get an additional profit. We can also recover the sulphate of soda, which now goes to waste, and likewise save a portion of the common salt which is also wasted. I only set down the profit at 20s. per ton, and as we have 110,000 tons of cinders, making £110,000 of profit, or, taking the whole together, we have £326,000 a year as the profits that will be realised by the amalgamated Companies. I am quite satisfied that the supply of ore is unlimited, that the quantity of copper we can produce is only a very small per centage of the imports from Chili, and therefore will not depress the market, so that the amalgamated Companies can fairly expect to divide yearly from £25 to £50 per cent. I should not like to say much more on this subject. I think that is plenty, and if we give 25 per cent. to our shareholders they won't be disappointed, and if more they ought to be very much pleased. (Applause.)

William M'Ewen, Esq.—Gentlemen, Having had some intercourse with the officials of the Company since our last meeting, I think it proper now to give the result of my impressions regarding the Company. As you are aware, at the last meeting I was not pleased as to the position of the Company and the statement of its accounts as given in the Report, and accordingly I called on Mr. Tennant and stated the objections I felt, and the information I desired. He said the various accounts were at my disposal, and subsequently I met with several of the Directors and Mr. Vérel; and I think it is right for me to say that the unfavourable impressions I had formed have been quite removed—that everything in the report was correct, and that the accounts were made up in a right and proper manner. So far as I can see, after the amalgamation each shareholder will have a good return for the money invested. I got all the documents, and went very minutely into the calculations on which they were made up, and I think that the amalgamation of the Companies gives the promise of a good return. I think it is right to state this, after my expressions at last meeting. (Applause.) I believe that this amalgamation will tend to the prosperity of the Tharsis, and the Metal Extracting Companies. It removes the antagonistic elements, which you are aware, I formerly pointed out at the formation of the Company, and the two interests will do better combined together than separately. I am not in a position to state the rate of dividend we may expect, but I believe we may anticipate that what the Report states will be realised. (Applause.)

The Motion was then carried unanimously.

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The CHAIRMAN—Gentlemen, I now beg to move the second resolution :—

"Resolved, that the said report be adopted, and that the Board be authorised to call a Special General meeting of the Shareholders, in terms of the Statute, to consider, and if approved of, to resolve as follows, viz. :

1. That the capital of this Company shall be increased from £300,000 to £1,000,000, divided into 100,000 shares of £10 each.
2. That the said additional capital shall be used and applied for acquiring and taking over the rights and properties of the British Metal Extracting Company (Limited), the Tyne Metal Extracting Company (Limited), the Staffordshire Copper Extracting Company (Limited), and the Lancashire Metal Company (Limited), and also the Patent and Cinder rights of William Henderson and others, and otherwise, as specified in the statement appended to said report ; and the surplus of said additional capital shall be reserved as recommended therein.
3. That the purchase prices of the several interests so to be acquired shall be paid for to the respective sellers in the stock of this Company at par. and the several sellers shall, in virtue thereof, be offered *pro rata*, with the other shareholders of the Tharsis Company, the 31,100 new shares intended to be issued, and on the like terms and conditions as to the payment of calls and otherwise.
4. That a General Balance of the Company's affairs shall be taken, as at the 31st December, 1868, from the period from the 30th April preceding ; and the surplus profits, as at 31st December, 1868, shall be divided rateably among the holders of the Company's original capital of £300,000.
5. That the Annual General Meetings of the Company, instead of being held in the month of August, shall hereafter be held in the month of June.
6. That the number of Directors shall be increased from ten to a number not more than fifteen; and
7. That the Articles of Association shall be altered or modified to such extent as to give effect to these resolutions if adopted."

After the frank and handsome manner in which Mr. M'Ewen has expressed his satisfaction with the accounts, I need not say much. Mr. Moffat's candid statement amounts to this, that it would be well for shareholders to come and ask explanations before they arrive at too hasty conclusions. I am sure that there is nothing more pleasant to me, than to hear the hearty manner in which you have tendered your thanks to this Board. We have only had one thing in view in these negotiations, viz., the general welfare, and I am perfectly certain that if you stand by and support your Directors and officials in this crisis of our affairs, a very solid and strong joint-stock company will be the result. The financial statement shows that we propose to issue new capital to the amount of £311,000, in £10 shares,

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and that calls to the extent of £5, amounting to £154,948, must be made on this stock. We believe that will be sufficient, until our imports become so large, that our Metal Companies require considerable extension. When that takes place we shall have to spend something on these works. At the bottom of the financial statement we have set down £50,000 for extending the Metal Extracting Works in this country, and with the £154,948 we propose to call, we shall still leave an uncalled sum amounting to £106,052. I don't think we shall require it, but it will be there, and form a good security; and, therefore, I think that the whole sum of £311,000 will amply meet the wants of the Companies both for the present and the future. We propose to call £2 10s. now, and £2 10s. in the beginning of the year. To help the shareholders to meet this call, they will receive on 10th November £1 per share on their present stock; and the profits now accruing will, I believe, by the 31st of December suffice to give another dividend of £1 10s. per share. We cannot, of course, declare that dividend at that date, but we may declare an *interim* dividend if nothing unforeseen occurs. But the full amount of that dividend cannot be declared until we balance our books, and as we shall take stock at that time, probably it will be the month of June before the whole amount of the dividend can be paid to the old shareholders of the Tharsis Company. We believe that that will amount as near as may be to 30s., so that your finances to that extent will be relieved from the £5 call. I hope that the Metal Companies will do something for their shareholders. I trust they will pay a considerable dividend up to the 31st of December, which will help them as our dividend will do us. On the 1st of January our new Company will be inaugurated, and from the statements made as to our future, I consider it is quite unnecessary for me to enlarge upon the subject. I believe that matters will turn out as Mr Henderson and Mr Moffat anticipate—not in the first year, however, as we will have to organize our railway and complete our works in connexion with it. I quite endorse the saying of Mr. Henderson—that vacillating shareholders should go and look at the mine. When I first saw it, the unchristian desire seized me—that I should like to possess this for myself. It is very difficult to give you an idea of what a wonderful thing it is. Without reference to its value, talking of it picturesquely, it is a marvellous sight. I quite endorse the sentiment expressed to me by an old gentleman in Seville. "There are," he said, "two things in this part of Spain worth visiting—the one is our Cathedral, and the other is the open cast at Tharsis." The beautiful colours which this enormous mass of ore exhibits, and the number of workpeople creeping all round it, is a marvellous sight in a great barren region, where scarcely any vegetation is to be seen, and one cannot fail to be very much impressed by its grandeur and extent. There is only one other matter I have to notice in moving the resolution. It might be perhaps satisfactory to the meeting, especially since Mr. M'Ewen has stated that he will take the proportion of stock allocated to him, to be

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informed that the Board have subscribed for £100,000 of the new stock. (Applause.) I think that evinces the view we take of the matter, and I trust that it will suffice to induce the gentlemen present to follow what I consider a good example.

Mr M'Ewen seconded the motion. I think, Mr Chairman, you went wrong in one or two figures when treating of the dividend that we are to receive. We get £2 10s of dividend but for every £6 that a shareholder pays on the new stock, he has thus a prospect of getting £5 of dividend on the old.

The Chairman—Just so. I would confirm Mr Moffat's views as to the amount of traffic expected on the line. At present there are about 12,000 tons of manganese exported from Spain; and I believe a large portion of that will come along our railway, and upon that carriage I think we are entitled to charge 10 francs per ton. Mr. Vérel puts a higher figure upon it. If we can but keep it at that it will be satisfactory; but the Spanish Government are in the habit of revising rates occasionally.

The motion was then carried unanimously.

Mr Arrol—To enable us to carry out this scheme, I have great pleasure in moving the resolution that has been entrusted to me:—

"Resolved, that Alexander Moore, Esq., accountant, Glasgow, and V. W. Houghton, Esq., accountant, Birmingham, be appointed to revise and verify the accounts and balance sheets of the Tharsis and Metal Companies as at 31st December, 1868, on the principle laid down in the Committee's Report; and that, in the event of any difference of opinion arising between them on any point connected therewith, they shall refer the same to the following shareholders in the various Companies, who shall be requested to act as a Committee, of whom three shall be a quorum, viz.:—Archibald S. Schaw, from the Bri ish Metal Extracting Company, Limited; Alfred Keep, from the Staffordshire Copper Extracting Company, Limited; David Gamble, from the Lancashire Metal Company, Limited; John B. Alexander, from the Tyne Metal Extracting Company, Limited; John Moffat, from the Tharsis Sulphur and Copper Company, Limited—whose decision shall be final."

William Brown, Esq., seconded the motion.

Mr Alexander—That arrangement, of course, would be carried out subject to the approval of the shareholders in the other Companies.

The Chairman—Certainly.

The motion was then adopted accordingly.

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The SECRETARY—It was suggested at a meeting yesterday of the Joint Committee of Shareholders and Directors that a paper should be laid on the table to-day, to give an opportunity to the gentlemen present to sign their adhesion to the amalgamation. It is now on the table, and has been already signed by a number. I would like very much if every gentleman present would sign the document.

The paper was numerously signed by shareholders representing £165,000 of Stock in the Company.)

On the motion of Mr BROWN, a hearty vote of thanks was passed to the Chairman for his conduct in the chair, and the meeting separated.

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REPORT BY THE DIRECTORS

OF THE

Tharsis Sulphur & Copper Co.

(LIMITED,)

TO THE

THIRD ORDINARY GENERAL MEETING OF SHAREHOLDERS,

APPOINTED TO BE HELD WITHIN

M'LEAN'S HOTEL, St. Vincent Street, Glasgow,

ON THURSDAY, 24TH JUNE, 1869,

AT HALF-PAST ONE O'CLOCK AFTERNOON.

GLASGOW:
PRINTED BY JAMES HEDDERWICK & SON,
PRINTERS TO THE QUEEN.
1869.

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BOARD OF DIRECTORS.

JOHN TENNANT, Esq. St. Rollox.
CHARLES TENNANT, Esq. The Glen.
WILLIAM HENDERSON, Esq. Glasgow.
ARCHIBALD S. SCHAW, Esq. Glasgow.
LOUIS LEISLER, Esq. Glasgow.
ALEXANDER HARVEY, Esq. Glasgow.
JOHN WILLIAMSON, Esq. South Shields.
DAVID WILSON, Esq. Glasgow.
HENRY DEACON, Esq. Widnes.
DAVID GAMBLE, Esq. St. Helens.

CHARLES TENNANT, ESQ. CHAIRMAN.

WM. A. VEREL, MANAGER. | JONATHAN THOMSON, SECY.

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REPORT BY THE DIRECTORS.

THE Directors respectfully report that the present Meeting is held in accordance with the amended Constitution of the Company, which provides that Annual Meetings shall hereafter take place in the month of June, and that the Accounts to be now presented shall be made up to the 31st December, 1868.

The Books and Accounts of the Company, for the eight months ending 31st December last, have been examined and audited by ALEX. MOORE, Esq., C. A., Glasgow, the Auditor appointed for that purpose; the Spanish Books, Accounts, and Inventories having been verified on the spot, by a gentleman sent there by him to act under his instructions, and a Balance Sheet is appended hereto for your consideration. In addition to the usual audit, the verification of the Balance Sheet has been attested by Mr. HOUGHTON, Accountant, Birmingham, who was associated with Mr. MOORE in revising the valuations and depreciations of Assets on behalf of this Company, and the various Metal Extracting Companies recently absorbed, on the principles laid down in the report of the Amalgamation Committee presented to, and adopted by, the adjourned General Meeting of Shareholders, held on 10th September, 1868. Your Directors feel it due to those gentleman to express their sense of the faithful manner in which they have discharged this responsible duty, and of the close and earnest attention given by them to the various Assets and Liabilities of the respective Companies, with a single desire to arrive, in every case, at a fair and equitable decision.

Your Directors regret that the results of the eight months' operations of this Company are not so satisfactory as were anticipated at the last Annual Meeting, but the expectations then formed were based upon having the use of the Railway, for a larger export of mineral, some months earlier than was found to be practicable. The heavy expense connected with the old method of carriage continued till nearly the close of the year, only about 1,000 tons

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having been carried over a portion of the Railway during the period under review, so that the Exports could not be advantageously increased. The production of Copper was also greatly lessened, owing to the severe drought which prevailed in Spain during the greater portion of last summer, and the prices for this Metal have ruled exceedingly low.

The following particulars will show that progress has been made in the various Departments of Work.

THARSIS MINE.—During the eight months there have been taken off 178,490 cubic metres of overburden. The hard ground on the north side of the cutting has been all taken away, so that the cost has been reduced from 10·84 to 8·47 Reals per metre, and it is hoped further reductions will yet be attained.

On the 30th April, 1868, there were uncovered and unwatered, 560,837 tons of Ore, to which have been added, up to the 31st December, 45,568 tons, making a total of 606,405 tons; while there have been removed 36,469 tons, leaving a balance, at the 31st December, of 569,936 tons. This is only a small addition to the former stock, and is caused by the upper stopes of the heading having been considerably extended, leaving the under ones farther back on the Ore, to avoid danger and prevent accidents to the men working in the lower stopes.

There have been also removed from the galleries 40,194 tons of Ore, making the total 76,664 tons.

There have been delivered to the Teleras, for Calcination, 48,420 tons, and there have been washed 47,820 tons of Calcined Ore, and 2,799 tons of Green Smalls.

The quantity of Slab Copper produced has been 1,105 tons.

CALAÑAS MINE.—Here, as you are aware, the only operation carried on is that of producing Copper, and, being much less favourably situated than Tharsis in the matter of carriage, little or no expenditure for Plant has been incurred. There have been raised 19,479 tons of Ore, and there have been washed 15,110 tons, yielding 269 tons of Slab Copper.

The private and confidential Report to the Board, from the Manager, Mons. LE BOURG, is full and exhaustive, and, as regards the future capabilities of the Mine, is most satisfactory.

The following extract, from the Report of our Mining Engineer, Mr. DOWN, will be read with interest:—

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"As to the future prospects of the Mine, I have but little to add to my last observations. As we go west, on the course of the Lode with the Open Cast, an unlimited supply of Ore will be opened up, and I have no doubt, from our present knowledge of the Lode, that there are now above the water level considerably above 2,000,000 tons of Ore, and that every metre we sink our shaft will add 182,400 tons of Ore to our present reserve; and that, if we sink our shaft 25 fathoms deep, we shall have a stock of more than 10,000,000 tons of Ore."

It is gratifying to your Directors to be able to add that the Railway, partially opened in December and January, has, since April, been conveying mineral at the rate of 9,000 tons per month, and that, with the rolling stock now available, they hope to supply the home market with Pyrites, to the full extent of the demand; while at the same time the production of Copper on the Mine will not be neglected, means having been taken to augment the supply of water, so necessary to the process of Cementation.

Your Directors have pleasure in alluding here, to an able and interesting report, lately furnished to them by some well-known Shareholders in the Company, who have recently visited and carefully inspected your Mining Properties, and they have been much gratified with the testimony borne by these gentlemen, to their value and great resources, and to the favourable opinion they have formed of the management and organization they found existing there. Your Directors have been disappointed to find, however, as regards the Railway, that while, in other respects, it has been favourably reported on, the Griffin permanent way, which they had been induced to lay down over a portion of the line, as being more suitable for Spain, has proved so unsatisfactory, as to necessitate the replacement of the iron by wooden sleepers, with ordinary iron chairs. This subject engaged the immediate and earnest attention of the Board, and the work is being gradually proceeded with, and will be completed ere the winter rains set in. The cost of this change will not be very serious, it was considered imperative to adopt it, and your Directors are of opinion that they consulted the welfare of the Company in preventing any unnecessary delay.

Since 1st January last, the Company has entered on a greatly extended sphere of operations, and the works of the various Metal Companies then absorbed, are now in course of development to the

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full, with a fair promise as to results. Many important points of operation are in the future, furnishing ample room for research, skill, and economical appliances. With abundance of mineral, and ample means at command for raising, transporting, and utilizing to the best advantage, all the various products, there is a good prospect of the Capital of the Company being profitably employed.

The Balance Sheet exhibits the following results, after the depreciations agreed upon by the Auditors, to the amount of £8,596 : 14 : 5. have been written off:—

Amount of undivided Profits, as per last balance, ending 30th April, 1868,	£10,112	19	5
Profits for the period 30th April to 31st December, 1868, ...	27,051	4	7
	£37,164	4	0
Deduct Interim Dividend at the rate of 15 per cent. per annum, paid 2d March, 1869, ...	30,000	0	0
Leaving a balance of ... ... available for disposal at the present Meeting.	£7,164	4	0

The Directors recommend that the sum of £5,000 be appropriated in the payment of a further Dividend at the rate of 2½ per cent. per annum, equal to 3/4 per Share on the 30,000 original Shares, making a total Dividend, for the eight months ending 31st December, 1868, of 17½ per cent. per annum, leaving the balance of £2,164 : 4 : 0. to provide for the payment of Income-Tax, and Directors' and Auditors' remuneration.

The following Directors retire at this Meeting, but are all eligible, and are recommended for re-election, viz.—Messrs. Wm. Henderson, Alex. Harvey, and Louis Leisler.

The Directors recommend that, in accordance with the amended Articles, the number of the Board be increased to 12, and that Messrs. John Moffat and Archibald Arrol, both Members of the Amalgamation Committee, and holding the requisite qualification, be elected Directors of the Company.

By Order of the Directors,

CHARLES TENNANT, Chairman.

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THE THARSIS SULPHUR & COPPER COMPANY, LIMITED.

Dr. ABSTRACT BALANCE SHEET, as at 31st December, 1868. Cr.

CAPITAL AND LIABILITIES.

To Shareholders—			
Paid-up Capital, 30,000 Shares at £10 each, ...	£300,000 0 0		
Calls on New Shares,—Paid prior to 31st December, 1868, and carrying Dividend from 1st January, 1869, ...	74,632 10 0		
		£374,632 10 0	
To Creditors—			
On Debentures, ...	£58,966 5 0		
On London Bankers' Credits, ...	37,400 0 0		
On Bills payable by the Company, ...	79,856 3 7		
On Open Account, ...	11,329 10 0		
Do. in Spain, including Royalty to Date, ...	26,548 10 1		
		214,100 8 8	
To Profit and Loss Account—			
Balance of undivided Profits, at 30th April, 1868, ..	£10,112 19 5		
Profit to 31st December, 1868, ...	27,051 4 7		
		37,164 4 0	
After deducting Depreciations amounting to £8,596 14/5.)			
		£625,897 2 8	

PROPERTY AND ASSETS.

By Buildings, Machinery, and Plant, in Works—			
In Britain, ...	£13,919 12 7		
In Spain, ...	37,661 14 4		
		£51,581 6 11	
By Railway—			
Payments under Contract, Rolling Stock, &c., and Interest on Outlay, ...		177,967 18 3	
By Shares in San Telmo Mines, ...		16,772 5 4	
By Stocks of Copper Pyrites, &c., per Inventories—			
In Britain, ...	£46,282 7 10		
In Spain, ...	128,263 17 0		
		174,546 4 10	
By Open Accounts Owing to the Company—			
In Britain, ...	£10,458 7 6		
In Spain, ...	6,955 3 5		
		17,413 10 11	
By Sundries Chargeable on Future Production—			
Mines Lease, Railway Concession, and Henderson Patent Rights Purchase Account, ...	£48,000 0 0		
Expenses Preliminary to taking over Mines, ...	5,086 3 7		
Removal of Overburden at Mines, ...	32,473 13 0		
Patent Rights and Experiments Accounts, ...	1,051 5 8		
Royalty on Mineral yet to Export, ...	33,212 15 7		
Proportion of Interest on Purchase Price of Stocks, ..	1,673 3 5		
		121,497 1 3	
By Bills Receivible on Hand, ...		38,468 9 1	
By Cash Account—			
At Bankers, ...	£16,477 18 11		
Deposit in Madrid in connection with Construction of Railway, ...	6,669 7 7		
On Hand—In Britain, ... £150 12 9			
In Spain, ... 4,352 6 10			
	4,502 19 7		
		27,650 6 1	
		£625,897 2 8	

Glasgow, 8*th June*, 1869.—Audited and approved, ... ALEX. MOORE, C.A.

Birmingham, 11*th June*, 1869.—Audited and approved, ... V. W. HOUGHTON, Public Accountant.

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REPORT BY THE DIRECTORS

OF THE

Tharsis Sulphur & Copper Co.

(LIMITED,)

TO THE

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS,

APPOINTED TO BE HELD WITHIN

The HALL of the CHAMBER of COMMERCE,

VIRGINIA STREET, GLASGOW,

ON WEDNESDAY, 27TH APRIL, 1870,

AT ONE O'CLOCK AFTERNOON.

GLASGOW:
PRINTED BY JAMES HEDDERWICK & SON,
PRINTERS TO THE QUEEN.
1870.

UNIVERSIDAD DE HUELVA 2012

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1870.

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BOARD OF DIRECTORS.

JOHN TENNANT, Esq. St. Rollox.
CHARLES TENNANT, Esq. The Glen.
WILLIAM HENDERSON, Esq. Glasgow.
ARCHIBALD S. SCHAW, Esq. Glasgow.
LOUIS LEISLER, Esq. Glasgow.
ALEXANDER HARVEY, Esq. Glasgow.
JOHN WILLIAMSON, Esq. South Shields.
DAVID WILSON, Esq. Glasgow.
HENRY DEACON, Esq. Widnes.
DAVID GAMBLE, Esq. St. Helens.
ARCHIBALD ARROL, Esq. Glasgow.
JOHN MOFFAT, Esq. Ardrossan.

CHARLES TENNANT, ESQ. CHAIRMAN.

WM. A. VEREL, MANAGER. | JONATHAN THOMSON, SECY.

UNIVERSIDAD DE HUELVA 2012

REPORT BY THE DIRECTORS.

On this occasion it affords us pleasure to place our Report in your hands at an earlier date than was anticipated.

The past year has been characterised by a general depreciation in the market value of both Copper and Sulphur, which has unfavourably influenced the results of our operations.

Certain anticipatory estimates for the year now closed, were brought before you by our Chairman at the last Annual Meeting of the Company. The results brought out in the Balance Sheet appended hereto may, at first sight, appear to you at variance with those estimates, and we feel that some explanations are called for.

The mineral available for export was estimated at 98,000 tons; the quantity actually conveyed for shipment has been upwards of 101,000 tons. Of this, however, only 74,759 could be placed, arising from the fact that, after all uncertainty as to the completion of our Railway had been removed, most of the larger consumers were supplied. Contracts for Pyrites are generally entered into during the last three months of the year, and at that time in 1868, it would have been very hazardous to have bound ourselves for larger quantities than those actually undertaken. By the time the Line was in good working order there were few buyers, but preparations were made by depositing stocks at various points, for more extensive operations this year. These stocks have been taken at cost, and therefore contribute nothing to the profits of 1869.

For 1870 we have already sold 140,000 tons, which are in process of delivery.

The production of Copper in Spain was estimated at 2,500 tons, but has come short to the extent of about 400 tons. This has been occasioned, in a great measure, by the interruptions caused by the change of Guage over most of the Tramways on the Mine, in order to harmonise them with that of the Railway.

The quantity of material treated at your various Extracting works in this country, has considerably exceeded the estimate, and the amount of gross profits realised has gone beyond it to the extent of £4,717 : 6/1.

In valuing the Stocks, all Pyrites in Spain, afloat, and in this country, and all Copper in Spain, and afloat, have been taken at

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prime cost; all Copper in process at your various Works, at Swansea ticketing prices; and all manufactured and ready for delivery, at 5 per cent. under net contract or market price.

As you are aware, all Copper produced by us in this country is extracted under a Patent process, of which you are now the sole Proprietors. As this process will be a monopoly only so long as the Patents endure, and as they gradually expire, we have deemed it safe to put on the Copper produced, a tax equal to what you would have had to pay had you been merely Licensees. This would have been £5 per ton of Copper, and, therefore, the sales have been debited with £12,975, and the amount has been credited to Patent Rights' Account.

Besides all repairs, which have been charged to revenue, 5°/₀ has been written off two of the Metal Works, on account of being comparatively new, while 7½°/₀ has been taken off the three older Works; in addition to which, Experiments' Account, Preliminary Expenses, Bonus, Premium, and Cinder Rights' Account, and Railway Deposit, have been reduced to the extent of £7,755 : 11/2; while £4,679 : 11/ have been added to the Depreciation of Fixed Property on the Mines, raising the total Depreciation of Tharsis Property and Waste Heap Accounts to £6,195 : 15/4.

The mineral exported to the end of the year has been charged with 5/ per ton for Railway carriage, and the difference between that and Traffic cost has been placed to the credit of a Railway Sinking Fund Account, to which has also been debited the amount paid as Interest on Debentures, viz., £5,338 : 1/7, leaving a credit balance of £4,960 : 19/2.

The outlay on permanent works during the year has again been considerable, and has absorbed £37,121 : 17/11, exclusive of the Railway and Pier. The construction of the Pier, and of the new Extracting Works here, will still occasion some additions during this year.

To prepare for a larger output of mineral, it has been found necessary to spend a further sum of £16,407 : 1/8 in the removal of overburden. Of this, £5,838 : 11/4 have been charged to extraction during the year, and the balance on this account is now £43,042 : 3/4, which will be amply covered by the debit against the mineral as extracted, the quantity exposed being much in excess of what is required to extinguish that sum. This is altogether exclusive of the enormous amount spent by the French Company in uncovering the Mine, of which we enjoy the full benefit.

There have been extracted during the year 187,093 tons of mineral at Tharsis, and 30,758 tons at Calañas. In the latter Mine the whole Mineral is devoted to the production of Copper; at the former the quantity extracted has been divided, 101,729 having

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been taken for exportation, and 83,500 tons for calcination on the Mine, the balance being in Stock existing there.

This year finds us still short of our obligatory export, but if our Pier is completed by September, we shall be able to ship our minimum quantity of Ore in 1870; and as consumption is increasing, and we have abundance of mineral and the means of transport, we shall soon overtake these arrears, and be in a position to supply the whole requirements of the trade.

Your Railway is now in good working order and well equipped; a little more rolling stock may be required as the traffic increases; and the revenue now bears all costs of maintenance.

As most of you are aware, we have been very reluctantly drawn into a question by our Railway Contractor, whose claims were such as we could not for a moment entertain, and we have been advised to resist them to the utmost. Both parties are fortunate in the selection made by the Court of the Hon. George Denman as Arbitrator, with Mr. Brunlees as Assessor on Engineering points. The evidence is now in course of being led, and it is inexpedient, for obvious reasons, to enter into details in this Report.

The net profits earned during the year amount to £53,509 : 10/6. From this we are prepared to recommend that a dividend at the rate of five per cent. per annum, free of Income-Tax, amounting to £36,994 : 18/7 be paid to the Partners, on the 13th day of May next; and that the balance of £16,514 : 11/11 be carried forward, from which will fall to be deducted Income-Tax, and Directors' and Auditor's remuneration for 1869.

Looking to the operations of the current year, and to the fact that already our deliveries of Pyrites to this date reach 35,981 tons, while our production of Copper has also been satisfactory, we feel quite justified, in order to comply with a prevailing desire on the part of numerous Shareholders for Half-Yearly Dividends, in recommending to you further, that an interim dividend of five per cent., also free of Income-Tax, be paid on the 10th day of November next, as against the profits of 1870.

The Annual General Meeting of the Company will fall to be held in June next, as provided by the Articles of Association, at which Directors and the Company's Auditor will require to be elected.

At that Meeting it is intended to propose a Special Resolution, altering the Articles of Association to the extent of holding the Annual General Meetings for the future in April, instead of in June, as presently provided by the Constitution of the Company.

By Order of the Directors.

CHARLES TENNANT, *Chairman.*

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THE THARSIS SULPHUR &

Dr. **ABSTRACT of BALANCE**

CAPITAL AND LIABILITIES.

To Shareholders—			
Authorised Capital (100,000 Shares of £10 each), ...		£1,000,000 0 0	
Less 6,829 Shares Unissued, at £10 each, ...	£68,290 0 0		
Calls not yet made on 30,971 at £5,	£154,855 0 0		
Under Deduction of Payments in Advance, ...	8,216 0 0		
	146,639 0 0		
		214,929 0 0	
Paid-Up Capital at 31st December, 1869, ...			£785,071 0 0
To Creditors—			
On Debentures, ...		£100,000 0 0	
On London Bankers' Credits, ...		5,000 0 0	
On Bills and Open Accounts in Britain, ...	£153,061 10 2		
,, ,, in Spain, ...	7,081 11 10		
		160,143 2 0	
Royalty on Mineral Exported, due at 31st December, 1869, ...		25,877 14 4	
			291,020 16 4
To Funds set aside to Reduce Property in Spain—			
Railway Sinking Fund, ...		£4,960 19 2	
Railway Subsidy Account, ...		2,256 16 10	
Depreciation Account on Fixed Property and Waste Heap in Spain,		6,195 15 4	
			13,413 11 4
To Profit and Loss, being Net Profit for year ending 31st December, 1869, ...			53,509 10 6
			£1,143,014 18 2

ABSTRACT of PROFIT and LOSS

Dr.

To Income-Tax, Directors' Fees, and Auditors' Remuneration for 1868, ...	£2,125 16 8
,, Amount Charged to Copper, and Credited to Patent Rights Account, ...	12,975 0 0
,, Amount Written Off the Property and Plant of the Metal Works, Pyrites Store, &c.	7,202 15 7
,, ,, ,, the following Accounts, viz. — Experiments Account, Preliminary Expenses Account, Bonus, Premium, and Cinder Rights Account, and Railway Deposit, ...	7,755 11 2
,, Additional Depreciation on fixed Property and Waste Heap in Spain, ...	4,679 11 0
,, Interest and Discount Account, ...	8,005 8 6
,, Charges Account, including Management, Salaries, Law Expenses, Laboratory Expenses, &c.	8,525 11 4
,, Balance, being Net Profit for year ending 31st December, 1869, ...	53,509 10 6
	£104,779 4 9

Glasgow, 20*th April*, 1870.—I have audited the Books and Accounts of The Tharsis Sulphur & party in the examination of those kept at the Mines in Spain—and I certify that the foregoing Abstract Affairs at the 31st December, 1869.

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COPPER COMPANY, LIMITED.

SHEET, as at 31st December, 1869. Cr.

PROPERTY AND ASSETS.

By Works, Buildings, Machinery, and Plant—			
In Britain, ...	£122,113 7 8		
In Spain, ...	47,418 2 1		
		£169,531	9 9
By Railway—			
Including Permanent Way, Rolling Stock, &c.		231,121	14 8
By Temporary Piers and Shoots, ...	£3,819 4 8		
Permanent Pier, under Construction, ...	7,791 10 2		
		11,610	14 10
By Shares in San Telmo Mines, ...		16,772	5 4
By Stocks in Trade per Inventories—			
In Britain, ...	£155,240 15 8		
In Spain, ...	139,138 3 8		
		294,378	19 4
By Debtors on Open Account—			
In Britain, ...	£56,652 5 2		
In Spain, ...	687 3 10		
		57,339	9 0

By Miscellaneous Assets—

	Total.	*Amount written off.*		
In Britain.				
Henderson Patent Rights Ac/.	£59,000 0 0 ..	£12,975 0 0 ..	£46,025 0 0	
Mines Lease and Railway Concession, ...	60,000 0 0 ..	3,000 0 0 ..	57,000 0 0	
Cinder Rights & General Bonus,	141,750 0 0 ..	2,000 0 0 ..	139,750 0 0	
General Experiments and Patent Expenses, ...	4,470 7 7 ..	1,000 0 0 ..	3,470 7 7	
Preliminary Expenses, ...	5,086 3 7 ..	1,086 3 7 ..	4,000 0 0	
	£270,306 11 2 ..	£20,061 3 7		250,245 7 7
In Spain.				
Removal of Overburden at Mines, ...			£43,042 3 4	
Royalty paid on Mineral yet to Export, ...			41,422 9 1	
				84,464 12 5
By Bills and Cash, on hand and at Bankers, ...			£21,293 8 5	
Spanish Government Bonds, ...			6,256 16 10	
				27,550 5 3
				£1,143,014 18 2

ACCOUNT, as at 31st December, 1869.

Cr.

By Balance carried forward from 1868, ...	£2,164 4 0
,, Profits for the Year from the Mines, ...	60,624 0 10
,, Profits from the Metal Works, ...	38,510 3 2
,, Premiums on Shares allotted, but not taken up and then Sold, ...	2,104 12 0
,, Registration Fees, ...	37 19 8
,, Charterers and Address Commission, ...	1,338 5 1
	£104,779 4 9
By Balance, being Net Profit for year ending 31st December, 1869, ...	£53,509 10 6

Copper Company, Limited, for the year ending 31st December, 1869, with the assistance of a qualified Balance Sheet, and Profit and Loss Account are correct, and exhibit a proper state of the Company's

ALEXANDER MOORE, C.A. *Auditor.*

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REPORT BY THE DIRECTORS

OF THE

THARSIS SULPHUR AND COPPER CO.

(LIMITED),

TO THE

SPECIAL OR EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS,

APPOINTED TO BE HELD WITHIN THE

HALL OF THE CHAMBER OF COMMERCE,

66 VIRGINIA STREET, GLASGOW,

On WEDNESDAY, 3d AUGUST, 1870,

AT ONE O'CLOCK AFTERNOON.

GLASGOW:
PRINTED BY BELL & BAIN, 41 MITCHELL STREET.
1870.

UNIVERSIDAD DE HUELVA 2012

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THARSIS SULPHUR AND COPPER CO.

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1870.

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UNIVERSIDAD DE HUELVA 2012

REPORT.

THE Directors—colleagues of Mr. William Henderson—in convening this Meeting, to consider their relations with that gentleman, may premise, that the painful feeling under which they resort to that course, is in some degree alleviated by two considerations,—the one being that Mr. Henderson's colleagues are unanimous in the movement, and the other, that they consider it one incumbent on them, in the interests of the Company.

It is within the knowledge of not a few of the Shareholders, that the Company's interests, as indicated by the market value of the stock and otherwise, have been, for some time, subjected to detriment; and that one, and perhaps not the least, of the causes conducing to that result, is to be found in the position assumed by Mr. Henderson towards his colleagues at the Board, and towards them and the Company, in his communications out-of-doors with parties interested.

The Directors indulged the hope that, by suggesting (although with hesitation) Mr. Henderson's re-election in June, 1869, a better state of feeling, and a more becoming line of conduct, might be induced. In this expectation, they regret to confess, that they have been altogether disappointed. Since Mr. Henderson's re-election, as before it, his course of conduct has been persistently obstructive of the Company's management and interests, and intentionally offensive towards his colleagues. Important engagements by him to the Company have been fulfilled, but generally with reluctance, and under impending compulsion. A position has been asserted by him, which virtually implied his right to be Dictator of the Company. His communications and statements generally have set out accusations, reckless in their character, and, in an unbridled degree, intemperate in their style and tone.

Referring to the Directors' Minutes applicable to this period, which are on the table, to be read in verification of this preliminary statement, and to satisfy any of the Shareholders who may be either curious or doubtful on the subject, the Directors, proceeding to the more immediate occasion of this Meeting, may remind the Shareholders of the recent Meeting,

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held on the 30th June last. By the time that Meeting was called, Mr. Henderson's feeling would appear to have reached a climax, and it will be in the recollection of the numerous Members who were present at that Meeting, that Mr. Henderson took his stand as *sole* dissentient Director, and as one of four dissentient Shareholders, who attempted to put a Resolution, which, if carried, would have abrogated the Report of the Directors and Balance Sheet, after these had been *unanimously* approved of at the preceding General Meeting (at which Mr. Henderson was present), and after the Dividend declared on that Report and Balance had been paid; and all of this on the pretence of moving and speaking to a point of "order."

On the day following that Meeting, the Secretary received from Mr. Arrol a communication of a character which seemed to the Directors to call for immediate action on their part. That communication, with the Directors' Minute thereon, and the subsequent procedure, now call for the Shareholders' careful attention. They are in an Appendix hereto.

The contents of that Appendix, and this brief Report, will acquaint the Shareholders with the circumstances under which they are now called on, after they shall have considered subsisting relations between the Directors and Mr. Henderson, "to give such instructions and pass such Resolutions as may seem to be requisite, in the interest of the Company." Having, apart from the welfare of the Shareholders as a Body, no separate interests of their own to serve, and assuredly having no individual feeling to gratify, the Directors leave the whole matter with this Meeting unreservedly, under the persuasion that whatever conclusion may be come to, it will be one, which may enable the Directors to devote their time and energies to their proper functions, uninterrupted and untrammelled by any element of an obstructive or annoying character.

In reference to their powers to deal with a matter of this kind, it is believed, the Shareholders will find that the provisions of the Company's Constitution are adequate.

By order of the DIRECTORS,

CHARLES TENNANT,
Chairman.

GLASGOW, *30th July, 1870.*

UNIVERSIDAD DE HUELVA 2012

APPENDIX.

EXTRACT FROM MINUTES OF DIRECTORS.

6th July, 1870.

THE Secretary read the following letters, to the Board:—

"Glasgow, 1st July, 1870. Jonathan Thomson, Esq. Dear Sir,—On other side, I hand you copy of Note I have sent Mr. Henderson to-day; and as I am desirous this should come up at the first Meeting, please arrange for it in the business. Yours, &c. (Signed) ARCHD. ARROL."

"Glasgow, 1st July, 1870. William Henderson, Esq. Sir,—Referring to the conversation yesterday with the Lord Dean of Guild and myself, in which you said, 'there were Directors at the Tharsis Board who sat there, and had other interests to serve than the Tharsis Co.'s,' at the time I informed you I would bring this before the Board, and have to-day intimated so to the Secretary. Yours, &c. (Signed) ARCHD. ARROL."

Mr. Henderson having stated that he did not mean to insinuate, that any Director of the Company sat at the Board table with a view to promote his own personal interests in opposition to those of the Shareholders, it was agreed to allow the letters to remain on the table till next Meeting, in the hope that he will re-assure the Board, by repudiating in writing any such unworthy insinuation.

13th July, 1870.

Letter by Mr. Henderson to the Chairman, read and ordered to lie on the table till next Monthly Meeting.

20th July, 1870.

Referring to the Minutes of the 6th and 13th instant, the Board resumed consideration of the charge brought by Mr. Henderson against some of the Members, and the unsatisfactory

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character of his letter to the Chairman, dated 11th instant, left on the table at last Meeting, the tenor whereof is as follows:—

"97 Buchanan Street, Glasgow, 11th July, 1870. Charles Tennant, Esquire, Glasgow. My dear Sir,—At last Meeting of the Tharsis Board, a letter was read addressed by Mr. Arrol to the Secretary, accusing me of having said, in the presence of himself, and Mr. William M'Ewen, on the Thursday afternoon after the General Meeting, that '*there were, at the Tharsis Board, Directors who sat there, and had other interests to serve than the Tharsis Company's,*' and that he intended to report this outside statement of a well-known fact to the Board, and take their sense upon it.

"A discussion followed, and I most distinctly denied that I had even the remotest intention of charging any of the Directors with malversation, or of accusing them of any irregular or underhand practices. I was asked by Mr. Moffat to put this in writing, which I now do. I will not attempt any recital of the conversation that preceded this remark of mine, nor how Mr. Arrol and Mr. M'Ewen forced their company upon me, the one expressing his opinion that I was not fit to be a Director of the Tharsis Company, and the other that I was an 'Ishmael.' I only refer to what followed, as a proof of the meaning that I attached to the expression I used, at the time it was spoken.

"At the moment Mr. M'Ewen left us, Bailie Harvey came up, and Mr. Arrol repeated to him what I had said, and I then gave as an instance of my meaning, that I had heard a Tharsis Director declare that his object in assisting to establish the Tharsis Company was to reduce the price of sulphur, not so much to make the Tharsis Company pay,—which Bailie Harvey at once confirmed, and mentioned the name.

"I have nothing further to add, but to express my contempt for those parties who thus attempt to pick a quarrel with me by their impertinent remarks, and bring out-of-door talk before the Board, to increase their own importance.—Yours very truly, (Signed) WILLIAM HENDERSON."

The Chairman opened and read the following letter from Mr. Williamson:—

"Charing Cross Hotel, London, 19th July, 1870. My dear Sir,—I am told that the Tharsis Director referred to in Mr. Henderson's letter, as having joined the Company, not so much to make it pay, as to reduce the price of sulphur, is myself, and I must ask you to require Mr. Henderson to name the person he alludes to. He and his co-promoters took great pains, in printed documents and in personal representations, to impress on the alkali makers the great advantages they would derive in increased supplies and lower prices of sulphur ores, if they assisted in promoting their Company, and I with others was induced to become a large proprietor; and it is

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rather hard that the arguments which were used to induce us to join as allies, should now be thrown in our teeth as enemies. I cannot see that I have advanced my private interests nor those of my partners by becoming a Member of the Board, but on the other hand have sustained some hardship by a determination to remain loyal to my associates; but it is not possible for me to sit at a Board with a man ready at a moment's notice to bespatter his colleagues with calumnies, and therefore I must ask the Board whether Mr. Henderson alludes to me, or to any other alkali maker, to accept my resignation, or to compel Mr. Henderson's. I am, my dear Sir, yours faithfully, (Signed) JOHN WILLIAMSON." Addressed, Charles Tennant, Esq., Chairman, &c.

In the course of the observations which followed, the Board was informed by several Members, of other statements made by Mr. Henderson to Shareholders not in office, to the effect that the affairs of the Company were being grossly mismanaged by the Directors and the Company's officials; which statements being now repeated in Mr. Henderson's presence, were not denied, or extenuated, by him. On a careful consideration of the whole case, it appears to the Board:—

1. That Mr. Henderson admits having made the observation, "There were, at the Tharsis Board, Directors who sat there and had other interests to serve than the Tharsis Company's."
2. That the imputation thus conveyed is unfounded in truth, and calculated to be detrimental to the Company.
3. That Mr. Henderson fails to justify it.
4. That he expresses "contempt" for those of his colleagues, who, very properly, afforded him an opportunity of justifying it.
5. That he still insists on the imputation as being the "statement of a well-known fact," thereby rendering it impossible for the Board to accept his denial of the intention "of charging any of the Directors with malversation, or of accusing them of any irregular or underhand practices."
6. That the charges of mismanagement, made against his colleagues and the Company's officials, appear to the Board unwarrantable and irregular, and calculated to inflict serious injury on the interests of the Company.

Mr. Henderson having been called upon to retract the observations admittedly made by him, and having declined to do so, he was thereupon called upon by the Board, through the Chairman, to resign his place at the Board as a Director of the Company, but declined to do so.

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The Board therefore resolved:—

That a Special General Meeting of the Shareholders shall be called, to be held within the Hall of the Chamber of Commerce, No. 66 Virginia Street, Glasgow, on Wednesday the 3d day of August, at One o'clock afternoon, for the purpose of considering the subsisting relations between the Board and Mr. Henderson, as set out in the Directors' Minutes, and in the relative correspondence, and of giving such instructions, and passing such Resolutions thereon, as may seem to be requisite in the interests of the Company.

Extracted from the Minutes by

JONATHAN THOMSON,
Secretary.

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REPORT OF THE PROCEEDINGS

OF THE

SPECIAL OR EXTRAORDINARY GENERAL MEETING

OF THE

THARSIS SULPHUR AND COPPER CO.

(LIMITED),

HELD WITHIN THE

HALL OF THE CHAMBER OF COMMERCE,

66 VIRGINIA STREET, GLASGOW,

On WEDNESDAY, 3d AUGUST, 1870.

GLASGOW:
PRINTED BY BELL & BAIN, 41 MITCHELL STREET.
1870.

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REPORT.

At Glasgow, and within the Hall of the Chamber of Commerce, on Wednesday, the 3d day of August, 1870, at One o'clock P.M., being the time and place appointed for a Special or Extraordinary General Meeting, of the Members or Registered Shareholders of the Tharsis Sulphur and Copper Company (Limited), "for the purpose of considering subsisting relations between the Board of Directors and Mr. William Henderson, one of their number, as set out in Directors' Minutes and relative correspondence, then to be submitted, and giving such instructions, and passing such resolutions thereon, as may seem to be requisite in the interests of the Company." Charles Tennant, Esq., of The Glen, Chairman of the Board of Directors, took the Chair. There was an influential attendance of members, holding or representing upwards of 75,000 shares.

The Secretary being called on by the Chairman, read the circular convening the meeting, which is in the following terms:—

THE THARSIS SULPHUR AND COPPER COMPANY (LIMITED).

136 WEST GEORGE STREET,
GLASGOW, *20th July, 1870.*

Notice is hereby given, that a Special or Extraordinary General Meeting of the Members or Registered Shareholders of this Company, will be held within the Hall of the Chamber of Commerce, No. 66 Virginia Street, Glasgow, on Wednesday, the 3d day of August next, at One o'clock afternoon, for the purpose of considering subsisting relations between the Board of Directors and Mr. William Henderson, one of their number, as set out in Directors' Minutes and relative correspondence, then to be

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submitted, and of giving such instructions, and passing such resolutions thereon, as may seem to be requisite in the interests of the Company.

By order of the Directors,

JONATHAN THOMSON,
Secretary.

CERTIFICATE OF POSTING.

Glasgow, 23d July, 1870.—I hereby certify that a copy of the foregoing circular was this day addressed to each member on the Register of the Company, and posted at the General Post Office here.

JONATHAN THOMSON,
Secretary.

The Secretary also, being called on by the Chairman, read the Report of the Directors, and the meeting agreed to hold the appendix to the Report as read. There was also read an addendum to the Report, having reference to printed statement circulated by Mr. Henderson, which addendum is inserted in an appendix hereto.

The Chairman then addressed the meeting, and concluded by moving as follows:—

> "That having regard to the whole circumstances, and to the powers conferred on them by the Company's Constitution, this meeting of the Shareholders do now remove Mr. William Henderson from office as a Director of the Company."

Which motion was seconded by Mr. White of Overtown.

The following amendment was thereupon moved by Mr. William Henderson, and seconded by Mr. James Henderson:—

> "That in order to give time for Mr. William Henderson to prepare his answer to the charges brought against him by his colleagues, this meeting do adjourn, to meet again at the same time and place, on Wednesday, the 31st day of the current (August) month."

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The amendment having been first put by the Chairman to the meeting, and a vote taken by show of hands, there voted, of the members present, three for the amendment (inclusive of the mover and seconder), and of the parties represented by their proxies, none.

The motion being then put by the Chairman to the meeting, and a vote taken by show of hands, all the members present (excepting the three who supported the amendment), and also all the members represented by their proxies, as deposited in the Company's Registered Office in terms of the Constitution, voted for the motion.

The Chairman thereupon declared the motion to have been carried, and to be the Resolution of the Company.

CHARLES TENNANT,
Chairman.

A vote of thanks to the Chairman was moved by Mr. William Anderson, and carried by acclamation.

JONATHAN THOMSON,
Secretary.

APPENDIX.

The Directors desire to add a brief statement to their report, in reply to some of Mr. Henderson's averments in his circular to the Shareholders, dated 27th ult.

Mr. Henderson states that although present at the Board meeting of the 20th ult., he was entirely ignorant of the resolution taken by the Directors to convene a meeting of Shareholders for the purpose of considering his subsisting relations with the Board, and only learnt it on receiving the notice calling the present meeting. Not only was Mr. Henderson present and at the table when this resolution was taken, but he was also present and within hearing when an inquiry was made by the

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Chairman of the Secretary as to when the approaching statutory meeting was to be held, and whether it could be made available for this additional purpose. The Secretary informed the Board that the said statutory meeting had been fixed to be held on the 29th ult., being within the thirty days required by the Act, that the notices had been in print for several days although dated forward to the 21st ult., and that they would be posted on that date, being the succeeding day.

Attention is also directed to Mr. Henderson's letter to the Chairman of the 21st ult., wherein he says, "I do not intend to trouble your deliberations at the Tharsis Board by my baleful presence any more, *unless the decision of the Shareholders* alter my present determination, which, I daresay, you will consider a very remote contingency."

The notice convening the present meeting was dated the 20th July, that being the date of the Board's resolution, and of the authority given to the Secretary, and it was so explained to Mr. Henderson and his solicitor, when they called at the Company's office on Monday, the 25th ult. It was further explained to them, in answer to an inquiry why the notices were not posted till the 23d, that to prevent undue interruption of the regular business of the office, the clerks were employed during extra hours to overtake this extra work, and although the circulars were printed on Friday, the 22d, it was nine o'clock on Saturday evening, the 23d, ere they were got ready for the Post Office.

The Directors would further state that, while in order to prevent the work of the office from being hindered, the Secretary felt justified in declining to comply with the demand made upon him to give up the books and documents of the Company to the uncontrolled inspection of Mr. Henderson and his solicitor, he at once offered to supply a full copy of the share register, as regulated by the Companies' Act, even at the cost of working till midnight for that purpose, and on the following morning intimation was sent to Mr. Henderson that the same was ready, and might be had on application, and it was in his possession the day previous to his circular being issued to the Shareholders.

(Signed) CHARLES TENNANT,
Chairman.

GLASGOW, *3d August, 1870.*

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THE FOLLOWING IS AN EXTENDED REPORT OF THE PROCEEDINGS, TAKEN VERBATIM FROM THE SHORT-HAND NOTES OF A PROFESSIONAL REPORTER:—

The CHAIRMAN said,—Gentlemen, the report of the Directors to this extraordinary meeting has, I believe, been in the hands of the Shareholders since Monday last. It has been my custom on these occasions, to ask you to consider the report as read, and to proceed at once to move its adoption; but the circumstances to-day are of so very peculiar a nature, that I think it right to ask Mr. Thomson to read to you the report of the Directors. That report contains a statement of the facts in connection with this matter; and, further, I think it desirable that it should be read, as it is not my intention to supplement that report by any lengthened statement from the chair. I shall therefore ask Mr. Thomson to read the report.

MR. THOMSON accordingly read the report. The meeting dispensed with the reading of the appendix to the report. (These have been already printed and circulated among the Shareholders.)

The CHAIRMAN,—There is, in addition to the report and appendix, a supplementary statement which I should like Mr. Thomson to read. It will only occupy a few minutes.

MR. THOMSON accordingly read the supplementary report. (See appendix.)

The CHAIRMAN,—Gentlemen, no one can regret more deeply than I do the cause and the purpose for which your Directors thought it necessary to summon you here to-day. The chairmanship of a large Company like this is certainly an honourable position, but it involves very serious responsibilities and duties, and I confess that I feel greatly my own shortcomings. I think, however, I can honestly say that I have always held before me one course and one principle of action as your Chairman—namely, to endeavour that peace and amity shall pervade the deliberations of the Board—(applause)—and that, should any member in the Direction differ in opinion from his colleagues, his views should receive that courteous and kindly consideration which they merit. In fact, I hold that no Company—either a joint stock or

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a private Company—can be carried on with any very great degree of success where there is discord in the management. I am sorry to say that, notwithstanding all my efforts—and these efforts, I have been told, were sometimes very much swayed, too much swayed, in fact, by the *suaviter in modo*, and that if I had adopted the other course I should probably have arrived at my end much more successfully than by the course which it has been my endeavour throughout my chairmanship of the Company to pursue—(applause)—I say, that notwithstanding all these efforts, I have not been altogether successful, as the relations of one of the gentlemen at the Board with his colleagues, and with the Managers of the Company, I may also say, have been not only not cordial, but extremely unsatisfactory. We have, in fact, been on the brink of a rupture more than once. Much of our time has been spent in discussing matters personal to that Director, and our Minutes, in fact, are loaded with that which ought never to have found a place there. However, on this last occasion we have been unable to prevent a rupture; hence our meeting to-day. We have not, however, failed in our duty to endeavour to prevent a rupture. I pressed upon Mr. Henderson the propriety of withdrawing his letter, and of writing another, excluding from it the offensive and objectionable paragraphs, by which means peace might be restored. This he declined to do. I then indicated to him that it was impossible for us to hold official relations with one who had lent himself to calumnious accusations and offensive statements with regard to his colleagues, and that the only course open to me was to ask him to resign, which I did. This he also declined. It was then distinctly intimated to him, though he appears, as has been shewn, to have forgotten it, that the only course left open to the Directors was to bring this matter before a special meeting of the Shareholders, to allow them to judge between him and us, and, if necessary, to accept our resignation, or to enforce his.

At this stage, gentlemen, we are arrived to-day. This meeting has been called for the purpose of laying the case before you, and I may certainly say that the responsibility of such a meeting does not rest with us. We have done everything consistent with our own self-respect, and with your interests, to avoid it,—and I need not tell you that your interests are very much at stake in this matter. My opinion is, that these interests

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have already suffered, and will continue to suffer, by the prolongation of the present state of matters. I may here add—although really it is not much to the point, and will not probably weigh with any gentleman present, and, I daresay, ought not to weigh with any gentleman—but, as an abstract fact, I may as well state that the absence of Mr. Henderson from the Board will in no way affect the technical efficiency of the Company. (Applause.) It is now a very long time since the technical department was placed under special control, in which Mr. Henderson has taken very little active part, so that in that point of view the Shareholders may dismiss from their minds any feeling of alarm or of regret. But the solution of this matter is now in your hands; and however painful it may be to us—and I can tell you it is extremely painful to us, and I have no doubt it will also be extremely painful to you—however painful to us, we must ask you to adopt the only solution which remains,—namely, to avail yourselves of the power given to you by your Constitution, to remove from the Board its element of discord.

With these few remarks, I beg to move the following resolution:—"That, having regard to the whole circumstances, and to the powers conferred upon them by the Company's Constitution, this meeting of the Shareholders do now remove Mr. William Henderson from office as a Director of this Company."

Mr. Henderson,—I move an amendment.

Mr. White,—I do not know whether Mr. Henderson means to speak to the question before us, but I am afraid he is out of order, inasmuch as the motion made by the Chairman requires first to be seconded.

Mr. Henderson,—Very well. I wish to move an amendment.

Mr. White,—In rising to second the resolution which you have heard read, I assure you that I do so with very great reluctance and with very great regret. Considering the position which Mr. Henderson has held towards this Company, and the large stake which he has in it, I think, with all deference to his superior judgment, that he has been uncommonly ill-advised in rendering it necessary that the Shareholders should be convened to-day to consider such a question as that which has now been brought before them. (Hear, hear.) And if I were the kindest friend Mr. Henderson has on earth, I would recommend him seriously to consider the position in which he is placed; and

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before he allows the vote of the Shareholders to be taken on this question, to tender to the Shareholders now present the resignation which he says he meant to do. In his letter of the 21st of July, he says that he does not mean to continue in the management of the concern, but intends to resign; and if any act of courtesy or of good sense should be exercised by a person in Mr. Henderson's position, I think it is due to himself and to the character he holds, that he should exercise that prerogative before he is in a position to be prevented from doing it. I am afraid, however, the matter has gone so far that Mr. Henderson's decision has already been taken on the subject, and that it is in vain to urge him to pursue the course which I have indicated. Apart from Mr. Henderson's own position, I think he should look to the position in which the Company is placed, and consider whether it is possible for a Board of Directors, consisting of twelve gentlemen selected by the Shareholders, to manage so important an undertaking as this under the circumstances which now exist—whether it is possible for a Board, disorganized as I believe they are, and placed in a position of antagonism with one of their Directors, to carry on the business satisfactorily, however efficient Mr. Henderson's services may have been, and however valuable his aid may have been in originating and carrying out this undertaking to the satisfactory position which it has now attained—I say, I think it is due that Mr. Henderson should consider what the effect upon the Company itself would be—a Company in which he is a large Shareholder—if this system of unkindly feeling and want of consideration for the position of his co-Directors were to continue, to say nothing of the style of language, uncourteous in the extreme, which he has used towards them, and the insinuations which he has made as to their integrity, and the purpose for which they are sitting at this Board. I think Mr. Henderson, amongst all the Shareholders, should be most desirous that an end should be put to such a state of matters, and that somebody should be placed in the direction who could act more cordially with his co-Directors—some one who, instead of standing in the way of the progress of the Company, would do what he could to promote its success, and lend a helping hand to carry on an undertaking which has now come to be one of very considerable magnitude, and which places considerable responsibility upon the shoulders of the

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Directors who have charge of it. I regretted, at the last meeting, to see that Mr. Henderson voluntarily placed himself in a position of antagonism to the Board, and, as to-day, took his position as if he were a solitary man determined to stand fight, and to resist to the uttermost all that the Board desired to do. I regret that Mr. Henderson should take that stand, because no good can possibly come of it, and we are placed in the position to-day that we have intimation from Mr. Williamson, a co-Director who felt his character impugned and his motives misread, to the effect that either he or Mr. Henderson must leave the Board. I think I may go further (although I have no authority from the Chairman to do so), and say that I have no doubt the feeling which actuates all the Members of the Board is this, that if Mr. Henderson remains as a Director of the Company, they cannot co-operate with him, and it will be necessary for the eleven gentlemen to resign their seats. (Hear, hear.) Now, gentlemen, I am not here to say that it is not possible that one out of twelve gentlemen may be right, and the remaining eleven in the wrong; but, as an ordinary rule, I think you all will admit with me, that if there are twelve members of the Board sitting to consider the momentous questions that come before them, and if you find eleven of these gentlemen unanimously recommending one course and the remaining gentleman recommending another, you are perfectly safe, as a general rule, in believing that the eleven are right and the one is wrong. But I don't want to inquire into the merits of the question at all, and although I have read a number of documents bearing on the question, which satisfy me that Mr. Henderson has been most injudicious in the course of policy he has pursued, most unwarranted in the statements he has made, and most uncourteous, not only towards the Directors, but towards the officials of the Company and their law agent, I think the Shareholders have nothing to do with that at all. Whatever may be the merits of the question, the result of a Committee of Investigation appointed by the Shareholders, such as Mr. Henderson seeks to-day, could be no other than this, that Mr. Henderson should be the dictator of this Company, sitting at the Board with a direction nominated by himself, and the Shareholders who support him, or we should have the management conducted by the eleven gentlemen, and allow Mr. Henderson to resign. I do not think, therefore, that

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the amendment which Mr. Henderson has intimated he means to move—that the meeting be adjourned until the Shareholders have time to inquire into the merits of the question, and form an unprejudiced opinion as to the relative conduct of the eleven members of the Board and himself—can have any other result than this, that supposing that Committee to say, Mr. Henderson is right and the eleven gentlemen are wrong, the *status quo* in which we are now placed would not be altered, and the affairs of the Board would be conducted either by the eleven gentlemen who remain, or by Mr. Henderson and his colleagues supplanting the eleven gentlemen who are now there. If we are to go into this matter at all, I would like to ask, Is there any reason submitted by Mr. Henderson to you why these eleven gentlemen should not only be allowed to resign, but should be turned out of the position which they hold, and have so honourably held since the commencement of this undertaking? He, no doubt, insinuates that there are interested motives actuating some of the gentlemen at the Board—that they want to get sulphur cheap, and serve their own interests. But throughout the whole matter under consideration there is not a tittle of evidence; and when it is pushed to a point, Mr. Henderson cannot say what he means by his insinuation, but tries to slip out of it by referring to something else at the original Constitution of the Company, when Mr. Williamson said one of the objects he had in view in going into this concern, and aiding its formation, was no doubt to favour the alkali makers—that it was to be a benefit to them to get sulphur cheap—and certainly I see no reason why a Director and an alkali maker should not get sulphur cheap, if he can at the same time get a dividend of 10 or 20 per cent. out of the concern in which he is engaged. To this day there is not a statement made by Mr. Henderson of a fact, or a piece of conduct done by Mr. Williamson, or any man at the Board, that would convince any unprejudiced person that they were seeking their own interests, and sacrificing those of the Company.

Then, gentlemen, apart from these personal considerations, I think we are here met as having a very important matter at issue—namely, the future prosperity and success of the Tharsis Company; and I think it is perfectly impossible for any disinterested Shareholder here, or elsewhere, to look at it in any other light than this, that it would be a monstrous pity to allow

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eleven gentlemen, of the character and position these gentlemen hold, to resign their seats, for the purpose of allowing Mr. Henderson to crow over them in the position he has assumed. I conceive that no good end would be served by such a course; and as long as Mr. Henderson sits at that Board, which he seems resolved to do if he can accomplish it, there must continue to be a want of that cordiality, and consideration, and honesty of purpose so essential between co-Directors—a want which will prevent the possibility of this concern being as successful as it ought to be, because you cannot expect that gentlemen sitting at a Board such as this can carry on confidentially with each other, and with integrity of purpose, such an undertaking as this, unless they are supported by one another, and unless the Chairman feels that he has men on his right hand and on his left who not only hold confidential dealings with him, but who hold those dealings and transactions which take place at the Board as confidential between themselves, and that the world should know nothing about. (Applause.) Unless you have that, there is an end of confidence at the Board; and any man who divulges out-of-doors what takes place, is not a fitting member to sit at that Board. (Applause.) Now, gentlemen, I am exceedingly sorry that the Shareholders are in this position, and I sympathize with the Directors still more in the position in which they feel themselves placed to-day. It is at all times a most disagreeable position to be placed in—that of antagonism to one who holds so large a stake in a concern such as this,—one who has devoted so much time, and has invested so much of his means, in the undertaking. At the same time, as Mr. Henderson seems indisposed to take advantage of the suggestion which I made to him, and which I think any friend he has must press upon his consideration before he allows us to go to a vote, I feel that there is no alternative but to support the Chairman and the Board of Directors by whom this resolution has been proposed, and to second the removal of Mr. Henderson from the Board, as proposed by the Chairman.

Mr. Henderson,—Will you allow me at this stage one word of explanation? I cannot understand the drift of Mr. White's speech at all. In my letter to you of the 21st of July, I state most distinctly that "it is my intention to resign my position as Director of the Tharsis Company, but simultaneously I intend

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to address the Shareholders by circular;" and I state a little further on, "I do not intend to trouble your deliberations at the Tharsis Board by my baleful presence any more." So that it is simply this, I have resigned. I consider that I resigned on the 21st of July.

MR. WHITE,—That is not the statement, excuse me. I do not want to get into a discussion with you, but you will find afterwards that it is stated by the Board that you were asked to resign, and that you declined.

MR. HENDERSON,—I do not agree with that.

MR. WHITE,—If you are prepared at the close of your remarks—and every Shareholder here will willingly hear your explanations—to tender your resignation, that will save the vote.

MR. HENDERSON,—I consider that I have resigned already.

MR. WHITE,—It is not what you consider. I want to have it distinctly. Have you or have you not resigned?

MR. HENDERSON,—Certainly.

MR. WHITE,—Where is it?

MR. HENDERSON,—There, in that letter.

MR. WHITE,—That is an intention which may be recalled at any time. I leave it to the law adviser of the Company to say at this moment, Is there such a thing as a resignation on the part of Mr. Henderson of the seat he holds at the Board?

MR. ADAM PATERSON,—Certainly not.

MR. HENDERSON,—That letter was written after the Board meeting that you refer to.

MR. WHITE,—It is a very unpleasant thing to get into a discussion in a matter of this kind, and it is with great regret and most unwillingly that I do it, but I think the Shareholders in a business such as this are bound to come forward and support the Chairman.

MR. DEACON,—Read Mr. Henderson's letter of 22d July.

MR. WHITE,—I was just going to do so. While you say, Mr. Henderson, that "it is my intention to resign," there follows, "I do not intend to trouble your deliberations at the Tharsis Board, *unless the decision of the Shareholders alter my present determination.*" Your determination, then, was to resign; but the decision of the Shareholders, which you now seem to court, may alter your determination. Now, what I want you to do is, before the decision of the Shareholders is given, to alter your

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resolution, and either say, "I resign my seat at the Board," or, "I mean to hold my seat at the Board."

MR. DEACON,—Perhaps you will allow me to read a passage in Mr. Henderson's letter of 22d July, in which he says, "I consider that I have the right to examine the books and servants of the Company, of which I still remain a Director."

MR. WHITE,—Exactly. So that on the 21st of July, Mr. Henderson, you state that you are going to resign as a Director, and on the 22d you hold that you are still a Director of the Company.

MR. HENDERSON,—Gentlemen, I rise to move an amendment. You will excuse me if I read what I intend to say, because there have been a great many versions of what I have said, and I wish to keep a copy of it. I rise to move an amendment. My reason for doing so has been fully explained in my circular, which all of you have read, and which it will not be necessary for me now to read. If it is your wish, however, I shall do so. You will observe, gentlemen, that in my letter of 21st July, I announced to the Chairman my intention to resign my position as a Director of the Tharsis Company, but that simultaneously I intended to address the Shareholders by circular. I mentioned, as a matter of courtesy, my intention to examine the books, so as to make my statement of facts as complete and accurate as possible. This right is now most positively denied both by the Secretary and the Board. This meeting therefore ostensibly has been called to insist upon my resignation, although I have already in fact resigned on the 21st of July, for I tell your Chairman that I do not intend to trouble their deliberations any more. The ostensible purpose of the meeting is therefore to accomplish the Herculean task of turning out one who has already gone out. This, you will perceive, is the ostensible purpose. The real object of the meeting is to ask you to support them in doing an illegal thing. As a Director of the Company, I had a right to every possible information. That information I requested as long ago as the 27th of June. I will read you two letters that passed about that time. The following is a letter I addressed to Mr. Verel, the Manager of the Company, in Mr. Thomson's absence:—

"Dear Sir,—I have received notice from some Shareholders,

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who intend to be present at the meeting on the 30th, that they intend to ask me some questions on which I have very imperfect information. Will you kindly ask the officials to look me up the required data, and I will call up and get posted up about twelve to-morrow.

"1. In the printed balance-sheet sent out to the Shareholders prior to the meeting in April, there occurs under the heading, '*To funds set aside to reduce Property in Spain,*' there are three items, amounting in the aggregate to £13,413, 11*s.* 4*d.* I would like to know where these sums have come from, and why they do not appear in profit and loss account.

"2. What difference on the profit and loss account has the new principle of stock-taking produced?

"3. How much has been expended upon the various metal works during the year, under the two headings, *Repairs* and *Buildings and Machinery*—for each work separately, please?

"4. Total cost of new works in Glasgow to the end of May, and estimated cost when finished.

"5. Cost of Tharsis Head Office, prior amalgamation, including all expenses, and portion laboratory; cost of same now, including all departments.

"6. Total expenditure of the Company from 1st January, 1870, to last Board meeting, and total receipts for same period.

"By thus giving you timeous notice, I intend to put the Office to as little trouble as practicable, and save my time when I call to-morrow.—Yours, WM. HENDERSON."

To that letter I received this reply:—

"Dear Sir,—I am favoured with your note of this date, with inclosure, for which I thank you.

"It is usual for the Chairman at General Meetings of the Company to answer any question which may be asked by Shareholders. I have given instructions to prepare information on the various points you indicate, and shall have it ready for the Chairman against the day of meeting. Meantime, I am advised that it is incompetent for me to supply that information, without the sanction of the Board, for the purpose indicated, to any individual member thereof.—Yours, WILLIAM A. VEREL."

The Shareholders will therefore clearly understand that the

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object of the meeting is to fix the date at which I absolutely cease to be a Director, and to approve of their conduct in refusing me information. I hope therefore that you clearly understand the issue it involves. Those who were present at the meeting on the 30th of June could not fail to notice the unfair treatment certain Shareholders from Birmingham were subjected to, and the same tactics will be followed to-day, I have no doubt, to maintain as long as possible the secret system; but it will not prevail, for I have made up my mind to issue my circular to the Shareholders. I ask you for a moment to look at the means adopted to call this meeting. The circular was dated the 20th, it was not issued till the 23d, and few, if any of us, could get it before the 25th. The object of this ante-dating is apparent, on the face of it. Along with this circular were sent proxies in favour of three Directors, thus asking the Shareholders to give their support to a course of action of which they were utterly ignorant. I want the Shareholders to know the genuine causes and the several incidents that have led gradually and steadily to the development of this antagonism between myself and the majority of the Directors and the high officials of the Company, and let them then decide between us. I cheerfully leave the matter in their hands. Whatever way this is decided to-day, I consider the most certain way to reach the great body of Shareholders is to address them by circular instead of personally in this room. I ask your indulgence for a moment, whilst I read to you a few passages from the printed report of a meeting held not two years ago. I will only read one passage, not to take up your time. This is from a report of the proceedings of the adjourned General Meeting of the Shareholders of the Tharsis Sulphur and Copper Company (Limited), held within Maclean's Hotel on Thursday, 10th September, 1868,—that is, the date of the amalgamation. I will just read a few remarks which our worthy Chairman, Mr. Tennant, made about myself. "And here I would diverge for a moment to confirm the opinion expressed in the Committee's report, as to the very liberal spirit in which Mr. Henderson has acted towards the Tharsis and the Metal Companies on this occasion. Without Mr. Henderson we should not have been able to carry out this amalgamation; but he has from the first seen its desirableness, and to aid in its realization, has made

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sacrifices to a large amount, and given up large revenues, which have been flowing to him from the Metal Companies, in the shape of royalties. These royalties he has merged into the amalgamated Company; in fact, he has thrown in his lot entirely with ours; and I am sure you will agree with me that seeing there is no gentleman so competent, from his great knowledge and experience, to form an opinion as to the future of this undertaking, his action in this matter is very cheering. It evinces his very great confidence in the undertaking, and must carry great weight with us all."

MR. WHITE,—What is the date of that?

MR. HENDERSON,—September, 1868. Now, I think, if I am the same man that that was said about at the time of the amalgamation, the Shareholders are entitled to some explanation of this wonderful change of sentiment. This precious report that you received a few days ago explains nothing. In my view, a Director of the Company acts simply as the trustee of the Shareholders who elect him; and he should be at all times ready to give what information he can, and not make it his sole aim to conceal as much as possible, and let the Shareholders know as little as possible; and I intend in my paper to lay before the Shareholders a clear statement, supported by documentary evidence, of the reason of this extreme and unanimous bitterness. Your Directors have refused me access to the Minute Books, but they know they have no power, except that of the brute force of a majority, to prevent me having access to the information I ask; and they came here asking you to give them that power illegally,—no doubt backed up by proxies from absent Shareholders, who know nothing of the point at issue. I hold in my hand proxies representing 1,915 shares, which I have not deemed it prudent at this stage of the proceedings to send into the office, and thereby subject my friends to annoyance. These votes, with my own, and leaving out of view the large number of votes that I confidently reckon on as present at this meeting, represent upwards of 9,000 shares, or one-seventh of the capital. I therefore, with every confidence in your most liberal support, and in your love of justice and fair play, ask you to support the following amendment:—"That in order to give time for Mr. Henderson to prepare his answer to the charges brought against him by his colleagues, this meeting adjourn, to

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meet again at the same hour and place, on Wednesday, the 31st of August next." Will any gentleman in the meeting support that amendment?

After a pause,—

MR. JAMES HENDERSON,—I beg to second Mr. Henderson's amendment.

The CHAIRMAN,—As Mr. Henderson has stated the number of proxies he holds, perhaps it is my duty to state the number of proxies the Directors have obtained.

MR. JONATHAN THOMSON,—No proxies have been deposited by Mr. Henderson, without which they are absolutely null.

The CHAIRMAN,—We shall assume that they are deposited. We do not wish to avail ourselves of any little irregularity of that kind. We shall take Mr. Henderson's statement for it.

MR. THOMSON,—I have a list of proxies deposited at the office of the Company before one o'clock yesterday, which is in accordance with the Constitution of the Company. About thirty or forty proxies were received after that hour yesterday or to-day, but I have not availed myself of them, because they are inept. The proxies left prior to one o'clock yesterday, represent 51,000 shares.

MR. WHITE,—How many are in the same position as Mr. Henderson's, of being not in time?

MR. THOMSON,—I have not them here.

MR. WHITE,—Do you not know the amount?

MR. THOMSON,—They will represent 2,000 or 3,000 shares, and there are several large Shareholders here present who have not given in proxies.

The CHAIRMAN,—I have not given in any.

MR. WHITE,—Do the gentlemen who were here from Birmingham on last meeting-day support you or Mr. Henderson?

MR. THOMSON,—Mr. Jeffrey, who took a leading position on the 30th of June, sent me his proxy, after he had received Mr. Henderson's circular.

MR. HENDERSON,—And I have here his withdrawal of it.

MR. WHITE,—Before we go to a vote, I would again beg of Mr. Henderson to reconsider the matter. I would ask him frankly to tender his resignation, and put an end to this. (Applause.)

MR. HENDERSON,—Really, I consider I have already resigned. All I am working for is to get access to the books, so as to justify my conduct to the Shareholders. That is all I ask you to

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support me in. I have resigned, and intend to resign; but if I had resigned, and been no longer a Director, I had no power to ask this information.

Mr. White,—You can clearly understand that when a man voluntarily places himself in the position you are now doing, it is not to be expected a Board of Directors should at once throw open their papers and documents to you, because you declare yourself an enemy and at antagonism with them, and you want to prejudice them in the eyes of the Shareholders. I think it is not only necessary, but right and just, that no one should get access to the papers who declares he comes to pick holes in them.

The Chairman,—I have very little to say in answer to Mr. Henderson. I merely wish to put a certain statement of fact before the Shareholders, which is this, that that letter which Mr. Henderson wrote to Mr. Verel, requesting information, was sent on to me. I happened to be in London at the time, and I directed Mr. Verel to get out the information at once, so that it might be laid before the Board at next meeting. That information was prepared by Mr. Verel, and the document laid on the table. Mr. Henderson read that document. He did not object to it. He thought it satisfactory; and we decided at the Board meeting that it was a document which must remain in possession of the Board; but I said that if the gentlemen from Birmingham—who, it was stated by Mr. Henderson, had laid these queries before him—wished the information, and would come over to me on the following day, I would remain a couple of hours at their service in the Board room, and give them every information they wished. In fact, we had no secrets whatever from them. I am quite sure there are gentlemen here who can state, and I can appeal to gentlemen sitting near me to corroborate it, that I have pressed upon them to get every information they thought likely to throw light on the management, and promote the welfare of the Company.

Mr. Williamson,—I think I am called upon under the circumstances to say a few words; but I wish to say as few as possible, and to make them as conciliatory as I can. For, although I was led to write a letter which seems very sharp and severe in its tone, I must say that I do not feel in any degree injured by anything that has taken place. What I wish to make clear to the Shareholders is, that there must be a change

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at this Board. That is absolutely necessary. It is impossible that we can remain as at present, when Mr. Henderson writes these words, "There were, at the Tharsis Board, Directors who sat there, and had other interests to serve than the Tharsis Company's," and when he further goes on to fix it upon an individual. I need not go over it; you know it as well as I do. Every person who takes an interest in this Company knows that I am a very large customer of the Company; but they know at the same time, or if they do not, I can tell them, that I am also a large Shareholder in the Company. My partners and myself hold more than 5,000 shares in this Company, and I maintain that my interest in it is second to none. But I ask you, gentlemen, is it not possible, is it not very usual, for a man to steer an honest course even when he has conflicting interests? I am not standing up to defend myself. I do not need any defence, because I cast Mr. Henderson's insinuations aside, as being utterly valueless. I am sure I need not call upon any of my co-Directors to defend me, for I do not need any defence. (Hear, hear, and applause.) If I thought it was not quite possible to steer a straight course between my interests as a consumer and as a large Shareholder, I should resign at once. But I feel as perfectly competent as any other member of the Board to steer a straight, honest course between my interests as a large Shareholder and my interests as a purchaser. Moreover, I was the member of the Board who suggested that the matter of selling should be left to a Committee, from which alkali makers should be excluded. (Applause.) I have also made it a point;—but I am defending myself, which, as I have said before, I shall not do. (A laugh.) It must be quite clear to you, gentlemen, that there must be a change at this Board. I shall certainly not sit at the Board unless Mr. Henderson leaves it. But, at the same time, I must say that when I first read this letter of Mr. Henderson's, it had very little effect upon me, because I am so much accustomed, and have been so much accustomed for years past, to hear Mr. Henderson accuse the Managers of the Company, and people right and left, of having dishonest motives. I daresay you all know—if not, you may take it as a fact—that the disruption which has now taken place was threatened many times—especially a year ago; and I at that time, as Mr. Henderson will remember, took the part of peace-

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maker. I induced Mr. Henderson, with great difficulty, to withdraw some very strong expressions he made use of, which, if not withdrawn, would have compelled then the scene we are going through now. At last I have been obliged to come to the conclusion, that we must separate from Mr. Henderson. I have come to that conclusion with very great reluctance. This last matter is only the last straw that breaks the camel's back; and I have come to the conclusion now, and I expressed it in as strong terms as I could to the Directors, that either Mr. Henderson or myself must leave the Board. Now, I may say that I did not reply to Mr. Henderson until I was told by one of the members of the Board, my friend Mr. Tennant, that his remarks applied to me. It was not that I felt the cap fitted me, and I took it upon myself. I met Mr. Tennant in London a little before the last monthly meeting, and I said to him, "I beg to be excused from going to the meeting," because it was putting the Company to great expense, and I did not see that it was necessary. He said, "I will agree that you should remain here, but you must write a letter to the Board; because," said he, "it is quite evident Mr. Henderson refers to you." Up till that time, although the circular had been sent to me, I did not attach much importance to it. It only seemed to me that Mr. Henderson was carrying on the usual system he had of scattering abuse, and imputing ill motives. It had not struck me that I was directly interested in it; but after Mr. Tennant told me of this, I read the circular with more attention, and then I felt it was absolutely incumbent upon me to insist that Mr. Henderson should say whether he meant me or not. Mr. Henderson has never denied that he meant me, and, therefore, I am bound to assume that he did mean me. Therefore, gentlemen, with much reluctance be it said, I must ask you to judge between Mr. Henderson and myself. If Mr. Henderson is to remain at this Board, you will see that it is impossible for him to do so along with colleagues whom he accuses of mal-practices, and mal-administration, and bad motives. It may be that the Board will lose a very valuable man in losing Mr. Henderson; but however valuable he may be, it is absolutely necessary he should leave the Board, if myself, and, I believe, other members are to remain on it. Therefore, it is for you to judge whether it is desirable for the Company to lose Mr. Henderson's services, valuable

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though they be—whether it is a less disadvantage to the Board to lose his services, or those of myself and many other gentlemen whom I might name.

The CHAIRMAN,—I shall now put the amendment to the meeting.

MR. WHITE,—Before you put the amendment to the meeting, I would suggest that Mr. Paterson should read the clause in the Constitution of the Company entitling us to carry the resolution into effect.

MR. PATERSON,—It is clause 68:—"The Company in general meeting may, by a special resolution, remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed."

The CHAIRMAN,—Those who are in favour of the amendment will now be good enough to hold up their hands. (After a show of hands.) There are three hands held up. Is there any other amendment that any gentleman wishes to propose? If not, I will take a show of hands for the motion. I beg your pardon, gentlemen, I ought to have taken a show of hands of those against the amendment. Will those who are against the amendment now hold up their hands? (After a show of hands.) The "noes" have it. I shall now put the original motion to the meeting. (A show of hands was taken, which included all the members present, excepting the three who supported the amendment.) Those who are against the motion will now be good enough to hold up their hands. (After a pause.) There are none shewn against the motion.

On the motion of MR. WILLIAM ANDERSON, a vote of thanks was awarded to the Chairman for presiding, and the meeting separated.

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REPORT BY THE DIRECTORS

OF THE

Charsis Sulphur & Copper Co.

(LIMITED,)

TO THE

FIFTH ORDINARY GENERAL MEETING OF SHAREHOLDERS,

APPOINTED TO BE HELD WITHIN

The HALL of the CHAMBER of COMMERCE,

VIRGINIA STREET, GLASGOW,

ON WEDNESDAY, 26TH APRIL, 1871,

AT ONE O'CLOCK AFTERNOON.

GLASGOW:
PRINTED BY JAMES HEDDERWICK & SON,
PRINTERS TO THE QUEEN.
1871.

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UNIVERSIDAD DE HUELVA 2012

BOARD OF DIRECTORS.

CHARLES TENNANT, Esq. The Glen.
ARCHIBALD S. SCHAW, Esq. Glasgow.
HENRY DEACON, Esq. Widnes.
ALEXANDER HARVEY, Esq. Glasgow.
LOUIS LEISLER, Esq. Glasgow.
JOHN MOFFAT, Esq. Ardrossan.
ARCHIBALD ARROL, Esq. Glasgow.
DAVID WILSON, Esq. Glasgow.
JOHN WILLIAMSON, Esq. South Shields.
DAVID GAMBLE, Esq. St. Helens.
JOHN TENNANT, Esq. St. Rollox.

CHARLES TENNANT, Esq. CHAIRMAN.

WM. A. VEREL, MANAGER. | JONATHAN THOMSON, SECY.

UNIVERSIDAD DE HUELVA 2012

REPORT BY THE DIRECTORS.

THE close of another year affords us the opportunity of placing before you a statement of our affairs.

From the outbreak of war between two of the principal Powers in Europe, Copper was prejudicially affected, and fell, from the price attained in June, £6 per ton. In October it touched the lowest point on record. From that date to the close of the year it gradually rallied, until, in the last week of December, it again rose to the price with which the year had opened. Iron has slightly receded, while Sulphur has remained stationary.

The quantity of Mineral extracted during the past year at Tharsis and Calañas is 309,866 tons. Of this, 148,776 tons have been shipped, the remainder has been used in the production of Copper on the Mines, or is still in stock. The quantity shipped is still slightly in arrear of our minimum export, and will increase the balance of the Royalty Account to a small extent, but we shall now begin to reduce this asset. Our actual imports and deliveries to the close of the year amount to 132,230 tons, the difference being either afloat or in stock at the shipping port.

The production of Copper on the Mines has amounted to 2,204 tons, while that of our various metal works in this country has reached 3,853 tons.

In the valuation of the stocks, and in dealing with the depreciations for the works in this country, the principles adopted last year have been followed throughout. The Copper sold by the different metal works has been charged with £5 per ton, and the amount carried to the credit of "Patent Rights Account."

It has been deemed advisable to write off the balances outstanding at the debit of "Experiments" and "Preliminary Expenses

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Accounts." "The Mines Lease" and "Cinder Rights and General Bonus Accounts" have also been further reduced.

In consequence of a violent storm, a large reservoir, from which the Mines are partly supplied with fresh water, gave way. This accident was unhappily attended with the loss of several lives. The damage done to the Works has been debited to the Revenue of the year.

The amount at the Credit of Railway Sinking Fund has been increased to £14,322 : 6*s.* by the excess of Revenue over Working Costs, and provision has also been made for the renewal of Rolling Stock, to the extent of £1,500.

These, and some other less important items, have all been written off the profits of this year. We refer you to the Balance Sheet for the details.

The Capital absorbed by permanent Works during the year, including the Railway and Pier, amounts to £45,897 : 15*s.*5*d.* A further sum of £15,315 : 13*s.*8*d.* has been spent in the removal of overburden; of this the mineral removed has refunded £11,351 : 14*s.*5*d.* leaving £3,963 : 19*s.*3*d.*, which goes to increase this asset. The large extraction, now indispensable, demands that the mineral should be well uncovered, so as to admit of a large surface being attacked at once.

The net profits earned during the year amount to £94,571 : 17*s.*6*d.* An interim dividend of 5 per cent. was paid in November last, we now propose to pay, on the 10th of May next, a further dividend of 5 per cent., also free of Income-Tax, after which there shall be carried forward to next account a balance of £27,206 : 15*s.*5*d.*

As announced to you in November last, the Arbitrator in the case with the Railway Contractor allowed him a sum of £26,457 : 4*s.*3*d.* in payment of his claim of £123,941 : 2*s.*4*d.* In consequence of a Chancery suit, raised against him by two parties who had given important evidence in the case, we were advised to delay accepting the verdict until the end of January, by which time nothing of sufficient importance had appeared to warrant an attempt on our part to have it set aside. For this reason the

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amount awarded does not appear in our accounts at 31st December last, but will do so in the next, the amount having now been paid.

The Railway is doing its work well. The increased traffic to be overtaken during the present year will necessitate the addition of another locomotive and of some waggons to the Rolling Stock.

The Pier, like most similar works, has proved more tedious to construct than we anticipated in our last year's Report. It is a substantial erection, and will effect a considerable saving in our expenditure. Nearly all the piles are in their places, and by the end of next month we expect to have it in operation. With this, all our heavy works of construction will be at an end; they have occupied much time and attention, which we shall now be able to devote to the development of the Company's resources.

The retiring Directors are Messrs. CHARLES TENNANT, ARCHIBALD S. SCHAW, and HENRY DEACON, who are eligible for re-election. A seat at the Board now remains vacant, which it is left to the Shareholders to fill up.

The Auditors also retire at this Meeting, but are eligible for re-election.

BY ORDER OF THE DIRECTORS,

CHARLES TENNANT,
Chairman.

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THE THARSIS SULPHUR &

Dr. **ABSTRACT of BALANCE**

CAPITAL AND LIABILITIES.

To Shareholders—			
Total Authorised Capital,		£1,000,000 0 0	
Less—129 Shares Forfeited, and 6,700 Shares Unissued,			
6,889 Shares, at £10 each,	£68,290 0 0		
Calls not yet made on 30,971 Shares, at £3 each,	92,913 0 0		
		161,203 0 0	
Total Paid-Up Capital at 31st December, 1870,			£838,797 0 0
To Creditors—			
On Debentures,		£100,000 0 0	
On Bills and Open Accounts,		159,508 17 11	
Royalty on Mineral Exported, due at 31st December, 1870,		37,594 9 10	
			297,103 7 9
To Funds set aside to Reduce or Renew Property in Spain—			
Railway Sinking Fund,		£14,322 6 0	
Railway Rolling Stock Renewal Fund,		1,500 0 0	
Railway Spanish Government Subsidy Account,		2,109 9 6	
			17,931 15 6
To Profit and Loss, being Balance at 31st December, 1870,			69,146 12 5
			£1,222,978 15 8

ABSTRACT of PROFIT and LOSS

Dr.

To Income-Tax, Directors' Fees, and Auditors' Renumeration for 1869,			£2,137 16 6
,, Charge of £5 per Ton on Copper Sold from the Metal Works, in 1870, and Credited to Henderson Patent Rights Account,			18,045 0 0
Amount Written off Property and Plant of the Metal Works, Pyrites Store, &c.			8,770 13 3
,, ,, Property and Plant in Spain,			3,000 0 0
,, ,, To Close Experiments and Preliminary Expenses Accounts,			7,470 7 7
,, ,, To Reduce Bonus, Premium, Cinder Rights, and Spanish Bonds Accounts,			4,300 0 0
,, Amount Expended on Experiments this Year,			2,441 6 7
,, Expenditure in Spain—			
(1) In Altering Railway System,	£3,028 15 3		
(2) In Connection with Bursting of Reservoir,	4,957 3 8		
			7,985 18 11
,, Provision Store in Spain, Loss thereon,			176 15 2
,, Interest and Discount Accounts,			3,138 14 5
,, Charges Account, including Management, Salaries, Law Expenses, Laboratory Expenses, &c.			9,635 9 6
,, Bad Debt Account,			269 0 11
,, Balance, being Net Profit for year ending 31st December, 1870,	£94,571 17 6		
And Balance from 1869,	16,514 11 11		
			111,086 9 5
			£178,457 12 3
To Interim Dividend, Paid 10th November, 1870,		£41,939 17 0	
,, Net Balance, carried forward,		69,146 12 5	
			£111,086 9 5

Glasgow, 12th April, 1871.—We have audited the Books and Accounts of the Tharsis Sulphur qualified party, in the examination of those kept at the Mines in Spain, and we certify that the foregoing state of the Company's affairs at the 31st December, 1870.

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COPPER COMPANY, LIMITED.

SHEET as at 31st December, 1870. Cr.

PROPERTY AND ASSETS.

By Works, Buildings, Machinery, and Plant—			
In Britain, ...	£135,275 15 6		
In Spain, ...	56,102 3 3		
		£191,377	18 9
By Railway—			
Including Permanent Way, Rolling Stock, &c.		231,360	15 0
By Temporary Piers and Shoots, ...	£3,919 10 2		
Permanent Pier under Construction, ...	32,503 10 9		
		36,423	0 11
By Shares in San Telmo Mines, ...		16,772	5 4
By Stocks in Trade per Inventories—			
In Britain, ...	£213,652 0 0		
In Spain, ...	154,024 1 11		
		367,676	1 11
By Debtors on Open Account, ...		36,075	18 3
By Miscellaneous Assets—			
In Britain. *Total at 31st Dec. 1869.* *Written Off in 1870.*			
Henderson Patent Rights &c/. £46,025 0 0 ..	£18,045 0 0	£27,980 0 0	
Mines Lease and Railway Concession, ... 57,000 0 0 ..	2,000 0 0	55,000 0 0	
Cinder Rights & General Bonus, 139,750 0 0 ..	2,000 0 0	137,750 0 0	
		220,730	0 0
In Spain.			
Removal of Overburden at Mines, ...		£47,006 2 7	
Royalty paid on Mineral yet to Export.		43,057 10 8	
		90,063	13 3
By Bills and Cash, on hand and at Bankers, ...		£26,689 12 9	
Spanish Government Bonds, ...	300 0 0	5,809 9 6	
		32,499	2 3
	£4,300 0 0		
		£1,222,978	15 8

ACCOUNT, as at 31st December, 1870.

Cr.

By Balance carried forward from 1869, ...	£53,509 10 6	
,, Less Dividend paid 13th May, 1870, ...	36,994 18 7	
		£16,514 11 11
,, Profits for the Year 1870, ...		161,943 0 4
		£178,457 12 3
By Balance, ...		£111,086 9 5
By Net Balance, carried forward, ...		£69,146 12 5

& Copper Company, Limited, for the year ending 31st December, 1870, with the assistance of a Abstract Balance Sheet and Profit and Loss Account are correct, and that the former exhibits a proper

ALEX. MOORE, C.A., Auditor.
WALTER MACKENZIE, C.A., Auditor.

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REPORT OF THE PROCEEDINGS

OF THE

FIFTH ORDINARY GENERAL MEETING

OF THE

THARSIS SULPHUR AND COPPER CO.

(LIMITED),

HELD WITHIN THE

HALL OF THE CHAMBER OF COMMERCE,

66 VIRGINIA STREET, GLASGOW,

On WEDNESDAY, 26th APRIL, 1871.

GLASGOW:
PRINTED BY BELL AND BAIN, 41 MITCHELL STREET.
1871.

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UNIVERSIDAD DE HUELVA 2012

UNIVERSIDAD DE HUELVA 2012

REPORT.

The Fifth Annual Ordinary General Meeting of the Tharsis Sulphur and Copper Company (Limited) was held within the Hall of the Chamber of Commerce, No. 66 Virginia Street, Glasgow, on Wednesday, the 26th day of April, 1871, at One o'Clock P.M.

CHARLES TENNANT, Esq. of The Glen, Chairman of the Board of Directors, took the Chair.

There was an influential attendance of Shareholders—140 being present,—holding or representing £825,430 of the issued Capital of the Company.

There were laid on the Table, Proxies in favour of the Directors from 267 Shareholders, representing 67,561 Shares; and Proxies in favour of Mr. William Henderson from 25 Shareholders, representing 1,926 Shares.

The CHAIRMAN rose and said, — We shall now proceed to the business of the Meeting. Mr. Thomson will read the notice calling the Meeting.

MR. THOMSON having read the notice in question,

The CHAIRMAN said,—Gentlemen, our Report has been in your hands for some eight or ten days, and I have no doubt it has been perused by all the shareholders. With your consent, therefore, we shall hold it as read, and I proceed at once to move its adoption. (Agreed.)

The result of the Company's operations for the past year has been better than your Directors anticipated; and this is all the more satisfactory that it is due, not to any increase in the prices obtained by us for sulphur or copper (these being, on the contrary, 5d. per ton for sulphur, and £4, 5s. for copper, less than in 1869, while the price of iron ore remained absolutely, or as nearly as possible, the same), but is

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solely owing to improved and extended working in all branches of our undertaking. (Applause.)

The total extraction at Tharsis has been 287,000 tons, against 187,000 tons in 1869; and the Precipitate produced has been 3,390 tons, as against 2,989 tons in 1869. This increased output and production have involved an increase of labour; and as we have to provide accommodation for all the people on the Mine, we have had to add considerably to our houses. We have built two groups—forty for our workmen, and four of a better class for foremen. We have further greatly improved the internal and service roads of the Mine, while in the old village the streets have been levelled, and considerable expense incurred. The work of the Mine tends more and more to the use of Locomotives, and to the replacing of our old and narrow gauge roads, light rails, and small waggons, by broader guages, heavier rails, and larger waggons. Fortunately we have been able to utilize for this purpose the Griffin rails, which, as you are aware, we have been obliged to do away with on our main line of Railway. These Griffin rails suit the Mine traffic perfectly, and have thus saved us a considerable outlay. We have constructed, further, a large shed for the repair of our waggons, and the storing of our timber, which was much wanted. A foundry also has been constructed, enabling us to cast our small waggon-wheels and the brasses of daily requirement. Hitherto we have obtained these from Seville; and the saving now effected has been between 30 and 40 per cent. To our tools we have also considerably added; and our Manager reports that our workshops are now complete, and will give no occasion for fresh expenditure. An engine and an incline have been erected from the Tanks to the Barbasco or Waste Heap, the work having formerly been done by mules; and these, together with the re-building of the Reservoir, which so calamitously gave way, are amongst the principal causes of the large addition which has been made this year to our first Spanish asset in the balance sheet—namely, "Works, buildings, machinery, and plant in Spain." This asset stands now at £56,102, 3s. 3d., against £47,418, 2s. 1d. in 1869, showing an increase of £8,684 1s. 2d.

The next account I will look at consists of your Stocks-in-trade in Spain, comprising pyrites, copper, and precipitate, waste-heaps and smalls, and stores of various kinds. They show also a con-

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siderable increase in your balance sheet, standing now at £154,024, 1s. 11d., against £139,138, 3s. 8d. in 1869, an addition of £14,885, 18s. 3d. You will see, by reference to your last balance sheet, that we therein put aside a sum of £6,195, 15s. 4d. to depreciate these two Spanish assets. Your auditors were of opinion that instead of this amount being allowed to stand at the credit of a depreciation account, it should be written off direct —which you will observe has been done. They also advised that the value of your plant account in Spain should be further reduced this year by a sum of £3,000. On reviewing the items which constitute this asset, your Directors concurred, and this has been carried out.

Notwithstanding these considerable depreciations, the amounts standing at the debit of these assets have increased, as I have said—the first by £8,684, 1s. 2d., and the second by £14,885, 18s. 3d., together, £23,569, 19s. 5d.

The next Spanish asset to which I will allude is your Railway. A considerable outlay has been made on it for improvement of the road, widening the embankments, and additions to rolling stock, which would have increased the amount standing at its debit, but for the fact that we have been able to utilize, and therefore to credit it with, the value of the material of the Griffin system, part being used, as I have said, on our mine railroads, and part for precipitation purposes in our tanks, where it has served fully as well as the pig iron we send out. The result is an addition to the asset of your railway of only £239, 0s. 4d. The line and plant are in good order, and do their work well. The cost of carriage has been higher than we like, or than we anticipated; but it is, I am glad to say, in course of reduction. It was 2s. 9d. per ton for the year, showing a profit of 2s. 3d. per ton on the rate of 5s., which we charge on our mineral. This, on 161,000 tons carried—namely, 148,500 tons down, and 12,500 tons up—gives a profit of £18,213, 19s. 6d.; from which falls to be deducted £7,500 interest on our debentures, leaving us a sum of £10,713, 19s. 6d., which we appropriate thus:—£9,213, 19s. 6d. to Railway sinking fund account, and £1,500 to our Rolling stock renewal fund—a new account which we have deemed it right to open. Our Railway sinking fund is further increased by a sum of £147, 7s. 4d., amount of Government bonds paid off, and which reduces to that extent

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the sum standing at the credit of our Railway subsidy account.

Some of our shareholders may perhaps think—and I know one of them, and a large one, who is of this opinion—that it would have been better to have written off the £14,322, 6s. now standing at the credit of Railway sinking fund, and thus reduce the amount of £231,360, 15s. at which your Railway stands in your balance sheet; but, as you may be aware, we have to renew or pay off our debentures two years from this time, and we think we shall be in a better position to do so if we can show a considerable sum of money put aside for that purpose. Moreover, the railway is giving us a good return on the capital invested in it, and, with the larger traffic flowing over it, will show more favourably this year.

I now come to the Pier, the next asset in your balance sheet. The pier, I am sorry to say, is not yet completed; but we expect every day to hear that the last piles of the pier-head have been driven. We have no reason to entertain any doubt about this. Unfortunately, we did not tell them to send us a telegraphic message, which perhaps we ought to have done in view of this meeting; but we have reason to believe that the two or three last piles have been driven. The two steam cranes are now in course of erection, and we trust this very important work will be available for our purposes in the course of the next six weeks. The delay, as you may suppose, has been very annoying and disappointing to us.

The next asset in your balance sheet consists of the shares in St. Telmo Mine. The position of this asset I explained fully to you on the 27th of April last; and there is nothing now further to report with regard to it, except that there has been a General Meeting of the Shareholders held at Seville, at which we were represented by our legal adviser, Mr. Monsalve. The low price of copper—for you will remember that this mine is purely copper-producing—has rendered its operations unprofitable, and they are suspended. The Meeting was adjourned till July of this year. Meantime we have instructed our Managers in Spain to visit this mine; and we shall be guided by their report as to what steps we should take towards improving the position of this asset.

Our Calanas Mine goes on steadily. The copper produced is

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510 tons, against 452 last year. Thence we export copper, and not precipitate, as a good method for the carriage of the latter has not yet been found, although we are endeavouring to find such a method, and think we have now nearly succeeded. It would be very advantageous to the interests of this Company if our copper could be all brought home as precipitate. There is the diminution of cost of production on the mine, and also the marked diminution in the converting of it into refined copper in this country. Mr. Roupel, lately in charge of our precipitating works at Tharsis, has replaced our old Manager, Mr. de Garay, whom illness in his family forced to resign. We are making considerable improvements and additions here; and I trust we may shortly depend upon a minimum production of at least 50 tons of copper per month. As I said at our last Annual Meeting of Shareholders, this mine is a very valuable property, and we look forward hopefully to its future.

We now come to a large account, namely, the overburden account. I am sorry to say that it has slightly increased this year, as stated in the Directors' Report. I will glance over its particulars. The mineral uncovered, calculated to the depth of 21 mètres, our railway level, was at the date of our entering into this property—namely, 1st December, 1866—232,532 tons; the quantity at the date of your balance sheet was 946,451 tons, leaving an addition of uncovered mineral, as compared with the date of our entry, of 713,919 tons. In addition to this, we have partially uncovered 541,312 tons. Adding these two totals together, we have in all 1,255,231 tons. The amount at the debit of the account is £47,006, 2s. 7d. If we add what is required wholly to uncover the 541,312 tons—namely, £11,500—we come to a total of £58,506, 2s. 7d., as against a total of uncovered mineral of 1,255,231 tons, which, at 5 reals per ton, the price we charge upon our mineral extracted, gives £66,065, leaving a surplus of £7,558, 17s. 5d., so that we may fairly consider this a good asset. But the shaft in our open cast being now down 22 mètres below the railway level (which is the line above which the mineral I have just been describing to you stands), and still in solid ore, we have really a very much larger quantity totally uncovered and unwatered. Mr. Down writes, that every mètre in depth represents 182,400 tons. Twenty-two mètres would therefore give us 4,012,800 tons; and thus we may

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say that we have some five and a half millions of tons uncovered and unwatered. When we are in full operation with our third stope, which we are now vigorously pushing on, we shall be able, I trust, to prevent any further considerable addition to this asset.

The next asset which you find in your balance sheet is the "Royalty paid on mineral yet to export." This asset has, I am sorry to say, again somewhat increased, although not by a very large amount, £1,635, 1s. 7d., and stands now at £43,057, 10s. 8d. From this date the realization of this asset will begin, and go on, I trust, rapidly. Our sales for 1871, amount to 220,000 tons at 6d., 7d., and a small quantity, very little, at 8d.

You will, perhaps, allow me here to make a few remarks as to prices—our method of selling and our buyers, about all which, I fear, very erroneous notions prevail. As to the first, I hold in my hand a statement of the prices paid by Charles Tennant & Co., St. Rollox, to Mr. James Mason, through his agent in Glasgow, Mr. Clavering, from 1860 to 1867, the date when the Tharsis Company appeared as sellers. From June, 1860, till January, 1862, Mr. Mason's price for Sulphur was 30s. per ton. In January, 1862, he reduced the price to 25s. per ton; in August, to 22s. 6d.; in November, to 20s.; which continued till March, 1863. In April, 1863, he reduced the price to 17s. 6d. per ton, about 4¼d. per unit of sulphur. This price continued till January, 1865, when it was raised to 20s.

I have thus given you the prices from 1860 till 1865, the average of these years being 22s. 6d., or 5½d. per unit.

In 1865 Mr. Mason adopted a different method of selling. He sold the pyrites on a basis of 2 per cent. of copper, and in July raised his price to 50s., equal to 30s. for sulphur, which continued till January, 1866. He then raised it to 35s., which continued till March, 1866, when he raised it to 65s, that is 45s. for the sulphur, and this continued till January, 1867. The Tharsis Company then began their importations; but the average of Mr. Mason's prices to Messrs. Charles Tennant & Company, from January 1860 till 1867, was 27s. 2½d., or rather under 7d. per unit. I will now state the prices obtained by the Tharsis Company since 1st January, 1867, till 31st December, 1870. We began at 8½d., and we have come down to 6d., the average being 7¼d. per unit, or rather more

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than Mr. Mason obtained when he had the market pretty much to himself, or at least when we certainly had no influence over it. (Applause.) But the question of the price of pyrites, I need scarcely add, is like that of any other article—it is a question of supply and demand. To the extent of our imports, and to that only, do we influence prices. Last year the total import of pyrites into this country was 411,000 tons. Our share of that import was 132,000 tons, leaving 279,000 tons to Mr. Mason and others. As to our method of selling, the sales of both sulphur and copper are entirely entrusted to our Manager and Secretary. They have reliable correspondents in the various markets, and obtain the best prices those markets admit of; and I need hardly add that Mr. Vérel and Mr. Thomson do their business very well, and that your interests could not be in better hands. (Applause.)

As to customers, our sales of 220,000 tons for 1871 are to 56 consumers. Of these, four are members of this Board, and four are interested as shareholders. The four members of this Board have bought 56,000 tons; and the four Firms who are shareholders in this Company have bought 17,000 tons, leaving a total of 147,000 tons sold to forty-eight Firms who have no interest or holding in this Company. (Hear, hear, and applause.)

I think, gentlemen, that I have reviewed very shortly all the Spanish assets; and I now come to the English assets.

First, as to the Metal Works, the amount of capital spent on these works during the year has been £21,933, chiefly on Garngad and Lancashire; but not entirely so, as there has been a portion of it also at Staffordshire and Tyne. By depreciation on the principle adopted at our balance of 1869—namely, 5 per cent. on the New or Garngad Works, and 7½ per cent. on the Old Works, *i. e.*, the others—we come to a figure of £8,770, which reduces the amount standing at the debit of Metal Works to £135,275, 15s. 6d., showing an addition to the Capital Account of our Metal Works for this year, as compared with 1869, of £13,162, 7s. 10d.

I am glad to be able to report favourably of the results for the past year from these works. They are the best results we have yet obtained,—showing a diminution of cost, an improvement in quality of copper, and an increase of production. Willington also has given us an improved and a good return. The whole is

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due, in some degree, to extension, but chiefly to better management in all departments. (Applause.)

Having, as you are aware, works in Glasgow, Lancashire, Staffordshire, and on the Tyne, we can compare their weekly and monthly operations, and our technical Manager sees wherein one is doing better than another, and takes such steps as he may think fit to remedy the shortcomings, and to assimilate all to the highest standard. This, you will see at once, is a very great advantage, which no other Metal Extracting Company possesses. Your Directors are well satisfied with the way in which this department works. Improvement and economy have told on the results, and I believe will continue to do so. As to the details of cost and profit on your Mines and Metal Works, we deem it advisable not to separate them in our balance sheet, or to go into details at this meeting with regard to them. The proportion of profit from each depends on the price charged for the cinders to the Metal Works, and credited to the Mine. Formerly, the Swansea price, with 5s. bonification to the Metal Works, was the market price; but, with the demand for cinders increasing, the bonification ceased, and now, owing to additional Metal Works having come into existence, 5s. and even more above Swansea prices, I believe, have been paid in some places. Such prices would, of course, seriously reduce the profits falling to the share of the Metal Works; but apart altogether from the difficulty of stating these profits absolutely, there appear to your Directors grave reasons for not doing so. We are not alone in the business of either miners or metal extractors. We have competitors in both, and may have more, who would be very glad to know our results, and profit by our experience. (Hear, hear.) Such statements would, we think, prejudice your interests, and could not possibly serve them. (Applause.) Such being the case, I trust you will concur in the propriety of the course your Directors have deemed it necessary to pursue. (Applause.)

I now come to the last of your assets—the Miscellaneous assets —which stand at £220,730, against £250,245 in 1869, showing a reduction by writing off to profit and loss of £29,515, 7s. 7d., the items of which are given very clearly in your balance sheet, beginning with Mr. Henderson's Patent Rights Account, £18,045. The nature of these assets is well known to all of you. Their

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creation was, as you are aware, the produce of the amalgamation. They represent no money payment; they do not contribute one penny to your capital, and are not a sound realizable asset. We deem it to be our duty to conduct your affairs with a view to making all your assets sound and realizable. (Applause.) Now, how are we to do so with this? Calling up more capital, or creating new, won't do it. There is only one mode, and it is that which we have been adopting. I cannot for a moment believe that any prudent man, who has the real interests of this Company at heart, would wish this large unproductive amount to remain as a permanent asset in your books. (Applause.) It really seems to me that the man must be very difficult to please, if not somewhat greedy, if he is not satisfied in that matter. Why, what are we doing? We are paying 10 per cent. on capital which is purely nominal, and, in addition, converting that nominal capital gradually into that which is real. We do not propose to accomplish this conversion with unnecessary or unreasonable haste. We will do it, as we have hitherto done, gradually. Nor would I have you to think that we shall, during its progress, necessarily limit your dividend to 10 per cent. On the contrary, unless something unforeseen occurs to mar our prospects and our prosperity, I look forward to an increased dividend (applause), at the same time, carrying out this safe and honest principle of writing down. As directors of this Company, we think it would be dishonest for us to adopt any other course. (Hear, hear.)

I have now gone over your assets, and will only add a few words as to the other side of your balance sheet. Your capital stands at £838,797, or, deducting miscellaneous assets, £618,067. That is your total cash capital. The sum stands in your books at £838,797, but that is with the addition of assets, for which not one single penny entered your cash-box. There remains uncalled £92,913 on your new shares, which their holders would gladly, I am sure, pay up. I certainly would do so myself gladly enough, seeing that they would at once participate in the 10 per cent. dividend; and, besides, if one is to give another reason, the market value of their property would be improved. But it would not be to your interest to call up this additional Capital. It would add little or nothing to our means of carrying on the business. We must not forget that we are a Limited Liability Company, of not very old standing, and that were all our capital

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paid up, we could not obtain those financial facilities which, you will infer from the large amount standing at the debit of bills and open accounts, are freely accorded to us. The capital on which we pay dividends is already very large, and your Directors think any addition to it is much to be deprecated.

To your debentures I have already referred. The amount of bills and open accounts, £159,508, consists of advances from our bankers, trade bills, open accounts, and bills drawn on us from Spain. In your last balance sheet, of 31st December, 1869, you will see an amount of £5,000 standing at the credit of London bankers. This has disappeared, as, thanks to our credit in Spain, our money is now placed there by bills drawn at Huelva on the Company in Glasgow, thereby effecting on the business of the year a saving to the Company, in bank commissions and other charges, of £1,500. (Applause.) To the next figures on this side—namely, Railway sinking fund, Rolling stock and subsidy accounts—I have already alluded.

The last account is your Profit and Loss account, which shows £69,146 at its credit, out of which we propose to pay you 5 per cent. on 10th May, carrying forward £27,206, 15s. 5d.

I have now only to add that the accounts of the Company, both in Spain and this country, have been most carefully examined and considered by your Auditors, who have devoted much time and attention to your interests, and to whom, in my opinion, both the Shareholders and the Directors are much indebted.

With these remarks I beg to move the adoption of the report.

Mr. A. S. Schaw, Deputy Chairman, seconded the motion.

Mr. Thomson—The following is the Chairman's motion:—

That the Report now read, with the relative Balance Sheet and Profit and Loss Account, be received, approved, and adopted, and that a further Dividend of 5 per cent. (making in all 10 per cent.), free of Income Tax, for the year ended 31st December, 1870, be paid to the Shareholders on the 10th day of May next, carrying forward a balance of £27,206, 15s. 5d. Sterling to the credit of the current year.

Mr. Henderson—Yesterday I sent to you, Mr. Chairman, a notice of an amendment I proposed to make. That amendment was to the effect that the Report and Accounts be not passed, and that the additional 5 per cent. dividend payable in May, recom-

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mended by the Board, be adopted, and that this meeting adjourn to the 24th of May, in order to give time for the preparation, presentation, and circulation amongst the Shareholders of full, explicit, and sufficient accounts. I have now to state that, late in the afternoon, after having despatched that letter to you, I was waited upon by an influential deputation of the independent Shareholders of the Company. They represented to me strongly that my perseverance in the course I have chalked out would not be conducive to the interests of the Tharsis Company. They agreed with me, on the whole, that the accounts are not so explicit as they ought to be, that the writings off are excessive, that the sums said to be set apart ought to be invested, but that the continuance of this determined opposition on my part would conduce to no good end; and that they, therefore, strongly urged me to adopt a more conciliatory mode, and show unmistakably to the Company that my opposition is not in the least degree captious or personal, but that my sole object is the good and welfare of the Company.

I have resolved, therefore, in deference to their judgment, to try the experiment; and I propose, therefore, instead of moving an amendment, to substitute a recommendation to the Directors to give us as ample information in next published balance sheet as they think can be safely vouchsafed without injury to the interests of the Company, and that the full and complete balance sheet and statement of accounts be available at reasonable hours at the offices of the Company, for the information of Shareholders of the Company. Maintaining, as I do, all the principles I have contended for in my answer, I think I may say that this would be satisfactory to me and to those who entrusted me with their votes. I confess I am much indebted to this deputation for their conversation and suggestions, as they have enabled me to throw off a good deal of personal feeling which, I admit, I possessed after the indignity I suffered at your hands in August last. I heartily concur with them in my earnest desire to let bygones be bygones, and in future I shall seek more to ventilate my opinions and views by friendly conference amongst ourselves. If my views are well founded they will gradually gain friends amongst such an intelligent body of Shareholders, or will be modified or altered by friendly discussion. If in what I have written I have in any moment of irritation, while smarting

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under most unmerited and harsh statements, if I have transgressed, I am not too proud to say that I regret it. (Applause.) The prosperity and growing success of our Company is my chief end, and on its success my own reputation is much involved.

The CHAIRMAN—You don't move an amendment, I think?

MR. HENDERSON—No.

The CHAIRMAN—Such being the case, I beg to put the motion to the meeting. Is it your wish that it should be passed? (Applause.) The motion was then unanimously adopted. After a pause,

The CHAIRMAN said,—As you are aware there are three Directors who retire from the Board at this meeting, and our next business is to fill up these vacancies.

MR. SMITH—The following motion has been put into my hands:—

That Messrs. Charles Tennant, Archibald Shanks Schaw, and Henry Deacon, be re-elected Directors of the Company, and that the vacancy now existing at the Board be filled up by the appointment of John Wilson, Esq., of Auchineck, Stirlingshire, Merchant in Glasgow.

I do not know that there is any necessity for me saying anything to you in reference to the first three gentlemen nominated. It seems to me that any personal eulogy is out of place in a meeting such as this. We are here in reference to a question of pounds, shillings, and pence. I do not know that I can do anything further than simply to move this resolution. As regards Mr. Wilson, he is a gentleman well known in Glasgow—a careful, thoughtful, prudent man in business. He has now retired; and I regard his election, if you should see your way to this, as something like pouring oil on troubled waters.

MR. ROBSON—I beg leave to second that motion. None of us are, perhaps, sufficiently aware of the time, trouble, and thought the Directors of this Company have to give to the innumerable details connected with it, in order to bring it to the state of organization and prosperity to which it has now attained. For myself, I feel besides that there are few public companies indeed which have been managed with so much prudence and ability as the Tharsis Company, or whose Directors are entitled to so much gratitude for the past, and confidence in the future. (Applause.) I believe this is true of the general body of the

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Directors, and especially of the Chairman of this Company. (Hear, hear, and applause.) Mr. Tennant has devoted to the interests of this Company an amount of time, anxious thought, and greater trouble than he has given to the affairs of his own colossal concern. (Applause.) He has made many important statements to the Shareholders, not the least of which is the one he has just delivered; and we cannot also but notice the unvarying good humour and courtesy with which he has conducted the business of these meetings. I think, from the most satisfactory way that Mr. Tennant has occupied the Chair of the Company, that he is the right man in the right place. (Applause.) And I may further mention, that I have occasion to know that all of the three gentlemen whose re-election is now proposed, own upwards of £130,000 of the stock of the Company. Surely this must be a sufficient guarantee for their not neglecting, at any rate, the interests of the Company.

I was going to make a remark about Mr. Wilson; but after what Mr. Smith has said, I feel that anything I intended to say would be quite superfluous, and I therefore sit down by seconding the motion which has been proposed.

The motion was then put to the meeting, and was unanimously carried.

The Chairman then said—For myself I cannot but express my gratitude for the very kind observations which have been made by Mr. Smith and Mr. Robson. My happiness is very much tied up with that of this Company; and in whatever position I may be placed in regard to it—whether as a Shareholder simply or as one of its Directors—I shall never cease to take the warmest interest in its affairs. (Applause.)

Mr. Deacon—Before this meeting separates, I should be glad of the privilege of saying a few words. Mr. Henderson, in the speech he has made, has done much that he should have done; but I cannot say that he has done all. He has thrown imputations, certainly of a personal character, which, as being done in moments of haste, he wishes to withdraw; but there are other imputations contained in his pamphlet, evidently written in no moment of haste, and which he has expressed no intention to withdraw. I refer particularly to those imputations attaching to the body to which I belong, that is to say, the alkali trade.

We, as alkali manufacturers, are a minority in the Board, and it

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is very rare that it falls to our lot to explain our position to the Company. I desire to take the opportunity of doing so now.

The Chairman has already gone over a part of the ground as regards the history of prices. Without knowing what he had in preparation, it occurred to me to put my information in a different form—a form which, I think, is familiar to a great many of you—and perhaps you will allow me to state it without further preface. This diagram (showing a diagram, for which, see Appendix) represents the fluctuations of prices in sulphur and copper. The black line is the price of sulphur, beginning 1858, continued to 1871. In 1858, the price of sulphur was 10d. per unit; in 1859, 6d. per unit; in 1860, 8d. per unit—7$\frac{1}{8}$d., 6$\frac{1}{4}$d., 4$\frac{3}{8}$d., 5d., 8$\frac{1}{2}$d.; in 1865 it got up to 11d. and 11$\frac{3}{4}$d., and since has descended. Now, as to the best way of getting these figures, I should tell you it occurred to me that the only way was to take the prices absolutely paid by my own firm. It so happens that, during the seven years which the Chairman said he had taken as the average of St. Rollox, he makes it a little under 7d.; our average is 6$\frac{7}{10}$d. The importations of the Huelva Company, who formerly worked the Tharsis Mines, commenced in 1859. My Firm was among the first purchasers of ore from that Company, and the price dropped down to 6d. The price rose again, and Mr. Mason's and other ores came in, and it again descended. So that you see that, so far as we have gone, every time the price has risen above a certain level, it has been followed by the introduction of fresh supplies. I do not know that I need trouble you with reading any of the particular remarks in Mr. Henderson's pamphlet. (A voice—"No, no.") But I would call attention to the fact, which perhaps may not be known to you, that Mr. Henderson and I were co-Directors in another Company. Mr. Henderson was very active in the formation of that Company. I will read you the list of Directors;

Mr. M'Lean—With all deference, it occurs to me that the present speech is beside the mark.

The Chairman—I do not think so. You did not interrupt Mr. Henderson; and I think it only fair to Mr. Deacon, whose character as an alkali manufacturer is impugned, that he should be allowed to make a statement.

Mr. M'Lean was about to continue, but was interrupted by cries of "Chair, chair."

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MR. DEACON—I am quite in the hands of the Meeting. I did not intend to allude to the fact, but it was my coming forward in Liverpool at a meeting of the Alkali Trade, which, singularly enough, was convened by Mr. Henderson in conjunction with others, that really was one of the means of starting this Company. This is the first time I have addressed the Shareholders; and when I say I feel my character and the character of those of my colleagues belonging to the trade to be affected, you will accord me the privilege of listening to my remarks. (Cheers.)

I was interrupted when I was going to allude to the fact that Mr. Henderson was an originator of a Company (the Lancashire Metal Company) which is now amalgamated with this Company, and which forms part of your valuable property. The names of the Directors are these:—Charles Tennant, Glasgow; William Henderson, Chemist, Glasgow; David Gamble, St. Helen's; Henry Deacon, Widnes; Andrew George Kurtz, St. Helen's; Archibald S. Schaw, Glasgow; that is a majority of Four Alkali Makers out of Six Directors.

In the Articles of Association is a clause parallel to the one you have in your own, which enables the Directors to deal with the Company. Mr. Henderson, had there been any irregularity, is *particeps criminis* in everything that has been done of this kind; but he is not only that, he was a most active promoter in introducing us into the Company as Directors. More than that, in starting this Metal Company, and also in starting the Tharsis Company, his constant cry to us was, "Enter this Company, give it a start, and you will then be able to carry it on with the profits as Capital." It was not said once or twice, but was repeated over and over again. The burden of Mr. Henderson's appeal to us was, in reference to going into these concerns, that we should be able to carry them on out of profits. Now, I say it is perfectly open to Mr. Henderson, as it is to anyone else, to change his opinion; but it is not open to him, or to anyone else, to come and hold himself out as the apostle of purity, when he himself is fresh from unacknowledged error. There is one other thing to which I wish to allude—that is the position which I and others on this Board hold. It is said that it is our interest—that it is worth our while—to force low prices. Mr. Henderson says that in no case does he impute to the Directors having given to us, their colleagues, any advantage over any one else. He does not

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say in any way that any one of us has any advantage over any other in the trade. The figures the Chairman has given you show that of the sales of the Tharsis Company two-thirds were made to outsiders, who were not Shareholders of the Company.

Now, when we couple that fact with this other fact, which is personal to myself, that the partner in my Firm (there are only two of us in the concern—we hold equal shares both in your Company and our own—we two hold shares in your Company as nearly as possible proportionate to our consumption of your pyrites), you will see this would follow, that everybody would buy at the high price, and we should get our share back as increased dividend; so that if it really has been the case that I have helped to keep the price of sulphur down, I have helped forty-eight of my rivals to meet me in the market, to my own cost. (Hear, hear, and applause.)

I could go on with further illustrations, but I think that is quite sufficient for my purpose. I thank you very much for the hearing you have given me; and I trust you will feel, in spite of anything that can be said to the contrary, that I come here, not only as an honourably right-minded man, but as one having an identity of interest with you in the Company.

Mr. Alexander—Perhaps this will be the right moment for me to refer to a Meeting of Shareholders which took place in Newcastle-on-Tyne on Saturday last. Many of the Shareholders there were in doubt as to whom to send their proxies on this occasion; and the meeting was summoned that those who were in doubt might have the opinion of others.

I believe at Newcastle we have twenty-five Shareholders, one of whom is a Director of the Company. He was not present. Twenty were present or represented, and only four absent. The matter was discussed simply in a business point of view. The special point in the first instance had reference to this "writing off" the depreciation, and "writing off" the sum on account of Mr. Henderson's patent. One resolution was passed unanimously approving of the conduct of the Directors in reference to this point; and another resolution was passed expressing the utmost confidence of the Shareholders in the general management of the Directors. One of the Shareholders who spoke on the matter was Mr. Christian Allhusen, who was a large consumer of pyrites on the Tyne; and he expressed himself to the effect

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that he had been prevented from purchasing of the Tharsis Company, because he always found he could buy cheaper from other sources. I was deputed to hand in these resolutions, which are as follows:—

At a Meeting of the Tharsis Sulphur and Copper Company's Shareholders, residing in Newcastle-on-Tyne, held 22d April, 1871—T. W. Bulman, Esq., in the Chair—Mr. Christian Allhusen moved, Mr. Fairley seconded, and it was unamiously resolved, —"That this meeting approves of the course adopted by the Directors with regard to the amounts written off Henderson's Patent Rights accounts, as the only way by which the Company can be recouped (before the expiration of the patents) for the large amount paid to Mr. Henderson; and they also approve the application of the same principle to the other accounts specified in Mr. Henderson's printed letter to the Shareholders."

Mr. Goddard moved, Mr. A. S. Stevenson seconded, and it was unanimously resolved,—"That this meeting has the fullest confidence in the course pursued by the Directors in the management of the Company; and that J. B. Alexander, Esq., be requested to communicate these resolutions to the meeting to be held at Glasgow on Tuesday next."

(Signed) T. W. BULMAN,
Chairman.

Mr. M'Ewen—I have a very agreeable duty to perform. Although I could have wished that our friend here had withdrawn the pamphlet he issued, I shall not allude to it more specifically; my duty at present is to vote the yearly honorarium of £2,000 to the Directors for the trouble they have taken during the last year in conducting our affairs.

Mr. Randolph seconded the motion; which was unanimously agreed to.

The Chairman said—On behalf of the Directors and myself, I thank you for your kind recognition of our services. (Applause.)

Mr. M'Lean—I have a resolution put into my hands; but before submitting it to you, I wish to say that I would like to see Mr. Henderson occupy the position where we all wish him to be —quite hearty with us in promoting the interests of this Company. I think it right to mention that Mr. Henderson was quite willing to-day to second the resolution proposed by Mr.

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Smith, that Mr. Deacon should be re-elected a Director of the Tharsis Company. In mentioning this, I may say that Mr. Henderson's position, with which certainly I do not sympathize, is, that no alkali manufacturers should be Directors of this Board. Well, there is no harm in bringing up that opinion from time to time, although I cannot say that he has converted me yet; and there are many other gentlemen whom he has not converted. I do not know of any better men you could have than the Chairman, Mr. Tennant, and Mr. Deacon, as Directors. Mr. Henderson, as I have said, was quite ready to second the motion for their re-election. I mention this because, with many other independent Shareholders, I have a great desire to see a prosperous Company like this being harmonious within itself, and that Mr. Henderson, who is our second largest Shareholder, should give us the benefit of his ability and practical skill in carrying on our business.

But what I rose to bring under your notice was the following resolution :—" That the Auditors of the Company—Messrs. Alexander Moore and Walter M'Kenzie—be re-elected, and that their remuneration for the past year be fixed at the same rate as formerly, viz. £150 each per annum.

Mr. Anderson, C.A., seconded the motion; which was unanimously agreed to.

Mr. Mackenzie, in acknowledging the appointment, remarked that the books, both in Spain and this country, were very well kept, which made the duty of Auditors a very agreeable one.

Mr. Alexander moved that the best thanks of the Meeting be, and are hereby tendered, to Charles Tennant, Esq., and the other Directors of the Company, for their valuable services, and that a special vote of thanks be given to Mr. Tennant for his conduct in the Chair. I feel very much pleasure in moving that resolution, on the principle that some men's services are so valuable that no sum of money can compensate them. (Applause.)

Mr. Henderson—I have great pleasure in seconding the motion.

The Meeting then separated.

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APPENDIX.

After the General Meeting of Shareholders had terminated, the Board of Directors retired to the Company's Office and re-assembled for the consideration and despatch of their usual business. While this was proceeding, and about one hour after the Shareholders' Meeting had concluded, the Secretary received the following letter from Mr. William Henderson, enclosing two documents, which he had thus the opportunity of laying before the Directors. The nature and purport of these the Shareholders will ascertain from the Directors' deliverance thereon, as extracted from their Minutes by the Secretary, and appended hereto:—

Copy of Letter Received from Mr. William Henderson.

97 Buchanan Street,
Glasgow, 26*th April*, 1871.

Jonathan Thomson, Esq.,
Tharsis Sulphur and Copper Company.

Sir,

I *omitted* to table two Protests that I had with me at the Meeting, and I hasten to rectify the omission by sending them to you; this I find is necessary to keep faith with my Proxies.

Yours truly,

(Signed) WM. HENDERSON.

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Extract from Minutes of Meeting of the BOARD OF DIRECTORS *of the* THARSIS SULPHUR AND COPPER COMPANY (LIMITED), *held at Glasgow on 26th April*, 1871.

The Board having re-met, after the General Meeting of the Company, there were submitted by the Secretary a letter from Mr. William Henderson, and two papers signed by him and James Henderson, addressed to the Directors, purporting to be Protests against the Resolution approving of the Directors' Report and Balance Sheet, unanimously passed by the General Meeting just closed, at which both William Henderson and James Henderson were present, the former representing those Shareholders who entrusted their Proxies to him. The one of these "Protests against the excess of the amount which, as it appears from the Abstract of Profit and Loss appended to the Balance Sheet of the Company, as at 31st December, 1870, have been written off the Property and Assets of the Company, namely:—

"Amount written off Property and Plant of the Metal Works, Pyrites Store, &c., . .	£8,770	13	3
Do.	Property and Plant in Spain, . . .	3,000	0	0
Do.	To reduce Bonus Premium, Cinder Rights, and Spanish Bonds, .	4,300	0	0
Do.	Henderson's Patent Rights Account, .	18,045	0	0
		£34,115	13	3

The whole of which 'writings off,' it is added, "are far in excess of the requirements of the Company, and of any real depreciation of the Company's property." And further, Protest is taken "against any resolution being passed at the Ordinary General Meeting of the Company, to be held on Wednesday, the 26th instant, approving of the said Balance Sheet, and that it shall be competent to me, at any time, to challenge the same."

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The other is in like terms with reference to "the non-investment in proper securities of the following funds, stated by the Abstract Balance Sheets of the Company as at 31st December, 1869, and 31st December, 1870, to be set aside to reduce or renew property in Spain—viz.,

"Balance Sheet of 1869—Depreciation account on fixed Property and Waste Heap in Spain, ...	£6,195 15 4
"Balance Sheet of 1870—Railway Sinking Fund, ...	£14,322 6 0
"Railway Rolling Stock Renewal Fund, .	1,500 0 0
	£15,822 6 0

"And requires you forthwith to invest the same in accordance with clause 77 of the Articles of Association of the Company."

The Board declines to receive or to entertain these three papers to any effect whatever, and instruct the Secretary to return the same to William Henderson, by whom they have been sent.

Extracted from the Minutes, by

JONATHAN THOMSON,
Secretary.

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MINUTES OF GENERAL MEETING.

At Glasgow, and within the Hall of the Chamber of Commerce, No. 66, Virginia Street, on Wednesday the 26th day of April, 1871, at One o'Clock P.M., at the Fifth Annual Ordinary General Meeting of the Tharsis Sulphur and Copper Company (Limited), convened by Circular, in terms of the Memorandum and Articles of Association of the Company—Charles Tennant, Esq. of Glen, Chairman of the Board of Directors, in the Chair,—

The Secretary, on being called on by the Chairman, read the Circular convening the Meeting, and the Certificate appended thereto by him, bearing that that Circular had been duly posted to all the Registered Shareholders. The Circular and Certificate are in the following terms:—

"THE THARSIS SULPHUR AND COPPER CO. (LIMITED).

"Notice is hereby given, that the Fifth Ordinary General Meeting of the Members of this Company is hereby convened to be held on Wednesday, the 26th day of April current, at One o'Clock Afternoon, within the Hall of the Chamber of Commerce, No. 66, Virginia Street, Glasgow, for the purpose of considering the Accounts, Balance Sheets, and Ordinary Report of the Directors for the year ended 31st December, 1870, sanctioning a Dividend to be then declared from the profits of the Company, and for the Election of Directors and Auditors.

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"And Notice is further given, that the Transfer Books will be closed from the 13th to the 26th current, both days inclusive.

"By Order,

"JONATHAN THOMSON,
"*Secretary.*

"136 WEST GEORGE STREET,
"GLASGOW, 12*th April*, 1871."

CERTIFICATE OF POSTING.

"GLASGOW, 24th April, 1871.—I hereby certify that a copy of the foregoing Circular was addressed to each Shareholder on the Register of the Company, and posted at the General Post Office here, prior to 17th instant. The Circular was also inserted in the *Glasgow Herald* of 17th and 19th instant.

"(Signed) JONATHAN THOMSON,
Secretary."

On the suggestion of the Chairman, the Meeting unanimously agreed to hold as read the Directors' Report, which had been printed and circulated among the Shareholders.

The Chairman having addressed the Meeting, and given a variety of explanations incidental to the various matters set forth in the Report, concluded by moving,—

> "That the Report now read, with the relative Balance Sheet, and Profit and Loss Account, be received, approved, and adopted, and that a further Dividend of 5 per cent. (making in all 10 per cent.), free of Income Tax, for the year ended 31st December, 1870, be paid to the Shareholders on the 10th day of May next, carrying forward a Balance of £27,206, 15s. 5d. Sterling to the Credit of the current year."

Which motion was seconded by MR. ARCHIBALD SHANKS SCHAW, and no amendment having been offered, the said

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motion was put by the Chairman to the Meeting, and, being carried by acclamation, was declared by the Chairman to have been unanimously carried, and to be now the Resolution of this Meeting.

It was then moved by Mr William Rae Wilson Smith—

> "That the retiring Directors, viz.:—Mr. Charles Tennant, Mr. Archibald Shanks Schaw, and Mr. Henry Deacon be re-elected, and that the one other vacancy at the Board be filled up by now electing John Wilson of Auchineck, Stirlingshire, Merchant in Glasgow."

Which motion, on being seconded by Mr. George Robson, was put by the Chairman to the Meeting, and declared by him to have been unanimously carried, and to be now the Resolution of this Meeting. The Board of Directors of the Company, accordingly, now consists of the following Members:—

Alexander Harvey.	David Gamble.
Louis Leisler.	John Tennant.
John Moffat.	Charles Tennant.
Archibald Arrol.	Archd. Shanks Schaw.
David Wilson.	Henry Deacon.
John Williamson.	John Wilson.

It was moved by Mr. William M'Ewen—

> "That the remuneration of the Directors for the by-past year, 1870, be the sum of Two thousand pounds."

Which motion was seconded by Mr. Charles Randolph; and, being put to the Meeting by the Chairman, was declared by him to have been unanimously carried, and to be now the Resolution of the Meeting.

It was further moved by Mr. Andrew Hislop Maclean—

> "That Mr. Alexander Moore, C.A., Glasgow, and Mr. Walter Mackenzie, C.A., Glasgow, be re-elected as Auditors of the Company, and to audit the books and accounts of the Company for the current year;

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and that the remuneration for their services during the past year (1870) be fixed at £300, being £150 to each, as formerly."

Which motion was seconded by MR. WILLIAM ANDERSON, C.A.; and, being put by the Chairman to the Meeting, was declared by him to have been unanimously carried, and to be now the Resolution of the Meeting.

CHARLES TENNANT,
Chairman.

A vote of thanks to the Chairman and Directors was proposed by MR. JOHN BENNETT ALEXANDER, seconded by MR. WILLIAM HENDERSON, and carried by acclamation.

JONATHAN THOMSON,
Secretary.

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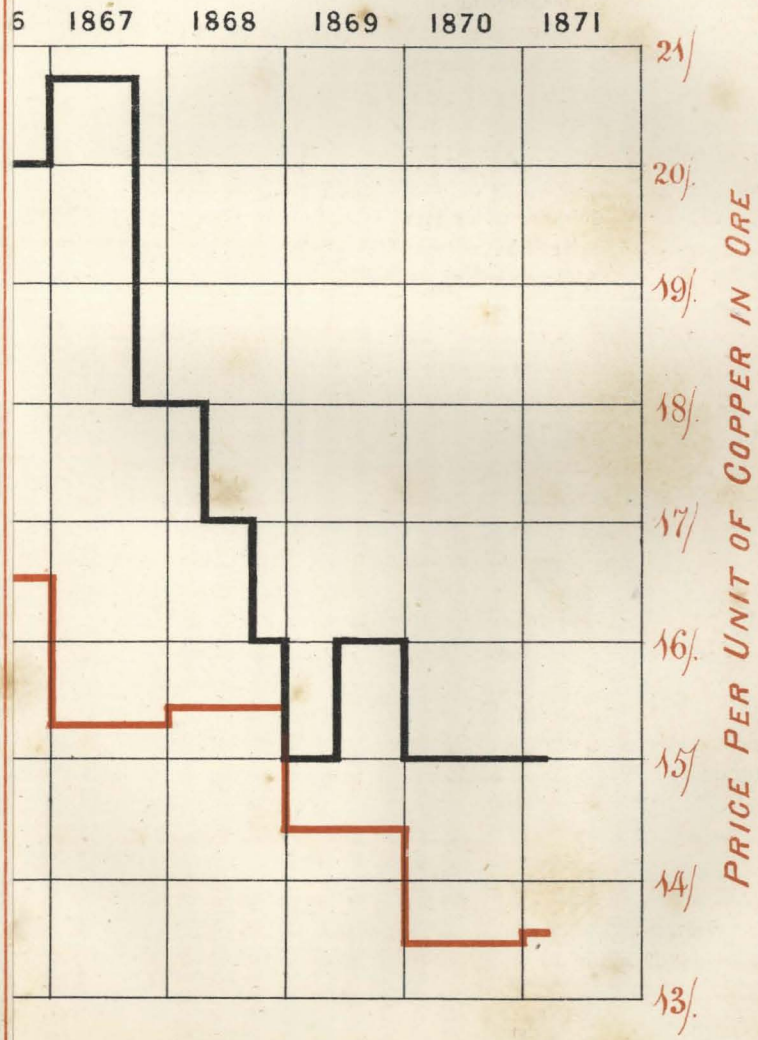
IN PYRITES,

VE.



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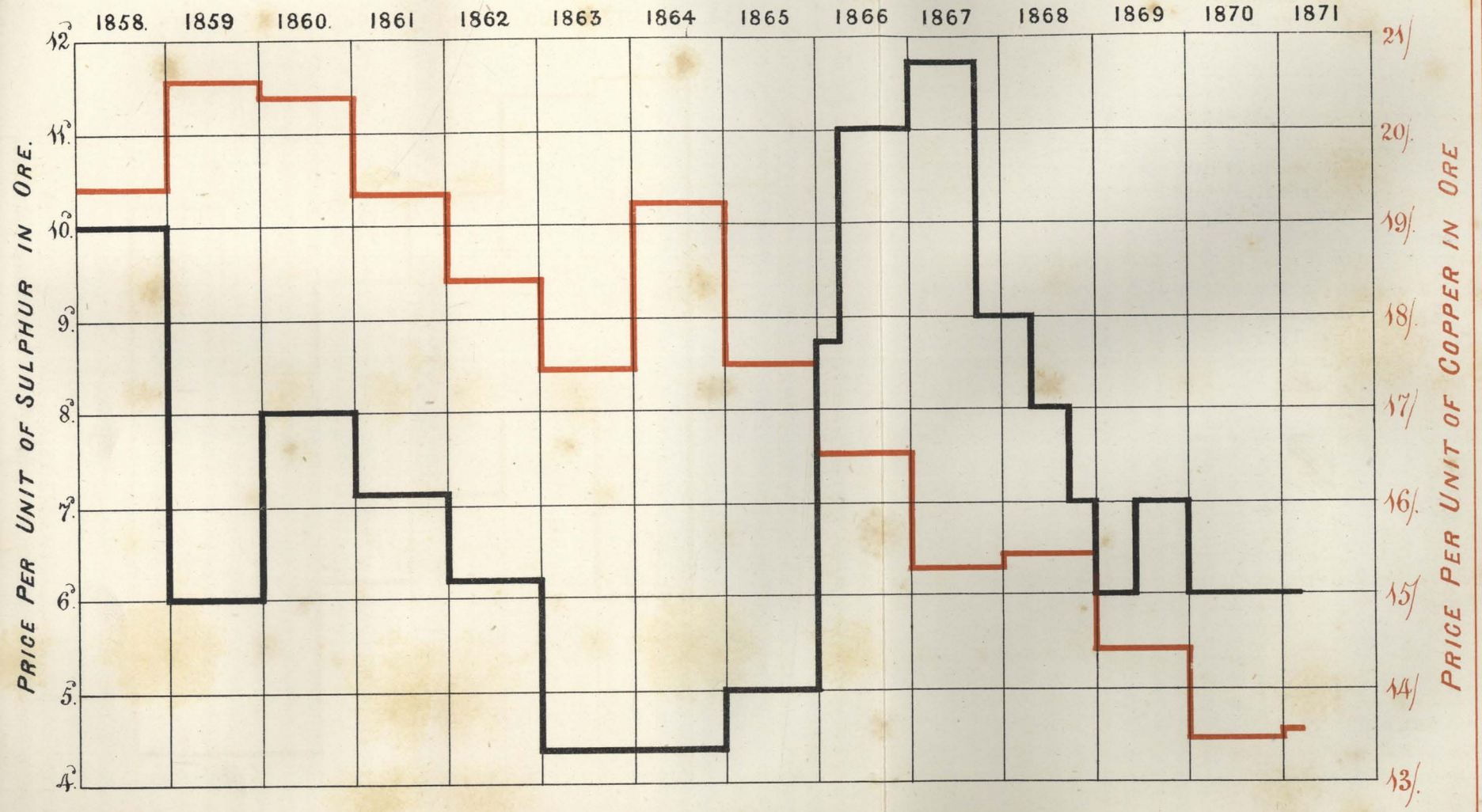
FLUCTUATIONS

OF

SULPHUR & COPPER VALUE IN PYRITES,

FROM 1858 TO 1870, INCLUSIVE.



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REPORT BY THE DIRECTORS

OF THE

THARSIS SULPHUR AND COPPER CO.

(LIMITED),

TO THE

SIXTH ORDINARY GENERAL MEETING OF SHAREHOLDERS,

APPOINTED TO BE HELD WITHIN

THE HALL OF THE CHAMBER OF COMMERCE,

66 VIRGINIA STREET, GLASGOW,

On WEDNESDAY, 17th APRIL, 1872,

AT ONE O'CLOCK AFTERNOON.

GLASGOW:
PRINTED BY BELL AND BAIN, 41 MITCHELL STREET.
1872.

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REPORT BY THE DIRECTORS.

In presenting the following Report on the operations of the Company for the year ended 30th December, 1871, the Directors congratulate the Shareholders on the position to which the Company has now attained. The results of the past year must be regarded as satisfactory, when it is considered that the advance in the price of Sulphur and the recent important rise in the value of Copper, did not contribute much towards their attainment, although they must have an important bearing on the results of the current year, 1872.

THARSIS AND CALAÑAS MINES.

The amount of Overburden removed at the Tharsis Mines during the year was 187,187 metres, and there were, at 31st December, 724,324 tons of mineral uncovered above the railway level, in excess of what existed when this Company entered into possession on 1st December, 1866. But the quantity of Mineral now totally and partially uncovered, calculated to the depth at which this Mine has been unwatered, is estimated at nearly 8,000,000 tons, and the sinking goes on still in solid mineral. The extended and still expanding business of the Company, and the large daily output of Ore thereby rendered necessary, require ample working room for the number of miners employed, and the uncovering of the Mineral must be continued vigorously for some time longer. The cost of removal for the year has been £15,268, 18s. 2d., and the Mineral has refunded £14,250, 10s., leaving the sum of £1,018, 8s. 2d. of an increase in this asset.

The total Mineral, large and small, extracted at Tharsis during the year was 334,800 tons, of which 207,600 tons were devoted to export, and 127,200 tons to the production of Copper on the Mine.

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The total Ore raised at Calañas during the year was 36,648 tons. The results from this Mine are the most satisfactory yet attained, and it is becoming a valuable property of the Company.

RAILWAY AND SHIPPING PIER.

The Railway, during the past year, has worked well. Deducting the costs upon the downward traffic from the rate of carriage charged upon the Mineral shipped, and also deducting the interest upon the Company's Debentures, there is a surplus of £19,708, 6s. 3d., which has been carried to the credit of the Railway Sinking Fund. The upward traffic also earned a profit of £1,533, 12s. 3d., which has been passed to the credit of the Railway Rolling Stock Renewal Fund. These results may be considered a fair return on the large capital expended. The Spanish Government Bonds, which were granted to the Company as a subsidy, having now been realized, the proceeds of the same, amounting to £2,065, 14s. 11d., have also been added to the Railway Sinking Fund.

As stated in last Annual Report, the Arbitration with the Railway Contractor resulted in an award of £26,457, 4s. 3d., in lieu of his claim of £123,941, 2s. 4d. This amount, and the expenses of the Arbitration, together with the additions to the Plant and Rolling Stock for the year, have been added to the Railway Account, which is now increased to £267,448, 13s. 9d. The Line and Rolling Stock are in good working order.

The completion of the Pier was delayed much longer than was anticipated, and no benefit was obtained from it until the autumn of last year. Since then it has been in operation. It is an important addition to the shipping facilities of the Company, and will reduce the costs in this department. The outlay upon it during the year has been £13,026, 11s. 3d. Two additional Cranes of greater power than those now in use are in course of construction. When these have been added, the expenditure on the Pier will be closed.

METAL WORKS.

These works have been extended and improved during the year, with a view to overtake the increasing supplies of Burnt

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Ore, and thus provide for an enlarged production of Copper and Iron Ore. All the repairs have been charged to Revenue, and a depreciation of 7½ % written off prior to debiting the additions for the year, rendered necessary as above explained. These extensions and improvements will, it is believed, cheapen production, and return a good profit on the money expended. All the refined Copper produced at these Works (with the exception of the Willington Works, on the Tyne, which have been exclusively occupied in Refining the Precipitate from Spain) has been debited, as formerly, with a Royalty of £5 per ton, giving the sum of £26,185. This amount has been written off the Patent Rights Account, the balance of which is now reduced to £1,795.

VALUATIONS.

The principles adopted in the two previous years, by which the stocks were valued on a safe basis, have been adhered to in the present balance. The Inventories of Property, Plant, and Stocks at the Mines in Spain have consequently been written down by the sum of £7,572, 6s. 2d. The Mines Lease and Railway Concession Account has been written down £5,000; and the Cinder Rights and General Bonus Account, £10,000.

PYRITES.

The total quantity of Pyrites delivered and invoiced during the year (including the deliveries from Store), was 217,895 tons, against 132,230 tons in 1870. The advance Royalty Account has been reduced by the sum of £6,253, being Royalty on 31,265 tons in excess of the minimum quantity regulated by the Treaty.

NEW WORKS.

As the Shareholders are probably aware, the Directors a few months ago, acquired from the Marquis of Bute, on satisfactory terms, 30 acres of land in a convenient position near the Docks in Cardiff, where they are erecting Extracting Works, to utilize the Burnt Ore produced from the Pyrites supplied to the Com-

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pany's consumers in Wales and the south of England. They have also sanctioned a further extension of the existing Metal Works, so as to overtake the growing business of the Company. These new Works and Extensions will require an outlay, during this and next year, of about £60,000. In order to provide this extra capital, the Directors propose to issue 6,030 (£10 paid) of the 6,700 shares which were reserved at the period of amalgamation with the Metal Companies in 1868, for the erection of New Works, and to sell the 129 forfeited shares (£7 paid), at present remaining in the Company's hands,—thus increasing the dividend capital to the net sum of £900,000. It is proposed to issue the 6,030 shares at £27 per share, payable on 31st May next, the shares to carry dividend from 1st January last, and to receive 10s. per share on 10th November next (to be deducted from the Premium realized), thus assimilating these Shares to the other Full-paid Shares of the Company. By this operation, the Company will realize a premium of upwards of £100,000, which it is proposed shall be entirely devoted to writing down the Miscellaneous Assets, thereby largely augmenting the Working Cash Capital of the Company, and unburdening the Shareholders' profits for the future. The 6,030 shares, divided over the total shares already issued, give 1 for about every 15½ shares, and will be offered to the Shareholders, in proportion as nearly as possible to their present holdings, as follows, viz.:—

For 5	shares	now held, old	or new,	and under 15	—1 share.
„ 15	„	„	„	30	—2 „
„ 30	„	„	„	50	—3 „
„ 50	„	„	„	60	—4 „
„ 60	„	„	„	75	—5 „
„ 75	„	„	„	90	—6 „
„ 90	„	„	„	100	—7 „

All shares not accepted within ten days of the date of offer will revert to the Company, and will be disposed of by the Directors, as they shall deem most advantageous for the Company's interest.

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PROFIT AND LOSS ACCOUNT.

The net Profits for the year 1871, as shown by the Profit and Loss Account, and after all deductions, amount to £190,292, 0s. 7d. The Directors recommend that the sum of £167,759, 8s. be appropriated to the payment of a dividend of 20 %, free of income tax (deducting the interim dividend of 5 %, amounting to £41,939, 17s., paid on 10th November, 1871), and that the balance of £22,532, 12s. 7d. be carried forward to the credit of the year 1872. They further recommend that the sum of £125,819, 11s., now available for division, be paid as follows, viz.:—£83,879, 14s., or 10 %, on 10th May next, and the remainder, viz.:—£41,939 17s., or 5 %, on 10th November following.

RETIRING DIRECTORS AND AUDITORS.

The following Directors retire at this meeting, viz.:—Messrs. Alexander Harvey, Louis Leisler, John Moffat, and Archibald Arrol. They are all eligible, and now offer themselves for re-election, and the Directors recommend that they be returned to the Board.

It also falls to the meeting to elect the Auditors of the Company, and Messrs. Moore and Mackenzie, who have done their work very thoroughly, again offer themselves for re-election.

By order of the Directors,

CHARLES TENNANT,
Chairman.

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THE THARSIS SULPHUR AND

ABSTRACT of BALANCE

CAPITAL AND LIABILITIES.

To SHAREHOLDERS—			
Total Authorized Capital, ...	£1,000,000 0 0		
Less 129 Shares Forfeited,			
6,700 Shares Unissued,			
6,829 Shares at £10 each,	£68,290 0 0		
Calls not yet made on 30,971 shares at £3 each,	92,913 0 0		
	£161,203 0 0		
Total Paid-up Capital at 30th Dec., 1871,		£838,797	0 0
To CREDITORS—			
On Debentures, ...	£100,000 0 0		
On Bills and Open Accounts, . . .	175,154 4 1		
Royalty on Mineral Exported as at 30th Dec., 1871,	31,821 19 3		
		306,976	3 4
To FUNDS SET ASIDE TO REDUCE OR RENEW PROPERTY IN SPAIN—			
Railway Sinking Fund, ...	£36,096 7 2		
Railway Rolling Stock Renewal Fund, . .	3,033 12 3		
		39,129	19 5
To PROFIT and Loss, being Balance at 30th Dec., 1871, . .		148,352	3 7
		£1,333,255	6 4

GLASGOW, 27*th March*, 1872.—We have audited the Books and Accounts of the and we certify that the foregoing Abstract Balance Sheet is correct, and exhibits a

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COPPER COMPANY (LIMITED).

SHEET as at 30th December, 1871.

PROPERTY AND ASSETS.

By Works, Buildings, Machinery, and Plant—					
In Britain,	£157,231	0	0		
In Spain,	62,541	8	4		
				£219,772	8	4
By Railway—					
Including Permanent Way, Rolling Stock, &c.,				267,448	13	9
By Temporary Piers and Shoots,	£2,864	7	6		
By Shipping Pier at Huelva,	45,530	2	0		
				48,394	9	6
By Shares in San Telmo Mines,				16,772	5	4
By Stocks in Trade per Inventories—					
In Britain,	£283,670	9	8		
In Spain,	138,978	11	8		
				422,649	1	4
By Debtors on Open Account,				70,786	16	8
By Miscellaneous Assets—					

In Britain.	Total at 31st Dec. 1870.	Written off in 1871.				
Henderson Patent Rights,	£27,980 0 0	£26,185 0 0	£1,795	0	0	
Mines Lease and Railway Concession,	55,000 0 0	5,000 0 0	50,000	0	0	
Cinder Rights and General Bonus,	137,750 0 0	10,000 0 0	127,750	0	0	
					£179,545	0	0
In Spain.						
Removal of Overburden at Mines,			£48,024	10	9	
Royalty Paid on Mineral yet to Export,			36,804	4	3	
					84,828	15	0
By Bills and Cash on hand and at Bankers,					23,057	16	5
					£1,333,255	6	4

Tharsis Sulphur and Copper Co. (Limited), for the year ending 30th December, 1871, proper state of the Company's affairs at the 30th December, 1871.

ALEX. MOORE, C.A., *Auditor.*

WALTER MACKENZIE, C.A., *Auditor.*

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THE THARSIS SULPHUR AND

ABSTRACT of PROFIT and LOSS

——*Dr.*——

To Income Tax, Directors' Fees, and Auditors' Remuneration, 1870,			£5,141 15 2
To Charge of £5 per ton on Copper sold from the Metal Works in 1871, and credited Henderson Patent Rights Account,			26,185 0 0
To Amount Written off Property and Plant,			
In Britain,	£9,907 3 11		
In Spain,	7,572 6 2		
			17,479 10 1
To Amount Written off to reduce Bonus, Premium, and Cinder Rights Accounts,			15,000 0 0
To Amount Expended on Experiments this year,			2,316 10 0
To Loss in Realizing Spanish Bonds,			189 11 9
To Interest and Discount Accounts,			4,387 13 1
To Charges Account, including management, Salaries, Law Expenses, Laboratory Expenses, &c.,			9,904 3 4
To Bad Debt Account,			191 7 0
To Balance, being Net Profit for year ending 30th December, 1871.	£163,085 5 2		
And Balance from 1870,	27,206 15 5		
			190,292 0 7
			£271,087 11 0
To Interim Dividend, paid 10th Nov., 1871,	£41,939 17 0		
To Net Balance carried forward,	148,352 3 7		
			£190,292 0 7

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COPPER COMPANY (LIMITED).

ACCOUNT as at 30th December, 1871.

—*Cr.*—

By BALANCE carried forward from 1870, . . .	£69,146 12 5	
Less Dividend paid 10th May, 1871, . . .	41,939 17 0	
		£27,206 15 5
By PROFITS for year 1871, ...		243,880 15 7
		£271,087 11 0
By BALANCE, ...		
		£190,292 0 7
By NET BALANCE carried forward, ...		£148,352 3 7

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AUDITORS' REPORT.

Messrs. The Directors of the

THARSIS SULPHUR AND COPPER CO. (LIMITED).

GENTLEMEN,

We have audited the Books of your Company for the year ending 30th December last, and appended the usual docquet to the Balance Sheet.

In the examination of the Books in Spain, and the superintendence of the valuation of the Company's property there, we have had the assistance of a competent party, who has discharged this duty, in this and previous years, to our entire satisfaction.

The valuation of the assets in this country has had our most anxious consideration, and we are satisfied that the principle on which this has been done is sound.

It affords us pleasure, in making this report, to add that the whole system of Book-Keeping and Accounts is, in our opinion, admirable, and thoroughly adapted to the extensive and important business of your Company.

ALEX. MOORE, C.A.
WALTER MACKENZIE, C.A.

GLASGOW, 27*th March*, 1872.

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THE THARSIS SULPHUR & COPPER COMPANY

(LIMITED).

NOTICE IS HEREBY GIVEN, That the SIXTH ORDINARY GENERAL MEETING of the Members of this Company is hereby convened to be held *on Wednesday, the 17th day of April current, at One o'Clock afternoon,* within the HALL of the CHAMBER OF COMMERCE, No. 66 Virginia Street, Glasgow, for the purpose of considering the Accounts, Balance Sheets, and Report of the Directors, for the year ended 31st December, 1871, sanctioning a Dividend to be then declared from the Profits of the Company, and for the Election of Directors and Auditors: AND NOTICE IS FURTHER GIVEN, That the Transfer Books will be closed from the 4th to the 17th current, both days inclusive.

BY ORDER,

JONATHAN THOMSON,
Secretary.

136 WEST GEORGE STREET,
GLASGOW, *1st April, 1872.*

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ALR 30-4-6
4D 50-8-0
80-12-6

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BOARD OF DIRECTORS.

The Names are printed in the order in which the Directors retire:—

ALEXANDER HARVEY, Esq., Glasgow.
LOUIS LEISLER, Esq., Glasgow.
JOHN MOFFAT, Esq., Ardrossan.
ARCHIBALD ARROL, Esq., Glasgow.
DAVID WILSON, Esq., Glasgow.
JOHN WILLIAMSON, Esq., South Shields.
DAVID GAMBLE, Esq., St. Helens.
JOHN TENNANT, Esq., St. Rollox.
CHARLES TENNANT, Esq., The Glen.
ARCHIBALD S. SCHAW, Esq., Glasgow.
HENRY DEACON, Esq., Widnes.
JOHN WILSON, Esq., Auchineck.

CHARLES TENNANT, Esq., *Chairman.*
JONATHAN THOMSON, *Secretary.*
WILLIAM A. VÉREL, *Commercial Manager.*
THEODORE MERZ, *Technical Manager.*

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REPORT OF THE PROCEEDINGS

OF THE

SIXTH ORDINARY GENERAL MEETING

OF THE

THARSIS SULPHUR AND COPPER CO.

(LIMITED),

HELD WITHIN

THE HALL OF THE CHAMBER OF COMMERCE,

66 VIRGINIA STREET, GLASGOW,

On WEDNESDAY, 17th APRIL, 1872.

GLASGOW:
PRINTED BY BELL AND BAIN, 41 MITCHELL STREET.
1872.

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REPORT OF THE PROCEEDINGS

OF THE

SIXTH ORDINARY GENERAL MEETING

OF THE

THARSIS SULPHUR AND COPPER CO.

(LIMITED),

HELD WITHIN

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On WEDNESDAY 17th APRIL, 1872.

GLASGOW:
PRINTED BY BELL AND BAIN, 41 MITCHELL STREET.
1872.

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REPORT.

The Sixth Annual Ordinary General Meeting of the Tharsis Sulphur and Copper Company (Limited) was held on Wednesday, the 17th day of April, 1872, in the Hall of the Chamber of Commerce, Glasgow. There was a large attendance of Shareholders—157 being present. The chair was occupied by CHARLES TENNANT, Esq. of The Glen, Chairman of the Board of Directors.

MR. JONATHAN THOMSON (Secretary) having read the notice calling the meeting,

The CHAIRMAN said,—Gentlemen, the Report of our operations for the past year has been in your hands for some time, and has no doubt been generally perused. With your permission, therefore, I will hold it as read, and proceed to move its adoption.

The year 1871 has been to our interests one of marked progress and development. Our Mines of Tharsis and Calañas have yielded in all 371,466 tons of pyrites, against 309,866 tons in 1870, an increase of 61,600 tons. Our deliveries in this country have amounted to 217,894 tons, against 132,230 tons in 1870, an increase of no less than 85,664 tons. The total production of refined copper at our Metal Works, including that from our Spanish precipitate and slab, has been 7,083 tons, against 5,546 tons in 1870, an increase of 1,537 tons, and our output of iron ore has been 96,878 tons, against 82,085 tons in 1870, an increase of 14,793 tons. Our costs on the whole vary little from those of 1870, and the prices obtained for sulphur and iron have been almost identical with those of 1870, and for copper,

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£71, 12*s.* 3*d.* net, against £69, 18*s.* 6*d.* in 1870—which latter was the lowest annual average of this metal for the last forty years. The average of the whole period from 1830 to 1870 was £95 per ton.

It is, therefore, to the general extension of our undertaking that we are mainly indebted for the satisfactory statement which we have the pleasure to submit to you.

There is one feature in that statement which your Directors would prefer to have seen absent, viz., the increase of fixed capital in Works, Buildings, Machinery and Plant. Now, until your works have assumed such proportions as will enable us to carry on your business to the best advantage, this tendency to increase will continue. When we may arrive at this desired position it is difficult to say, but I am hopeful that the present year will see us well on the road to it, and I need not assure you that we shall watch jealously over every addition under these heads. I hope the day is not distant when our annual depreciation will more than keep pace with the new plant required in these departments as well in Spain as in this country.

Following the course I adopted last year, we will first shortly review the position of our assets in Spain.

The Tharsis Mine has on the whole done well for us. The extraction has not altogether come up to our expectations, but the arrangements of the third stope—viz., for raising the mineral from below the railway level—are still in an imperfect state. At present it is carried up in small baskets on children's heads. We are now putting up an engine to do this work, which, when completed, will both increase the quantity and lessen the cost. The cost of extraction this year has been within 1*d.* per ton of that of 1870, and the cost landed in this country has been almost the same, the slight diminution of the cost of transit by rail and shipment by our pier being counterbalanced by an average increase of home freights to nearly the like amount. But the copper contents of the whole output of this mine show a fractional improvement on that of 1870, and this has helped the results of our imports as well as of our calcination on the mine. This improvement, we are glad to say, is likely to continue—the faces they are now working, and the mineral

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before them promising well. The cost of our precipitate on the mine, for the reason just mentioned, shows a satisfactory diminution, which will, we trust, make further progress this year.

Your first Spanish asset, viz., works, buildings, machinery, and plant, shows a net increase of £6,439. This is mainly due to new service plant, such as waggons, a locomotive, a fire-engine, forges, and completion of foundry, in which we now cast our own waggon-wheels and brasses, and thus save 25% on former costs, and are rendered independent of Seville. We have added a steam saw to our tool shop, which is now very complete. We have also made a new road from the tanks to the Barbasco heap, and added a new and powerful pump for our liquors from the Digue tanks. These, with other items, have sufficed to swell this asset, as I have indicated, and this, after the depreciations annually made in our inventories on the mine, and the additional sum written off by us at home. During the currency of the present year we shall have to add to our workmen's houses, our accommodation being insufficient for our increasing hands. We have also decided to build two reading-rooms—one for the Spaniards and one for our countrymen—also a school for the children of the latter, who now muster in considerable force. (Hear, hear.) There has of course been all along a school for the Spanish children. All this, however, does not involve much outlay, such buildings not being expensive on the mine.

Your next Spanish asset is your Railway, which stands at the large increase of £36,088 over last year; of this the Griffin award and costs, together with the final payment to Mr. Moore, your engineer, constitute £32,572; the remainder, represents additional plant and various constructions, the principal one being a large store for goods at Huelva. It is necessary to keep our precipitate under cover, also our sugar, flour, &c., for our provision store. Moreover, our Line being now open for public traffic, we are responsible for the safe keeping of what goods may be thus entrusted to us. The traffic for the year has been 213,359 tons downward, and 11,605 tons upward, a total of 224,965 tons against 187,786 tons in 1870. There has been a slight saving in our cost of carriage this year as compared with 1870, and a

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further increase in the quantities carried, will be followed, we trust, by a further diminution in this respect. Owing, however, to the high cost of fuel and repairs in Spain, we cannot expect our Line to compare favourably, in point of economy of working, with the Mineral Lines of this country. As stated in the Report there is a profit on our Railway, after paying interest on our Debentures, of £21,241, 18*s.* 6*d.*, which has been carried to the credit of our Railway Sinking Fund and Renewals Accounts, these now together amount to £39,129, 19*s.* 5*d.*

Our Line, as I have already said, is now open to the public, and though we do not anticipate much general traffic, we think it likely we may get a certain quantity of Manganese, deposits of which Mineral are spread over our district. Last year we bought and shipped 550 tons, yielding a fair profit. This year our transactions will be on a larger scale, and will, I think, owing to a considerable rise in the price of this mineral, do well. The Manganese trade, however, is not a large one, and owing to changes in our Chemical processes the consumption has been diminishing. The total imports into this country for 1870 were 32,703 tons, of which 13,329 were from Spain. For 1871 I have not got the returns, but we must not attach great importance to this Mineral as a source of Traffic and Profit to our Railway.

After grievous delay we got our pier fairly to work in August, and the saving in the five months amounted to about £5,000, or at the rate of £12,000 a year—a good return for the capital which this asset represents. Besides this direct benefit, we look forward to an indirect one in the shape of lower freights from the greater despatch vessels will meet with, and, seeing that last year we loaded in all 393—175 steamers and 218 sailing vessels—you may judge how important this saving may become. Our Railway and Pier were constructed at a time when malleable iron rails and castings were very low, indeed at their lowest point. Mr. Vérel has handed me a memorandum of the prices we paid for the piles for our pier. They cost us £4, 12*s.* 6*d.* per ton, now they would cost £9; our girders cost £9, the present price is £18; the rails for our railway cost £6, they would now cost £10. It is also well known that labour is dearer and less plentiful to-day, so that, large as is the amount standing at the debit of these assets,

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it would be larger had these works to be executed at the present time.

The San Telmo shares, our next Spanish asset, remain in the same position as in your last Balance Sheet. There is, however, some prospect of this mine being leased to a Spaniard with a view of making copper on the spot—and seeing, moreover, how mines less known and developed are now being taken up, we must not despair of this asset. You are already aware, however, that the taking over of these shares was made a *sine quâ non* to our getting the Calañas Mine, otherwise we should never have taken them; but I am glad to say that even with this burden, Calañas will yield us a good and increasing return. The extraction there this year has been 36,648 tons against 23,656 tons in 1870, and the copper produced 562 tons, against 510 tons in 1870, and at a diminution of cost of about £2 per ton. Owing to better arrangements of transit we are now bringing home the produce of this mine in precipitate instead of slab-copper, thereby effecting a saving both there and in our refinery in this country.

Our next Spanish asset is our stocks-in-trade in Spain, consisting of ore raw and calcined, precipitate and copper in process, wasteheaps and smalls, general stores and provision store. These stand at £138,978 against £154,024 last year, showing a diminution of £15,045, 10*s.* 3*d.*,—which diminution, I may add, arises in the three first of these items. We have sent out a new superintendent to our provision store, a gentleman conversant with this sort of business, in whose hands we trust this department may assume larger proportions and yield good results.

The overburden account is our next Spanish asset. It has been debited with a further sum of £1,018, 8*s.* 2*d.*, and now, I believe, stands at as high a figure as it will ever attain. It represents, as you all know, an essential preliminary work, viz.: the open cast which is the distinguishing feature of the Tharsis Mine.

You will remember, I daresay, the story of the Spanish gentleman at Seville telling me, on my first visit, that there were two things well worth seeing in his country, the Cathedral at Seville, and the ciel ouvert, as he called it, at Tharsis, and it is to the outlay represented by this asset,

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superadded to the large sums laid out by our French predecessors, that we owe the continued efficiency and value of the Tharsis open cast. Without reference whatever to the Mineral below the railway level, to which I shall have occasion by-and-by to allude, our charge of 5 reals per ton on what we have to extract above that level, will yield a much larger sum than the £48,014 standing at the debit of this account. In short, the asset is a sound and legitimate one, and will be in due time fully realized.

The shaft in our open cast was down, at the date of our last annual report, 22 metres below the railway level, and we were then driving levels across the lode, north and south, to open up the 20 metre floor. This has been done, and we have found the lode 2 metres wider here than at the railway level. We have this year sunk the shaft 12 metres further, the total depth now being 34 metres, and are again driving a north and south level to open up the second or 30 metre floor, and test the width of the lode at this depth. At the old calculation of 182,400 tons of Mineral per metre sunk, which would seem to be a safe one, we have now some 8,000,000 of tons of available ore, proved and unwatered, or about 2,000,000 more than when I last addressed you. But, in addition to this satisfactory statement with regard to our Mineral in this our North Lode, I have a very important announcement to make to the Shareholders with reference to our South and two Middle Lodes. These, together with certain small portions of our North Lode, were, a long time ago, in 1864 I think, denounced, as it is called, that is to say, were claimed in conformity with old Spanish Mining Law, by parties who had reported to the Governor of the province that the French Company had failed to maintain on the various pertinencias or divisions of ground, the amount of labour required by the Law, and had thereby forfeited their right over such pertinencias, to them, the Denouncers. The question has been in litigation in the Spanish Courts for years, and on the 8th of this month, the decision of the Supreme Court of Spain, which is final, was delivered, and entirely in favour of the French Company. This, I need hardly say, has been a great cause of rejoicing to them as well as to us. The Mineral

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in the South Lode had long been proved to a certain depth, and the course of the Lode partially intersected by an Adit Gallery which was intended to be driven due North to a point in our North Lode. In the two middle Lodes the existence of the Mineral has been merely proved. Until the question of proprietorship was settled beyond all question, we abstained from touching any of these deposits. We have now, however, sent instructions to proceed at once with the development of the South Lode, from which we hope to obtain an annual extraction of 80,000 tons. Another large Mine, or, I should say, three others, are thus added to our capabilities, connected, without further outlay of any moment, with our Railway and pier, thus placing us in a position to supply any demand for pyrites, that the increasing consumption of the country may require. Altogether our property and position are much strengthened and consolidated by the satisfactory settlement of this Denounce question, and I heartily congratulate you on the prospects of increased development and prosperity which have thus been opened up to you.

Our last Spanish Asset is our overpaid Royalty account which has been reduced by £6,253, 6*s.* 5*d.*, and stands now at £36,804, an amount which we shall have no difficulty in recovering by the end of 1874, the date to which the period for exporting the Mineral in arrear has been extended.

We will now glance for a moment at our English assets which consist of our Metal Works and our Stocks in Trade. The former stand at £157,231, against £135,275 in 1870, showing an increase of £21,956, and this, after having written off £9,906 or 7½ per cent. on the amount at which our Works stood at 31st December, 1870. This additional capital represents increased capability, and has been expended chiefly on our Hebburn Works, secondly on our Garngad, next on our Widnes, and lastly and least on our Staffordshire Works. In the beginning of 1871 we had fifty-one furnaces at work, we have now sixty-eight, and by the end of this year these will be still further increased. Our calcination last year showed an increase of 17,000 tons, and this year we count on a further increase over 1871, of 30,000 to 35,000 tons. We refined in all last year, 7,083 tons of copper, against 5,546 tons in 1870. The costs in the first six months of

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this year were less, but owing to dearer wages, coal, and scrap iron in the last half-year, the average cost for the year is slightly in excess of 1870. During 1872 the prices of these three important items have again seriously increased. Fortunately, however, this year's production will be relieved of the £5 hitherto charged for Henderson's Patent Rights, and this will be amply sufficient to protect us against any increased cost over 1871. (Applause.)

As stated in your Report we deem it necessary to add to the number of your Extracting Works by the erection of one at Cardiff, to deal with the burnt ore produced from our sales in the South and South West, which now amount to a large quantity. And we shall also have some additions to make in the course of this year to our other Metal Works.

We now come to our Stocks in Trade in Britain, which show the large increase of £70,018, standing at £283,670, against £213,752 in 1870, the increase consisting almost entirely of copper in process, and burnt ore. With so large an expansion of our business we must make up our minds to heavier stocks. This year there is nothing to regret on this score, a considerable enhancement having taken place in their market value since our balance was struck. Following the precedent of last year, I have not entered into details of costs, and profits of the Mines and Metal Works. The reasons for that course that existed then, apply you will probably think, even with greater force now, and I trust you will again approve of the reticence which we think it wise to adopt. (Applause.)

We have now arrived at the last of your assets, viz., the Miscellaneous, which are diminished by a sum of £41,135. The Royalty of £5 on a fortnight's production of copper of 1872, will now extinguish Patent Rights Account, and the Premium on the Capital we propose to-day to ask your sanction to issue, will reduce these dormant assets to under £80,000, a figure which we shall have no great trouble in dealing with I trust, and what a simple, pleasant-looking document our Balance Sheet will be when these have no longer a place in it, I leave you to imagine.

I do not know that the other side of your Balance Sheet calls for much comment on this occasion. Our Railway Sinking Fund

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and Renewal Account stands now at £39,129, and will rapidly grow with the increased traffic of our Line. The Balance of profit and loss with which we have to deal is £148,352 against £69,146 last year, and we propose to dispose of it by paying a Dividend of 10 per cent. on 10th May, and 5 per cent. on 10th November, carrying forward a balance of £22,532, 12*s.* 7*d.*, to the credit of the year 1872.

And here I may state that it is the intention of your Board to discontinue in the future the payment of interim dividends. At our annual meeting, in April, we shall declare the profits for the previous year, and the dividend that may be then agreed upon will be paid, one half in May and the other half in November. This is the system generally adopted by our Scotch Banks, and will, I trust, meet with your cordial assent. (Applause.)

I have now reviewed, in a very cursory manner, your Balance Sheet; and looking at the very large amount employed in our various assets in Spain and this country, it must be evident to you all that we are carrying on this large and growing business on a very scant and inadequate capital. Your Directors are of opinion that it is desirable to remedy this state of matters. The new works at Cardiff, and the extensions of the old, to which I have alluded, will absorb some £60,000. To meet a probable expenditure of this kind 6,700 shares were reserved at the time of our amalgamation with the Metal Companies. Of these we now recommend, as stated in our Report, the issue of 6,030 shares at £27—viz., £17 premium. This will give us a sum of £163,300, of which £60,300 only will go to increase your dividend bearing capital, bringing it up to £900,000, the remaining £103,000 or thereby, being the premium obtained, going, as I have said, towards the extinction of your miscellaneous assets. By this large addition to the working capital of the Company we shall be able to carry on your business in a comfortable and independent manner. I trust, therefore, that this proposition will meet with your approval.

The shares will be distributed, not according to the graduated scale given in our Report, to which there are objections, but absolutely in proportion to the total shares of the Company, which will give, as nearly as possible, 1 for every 15½. This will, of course,

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involve an issue to individuals of fractions of shares, but it is the only equitable method of treating the matter. It is desirable that these fractions be converted into whole shares with as little delay as possible. Many of you will doubtless be able to arrange this amongst yourselves, but with a view to facilitate the operation, the Board has decided to buy any fractions that may be presented at the office, at the rate of £37 per share, and in this way I trust the settlement of the whole will rapidly be brought about.

Whilst on the subject of adding to our capital, I may as well reply to the complaints that have been made by some of the holders of the new shares—£7 paid. They are naturally very desirous of having the remaining £3 called up, and consider it somewhat of a hardship that this has not been done on the present occasion. The position, however, is simply this, the shares we are about to issue were reserved for the special purpose to which we are now devoting them, and our present proceeding is merely carrying out faithfully the original programme of the Amalgamated Company. It is matter of congratulation that our prosperity enables us to do so on terms which not only confer a benefit on the whole of our Shareholders, but give the Company a clear profit of £100,000. The rights of the holders of the new shares to furnish any further capital that may be required for the future purposes of the Company have, therefore, been in no degree invalidated, and they will, I need not add, be always respected by the Board.

I fear I have detained you too long. I have only one further observation to make, which is to express my own high appreciation, as well as that of my colleagues, of the zeal and efficiency which has characterized the heads of the various departments, and the whole staff of the Company, both in Spain and this country. (Applause.)

I now beg to move the adoption of the Report.

Mr. Thomson—The following is the Chairman's motion:—"That the Report now read be (as resolved by the Directors) modified to the extent of excluding the graduated scale of division of new issue of shares, and relative paragraph as to shares

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not accepted, both on page sixth thereof; that the Report so modified, with the Balance-Sheet and Profit and Loss Account be and is hereby received, approved, and adopted; and that in pursuance of this resolution the Directors are instructed—(1.) To pay the dividend at the rate, in the manner, and of the dates specified in the Report; (2.) To sell the 129 forfeited shares; and (3.) To issue and dispose of 6,030 of the reserved shares mentioned in the Report, in the proportion of one for about every 15½ shares, at the price and payable in the manner all therein suggested."

The Lord Provost of Glasgow—I have very great pleasure in rising to second the motion for the adoption of this Report. After the clear statement contained in the Report, and the business-like remarks made by the Chairman, it is almost unnecessary to say a single word further. But perhaps I may be allowed to say what I think is generally felt by the shareholders, that the Report now presented to us is extremely satisfactory. It is satisfactory as regards past operations, for I see the Directors have carried over to this year no less than £22,000 as a provision against future contingencies. They have also charged against the revenue a full sum for the repairs which have been laid out, besides writing down the various assets of the Company, so as to make them stand at a low valuation. All these things show that the Directors have acted properly, and I think we may fairly conclude that the affairs of this Company are upon a most sound and legitimate basis. I think also that the future prospects of the Company are extremely favourable, because there is not only an increase in the price of the materials produced, but a largely increasing demand for the products of the Company. While, therefore, we are satisfied with the past, I believe we may look forward to next year with the anticipation of even better results. (Applause.)

The Chairman—Is it your wish that this motion should now be carried? (Applause.)

The Lord Provost—I should have said before that we are exceedingly indebted to the Directors for the manner in which they have managed the affairs of the Company. I suppose a vote of thanks will be moved afterwards; if not, I shall do it now.

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DANIEL AINSLIE, Esq., Edinburgh—I feel sure every one will agree with me in thinking that we are mainly indebted to our Directors for the admirable return which they are enabled this day to show us. I shall now propose the re-election of the retiring Directors, namely,—Messrs. Alexander Harvey, Louis Leisler, John Moffat, and Archibald Arrol.

ALEXANDER FRASER, Esq., Glasgow—I have very much pleasure in seconding the motion. Those of us who have been a long time connected with the Company, have been very much pleased indeed with the way in which the business has all along been managed, and which has resulted in this, that although at present in a very satisfactory condition as a Company, we are looking forward to still greater prosperity. We have every reason to repose confidence in our Board of Directors, and I have very much pleasure in seconding the motion proposed.

The CHAIRMAN—Is this resolution, gentlemen, also carried? (Applause.)

JOHN M'GAVIN, Esq., Glasgow—I beg to propose the following resolution—"That the remuneration of the Directors for the by-past year, 1871, be the sum of Two thousand pounds." After the very flattering remarks which have been made by previous speakers, it is not necessary for me to say anything by way of recommending this resolution to the meeting. (Applause.)

GEORGE BREEN, Esq., Glasgow, seconded the motion.

WILLIAM M'EWEN, Esq., Glasgow—I beg to propose the following motion:—"That Mr. Alexander Moore, C.A., Glasgow, and Mr. Walter M'Kenzie, C.A., Glasgow, be re-elected as Auditors of the Company, and to audit the books and accounts of the Company for the current year, and that the remuneration for the past year be fixed at £300, being £150 for each, as formerly." I need only say in support of this motion that the Directors, who have done their work so well, have certified that the duties of the Auditors have been well performed.

The CHAIRMAN—The re-election of your excellent Auditors, gentlemen, will, I am sure, meet with your approbation. (Applause.)

WILLIAM ANDERSON, Esq., Glasgow—I have very much pleasure in rising to propose that we give "A hearty vote of thanks to our

UNIVERSIDAD DE HUELVA 2012

Chairman and Directors for their past valuable services." It is unnecessary for me to say a single word in support of this motion. We are all conscious of the great value of their services—the great attention they have given to the development of the Company, and the high state of prosperity to which it has now been brought through their labours. (Applause.)

HUGH BROWN, Esq., Glasgow—I beg to second the motion.

All the resolutions were carried by acclamation.

The LORD PROVOST—I think we cannot do less, gentlemen, than give our best thanks to Mr. Tennant for his very valuable services in the chair. (Applause.)

The meeting then separated.

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MINUTES OF GENERAL MEETING.

At Glasgow, and within the Hall of the Chamber of Commerce, No. 66 Virginia Street, on Wednesday the 17th day of April, 1872, at One o'Clock P.M., at the Sixth Annual Ordinary General Meeting of the Tharsis Sulphur and Copper Company (Limited), convened by Circular, in terms of the Memorandum and Articles of Association of the Company—Charles Tennant, Esq. of The Glen, Chairman of the Board of Directors, in the Chair,—

The Secretary, on being called on by the Chairman, read the Circular convening the Meeting, and the Certificate appended thereto by him, bearing that that Circular had been duly posted to all the Registered Shareholders. The Circular and Certificate are in the following terms :—

"THE THARSIS SULPHUR AND COPPER CO. (LIMITED).

"Notice is hereby given, that the Sixth Ordinary General Meeting of the Members of this Company, is hereby convened to be held on Wednesday, the 17th day of April current, at One o'Clock Afternoon, within the Hall of the Chamber of Commerce, No. 66 Virginia Street, Glasgow, for the purpose of considering the Accounts, Balance Sheets, and Report of the Directors, for the year ended 31st December, 1871, sanctioning a Dividend to be then declared from the Profits

UNIVERSIDAD DE HUELVA 2012

of the Company, and for the Election of Directors and Auditors: And Notice is further given, That the Transfer Books will be closed from the 4th to the 17th current, both days inclusive.

"By Order,

"JONATHAN THOMSON,
"*Secretary.*

"136 WEST GEORGE STREET,
"GLASGOW, *1st April, 1872.*"

"Glasgow, 5th April, 1872.—I hereby certify that a copy of the foregoing Circular was this day addressed to each Member on the Register of the Company, and posted at the General Post Office here. The Circular was also inserted in the Daily Newspapers.

"JONATHAN THOMSON,
"*Secretary.*"

On the suggestion of the Chairman, the Meeting agreed to hold as read, the Directors' Report, which had been printed and circulated among the Shareholders.

The Chairman having addressed the Meeting, and reviewed the more important matters set forth in the Report, concluded by moving,—

"That the Report now read be (as resolved by the Directors) modified to the extent of excluding the graduated scale of Division of new issue of Shares, and relative paragraph as to Shares not accepted, both on page sixth thereof: That the Report so modified, with the Balance Sheet and Profit and Loss Account be, and and is hereby, received, approved, and adopted, and that in pursuance of this Resolution, the Directors are instructed,—(1.) To pay the Dividend at the rate, in the manner, and of the dates specified in the Report; (2.) To sell the 129 Forfeited Shares; and (3.) To issue and dispose of 6030 of the Reserved Shares mentioned in the Report, in the propor-

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tion of one for about every 15½ Shares, at the price, and payable in the manner, all therein suggested;"

which motion was seconded by the LORD PROVOST of Glasgow, and being put by the Chairman to the Meeting, was carried by acclamation, and was declared by him to have been unanimously carried, and to be now the Resolution of the Meeting.

It was then moved by DANIEL AINSLIE, Esq., Edinburgh,—

"That the retiring Directors, viz.:—Messrs. Alexander Harvey, Louis Leisler, John Moffat, and Archibald Arrol, be re-elected Directors of the Company;"

which motion, on being seconded by ALEXANDER FRASER, Esq., Glasgow, was put by the Chairman to the Meeting, and declared by him to have been unanimously carried, and to be now the Resolution of the Meeting. The Board of Directors of the Company, accordingly, now consists of the following Members:—

DAVID WILSON.	HENRY DEACON.
JOHN WILLIAMSON.	JOHN WILSON.
DAVID GAMBLE.	ALEXANDER HARVEY.
JOHN TENNANT.	LOUIS LEISLER.
CHARLES TENNANT.	JOHN MOFFAT.
ARCHD. SHANKS SCHAW.	ARCHIBALD ARROL.

It was moved by JOHN M'GAVIN, Esq., Glasgow,—

"That the remuneration of the Directors for the by-past year, 1871, be the sum of Two thousand pounds;"

which motion was seconded by GEORGE BREEN, Esq., Glasgow; and, being put to the Meeting by the Chairman, was declared by him to have been unanimously carried, and to be now the Resolution of the Meeting.

It was moved by WILLIAM M'EWEN, Esq., Glasgow,—

"That Mr. Alexander Moore, C.A., Glasgow, and Mr.

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Walter Mackenzie, C.A., Glasgow, be re-elected as Auditors of the Company, and to audit the books and accounts of the Company for the current year; and that their remuneration for the past year (1871) be fixed at £300, being £150 to each, as formerly;"

which motion was seconded by THOMAS ROSS, Esq., Glasgow; and, being put to the Meeting by the Chairman, was declared by him to have been unanimously carried, and to be now the Resolution of the Meeting.

It was further moved by WILLIAM ANDERSON, Esq., C.A., Glasgow,—

"That a vote of thanks be awarded to the Chairman and Directors for their past valuable services;"

which motion was seconded by HUGH BROWN, Esq., Glasgow, and carried by acclamation.

CHARLES TENNANT,
Chairman.

On the Motion of the LORD PROVOST, a cordial vote of thanks was awarded to Mr. Tennant, for the able manner in which he had presided over the Meeting.

JONATHAN THOMSON,
Secretary.

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THE THARSIS SULPHUR & COPPER COMPANY (LIMITED).

TABLE

SHOWING the Proportion in Value of One Share up to Twenty (£10 or £7 Paid) in New Issue, £10 Paid, and the Relative Price to be paid for same at £27 per Share :—

SHARES HELD AT PRESENT. £10 or £7 Paid.	NEW ISSUE. £10 Paid.	NEW ISSUE. At Price of £27.
1	£0 12 11	£1 14 10
2	1 5 10	3 9 9
3	1 18 9	5 4 7
4	2 11 9	6 19 9
5	3 4 8	8 14 7
6	3 17 6	10 9 3
7	4 10 6	12 4 4
8	5 3 5	13 19 3
9	5 16 4	15 14 1
10	6 9 3	17 9 0
11	7 2 2	19 3 10
12	7 15 1	20 18 9
13	8 8 0	22 13 7
14	9 1 0	24 8 8
15	9 13 11	26 3 7
16	10 6 10	27 18 6
17	10 19 9	29 13 4
18	11 12 8	31 8 2
19	12 5 7	33 3 1
20	12 18 6	34 18 0

GLASGOW, *17th April, 1872.*

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REPORT BY THE DIRECTORS

TO THE

SEVENTH ORDINARY GENERAL MEETING

OF THE

Tharsis Sulphur and Copper Co.

(LIMITED),

TO BE HELD WITHIN

THE TRADES HALL

85 GLASSFORD STREET, GLASGOW,

On THURSDAY, 24th APRIL, 1873.

GLASGOW:
PRINTED BY BELL AND BAIN, 41 MITCHELL STREET.
1873.

UNIVERSIDAD DE HUELVA 2012

UNIVERSIDAD DE HUELVA 2012

REPORT BY THE DIRECTORS

TO THE

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REPORT BY THE DIRECTORS.

THE DIRECTORS have pleasure in presenting to the Shareholders their Annual Report for the year ended 31st December, 1872.

THARSIS MINE.

North Lode and Open Cast.—The extent of Overburden removed during the year, was 153,430 metres, and the total cost of the operations connected therewith was £13,310. The Mineral has been charged as usual for this work, and has refunded the sum of £14,823, giving a surplus of £1,513, 6*s.* 10*d.*, which has been Credited to the Overburden Account, and which to that extent reduces this Asset. The total quantity of Mineral, now wholly or partially uncovered, calculated to the depth at which the Mine is drained, is now estimated at 9,428,584 tons, against 8,000,000 tons at the corresponding period of last year.

The total Mineral raised during the year was 333,460 tons, of which 226,010 tons were exported, and 107,450 tons set apart for the production of Copper on the spot.

Central Lode.—Operations were begun here in August last by borings, and several shafts were sunk on the ore. The various borings have proved the mineral at an average of 16 metres in depth, and in this Lode there are strong indications of its having been worked by the ancients through an open cast. These operations are being actively prosecuted, and the Directors anticipate that an important addition to the supply of mineral will be obtained from this source.

South Lode.—Here also extensive work has been done during the past year, in putting down a succession of bores to prove the mineral, sinking a shaft, and making good the drainage gallery commenced by this company's predecessors in 1857, and which at 31st December last, extended 576 metres in length. It is expected

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that this Lode will be entered by Midsummer, and that within a reasonable time thereafter it will yield an important addition to the annual supply of ore.

CALAÑAS MINE.

This has hitherto been worked by a vertical shaft. To facilitate operations, the Directors have authorized the widening and levelling of its Roman Adit, to transform it into a haulage gallery. This work is expected to be finished in 1873, and will allow the extraction of a much larger quantity of ore. The total quantity of mineral raised during 1872 was 41,055 tons, being 4,407 tons over 1871. From this and the stock on hand, 40,560 tons were put to calcination, being an increase of 5,775 tons, and 992 tons of the better quality of mineral were exported. When the gallery is completed, and in working order, and levels driven into a new floor of ore, the output from this mine will be largely increased.

The Managers in Spain report that the mines never looked better than at present, and the facilities for extracting mineral are greater than at any former peroid.

RAILWAY AND PIERS.

The Railway forms an important part of the Company's Spanish property, and has done efficient work during the past year. The downward Traffic amounted to 234,291 tons, and the upward to 14,038 tons, or a total of 248,329 tons, against 224,965 tons in 1871, being an increase of 23,364 tons in 1872. The rate of Carriage credited to the Railway, and charged against the Mineral shipped during the year, leaves a surplus of £24,472, 14s. 2d. From this has been deducted, as usual, the sum of £7,500, being the Interest on the Company's Debentures, leaving a balance of £16,972, 14s. 2d., which has been added to the Railway Sinking Fund Account. The upward Traffic earned a Profit of £1,380, 2s. 3d., which has been added to the Railway Rolling Stock Renewal Fund. The Goods carried for the Public, earned a Profit of £1,036, 12s. 5d., which has been credited to Profit

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and Loss Account. The Working Expenses during the past year have slightly increased, owing to the higher cost of fuel and materials.

The new Pier has formed a valuable adjunct to the Railway, and has greatly contributed to the shipping facilities of the Company.

METAL WORKS.

The Shareholders were informed in last Report that ground had been obtained in Cardiff for the erection of new Extracting Works there. These Works are being pushed forward as fast as circumstances will permit. Like all other Manufacturing concerns, the Company's Metal Works have, to a considerable extent, felt the burden of the enhanced prices of coals and labour.

All the Repairs, ordinary and extraordinary, have been charged to Revenue, and a Depreciation of 7½ per cent. has been written off all the works in operation as formerly.

PYRITES.

The total quantities delivered and invoiced during the year (which includes the deliveries from Store) have been 231,764 Tons. The Advance Royalty Account has been reduced by the sum of £10,071, 13s. 3d., and now stands at £26,732 11s. 0d. As the Company have still two years in which to recoup themselves, this amount will be entirely written off by the end of 1874.

VALUATIONS.

The same principles which have guided the Directors in previous years, and which have been approved by the Company's Auditors, as to the valuation of all Stocks have been followed in the present Balance. The Inventories of Property, Plant, and Stocks in Spain have been written down by the sum of £8,481, 16s. 2d. against £7,572, 6s. 2d. in 1871. The Patent Rights Account, standing at £1,795, has been written off, £5,000 have been written off Mines Lease and Railway Concession Account, and £102,750 off the Cinder Rights and General Bonus Account.

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PREMIUM ACCOUNT.

The Premium, &c., realized during last year from the new issue of Shares (less the Dividend paid 10th November) was £102,229, 16s. It was a condition of the issue of these Shares that all the profit was to be applied to the writing down of the Miscellaneous Assets. In order to reduce them at this Balance to £70,000, the Directors have carried from Profit and Loss a further sum of £7,315 4 0

Add Premium, &c. .	£102,229 16 0	
Giving a sum of		£109,545 0 0

which has been applied as under :—

Patent Rights Account now extinguished, . . .	£1,795 0 0	
Mines Lease and Railway Concession account written down,	5,000 0 0	
Cinder Rights and General Bonus account, .	£102,750 0 0	
		£109,545 0 0

DEBENTURES.

The Debentures, amounting to £100,000, become payable on the 1st of December next. The Directors recommend that the Shareholders pass a Resolution empowering them to reissue these Debentures on such terms as the Board may judge expedient.

PROFIT AND LOSS ACCOUNT.

The Net Profits for the year 1872, together with the Balance from 1871, as shewn by the Profit and Loss Account, amount to £377,961, 12s. 5d. The Directors recommend that the sum of £360,000 be appropriated to the payment of a Dividend of 40 per cent. free of Income Tax, the one-half, or 20 per cent., being payable on Friday the 9th day of May next, and the remainder, or 20 per cent., on Monday the 10th day of November next, and that the balance of £17,961, 12s. 5d. be carried forward to the credit of the year 1873.

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RETIRING DIRECTORS AND AUDITORS.

The following Directors retire at this meeting, viz., Messrs. David Wilson, John Williamson, David Gamble, and John Tennant. They are all eligible, and now offer themselves for re-election, and the Directors recommend that they be returned to the Board. It also falls to the Meeting to elect the Auditors of the Company, and Messrs. Mackenzie and Moore again offer themselves for re-election.

By Order of the Directors.

CHARLES TENNANT,
Chairman.

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THE THARSIS SULPHUR AND

ABSTRACT of BALANCE

CAPITAL AND LIABILITIES.

To SHAREHOLDERS—			
Total Authorized Capital, ...	£1,000,000 0 0		
Less Calls not yet made on			
31,100 Shares at £3 each, .	£93,300 0 0		
670 Shares Unissued at £10 each, . .	6,700 0 0		
	100,000 0 0		
Total paid up Capital, ...		£900,000	0 0
To CREDITORS—			
On Debentures, ...	£100,000 0 0		
On Bills and Open Accounts, ...	116,544 8 5		
Royalty due on Minerals as at 31st December, 1872, ...	25,380 14 3		
		241,925	2 8
To FUNDS SET ASIDE TO REDUCE OR RENEW PROPERTY IN SPAIN—			
Railway and Pier Sinking Fund, ...	£53,069 1 4		
Railway Rolling Stock Renewal Fund, . .	4,413 14 6		
		57,482	15 10
To PROFIT and Loss, being Balance at 31st December, 1872, . .		377,961	12 5
		£1,577,369	10 11

GLASGOW, *9th April*, 1873.—We have audited the Books and Accounts of the and we certify that the foregoing Abstract Balance Sheet is correct, and that it exhibits

UNIVERSIDAD DE HUELVA 2012

COPPER COMPANY (LIMITED).

SHEET, as at 31st December, 1872.

PROPERTY AND ASSETS.

By Works, Buildings, Machinery, and Plant—						
In Britain,			£203,172	0	0	
In Spain,			84,045	3	4	
						£287,217 3 4
By Railway in Spain—						
Including Permanent Way, Rolling Stock, &c.,						283,430 2 10
By Shipping Piers at Huelva,						51,476 18 9
By Shares in San Telmo Mines,						16,772 5 4
By Stocks in Trade per Inventories—						
In Britain,			£448,302	17	9	
In Spain,			149,092	12	5	
						597,395 10 2
By Debtors on Open Account,						105,736 14 3
By Miscellaneous Assets—						

In Britain.	Total at 31st Dec., 1871.	Written off in 1872.				
Patent Rights Account,	£1,795 0 0	£1,795 0 0				
Mines Lease and Railway Concession,	50,000 0 0	5,000 0 0	£45,000	0	0	
Cinder Rights and General Bonus,	127,750 0 0	102,750 0 0	25,000	0	0	
	£179,545 0 0	£109,545 0 0				70,000 0 0

In Spain.				
Removal of Overburden at Mines,	£46,511	3	11	
Royalty Paid on Mineral yet to Export,	26,732	11	0	
				73,243 14 11
By Bills, Government Consols, Railway Bonds, Cash at Bankers and on hand,				92,097 1 4
				£1,577,369 10 11

Tharsis Sulphur and Copper Co. (Limited), for the year ending 31st December 1872, a proper state of the Company's affairs at that date.

WALTER MACKENZIE, C.A., *Auditor.*
ALEX. MOORE, C.A., *Auditor.*

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THE THARSIS SULPHUR AND

ABSTRACT of PROFIT and LOSS

—*Dr.*—

To Income Tax, Directors, and Auditors' Fees, 1871, . .		£5,464	7 8
To Amount Written off property and plant,			
In Britain, ...	£11,552 5 7		
In Spain, ...	4,338 18 8		
		15,891	4 3
To Amount Written off Patent Rights Account now extinguished, ...	£1,795 0 0		
To Amount Written off to reduce,			
Cinder Rights and General Bonus, . .	102,750 0 0		
Mines Lease and Railway Concession, .	5,000 0 0		
		109,545	0 0
To Amount Expended on Experiments and Patent Expenses this year, ...		4,706	17 8
To Charges Account, including Management, Salaries, Law Expenses, Laboratory Expenses, &c., ...		11,596	0 6
To Bad Debt Account, ...		81	2 9
To Balance, being Net Profit for Year ending 31st December, 1872, ...	£355,428 19 10		
and Balance from 1871, ...	22,532 12 7		
		377,961	12 5
		£525,246	5 3

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COPPER COMPANY (LIMITED).

ACCOUNT, as at 31st December, 1872.

—*Cr.*—

By Balance carried forward from 1871, . . .		£148,352 3 7	
Less Dividend paid 10th May, 1872,	£83,879 14 0		
Do., 10th Nov., 1872,	41,939 17 0		
		125,819 11 0	
			£22,532 12 7
By Profit for Year 1872, ...			400,483 16 8
By Premium on New Shares Issued, and Profit on Forfeited Shares sold, ...			102,229 16 0
			£525,246 5 3
By Balance, ...			£377,961 12 5

UNIVERSIDAD DE HUELVA 2012

AUDITORS' REPORT.

Messrs. The Directors of the

THARSIS SULPHUR AND COPPER CO. (LIMITED).

GENTLEMEN,

Having completed the Audit of the Books of the Company, for the year ending 31st December 1872, it will be satisfactory to you that we add to the usual docquet our testimony to the admirable system on which the Books of the Company are kept, and the facility which has, as heretofore, been afforded us for their examination.

Our attention has been, as before, particularly directed to the principles on which the Valuation of the Stocks and Assets have been arrived at, and they have our entire approval.

The Books at the Mines in Spain have been examined, and the Inventories there, made up under the supervision of a gentleman appointed by us, and who was thoroughly qualified for the purpose.

WALTER MACKENZIE, C.A.
ALEX. MOORE, C.A.

GLASGOW, *9th April*, 1873.

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THE THARSIS SULPHUR & COPPER COMPANY

LIMITED).

NOTICE IS HEREBY GIVEN, That the SEVENTH ORDINARY GENERAL MEETING of the Members of this Company is hereby convened to be held *on Thursday, the 24th day of April current, at One o'Clock afternoon*, within the TRADES HALL, No. 85 Glassford Street, Glasgow, for the purpose of considering the Accounts, Balance Sheets, and Report of the Directors, for the year ended 31st December, 1872, sanctioning a Dividend to be then declared from the Profits of the Company, and for the Election of Directors and Auditors; AND NOTICE IS FURTHER GIVEN, That the Transfer Books will be closed from the 11th to the 24th current, both days inclusive.

BY ORDER,

JONATHAN THOMSON,
Secretary.

136 WEST GEORGE STREET,
GLASGOW, *10th April, 1873.*

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UNIVERSIDAD DE HUELVA 2012

BOARD OF DIRECTORS.

The Names are printed in the order in which the Directors retire :—

DAVID WILSON, Esq., Glasgow.
JOHN WILLIAMSON, Esq., South Shields.
DAVID GAMBLE, Esq., St. Helens.
JOHN TENNANT, Esq., St. Rollox.
CHARLES TENNANT, Esq., The Glen.
ARCHIBALD S. SCHAW, Esq., Glasgow.
HENRY DEACON, Esq., Widnes.
JOHN WILSON, Esq., Auchineck.
ALEX. HARVEY, Esq., Glasgow.
LOUIS LEISLER, Esq., Glasgow.
JOHN MOFFAT, Esq., Ardrossan.
ARCHIBALD ARROL, Esq., Glasgow.

CHARLES TENNANT, Esq., *Chairman.*
JONATHAN THOMSON, *Secretary.*
WILLIAM A. VÉREL, *Commercial Manager.*
THEODORE MERZ, *Technical Manager.*

UNIVERSIDAD DE HUELVA 2012

REPORT OF THE PROCEEDINGS

OF THE

SEVENTH ORDINARY GENERAL MEETING

OF THE

Tharsis Sulphur and Copper Co.

(LIMITED),

HELD WITHIN

THE TRADES HALL,

85 GLASSFORD STREET, GLASGOW,

On THURSDAY, 24th APRIL, 1873.

GLASGOW:
PRINTED BY BELL AND BAIN, 41 MITCHELL STREET.
1873.

UNIVERSIDAD DE HUELVA 2012

UNIVERSIDAD DE HUELVA 2012

REPORT OF THE PROCEEDINGS

OF THE

SEVENTH ORDINARY GENERAL MEETING

OF THE

Tharsis Sulphur and Copper Co.

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THE TRADES HALL,

85 GLASSFORD STREET, GLASGOW,

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1873.

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UNIVERSIDAD DE HUELVA 2012

REPORT.

The Seventh Annual Ordinary General Meeting of the Tharsis Sulphur and Copper Company (Limited) was held on Thursday, the 24th day of April, 1873, in the Trades Hall, 85 Glassford Street, Glasgow. There was a large attendance of Shareholders, holding or representing 68,692 Shares. The chair was occupied by CHARLES TENNANT, Esq. of The Glen, Chairman of the Board of Directors.

MR. JONATHAN THOMSON (Secretary) having read the notice calling the meeting,

The CHAIRMAN said,—With your permission, Gentlemen, I will hold the Report, which has been for some days in your hands, as read, and proceed to move its adoption.

The Company's operations for the past year, though enabling us to pay a dividend of 40 per cent., have not altogether realized our expectations. The Mines have on the whole done well, but, from causes to which I will allude by-and-by, the results from the Metal Works, which constitute so important an integral part of our undertaking, have fallen short of our estimate. Had this not been so our Balance Sheet, satisfactory as it is in many respects, would have looked even better than it does.

The extraction from our Mines of Tharsis and Calañas has been in all 374,515 tons against 371,466 tons in 1871, showing an increase of 3,049 tons. At Tharsis, the figures are 333,460 against 334,818 tons in 1871, a falling off of 1,358 tons. This falling off, however, is entirely in the quantity of smalls raised, the large ore, which is for us the important one, shows an increase over 1871 of 13,410 tons. The costs on the Mines have been $\frac{1}{2}$d. per

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ton more at Tharsis, and 2½d. less at Calañas than in 1871. The cost, free on board at Huelva, is 8d. per ton less, chiefly from the saving due to our pier, of which we had only five months' use in 1871. The Freights, however, owing to the high price of coal, have been rather higher, the net result being that the cost of our Mineral, landed in this country is just 2d. per ton less than in 1871, and we regard this as not unsatisfactory.

The total Deliveries to consumers have been 231,775 tons against 217,894 tons in 1871. We had expected them to reach 240,000 tons, as we had contracts for that quantity, but several of our customers did not consume up to their estimates. The number of vessels employed in our transit has been 319—211 steamers and 108 sailing vessels—and the proportion of ore carried, 85 per cent. by steamers and 15 by sailing ships. In 1871 the proportions were 70 steam and 30 sailing, so that the carrying is being done more and more by steamers.

The total output of refined copper from our Metal Works, including that from our Spanish precipitate, has been 7,478 tons against 7,083 tons in 1871. This production, however, was fully 1000 tons short of our estimates, and it is in a great measure owing to this diminution of output, coupled with the very high prices of coal, scrap-iron, salt, and all material required for repairs, that the Metal Works have failed to give the profits expected from them. In the course of 1871, and in the beginning of 1872, we had various complaints of want of uniformity in the quality of our copper; from some of the Works it was good, and from others it was very irregular. To remedy this, and to enable the best method of treatment to be introduced into all our Works, involved considerable changes, more especially at Hebburn. The scarcity and dearness of labour made these changes both costly and tedious; the output, moreover, had to be temporarily reduced. I am glad to say, however, that the object we had in view, one so very important to our permanent interests, has been thoroughly attained. The quality of our copper is now uniformly excellent, and for the last six months complaints have been unknown. The Technical Department is now occupying itself with increasing the production, and we are assured that 1873 will show good progress in that direction. This will, of course, tend to

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diminish our costs, but we cannot expect to get these down to a normal figure so long as coal, iron, and materials remain at the present high rates.

Our total production of Iron, or Purple Ore as it is called, has been 108,849 tons against 96,878 tons in 1871.

The prices we have obtained for our produce have been, for Sulphur, about 1d. per unit more than in 1871, or 3s. 6d. per ton; Iron ore, 13s. 8d. net against 12s. 1d. net in 1871; and Copper, £95, 16s. 9d. net against £71, 12s. 3d. net in 1871. The Copper Market for the past year has been a fluctuating one; the average market price, however, was £96 gross, so that in getting £95, 16s. 9d. net, our managers have done remarkably well. As you are aware, we are obliged to contract for our sales of the first two—viz., Sulphur and Iron—in Autumn for the year following, hence we obtained little or no benefit from the advance in Iron which took place in 1872. We shall do so, however, in the present year, as I will state when I allude to the Company's contracts for 1873.

Before reviewing shortly our Balance-sheet, I would call your attention to our position as to future supplies of Pyrites from Tharsis. The extraction of past years has been confined to the North Lode. The third stope is now brought into bearing, and the facilities for extraction are being gradually extended in the 20 and 30 metre floors. The sinking of the shaft of the open cast is now proceeded with slowly; it was down, on 31st December, 36½ metres below the railway level, or 56½ from the surface of the Lode. Estimating 4 tons to the cubic metre, we have here already 9,400,600 tons of available ore, and as the cubic metre weighs rather over 4½ tons, this statement of Mr. Down is probably a very safe one. The shaft, on 28th February, was farther down 3½ metres, viz., 39½ metres below level of Railway, so that every month is adding to the proved extent and longevity, so to speak, of our North Lode. We have, however, found it difficult hitherto to extract more than 330,000 to 350,000 tons from this Lode. We are told that by-and-by, when the third stope and 20 and 30 metre floors are more developed, we shall be able to do more, but that, at present, it cannot be done with economy and safety and that for immediate additional supplies we must look to

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our new Lodes, viz., the centre and south. These are the Lodes about which there has been, as I last year explained—a grave question of title—a question I am very happy to say now absolutely set at rest—and our works both for exploration and permanent working of these Lodes are being actively proceeded with. The Centre Lode has been proved in one place by borings 185 metres long and 65 metres wide. The mineral is found at an average depth of about 17 metres. The engine shaft is now down 20 metres and secured by mason-work throughout on account of the softness of the ground in some places. At that depth, in a second shaft, 1·50 metres in breadth, we have driven a cross cut, up to 6th April, 15·10 metres north, 23 south, together 39·60, and have not come on either wall of the Lode. We hope to extract 25,000 tons here in the course of this year. As to the quality we cannot speak positively, but the test made on the Mine and the general appearance of the ore are very promising, and we are in hopes that, as this Lode bears evidence, in the great quantities of scoriæ surrounding it, to have been more extensively wrought by the ancients than any of the others, we shall find it richer in Copper than the North Lode. Samples arrived home yesterday, and are now in process of examination.

In the South Lode the Mineral is showing itself by borings at a depth of 22 to 30 metres under ground fallen in a long time ago, which renders the boring difficult. The width of the mass we are not in a position to determine, but we know it for a length of 300 metres running east and west like the North Lode. The drainage will be done by the long gallery, began by the French in 1857, and which, at 31st December last, was 576 metres in length. Towards May our working shaft will, we are told, have reached the ore, but till we know something of the width of the mass, we cannot form an opinion as to what can be extracted in 1873. These explorations have placed beyond doubt the fact of our great reserves of Pyrites, and it must be satisfactory to you, as well as to the consumers, to know that whatever demands the increasing trade of the country may make upon us, we shall be well able to meet them. And here I may notice that the consumption of this article has

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gone on steadily increasing. In 1868 the Imports, taken from the Board of Trade Returns, were 229,720 tons; in 1869, 70, and 71, the increase was rapid, till in 1872 the quantity was 516,299 tons, being more than double that of 1868; and we have no reason to think that this progress will not be continuous.

Our Calañas Mine, which lies fifteen miles north-east of Tharsis, and is the third largest deposit in the Peninsula, is again showing progressive results; and when the Haulage Gallery, to which the Report alludes, has been completed, we shall have no difficulty, Mr. Down thinks, in doubling the output if deemed desirable. We are much pleased with the way in which Mr. Roupell has conducted the operations of this mine.

Our Manganese Trade has this year grown considerably. Our Imports were 2,575 tons against 550 tons in 1871, and they have left us a good profit.

We have opened a Coal Depot at Huelva, which Mr. Le Bourg thinks may not unlikely lead to a remunerative trade in that article.

I will now shortly glance, as on former occasions, over the various items in our Balance Sheet, beginning with our Spanish Assets.

Works, Buildings, Machinery, and Plant in Spain stood at 84,045 against 62,541 in 1871, showing a net increase, after heavy writings off in Spain, of £21,504. Three stationary engines have been added to our works in the open cast, one in connection with the inclined plane of third stope, and one to draw the Ore through the shaft from the 20 and 30 metre floors. These have cost £2,219, and Mr. Le Bourg reports that they are the last expenses of the kind we shall have to make, for now the system is complete. The third is a small engine to drive the fan for blast in smithies. The construction of these smithies in the open cast, for the repair of the miners' tools, has added to the economy of the extraction, and proved most useful. We have built four groups of houses, in all, fifty-two good habitations with windows and chimneys, at a cost of £1,180, and must build as many more in 1873. We have also built a Girls' School, 50 feet by 25 feet, to serve also as a Protestant Chapel, at a cost of £425. The Workshops and Tools are in good order, and our Foundry has prevented our sending to

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Seville for any of our small castings—no small saving, to say nothing of its great convenience. We have added a new weighing machine at exit of open cast. We have laid out about £900 on new Roads and Railways—the principal one being the route from the Employé's village to the galleries of South Lode. The outlay on explorations and working plant of South and Centre Lodes has been £3,000. In order to utilize the raw smalls on the Mine, which are not profitable either to export or to send to the Teleras, and of which the proportion is considerable, we have built sixty furnaces, with the necessary tanks and appliances, at a cost of £5,672. They can hardly be said to be yet at work, but we hope at our next General Meeting to give you a good report of the large addition thereby made to our precipitate produced on the Mine. These various items account in a satisfactory manner for the large addition to the sum standing at the debit of this asset.

The next is our railway, which stands at £283,430, against £267,448 in 1871, an addition of £15,982. This is represented by two 6-wheeled locomotives and 75 waggons added to our rolling stock; a large shed at Tharsis for our running locomotives; a large depot for raw ore at Corrales, capable of storing 30,000 tons. This is a costly construction, but essential to the safe and comfortable carrying on of our large export trade. We have added a good number of houses for our workmen near to it. We have also laid down a second Telegraph wire from Tharsis to Huelva. These items account for this addition. The Railway has yielded a fair profit, after payment of Debenture Interest, and has enabled us to add considerably to our Sinking Fund on the other side of the Balance Sheet.

The Pier is giving satisfactory results. The cost of putting on board in 1870, when it was all done by barges, was 2s. per ton; it has been reduced to 11d. in 1872. Mr. Le Bourg reports, that with the two new Cranes now being supplied, the Pier will leave nothing to be desired. The £3,082 added to this account represents some additional plant, and further payments to the contractors, whose accounts are not finally adjusted. The balance remaining is a small one.

San Telmo Shares.—This account remains in the same state as

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when I last addressed you. We have been hoping for an offer to buy or lease, but it has not yet come.

Stocks in Trade in Spain, £149,092, against £138,978, showing an increase of £10,114, which is entirely due to a large increase in the stocks of Copper in process, and of Raw and Calcined Ores. The Waste-heaps, which form an important and valuable item under this head, stand now at £30,008, having been written down to this figure from £43,135—the price at which we took them over from the French Company. The quantity was then 287,571 tons; we have since added to them the whole of our washed Mineral, and the heap now contains 780,000 tons, and will prove a large and economical source of Copper to us for a long time to come.

The removal of overburden Account is reduced this year by £1,513, 6s. 10d., standing now at £46,511, 3s. 11d. As I explained last year, it represents a great preparatory work, and is a perfectly sound asset.

The overpaid Royalty account, £26,732, represents arrears of Export of 132,566 tons, and the time allowed for their exportation, viz., to the end of 1874, will enable us to realize this asset.

We now come to our assets in Great Britain. The first—our Works, Buildings, and Plant, stand now at £203,172, against £157,231, shewing an increase of £45,941, and this, after writing off for depreciation, £11,552. This large addition consists of about £11,000 laid out at Cardiff, and £11,000 at Willington, at both of which places we are building new extracting works; £17,000 at Hebburn, and the remainder on our works here and at Widnes. Excepting at Hebburn this outlay represents increased and more complete capability. At Hebburn, however, a large part of the money has been expended in the construction of a much wanted pier, and in connecting our works with the new branch of the North Eastern Railway, which intersects the Company's land, and which will add not only to the facilities of our carrying on our manufacture, but to the permanent value of our property. This connexion has necessitated the building of a new ore shed, and other important changes in the disposition of the Works.

The figures of this large outlay are—

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Wharf, ...	£7,479
Railway and River connection, .	3,720
And ore sheds, ...	2,642
Together, . . .	£13,841

The whole of these re-arrangements have been vigorously proceeded with, and though a further outlay will appear this year against the capital account of these works, we look forward to deriving great benefit from this expenditure during the present year. The Willington and Cardiff Works will be pushed on as fast as possible, as we have ample cinders for both.

Our Stocks in Trade stand at £448,303 against £283,670 in 1871, showing the large increase of £164,633, due to increased stocks of copper in process, burnt ore, refined copper, and Pyrites. The refined copper, representing £120,000, was all sold before the 31st December, but had not been delivered, hence it appears in our stocks. The copper in process, representing £160,000, has all been realized since, and at prices considerably over our valuations. Seeing the large business of this Company, we must make up our minds to large stocks of raw material and copper in process. This year, from the changes in our method of working, to which I have already alluded, the stocks of copper in process have been much greater than usual, and greater than we think desirable, though, in a rising market, it has left nothing to be regretted. We look forward to showing a reduction on these in our next Balance Sheet.

With the satisfactory diminution of our Miscellaneous Assets the report fully deals.

On the other side of your Balance Sheet I will only call attention to the increase of your sinking and renewal funds to £57,482, and to the reduction of your indebtedness from £175,154 to £116,544.

The Profit and Loss Account for the year shows a net balance of £377,961, from which we propose to pay 40 per cent., and carry over £17,961.

Before sitting down you may expect me to state something of our prospects for 1873. We have sold 220,000 tons of Pyrites,

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at an advance of ½d. per unit for Sulphur, or about 1s. 10½d. per ton, and expect this quantity to be augmented by fresh contracts.

We have sold our estimated production of Iron Ore, say 130,000 tons, at prices varying from 16s. to 25s.

Our production of Copper, which depends in some degree on getting our Refinery at work at Cardiff in the course of the summer, will, we hope, reach a figure of about 9,000 tons. We have sold our make up to about the end of May, at an average of £94. Our present price is £98. The average since 1830 has been £95. The fall caused by the large Chili production may be said to be recovered. I learn from one of the best authorities on the subject, that the consumption is now more than abreast of the supply, and that a gradual advance in price is likely to characterize the future of the copper market. In conclusion, I need hardly add that I look on our prospects for 1873 as very encouraging.

I have only now to express my own acknowledgments, as well as those of my colleagues, to the officers of the Company, both here and in Spain, for the zeal and ability they have shown in the conduct of its affairs.

Mr. THOMSON (Secretary)—The following is the Chairman's motion: —" That the Report of the Directors, with relative Balance Sheet and Profit and Loss Account for the year ended 31st December, 1872, be, and is hereby received, approved, and adopted, and that a Dividend of 40 per cent., free of Income Tax, therein recommended, be now declared, one-half thereof, or 20 per cent., to be paid on Friday the 9th day of May next, and the remainder, or 20 per cent., on Monday the 10th day of November following, and that the balance of £17,961, 12s. 5d. be carried forward to the credit of the year 1873."

Mr. SCHAW (Deputy-Chairman)—I beg to second the motion.

The CHAIRMAN—Is it your wish, gentlemen, to adopt the report? (Applause.)

Mr. ROUGHHEAD (Haddington)—Before the report is passed, I should like to make one or two observations. I think we are much indebted, indeed, to the Directors for their management of this Company. Nothing could be more admirable than the manner in which our affairs have been conducted, and I think that, as Shareholders, we owe them a debt of gratitude. If it were necessary to

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repose additional confidence in them, the report of the Directors and the statement of the Chairman which we have just heard, would justify us in such an expression of confidence. At the same time, it strikes me very forcibly that it would have been much better if we had had a larger dividend declared at the present time. (Laughter.) We know that the large sum of £377,000 is now in the hands of the Company; and it occurs to me that when so much has been realized, we ought to have a much larger dividend declared now, and less probably in November. (Renewed laughter.) In other Companies with which I am connected, the rule is to declare a dividend upon the earnings of the half-year. Now, when you made the Balance Sheet up to 28th December last, it occurs to me that it would have been better to have declared an interim dividend at November last and paid it, and then made this a final one. It strikes me that it would be much better if we could have the November dividend declared now, and probably an interim dividend declared upon the profits of next year. (Laughter.) There is no doubt, from all the inquiries I have made, that this is a most profitable concern, and I feel perfectly confident that the Directors would have been justified even in saying that we are in a much more prosperous state than they have represented. Probably, however, they have shown wisdom in the course which they have followed. It shows that they do not wish to make promises which they may not be able to fulfil, and I feel confident that next year we shall have a much better dividend than we have even now. It is to the Directors that we are very much indebted for the large dividend we are going to receive; but, if it is possible, I think it would be much better if we were to give a dividend in May of 35 per cent., and 5 per cent. in November. In saying this, I do not speak as a speculator, because I am no speculator, but I think that what I have indicated would be for the benefit of those who *bona fide* intend to remain in the Company. I cannot see anything in the Articles of Association to prevent the Directors from giving the whole or the greater portion of the earnings at this time.

The CHAIRMAN—Do you move an amendment to the adoption of the report?

Mr. ROUGHHEAD—I would not like to create anything like opposition to the Directors.

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The CHAIRMAN—I am very much obliged to you.

Mr. ROUGHHEAD—But I feel thoroughly confident that this Company is in such a prosperous condition that you will be able to give us next year a much larger dividend.

The CHAIRMAN—I quite sympathize with your prophecy, and I shall be very glad, indeed, if it is realized. At the same time, let me say that the Board, at last General Meeting of the Shareholders, received their sanction to the following, namely, that in future we shall declare our profits of the previous year in April of each year, and that we shall not divide any money till it is earned. I have no doubt you will recollect that at a meeting two years ago, Mr. James White, whom I have the pleasure of seeing to-day, moved that our dividends should not be declared out of profits until the profits were ascertained, and that feeling, I think, animated the Board when they made the suggestion that we should pay half-yearly dividends, and only after the profits had been made, the same as the Scotch Banks. I think the Shareholders are not disposed to undo the decision of last meeting.

Mr. ROUGHHEAD—I know it was recommended by the Directors that it should be so, but was that resolution carried?

The CHAIRMAN—Certainly. It was unanimously carried.

Mr. ROUGHHEAD—Then I cannot make any motion.

The CHAIRMAN—Is it your wish, gentlemen, that the report should be adopted? (Loud applause.)

Mr. HUGH BROWN (Glasgow)—I beg to propose:—"That the four retiring Directors, namely, Messrs. David Wilson, John Williamson, David Gamble, and John Tennant be re-elected Directors of the Company." The result of the labours of these gentlemen in the past is, I think, the strongest argument that could be adduced for their re-election now, and I content myself with moving the adoption of this motion.

Mr. GEORGE ROBSON (Glasgow)—I have great pleasure in seconding that motion.

Mr. ANTHONY HANNAY (Glasgow)—I think we are all disposed to congratulate each other to-day upon the highly favourable report we have heard of the progress of our Company,—a progress such as it has seldom, perhaps never, been the good fortune of Shareholders to rejoice over. We have had a succession of splendid dividends—

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10 per cent., 20 per cent., and 40 per cent. These results your Shareholders are not ungrateful for. They highly appreciate them, and gratefully and directly connect them with the excellent management and great energy of our Chairman and our excellent Directors. (Applause). I shall not occupy the time of the meeting by referring in detail to the labours of our Directors, as we all know the great attention they have bestowed upon the management of this very great concern, as we all feel it to be. My purpose in rising at this time is to refer to the amount voted in acknowledgment of the services of the Directors. That amount has been particularly small for this Company, whether we consider it with reference to the business done, or the happy results in the form of dividends paid to the Shareholders. When 10 per cent. dividend was paid, £2,000 was voted for the services of the Directors. I know that any amount we may propose to-day cannot be called an equivalent for the labours of the Directors for the great work they have done; but I think it becomes us to mark in some degree our high appreciation of their services. (Hear, hear). I therefore beg to move,—"That the remuneration to the Directors for the by-past year be £4,000." (Applause).

Mr. JASPER W. JOHNS (London)—I beg to second this motion for two reasons,—*first*, because I am one of the original adventurers in the British Metal Extracting Company; and, *secondly*, because I believe I am the only English Shareholder now existing who began with the creation of that Company. It is a great pleasure to me, on my first visit, to be present at a meeting where 40 per cent. is declared, and I think the Shareholders will only be doing what is right and proper by increasing the remuneration of the Board. We are very lucky, gentlemen, in having such a Board. South of the Tweed, unfortunately, we have rather ornamental men—(laughter)—and we don't get 40 per cent. in consequence. (Renewed laughter). Here you have got a Board of high commercial integrity, and it is surprising to me that they can give the amount of time and attention to the affairs of the Company that they have done. I believe our Chairman devotes to it an amount of time that he can ill spare from his other pursuits. At first the Company was rather a sickly child; it has grown now to be a very healthy, strong man, and I

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think I should have been prepared to go farther than this motion proposes in the way of recognizing the services of the Directors. I should not propose more money, but I would like on this or some future occasion to mark the great success of the Tharsis Company by some lasting souvenir to the Chairman and to each member of the Board. Knowing Mr. Tennant's great love for works of art, I could have wished that we had presented him with a loving-cup in gold, and a duplicate of it in silver for each of the Directors. (Laughter and applause). In that I would also include Mr. Thomson and Mr. Verel. Although these gentlemen are not on the Board, we know that their zeal and attention to the Company's affairs must have contributed very much to its success. I only throw this out as a hint from the South that you will be pleased to consider over by the time you get 50 per cent. (Laughter). I have very little doubt that, on the next occasion of attendance here, it will be 50 per cent., or perhaps more. (Laughter). I should like to see less dealing in the shares if possible. I do not like to see the shares jumping up or falling down. I believe they are a great deal too good to be juggled about in that way. I should like to see all the present holders lock them up in their safes and leave them to their grandchildren, because it is quite clear, from what we have heard from the Chairman in reference to the unburdening of our mineral, that we have a mine of something like a hundred years' duration at the very least, and that is a source from which, I am sure, we may all draw very great good. Our Chairman remarked that the returns have not been quite so good in 1872 as they might have been, in consequence of the increased price of coal and iron; but in the future, even supposing these things stand at their present high prices, we shall be remunerated by the higher prices of our products. Therefore, we have not to look upon that as anything like a shadow upon the future. There is no doubt that everything in the world goes on increasing in price—hats and coats, and butcher's meat and everything else—and I am one of those who think we shall not see coal down to the old price again. I believe with the Chairman, also, that we shall not see copper down, and if copper continually goes up, we can afford to see the coal stay where it is. (Laughter). But 1872 has borne a

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large burden of outlay with reference to the railway and with reference to the sheds, and it appears to me, from what you have stated and from other knowledge, that these expenses will not occur again. Of course if you have a larger traffic you must have increased rolling stock, but on the other hand, it appears to me that the sheds we have been building, for the protection of the ore, will not require to be renewed in 1873, or perhaps for some long time. All these items, therefore, are items that ought to make us think that 1872 has done its work well. It is gratifying for us to hear that you are not quite satisfied with it. (Laughter). I hope the officers also are not quite satisfied with it, and that their exertions will be turned in the right direction for 1873. I do not think, Sir, I have anything more to say, beyond congratulating the Shareholders again upon the possession of such a Board and such a Chairman, and expressing the hope that my idea of the loving-cup will not fall upon barren ground. (Applause).

The CHAIRMAN—Is it your pleasure to adopt the motion which has been so kindly proposed? (Applause.) Let me say on behalf of myself and my colleagues that we are very grateful to you for this further acknowledgment of our services. I can only add that the same loyalty to your interests which has characterized our work hitherto shall certainly be devoted to it in time to come; and I quite believe that we have before us a future of great prosperity. The additions which this year have been made to our permanent works in Spain will certainly not be repeated. The ore shed was a necessity for the large trade we are now conducting. It was very undesirable that we should be left at the mercy of any accident upon the line for the supply of our Pyrites. With 30,000 tons at Corrales, and with probably a similar quantity in this country, we shall be independent of any mishap that might befall us on the other side.

Mr. FRASER (Glasgow)—I have very much pleasure in moving—"That Mr. Walter Mackenzie, C.A., and Mr. Alexander Moore, C.A., both of Glasgow, be re-elected Auditors of the Company for the current year, 1873, and that their remuneration for the past year, 1872, be fixed at £300, being £150 to each, as formerly." I am sure all the Shareholders in this Company, along with myself, have

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every confidence in the ability and integrity of these gentlemen. (Applause.)

Mr. AINSLIE (Edinburgh) seconded the motion.

The CHAIRMAN—I am sure the Shareholders will adopt that resolution. You cannot have better Auditors. (Applause.)

The motion was agreed to with acclamation.

The CHAIRMAN—The next motion is the following:—"That as the Company's Debentures for £100,000, created and issued in virtue of the resolution of the Company, dated 23d October, 1867, become payable on 1st December next, the Directors are hereby empowered to re-issue these Debentures on such terms as the Board may judge expedient."

Mr. LEISLER (Glasgow) seconded the motion, which was unanimously adopted.

Major WILKIE (Glasgow)—I have much pleasure in moving a vote of thanks to the Chairman and his brother Directors and the officials for the duties they have performed. I am sure every one here feels that the result of the operations of the Company is beyond expectation, and I can only express a hope that this may long continue. (Applause.)

The motion having been seconded by Mr. T. L. Arnott, was carried by acclamation.

The meeting then separated.

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MINUTES OF GENERAL MEETING.

At Glasgow, and within the Trades Hall, 85 Glassford Street, there, on Thursday the 24th day of April, 1873, at One o'Clock afternoon, at the Seventh Ordinary General Meeting of the Tharsis Sulphur and Copper Company (Limited), convened by Circular, in terms of the Memorandum and Articles of Association of the Company.

CHARLES TENNANT, Esq., of The Glen, Chairman of the Board of Directors, presided over the Meeting.

There was a large attendance of Shareholders, holding or representing 68,692 Shares.

Mr. THOMSON, the Secretary, read the Notice calling the Meeting, as also a Certificate by him, bearing that a copy of said Notice had been posted to all the Shareholders on the Register of the Company. The Circular and Certificate are in the following terms:—

"THE THARSIS SULPHUR AND COPPER CO. (LIMITED).

"Notice is hereby given, that the Seventh Ordinary General Meeting of the Members of this Company is hereby convened to be held on Thursday, the 24th day of April current, at One o'Clock Afternoon, within the Trades Hall, No. 85 Glassford Street, Glasgow, for the purpose of considering the Accounts, Balance Sheets, and Report of Directors for the year ended 31st December, 1872, sanctioning a Dividend to be then declared from the profits of the Company, and for the Election of Directors and Auditors. And Notice is further given, that the Transfer Books

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will be closed from the 11th to the 24th current, both days inclusive.

"By Order,

"JONATHAN THOMSON,
"*Secretary.*

"136 WEST GEORGE STREET,
"GLASGOW, *10th April, 1873.*"

CERTIFICATE OF POSTING.

"GLASGOW, 12th April, 1873.—I hereby certify that a copy of the foregoing Circular was this day addressed to each Member on the Register of the Company, and posted at the General Post Office here. The Circular was also inserted in the daily Newspapers.

"(Signed) JONATHAN THOMSON,
"*Secretary.*"

The Directors' Report, which had been previously circulated among the Members, having been held as read, the Chairman thereupon addressed the Meeting on the several subjects embraced in the Report.

It was thereafter moved by the Chairman, and seconded by Mr. ARCHIBALD SHANKS SCHAW,—

> "That the Report of the Directors, with the relative Balance Sheet and Profit and Loss Account for the year ended 31st December, 1872, be, and is hereby received, approved, and adopted, and that the Dividend of 40 per cent. (free of Income Tax) therein recommended, be now declared—one half thereof, or 20 per cent., to be paid on Friday the 9th day of May next, and the remainder, or 20 per cent., on Monday the 10th day of November following; and that the Balance of £17,961 12s. 5d. be carried forward to the Credit of the year 1873."

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Before the motion was put to the Meeting, Mr. ROUGHHEAD, Haddington, made a few remarks on the amount of the Dividend now proposed to be paid for last year, and what might be expected for the current and future years. The motion was then carried unanimously, and the Meeting declared and resolved accordingly.

It was moved by Mr. HUGH BROWN, seconded by Mr. GEORGE ROBSON, and unanimously resolved,—

> "That the four retiring Directors, viz.:—Messrs. David Wilson, John Williamson, David Gamble, and John Tennant be re-elected Directors of the Company."

It was moved by Mr. ANTHONY HANNAY,—

> "That the remuneration of the Directors for the by-past year be the sum of £4,000 sterling."

The motion was seconded by Mr. JASPER W. JOHNS, and being put to the Meeting by the Chairman, was carried unanimously, and the Meeting resolved accordingly.

It was next moved by Mr. ALEXANDER FRASER,—

> "That Mr. Walter Mackenzie, C.A., and Mr. Alexander Moore, C.A, both of Glasgow, be re-elected Auditors of the Company for the current year (1873), and that their remuneration for the past year (1872) be fixed at £300—being £150 to each, as formerly,"

which motion was seconded by Mr. DANIEL AINSLIE, and being put to the Meeting by the Chairman, was unanimously carried, and the Meeting resolved accordingly.

The following Resolution, viz.:—

> "That as the Company's Debentures for £100,000, created and issued in virtue of the Resolution of the Company, dated 23rd October, 1867, become payable on 1st

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December next, the Directors are hereby empowered to re-issue these Debentures on such terms as they may judge expedient,"

was moved by the Chairman, seconded by Mr. LOUIS LEISLER, and unanimously adopted. The Chairman thereupon declared it to be a Resolution of the Company, and the Meeting resolved accordingly.

CHARLES TENNANT,
Chairman.

Major JOHN WILKIE moved, Mr. THOMAS L. ARNOTT seconded, and the Meeting unanimously voted, thanks to the Directors and officials for their past services, and to Mr. Charles Tennant, the Chairman, for his conduct in the Chair.

JONATHAN THOMSON,
Secretary.

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REPORT BY THE DIRECTORS

TO THE

EIGHTH ORDINARY GENERAL MEETING

OF THE

Tharsis Sulphur and Copper Co.,

LIMITED.

TO BE HELD WITHIN

THE TRADES HALL,

85 GLASSFORD STREET, GLASGOW,

On THURSDAY, 23rd APRIL, 1874.

GLASGOW:
PRINTED BY BELL & BAIN, 41 MITCHELL STREET.
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REPORT BY THE DIRECTORS.

THE DIRECTORS beg to present their Annual Report for 1873.

THARSIS MINES.

North Lode and Open Cast.—The Overburden removed during the year amounted to 159,264 metres, at a cost of £17,555, including some solid masonry at the North Salband, on which the trains run that carry the spoil to the Waste Bank. The Mineral has refunded the sum of £13,333, leaving a debit of £4,222, which has been carried to the Overburden Account. This work may probably last for three years longer, as there is still an estimated quantity of 364,459 metres to clear away. At the rate debited to the Mineral the Overburden Account will be written off by the extraction of 1,780,000 tons. The total quantity of Mineral, calculated to the depth to which the North Lode has been drained, is now more than 10,000,000 tons. The Mineral raised from this Lode during the year was 291,166 tons.

Centre Lode.—The exploratory works have been carried on with activity, and now shew a working surface of 13,860 metres, and an ascertained depth of 18 metres. This gives a total of proved Mineral, during the short time we have been at work, of 997,920 tons. The boring is being continued, and each metre in depth will give 55,400 tons. The average Overburden is 17 metres. It may be advantageous at a future time to work here by Open Cast, as in the North Lode. The preparatory works did not admit of a regular extraction of Mineral until about the month of August; and for the five months ending 31st December there were raised 26,984 tons. The evidences of a large mass of Mineral existing in this Deposit become stronger as the explorations advance.

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South Lode.—Here the Mineral has been proved, and 3,400 tons extracted, and many ancient workings were met with.

As the supplies and capabilities of extraction of Mineral from the North and Centre Lodes are now assured for many years, up to any quantity that may be required, it is intended to restrict the workings on the South Lode to simple explorations by a small number of men. In this way, and at a trifling annual cost, everything will be put in readiness for a more extensive output of the Mineral from this Lode at a future time.

The Tharsis Mines have yielded 321,550 tons of Mineral for the year 1873, of which 216,601 tons were sent to the Port for shipment, the remainder being reserved for the production of Copper on the Mine. The output for 1874 will be increased to a quantity amply sufficient to meet any export demand that may arise, and the requirements of the Company in Spain. The contracts already made for 1874 exceed those of 1873.

It will be seen that the total quantity of Mineral raised has fallen short of 1872 by 11,910 tons. Two causes have contributed to this result. First, a Strike among the Workmen in the month of May, principally owing to political excitement, which soon passed away; and second, a change in the mode of attacking the Mineral in the North Lode, so as to admit of a larger extraction for the future.

CALAÑAS MINE.

The haulage gallery referred to in last Report has been finished, and all the operations at this Mine are being successfully prosecuted. The Mineral extracted for the year, notwithstanding the Strike, was 39,170 tons, or 1,885 tons less than in 1872. The Ore put to calcination amounted to 40,100 tons. The explorations for 1873 make it certain that there is a large Mass of Mineral in this Mine, and fully confirm the favourable opinions formerly expressed of this Property.

RAILWAY AND PIERS.

The downward Traffic for the year has been 233,360 tons, and the upward 17,367 tons, together 250,727 tons, or an increase over 1872

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of 2,398 tons. The Railway has been credited, as usual, with the rate of Carriage charged upon the Mineral shipped; and, after deduction of expenses, there is a surplus of £17,066, 15s. 9d., from which the Interest on the Company's Debentures has been paid, leaving a balance of £9,566, 15s. 9d. to be added to the Railway Sinking Fund Account. The Profit earned by the upward Traffic, amounting to £1,570, 4s. 9d., has been added to the Railway Rolling Stock Renewal Fund. The Traffic undertaken for the Public has earned a Profit of £4,296, 1s. 11d., as against £1,036, 12s. 5d. in 1872, which has been credited to the Profit and Loss Account. This last source of revenue is rapidly growing, and is likely to become of some importance. The large Shipping Pier is doing excellent service, and 1,500 tons per day can be loaded from it when required. The small Pier and Barges are still in use for loading and discharging sailing vessels.

The Reports from the Company's General Manager in Spain continue to be of an exhaustive and satisfactory character. A large amount of preparatory work has again been overtaken, and, as regards the Mines, Railway, and Pier, and all their equipments, increased facilities have been provided for the benefit of future years.

METAL WORKS.

All the Repairs have been charged to Revenue, and a Depreciation of 7½ per cent., amounting to £14,158, has been written off those Works in operation, as formerly. The new Works in Cardiff are only partially completed, and the remainder is being expedited with the least possible delay. The Refineries have been in operation for several months, and up till 31st December had Refined 691 tons Copper.

PYRITES.

The total quantities invoiced to Customers were 227,854 tons, which include the deliveries from Stores. The Advance Royalty Account has been reduced by the sum of £7,197, 0s. 1d. The balance of £19,535, 10s. 11d. now remaining will be written off by the operations of the current year.

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The Profits from the Mine and Metal Works have been heavily burdened by the high prices ruling for Coal, Iron, and all other materials, together with the enhanced value of labour.

VALUATIONS.

These have had the careful attention, as formerly, of your Directors and Auditors. The Inventories of Property and Plant in Spain (in addition to the usual depreciation attended to there) have been written down by £4,387. The Mines Lease and Railway Concession Account has been reduced by £5,000, and the Cinder Rights and General Bonus Account by £5,000. The sum of £16,283, 16s. 11d. has been written off the Shares in the San Telmo Mine. It has been frequently explained to the Shareholders that the purchase of these Shares was made a condition of obtaining the Calañas Mine. For reasons, which need not be explained in this Report, it was expedient that they should appear as an Asset of the Company, until finally disposed of, although in themselves they had little intrinsic value. The San Telmo Mine is exclusively under Spanish Management, and is an unlimited Company. Some time ago the Managers at Tharsis inspected the Mine, and inquired fully into its position. Upon this Report the Directors thought it advisable to sell these Shares, with all their liabilities, which they did for £500; and your Directors are satisfied, that in the interests of the Tharsis Company the step was a judicious one.

DEBENTURES.

As authorised by the Resolution passed at the last General Meeting, the Directors renewed for five and seven years the Debentures for £100,000 which fell due on 1st December last, at a saving to the Company of £2,500 per annum. The outlay on permanent Works for the past two years has been so considerable, as to render the Capital of the Company inadequate for the large and increasing business it is carrying on, and as the interests of the Company require that there should still remain a margin of uncalled Share Capital, the Directors recommend the Shareholders, at the Meeting to follow the present one, to pass the

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Special Resolution then to be submitted, empowering the Board to borrow on Debentures, terminable in five and seven years, such a sum as, added to the present Debenture Debt of £100,000, shall not exceed, in all, £250,000.

PROFIT AND LOSS ACCOUNT.

The net Profits for the year 1873, together with the Balance from 1872, as shewn by the Profit and Loss Account, amount to £239,762, 14s. 1d. The Directors recommend that the sum of £225,000 be appropriated to the payment of a Dividend of 25 per cent., free of Income Tax, the one half, or 12½ per cent., being payable on Friday the 8th day of May next, and the remainder on Tuesday the 10th day of November next, and that the balance of £14,762, 14s. 1d. be carried forward to the Credit of the year 1874.

RETIRING DIRECTORS AND AUDITORS.

The following Directors retire at this meeting, viz.:—Messrs. Charles Tennant, Archibald S. Schaw, Henry Deacon, and John Wilson. They are all eligible, and now offer themselves for re-election; and the Directors recommend that they be returned to the Board.

It also falls to the Meeting to elect the Auditors of the Company, and Messrs. Moore and Mackenzie again offer themselves for re-election.

By order of the Directors.

CHARLES TENNANT,
Chairman.

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THE THARSIS SULPHUR AND CO

ABSTRACT OF BALANCE SHEET, a

CAPITAL AND LIABILITIES.

To Shareholders—			
Total Authorised Capital, ...	£1,000,000 0 0		
Less Calls not yet made on 31,100 Shares at £3 each, . £93,300 0 0			
670 Shares Unissued at £10 each, . . 6,700 0 0			
	100,000 0 0		
Total paid up Capital, ...		£900,000 0 0	
To Creditors—			
On Debentures, ...	£100,000 0 0		
On Bills and Open Accounts, . . .	237,275 3 5		
Royalty due on Minerals as at 31st December, 1873, ...	22,838 1 4		
		360,113 4 9	
To Funds set aside to Reduce or Renew Property in Spain—			
Railway and Pier Sinking Fund, . . .	£62,635 17 1		
Railway Rolling Stock Renewal Fund, . .	5,983 19 3		
		68,619 16 4	
To Profit and Loss, being Balance at 31st December, 1873, . .		239,762 14 1	
		£1,568,495 15 2	

Glasgow, 7*th April*, 1874.—We have audited the Books and Accounts of the Tharsis Sulphur foregoing Abstract Balance Sheet is correct, and that it exhibits a proper state of the Company's affairs at

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D COPPER COMPANY, LIMITED.

SHEET, as at 31st December, 1873.

PROPERTY AND ASSETS.

By Works, Buildings, Machinery, and Plant—			
In Britain, ...	£276,100 5 1		
In Spain, ...	103,625 9 0		
		£379,725	14 1
By Railway and Shipping Piers in Spain—			
Including Permanent Way, Rolling Stock, &c., . . .		369,624	11 1
By Stocks in Trade per Inventories—			
In Britain, ...	£239,989 7 10		
In Spain, ...	163,753 3 3		
		403,742	11 1
By Debtors on Open Account, ...		230,795	9 8

By Miscellaneous Assets—	Total at 31st Dec., 1872.	Written off in 1873.		
Mines Lease and Railway Concession, Cinder Rights and General Bonus,	£70,000 0 0	£10,000 0 0		
San Telmo Mines Shares Balance,	16,283 16 11	16,283 16 11		
	£86,283 16 11	£26,283 16 11		60,000 0 0
Removal of Overburden at Mines, ...			£50,732 15 6	
Royalty Paid on Mineral yet to Export, ...			19,535 10 11	
				70,268 6 5
By Bills, Securities, Cash at Bankers and on hand, . . .				54,339 2 10
				£1,568,495 15 2

Sulphur and Copper Co., Limited, for the year ending 31st December 1873, and we certify that the affairs at that date.

ALEX. MOORE, C.A., *Auditor.*
WALTER MACKENZIE, C.A., *Auditor.*

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AUDITORS' REPORT.

We have completed the audit of the Books of the Tharsis Sulphur and Copper Coy., Limited, to 31st December last, and have appended the usual official doquet.

We have only to add that, as hitherto, we are perfectly satisfied with the system of Bookkeeping and Accounts in the offices both in this country and in Spain, and that we have most carefully considered and approved of the principle on which the various Assets have been valued in the Balance Sheet presented to you on this occasion.

ALEX. MOORE, C.A.
WALTER MACKENZIE, C.A.

Glasgow, *7th April*, 1874.

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THE THARSIS SULPHUR & COPPER COMPANY, LIMITED.

NOTICE IS HEREBY GIVEN (*First*), That the EIGHTH ORDINARY GENERAL MEETING of the MEMBERS of this COMPANY is hereby convened to be held *on Thursday, the 23rd day of April current, at One o'Clock afternoon*, within the TRADES HALL, No. 85 Glassford Street, Glasgow, for the purpose of considering the Accounts, Balance Sheets, and Report of the Directors, for the year ended 31st December, 1873, sanctioning a Dividend to be then declared from the Profits of the Company, and for the Election of Directors and Auditors; (*Second,*) That a SPECIAL OR EXTRAORDINARY GENERAL MEETING will be held at the same place and time, for the purpose of considering, and if approved of, Adopting and Passing the following

SPECIAL RESOLUTION, viz. :—"That the Board of "Directors is hereby empowered to Borrow on Debentures, ter- "minable in Five and Seven Years, such a sum as, with the "present Debenture Debt (£100,000), shall not exceed in all "£250,000, and remit to the Board to carry this Resolution "into effect."

AND NOTICE IS FURTHER GIVEN, That the TRANSFER BOOKS will be Closed from the 10th to the 23rd current, both days inclusive.

BY ORDER,

JONATHAN THOMSON,
Secretary.

136 WEST GEORGE STREET,
GLASGOW, *8th April, 1874.*

P.S.—An Instrument of Proxy is sent herewith, which (if you are unable to attend the Meeting) be good enough to sign, and get your signature attested by a Witness. The Proxy should be returned here not later than the 21st current.

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BOARD OF DIRECTORS.

The Names are printed in the order in which the Directors retire:—

CHARLES TENNANT, Esq., The Glen.
ARCHIBALD S. SCHAW, Esq., Glasgow.
HENRY DEACON, Esq., Widnes.
JOHN WILSON, Esq., Auchineck
ALEX. HARVEY, Esq., Glasgow.
LOUIS LEISLER, Esq., Glasgow.
JOHN MOFFAT, Esq., Ardrossan.
ARCHIBALD ARROL, Esq., Glasgow.
DAVID WILSON, Esq., Glasgow.
JOHN WILLIAMSON, Esq., South Shields.
DAVID GAMBLE, Esq., St. Helens.
JOHN TENNANT, Esq., St. Rollox.

CHARLES TENNANT, Esq., *Chairman.*
JONATHAN THOMSON, *Secretary.*
WILLIAM A. VÉREL, *Commercial Manager.*
THEODORE MERZ, *Technical Manager.*

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REPORT OF THE PROCEEDINGS

OF THE

EIGHTH ORDINARY GENERAL MEETING

OF THE

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REPORT.

THE Eighth Annual General Meeting of the Shareholders of The Tharsis Sulphur and Copper Company, Limited, was held on Thursday, the 23rd April, 1874, in the Trades Hall, Glasgow. There was a large attendance of Shareholders, and the Meeting was presided over by Mr. CHARLES TENNANT, of The Glen.

Mr. JONATHAN THOMSON (Secretary) having read the notice calling the meeting,

The CHAIRMAN said—Gentlemen, as formerly, I will, with your permission, hold the Report as read, and proceed to move its adoption. This duty is not altogether so pleasing a one as I could have wished: the bright prospects which 1873 presented when I last addressed you have not been realised, and instead of 40 per cent. I have to ask you, on this occasion, to be content with a dividend of 25 per cent. But I cannot help saying that I regard this as the one unfavourable feature in our Report, and a very important one I admit it to be for all of us, but more especially for those who have gone into our shares rather as a speculation than as a permanent investment. The property itself is in no respect less sound and valuable than it was. Your Mines are being proved still larger and more productive, and the management both in Spain and in this country is becoming always more efficient. We have had, however, to contend with a combination of adverse circumstances, and it is to these that your reduction of dividend is attributable.

Mr. M'CAIG, Oban—Questionable.

The CHAIRMAN—We took possession of these Mines in December 1866, and during the long period that has elapsed since that date Spain has been in a state of chronic revolution, yet we have never had the slightest trouble or difficulty with our workpeople; such a thing as a strike has been unknown. In the month of May, however, some emissaries of the International Society, strangers to the district, found their way to the Mine and brought about, almost

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by force, an interruption of labour for ten days, thereby unsettling our people's minds and considerably affecting our output. The changes in the method of working introduced by Mr. Cowan, to which our Report refers, tended in the same direction; we were, in consequence, obliged for a time to destine almost the whole of our Mineral for shipment, instead of, as usual, selecting the better Ore for that purpose, and the poorer for calcination on the Mine. Thus, though the Copper contents of the whole output of the Mine has rather increased, that of the Ore sent home was a fraction less, and this on our large export represents a considerable quantity of Copper, and tells materially on our Profit and Loss Account. Further, the lower prices which have been current for ores at Swansea, and which, owing to a strike amongst the smelters there, were for a time unusually depressed, have reduced the value of our Mineral in this country. To these causes combined we owe a diminution of our profits for the year of £68,000. Precipitate from the Mine, one of our permanent sources of revenue, owing to higher costs of iron and coal and lower prices in this country for Copper, has given £38,000 less profit than last year. Manganese, owing to smaller supplies, £4,000 less, and the Metal Works, £5,000 less—these sums together amount to £115,000. If to this we add £18,000 written off profits for San Telmo and other things, more than was done last year, we arrive at a figure of £133,000 as the total reduction of our net profits compared with 1872. The exact figure in the Balance Sheet is £133,627.

The additional expenditure for coal and iron alone for precipitation at Tharsis has been £17,445, and the costs at the Metal Works, which were already much enhanced in 1872, are increased by £48,900.

Mr. M'Caig—What did you pay per ton for the coal?

The Chairman—You will have an opportunity of asking questions when I have finished my statement. The results at the Metal Works were helped to the extent of £28,000 by the higher price obtained for Purple Ore. Owing to larger calcination, and improved working generally, the results of these works, under such exceptional costs, compare favourably with those of 1872.

And here I would allude to one point on which I know mis-

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calculations have been not unnaturally founded. Our refineries have turned out 1,172 tons more Copper than in 1872—the figures being 7,478 for 1872, and 8,550 for 1873—but of these 1,127 tons were entirely obtained out of our large stocks of Copper in process in our Works at the end of 1872, and which swelled our "Stocks in Trade" to so large a figure in the Balance Sheet of that year. Owing, however, to the fact that our new refining plant was only available in the second half of 1873, the additional output of Copper for the year had to be sold at the lower prices current in the autumn, and left but little profit.

To the business of the year, therefore, and not to any legacies from 1872, your profits for 1873 are due.

I have shewn you that they have been affected adversely by three causes,—

1st. Reduced Copper contents of Ore.
2nd. Increased cost of production.
3rd. Fall in the price of Copper.

The first two I regard as exceptional and transitory. Of the last you have the same means of judging as myself.

When I last addressed you, our price of Copper was £98, and the Market was regarded favourably by those whose opinion, from long connection with the Trade, was entitled to respect. Owing to a sudden and great contraction of business in Germany, and the industrial collapse in the autumn in America, prices of all metals have tended seriously downwards. From April, the fall in Copper was continuous, till in August the price reached £87—from that time it slightly rallied, but since the beginning of the year the fall has made further progress—our present price being £83. The future will depend much on the general trade of the country; should it improve, Copper will, no doubt, participate.

Our extraction at Tharsis from The North Lode has been 291,166 tons in 1873 (in the first eight months only 186,000 tons), against 333,460 tons in 1872—a falling off of 42,294 tons; but we have got out of the Centre Lode 26,984 tons, bringing up our total extraction to 318,150 tons, or 26,512 tons per monthe For the first three months of the current year, our output has been 118,869 tons, or at the rate of 39,623 tons per month, or about 13,000 tons per month more over 1873. We count on a

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total extraction for 1874 of 430,000 to 450,000 tons, of which 70,000 to 80,000 from Centre Lode. Our shipments will, we trust, reach 270,000 tons; and as the quantity from which to select will be much greater, we may fairly trust to get the Copper contents up to at least our former standard.

Notwithstanding the continuous efforts of this Company for seven years, and the heavy outlay of our predecessors on the development of the Open Cast, our total output from the Tharsis Mines has been practically limited to about 330,000 tons. Now, however, our capabilities of extraction are such, that our Manager writes "that we are now assured for long years of supplies from the North and Centre Lodes of all we require, if the figure does not exceed 600,000 tons." (Applause.)

I look on this change in our position as an event in our history, and an all important one to the great future of our undertaking.

The shaft in our Open Cast is sunk 73 metres, against 56½ at the end of 1872—a sinkage of 16½ metres; and as every metre is estimated at 182,400 tons, we have thus added, since I last addressed you, 3,000,000 of tons to our Reserves of Ore in the North Lode alone. The expenditure incurred in this shaft is always borne by the extraction, and at the depth now reached it becomes, of course, greater. Seeing that our reserves of Mineral are now so ample, our Manager suggests that this expenditure should for the time be suspended. Now to this we have agreed. When we want to know more of the depth we can easily resume the sinking. Of the large deposits of Centre and South Lodes, the Report speaks. The active development of the latter we shall defer till required. So far as we have gone, the Ore in the Centre Lode is rather richer in Copper than the North Lode, but up to the end of the year we had only shipped of it 5,000 tons.

The costs of raising and shipping our Mineral have this year exceeded those of 1872 by 1s. 7½d. per ton. This is partly owing to the smaller output, partly to increased wages and costs of materials, partly to heavier Railway costs; but M. Le Bourg reports that we have been working at certain disadvantages in order to prepare for future extraction, and "he hopes this year to have some reductions to announce to us." He adds further, "that having at our disposal in the Open Cast all the Ore that we require, we have almost entirely abandoned the works under-

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ground, and there are only some works close to the Salband which it is useful to know."

The quantities invoiced to consumers were 227,888 tons, or about 4,000 tons less than in 1872. During the latter part of 1873, the chemical trade was very dull, otherwise our deliveries would have been somewhat greater.

The total imports of Pyrites into Great Britain last year were 520,939 tons, against 516,299 tons in 1872.

To the total output of Refined Copper from our Metal Works I have already alluded, and also to the higher costs. These latter are now being sensibly reduced from the fall in coals and iron. The quality of our Copper has been regular and good, and has commanded the best prices.

Of Purple or Iron Ore our deliveries have, owing to the extreme dulness of the puddling trade, reached only 112,580 tons, against 108,849 tons in 1872. We expected them to reach 130,000 tons. The prices we obtained for our products for 1873 have been ½d. a unit, or 2s. per ton more for Sulphur, 4s. 11d. more for Purple Ore, and £4, 3s. per ton less for our Copper.

Whilst these figures are in your minds, I will allude to our Sales for 1874. They consist of 250,000 tons of Pyrites at the same price for Sulphur as last year, 92,000 tons of Purple Ore, at rather over last year's prices, but we have still a good deal of this latter to sell, as we expect our output to reach 140,000 tons, and for the balance we may be obliged to accept lower prices. Our production of Copper we estimate at 8,000 tons. The average of our sales for the first three months has been about £4 less than our average of last year, but our reduced costs of production should be a set-off to this fall in price.

Calañas.—I will now refer to the position of our Calañas Mine. The Preparatory Works there have made great progress. The Haulage Gallery, a very important work begun in October, 1872, about 700 metres long, has been completed. Thirty-eight houses have been added, a large dam for holding the waters from the Waste Heap has been constructed, 214 metres of Railway have been laid, and waggons built for the transport of the raw Mineral to the calcination ground. Additions are now being made to the Precipitating department.

Our Manager, Mr. Roupell, reports "that any great increase on

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his production cannot be expected this year, as the greater part of it will pass before the calcination can be established in its new place. But for 1875 a saving of at least 10 per cent. of the present expense, and an increase of production of at least 50 per cent., are to be reckoned on with all safety."

The total capital outlay here has been £7,865, which serves to swell Property and Plant Account in Spain.

Manganese.—The supplies obtainable this year in our neighbourhood have diminished, many of the deposits being worked out. We have, however, bought a Mine in our neighbourhood called the Escarabajo, which the proprietor had not capital enough to drain and work. We have sunk a shaft, and in doing so have got out 45 tons of fine Mineral of 72 per cent. We have put up a steam engine and pump, and M. Le Bourg thinks it will soon refund the capital invested, viz., £2,530.

I will now review our Assets, beginning with those in Spain—Works, Buildings, Machinery, and Plant.

We have taken out of this account property combining lands and houses at Corrales, representing in the Balance Sheet of 1872 a sum of £5,692, and transferred it to the Railway Account, to which it naturally belongs.

This asset, therefore, after all our writings off, both in Spain and here, is increased by £25,272. The outlay I have just named for Calañas and the Manganese Mine represents about £10,000. At Tharsis we have built up 192 houses for our workers, bringing up our number to 900. Our average population is 5,500, giving six to each house. We have also built eight houses for foremen, and three for managers and engineers, and an inn, for which we get a good rent; these in all represent an addition, after writings off, of about £8,000. The Tramway from the Centre Lode to the main line, an important work of 2,665 metres, and its equipment represent £2,500, and the working plant, including tools for Centre and South Lodes, account satisfactorily for the remainder. Any further outlay of this last kind will be borne in future by the extraction.

Railway and Pier.—To these, which are this year put into one account, we add £5,692 for Corrales Property as just explained. The capital outlays on both this year amount together to the large sum of £29,025. This sum is represented by a new fifteen-ton Crane for the Pier; and for the Railway, two large six-wheeled Loco-

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motives, eighty-five Waggons, and eight iron Brake-vans, bringing up our locomotives to seventeen, and our waggons to 516. The cost of these has been £11,000. We have replaced iron rails by steel, crediting this account with the value of the iron rails, which we utilise on the Mine. The remainder has been spent on increased station accommodation, a house for our Locomotive Superintendent; but chiefly on our great Corrales Depot.

With our increasing business it is absolutely essential to us to have a large stock of Ore at our shipping place. This costly erection, which is chiefly of iron, with lines of Railway on two levels, and complete tipping arrangements, will contain 30,000 tons of Ore. It was not quite finished at the end of the year, but is now approaching completion.

M. Le Bourg reports that our Railway "is in as good a state as it can be, and that we shall save largely by the substitution of steel." The fall in the price of coals and materials, coupled with the increase of Mineral carried, will reduce our heavy costs of last year, which were 6½d. per ton more than those of 1872. The public traffic promises to be a considerable source of revenue. Last year it yielded us a net profit of £4,296; this year M. Le Bourg expects it to amount to £10,000.

Mr. Morrison, so long our Assistant-Manager here, is now our representative at Huelva, and is devoting himself energetically to the duties connected with our shipments.

Stocks in Trade in Spain are increased by £14,661, due entirely to larger stocks of general stores for the Mine, the Railway, and Workshops. The Waste Heaps, or Washed Ore Heaps, have been written down by the sum of £4,607, being the difference between the value of the Copper obtained from them and the amount debited to them for Washed Ore added during the year. When we took over these Barbasco heaps, as they are called in Spain, from the French Company, they contained 287,571 tons, which at 3s. per ton amounted to £43,135, the price we paid for them. We have since added to them all our washed Mineral, bringing up the total at the end of the year at Tharsis and Calañas to 855,532 tons, which, taken at 3s. per ton, would amount to £128,328; but at the low price at which we have debited our additions together with the Copper obtained from these heaps, this account now stands at £25,402 —equal to 7⅛d. per ton. They will soon be written off altogether,

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when, to use M. Le Bourg's language in his Report, "their yield of Copper will be wholly profit, and not cost the Company, except for the Pig Iron which will be used in producing it." (Applause.)

The San Telmo Shares.—£16,283 have been written off, as explained, and cannot occur again, and £10,000 off Miscellaneous Assets.

The £19,535 standing at debit of Prepaid Royalties will be refunded to us by our exports of this year.

Owing to diminished extraction and a considerable sum charged to this account for masonry to sustain solidly the North Salband on which run the trains that carry the spoil, the debit to the Overburden Account is increased by £4,222. M. Le Bourg estimates that in three years the whole of the overburden will be removed, so that we need have no uneasiness as to the gradual realisation of this legitimate asset.

I will now deal with our English assets. First,—Works, Buildings, Machinery, and Plant, stand at £276,100. Our capital outlay under this head for the year has been £87,086. We have written off £14,159, making a net addition to the account of £72,928. This is entirely represented by outlay on our two new works and land. The figures are—

£49,500	at Cardiff.
19,160	at Willington.
2,700	Land at Staffordshire.
1,000	Widnes.
570	Depot at Garngad.
£72,930.	

The additions made to our Old Works, which were considerable, particularly at Garngad and the Tyne, have been met by the depreciation.

I look now on the Capital Account of your Old Works as closed, so far as the present wants of the various districts are concerned, and the annual writings off will gradually reduce the sums standing at their debit.

For the completion of Willington and Cardiff Works there is a further outlay going on. When they are finished, which will take place in the course of 1875, we shall have a plant capable of dealing with 200,000 tons of cinders, being the produce of 280,000

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tons of Pyrites, and of refining 10,000 tons of Copper. This, of course, does not apply to the present year, but to the ultimate capabilities of our Metal Works.

Stocks in Trade in Britain.—This asset stands at £239,989 against £448,303 last year, a reduction of £208,314, due to smaller stocks of Burnt Ore, Copper in process, Refined Copper, and Pyrites. Seeing the number and extent of our Works, we are not likely to get our stocks in process much if at all below the figure of the present Balance.

The only remaining account on this side of your Balance Sheet is Dr. on Open Account, which is considerably swollen by deliveries of Ore and Copper invoiced but not paid for.

On the other side your indebtedness on bills and open accounts is increased by heavier drafts on you from Huelva, and by larger trade accounts.

The only other account here calling for notice is your Railway Sinking Fund and Renewal Accounts, which are credited with a further sum of £11,130, after paying interest on your Debentures, and now stand at £68,619, 16s. 4d.

I have now reviewed, perhaps at too great a length, the position of our Company, and I look on it as a stronger one than when I last addressed you. (Applause.) On your capabilities of extraction at the Mine and calcination at the Metal Works your prosperity depends. Quantity affects in no small degree all your costs. Upon it depend the Copper contents of your Ore brought home, and of your cinders for your Works, as well as the production of Precipitate at your Mines. In short, the quantity extracted will always be the measure of your profits, though, of course, affected by prices and costs. Of a large extraction we are now assured, both for the present and future years. Looking to this fact, and to the nature of the products we supply—the very necessaries of life to an industrial community—I can hardly conceive of an undertaking which has a more solid basis on which to rest its success than the Tharsis Company. (Hear, hear, and applause.)

I now come to the question of your Capital. From the first we have endeavoured to keep it as small as possible. With our good credit we have always got on very comfortably, but the amount fixed in permanent works is now so large that we think it necessary to increase the capital, and the Board adopts Debentures as being

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the more economical method of doing it. We, therefore, ask powers from you to increase our Debentures by £150,000. We are looking hopefully forward to the closing of our Capital Accounts both here and in Spain. After that our writings off will tend materially to strengthen the financial position of the Company.

In conclusion, I have only to tender the acknowledgments of the Board to M. Le Bourg and the Managers and whole staff, both in Spain and this country, for the ability and zeal with which they have done their duty to the Company. (Applause.)

With these remarks, I beg to move the approval of the Report.

Mr. M'CAIG—I beg to move an amendment.

The CHAIRMAN—The motion has not been seconded yet.

Mr. ARCHIBALD S. SCHAW—In rising to second the motion for the adoption of the Report, I may perhaps be allowed to add that the Board fully share the Chairman's confidence in the sound and satisfactory state of the Company. (Hear, hear.) Personally, I have always had a very deep stake in the Company, and I never felt more convinced of the value of my property than I do at the present moment. (Applause.) I may also be permitted to say that the heavy and steady holdings of the other Directors form the best proof that their confidence in the Company has never for an instant wavered.

Mr. M'CAIG—I beg leave to propose an amendment to this effect—"That out of the alleged balance at the credit of the Company, a Dividend at the rate of 10 per cent. be declared, payable on the eighth day of May next, and that a Committee of Inquiry be appointed to report on the whole concern before the November dividend is declared." (Hear, hear.) The account that is now put into our hands I regard as disappointing to the Shareholders in the highest degree. It is painfully humiliating to the Board of Directors and to the Chairman. I do not know how the permanent staff may feel over it. The very first thing that meets your eye is an increase in the assets on works, buildings, and machinery in Spain, of no less a sum than £92,000. Certain explanations were given as to the substitution of steel rails, and other things that swallowed up this enormous figure, but to my mind the explanation given by the Chairman is not satisfactory. At all events, the most searching inquiry is necessary, in order that we may ascertain how this large sum of £92,548, 15s. 9d. is added to that part of the

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assets. Coming now to the Railway and Shipping—there is no less a sum than £34,710, 9s. 6d. added to that capital asset. It is also desirable that we should see how this has been got at. As for the Stocks in Trade, we find that they are reduced to £403,000, as against £597,000 last year. Now, it is absolutely necessary that these Stocks in Trade should be inventoried for us by an independent valuator, a person in whom we could have confidence,—(hisses) —so that we should know whether they exactly represent the figure stated. Last year you had a most flourishing Report, and you declared a dividend of 40 per cent. I believe the concern a good concern. I believe a sound mine has been bled to death by 40 per cent. being declared last year, when the Directors said they were making the concern like the great Scotch Banks, which only pay dividends after they are actually earned. But what did they pay that dividend out of? They paid it out of £16,000 and some odd hundred pounds for a mine in Spain. That was an asset given us out of which we paid 40 per cent. last year; and according to your own Report it is set down and sold this year for £500. Is that an honourable way of dealing with a large concern able to pay 40 per cent., setting down as an asset of £16,000 a mine that you know is of no intrinsic value? I believe thoroughly, from what I have been informed, and from what the Chairman has stated to-day, that the asset of £591,000, never realised in the year 1873, was this £400,000 and that £190,000—that is 20 per cent. upon your capital which has been paid away out of the capital upon an exaggerated balance. I make this statement with the greatest safety. (Hisses.) With reference to the amount of confidence to be placed in the speeches that are prepared by the Board year by year, as read out to us to-day, I may say that it was stated last year, that the consumption is now more than abreast of the supply, and that a general advance in price is likely to raise the future of the Copper market. It was in anticipation of this rise that the large percentage was declared last year. That anticipation has not been realised. Last year a of vote thanks was given to the Directors, and it was proposed that a gold cup should be presented to the Chairman. (Laughter.) I have no doubt that the finest vintages of Spain would sparkle in that burnished cup. (Hisses and interruption.) Now, sir, while I have every wish to be favourable to the Directors, there is not the slightest doubt that the Report and the speeches of last year

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had the effect, whether intentionally or not on the part of the Board, I do not say, of propping up a system of commercial puffery, and sending up the shares to an exaggerated value. We had an article the other day in the Edinburgh *Daily Review* against this Company—(Cries of "Oh, oh," and "Chair.")

The CHAIRMAN—I hope you will not be very long?

Mr. M'CAIG—I assure you I will not be very long. The Chairman feels a little restless, and no wonder he does so with such a Report before him. (Hisses.) Well, I was going to remark, with reference to this *Review*, that that paper a few months ago puffed up this same Company in the highest degree, by pointing out that it was becoming a great institution in planting schools and promoting missionary enterprise in the districts of Huelva and Tharsis. (Hisses, and cries of "Sit down.") I have not the slightest doubt—(renewed interruption.)

The CHAIRMAN—I will be very much obliged if you hear this gentleman's speech.

A SHAREHOLDER—Hear him out. (Hisses.)

Mr. M'CAIG—I am not at all unaccustomed to being hissed. (Great laughter.) I was going to state to you that this same paper a few months ago—(a voice, "Question")—puffed up this Company; and no wonder, therefore, that innocent people invested their money in such a concern as this. The miracle is that the stock did not go up to £100 instead of £53, with such a grand object in view as the conversion of Spain to the pure Presbyterian faith. (Cries of "Stop him," and "Sit down.") Gentlemen, I now wish to make this amendment, that we have entirely lost confidence in these reports—(cries of "No, no"), and that we declare now a Dividend of only 10 per cent., and wait till November comes round, and that a committee of independent gentlemen be appointed to give us a true valuation, so that we may be entirely satisfied as to the soundness of our concern.

Mr. THOMSON—Will you give me a copy of your amendment, Sir?

A SHAREHOLDER—Who is the speaker? What stock does he hold?

Mr. THOMSON—Mr. M'Caig, from Oban, who holds five shares, I think.

Mr. M'CAIG—Mr. Thomson is the servant of this Company. In order to exhibit me, he volunteers the statement that I hold

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five shares in the Company, and the Board of Directors listen to that. What right had he, without the question being asked, to state how many shares I held?

A SHAREHOLDER—I asked the question.

Mr. M'CAIG—I say it is insulting of Mr. Thomson to speak of Shareholders in that way, and he has no right to do it.

A SHAREHOLDER—Who has insulted most, I wonder?

Dr. GORDON CARNACHAN, Alexandria—In your speech, Sir, you stated that the present condition of the stock was an unfortunate thing for speculators; well, I have been no speculator. I have been an investor.

The CHAIRMAN—I said it was unfortunate for us all.

Dr. CARNACHAN—Well, I have been an investor in Tharsis Stock. I invested at £44, £46, £48, £49, and £50. I did not buy 50 or 100 shares as speculators do, but I bought cautiously in five and ten shares at a time, and paid for them. When the stock commenced to fall after last Meeting, having full confidence in the Board of Directors, and especially in yourself—(hear, hear) —I followed the stock down to average myself. (Laughter.) Oh, I think that is the right way for an investor to do.

The CHAIRMAN—Quite right.

Dr. CARNACHAN—I am a professional man, and having made a little money in the exercise of my profession, it was an investment I wanted, and not a speculation.

The CHAIRMAN—I hope you will get good interest for your money, Sir.

Dr. CARNACHAN—I followed the stock down. I bought as much as I could till the stock reached £50, and to average myself I bought at £38 and £34, and what is the consequence now? (Laughter.) They are only a half. And what is the reason of that? (Renewed laughter.) It is all very well for gentlemen who speculate to laugh, but it is not so in the case of an investor by any means.

The CHAIRMAN—Are you going to second the amendment?

Dr. CARNACHAN—I am.

Mr. THOMSON—Will you give me your name, if you please?

Dr. CARNACHAN—I shall. (Laughter.) My name is just as good as any man's in Glasgow. I went into Tharsis, I say, buying stock for investment, for, as Mr. Jonathan Thomson told

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the London people that wanted to speculate in it, it is an investment stock. I need not say any more. I invested in it on the faith of the reports of the Directors for the past two or three years, that I hold in my hands. I am not a business man like some of you gentlemen on the platform, but I see the folly of putting faith in such Limited Liability Companies, and a great many more in Glasgow are in the same state. I have much pleasure in seconding the amendment.

Mr. ROUGHHEAD (whose remarks were almost inaudible at the reporters' table) was understood to say—I wish to know from the Chairman what sum stands at our credit at this moment, so that we may know whether it will be necessary to pay the dividend out of the Capital of the Company. If you have a sufficient sum for the payment of 25 per cent. entirely at this time, I hold that, by the Articles of Association, you are bound to give us the whole of it now. According to these articles,—"The Directors may from time to time, and as often as they deem it expedient, declare and divide an interim Dividend out of the profits of the Company, and pay the same to the Members, in proportion to the capital held by each, without the necessity of calling a General Meeting to obtain the sanction of the Company." Now, I think it would have been proper last November to have made an interim dividend, however small, and then to have made a general dividend now, when we have got our accounts properly made up. I think that it is perfectly illegal for the Directors to pay a dividend without having the money entirely at the credit of the Company. You must either not declare a dividend at all, or only declare a dividend now to the amount that you have really realised. That is the legal aspect of it; and I am perfectly sure if any of the Shareholders of the Company were to try that point in the Court, they would be bound to succeed.

A SHAREHOLDER—I think the statement on that point last year was quite explicit.

Dr. CARNACHAN—There was just one thing I forgot to mention. Three months ago I was told by a clerk in an office, that the Tharsis Company would pay no more than 30 per cent., and the shares would be down to £30. (Oh, oh.) I would ask, have the Directors and Mr. Jonathan Thomson been selling their shares within the last six months?

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Mr. THOMSON—No.

The CHAIRMAN—I answer that question, by saying that the Directors hold more than one-fifth of the whole stock of the Company. Individually, I was then, and am now, the largest Shareholder. I hold now more than I did on the day when I last addressed you. As to the San Telmo Mine, to which this gentleman alluded, I do not know when he became a Shareholder; but if it was before 1872, he would have known, very exactly, the position of that asset.

Mr. M'CAIG — I became a Shareholder after the elaborate Report of last year, that I hold in my hand.

The CHAIRMAN—You were not aware then of the position of the matter.

In my statement to the Shareholders, made at the meeting held in 1872, with reference to the San Telmo Shares, the following passage occurs:—

"The San Telmo Shares, our next Spanish asset, remain in the same position as in your last Balance Sheet. There is, however, some prospect of this mine being leased to a Spaniard with a view of making Copper on the spot—and seeing, moreover, how mines less known and developed are now being taken up, we must not despair of this asset. You are already aware, however, that the taking over of these shares was made a *sine quâ non* to our getting the Calañas Mine, otherwise we should never have taken them; but I am glad to say that even with this burden, Calañas will yield us a good and increasing return."

Mr. M'CAIG—You paid 40 per cent. out of it, and gave it to us as an asset.

The CHAIRMAN—So it was.

Mr. M'CAIG—And out of that you paid 40 per cent. Was that a proper asset?

The CHAIRMAN—We paid nothing out of it at all.

Mr. M'CAIG—You did.

The CHAIRMAN—Well, if you will favour me with your figures, I will endeavour to throw a little light upon them. They do not correspond with the figures of the Report, and therefore I had some difficulty in following you. If you will come afterwards and shew them to me, I will endeavour to put you right. (Hear, hear.)

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Mr. M'CAIG—I may state in one word—("No, no," and interruption—the speaker not being allowed to proceed.)

Mr. JOHNS—I rise to order. I think it is derogatory to the Board that we should have such a discussion as this.

The CHAIRMAN—I sympathise very much with the gentleman who spoke of the value of the shares; but he was wrong in saying that they rose after my statement of last year. If I recollect aright, they fell; but I think he has taken the wise course—namely, to mend his average—and I am perfectly satisfied that if he adheres to that policy, he will have no cause to regret it.

Mr. CLAVERING—I hold in my hand the report of Mr. Roughhead's speech last year, which contrasts very much with his remarks to-day. Last year he was not content with 40 per cent., but said the Company was able to pay much more, and ought to do it. (Hear, hear.) Not only so, but he was very anxious that the whole of the dividend should be paid at once, and none in November. He also says,—"I think that we are very much indebted indeed to the Directors for their management of this Company. Nothing could be more admirable than the manner in which our affairs have been conducted; and I think that, as Shareholders, we owe them a very deep debt of gratitude." (Laughter.) What does he say now? "If it were necessary to repose additional confidence in the Directors, their Report and the statement we have just heard from the Chairman would justify such an expression." He then goes on to laud the whole affair to such an extent that I think it had better not be read; and I think it is strange that he should be so discontented this time, when he was not contented even with 40 per cent. last time.

Mr. ROUGHHEAD—It is quite true that, after the statement you made last time, I felt you had done very well for the Company. As to the 40 per cent., I thought from your speech that this year would be a far more profitable one than its predecessor. But the Articles of Association, which are our bond, contain a limitation, that we must know the whole affairs of this Company. (Prolonged interruption, the speaker meanwhile being quite inaudible at the reporters' table.) I maintain that we ought to be regulated entirely by the Articles of the Association. When I have an answer to the question, whether we have the money to divide 25 per cent., I shall make my motion.

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Mr. M'CAIG—Will the meeting allow me to read two reports? (Cries of "No, no," "Certainly not.")

The CHAIRMAN—Is any other amendment to be proposed? If not, I shall ask Mr. Thomson to read the motion and amendment.

Mr. ROUGHHEAD—I have an amendment to propose when I get the answer from you.

The CHAIRMAN—The Directors would certainly not have declared any dividend unless it had been honestly earned, and they were in a position to pay it. I think these remarks of yours are a reflection more upon the Auditors than upon the Directors.

Mr. ROUGHHEAD—No; I do not think so.

The CHAIRMAN—Do you wish to move another amendment?

Mr. ROUGHHEAD—I move as an amendment, that we only allocate the dividend to the amount that we have really realised, so that we may keep strictly within the Articles of Association.

Mr. THOMSON—You had better write your amendment, Sir, and hand it to me.

The CHAIRMAN—Does any gentleman second the amendment proposed by Mr Roughhead?

After a pause, no one responding,

The CHAIRMAN called upon Mr. Thomson to read the motion and amendment before the meeting.

Mr. THOMSON—The Chairman's motion is as follows:—"That the Report of the Directors, with the relative Balance Sheet and Profit and Loss Account for the year ended 31st December, 1873, be, and is hereby received, approved, and adopted, and that the Dividend of 25 per cent. (free of Income Tax) therein recommended, be now declared; one-half thereof, or 12½ per cent., to be paid on Friday the 8th day of May next, and the remainder on Tuesday the 10th day of November following; and that the balance of £14,762, 14s. 1d. be carried forward to the credit of the year 1874." Mr. M'Caig's amendment is as follows:—"That out of the alleged balance a Dividend at the rate of 10 per cent. be declared, payable on the 8th day of May next, and that a Committee of Inquiry be appointed to report on the whole concern before the November dividend is declared."

The CHAIRMAN then put the motion and amendment to the meeting, the mover and seconder alone voting for the latter.

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Mr. M'Caig—I beg to move that we demand a scrutiny. (Laughter.)

Mr. Mitchell—There are four Directors who retire at this time, and who are eligible for re-election. I beg to propose their re-appointment—namely, Messrs. Charles Tennant, Archibald S. Schaw, Henry Deacon, and John Wilson. I have the pleasure of knowing and respecting the gentlemen connected with the city; and I understand Mr. Deacon is well known and much respected in Lancashire, where he resides. I have no doubt that this large Meeting, with a fractional exception, will agree with me that we may place entire confidence in our Board of Directors. (Applause.) They may have been deceived occasionally as to the prospects of the Company, for few can tell what the price of any material is to be a year hence; but the large stake they have in the concern, and the arduous mode in which they discharge the duties of their office, entitle them to the confidence which I am sure we all repose in them. (Applause.) I may say that we owe the present state of our stock very much to the efforts of speculators, and I am sorry to think they have been aided in their efforts by some of our own Shareholders, who think that when a stock is unduly depressed, that is the time to sell it. I have no doubt the Company will go on steadily, and that we shall yet reap the benefit.

Mr. George Robson—I have much pleasure in seconding the resolution just proposed by Mr. Mitchell; and, notwithstanding the speech to which we have listened from the honourable proprietor of five shares, so full of fire and fury against the Directors, I have every confidence that the resolution will meet the cordial and all but unanimous assent of the meeting. Gentlemen, after the candid, exhaustive, and most satisfactory address of our Chairman, in which he has so clearly and fully explained the position and prospects of the Company, the meeting cannot, I think, hesitate for a moment about the propriety of re-electing him to the office he has so ably and efficiently filled, and electing also the colleagues who retire with him on this occasion, but who offer themselves for re-election. Gentlemen, we all feel a large amount of regret and disappointment (the Directors, I believe, most of all), that we meet on this occasion under circumstances less favourable than at this time last year. The dividend

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to be paid us has been materially reduced, and a great fall has taken place in the marketable value of the shares. Feeling, as we all do, very sensitively the reverse, temporary as I believe it to be, which has come over the fortunes of our concern, we ought yet, I think, to be gratified that we have an opportunity to-day of shewing, by the cordiality with which we pass this resolution, that we attribute the change in our circumstances solely to causes over which the Directors had no control. We ought, in my opinion, to feel it peculiarly incumbent on us to sustain and encourage them when they are called on to struggle with adverse influences, and should shew that we continue to have the same confidence for the future in their ability and zeal which we have felt in the past. With these remarks I beg to second the resolution proposed by Mr. Mitchell.

The motion, on being put to the meeting, was carried unanimously.

The CHAIRMAN—On behalf of my friends, I thank you for our re-election. I assure you it is not a sinecure to be Chairman or Director of such a Company as ours, but, on the contrary, that the position calls for much time and thought. If this year has not been as good as former years, I hope you do not attribute it to any want of zeal or earnestness on the part of the Board. (Applause.) The price of the stock is a misfortune over which the Directors have no control. I wish our friends on the Stock Exchange would treat us more tenderly; but I daresay any eloquence I might indulge in in that direction would be thrown away, and so I shall not attempt it. Let me, however, say to the Shareholders—Do not be restless or uneasy—wait for the full completiou and fruition of our works—and I am satisfied that those who wait and have the greatest faith will reap the greatest advantage. (Applause.)

Mr. JAMES WHITE of Overtoun next proposed—"That the remuneration of the Directors for their services be £4,000, as formerly awarded them." After the expression of opinion on the part of the Shareholders of their unabated confidence, not only in the management, but in the integrity and honesty of the Directors, it would be unbecoming in me to detain you for one moment. I am quite certain there is but one opinion among the Shareholders—namely, that we could not have a better body of men to take charge of our affairs. (Applause.)

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Mr. JOHNS—In seconding this motion, I should like to make a few remarks. As one of the original Shareholders in this Company, I should like to say that I have more confidence in the concern at the present moment than I ever had since its commencement — (hear, hear) — and for this reason, that if the Directors can be blamed at all, it is for the Spartan-like mode in which they write down everything that is possible to be written off the accounts. I don't agree with the gentleman who spoke, as holding five shares, with reference to the asset of San Telmo.

Mr. M'CAIG—I rise to a point of order. (Hisses and interruption.) I insist upon it. (Renewed interruption.)

Mr. JOHNS—I think that so far from writing off the asset now, you might have spread it over a greater number of years, and that if you had not been so lavish with the great profits made in previous years in writing down, we might now have been receiving a larger dividend. There is no doubt that your great anxiety is to have a clear Balance Sheet at the earliest possible moment; and by such a course we shall always receive the profits of the Company from year to year, just as you would in a private concern; but it will always make us liable to fluctuations. You will make a large profit one year, and less the following year, perhaps; and if we do not pay a very high dividend, people will be frightened, as that gentleman has been.

Dr. CARNACHAN—Oh, I was not frightened. (Laughter.)

Mr. JOHNS—All I can say is, that I hope the bulk of the Shareholders will draw their inspiration from a better source than he did, and will rather seek to inform themselves by perusing the Reports, than by giving heed to what they may hear from either one person or another.

Mr. M'CAIG—Forty per cent. as against twenty-five.

Mr. JOHNS—If such a course is adopted, we shall not see those violent fluctuations in our shares. I deprecated it on the occasion of last meeting, and I do so now, because we have a very growing and good concern. We had it from you that its future will probably be more prosperous than its past, and therefore we ought not to be alarmed. It is we who do damage to our own property. (Hear, hear.) I have never sold a share. I hold them now, and shall continue to do so, come what may. I would like also to say one word with reference to the next year, because we shall then,

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it appears to me, get rid of three or four elements that have been damaging this year. We shall get rid of the high price of fuel and labour, and get the fruition of our works at Cardiff when completed. You did not dwell upon that much in your remarks, but I may mention, for the benefit of the gentleman on the other side who holds the five shares—(laughter)—that it has increased by a very large amount the expenditure upon these works, which we authorised years ago, and for which special money was provided. I cannot understand how anybody should be surprised at your carrying out what you told us you were going to carry out, and what we authorised you to carry out. Well, these are three elements of profit next year that will certainly be very much to our advantage. With reference to the fluctuations of dividend that we shall be liable to, I hope the time will come when the Board—having written off everything that it is possible to write off, and that appears to be the happy result we shall soon reach—will see their way to create a reserve fund for what I shall call the equalisation of dividend—(Hear, hear) —so that everybody who comes into this Company as an investor may find that it is going to pay him 40 or 50 per cent. Instead of dividing up to the hilt every year, we should put past a sum annually, which may increase as it does in the case of every large bank, or be drawn upon to make up any little deficiency, so that we may have whatever scale of dividend the Board and the Company between them may arrive at as the desirable rate. I have no doubt that by following such a course we should get rid of those frequent panics on the Stock Exchange. You read in the papers "great excitability in the Tharsis Company;" and you ask what occasion there is for that. Why, the excitement is got up by some of those gentlemen who wish to speculate. You see the same thing as the Derby approaches every year. (Laughter.) You see great excitement at Tattersall's—some horses are wrong. You see excitement in the Tharsis market, when some great gambler says, "I will either bull or bear the Tharsis shares, or do something which will enable me to turn a penny and spend more money than I ought to spend." For that is what it comes to. Those gentlemen who gamble most, want most to spend. There is no doubt that every part of the Report shews the prosperity of the concern. There is one matter that has not been touched upon by any speaker, and which I think I ought to do, because it calls for

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our best thanks—and that is the absence of bad debts from our account. You have got in the Report before us the absurdly small amount of £2, 10s. for bad debts.

Mr. M'CAIG—Did you say absurdly?

Mr. JOHNS—I think it is an absurdly small amount. That such a state of affairs can be presented reflects the utmost credit upon the management of the Company. I was going to say a word about the Debentures; but I shall hear what other gentlemen have got to say on that point when it comes before us. I would like to refer to the mode of announcing the coming dividend. We have got a practice down South, on the part of large Railway Companies, of sending to the newspapers, at the earliest possible moment, an intimation of the dividend that is likely to be proposed. We have a great deal of speculation in the shares of various Companies; and this practice is followed with the view, if possible, of preventing people from speculating, or burning their fingers, or making large sums of money by the fears of others. I know that it is difficult to get the Tharsis people to alter anything. They believe they have got a perfect machine, and I quite agree with them; but still, I believe that every machine is capable of a little improvement. I have ascertained the existing practice this morning at the office of the Company, and it is this: that the probable dividend is sent to the Stock Exchange during the course of the afternoon upon which it is settled. The effect of that is that those who are in the Stock Exchange that afternoon know all about it, while people at a distance are ignorant of it. I would therefore suggest that this plan be altered, and that in future you should, in the evening, after business hours, send to the newspapers an intimation of the probable dividend. We should then know it all over the country at precisely the same moment—(applause)—and gentlemen would not be in the position of playing with loaded dice while others are playing with the ordinary dice. (Applause.) My honourable friend with the five shares—(laughter)—was wrong in saying that loving cups were proposed on last occasion. They were not. I was hopeful of being able to do so at this time. However, as an incentive to the Board to bring us back to our happy state of affairs, I propose to hold that over till next year. (Laughter.) I have not the least doubt that it will come, and come sooner, probably, than the gentlemen who

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have been bearing our shares may desire. You have given us on the present occasion a Report with a blue cover. I do not know whether you meant anything by that. (Laughter.) There can be no doubt that the complexion of some gentlemen resembles the colour of the Report on this occasion—(renewed laughter)—but let us hope that next time it may be a rose-coloured one; and that when we meet here we shall not have submitted such an important amendment as has been proposed by the honourable gentleman on the other side. I am sure we shall all go home better satisfied—for anybody who is not pleased with 25 per cent. must be very difficult indeed to please. (Applause.)

The CHAIRMAN—Is it your wish that the motion proposed by Mr. White, and seconded by Mr. Johns, be carried? (Applause.)

Mr. M'CLURE—I beg to propose the re-election of Messrs. Moore & Mackenzie as Auditors. These gentlemen stand very high in their profession, both for ability and integrity, and, I understand, have discharged their duties to the entire satisfaction of the Directors. The remuneration I think liable to no objection, for it is very obviously not more, at least, than the duties and responsibilities of the office of Auditor justify.

Provost TODD of Peebles—I have much pleasure in seconding the motion. I am not an original Shareholder. I hold five times twenty shares, which averaged me £48, and I doubled my number this week. I would not have taken a single share if I had not had the utmost confidence not only in the Chairman but in the entire Board. I am very sorry to think that any one should have cast the reflections on the Board that have been thrown here to-day—very sorry, indeed. I did not expect such a thing. (Hear, hear.) I have the utmost confidence in the Board; and, as coming from the district to which our worthy Chairman belongs, I would say that no one is more respected in the county. (Applause.)

The CHAIRMAN—Is it your wish that our worthy and excellent Auditors, Messrs. Moore & Mackenzie, be re-elected? (Applause.)

The ordinary business being concluded, this meeting now becomes special, and Mr. Thomson will read the resolution which I beg to propose.

Mr. THOMSON accordingly read as follows:—

"That the Board of Directors is hereby empowered to borrow on Debentures, terminable in five and seven years, such a sum as,

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with the present Debenture Debt (£100,000), shall not exceed in all £250,000, and remit to the Board to carry this resolution into effect."

Mr. LEISLER seconded the motion.

Mr. M'CAIG—What is the interest paid upon the £100,000 at present?

Mr. THOMSON—Five per cent.

Mr. M'CAIG—Would it not be well to say that the interest applicable to the £150,000 shall not exceed five per cent.?

Provost TODD—I move that that be left to the Directors to settle as they think proper.

The CHAIRMAN—We will get it as cheap as we can, you may depend upon that. Is it your wish to carry this motion? (Applause).

Mr M'CAIG—I beg to move a vote of thanks to the Chairman for presiding. I have bought five shares, and I do not mean to sell them. I never lost confidence in the Directors, but I have lost confidence in the 40 per cent. of last year.

The CHAIRMAN—If you call on me I will try and recover it.

Mr. M'CAIG—Well, I will call on you.

The CHAIRMAN—I shall be very pleased to see you.

The Meeting then separated.

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MINUTES OF GENERAL MEETING.

At Glasgow, and within the Trades Hall, 85 Glassford Street, there, on Thursday the 23rd day of April, 1874, at One o'Clock afternoon, at the Eighth Ordinary General Meeting of the Tharsis Sulphur and Copper Company, Limited, convened by Circular

CHARLES TENNANT, Esq., of Glen, Chairman of the Board of Directors, presided over the Meeting.

There was a large attendance of Shareholders, holding or representing 71,219 Shares.

Mr. THOMSON, the Secretary, read the Notice calling the Meeting, as also a Certificate bearing that a Copy of said Notice had been posted to all the Shareholders on the Register of the Company. The Circular and Certificate are in the following terms:—

"THE THARSIS SULPHUR AND COPPER CO., LIMITED.

Notice is hereby given (First), That the Eighth Ordinary General Meeting of the Members of this Company is hereby convened to be held on Thursday, the 23rd day of April current, at One o'Clock afternoon, within the Trades Hall, No. 85 Glassford Street, Glasgow, for the purpose of considering the Accounts, Balance Sheets, and Report of the Directors for the year ended 31st December, 1873, sanctioning a Dividend to be then declared from the profits of the Company, and for the Election of Directors and Auditors. (Second), That a Special or Extraordinary General Meeting will be held at the same place and time, for the purpose of considering, and if approved of, adopting and passing the following Special Resolution, viz.—That the Board of Directors is hereby empowered to borrow on Debentures, terminable in five

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and seven years, such a sum as, with the present Debenture Debt (£100,000) shall not exceed in all £250,000, and remit to the Board to carry this Resolution into effect. And Notice is further given, that the Transfer Books will be closed from the 10th to the 23rd current, both days inclusive.

"By Order,

"JONATHAN THOMSON,
Secretary.

"136 WEST GEORGE STREET,
"GLASGOW, *8th April, 1874.*"

CERTIFICATE OF POSTING.

"GLASGOW, 14th April, 1874.—We hereby certify that a copy of the foregoing Circular was this day properly addressed to each Member on the Register of the Company, and posted at the General Post Office here. The circular was also inserted in the daily Newspapers.

"HUGH MACKENZIE, *Clerk.*
"JOHN LANG, *Clerk.*
"JAMES STEWART, *Porter.*

"All in the employment of the Tharsis Sulphur and Copper Company, Limited, 136 West George Street, Glasgow."

The Directors' Report, which had been previously circulated among the Members, having been held as read, the Chairman thereupon addressed the Meeting, going very fully into all the matters referred to in the Report, and concluded by moving,—

"That the Report of the Directors, with the relative Balance Sheet and Profit and Loss Account for the year ended 31st December, 1873, be, and is hereby received, approved, and adopted, and that the Dividend of 25 per cent. (free of Income Tax) therein recommended, be now declared; one-half thereof, or 12½ per cent., to be paid on Friday the 8th day of May next,

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and the remainder on Tuesday the 10th day of November following; and that the balance of £14,762, 14s. 1d. be carried forward to the credit of the year 1874,"

which was seconded by ARCHIBALD SHANKS SCHAW, Esq., Deputy Chairman.

JOHN STUART M'CAIG, Esq., Oban, moved, as an amendment,—

"That out of the alleged balance a Dividend at the rate of 10 per cent. be declared, payable on the 8th day of May next, and that a Committee of Inquiry be appointed to report on the whole concern before the November dividend be declared,"

which was seconded by Dr. GORDON CARNACHAN, Alexandria.

The motion and amendment having been put to the Meeting, the former was carried all but unanimously, the amendment being supported only by its mover and seconder, and the Meeting resolved accordingly.

It was moved by ANDREW MITCHELL, Esq., Writer, Glasgow, seconded by GEORGE ROBSON, Esq., Accountant, Glasgow, and unanimously agreed to,—

"That the four retiring Directors, viz.:—Messrs. Charles Tennant, Archibald Shanks Schaw, Henry Deacon, and John Wilson, be re-elected Directors of the Company."

It was moved by JAMES WHITE, Esq., Overtoun,—

"That the remuneration of the Directors for their services during the by-past year (1873) be the sum of £4,000, as formerly awarded to them."

This motion was seconded by JASPER WILSON JOHNS, Esq.,

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London, and carried unanimously, and the Meeting resolved accordingly.

JOHN M'CLURE, Esq., Writer, Glasgow, moved, PROVOST TODD, Peebles, seconded, and the Meeting unanimously agreed and resolved,—

> "That Mr. Alex. Moore, C.A., Glasgow, and Mr. Walter Mackenzie, C.A., Glasgow, be re-elected Auditors of the Company, to Audit the Books and Accounts for the current year, and that their remuneration for their services during the past year be fixed at the sum of £300—being £150 to each, as formerly."

This being all the ordinary business before the Meeting, it resolved itself into a Special or Extraordinary General Meeting, for the purpose specified in the circular calling the same.

The CHAIRMAN then moved that the Meeting approve of, adopt, and pass the following Special Resolution, viz. :—

> "That the Board of Directors is hereby empowered to borrow on Debentures, payable in five and seven years, such a sum as with the present Debenture Debt (£100,000), shall not exceed in all £250,000, and remit to the Board to carry this Resolution into effect,"

which having been seconded by LOUIS LEISLER, Esq., and put to the Meeting by the Chairman, was declared by him to be carried, and the Meeting resolved accordingly.

CHARLES TENNANT,
Chairman.

On the motion of Mr. M'CAIG, Oban, a cordial vote of thanks was awarded to Mr. TENNANT for his conduct in the chair.

JONATHAN THOMSON,
Secretary.

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REPORT OF THE PROCEEDINGS

OF THE

EXTRAORDINARY GENERAL MEETING

OF THE

Tharsis Sulphur and Copper Co.

LIMITED,

HELD WITHIN

THE TRADES HALL,

85 GLASSFORD STREET, GLASGOW,

On WEDNESDAY, 13th MAY, 1874.

GLASGOW:
PRINTED BY M'LAREN & ERSKINE, 257 ARGYLE STREET.
1874.

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REPORT.

A Special or Extraordinary General Meeting of the Shareholders of the Company was held on Wednesday, the 13th May, in the Trades Hall, Glasgow.

Mr. MOFFAT, of Ardrossan, one of the Directors, said—I am sorry to inform you that the Chairman of the Board of Directors —Mr. Tennant—is detained in London; and I beg to move, that in his absence Mr. Schaw, the Vice-Chairman, take the Chair.

Mr. ARROL (Director) seconded the motion, which was agreed to, and Mr. Schaw took the Chair accordingly.

Mr. JONATHAN THOMSON, Secretary, read the notice calling the Meeting, which will be found in the Minutes appended to this Report.

The CHAIRMAN—As there may be some of the Shareholders present who have only lately acquired an interest in the Company, and others who were not present at our Meeting on 23rd April, when the Resolution which I am about to propose was passed unanimously, I will ask Mr. Thomson to read one or two extracts from the Reports of the proceedings of previous years, so that they may be enlightened as to the position of the new shares of the Company.

Mr. THOMSON—The following is the clause in the Report by the Directors to the Meeting which was held on the 23rd April, referring to the issue of Debentures now proposed:—

"As authorized by the Resolution passed at the last General Meeting, the Directors renewed for five and seven years the Debentures for £100,000 which fell due on 1st December last, at a saving to the Company of £2,500 per annum. The outlay on permanent Works for the past two years has been so considerable, as to render the Capital of the Company inadequate for the large and increasing business it is carrying on; and as the interests

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of the Company require that there should still remain a margin of uncalled Share Capital, the Directors recommend the Shareholders, at the meeting to follow the present one, to pass the Special Resolution then to be submitted, empowering the Board to borrow on Debentures, terminable in five and seven years, such a sum as, added to the present Debenture debt of £100,000, shall not exceed, in all, £250,000."

The following is the Resolution by which the Report was unanimously adopted:—

"That the Report of the Directors, with the relative Balance Sheet and Profit and Loss Account for the year ended 31st December, 1873, be, and is hereby received, approved, and adopted; and that the Dividend of 25 per cent. (free of Income Tax) therein recommended, be now declared; one-half thereof, or 12½ per cent., to be paid on Friday, the 8th day of May next, and the remainder on Tuesday, the 10th day of November following; and that the balance of £14,762 14s. 1d. be carried forward to the credit of the year 1874."

The following is the Special Resolution, which was moved by the Chairman at the Special General Meeting, seconded, and unanimously adopted:—

"That the Board of Directors is hereby empowered to borrow on Debentures, payable in five and seven years, such a sum as, with the present Debenture debt, (£100,000,) shall not exceed, in all, £250,000, and remit to the Board to carry this Resolution into effect."

The CHAIRMAN—Gentlemen, Mr. Thomson has corrected the slip I made. I simply intended him to read the Resolution passed at last Special General Meeting with reference to the raising of money on Debentures; and seeing that the decision of the Company was unanimously in favour of that Resolution, and this meeting, to confirm the resolution, is simply a ministerial act required by the Joint-Stock Company's Statute, I will confine myself to moving, that our resolution, passed at the Special Meeting held on 23rd April, which Mr. Thomson has read, be confirmed.

Mr. MOFFAT—I beg to second the motion.

Mr. R. BRUCE JOHNSTON, W.S., Edinburgh—It is with very

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great reluctance that I assume a position on this occasion which may have an appearance in any degree hostile to that adopted by the Board of Directors. We have hitherto had every confidence in our Directors; and, speaking for myself, I continue to entertain that confidence, and I hope I shall always do so. I anticipated, gentlemen, from a remark which the Chairman made when he first rose, that we were to receive some little explanation from the Directors to-day in regard to the reason why they ask us to confirm the resolution passed on the 23rd April last. I speak, of course, with reference to the Chairman's remark as to the new shares. All those Shareholders of the Company who have paid any attention to its reports and accounts, are very well aware that this question, which has been submitted for our approval to-day, affects chiefly the interest of the new Shareholders You are aware of the circumstances, no doubt, in which the Capital of this Company was originally increased from £300,000 to £1,000,000. That was done by a special resolution of the Company, passed in September, 1868, if I remember rightly. According to my reading of that resolution, it was, at all events, at that time the intention of the Directors that the whole £10, forming the capital of these new shares, should be called up. I do not in the least degree dispute that circumstances might afterwards arise which not only might justify, but positively call upon the Directors so far to abandon that resolution—that is to say, not to call up the full amount of the Capital unless it should be actually required. In proposing the amendment, therefore, with which I intend to conclude, I am not here to contend that the Directors are obliged to call up this unpaid £3 per share. My position, and that of those whom I represent, is rather to object to the Directors borrowing any additional sum upon Debenture—at least until these £3 shall have been called up. (Hear, hear.) I do not think that I require to say very much, gentlemen, to satisfy you all that, looking at this question in the interest of the new shareholders of the Company, as distinct from that of the old, this is a step which must prejudice them. If we were dealing with the common interest of the Company—which, I humbly submit, the Directors are called upon to regard in this, as in all matters—the power of the Directors and the expediency of the Directors exercising the power of borrowing—supposing that competent, instead of

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calling up any additional capital—is quite obvious. It is, undoubtedly, in the interest of the Company, if you can get money borrowed at a lower rate of interest on security with which the public are content—and the security of this Company is unquestionable—that this should be done. But what we submit, with all deference, is, that the effect of this borrowing is really to raise a fund of credit, in order that the Company—speaking of the Company as a whole—may, to a great extent, trade at the risk and expense of one class of the Shareholders only—the new Shareholders; and we maintain that this course is inexpedient and incompetent. You will observe, that if this sum of £150,000, which it is proposed to borrow, is raised in this way, the security that is offered to the lenders is the security of the unpaid capital of the new shares. We must put a hypothetical case, that we may really understand the effect of the Directors' proposal. Suppose, for a moment, that this Company were to turn out unfortunate; you are all aware that the security against which these lenders would first come is the unpaid capital of the new shares. The old Shareholders, having paid up in full, cannot be called upon for any further liability. No doubt the Works and property of the Company would remain liable; but the old Shareholders can never be called upon to pay any further sum in respect of their shares. Now, that is one aspect of the question, but there is another, namely, that the old Shareholders, whose risk is at an end, receive the full advantage of the high dividends which this Company has fortunately been able to pay hitherto, while the new Shareholders receive advantage of them only partially. The Company get the benefit of borrowing at a low rate of interest; and the new Shareholders are now getting a high dividend on £7, while the old Shareholders are receiving it on £10. But if it were a mere question of expediency, we would not take the position we are doing to-day. It is because we consider, and if I may be allowed to say so, have been well advised, that the course the Directors propose to take is illegal, that we object to it. I may state that we have consulted eminent counsel, both in Scotland and England, on this matter. They have taken the whole Articles and resolutions of this Company, and the Acts relating to Joint-Stock Companies, into consideration, and they advise us that it is illegal for the Directors to do this until the

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unpaid Capital shall have been called up. I should like if you will permit me just to refer to one or two observations made by the Chairman at one of the annual meetings since the original resolution to increase the Capital was passed in 1868, shewing still further, that until now it has all along been the intention of the Directors, if the extended operations of the Company came to require it, to call up this unpaid Capital, rather than to borrow any further sum on debenture. In addressing the annual meeting in April, 1872, the Chairman expressed himself to this effect:— "Whilst on the subject of adding to our Capital, I may as well "reply to the complaints that have been made by some of the "holders of the new shares—£7 paid. They are, naturally, very "desirous of having the remaining £3 called up, and consider it "somewhat of a hardship that this has not been done on the present "occasion. The position, however, is simply this: the shares we "are about to issue were reserved for the special purpose to which "we are now devoting them, and our present proceeding is merely "carrying out faithfully the original programme of the Amalga- "mated Company. It is matter of congratulation that our pros- "perity enables us to do so, on terms which not only confer a "benefit on the whole of our Shareholders, but give the Company "a clear profit of £100,000." I ask special attention to the words which follow: "The rights of the holders of the new shares to "furnish any further capital that may be required for the future "purposes of the Company, have, therefore, been in no degree "invalidated, and they will, I need not add, be always respected "by the Board." Now, gentlemen, I ask you to consider that sentence in juxtaposition with the one which I shall now read. At the meeting held last month, the Chairman said, "I now "come to the question of your Capital. From the first we have "endeavoured to keep it as small as possible. With our good "credit, we have always got on very comfortably; but the amount "fixed in permanent works is now so large, that we think it "necessary to increase the Capital, and the Board adopts Deben- "tures as being the more economical method of doing it. We, "therefore, ask powers from you to increase our Debentures by "£150,000." I think we have here a frank and plain admission by the Board, that their object in borrowing this £150,000 is to increase the Capital. Now, with all deference, I think I may

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say, that even the competency of adopting that course by a Limited Liability Company may be seriously questioned,—I say borrowing at all for the avowed purpose of increasing the Capital. Borrowing for temporary purposes, I admit, is, undoubtedly, perfectly legal, however inexpedient it may be; but the proposal here is to borrow for permanent works; in short, as I read the papers in connection with this Company, to adopt a perfectly different mode from that which the Directors told us in 1868, when they created this Capital, and again in 1872, they would adopt in order to get the requisite Capital for their extended operations. On these grounds, gentlemen, I beg to submit as an amendment, "That the resolution passed on the 23rd April last be not con-"firmed; and resolve that no additional Debenture debt shall be "incurred by the Company until the remaining Capital of £3 per "share of the 31,100 new shares shall have been called up." I have also been asked to hand in a protest, on behalf of certain Shareholders who are not present, against this resolution being confirmed.

Mr. DAVID M'LAREN, Leith, seconded the amendment.

Dr. ADAM PATERSON rose, but gave way to

Mr. JAMES INGLIS, Glasgow, who said—I would like to ask if there is any clause in the Articles of Association authorizing the Company to borrow on Debentures? I think if there is a clause of that kind, it will help to clear up the matter. If there is such a clause, perhaps the Secretary will be kind enough to read it.

Dr. PATERSON—There is no such clause. Intentionally no such clause was put into the Memorandum and Articles, because it was not contemplated, at that time, that borrowing powers would be required. But I suppose I shall not be contradicted when I state, that a special resolution, passed and confirmed in accordance with the Act, has the same effect as a clause engrafted into the original Contract; and if such a special resolution, which has already been passed, is to-day confirmed, what my friend holds is an omission—which it was not—is entirely supplied.

I was about to rise when Mr. Inglis' question was put, to say that I think it of importance that the Shareholders should gravely consider the terms of this amendment. I could quite understand the amendment if it were simply to the effect that the special resolution be not confirmed, although even that I would consider

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somewhat startling of itself. The necessity for the resolution was plainly reported to the Shareholders at last General Meeting. The money was wanted for purposes which were very specifically stated. The Report was adopted and approved of unanimously by the General Meeting; and at the Special Meeting which immediately succeeded, the special resolution before you to-day was passed also unanimously—authorizing this money to be borrowed. However, I do not dwell upon that; I rather wish to make sure that the import of the amendment as it has been put here, as involving the Directors' powers in the matter of the unpaid Capital of the £7 shares, is clearly seen in all its effects. I do not think that Mr. Johnston would willingly introduce into his amendment any passage which would import a subversion of any standing Rule of the Company's Constitution, and not only a subversion of a standing Rule in that Constitution, but implying, at the same time, the introduction of an entirely new one in its place. Now, I wish to direct your attention to Section 4 of the Company's Articles, which I will read,—"The Directors may from "time to time make such calls upon the members in respect to "the monies not paid on their shares as they may think fit." I hold it to be clear, under that clause, that the absolute discretionary power in the matter of calling up unpaid Capital is with the Directors. (Hear, hear.) Now, does not this amendment imply that that proviso of the Contract is to be ignored? and not only so, but does it not substitute something else in its place—which is, that the Directors are to have no control in the matter at all, and that they, the Shareholders who are debtors in the £3 call, shall have all the control in determining when that money is to be paid, and in what proportion, and, of course, at what times, that they should have this matter entirely in their own hands; and that the Directors shall have nothing to do with it? The Directors are only to hold out their hands when the Shareholder himself comes, and take the money which he thrusts into their hands, whether they have called it or no, and whether they need it or no. Now, I am quite prepared, as responsible adviser of this Company, to say, that that is not a competent amendment, so far, I mean, as it is based on an assumption questioning the Directors' power to call the unpaid Capital. I think it especially incompetent at this Special Meeting, confined to a ministerial

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object and purpose, to make any allusion at all to the unpaid Capital. I think you are bound to act by the Constitution, which cannot be more emphatic than the printed word of the deed, that the Directors have the entire control of calling up the Capital. Now, I do not think, and I am prepared to advise you, that, searching the minutes of the proceedings of the Company and Directors from beginning to end, you will find any clause that deprives the Directors of their power under the 4th section of the Contract. All that passed at General Meetings implied a knowledge of this article, and its observance. There, no doubt, are desultory passages, (Hear hear,) but in my reading they rather go entirely in the opposite direction. One of these is a passage in the report of the speech of the Chairman at the meeting in the year immediately preceding that from which Mr. Johnston read. It says—"There remains uncalled £92,913 on your new shares, "which their holders would gladly, I am sure, pay up. I certainly "would do so myself gladly enough, seeing that they would at once "participate in the 10 per cent. dividend; and, besides, if one is to "give another reason, the market value of their property would be "improved. But it would not be to your interest to call up this "additional Capital. It would add little or nothing to our means "of carrying on the business. We must not forget that we are a "Limited Liability Company, of not very old standing; and that "were all our Capital paid up, we could not obtain those financial "facilities which, you will infer from the large amount standing at "the debit of bills and open accounts, are freely accorded to us. "The Capital on which we pay dividends is already very large, "and your Directors think any addition to it is much to be de-"precated." Beginning with the proceedings of 1868, and going onward to the present day, there are no passages in these proceedings which recall the 4th section of the Contract, leaving it entirely in the discretion of the Directors to call or not to call, as they deem fit. On the contrary, one can point to these incidental passages, taking them as a whole, and especially to an expression in the minute of 1868, which goes expressly to shew that these £7 paid shares were not to be called up in full. Not that the Directors were to be debarred from calling them up if they chose, because that would have been to deprive them of this discretionary power which the Company itself

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conferred on them. But I think enough was said in these Annual Meetings to convey to the Directors,—who, in common with every Shareholder, got prints of these proceedings,—to convey to them, as an instruction from the General Meeting, that the balance upon that class of £10 shares (that balance being £3) was not to be called up, but to be retained in reserve until it should be necessary to call it up in the Directors' discretion. The reason for that has never been concealed; it has been frankly disclosed in all these proceedings, and to all the Shareholders; and in my view it is a cogent reason. We are to remember that we are not a mere statutory company, of the character of a railway or other undertaking, confined, however large, to an isolated object. We are a large manufacturing and commercial co-partnership. This is a Company that has undergone, from its outset until now, a very rapid and great extension and expansion. The cost of expensive new buildings and railways, and all the other items which I need not detain you with, are set forth in these Annual Reports—shewing you are getting equivalent assets for all. It is an incident in the history of any Company, especially of a Company of this character, that you may be abruptly, perhaps, or at least you may be occasionally called upon to provide a considerable advance of money; and we all know that that is at once handily got from your banker if there be the security of a certain amount of unpaid Capital. It is not with the Board a matter of powers—these are clear—it is a matter of policy in the administration of the affairs of the Company; and if you let in by a side wind any recall of the powers of the Directors to make these calls as they think fit, you not only recall an article in the co-partnership, but you deal a blow at the executive and administrative power of the Company. (Hear, hear.) I may, if I have not detained you too long,—I may read to you, as containing the summary of what I have now said, the opinion I gave the Directors on this matter.

"1. The Directors' duties in carrying out *the Company's borrow-*
"*ing powers* is one thing.

"2. The Directors' powers of calling up Capital is another and
"a separate thing.

"3. Mixing up the two, it is understood to be contended by one
"or more of the £7 paid Shareholders, that the Directors must not
"exercise the borrowing powers, unless and until they call up the

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"balance of unpaid Capital on these shares; and until then they "must not borrow.

"In my opinion the Directors have the power to do both and "either; and it is a power which has no limit but the discretion of "the executive.

"1. The power to borrow is in the Special Resolution passed "and about to be confirmed. It enacts the borrowing powers, "and remits to the Directors 'to carry the same into effect.'

"2. The power of calling up Capital is conferred by the Com- "pany's Article, Section 4, which empowers them to do so as they "see fit.

"It is a matter of *policy*, and not a question of *power*. The "policy has been, hitherto, to borrow money only where it had "been, or was immediately to be expended, on Works or Property "representing assets. And the policy, in dealing with unpaid "Capital, has been to leave a margin available at the Bankers "for such an occasional overdraft as might be incidental in the "working and development of a great manufacturing and com- "mercial Company. All the Shareholders have been apprised of "this.

"Upon the experience of not a few years, that policy has shewn "itself to good account.

"It is the policy of the *Company*, and it is the Company alone "who can alter or subvert it. And the Company's determination, "*on sufficient cause shewn*, can be easily and constitutionally *obtained* "*by those who desire it.*

"In the most favourable view for the objectors, a case of hard- "ship of a fortuitous kind, partial in its operation, as affecting a "small section of those £7 paid shares, (and a smaller section of "the whole Shareholders,) even if such a case were made out, "would not justify a Court in interfering with the discretionary "powers and policy of the Company, as exercised by them for the "general behoof."

I give these humbly as my own views, and for what they are worth; but I do not shrink from the responsibility of advising you to act on them.

Mr. ALEXANDER FRASER, Glasgow—As a holder of £7 stock to a considerable extent, I rise to say a few words. I may say that I have, along with some of my friends, given a great deal

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of consideration to this subject; and I do think that if my friend Mr. Johnston and I had had a talk about the matter for some little time, we might come to be of the same opinion. The question with us has been, What is best for the interest and the working of our business? (Hear, hear.) I have every reason to say to you, it is an advantage to have the £3 called up. I for one would advocate the adoption of that policy; but in so far as doing so would, I think, decidedly interfere with the commercial working of our business in its financial department, I would oppose it. So long as we have £100,000 of a margin, our credit is always in such a position that we have nothing to do but to send our cheques to the bankers and they are honoured at once. But any one looking at the position of the Tharsis Company, and seeing the amount of Capital sunk in works and in stock, and also what the share Capital is,—the whole paid up share Capital at the present moment being, I believe, including what has been written off and for depreciation, £840,000; while there is still £60,000 to write off, the whole £840,000 being, I believe, with the exception of a very small proportion, sunk in works and property in Spain and in this country. The question for us has been—and some of us who have been talking over this matter hold their shares not in tens, but in thousands,—What is for the interest of the Company? and we are decidedly of opinion, looking at all these things, that it is not for the interest of the Tharsis Company that the £3 should be called up. (Hear, hear.) If the Directors can borrow money on Debenture—which I believe they can—instead of simply passing cheques on the banks, it would put them in a different position, for they would then have money in their hands as a floating Capital for working their business. To carry on business, as they do, with little or no floating Capital, appears a very anomalous position for such a large concern to be in; and therefore I am sure our friends, if they would really look into the matter thoroughly, would withdraw the amendment. I am satisfied they will not regret doing so. We have always worked on harmoniously before, and I regret that a small section—a very small section of the Shareholders—should take up a position of this sort. And I would like to know, even if they succeeded in preventing us from issuing these Debentures, whether the Directors would

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propose to call up this £3? Perhaps you would let us know if that has been considered by the Board, and what position they would take up if the present proposal were found to be illegal. I most certainly have great pleasure in supporting the resolution. (Hear, hear.)

Mr. ANDREW MITCHELL, Writer, Glasgow—The question before us is a very important one, and one that should be looked at in three aspects. The first is,—Is what is proposed to be done illegal? Second,—Is it expedient in the general interest of the Company? and third,—Is it in any respect inequitable to the £7 Shareholder? Now, sir, after the clear statement of our Law Agent,—which I certainly believe to be perfectly correct in law,—I hold that we cannot entertain a doubt that the action of the Board is perfectly legal. It is a question that cannot be discussed at length here; but I have no doubt whatever, from inquiries I have made, and the consideration I have myself given to the subject, that the action of the Board is perfectly legal. Then, is it expedient? That is a question very much, I think, for the Board themselves to consider. The Board are the best judges of what is expedient for the general interest of the Company as a whole, apart from the sectional interest of any class of Shareholders. It appears that the Board—it has been strongly stated to-day—think that a reserve of money to the extent of £100,000 is very desirable, and perhaps essential (Hear, hear) to the general interests of this Company. The members of the Board are very large holders of stock,—I know they hold between one-fourth and one-fifth of the Capital of this Company, and I have ascertained that they hold their due proportion of new shares; so that in regard to the Board, this question is not a personal one. (Hear, hear.) I go further, and I say that the action of the Board is not inequitable to the £7 Shareholder. In looking back to the history of this stock, I find that it was created in September, 1868, in the proportion of one share to two shares of £10 each, then called up. It was distributed in this proportion to the existing Shareholders; and at the time a distinct indication was given that £5 only were to be called in the interest of the Company, although some further sum might be subsequently required.

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Mr. JOHNSTON—When?

Mr. MITCHELL—In January, 1870.

Mr. JOHNSTON—That is not in the Special Resolution.

Mr. MITCHELL—It is reported to the Shareholders. The Chairman says—"The financial statement shews that we propose to "issue new Capital to the amount of £311,000, in £10 shares, and "that calls to the extent of £5, amounting to £154,948, must be "made on this stock. We believe that will be sufficient until our "imports become so large that our metal companies require con-"siderable extension. When that takes place we shall have to "spend something on these works." Well, in January, 1870, £2 more were called up, making £7 in all, which, I think, was as much as the Shareholders were entitled to consider would be called up. But these shares were dealt with as fully paid-up shares in the issue of stock in April, 1872, for they got an allocation of the stock, not in the proportion of £7, but in the proportion of £10. I think, therefore, that, looking at the whole facts of the case, the £7 shares have been fairly dealt with; but I submit that the question before us is not the interest of one section of Shareholders, but the general interest of the Company, which would be seriously impaired by our not having this margin of Capital to meet contingencies. (Hear, hear.)

Mr. R. S. MUIR, Glasgow—I just wish to ask one question. If the Company had been paying 3½ per cent., would the Directors have called up the £3 per share? (Applause.)

The CHAIRMAN—We would have taken that into due consideration, according to our circumstances.

Mr. MUIR—I think that is the way to put it. I think the proposal is not fair to the £7 Shareholder.

Mr. JOHNSTON—Will you allow me a word or two in explanation? I am sorry to see that I have been, to some extent, misunderstood, and particularly that the terms of the amendment have been misunderstood by Dr. Paterson. I am not here in the position of asking the Directors to resolve to call up this unpaid Capital. Very far from it. I conceive we have nothing to do with that. That is a matter for the Directors to consider, and it is their discretion alone that should be looked to in regard to that question. All that we deprecate is this borrowing, thus adding to the risk of one section of the Shareholders—the new Shareholders—to the

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exclusion of another section—the old Shareholders—until the whole body of the Shareholders are put on a par. You will observe—and it has been brought out most forcibly by the gentlemen who have spoken on the other side—that we are not on a par with them, and that the Shareholders have not all one common interest in the affairs of this Company. The Directors represent practically, in all their course of action in this matter of borrowing, the interests of one section. (Cries of "No, no.") Excuse me; I think I shall demonstrate it to your satisfaction. You cannot doubt it when I tell you that the old Shareholders represent about three-fourths of the Capital of the Company. I knew, as a matter of course, that even if I had brought forward every new Shareholder to this meeting, we must be in a minority. Let me ask you to consider the question in this view. We have practically no say in the administration of the affairs of this Company; all the more in the view Dr. Paterson has propounded —with which, to a great extent, I may be allowed to say I agree —as to the weight and large discretion which the Courts give Directors as representing a body of Shareholders; but we are not in the position of questioning that. I am quite aware of Article 4, to which Dr. Paterson referred; and if it is anything to the Directors to know, I may state that the counsel whom we consulted had that very specially brought under their notice; but they gave it no such interpretation as Dr. Paterson has done; and I cannot conceive, with all deference to him, that it is capable of that interpretation, when you consider that it was passed long before the special resolution which created the new shares. Not that I doubt its applicability to every Shareholder in the Company at this present time—(Hear, hear)—I don't doubt it for a moment; but is there not a question that overrides that? The new Shareholders were parties to a contract with the old Shareholders; and the simple question at issue in this whole matter really is, Whether the old Shareholders have fulfilled their contract with the new, or rather propose to fulfil it by borrowing the additional £150,000? That is the question, and I beg you will not shirk it. The real question at issue is, Are you to break the contract on the faith of which we became holders of new shares? No doubt Dr. Paterson referred us to some remarks which the Chairman made at a previous meeting. I had that passage

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marked specially to read, but I did not want to trouble you unnecessarily. One little sentence in it reads to this effect. Dr. Paterson read it, but if you will allow me, I will read it again:—"It would not be to your interest to call up this additional Capital." Who is the *your* referred to there? (Hear, hear, and a voice, "You.") If that were so, I would not be here proposing an amendment. It would not be my interest. I happened once to be an old Shareholder of this Company, and I tell you frankly, if I had been still, I would have understood the force of that *your* as applying to me. It did so then. But I now happen to be a new Shareholder only, and therefore am not in the same position. Will any one tell me that the word *your* has any application to me? On the contrary, it is antagonistic to my interest. If you understand the word *your* in the sense of applying it to the majority of the Shareholders of the Company, I agree that it does. It is to the interest of three-fourths. Why? Because three-fourths of the shares are held by old Shareholders. But it is not in the interest of the comparatively small quantity of the stock held by new Shareholders; certainly not. Their interest, as every one in this room knows, is antagonistic to that of the old Shareholders in regard to this proposal to borrow £150,000, and, as has been pointedly brought out by a question to the Chairman, will continue to be, so long as you pay a dividend at a higher rate than that at which you are able to borrow on Debenture. You paid 40 per cent. dividend last year, and you borrow at 5 per cent. on Debentures; so that the 35 per cent. of difference earned is divided, not in equal proportions among the Shareholders, but in the ratio of £10 to one section of about three-fourths, and of £7 to the remaining section of one-fourth. In short, the proposal is to borrow at the risk of the new Shareholders, and for the benefit of the old Shareholders. Now, gentlemen, allow me to mention an analogous case that happened with regard to another Company, where I quite admit the steps for borrowing taken by the Board were competent; and if the circumstances had been the same in the case of this Company, the proposal of our Directors would have been beyond all question on the part of any individual Shareholder. In the case of the other Company, the special resolution created new shares, but it was expressly stipulated that only a portion of the Capital was to be

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called up. If that had been the case here, there would have been a binding contract of a different nature between the old and the new Shareholders, and we would have been bound by it; but we would have gone into it with our eyes open; whereas, in the actual case of this Company, not only were we not told that the money was not to be called up, but the special resolution expressly bears that the additional Capital of £700,000 "shall be used and employed as follows;" and it goes on to specify four different sums, which, when made up, exactly exhaust the £700,000. Is not that a contract between the old and the new Shareholders? Yet it is proposed to depart from it; not merely to depart from it for a temporary purpose, but for permanent works—for the very works specified in that resolution. I have just a single word to say before I sit down, and it is in consequence of a remark made by a gentleman on my right, that an indication was given at the first, that only £5 of the new Shares would be called up. It reminded me of a very significant circumstance that came to my knowledge only to-day. It appears that it was originally intended by the Directors to stipulate, in the resolution of September, 1868, that only a part of the new share capital was to be called up. That was the form the resolution assumed when it was submitted to the meeting. But it is not the form in which it appears in the Articles of Association of the Company; the only form in which I have ever seen it, and in which it appears in the register of Joint-Stock Companies—thus shewing still more forcibly that while it may have been originally intended to call up only a part, that idea was abandoned, and the Resolution was passed on the footing of the whole being required. (Cries of "No.") That is my reading. I may be wrong, but I cannot put any other meaning upon it. (Hear, hear, and cries of "Vote.")

Dr. PATERSON—The reservation of the Capital was expressed in a somewhat complicated table. The figures in that table were not put into the recorded resolution, but my friend knows as well as I do that this resolution, having been recorded and engrafted on the Contract, enabled any inquirers to go back and ascertain the actual position of the matter. My friend is also omitting to notice the fact, that the reservation of these shares, and the limit put upon them in respect of the call, was constantly before the Shareholders at their General Meetings, and every Shareholder knew it.

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Allow me further to correct Mr. Johnston when he starts the doctrine, that in this Company we have two separate contracting parties. It is not so. It is an amalgamated Company. The original Tharsis Company absorbed all the Companies; they are now one concern. Nor do I require to tell you, that when these second Shares came out they were allocated to the original Shareholders, and were wholly taken up by them; and any one who has purchased this £7 stock has acquired it from the original Shareholders. One word more about the opinions of counsel. I was prompted, but I forbore, to rise to order. I have the utmost respect and deference for opinions of counsel, but in discussions of conflicting interests in public Companies I never quote them, I never refer to them, so much depends on the case submitted. I do not mean to say that Mr. Johnston's case was not fairly submitted; but according to the case laid before them, men of equal minds view matters from a different point of view, and reach a different result.

The CHAIRMAN—I would close the discussion with one or two words. The subject has been so fully exhausted in all its bearings by Dr. Paterson, Mr. Johnston, Mr. Fraser, and Mr. Mitchell, that the one or two points on which I meant to touch have been already taken up. I only wish to add, that there is not the slightest doubt that Mr. Johnston has made what he considers an exceedingly strong point—that this money has been expended on fixed works.

It is very true that the Capital supplied has been laid out on fixed works; but it does not follow that it is to be fixed permanently. Any one who refers to the documents laid before us annually, must see that there is a large amount of our Capital fixed, for the time being only, in permanent works. There is a large amount fixed in Overburden Account, Royalties paid in advance, and Miscellaneous Assets. But these will all fall in to supply Capital for the working of the concern. In these circumstances, is it prudent for us to call up money, which, in the course of two, three, four, or five years, might be unnecessary? Does any one of us know a Company that is likely to flourish by having a large surplus Capital? My experience has been, with Limited Liability Companies, that the tighter the money is kept in hand the better. People never work so economically as when they have just enough,

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and no more. We look forward to a large sum of money coming back, and being made available for the working of the concern out of these Assets to which I have referred. In addition to that, the depreciations on various works have not been so large as they will be for the future, for the simple reason, that these depreciations will fall, for the future, to be written off a much larger amount of Capital invested in them; and we look forward to this loan on Debentures as being a temporary measure; and I think decidedly that it is for the interest of the Company, not only of the £10, but of the £7 Shareholders, that it should be looked upon in that light. Of course the Directors hold very largely of the £7 shares, as well as of the others; and I do not think there has ever been a question raised at the Board, on which there was any disposition to take a personal view in regard to the management of the Company's affairs. I would simply add, that the remarks I have just made are intended to apply to Mr. Muir's question. He asks, whether we would have called up the £3 on the £7 shares, provided we had been paying a dividend of 3½ per cent.? The question of paying 3½ per cent. depends upon the profits of the year; but it does not follow that we would call the £3, for we would first of all have to consider, that if we got back money from these Assets, the £3 would become unnecessary, and therefore the 3½ per cent. could not be a guide to us in calling up the money.

Dr. PATERSON—I must, as legal adviser to the Company, advise the Chairman to put the amendment, under reservation of its competency. You could not change this 4th article of co-partnery except by a special resolution passed and confirmed. By implication you are objecting to it by this amendment. I do not wish to change the amendment, but it must go into the minute that the Chairman put it to the Meeting under reservation of its competency.

A show of hands was then taken, when six Shareholders voted for the amendment. The motion was afterwards put, when the great proportion of those present held up their hands in favour of it, and it was then declared to be carried by a large majority. Four, out of the six Shareholders who voted for the amendment, having tabled a Protest against the motion, a vote of thanks was awarded to the Chairman; after which the meeting separated.

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MINUTES OF SPECIAL GENERAL MEETING.

At Glasgow, and within the Trades Hall, 85 Glassford Street, there, on Wednesday, the 13th day of May, 1874, at Twelve o'Clock Noon, at a Special or Extraordinary General Meeting of the Tharsis Sulphur and Copper Company Limited, convened by Circular, dated 4th May, 1874.

In the unavoidable absence of CHARLES TENNANT, Esq., of the Glen, Chairman of the Board of Directors, ARCHIBALD SHANKS SCHAW, Esq., Merchant, Glasgow, Vice-Chairman, was asked to preside, and took the Chair accordingly.

There was an influential attendance of Shareholders, holding or representing 55,283 Shares.

Mr. THOMSON, the Secretary, read the Notice calling the Meeting, as also a Certificate bearing that a Copy of said Notice had been posted to all the Members on the Register of the Company. The Circular and Certificate are in the following terms:—

"THE THARSIS SULPHUR AND COPPER COMPANY LIMITED.

"Notice is hereby given, That a Special or Extraordinary General Meeting of the Members of this Company will be held within the Trades Hall, No. 85 Glassford Street, Glasgow, on Wednesday, the 13th current, at Twelve o'Clock Noon, for the purpose of confirming the following Special Resolution, unanimously passed at the Extraordinary General Meeting of this Company, held on 23rd ultimo:—viz., 'That the Board of Directors is hereby empowered to Borrow on Debentures, terminable in Five and Seven Years, such a sum as, with the present Debenture Debt (£100,000),

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shall not exceed in all £250,000, and remit to the Board to carry this resolution into effect.'

"By Order,

"JONATHAN THOMSON,
Secretary.

"136 WEST GEORGE STREET,
"GLASGOW, *4th May, 1874.*"

CERTIFICATE OF POSTING.

"GLASGOW, 13th May, 1874.—We hereby certify that a Copy of the foregoing Notice was properly addressed to each Member on the Register of the Company, and posted at the General Post Office here.

"HUGH MACKENZIE.
"JOHN LANG.
"JAMES BROWN.

"All in the employment of the Tharsis Sulphur and Copper Company, Limited, 136 West George Street, Glasgow."

The CHAIRMAN then moved,—

"That the Special Resolution, just read by the Secretary, and which was unanimously passed at the Special General Meeting of the Company, held on the 23rd April last, be now confirmed;"

which motion was seconded by JOHN MOFFAT, Esq., Ardrossan, a Director of the Company.

R. BRUCE JOHNSTON, Esq., W.S., Edinburgh, moved as an amendment,—

"That the Resolution passed on the 23rd April last be not confirmed; and resolve that no additional Debenture Debt shall be incurred by the Company until the remaining Capital of £3 per share of the 31,100 new Shares shall have been called up;"

which was seconded by DAVID M'LAREN, Esq., Merchant, Leith.

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At this stage of the proceedings a Protest was tabled on behalf of four absent Shareholders.

Thereafter several Shareholders, as also the Law Agent of the Company, addressed the Meeting. Before proceeding to vote, Dr. Adam Paterson, as legal adviser of the Company, instructed the Chairman that the amendment could only be voted upon under reservation of its competency. On that footing the amendment was first put, when there voted for it six Shareholders personally present, and one Shareholder present by proxy, together representing 425 £7 Shares, and 310 £10 Shares, or 155 votes. The motion was then put to the Meeting, when there voted for it 61 Shareholders personally present, and 333 Shareholders present by proxy, together representing 18,409 £7 Shares, and 36,139 £10 Shares, or 9282 votes. The Chairman then declared the motion to have been carried by a large majority, and the Meeting resolved accordingly. The mover and seconder of the amendment, along with other two Shareholders, who adhered, laid a Protest on the table; after which a vote of thanks to the Chairman terminated the proceedings.

ARCHD. S. SCHAW, *Chairman.*
JONATHAN THOMSON, *Secretary.*

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REPORT BY THE DIRECTORS

TO THE

NINTH ORDINARY GENERAL MEETING

OF THE

Tharsis Sulphur and Copper Co.

LIMITED,

TO BE HELD WITHIN

THE TRADES' HALL,

85 GLASSFORD STREET, GLASGOW,

On THURSDAY, 22nd APRIL, 1875.

GLASGOW:
PRINTED BY M'LAREN & ERSKINE, 257 ARGYLE STREET.
1875.

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REPORT BY THE DIRECTORS.

In presenting their Report for the year 1874, the Directors regret that they must first refer to the loss which the Company has sustained through the sudden and lamented death of their General Manager in Spain, Mons. A. Le Bourg. He was struck down by apoplexy on the 28th November last, while engaged in the office at his accustomed duties, and died on the 2nd December. His death created a profound sorrow; and he was followed to the grave by almost the entire population of the district. The Board held him in much esteem; and the Directors deem it only a just tribute to the memory of a most able officer of the Company, to place this on record with the Shareholders.

The vacancy caused by the death of Mons. Le Bourg has been filled by the appointment of Mr. James Morrison, at that time the Company's Representative in Huelva, and formerly Assistant Commercial Manager in the Head Office at Glasgow. The knowledge of the Company's affairs acquired in both positions, peculiarly qualify Mr. Morrison for the responsible charge now entrusted to him; and the Directors believe that, in his hands, the Company's interests will be ably administered.

In response to a requisition of the Shareholders in July last, the Directors authorized the issue of a circular, containing a Comparative Statement of the figures of Extraction and Production from the Mines and Metal Works during the first six months of 1873 and 1874 respectively. It is understood by the Board that a similar Comparative Statement for the second six months of these years was looked for by the Shareholders soon after the expiry of the financial year 1874. As such a Statement has not been issued, some disappointment may have arisen. The explanation is, that owing to the unexpected death of Mons. Le

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Bourg occurring near the close of the year, a delay took place in getting the voluminous Accounts, Inventories, and Statistics for the year completed; and the final and authentic figures were not received at the Head Office till within ten days of the announcement of the dividend. To have interrupted the work connected with the balance at that time, so near to the issue of the present Report, appeared to the Directors to be unwise and unnecessary; and it is hoped the Shareholders will be of the same opinion. But the policy of issuing interim, and, therefore, incomplete Statements, is very questionable; and your Directors, on due reflection, are of opinion that, in the interests of the Company, they should not be continued.

Following the usual order of the Report, the Directors now refer to the

THARSIS MINES.

North Lode and Open Cast.—The uncovering of the Mineral has been actively prosecuted during the year, and there were removed 217,615 cubic metres of earth, at a cost of £24,167. The Mineral extracted refunded the sum of £19,902, leaving a balance of £4264 13s. 3d. to be added to the Overburden Account. This work must be carried on for a few years longer, when it may be suspended, as the large quantity of Mineral then available will meet an extended demand upon the Company for many years to come. It will be seen that, when the uncovering becomes suspended, the large annual credit borne by the Mineral taken away will rapidly extinguish the Overburden Account; and the future surplus from this charge can either be carried to a Reserve Fund, to provide for further outlays of this nature, or at once go to cheapen the costs of raising the Ore.

There were extracted from this Lode, during the year 1874, of Large Ore, 376,676 tons, and of Small Ore, 25,697 tons, making a total of 402,373 tons, being an increase over the year 1873 of 111,207 tons. This large output must be considered satisfactory, and has enabled the Company to recoup the balance of the Advance Royalty Account. The costs of extraction includes the removal of a considerable quantity of hard sterile Ore, which stood in the

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way of satisfactorily working the Lode; but, notwithstanding this, and a slight increase of wages, the cost per ton of Mineral raised is almost identical with that of last year. The Copper contents of the Ore by dry assay, are also almost the same. The quantity of Mineral required from this Lode during the year 1875, will not be so large, but may be estimated to range from 350,000 to 400,000 tons.

Centre Lode.—It having been proved that a large mass of Mineral exists in this Lode, and rather richer in Copper contents than in the North Lode, it was decided, during last summer, to remove the Overburden here also, so that, in future, the Ore may be won more economically and efficiently, by means of open cast working. This was let to a Contractor, who began operations in November, and who is now prosecuting them with vigour. It is expected that this work will be completed towards the end of this year. Until then the extraction of Mineral from this Lode will be partially, if not wholly suspended. Previous to last November, there were raised 40,424 tons of Mineral, as against 26,984 tons in 1873,—being an increase of 13,440 tons. A much larger extraction will be ensured by means of the Open Cast for 1876 and succeeding years.

South Lode.—As mentioned in last year's Report, the workings here have been all but suspended for the present, to be resumed at a future time.

The total Mineral raised from the Tharsis Mines for 1874, amounted to 442,797 tons, of which 252,186 tons were sent down the Railway for shipment; 130,200 tons were erected into Teleras, for calcination on the Mine; and the balance, consisting of Small Ore, was set aside, to be treated for the extraction of the Copper by other processes.

During the year there have been built at Tharsis, 282 Workmen's Houses, 8 Foremen's Houses, and 8 Houses of a superior class for Engine Drivers, Mechanics, &c. The New Hospital has been completed. The Workshops have been extended, and made more commodious; and important additions have been made to the Tools employed therein. Cooking and Baking Ovens have been erected in connection with the Provision Store, and other improve-

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ments intended for the comfort and well-being of the work-people. These additions have required an expenditure, on Property and Plant Account in Spain, of £14,963 11s.

Exclusive of Contractor's men, there were employed at Tharsis, at 31st December, 3,733 work-people, embracing a population of 5,453.

CALAÑAS MINE.

This Mine is now in excellent order. The developments of recent years have proved that there is a large mass of Mineral here; and the state into which the Workings have now been brought, will make it a valuable addition to the Company's Mineral and Copper producing resources. The quantity of Ore extracted for 1874, was 38,425 tons, as against 39,170 tons for 1873, or a deficiency of 745 tons. The Ore put to calcination was 37,540 tons, as against 40,100 tons in 1873, or a deficiency of 2,560 tons. The Precipitate produced amounted to 1,083 tons, or a falling off of 33 tons. Now that the preparatory Works are nearly completed, we confidently look for increased results from this Mine.

The unprecedented Drought, which lasted over the whole year, has greatly restricted the Company's supply of Water, and has prevented the Washing of much of the Calcined Mineral, both at Tharsis and Calañas, thereby diminishing our production of Precipitate by nearly 2000 tons. The operations of the year have been heavily burdened from this cause, but it is hoped that in the year 1875 we will be more fortunate in this respect, and reap the benefit of the large stock of Calcined Mineral on hand. Copious rains fell during March, and more Precipitate is already coming forward.

The Barbasco, or Waste Heaps Account, at Tharsis and Calañas, has been written down, during 1874, by the sum of £4,068 2s. 5d. It now contains 927,309 tons, valued at £21,333 14s. 3d. in the Company's Books, or about 5½d. per ton, as against 287,571 tons taken over with the Lease of the Mines, at the sum of £43,135 12s. 10d., or 3s. per ton. In

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several years more this asset will be written down to nothing, and all the Copper yielded by it for the future will go to cheapen production.

During the past year labour has been abundant at Tharsis and Calañas, and the work-people have, as usual, been peaceable and industrious. Attention has been given to ameliorate and improve their social condition, and further efforts will be made in this direction.

RAILWAY AND PIERS.

These have done a large amount of work during the year. The downward Traffic amounted to 267,404 tons, while the Traffic upwards was 17,360 tons,—being a total of 284,764 tons, as against 250,727 tons, or an increase of 34,037 as compared with 1873. The public Traffic did not amount to what was expected, owing to the reduced working of Pyrites and Manganese Mines of the district, whose produce is carried by this Company. The public Traffic amounted, in 1874, to 10,024 tons, as against 10,676 tons in 1873,—or a decrease of 652 tons. The expenditure during the year for Repairs and Renewals to Rolling Stock, the maintenance of the Permanent Way, the substitution of 547 tons of Steel for Iron Rails, the completion of the Pyrites Store at Corrales, the Coal Depot at the Punta, and the extension of Tharsis and Corrales Stations, has been exceptionally heavy. The Repairs and Renewals have been charged to Revenue, as formerly, and thereby increased the cost of carriage to 7d. per ton over last year. The additions to the Railway Property and Plant Account have cost, for the year, the sum of £8,896 7s. 2d.

At the 31st December, the Plant and Rolling Stock were reported to be in good working order. They now consist of 19 Locomotive Engines, 526 Mineral and Brake Waggons, 26 Brake Vans and Trollies, and 4 Passenger Carriages.

The downward Traffic has earned, as usual, the rate of carriage charged on the Mineral shipped, from which has been deducted the interest on the £100,000 (being the first issue) of Debentures, and all other charges, leaving a net surplus of £8,675 11s., which has been added to the Railway Sinking Fund Account, which

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now stands at £71,311 8s. 1d. The upward Traffic has earned a net surplus of £1,118 9s. 7d., which has been credited to the Rolling Stock Renewal Fund Account, which now amounts to £7,102 8s. 10d. The net Profit earned by the public Traffic, amounting to £3,098 19s. 11d., has been carried to the Profit and Loss Account, as formerly.

There were shipped during the year, 260,813 tons of Large Ore, loaded into 323 vessels,—being an increase, in the shipments of this mineral, of 52,832 tons over 1873. Of Small Ore there were shipped 3,283 tons, in 9 vessels; of Precipitate, 3,150 tons, in 22 vessels; and of Manganese, 1,618 tons. The new Steam Cranes have done good service during the year; the small Cranes have been thoroughly repaired; and we can load and discharge at the Pier 1,000 tons daily, with ease, and a larger quantity when required.

METAL WORKS.

Those in operation during the year—viz., Garngad, Widnes, Hebburn, and Staffordshire—were kept regularly employed, and were never in better working order. The Willington Works were ready only during a portion of the year; and Cardiff was employed only as regards its Refineries. Within the last few weeks eight Calcining Furnaces have been lighted at Cardiff. Of the amount of £29,258 13s. 6d. added to Works, Buildings, and Machinery Plant Account in Britain, about £23,000 applies to finishing the new Works at Cardiff and Willington. All the Repairs have been charged to Revenue; and a depreciation of 7½ per cent., amounting to £14,042 18s. 3d., written off the Works in operation, as formerly, leaving a net addition to these Assets of £15,215 15s. 3d. As regards our Metal Works, the Capital Account may be considered as virtually closed, and future writing down will, year by year, permanently reduce the amount at the debit of these Works.

PYRITES, COPPER, IRON ORE, AND MANGANESE.

The total quantity of Pyrites invoiced to Customers during the year, was 240,863 tons, as against 227,854 tons in 1873.

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As previously mentioned, the Advance Royalty Account, amounting to £19,535 10s. 11d., has been recouped and extinguished.

The total Imports of Pyrites by the Board of Trade returns, amounted to 500,831 tons in 1874, against 520,939 tons in 1873.

The quantity of Refined Copper produced in 1874, was 7,210, as against 8,550 tons in 1873. This deficiency of 1,340 tons is chiefly explained by the drought in Spain, already referred to. The quantity of Refined Copper delivered to buyers was 8,236 tons, as against 8,110 tons in 1873, or an increase of 126 tons. These figures are explained by the Stocks in Store at end of 1873, sold, but not delivered till early in 1874. The net price obtained for Copper was about £5 10s. per ton less than in 1873.

The Iron Ore produced in 1874, was 145,517 tons, as against 123,355 tons in 1873, or an increase of 22,162 tons. The quantity delivered to consumers in 1874, was 148,966 tons, as against 112,580 tons in 1873, or an increase of 36,386 tons. The price obtained was 1s. 9d. per ton less than in 1873.

The Manganese delivered to buyers in 1874, was 1,894 tons, as against 1,387 tons in 1873, or an increase of 507 tons.

The purchase and outlay for Plant, and the development of the Escarabajo Manganese Mine, represents a Debit of £2,420 2s. 1d. in Property and Plant Account, to which it has now been permanently transferred.

VALUATIONS.

The principles followed in former years have been adhered to. The Spanish Inventories have been written down by the sum of £9,774 3s. 9d. debited to Profit and Loss, in addition to the sum of £8,826 10s. 0d. charged against production in Spain.

The following is a resumé of these figures for the year:—

Written down and depreciated, Spain, . .	£18,600	13	9
„ „ Britain, . .	14,042	18	3
	£32,643	12	0
Added to Railway Reserve Funds, . . .	9,794	0	7
	£42,437	12	7

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Looking to the above amount, and considering that the year's production of Copper, and consequently the Profits of the Company, have been affected by exceptional causes, it has not been thought necessary to write down the "Miscellaneous Assets," but the future depreciation of these Assets will not be overlooked.

The large increase in the Stocks in Trade in Britain and Spain, is accounted for by larger Stocks of Pyrites in store in this country, to meet the Company's engagements to Consumers, and the heavy Stock of Calcined Mineral on hand at Tharsis and Calañas remaining unwashed, owing to the scarcity of water, caused by the drought already referred to.

DEBENTURES.

As authorized by the Special Resolution passed and confirmed in April and May of last year, whereby £150,000 of additional Debentures were created, the Debenture Debt of the Company was increased, at 31st December, by the sum of £124,800. The interest paid on that amount has been debited to Interest and Discount Account. The balance of the Debentures created are being issued, and are now nearly all absorbed.

PROFIT AND LOSS ACCOUNT.

The net Profits of the year 1874, together with the Balance from 1873, as shewn by the Profit and Loss Account, amount to £229,323 16s. 3d. The Directors recommend that the sum of £225,000 be appropriated to the payment of a Dividend of 25 per cent., free of Income Tax,—the one-half, or 12½ per cent., being payable on the 10th of May next, and the remainder on the 10th of November following; and that the balance of £4,323 16s. 3d. be carried forward to the Credit of the year 1875.

RETIRING DIRECTORS AND AUDITORS.

The following Directors retire at this meeting:—viz., Messrs. Alexander Harvey, Louis Leisler, John Moffat, and Archibald Arrol. They are all eligible; and Messrs. Leisler, Moffat, and Arrol, now offer themselves for re-election; and the Directors

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recommend that they be returned to the Board. Owing to advanced years, Mr. Harvey does not seek re-election; and in parting with him, his colleagues desire to express their opinion of the value of his services to the Company during the years he has sat at the Board, and the benefit which has been derived from his varied chemical and mechanical knowledge. To fill the vacancy caused by Mr. Harvey's retirement, the Directors recommend that Mr. William Pattinson, Newcastle, be elected; and from that gentleman's high position as a chemist and chemical manufacturer, the Board will be greatly strengthened by his election to office as one of their number.

It also falls to the Meeting to elect the Auditors of the Company, and Messrs. Mackenzie and Moore again offer themselves for re-election.

By order of the Directors,

CHARLES TENNANT,
Chairman.

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Dr.

THE THARSIS SULPHUR AND CO

ABSTRACT BALANCE SHEET, as at

CAPITAL AND LIABILITIES.

To Shareholders—							
Total Authorized Capital, . . .			£1,000,000	0	0		
Less Calls not yet made on							
31,100 Shares at £3 each,	£93,300	0	0				
670 Shares Unissued at							
£10 each, . .	6,700	0	0				
			100,000	0	0		
Total paid up Capital, ...						£900,000	0 0
To Creditors—							
On Debentures, ...			224,800	0	0		
On Bills and Open Accounts, . . .			204,835	1	8		
Royalty due on Minerals as at 31st December,							
1874, ...			32,518	9	1		
						462,153	10 9
To Funds set aside to Reduce or Renew Property in Spain—							
Railway and Pier Sinking Fund, . .			71,311	8	1		
Railway Rolling Stock Renewal Fund, .			7,102	8	10		
						78,413	16 11
To Profit and Loss, being Balance at 31st December, 1874, . .						229,323	16 3
						£1,669,891	3 11

Glasgow, *12th April, 1875.*—We have audited the Books and Accounts of the Tharsis Sulph Compa that the foregoing Abstract Balance Sheet is correct, and that it exhibits a proper state of the

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COPPER COMPANY, LIMITED. *Cr.*

as at 31st DECEMBER, 1874.

PROPERTY AND ASSETS.

By Works, Buildings, Machinery, and Plant—			
In Britain, ...	£291,316 0 4		
In Spain, ...	121,009 2 1		
		£412,325	2 5
By Railway and Shipping Piers in Spain—			
Including Permanent Way, Rolling Stock, &c., . . .		378,520	18 3
By Stocks in Trade per Inventories—			
In Britain, ...	£275,669 6 8		
In Spain, ...	215,110 11 2		
		490,779	17 10
By Debtors on Open Account, ...		197,352	12 10
By Removal of Overburden Account, ...		54,997	8 9
By Miscellaneous Assets—			
Mines' Lease, Railway Concession, Cinder Rights, and General Bonus Account, ...		60,000	0 0
By Bills, Securities, Cash at Bankers and on hand, . .		75,915	3 10
		£1,669,891	3 11

Sulphur and Copper Co., Limited, for the year ending 31st December, 1874, and we certify Company's affairs at that date.

WALTER MACKENZIE, C.A., *Auditor.*
ALEX. MOORE, C.A., *Auditor.*

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THE THARSIS SULPHUR AND CO

ABSTRACT of PROFIT and LOSS ACCO

—*Dr.*—

To Income Tax, Directors' and Auditors' Fees, 1873, . .		£6,868	6 8
To Amount Written off Property and Plant—			
In Britain, ...	£14,042 18 3		
In Spain, ...	9,774 3 9		
		23,817	2 0
To Charges Account, including Management, Salaries, Law Expenses, Laboratory Expenses, ...		14,537	4 2
To Interest and Discount Account, ...		3,342	16 6
To Bad Debt Account, ...		267	16 6
To Balance, being Net Profit for Year ending 31st December, 1874, ...	£214,561 2 2		
and Balance from 1873, . . .	14,762 14 1		
		229,323	16 3
		£278,157	2 1

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COPPER COMPANY, LIMITED.

ACCOUNT, as at 31st December, 1874.

—*Cr.*—

By BALANCE carried forward from 1873, . .		£239,762 14 1	
Less Dividend paid 9th May, 1874,	£112,500		
Do. 10th Nov., 1874,	112,500		
		225,000 0 0	
			£14,762 14 1
By PROFIT for Year 1874, ...			263,394 8 0
			£278,157 2 1
By BALANCE, ...			£229,323 16 3

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AUDITORS' REPORT.

THE audit of the Books and Accounts of the THARSIS SULPHUR AND COPPER COMPANY, LIMITED, having been completed to the 31st December last, we have pleasure in renewing our expression of satisfaction with the whole system on which these are kept. As in previous years, we have been assisted in the audit in Spain by a properly qualified party, and the valuation of the Assets has had our earnest attention. Every facility has been afforded us, in discharge of our duty to the Shareholders, by Messrs. Thomson and Vérel, the Secretary and Manager of the Company.

WALTER MACKENZIE, C.A.,
ALEX. MOORE, C.A.,
Auditors.

GLASGOW, *12th April, 1875.*

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THE THARSIS SULPHUR & COPPER COMPANY,

LIMITED.

NOTICE IS HEREBY GIVEN, That the NINTH ORDINARY GENERAL MEETING of the MEMBERS of this COMPANY will be held *on Thursday, the 22nd day of April current, at One o'Clock, afternoon*, within the TRADES' HALL, No. 85 Glassford Street, Glasgow, for the purpose of considering the Accounts, Balance Sheets, and Report of the Directors, for the year ended 31st December, 1874, sanctioning a Dividend to be then declared from the Profits of the Company, and for the Election of Directors and Auditors.

AND NOTICE IS FURTHER GIVEN, That the TRANSFER BOOKS will be Closed from the 8th to the 21st current, both days inclusive.

BY ORDER OF THE DIRECTORS,

JONATHAN THOMSON,
Secretary.

136 WEST GEORGE STREET,
GLASGOW, *7th April, 1875.*

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BOARD OF DIRECTORS.

The Names are printed in the order in which the Directors retire:—

Alex. Harvey, Esq., Glasgow.

Louis Leisler, Esq., Glasgow.

John Moffat, Esq., Ardrossan.

Archibald Arrol, Esq., Glasgow.

David Wilson, Esq., Glasgow.

John Williamson, Esq., South Shields.

David Gamble, Esq., St. Helens.

John Tennant, Esq., St. Rollox.

Charles Tennant, Esq., The Glen.

Archibald S. Schaw, Esq., Glasgow.

Henry Deacon, Esq., Widnes.

John Wilson, Esq., Auchineck.

Charles Tennant, Esq., *Chairman.*

Jonathan Thomson, *Secretary.*

William A. Verel, *Commercial Manager.*

Theodore Merz, *Technical Manager.*

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REPORT OF THE PROCEEDINGS

OF THE

NINTH ORDINARY GENERAL MEETING

OF THE

Tharsis Sulphur and Copper Co.,

LIMITED,

HELD WITHIN

THE TRADES' HALL,

85 GLASSFORD STREET, GLASGOW,

On THURSDAY, 22nd APRIL, 1875.

GLASGOW:
PRINTED BY M'LAREN & ERSKINE, 257 ARGYLE STREET.
1875.

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REPORT OF THE PROCEEDINGS

OF THE

NINTH ORDINARY GENERAL MEETING

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Tharsis Sulphur and Copper Co.,

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85 GLASSFORD STREET, GLASGOW,

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GLASGOW:
PRINTED BY M'LAREN & ERSKINE, 257 ARGYLE STREET.
1875.

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REPORT.

THE Ninth Ordinary General Meeting of the Members of The Tharsis Sulphur and Copper Company, Limited, was held in the Trades' Hall, Glasgow, on Thursday, 22nd April, 1875, for the purpose of considering the Accounts, Balance Sheets, and Report of the Directors, for the year ended 31st December, 1874, sanctioning a Dividend to be then declared from the profits of the Company, and for the election of Directors and Auditors. The Chair was occupied by CHARLES TENNANT, Esq., of The Glen, Chairman of the Board of Directors. There was a large attendance of the Shareholders.

The CHAIRMAN—Gentlemen, I think One o'Clock has arrived, and I shall ask Mr. THOMSON to read the advertisement calling the Meeting.

Mr. JONATHAN THOMSON (Secretary) accordingly read the notice in question.

The CHAIRMAN—Gentlemen, the Report has been in your hands for several days, and I daresay it has met with your consideration. With your permission, I shall hold it as read, and proceed to move its adoption. In doing so on former occasions, I have been in the habit of entering somewhat minutely into the accounts and position of the Company's affairs. Our Report for the past year is, however, so ample in its details, that I only deem it necessary, on the present occasion, to make a few general observations. I think I may, in the first place, congratulate you on the result of the Company's operations for the past year. Our capabilities of extraction have been satisfactorily proved. The output at Tharsis has reached 443,000 tons in round numbers, thus enabling us to ship 264,000 tons, and to send 130,000 tons to the calcination ground—figures largely in excess of those of

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former years. We have now established such stocks of Pyrites in our great Depot at Corrales, as well as at the various centres of consumption in this country, as to give the most ample security of regular delivery to our customers. Seeing the large business we are doing, this is a safe position, and one to which we have been very glad to attain. The costs in the North Lode, where the working is almost entirely Open Cast, have been within one farthing per ton of those of last year; and but for the reasons stated in the Report, they would have been less. Those of the Centre Lode, where we are all underground, have been heavy; but they include sinking of shafts and exploratory work. With the uncovering of the Lode, which is now being actively prosecuted, this excess of cost will disappear. Our late manager and friend, M. Le Bourg, whose death we all so deeply lament, looked forward with much interest to the uncovering of this Lode. It is the one which has been more extensively worked, perhaps, by the ancients than any of the others; and he thought it would prove richer in Copper; and so far as 60,000 tons may be taken as proof, such is the case. Mr. Cowan, to whose ability and energy we are indebted for the large output from the North Lode, has made the Valuations of Plant and Property at Tharsis this year for the first time, and has taken good care that they should not be excessive. The writing down on this side has also been unusually heavy. The amount at the debit of this Asset, "Works, Buildings, Machinery, and Plant in Spain," still, however, shews an increase. But the Buildings alluded to—282 Workmen's Houses and the Hospital—have cost nearly £8000. Of this the Hospital represents £2000; but you well know the value of such an institution in a community of 5500 souls, of whom 3750 are workers; and these numbers do not include the Contractors' men. A new cart-road between the station and Centre Lode, with branches to the provision store and the village, and railway connection between Centre Lode and main line, figure for £3600; a large addition to the Tools and Service Plant, and the new Workshops, account for the rest. When we remember the large number of men that we have in our Workshops,—mechanics, carpenters, fitters, moulders, smiths, &c.,—you will at once recognize the importance of this department to the Company, both in respect of economy of production, and comfort to the men.

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Mr. Morrison reports that they will be completed in the course of a year, when they will be in such order as will enable us to continue our work for many years without further expenditure on Capital Account in this Department. The excessive drought caused us considerable outlay in obtaining water, both for the purposes of the Mine and Railway, and led us into explorations with a view to increased permanent supplies. Considerable improvement, I am glad to say, has been thereby effected in the domestic supply; and we see our way to the steps necessary to obtaining a further quantity for other purposes. The whole of this expenditure has been added to our costs on the Mine and Railway. But the effects of the drought have been much more severely felt in our Precipitating Department, and through it on our Profit and Loss Account. During the first five months little or no Mineral was washed. We began only on 1st June, and again suspended from 1st September till 8th November—in all, barely five months' washing. This year, though the rainfall has not been so abundant as usual, we are going on better; and Mr. Cowan reports, that even should no more rain fall, we have in our two great reservoirs a sufficient supply for five months. These reservoirs are filled by collecting the rainfall on the surrounding hills, which are void of all vegetation; and we are now gradually extending these gathering grounds; and in ordinary years there is, from this source, a sufficient supply of water for our Washing and Precipitating purposes. I look forward to this year's production of Copper on the Mine making amends for the shortcoming of the past, and restoring to its normal state a source of profit which has hitherto been one of our most steady and reliable. We will now look for a moment at our other important Spanish asset,—the Pier and Railway. The Pier has done its work better and cheaper than in any former year, and with the writing off, now stands at a lower sum in our books than it did at last Balance. Owing chiefly to the extraordinary amount of renewals,—we rebuilt 104 waggons, and almost renewed several of the engines,—the costs on the Railway have been unusually heavy. A portion of this outlay might, perhaps, have been fairly charged to the Renewal Fund, but it has all gone against revenue. (Applause.) The Plant is now in very good order, and this year we hope to see a marked reduction in our costs. In the outlays on Capital Account of our Railway, mentioned in our Report,

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two new Locomotives should have been included. The extension of our Tharsis Station was a necessity; and the great Pyrites Depot at Corrales, capable of storing 30,000 tons of Ore, has been completed. On it the total outlay in the last three years has been £14,000. It is proving to be of great value in the working of the Company's business. Though the total additions this year to fixed Plant in Spain have been considerable, they shew a great abatement over previous years, and I am now looking forward to the time when they will be more than covered by the annual writing down.

I now come to our Metal Works. After a long period of careful working, under the able supervision of the heads of the Technical Department, these Works have reached a high state of efficiency, and the results have been more uniform and satisfactory than in any former year. Hitherto we have had considerable differences in the costs at the various Works, owing, in a great degree, to variety in the modes of working. We have now introduced in all the Works what experience has shewn to be the best method, and the costs are now, practically, the same in all. Cardiff has made a good start with eight furnaces. This Work, which has had the benefit of all our former experience, has been built in the most substantial way, and has great capabilities of extension at a very moderate cost, should the wants of the district require it. The remodelling of Willington has been nearly completed; and it is a very nice Work, and doing well. At Garngad, we have concentrated the requirements of this district; and we are doing much better than when we had Charles Street Works also in operation. The latter, which is a valuable property, we shall dispose of when we deem it desirable. The total expenditure on Capital Account, on our four old Works last year, was only £4000, and this included Plant for an entirely new process. The writings down, therefore, will now tell very favourably on the amount standing at the debit of this Asset. (Hear, hear.)

The increase of Stocks in Trade, both in Spain and this country, have been satisfactorily accounted for in the Report. Mr. Cowan has taken advantage of the dry weather to push on vigorously with the removal of the overburden; and we look forward to effecting an economy in the cost of this operation in future. As to our prospects for the current year, to which

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I have always been in the habit of alluding, our sales of Pyrites are already nearly equal to the total of last year. (Applause.) Our deliveries to consumers are in excess of our deliveries to same date of last year. The price is a little lower, but the reduction is more than covered by the lower freights of this year. We count, as I have stated, on a larger production of Copper on the Mine, and the returns from the increased business of our Metal Works promise to be very satisfactory. On the whole, we look forward with confidence to the result of the Company's operations for 1875.

I have now only to express our acknowledgments to the heads of Departments, as well as to the other officers of the Company, both in Spain and this country, for the zeal and ability with which they have discharged their duties. With these remarks, I beg to move the adoption of the Report. (Applause.)

A. S. SCHAW, Esq., Deputy-Chairman—I beg to second the motion for the adoption of the Report.

Mr. THOMSON, Secretary—The Chairman's motion is as follows:—"That the Report of the Directors, with relative Balance Sheet and Profit and Loss Account, for the year ended 31st December, 1874, be, and is hereby received, approved, and adopted; and that the Dividend of 25 per cent., (free of Income Tax,) therein recommended, be now declared—one-half thereof, or 12½ per cent., to be paid on Monday, the 10th day of May next, and the remainder on Wednesday, the 10th of November following; and that the balance of £4323 16s. 3d. be carried forward to the credit of the year 1875." The motion was carried by acclamation.

ROBERT SMITH, Esq., of Brentham Park, Stirling—I have been asked to move the following resolution, which I do with great pleasure:—"That the three retiring Directors—namely, Messrs. Louis Leisler, John Moffat, and Archibald Arrol—be re-elected Directors of the Company; and that Mr. William Watson Pattinson, of Felling, Newcastle-on-Tyne, Chemical Manufacturer, be hereby elected a Director of the Company, in room of Mr. Alexander Harvey, who retires." (Mr. William Henderson here rose to oppose the Chairman's motion, which had already been adopted; but the Chairman having ruled that he was too late, Mr. Smith proceeded.) This motion requires little to be said

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in its support. In reference to the three gentlemen proposed to be re-elected, I may say that they are well known in this room, and the value of their services to this Company in the past is sufficient justification for their re-appointment at this time. We all regret that, in consequence of failing health, we lose the services of Mr. Alexander Harvey, a valuable Director in the past; but from all I have heard of Mr. Pattinson of Newcastle, I am sure that the interests of the Company will not suffer in any degree by his election. To many in this room Mr. Pattinson is well known. As a practical chemist he stands unsurpassed; and as the head of one of the largest chemical concerns in Newcastle, he is well known to many of the Shareholders. Indeed, I think I cannot convey to this meeting a better definition of the position of Mr. Pattinson, than to say that he is in Newcastle what our Director, whom we are all proud to see here to-day, is in Glasgow—viz., Mr. John Tennant of St. Rollox. (Applause.) I think, sir, that I do not require to say any more. (Applause.)

GEORGE GIBSON, Esq., Merchant, Glasgow—I have much pleasure in seconding the motion. (Applause.)

DANIEL AINSLIE, Esq., of The Gart, Callander—I beg to move, "That the remuneration of the Directors for their services during the by-past year, (1874,) be the sum of £4000, as formerly awarded to them." Considering the magnitude of our business, and how largely its success has been dependent upon the admirable management of our Directors, I think none of you will hesitate to approve of this motion. (Applause.)

WM. H. SCOTT, Esq., Newcastle—I have very great pleasure in seconding that motion.

The CHAIRMAN—Do you wish that this should pass? (Applause.)

JOHN M'GAVIN, Esq., Merchant, Glasgow—I beg to move, "That Mr. Walter Mackenzie, C.A., and Mr. Alexander Moore, C.A., both of Glasgow, be re-elected Auditors of the Company, to audit the books and accounts for the current year, and that the sum to be paid them for their services during the past year be £300 —£150 to each, as formerly." (Applause.) These gentlemen are so well known in Glasgow, that I need not say a single word to recommend this resolution. (Applause.)

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WM. GILLESPIE, Esq., Merchant, Glasgow—I have very great pleasure in seconding that resolution.

The CHAIRMAN—Are you willing, gentlemen, to re-elect your Auditors? (Applause.)

Councillor W. R. W. SMITH—It seems to me, after the way in which the Report and the Statement of the Chairman have been received, that a work of supererogation has been assigned to me. I suppose, however, that it is necessary I should read the motion, which I am sure you will carry with acclamation, without its being seconded. The motion runs as follows:—"That the thanks of the meeting be, and are hereby tendered to the Chairman and Directors for their services during the past year, and to Mr. Charles Tennant for presiding over the present meeting." (Applause.)

The CHAIRMAN—Gentlemen, on behalf of my colleagues and myself, I thank you very sincerely for the kind way in which you have passed the last motion.

The Meeting then separated.

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MINUTES OF GENERAL MEETING.

At Glasgow, and within the Trades' Hall, 85 Glassford Street, there, on Thursday, the 22nd day of April, 1875, at One o'Clock afternoon, at the Ninth Ordinary General Meeting of the Tharsis Sulphur and Copper Company, Limited, convened by Circular, in terms of the Memorandum and Articles of Association,

CHARLES TENNANT, Esq., of The Glen, Chairman of the Board of Directors, presided over the Meeting.

There was a large attendance of Shareholders, holding or representing 54,494 Shares.

The Secretary produced and read Circular Notice calling the Meeting, bearing a Certificate of its having been duly despatched to all the Members of the Company. That Notice and Circular are in the following terms:—

"THE THARSIS SULPHUR AND COPPER CO., LIMITED.

"Notice is hereby given, That the Ninth Ordinary General Meeting of the Members of this Company will be held on Thursday, the 22nd day of April current, at One o'Clock afternoon, within the Trades' Hall, No. 85 Glassford Street, Glasgow, for the purpose of considering the Accounts, Balance Sheets, and Report of the Directors for the year ended 31st December, 1874, sanctioning a Dividend to be then declared from the profits of the Company, and for the Election of Directors and Auditors.

"And Notice is further given, That the Transfer Books will be closed from the 8th to the 21st current, both days inclusive.

"By Order of the Directors,

"JONATHAN THOMSON,
Secretary.

"136 WEST GEORGE STREET,
"GLASGOW, *7th April, 1875.*"

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CERTIFICATE OF POSTING.

"GLASGOW, 13*th April*, 1875.—We hereby certify that a copy of the foregoing Circular was this day addressed to each Member on the Register of the Company, and posted at the General Post Office here. The Circular was also inserted in the daily Newspapers of Glasgow and Edinburgh.

"ANDREW GORDON, *Clerk.*
"JOSEPH PLUNKETT, *Clerk.*
"GEORGE YOUNG, *Clerk.*

"All in the employment of the Tharsis Sulphur and Copper Company, Limited."

The Chairman addressed the Meeting on the more important matters set forth in the Report, (which, having been previously circulated among the Members, was held as read,) and concluded by moving,—

"That the Report of the Directors, with relative Balance Sheet and Profit and Loss Account for the year ended 31st December, 1874, be, and is hereby received, approved, and adopted; and that the Dividend of 25 per cent., (free of Income Tax,) therein recommended, be now declared; one-half thereof, or 12½ per cent., to be paid on Monday, the 10th day of May next, and the remainder on Wednesday, the 10th of November following; and that the balance of £4323 16s. 3d. be carried forward to the credit of the year, 1875;"

which motion was seconded by ARCHIBALD SHANKS SCHAW, Esq., Deputy-Chairman; and being put by the Chairman to the Meeting, was carried by acclamation, and the Meeting Resolved accordingly.

It was moved by ROBERT SMITH, Esq., of Brentham Park, Stirling, seconded by GEORGE GIBSON, Esq., Merchant, Glasgow, and unanimously agreed to,—

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"That the three retiring Directors—viz., Messrs. Louis Leisler, John Moffat, and Archibald Arrol—be re-elected Directors of the Company; and that Mr. William Watson Pattinson, of Felling and Newcastle-on-Tyne, Chemical Manufacturer, be hereby elected a Director of the Company, in room of Mr. Alexander Harvey, who retires."

It was then moved by DANIEL AINSLIE, Esq., of The Gart, Callander,—

"That the remuneration of the Directors for their services during the by-past year (1874) be the sum of £4000, as formerly awarded to them;"

which motion, having been seconded by WILLIAM HENRY SCOTT, Esq., Merchant, Newcastle-on-Tyne, was unanimously carried.

It was next moved by JOHN M'GAVIN, Esq., Merchant, Glasgow, seconded by WILLIAM GILLESPIE, Esq., Merchant there, and unanimously agreed to,—

"That Mr. Walter Mackenzie, C.A., and Mr. Alexander Moore, C.A., both of Glasgow, be re-elected Auditors of the Company, to Audit the Books and Accounts for the current year; and that the sum to be paid them for their services during the past year be £300—£150 to each, as formerly."

Thereafter, on the motion of Councillor W. R. W. SMITH, the thanks of the Meeting were tendered to the Chairman and Directors for their services during the past year, and to Mr. Charles Tennant for presiding over the present Meeting; which motion was received and carried by acclamation.

CHARLES TENNANT,
Chairman.

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REPORT BY THE DIRECTORS

TO THE

TENTH ORDINARY GENERAL MEETING

OF THE

Tharsis Sulphur and Copper Co.

LIMITED,

TO BE HELD WITHIN

MACLEAN'S HOTEL,

ST. VINCENT STREET,

On THURSDAY, 20th APRIL, 1876.

GLASGOW:
PRINTED BY M'LAREN & ERSKINE, 257 ARGYLE STREET.
1876.

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1876.

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REPORT BY THE DIRECTORS.

In laying before the Shareholders the result of the Company's operations for the year 1875, the Directors consider it right to refer to the severe Commercial depression which has existed throughout the year, and which still continues. The great Manufacturing industries of the country have been severely tried; and the Chemical and Metal Trades, with which the Tharsis Company is most nearly connected, have formed no exception. Under these circumstances, it is gratifying to your Directors to be able to present a Report which, in many respects, is so satisfactory.

In the order hitherto followed, the Directors begin with the operations in Spain.

THARSIS MINES.

North Lode and Open Cast.—It was stated in last year's Report that the work of removing the overburden would require to be carried on for a year or two longer. It has been prosecuted with much vigour during the past year. The quantity removed was 231,608 cubic metres, being 13,993 more than in the year 1874. This represents about 330,869 waggons of debris; and the work was done at a cost of £23,413 12s. 4d., being a reduction of one Real, or 2½d. sterling, per cubic metre, as compared with 1874. The Mineral extracted was charged with the sum of £19,642 19s. 3d., being at the rate hitherto allowed; and the balance of £3,770 13s. 1d. has been carried, as usual, to the debit of the North Lode Overburden Account. In the Report for 1873, the Shareholders were informed that the quantity of Mineral, calculated to the depth to which this Lode has been drained, was then more than 10,000,000 tons. It must now represent a larger quantity. But if we assume that figure, the present charge on the Mineral, if permanently levied, will be

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capable of refunding the sum of £500,000, so that this Account is a perfectly sound and legitimate Asset, and will rapidly disappear whenever the uncovering is completed.

In last Report the North Lode was estimated to yield from 350,000 to 400,000 tons in 1875. The actual raisings have been, of Large Ore, 388,982 tons, and of Small Ore, 21,072 tons—together, 410,054 tons, or an increase over 1874 of about 7,680 tons. The costs of extraction have been lower by fully sixpence per ton, while the Copper contents of the Ore have been rather better.

Of the Mineral raised, 264,565 tons were sent down to the Port for shipment, and 159,802 tons were put to the Calcination ground for the production of Copper,—both quantities being partially increased from the Stocks on hand at the end of 1874. In the entrance north-west of this Lode, a large mass of Ore has been discovered, an unexpected addition to the value and resources of these Mines.

Centre Lode.—The Shareholders were informed last year that we had decided to uncover this Lode also. The operation has been carried on steadily during the year, and we hope, by the month of June, to be raising Ore from the open cast of this Lode. The Engine-House is partly erected, and the Engine and Boilers are put in place. The outlay for these preparatory works, which stands as a Debit to be written off by the Mineral as it is raised, now amounts to £9,193 3s. 10d.; and as the heaviest charges are already met, it is not expected that this Asset will be materially increased.

South Lode.—The workings remain here as last reported; and so long as there is abundance of mineral to be had from the North and Centre Lodes, no further expenditure will be incurred, until it is deemed desirable to resume explorations.

New Stores and Offices, of a better class, have been provided. A Savings Bank has been established, and is likely to prove of great benefit to the work-people,—the Deposits at 31st December last amounting to £2,889 11s. 8d. The new Hospital has been opened, and is so much more airy, clean, and comfortable, that the wounded are better cared for. An efficient medical man has

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been appointed, which has given much satisfaction to the English and Scotch employés resident at the Mines. The old Hospital has been converted into an additional School. Roads and Tramways, leading from the Centre to the North Lode, and connecting these with the Station, have been built; and new and healthier Stables for the Mules (117 in number) owned by the Company have been constructed. Eight additional Houses, of a better class, for Mechanics, have been built, and the workmen's Houses generally have been improved.

CALAÑAS MINE.

This Mine is situated about 18 miles to the north-east of Tharsis; and the Mineral obtained is entirely treated for the production of Copper there. The Ore put to calcination during 1875, was 32,143 tons, being less by 5,397 tons than the preceding year. The Ore washed was 33,710 tons; the precipitate produced 974 tons; and the quantity sent forward for shipment 988 tons. The Directors are pleased with the position and prospects of this Property. They have sanctioned the construction of another Reservoir and some additional plant, which are estimated, in all, to cost about £4,000. When these have been completed, the Capital outlay here will be closed.

The hopes held out in last Report, that the severe drought then existing was passing away, have been doomed to disappointment. The scarcity of water has again seriously interfered with the Cementation processes at Tharsis and Calañas, and prevented that increase in the production of Precipitate which had been anticipated. The steady profits arising from this source prior to 1874, have, from this cause, been entirely awanting. Advantage was taken of the dry weather to examine and thoroughly repair the Plant of this department, all the outlay being charged to production.

The increase of the Fixed Property Account, in Spain, consequent on all the various additions and improvements referred to, and after deduction of the amount written off and depreciated, is the moderate sum of £431 13s. 5d., against £14,963 11s. 0d. in 1874.

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The Barbasco, or Waste Heaps Account, has been written down at the usual rate of £4,000 for the year, and is really more valuable, although standing at so much less in the Company's Books, from the fact that no Copper was obtained from it, no washing being practicable.

As the large Reservoirs at Tharsis are now well filled with water, the Directors are glad to report that 1876 promises to be more fortunate, as regards the Cementation department, than the two previous years, the Precipitate shewing a satisfactory increase.

The Workmen have gone on steadily during the year, and the supply of labour has been abundant.

RAILWAY AND PIERS.

The downward Traffic for the year was 275,025 tons, and the upward 13,188 tons, being a total of 288,213 tons, as against 284,764 tons in 1874, or an increase of 3,449 tons. The public Traffic was 5,329 tons, as against 10,024 tons in 1874, or a decrease of 4,695 tons. The stoppage of the Lapilla Mine, the Pyrites from which was conveyed over the Tharsis Railway, and the depression in the Manganese Trade, accounts for the falling off. The Line has been put into better condition by fresh Ballasting in many places, and re-laying with Steel Rails; and these operations will be continued as opportunity offers. The number of Main Line Waggons is 513 in all, consisting of 388 wood, and 125 iron. Of these Waggons, 123 were rebuilt during the year, and many others repaired. There are 21 Locomotives, 2 Private Carriages, 16 Brake Vans, 37 Trucks and Trollies, 254 Ballast, Coal, Water, and Side Tipping Waggons, &c., all in good repair. The old Store at Corrales has been converted into a running Shed, thus avoiding the cost of a new one. The Huelva Agency Office has been removed across to Corrales, as a more convenient arrangement for the service. The Telegraph Line has been put into good working order, and a new Cable laid from Huelva to the Shipping Pier. The Pier and Cranes continue to answer well, and all are in good working order.

These improvements, together with two new Locomotives and 600 Tons of Steel Rails, have added £3,216 0s. 10d. to the amount standing at the Debit of this Asset.

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The net surplus from the downward Traffic, after deducting the Interest on the first issue of debentures of £100,000, amounts to £13,227 1s. 2d., which has been added to the Railway and Pier Sinking Fund Account. The net surplus from the upward Traffic, amounting to £1,006 8s. 6d., has been credited to the Railway Rolling Stock Renewal Fund, raising the amount at the credit of these Funds to £92,647 6s. 7d. The Profit from the public Traffic, amounting to £1395 16s. 4d., has been carried to the credit of the Profit and Loss Account, as formerly.

Of Pyrites, there were shipped 258,236 tons of Large Ore, and 2,316 tons of Small Ore, making a total of 260,552 tons, or about 3,544 tons less than 1874. Of Precipitate, there were shipped, 3,762 tons, against 3,150 tons in 1874, or an increase of 612 tons. Of Manganese, the shipments were 806 tons, as against 1,618 tons in 1874,—a falling off of 812 tons. Owing to the low and unremunerative prices ruling for this Mineral, the production of the district has much fallen off for the present.

METAL WORKS.

These have gone on steadily. The quality of the Copper continues excellent, and commands the best prices. In last report it was stated, that the Capital Account of these Works may be considered as virtually closed, and that the annual depreciations will permanently reduce the Capital invested. The Directors are glad to find that these expectations are being realized. Under the agreement for the Land at Oldbury, the Company had the right to purchase within a term of years; and as it was advisable to do so, the sum of £2,500 was expended thereon, and £625 on a portion of the Land on which the Widnes Works are situated. The further completion of the Cardiff and Willington Works required an expenditure of £8,379 5s. 3d. All the Repairs have been charged to Revenue; and a depreciation of 7½ per cent., amounting to £21,106 10s. 6d. written off, leaving a net reduction on the Fixed Property Account of these Works of £9,949 13s. 10d.

PYRITES, COPPER, IRON ORE, AND MANGANESE.

The total quantity of Pyrites invoiced to Customers during 1875, was 223,911 tons, as against 240,863 tons in 1874, or a

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decrease of 16,952 tons. The price for Sulphur was ½d. per unit less than in 1874. The total quantity of Refined Copper produced in 1875, was 8,110 tons, as against 7,210 tons in 1874, or an increase of 900 tons. The quantity delivered to Buyers in 1875, was 7,788 tons, as against 8,236 tons in 1874, being a decrease of 448 tons. This is explained by the circumstance that, the market having given way in the later months of the year, sales were postponed until the market revived; and the deliveries took place early in 1876. But the stocks of Finished Copper on hand were nearly all covered by sales prior to the end of December. The net price obtained for Copper during 1875, was £1 10s. 7d. per ton higher than in 1874.

The Iron Ore produced in 1875 was 167,777 tons, as against 145,517 tons in 1874, or an increase of 22,260 tons. The quantity delivered to Consumers was 134,058 tons, as against 148,966 tons in 1874, or a decrease of 14,908 tons. The net price obtained was 3s. 11½d. per ton less than in 1874. The depressed state of the Iron Trade has operated against this product of the Company's Metal Works, and thereby seriously diminished the Profits from this branch of the Company's business. Of late, the attention of the Blast Furnace Manufacturers of Iron has been attracted towards this article, and we are hopeful that an important additional area of consumption will ere long be opened to us.

VALUATIONS.

These have been carefully considered, and, along with the Auditors, the Board of Directors have, as usual, endeavoured to arrive at a safe Valuation. The Stocks in Trade in Britain, at the close of the year, shew an addition of £83,575 16s. 7d., while those in Spain are less by £5,099 14s. 3d. The addition is mainly due to the increased quantity of Copper in Burnt Ore, and Precipitate from the Mines,—the latter shipped towards the close of the year. The Spanish Property and Plant Accounts have been written down by the sum of £10,957 3s. 9d., charged to Profit and Loss, in addition to the sum of £7,060 12s. 10d., charged against production in Spain; and the Miscellaneous Assets have been written down £6,000.

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The following is a resumé of these figures for the year:—

Written down and depreciated, Spain,	£10,957 3 9 7,060 12 10	£18,017	16 7
" " Britain,	21,106 10 6 6,000 0 0	27,106	10 6
		£45,124	7 1
Added to Railway Reserve Funds,	£13,227 1 2 1,006 8 6	14,233	9 8
		£59,357	16 9

DEBENTURES.

The balance of the Debentures authorized in 1874, amounting to £25,200, were placed in 1875. The interest on these is debited to Interest and Discount Account, and explains the increase in that item.

PROFIT AND LOSS ACCOUNT.

The net Profits of the year 1875, together with the Balance from 1874, as shewn by the Profit and Loss Account, amount to £211,052 8s. 9d.

The Directors recommend that the sum of £202,500 be appropriated to the payment of a Dividend of 22½ per cent., free of Income Tax; the first half being payable on the 10th of May next, and the second half on the 10th November following; and that the balance of £8,552 8s. 9d. be carried forward to the Credit of the year 1876.

RETIRING DIRECTORS AND AUDITORS.

The following Directors retire at this Meeting:—viz., Messrs. David Wilson, John Williamson, David Gamble, and John Tennant. They are all eligible, and the Directors recommend that they be returned to the Board. It also falls to the Meeting to elect the Auditors of the Company, and Messrs. Moore and Mackenzie again offer themselves for re-election.

By order of the Directors,

CHARLES TENNANT,
Chairman.

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Dr.

THE THARSIS SULPHUR AND CO

ABSTRACT BALANCE SHEET, as at

CAPITAL AND LIABILITIES.

To Shareholders—							
Total Authorized Capital, . . .			£1,000,000	0	0		
Less Calls not yet made on							
31,100 Shares at £3 each,	£93,300	0	0				
670 Shares Unissued at							
£10 each, . .	6,700	0	0				
			100,000	0	0		
Total paid up Capital, ...						£900,000	0 0
To Creditors—							
On Debentures, ...			£250,000	0	0		
On Bills and Open Accounts, . . .			193,428	14	0		
Royalty due on Minerals as at 31st Dec., 1875,			40,491	15	11		
Deposits in Workmen's Savings Bank at Tharsis,			2,889	11	8		
						486,810	1 7
To Funds set aside to Reduce or Renew Property in Spain—							
Railway and Pier Sinking Fund, . .			£84,538	9	3		
Railway Rolling Stock Renewal Fund, . .			8,108	17	4		
						92,647	6 7
To Profit and Loss, being Balance at 31st December, 1875, . .						211,052	8 9
						£1,690,509	16 11

Glasgow, *12th April, 1876.*—We have audited the Books and Accounts of the Tharsis Sulp that the foregoing Abstract Balance Sheet is correct, and that it exhibits a proper state of the Com

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ND COPPER COMPANY LIMITED. *Cr.*

ET, as at 31st December, 1875.

PROPERTY AND ASSETS.

By Works, Buildings, Machinery, and Plant—			
In Britain, ...	£281,366 6 6		
In Spain, ...	121,440 15 6		
		£402,807	2 0
By Railway and Shipping Piers in Spain—			
Including Permanent Way, Rolling Stock, &c., . . .		381,736	19 1
By Stocks in Trade per inventories—			
In Britain, ...	£359,245 3 3		
In Spain, ...	210,010 16 11		
		569,256	0 2
By Debtors on Open Account, ...		135,467	11 7
By Overburden Accounts—			
North Lode, ...	£58,768 1 10		
Centre Lode, ...	9,193 3 10		
		67,961	5 8
By Miscellaneous Assets—			
Mines' Lease, Railway Concession, Cinder Rights, and General Bonus Account, ...		54,000	0 0
By Bills, Securities, Cash at Bankers and on hand, . . .		79,280	18 5
		£1,690,509	16 11

RSIS Sulphur and Copper Co. Limited, for the year ending 31st December, 1875, and we certify the Company's affairs at that date.

ALEX. MOORE, C.A., *Auditor.*
WALTER MACKENZIE, C.A., *Auditor.*

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THE THARSIS SULPHUR AND CO

ABSTRACT of PROFIT and LOSS ACC

—*Dr.*—

To Income Tax, Directors' and Auditors' Fees, 1874, . .		£6,895 12 6
To Amount Written off Property and Plant—		
In Britain, ...	£21,106 10 6	
In Spain, ...	10,957 3 9	
		32,063 14 3
To Amount Written off Miscellaneous Assets, . . .		6,000 0 0
To Charges Account, including Management, Salaries, Law Expenses, Laboratory Expenses, ...		15,365 18 10
To Interest and Discount Account, ...		7,007 7 1
To Bad Debt Account, ...		4,028 14 9
To Balance, being Net Profit for Year ending 31st December, 1875, ...	£206,728 12 6	
and Balance from 1874, . . .	4,323 16 3	
		211,052 8 9
		£282,413 16 2

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NDCOPPER COMPANY LIMITED.

LOSS ACCOUNT, as at 31st December, 1875.

—— *Cr.* ——

By BALANCE carried forward from 1874, . .		£229,323 16 3	
Less Dividend paid 9th May, 1875,	£112,500		
Do. 10th Nov., 1875,	112,500		
		225,000 0 0	
			£4,323 16 3
By PROFIT for Year 1875, ...			278,089 19 11
			£282,413 16 2
By BALANCE, ...			£211,052 8 9

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AUDITORS' REPORT.

THE audit of the Books and Accounts of the THARSIS SULPHUR AND COPPER COMPANY LIMITED, both here and in Spain, having been completed to the 31st December last, we have pleasure in renewing our expression of satisfaction with the whole system on which these are kept. The usual facilities have been afforded us, in discharge of our duty, by the Secretary, Manager, and Accountants of the Company.

ALEX. MOORE, C.A.,
WALTER MACKENZIE, C.A.,
Auditors.

GLASGOW, *12th April, 1876.*

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THE THARSIS SULPHUR & COPPER COMPANY

LIMITED.

NOTICE IS HEREBY GIVEN, That the TENTH ORDINARY GENERAL MEETING of the MEMBERS of this COMPANY will be held *on Thursday, the 20th day of April current, at Twelve o'Clock, noon*, within MACLEAN'S HOTEL, No. 198 St. Vincent Street, Glasgow, for the purpose of considering the Accounts, Balance Sheets, and Report of the Directors, for the year ended 31st December, 1875, sanctioning a Dividend to be then declared from the Profits of the Company, and for the Election of Directors and Auditors.

AND NOTICE IS FURTHER GIVEN, That the TRANSFER BOOKS will be Closed from the 6th to the 19th current, both days inclusive.

BY ORDER OF THE DIRECTORS,

JONATHAN THOMSON,
Secretary.

136 WEST GEORGE STREET,
GLASGOW, *4th April, 1876.*

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BOARD OF DIRECTORS.

The Names are printed in the order in which the Directors retire:—

DAVID WILSON, Esq., Glasgow.

JOHN WILLIAMSON, Esq., South Shields.

DAVID GAMBLE, Esq., St. Helens.

JOHN TENNANT, Esq., St. Rollox.

CHARLES TENNANT, Esq., The Glen.

ARCHIBALD S. SCHAW, Esq., Glasgow.

HENRY DEACON, Esq., Widnes.

JOHN WILSON, Esq., Auchineck.

WILLIAM W. PATTINSON, Esq., Felling.

LOUIS LEISLER, Esq., Glasgow.

JOHN MOFFAT, Esq., Ardrossan.

ARCHIBALD ARROL, Esq., Glasgow.

CHARLES TENNANT, Esq., *Chairman.*

JONATHAN THOMSON, *Secretary.*

WILLIAM A. VEREL, *Commercial Manager.*

JONATHAN DOWN,
THEODORE MERZ, } *Technical Managers.*

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REPORT OF THE PROCEEDINGS

OF THE

TENTH ORDINARY GENERAL MEETING

OF THE

Tharsis Sulphur and Copper Co.

LIMITED,

HELD WITHIN

MACLEAN'S HOTEL,

ST. VINCENT STREET,

On THURSDAY, 20th APRIL, 1876.

GLASGOW:
PRINTED BY M'LAREN & ERSKINE, 257 ARGYLE STREET.
1876.

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REPORT OF THE PROCEEDINGS

OF THE

TENTH ORDINARY GENERAL MEETING

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Tharsis Sulphur and Copper Co.

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REPORT.

THE Tenth Ordinary General Meeting of The Tharsis Sulphur and Copper Company, Limited, was held in Maclean's Hotel, Glasgow, on Thursday, the 20th April, 1876. The Chair was occupied by Mr. CHARLES TENNANT, of The Glen, and there was a large attendance of Shareholders. Mr. JONATHAN THOMSON, Secretary, having read the notice calling the Meeting,

The CHAIRMAN said—Gentlemen, with your permission I will, as on former occasions, hold the Report as read, and proceed to move its adoption. When last I had the pleasure of addressing you, I ventured to conclude my remarks by stating, that we looked forward with confidence to the results of the Company's operations for 1875. You will, I think, agree with me, that the Report and Balance Sheet now submitted fully justify that observation. Considering them with the knowledge of all their details and bearings, I look on them as the best we have yet put before you. Although our Pyrites invoiced to consumers has been 17,000 tons less than in 1874, and the price for Sulphur ½d. per unit, or nearly 2/ per ton lower, and though the profits from the Metal Works have been seriously diminished by the fall in the value of our Iron or Purple Ore, both these departments have done better for us than in 1874,—the result being, that we have a gross profit, as shewn in the Profit and Loss Account, of £278,000, in round numbers, against £263,000 in 1874. This result is due chiefly to lower costs everywhere, to a fractional improvement in the Copper contents of the Ore, an increased production in the Metal Works, and rather better prices for Copper.

The department which has failed us altogether this year, as it did also in 1874, is the Cementation or Copper Extraction Process on the Mine. After debiting this account with the heavy outlay

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for renewal and repair of Plant alluded to in the Report, and with the usual depreciations, including £4,000 off the Barbasco or Waste Heap, this department shews a small loss on the operations of the year. For the five years prior to 1874, our average profit from this source was about £32,000. In 1874, the drought set in, and has continued severe throughout 1875. During five weeks our Grande Digue was dry, and our second Reservoir, the Digue del Pino, nearly so. We took the opportunity to clean out, so far as the time would admit, the Grande Digue. We have also heightened the overflows of both, and their capacity has thereby been considerably increased. The wells sunk at various points on the Railway, especially on the lower section, promise to give an ample supply of water for Locomotive purposes; and we have added three to the tanks on the line. Rain has, I am glad to say, fallen pretty copiously since December, and we begin the year with twelve feet of water in our Grande Digue, as against three in January, 1875. There is thus a fair prospect of our Cementation being carried on without the drawbacks of the past two years. And here it gives me pleasure to mention, that in company with Mr. William Pattinson, a valued Member of our Board, Dr. Merz, one of our Technical Managers, paid a recent visit to the Mines, with the special object of examining into, and reporting on this process. He has embodied his views in a very able and elaborate report, going minutely into all the details of our experience from the first, and offering various suggestions as to more economical and efficient working. This report we have sent out to our Managers at Tharsis and Calañas for their consideration; and I am hopeful that much good will result, and that this branch of our business will gradually become, as Dr. Merz thinks it ought to become, a larger source of revenue than it has ever been.

Referring, in their order, to the subjects treated in the Report, I may state, that the outlay on the removal of the overburden has been chiefly connected with the lightening of the Lode on the south side. We are thereby liberating a large mass of good mineral, and preparing for deeper Open Cast workings. The extraction this year has been confined entirely to the North Lode, and amounts, in all, to 410,054 tons, being the largest quantity we have taken in any one year from that Lode. The costs, both underground and Open Cast, are lower than last year, but are still

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above those of 1871 and 1872. For 1876, we propose to take 350,000 tons from this Lode, and 50,000 from the Centre Lode, where we hope to be extracting from the Open Cast in June. You will recollect that we have already raised upwards of 60,000 tons from this Lode in 1873 and 1874, and that the average Copper contents were rather higher than in the North Lode. The Tramway from this Lode to the Station has been converted into a Locomotive Railway. It is 2,680 metres long; and besides accommodating this Lode, is of great service for the conveyance of goods to the Provision Store, and of Slag Ballast to the Main Line. As to our Railway, although the costs are down compared with 1874, in which year the prices of Coal and other materials were excessive, they are still considerably above those of 1871, 1872, and 1873; and there is great room for further reduction. The outlay this year for repairs and renewals of Plant has been again heavy. Mr. Cowan reports the Engines to be now in good order, and that they should require very few repairs during 1876.

The additions, renewals, and improvements, connected with our Roads, Buildings, and Plant on the Mine, have been unusually large, but, in consequence of the writings down, the amount at the debit of this asset is increased only by £432. To the Railway and Pier Account the addition is £3,216; while in 1874 these were respectively £14,964 and £8,896, or £20,212 less in 1875 than in the year previous.

We have still a little more money to lay out, but I look on our Capital Account in Spain as well-nigh closed, and the writings down will, in future, begin to tell there as they are now doing here.

The amount standing at the debit of our Metal Works, notwithstanding heavy outlays, as stated in the Report, is about £10,000 less than at last balance. These Works are in good order, and doing well. The production of refined Copper has been 8,110 tons, against 7,210 in 1874. This year our Calcination will be increased; and our production of Copper will not, I hope, fall short of 9,000 tons.

From the depressed state of the Malleable Iron Trade, the demand for our Purple Ore has suffered. Hitherto we have had to depend, almost entirely, on this outlet; but we have now some prospect of its being used in the Blast Furnace for the

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production of Pig-Iron. We have sold 20,000 tons for that purpose in the Tyne, and are in treaty for 10,000 in Lancashire. Here, also, it is being tried, the low price offering great inducement. Looking at the Metallic Iron it contains, it is perhaps relatively cheaper than any other Ore. A process is about to be worked on some scale by a Company in Lancashire for its conversion direct into Malleable Iron. The low price of our Purple Ore may thus prove the means of increasing its consumption, and adding to its future value.

In connection with our Metal Works, I may add, that for some time past we have been engaged in experimenting on a process for the extraction of the silver contained in our Ore. The quantity of silver varies a good deal, but is sufficient to make it profitable, and we have decided to try it. The plant is simple, and the outlay moderate. In the course of these investigations our Chemist at Garngad, Mr. Mayer, discovered a method of extracting the Cobalt from our Cupreous Liquors, which we have thought well to protect by patent; and we intend to carry it also into operation.

Copper, on the value of which our prosperity so much depends, has remained without much fluctuation during the year. The consumption keeps fully abreast of the production; and the Stocks in the hands of Consumers are said to be unusually low. The statistics are, in fact, favourable; and with any revival in business, Copper would no doubt participate. Within the last ten days there has been an increased demand; we have not only cleared off our Stocks, but have sold all we can produce to the end of May, the quality continuing fully to maintain its high character in the market.

Our Stocks in Trade in Britain are higher than usual, and higher than we like. They have been inventoried, however, at low values; and we shall endeavour to reduce them considerably, both here and in Spain, before the end of the year.

I have alluded, I think, to your principal Assets—the figures on the other side of the Balance Sheet speak for themselves. The Funds set aside against Railway and Pier now amount to over £92,000.

The Royalty, due 31st December, amounts to £40,491. This represents the half-yearly fixed minimum, plus the whole of the

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additional Royalties for the year. It gives me pleasure to have this opportunity of stating, that at the Annual Meeting of the French Company, M. Barthèlemy St. Hilaire, the President, paid us a most graceful and flattering compliment on the manner in which we had fulfilled our obligations as Lessees. We gladly reciprocate the same friendly sentiments towards the Conseil and Shareholders of that Company, and its distinguished president, as well as to my friend, M. Mercier, the Gérant, with whom our relations have always been most cordial and satisfactory.

I now come to the last item on this side of our Balance Sheet, —viz., the Divisible Balance. It amounts to £211,000, against £229,000 in 1874. The "Writings Off," the "Interest Account," and the "Bad Debt Account," absorb, as you will see by comparing the Profit and Loss Accounts of the two years, £21,672 more than they did in 1874, and thus reduce our dividend for the year by 2½ per cent. We carry forward a Balance of £8,552, against £4,323 in 1874.

The last subject which remains to me to notice, and one to which you may attach greater importance than to any other, is "our prospects for 1876."

We begin the year with contracts for 250,000 tons of Pyrites, and most of these contracts are for three years. This is 26,000 tons more than we delivered in 1875. The price for nearly the whole is 2d. per unit, or about 7s. 9d. per ton less than in 1875. To meet this falling off in price, we have three sources to which we must look:—

1st, Better Copper contents of the Mineral imported.
2nd, A return to Normal Profits on the Cementation process on the Mine.
3rd, Increased economy in every department.

As to the first, experience has put it beyond all doubt, that on the proper division of the Ore raised, into Export Ore and Calcination Ore, the quality of the Ore brought home depends. We now know what these proportions are, and how the selection should be conducted; and the result has been, that during the last six months the Ore sent home has been decidedly better.

Our Imports of Pyrites assayed, up till this date, are, as nearly as possible, the same in quantity as those of last year to the

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corresponding period. You will be gratified, however, to learn that the difference in the value for both Sulphur and Copper is only 2s. 4d. per ton; the improvement in the Copper contents having already recouped 5s. 5d. per ton of the fall in the price of Sulphur. With our Centre Lode in operation, we should be able to maintain, at least, our present quality Ore, if not to improve on it.

On the second source,—viz., the extraction of Copper on the Mine, I have already expressed my views. The shipments of Precipitate, for the first three months, exceed those of last year by 241 tons, and the quality is much better, as scarcity of water affects both quantity and quality.

I now come to the third source,—viz., Economy in all Departments. Last year shewed fair improvement in this direction; but our costs, both in Spain and this country, are still considerably above those of 1870, 1871, and 1872; and if we can get those of 1876 down to former standards, we shall add materially to our profits. I need hardly say that we are bringing prominently before the heads of our various Departments the necessity of the greatest watchfulness over expenditure in every detail of our business.

From these three sources we count fully to recover the deficiency in the price of our Sulphur, and I have, therefore, not thought it necessary to add to them the benefit we may derive from the probable larger deliveries of Pyrites to consumers, nor the increased Calcination and production of refined Copper in our Metal Works, both of which, I am glad to say, compare favourably with those of last year to this date.

I think I have now said all that it is necessary to say as to the position and prospects of the Company, which, to my mind, were never sounder than they are at this moment.

It only remains to me to express, on behalf of myself and my colleagues, our grateful appreciation and thanks to the heads of the various Departments, as well as to the other officers of the Company, both in Spain and this country, for the ability and zeal which they have continued to shew in the conduct of its affairs.

I beg to move the adoption of the Report.

Mr. Thomson—The following are the terms of the Chairman's

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motion:—"That the Report of the Directors, with relative Balance Sheet and Profit and Loss Account, for the year ended 31st December, 1875, be, and is hereby received, approved, and adopted; and that the Dividend of 22½ per cent., (free of Income Tax,) therein recommended, be now declared—one-half thereof, or 11¼ per cent., to be paid on the 10th day of May next, and the remainder on the 10th day of November following; and that the balance of £8,552 8s. 9d. be carried forward to the credit of the year 1876."

The CHAIRMAN—I beg to put that resolution to the meeting. Is it your pleasure that it should be carried? (Applause.)

Mr. WILLIAM M'EWEN—I beg to move that the four retiring Directors—Messrs. David Wilson, John Williamson, David Gamble, and John Tennant—be re-elected Directors of the Company. Your own statement, sir, is of such a kind, that it is unnecessary for me to say a single word in favour, either of these individual Directors, or of the Directors generally. I have gone over the Directors' Report carefully, and I have no hesitation in saying that it is the best Report we have ever had, indicating, as it does, a state of prosperity such as the Company has never attained before. I am sure the concerns of this large Company could not be entrusted to safer hands than those of the present Board of Directors; and, as we are all agreed with reference to the suitability of the gentlemen proposed for re-election, I may submit my motion without further comment.

Mr. JASPER W. JOHNS—I beg to second the motion. I should have liked to say a few words, but the Report is so exhaustive, and the remarks of the honourable proprietor, who has just sat down, are so exceedingly good, that there is really nothing to add. From the Report, which I have studied carefully, and also from the statement made by the Chairman, I am satisfied that we were never in a safer or more favourable position for large profits than we are at the present moment; and the ability our Directors have shewn in the management of our affairs, we ought to be grateful for. There is another matter coming on, I believe, just now, which I should like to speak about, and therefore I content myself with simply seconding this resolution, which, I am sure, will be carried with perfect unanimity. (Applause.)

The motion was carried by acclamation.

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The Lord Dean of Guild—The motion which has been entrusted to my care is as follows:—"That the remuneration of the Directors for their services during the past year (1875) be the sum of £4,000, as formerly; and that for the future, and until otherwise determined, the like sum shall be annually paid them as remuneration." We are all agreed, gentlemen, as to the value of the services of the Directors of this Company in the past. When they were appointed we knew them to be gentlemen who had attained great prosperity each in his own business, and had given evidence of the possession of those qualities which we look for in the management of such a Company as this. I know of no Board in which we may find combined to the same extent, practical mining, chemical knowledge, and commercial experience, all of the highest kind, and I think, that to the combination of these qualities we owe, in a very large degree, the success which has attended the operations of the Company. I feel sure that, in the handsome *honorarium* which has been paid by the Company to the Directors, they have annually expended a sum of money to more advantage than any other money that has been disbursed from the coffers of the Company. After the clear and frank exposition we have had of the position of the Company's affairs, and the confidence which, under the circumstances, we should have in its success in the future, I think it does not shew either respect to the Directors, or confidence in the stability of our Company, that the money should be voted year by year; and I have very great pleasure in proposing, that from this time forward, until other circumstances occur to alter our views on the subject, the remuneration of the Directors should continue as it is at present. (Hear, hear.)

Mr. Hugh Brown—I have much pleasure in seconding the motion just made by the Lord Dean of Guild. I am very much pleased to find that the motion is put in the form in which it now stands. I have always felt that the bringing forward of this subject annually was a thing to be regretted, and I am glad to believe that this motion will not, in future, require either a mover or a seconder.

The Chairman—Is it your wish, gentlemen, that this motion should pass? (Applause.) I can only say, gentlemen, on behalf of my colleagues and myself, that we thank the Lord Dean of Guild and Mr. Brown very much for the kind words they have

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used in proposing this motion, and you, gentlemen, for the handsome remuneration you have voted to us.

Mr. HUGH BECKETT—I beg to move, "That Mr. Walter Mackenzie and Mr. Alexander Moore, Chartered Accountants, both of Glasgow, be re-elected Auditors of the Company, to audit the Books and Accounts for the current year; and that the sum to be paid them for their services during the past year be £150 each—£300 in all."

Mr. THOMAS KINCAID—I have much pleasure in seconding that motion.

The CHAIRMAN—Is it your pleasure to re-appoint the Auditors? (Applause.)

Mr. CHARLES RANDOLPH—It gives me great pleasure to propose the motion which has been put into my hands:—"That the thanks of this Meeting be, and are hereby tendered to the Chairman and Directors for their services during the past year, and to Mr. Charles Tennant for presiding over the present Meeting." After all that has been said, and the prosperous manner in which the Directors have conducted the affairs of the Company in the past, and are likely to do in the future, I have great pleasure in proposing this motion. (Applause.)

The CHAIRMAN—We are very much obliged to you, indeed, gentlemen, for the kind way in which you have voted us thanks as well as remuneration.

Mr. ALEXANDER FRASER—I have much pleasure in congratulating our Board of Directors and Managing Officials upon the highly satisfactory Report they have been enabled to submit for the past year. Having been associated with some other Shareholders in submitting, by Circular, the proposal to give each Shareholder the option of converting his or her Shares into one-half *Preferred*, and the other half *Deferred* Shares, perhaps you will allow me to make a few remarks on the merits of the scheme, although, of course, we can do nothing further to-day than appoint a Committee to confer with our Board of Directors upon this very important matter. The Directors, and a considerable number of the Shareholders present, are aware that a similar proposal was made previous to the Annual Meeting this time last year. There being some doubt then as to the legality of the proceeding, it was considered advisable to postpone taking any

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further action in the matter until we could be quite sure of our position in this respect; and we are now glad to inform the Shareholders that we have high authority for stating that we are quite entitled to divide our Shares, as proposed by special resolution submitted to a Special Meeting called for the purpose of deciding by vote, the majority required being three-fourths of the amount represented by person and proxy. The gentlemen who recommended the adoption of this proposal feel very confident that its effect would be greatly to improve the position of our Shares generally. I suppose there is not one Shareholder here who will not admit that one effect would be to increase the market value of our Shares considerably. I would ask, What would be the average value of our Shares to-day if this proposal had been carried out last year? It seems to me there can be very little doubt that the average would be about £29, being £33 for the Preferred, and £25 for the Deferred Shares, as stated in the Circular which has been distributed amongst the Shareholders. Then, as to the stability of the average value, or even of the Deferred Shares by themselves, we feel convinced that our Deferred Shares will only fluctuate according to the fluctuation of the Dividends, and nothing like what we have experienced during the last three years. Even during the last twelve months the price of our Shares has fluctuated between £17 10s. and £29 5s., which, reckoning downwards, is a fall of about 40 per cent., and reckoning upwards, makes a difference of about 70 per cent. And all this has taken place without the slightest legitimate cause. I doubt not most of you know that this state of matters was brought about by parties recklessly selling our Shares in thousands, without having the Shares to sell, and, at the same time, circulating all sorts of false statements to further their ends, by which they doubtless succeeded in frightening many Shareholders, so as to make them sacrifice their property. On making inquiry as to the amount of Stock considered necessary for making such attacks as the Shares of this Company have been subjected to from time to time, we are informed, by some of our most respectable stockbrokers, that the whole amount of our paid-up Share Capital suits the parties referred to much better than a smaller amount would do. And they believe—that is to say, respectable brokers believe—that, by carrying out this proposal, we would put an end to such attacks,

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Now, what may we expect, in the event of this proposal being carried out, to be the position of our Share Capital? — There being, in round numbers, £680,000 of the £10 paid-up Share Capital, I think we may safely consider that about £280,000 of that amount would be placed in a Preferred state, and, of course, an equal amount in a Deferred state, and that the balance, about £120,000, would, for a time, remain unconverted. The consequence would be, that we would place our Share Capital into such divisions as would make it very unsafe for these parties to attack either the Preferred, Deferred, or the Unconverted Shares. I have no doubt that you, sir, the Board, and the Shareholders, will give those gentlemen who have been associated with myself in submitting this Circular to the Shareholders, credit for having no other consideration in view than the best interests of the Tharsis Company. I would only make a remark or two further in reference to the per centage proposed in that Circular, for the Preferred Shares to carry as a preference over the Deferred portion. As a rule, where this change has taken place in other companies, they have made the Preferred Shares carry the major portion. Looking to the experience of the past and the future prospects of this Company, we may safely fix our Preferred Shares to carry 20 per cent., as the minor portion. Believing this to be the case, I do not think it would be advisable, and we have had a great deal of discussion in reference to this very point, to make the Deferred Shares carry an absurd proportion in comparison with the Preferred. For instance, if this scheme existed at the present day, with a dividend of 22½ per cent., if the Preferred Shares only carried 15 per cent., the Deferred Shares would carry 30, which, instead of being smaller, would be actually double; and, consequently, would make the Deferred Shares more speculative, and be more likely to fluctuate to a greater extent than otherwise. I think the Chairman and the other gentlemen of the Board will agree with me in saying, that this is a question that should affect us as individual Shareholders. Each one must elect for himself what he considers best for his own interests, and I sit down leaving the thing entirely in the hands of the Shareholders. I may say, that this morning, although this Circular was only posted the day before, we have received about a hundred favourable replies.

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Of course I cannot say what amount of Stock these replies represent, but they represent a very considerable amount; and we did not expect that we should have any large number of replies until this Meeting was over, because we expected to have some discussion on the matter. As to a Committee, I may say that we had a Conference Meeting of a number of Shareholders in a friendly way, and a small Committee was appointed, who drew up that Circular. If it is agreeable to the Meeting that the same Committee be appointed to confer with our Board of Directors on this important subject, I shall be very glad to propose that they be appointed.

Mr. BLAIR, Coatbridge—Perhaps my request may not be altogether relevant, and, if so, you will excuse me, but seeing that this proposition does not emanate from the Board of Directors, we should like very much—at least I, individually, would like very much—to hear the opinion of the Chairman and his colleagues at the Board—gentlemen who have guided our concern so successfully in the past. (Applause.) Their opinion would have great weight with outside Shareholders in deciding as to how far they should act in this matter.

The CHAIRMAN—Perhaps, Mr. Fraser, you will get some one to second your motion, and so let the matter take proper form.

Mr. CLAVERING—Mr. Fraser perhaps expects me to second his motion, and I therefore do so. I think there would really be no harm in allowing this subject to be ventilated in the manner proposed. It can be discussed by the Shareholders present; and I am sure they may very safely recommend the matter to be ventilated by the Board, which has guided us so successfully hitherto. With these few remarks, I beg to second Mr. Fraser's motion.

Mr. WILLIAM M'EWEN—Is it competent to take up a question of this sort, at this Meeting, without any notice of motion?

The CHAIRMAN—I am afraid it is not; but I should not like, subject to the approval of the Meeting, to stop the discussion owing to any informality. (Hear, hear, and applause.)

Mr. M'EWEN—I think it is a pity to discuss a question of this sort without notice of motion being given; and as a great many gentlemen hold opposite views entirely from those expressed by Mr. Fraser, it would have been much better that special notice had been given that such a motion was to be

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discussed; that Shareholders might come and hear both sides of the question. I object to such a Committee as Mr. Fraser has named. I think the Directors would meet them as representing their own views; but I think it is too much to come forward and nominate a Committee entirely representing one set of views. (Hear, hear.) My opinion is, that this proposal, if carried out, would make our Stock a great deal more speculative than it has ever been before. It looks like bolstering up a concern that does not require bolstering up. (Hear, hear.) I should be sorry if this motion were carried, and a Committee named by a Meeting convened for the purpose of passing Accounts, and declaring a Dividend. I have no doubt the Board will be delighted to meet with Mr. Fraser, and as many more as hold his particular views; and I would only suggest, that if the Directors at all entertain the opinions they do—and I hope the Directors dont—they should give those who hold different opinions an opportunity of also conferring with them, and stating why they think this proposal should not be gone into.

Mr. J. W. Johns—I quite agree that it would be very undesirable to create anything like a discussion on an important matter such as this. Everybody ought to be much obliged to those gentlemen who have given this question their consideration, and to those who have so frankly spoken on the subject; but I quite agree with the last speaker in thinking that the proposal is fraught with great danger,—that there is great danger in anything like an alteration in the present system of Shares, and especially at a time like the present, when you are, as it were, emerging into something like a great future. It would be sure to be misinterpreted out of doors. Many people would say—"Oh! it is all a matter of stock-jobbing. It is only to increase the value of the Shares—only to produce more speculation in them." That misinterpretation would be everywhere adopted when the proposal came to be discussed. Then, again, sir, the appointment of a Committee, especially by a body of Shareholders, is a very serious matter. It looks somewhat like a censure upon the Board. It looks something like asking a few outside Shareholders to assist the Board in managing their business, and that is a matter fraught with a great deal of danger. Committees are very desirable when Companies are going wrong. You may then possibly stop some evil that has grown into magnitude; but when a Company

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like this is going on in a very prosperous career, the appointment of a Committee may cause a great deal of difficulty with the Board. Your Committee may come back and say, "Well, we find the Board object to what we recommend, and we want you to support us;" and then you will have pamphlet and circular after pamphlet and circular. And what is it to do? Why, simply to make some people, who think they would like a very safe security, safer than they are at the present moment. Well, no one really can imagine that a body of Shareholders will agree to put one portion of them over the other—that is, to the extent of anything like 20 per cent. The thing is absurd and monstrous. I feel great difficulty in approaching the subject properly, sir, because it seems like an attack upon the gentlemen who have been acting so well for us, as well as for themselves. If people want *safe* investments, they must take 5 per cent.; and I would like to ask the proposer of this resolution, Is he prepared to take the Preferred shares at 5 per cent., because that is a very *safe* security? If you take the case of the London and North-Western Railway 5 per cent. Debenture Stock, you will find that it is fetching £120 or £125 in the market. People should go into that class of security who want their money very safe and secure. I, for one, would like to remain an ordinary Shareholder, and get the balance. (Laughter.) I do not approach the subject quite in the same light as the honourable proprietor who has proposed the motion. (Renewed laughter.) Then, again, we should have to ask, How are the preference Shareholders to vote—what part are they to take in our future meetings? If their Dividends are to be quite secure, are they to vote upon the general undertaking? That is, are they to vote on how we should divide our profits? or are they prepared to take their Preference Dividends, and have no voice in the future management of the Company? because we cannot allow them to be *safe* in every direction. If they are to be safe in their pockets, they must not interfere with our management of the concern; and we should look upon you as our Directors, and not theirs. They would practically become Debenture holders. The matter is surrounded with a great many questions that it is impossible to deal with at the present moment. I have no doubt that many of the parties who have returned assents to the circular, imagine, that by concurring at once, they are going to get 20 per cent. safe for

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evermore. They never think how it is to be done, but simply regard this as a proposition, that they are to have a safe 20 per cent. if they concur therein. Well, I do not think that, as business men, we should lay much weight upon such a concurrence as that, unless the Shareholders heard both sides of the story; and I hope sincerely that the Meeting, while thanking these gentlemen very much for all the trouble they have taken, will not listen to their proposal for a moment. (Laughter and applause.) You often find it better to "let well alone." You are going on very well here, and it does not matter what the prices of your Shares are, so long as you get good Dividends. Then the object of these gentlemen is not to sell their Shares, but to hold them—to make them more valuable to hold as security. Well, what extra Dividend is it to give them? It won't put a single sixpence in their pockets, and I do not see the reasoning at all in the matter. We understand that in the South, when a Railway changes its Shares into two classes, it really means only more stock-jobbing. But the cry in Railway Companies for some years past has been consolidation. Then you have an old lady who wants to buy some Stocks or Shares, getting Preferred instead of Deferred Shares, and she says, "Oh! dear me, I did not want these; I want something else,"—you would thus get into interminable confusion; and the outside public would almost look upon it as something that was intended to hoodwink them, or to hide something. At present you have a very simple arrangement, with no preferences at all—simply a division of the whole profits among the whole Shareholders; and I beg to ask, what more simple transaction could you have? (Applause.) I do not think it would be desirable to postpone the settlement of this question. I hope gentlemen who have thought about the matter will state their opinion to the Board, who will thus be strengthened when the gentlemen favouring this proposal come to talk it over. I am sure, sir, that both you and the Board will give them every consideration; but I hope, at the same time, that you will see the body of Shareholders are against this proposition, and that you will say, "the Board therefore feel inclined to go with the body of the Shareholders." (Applause.) It would save you a great deal of trouble, and also a great deal of discussion. You would not have a larger Meeting than you have at the present moment if one was specially called to consider

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the subject; and I do not think you will have any who understand the question better than gentlemen present do now. (Applause.)

Dr. Wallace—There is a motion before the Meeting that a Committee be appointed; and I beg to move, as an amendment, that that Committee be not appointed. The Shareholders of this Company are divided into two classes,—those who are contented to hold their shares, having confidence in the Company; and those who wish to sell their shares, having no confidence in the Company. Now, those who have confidence in the Company do not wish to divide their shares into two classes—I speak for myself as one. We wish to buy more shares, and do not wish to raise the price of them. (Laughter.) The object of those gentlemen who wish this Committee appointed, is to put an artificial value upon our shares; and with these few words, I move that this Committee be not appointed.

Mr. W. A. Smith—I beg to second the amendment. There is one point which I think has been omitted in this discussion—namely, the unfairness of the proposal to those Shareholders who have confidence in the Directors, and prefer to retain the shares as they now stand, as ordinary shares. In the event of the dividend falling to 15 per cent., they would then only receive 10 per cent. as against 20 per cent. to the Preferred; while, if it fell to 10 per cent., as it might do during a commercial crisis, we would get nothing—the Preferred Shareholders everything.

The Chairman—From what has been said, it seems to me that the spirit of the Meeting is, "rather to bear the ills we have, than fly to others that we know not of." (Applause.) I do not for a moment think that Mr. Fraser brought forward this motion with a view to throw the smallest doubt on the management of the Company. (Hear, hear.) I am quite sure he had no such motive; and that he brings this forward in perfect good faith, and with the view of carrying what he believes to be a good object. (Hear, hear.) I may, in fairness, say that Mr. Fraser is a large Shareholder in the Company. He has been a staunch and faithful supporter of the Company and the Board; and on that ground alone he is well entitled to speak here. Besides, he represents, on this occasion, as you all know, a large and influential section of the Shareholders—the section which sent that Circular; and on that ground, also, I think, that we, as

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Directors, and you, as Shareholders, should give to their observations your serious and careful consideration. I quite sympathize with Mr. Fraser in some of his observations. I should like very much to see our stock fluctuating less. I should like to see it improved in value, and standing steady; but the question is, Is the course that Mr. Fraser and his friends recommend, not only likely, but quite certain to attain the end in view?—because you can make no change of that kind without a certainty in your proceedings. After giving the matter much thought, I very much doubt whether it would do so. You certainly would add to the stability of a certain portion of your stock. I have no doubt that Preferred stock would command a steady and high value, although I do not say it would at the rate of per centage that he gives it. But putting that aside, for that is only a detail which he is very willing to reconsider, I have no doubt, that by giving a Preferred dividend to a portion of your stock, you would increase the value of that portion; but it is fairly open to suspicion, that in so far as you made the one steady, you would make the other fluctuating; and I am afraid that would be the case. I really think that the Deferred portion of the Stock would be a very fluctuating article indeed. The property, I may add, is now getting consolidated. We are beginning to understand the business more thoroughly, and to manage it better; and the history of the last five years has been, on the whole, I think, a satisfactory history. Our average dividend for the five years, I see, has been 26½ per cent., which is not bad; and I do not see why we should not do pretty well during the next five years. I think the feeling, that the concern is a good, honest, valuable one, fairly well managed, is growing among the public; and that the value of our Shares will gradually rise, and attain, perhaps, even the high price, if I may use that expression, that Mr. Fraser points to in his statement. That is to say, that by going on quietly in our present way, we shall attain the point Mr. Fraser wishes to attain by a sort of—what shall I call it?—doubtful operation. (Hear, hear.) As to another point to which he alluded, I don't think myself that it would be wise for the Meeting to appoint a Committee as a Meeting; but as I have said before to Mr. Fraser privately, and am very happy to say to him in presence of this audience, we shall be very glad to see him and his friends, and to discuss, in a

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quiet, friendly manner, anything he thinks may tend to benefit the Company. (Applause.) But I do not think it well to appoint a Committee at this Meeting. I think it would be an unwise thing. I shall be very glad to see Mr. Fraser; but I may tell him, that we are very strong Conservatives at the Board, and we shall not interfere with the Constitution, unless he can shew us that the radical change he proposes is likely to conduce to the well-being and to the honour of the Company. (Applause.)

Mr. FRASER—I would first like to say a word or two in reply to our friend here, who has put a question to me in reference to what would be the position of our Preferred shares. He takes the analogy of railway stock. Now, we state in the circular that we consider the Tharsis Company shews its position to be exceptionally favourable for carrying out the proposal. A railway ordinary stock is valued, as a rule, to yield 5 per cent., and we state, as you all know very well from experience, that the shares of the Tharsis Company have been generally estimated to yield 10 per cent. or more; so that if the Preferred shares get 20 per cent., it is merely a matter of proportion. A railway company may fix their Preferred shares to carry 6, and the Deferred only get 4. The Anglo-American Telegraph Company, a Limited Company, carried out a similar proposal a short time ago. They fixed their Preferred stock to carry 6, although they only pay 5 on the whole; consequently, their Deferred stock only got 4 per cent. But this is a question of proportion. If the Tharsis Company were paying 50 per cent., you don't mean to say you would make your Preferred shares carry only 5 per cent. If the Tharsis Company, for the last five years, has paid an average of $26\frac{1}{2}$ per cent., is it strange or absurd to say that the Preferred shares should carry the minor portion of 20 per cent., when 10 per cent. dividend upon the whole share capital would be quite sufficient to secure the Preferred shares getting their 20 per cent.? As to another gentleman's remark about the ordinary Shareholders being put into a disadvantageous position, he has only to elect to keep his shares as they are. This is an optional matter. It is not that every Shareholder is required to convert his shares; any one may keep them as they are. We only want to have the option of converting them.

The CHAIRMAN—I believe I must ask your consent, even before putting this motion or amendment to the Meeting. Notice ought

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to have been given of the proposal. If the Meeting do not wish either the motion or amendment to be put, you have simply to say so, and there is an end to the discussion.

Dr. WALLACE—As I moved the amendment, I beg to withdraw it, on the understanding that the motion will be also withdrawn.

The CHAIRMAN—Do you withdraw your motion, Mr. Fraser?

Mr. FRASER—You have placed me in a rather awkward position. I have had a number of friendly interviews with yourself, sir, and some other members of the Board, along with our officials, in reference to this matter; and if it is necessary that we should withdraw a motion of this sort, which is simply appointing a Committee to have a friendly conference with the Board, I think we might have been informed that we could not competently make this motion.

Mr. M'EWEN—I think if any one Shareholder objects, we cannot put the motion; and I represent a large number who are very much opposed to it. I do not wish to act uncourteously to Mr. Fraser; but I think he will attain the same purpose by those gentlemen communicating with you.

The CHAIRMAN—Don't you think we should ascertain the feeling of the Meeting in a very decided way? If you don't object, I shall put Mr. Fraser's motion to the Meeting.

Mr. ANTHONY HANNAY—Will you allow me to suggest to Mr. Fraser that he should withdraw his motion?

Mr. FRASER—If Mr. Hannay thinks we should withdraw it, I certainly will do so.

A SHAREHOLDER—You cannot withdraw it unless the Meeting allow you.

A SHAREHOLDER—Would it not be better to have the matter decided now than to have it hanging over our heads?

The CHAIRMAN—Then we shall put it to the Meeting. Those who are in favour of having the Committee appointed will hold up their hands. (Cries of count them.)

Mr. THOMSON, Secretary—I count twelve hands.

The CHAIRMAN—Those in favour of the amendment will please hold up their hands. A large majority of the Meeting held up their hands in favour of the amendment; which was declared carried.

The Meeting thereafter separated.

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MINUTES OF GENERAL MEETING.

At Glasgow, and within Maclean's Hotel, 198 St. Vincent Street, there, on Thursday, the 20th day of April, 1876, at Twelve o'Clock noon, at the Tenth Ordinary General Meeting of the Tharsis Sulphur and Copper Company, Limited, convened by Circular, in terms of the Memorandum and Articles of Association,

CHARLES TENNANT, Esq., of The Glen, Chairman of the Board of Directors, presided over the Meeting.

There was a large attendance of Shareholders, holding or representing 57,017 Shares.

The Secretary produced and read Circular Notice calling the Meeting, bearing a Certificate of its having been duly despatched to all the Members of the Company. That Notice and Circular are in the following terms :—

"THE THARSIS SULPHUR AND COPPER CO. LIMITED.

"Notice is hereby given, That the Tenth Ordinary General Meeting of the Members of this Company will be held on Thursday, the 20th day of April current, at Twelve o'Clock noon, within Maclean's Hotel, No. 198 St. Vincent Street, Glasgow, for the purpose of considering the Accounts, Balance Sheets, and Report of the Directors for the year ended 31st December, 1875, sanctioning a Dividend to be then declared from the profits of the Company, and for the Election of Directors and Auditors.

"And Notice is further given, That the Transfer Books will be closed from the 6th to the 19th current, both days inclusive.

"By Order of the Directors,

"JONATHAN THOMSON,
Secretary.

"136 WEST GEORGE STREET,
"GLASGOW, *4th April, 1876.*"

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CERTIFICATE OF POSTING.

"GLASGOW, *12th April, 1876.*—We hereby certify that a copy of the foregoing Circular was this day addressed to each Member on the Register of the Company, and posted at the General Post Office here. The Circular was also inserted in the daily Newspapers of Glasgow and Edinburgh.

"ANDREW GORDON, *Clerk.*
"JOHN KAYE, *Clerk.*
"GEORGE YOUNG, *Clerk.*

"All in the employment of The Tharsis Sulphur and Copper Company, Limited."

The Directors' Report, together with the relative Statement of Accounts, having been previously circulated among the Members, was held as read; and the Chairman addressed the Meeting, reviewing and explaining the several matters set out in the Report, and taking a hopeful view of the future prospects of the Company. He concluded by moving,—

"That the Report of the Directors, with relative Balance Sheet and Profit and Loss Account for the year ended 31st December, 1875, be, and is hereby received, approved, and adopted; and that the Dividend of 22½ per cent., (free of Income Tax,) therein recommended, be now declared—one-half thereof, or 11¼ per cent., to be paid on the 10th day of May next, and the remainder on the 10th day of November following; and that the balance of £8,552 8s. 9d. be carried forward to the credit of the year 1876;"

which motion was seconded by JOHN MOFFAT, Esq., Ardrossan; and being put by the Chairman to the Meeting, was carried by acclamation, and the Meeting Resolved accordingly.

It was moved by WILLIAM M'EWEN, Esq., Merchant, Glasgow, seconded by JASPER WILSON JOHNS, Esq., of Purton Lodge, Farnham Royal, Bucks, and unanimously agreed to,—

"That the four retiring Directors—viz., Messrs. David Wilson, David Williamson, David Gamble, and John Tennant—be re-elected Directors of the Company."

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It was next moved by the LORD DEAN OF GUILD,—

> "That the remuneration of the Directors for their services during the past year (1875) be the sum of £4,000, as formerly; and that for the future, and until otherwise determined, a like sum shall be annually paid them as remuneration;"

which, upon being seconded by HUGH BROWN, Esq., Merchant, Glasgow, and put to the Meeting by the Chairman, was unanimously agreed to.

It was moved by HUGH BECKETT, Esq., Merchant, Glasgow,—

> "That Mr. Walter Mackenzie and Mr. Alexander Moore, both of Glasgow, Chartered Accountants, be re-elected Auditors of the Company, to Audit the Books and Accounts of the Company for the current year; and that the sum to be paid them for their services during the past year be £150 each—£300 in all;"

which motion was seconded by THOMAS KINCAID, Esq., Merchant, Glasgow, and being put to the Meeting by the Chairman, was declared by him to have been unanimously carried, and to be now the resolution of the Company.

It was further moved by CHARLES RANDOLPH, Esq., Glasgow,—

> "That the thanks of this Meeting be, and are hereby tendered to the Chairman and Directors, for their services during the past year, and to Mr. Charles Tennant, for presiding over the present Meeting;"

and which was carried by acclamation.

CHARLES TENNANT,
Chairman.

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REPORT BY THE DIRECTORS

TO THE

ORDINARY GENERAL MEETING

OF THE MEMBERS OF THE

Tharsis Sulphur and Copper Co.

LIMITED,

APPOINTED TO BE HELD WITHIN

MACLEAN'S HOTEL,

ST. VINCENT STREET, GLASGOW,

On THURSDAY, 19th APRIL, 1877.

AT

ONE O'CLOCK, AFTERNOON.

GLASGOW:
PRINTED BY M'LAREN & ERSKINE, 257 ARGYLE STREET.
1877.

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REPORT BY THE DIRECTORS.

In their Report for 1875, the Directors took occasion to refer to the severe commercial depression existing, and then seriously affecting the manufacturing industries of the country. No improvement occurred in business during 1876. It is, therefore, gratifying to your Directors that, in the face of this continued adverse state of things, they are able to submit a Report of our operations for last year which they regard as satisfactory, and which, they trust, will not be unacceptable to the Shareholders.

We begin, as usual, with the operations in Spain.

THARSIS MINES.

North Lode and Open Cast.—During the past year much benefit was reaped from the large removal of Overburden in 1875 and previous years, so that it was not necessary to continue this work with the former expenditure of labour and money. Still, the lightening of the South Wall has been proceeded with in a satisfactory manner; and the terraces which have been cut all along its length give this Lode a most imposing and symmetrical appearance. The quantity of Sterile removed was 117,714 cubic metres, being 113,894 less than the year 1875. The total cost was £13,528 6s. 0d. sterling,—an increase of 3¼d. per cubic metre as compared with 1875. The sum charged, at the usual rate per ton, to the Mineral raised was £17,280 9s. 11d., thus leaving a surplus of £3,752 3s. 11d., which has been credited to the North Lode Overburden Account. Now that the process of recouping has begun, we look to a steady annual reduction of the amount standing at the debit of this asset.

Seeing the considerable stocks of Pyrites in store, both in this country and in Spain, as well as the large quantity on the cal-

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cination ground at the end of 1875, we decided to reduce the extraction for 1876 to 350,000 tons from the North Lode, and 50,000 tons from the Centre Lode. The North Lode has yielded, last year, 343,147 tons of Large Ore, and 30,210 tons of Small Ore, being a total of 373,357 tons. The costs of extraction were again lower by twopence per ton, and the Copper contents have been rather better. The Mineral sent to the Port for shipment amounted to 213,453 tons, as against 264,565 in 1875; and the Ore calcined to 133,549 tons, as against 159,802 in 1875.

Centre Lode.—The uncovering of this Lode over a large surface has been actively prosecuted during the past year. In last Report the hope was expressed, that by the month of June we should be raising Ore from the Open Cast of this Lode. Subsequent reflection determined the Managers to carry out the uncovering on a larger scale, and it was not till near the close of the year that extraction was begun. We propose this year to raise from the Centre Lode 60,000 tons. The quality of the Mineral continues to be richer in Copper than that produced by the North Lode. The Overburden removed was 53,574 cubic metres, at a cost of £4,982 2s. 9d. The total quantity of Ore raised during the year was 5,712 tons, consisting of 4,866 tons of Large Ore, and 846 tons of Smalls. The quantity sent to the port for shipment was 5,102 tons; and to the Calcination ground, 610 tons. The Mineral was charged with the sum of £300 12s. 8d., leaving a balance of £4,681 10s. 1d. to be debited to the Centre Lode Overburden Account,—bringing the total of this asset to £13,874 13s. 11d.

The total Mineral raised, during 1876, from the North and Centre Lodes has thus amounted to 379,069 tons.

CALAÑAS MINE.

This Mine has done well during last year, and gives an earnest of still better results for the future. The total Mineral raised was 41,111 tons, of which 40,307 tons were put to Calcination, shewing an increase in this Department over 1875 of 8,164 tons. The Ore washed amounted to 37,511 tons, and the Precipitate produced to 1,238 tons,—the latter being an increase over the

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previous year of 264 tons. The increase on the Fixed Property of this Mine, principally in connection with the large new Reservoir and the additional Cementation Plant, referred to in last Report, has been £7,012 13s. 4d. The Reservoir is calculated to hold a supply of water for two years. Although this important work, and the increase of Washing Plant, have exceeded the estimate, they will greatly add to, and cheapen the production of Copper in future years.

The Directors are glad to report that the Reservoirs are now well stocked with water. The rainfall during the past year has been almost unprecedented; and although temporary stoppages of work had to be submitted to in consequence, there is an ample supply for the current year. The increase in the production of Precipitate has followed from the abundance of washing power, and we look for still better results during the present year.

Numerous important additions have been made to the Fixed Property and Plant in Spain, such as the building of new Stables for the Mules, the partial completion of a new Granary, and the laying down of Railways for the internal service of the Works. The usual liberal deductions have been made by the Managers there, and by your Auditors here. The Depreciations in Spain are charged against production, and what is written off in Glasgow is debited to the Profit and Loss Account. The total increase on the Fixed Property and Plant in Spain for 1876, including the foregoing and the purchase of a large tract of land for Teleras, and the Reservoir, &c., at Calañas, already alluded to, has amounted to £7,708 3s. 6d., as against £14,963 11s. 0d. in 1874, and £431 13s. 5d. in 1875.

The Inventory of Waste Heaps at Tharsis has been reduced by the usual annual amount of £4,000, and now stands at the sum of £13,333 14s. 3d. In three years this amount will disappear from the Inventories, as has been the case at Calañas, and the Copper obtained will go to reduce the cost of the general production of Precipitate at the Tharsis Mines.

As in former years, there has been a sufficient supply of labour, and the workmen have been peaceful and industrious. They are

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taking fair advantage of the facilities afforded by the Savings Bank established in 1875,—the Deposits at the close of the year 1876 amounting to the respectable sum of £5,737 1s. 7d. sterling. The School erected for boys having proved a success, one for the girls has also been inaugurated, and is being well attended; giving evidence that the efforts made to improve the condition of the people are being appreciated. The number of workers employed at Tharsis in 1876, was 2,574, embracing a population of 5,333 depending on the industry of these Mines.

RAILWAY AND PIERS.

The traffic for the year from the Mines to the Port, downwards, was 224,603 tons; and from the Port to the Mines, upwards, 16,147 tons; making a total of 240,750 tons, as against 288,213 tons in 1875, shewing a decrease of 47,463 tons. The Public Traffic, from the causes mentioned in the last Report, has been almost *nil*, and has amounted to only 375 tons. The re-ballasting of the upper section of the Line, and the re-laying of that portion with Steel Rails, have been continued during the year, and it is now in a greatly improved condition. The outlay, during 1876, under these branches of expenditure, has been £8,431 18s. 10d. This sum has been all charged to Railway Working Account, so that the increase for the year on the Account of Fixed Plant for the Railway is only £102 13s. The Pier is in good order, and during the year the Cranes have worked well, and several improvements in the shipping arrangements have been introduced.

The net surplus from the downward Traffic, after deducting, as usual, the interest on the first issue of Debentures of £100,000, is the sum of £11,125 14s. 7d., and the net surplus from the upward Traffic is £1,351 2s. 5d.; making together the sum of £12,476 17s. After careful deliberation, your Directors have resolved to throw the Railway Sinking Fund and Rolling Stock Renewal Fund into one Account, to be called "Railway and Pier Sinking Fund;" and as the annual surplus from the Railway Traffic is considerable, they have resolved, after debiting it with Renewals, which will always constitute the first charge, to avail of it to begin a "Reserve Fund," for the purpose of meeting contingencies, equalizing dividends, &c., under the powers con-

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ferred on them by the Articles of Association of the Company. Acting on these resolutions, they have carried from the above surplus the sum of £7,352 13s. 5d. to the Railway and Pier Sinking Fund, bringing it up to £100,000; and the balance of £5,124 3s. 7d. has been placed to the Reserve Fund. The small profit of £104 16s. 6d. obtained from the Public Traffic, has been credited to the Profit and Loss Account, as customary.

Of Pyrites, there were shipped 211,205 tons of Large Ore, and 5,049 of Small Ore; making a total of 216,254 tons. Of Precipitate there were shipped 4,806 tons, as against 3,762 tons in 1875, —an increase of 1,044 tons.

METAL WORKS.

These have been kept fully employed during the year, and, both as to quality of Copper and cost of production, the results compare favourably with those of 1875. Our "Brand" is now well known, and holds a high position in the market. The additions to Property and Plant for the year being principally improvements and additions in the Precipitating Department at Cardiff, Hebburn, and Willington, have been £7,858 18s. 5d. All the repairs have been charged to revenue as usual, and 7½ per cent., amounting to £19,552 1s. 0d., written off for depreciation; leaving a net reduction on the Fixed Property Account of these Works of £11,693 2s. 7d.

PYRITES, COPPER, AND IRON ORE.

The total quantity of Pyrites invoiced to Customers for the year was 236,150 tons, as against 223,911 tons in 1875; being an increase of 12,239 tons. The price for Sulphur was twopence per unit less than in 1875—and this, with the fall in Copper, is equal to 8s. 3½d. per ton. The total quantity of Refined Copper produced in 1876, was 9,737 tons, as against 8,110 in 1875; being an increase of 1,627 tons. The quantity delivered to customers was 8,613 tons, as against 7,788 tons in 1875, or an increase of 825 tons. The net price obtained for Copper, during 1876, was £5 3s. 3¾d. per ton less than in 1875. The Iron Ore produced in 1876 was 178,945 tons, as against 167,777 tons in 1875, or an increase of 11,168 tons. The quantity

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delivered to Customers was 148,708 tons, as against 134,058 tons in 1875, or an increase of 14,650 tons. The net price obtained was 1s. 11½d. per ton less than in 1875.

The markets for all these commodities have been depressed beyond previous years, and await, in common with others, a revival in the general trade of the country. The Stock on hand, and the production for 1877 of Iron Ore, are now all but sold under contracts.

VALUATIONS.

The careful attention of the Directors and Auditors has been given to these as formerly. The Stocks in Trade in Britain are increased by the sum of £45,901 9s. 6d. This arises principally from a larger stock of Refined Copper on hand. The Stocks in Trade in Spain are less by the sum of £20,960 15s. 1d. The Spanish Property and Plant Accounts have been written down by the Auditors to the extent of £10,109 15s. 6d., which has been debited to Profit and Loss, in addition to the depreciation charged against production in Spain. The Miscellaneous Assets have been written down by the sum of £6,000, and the sum of £5,000 has been carried to the credit of the Reserve Fund, both being charged against Profit and Loss.

DEBENTURES.

The interest on the second issue of £150,000 has been debited to Interest and Discount Account as usual. No change has occurred during the year in regard to these securities.

PROFIT AND LOSS ACCOUNT.

The net Profits for the year 1876, together with the Balance from 1875, as shewn by the Profit and Loss Account, amount to £190,858 0s. 8d.

The Directors recommend that the sum of £180,000 be appropriated to the payment of a Dividend of 20 per cent., free of Income Tax,—the first half being payable on the 10th of May next, and the second half on the 10th November following; and that the balance of £10,858 0s. 8d. be carried forward to the credit of the year 1877.

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RETIRING DIRECTORS AND AUDITORS.

The following Directors retire at this Meeting:—viz., Messrs. Charles Tennant, Archibald Shanks Schaw, and John Wilson. The Directors refer, with much regret, to the loss sustained by the Board, in June last, through the unexpected death of their valued colleague, the late Mr. Henry Deacon. His distinguished ability as a Chemist and Mechanical Engineer, made his services to the Company of much value; and the Board will cherish his memory as that of an able and accomplished man. The Directors filled up the vacancy caused by Mr. Deacon's death, by electing his partner, Holbrook Gaskell, Esq., of Woolton Wood, Liverpool, who has been a large Shareholder in the Company from its commencement. Mr. Gaskell also retires at this Meeting, and he and the others, all being eligible, again offer themselves for re-election; and the Directors recommend that they be returned to the Board. It also falls to the Meeting to elect the Auditors of the Company, and Messrs. Mackenzie and Moore again offer themselves for re-election.

By order of the Directors,

CHARLES TENNANT,
Chairman.

UNIVERSIDAD DE HUELVA 2012

Dr. **THE THARSIS SULPHUR AND C**

ABSTRACT BALANCE SHEET, as

CAPITAL AND LIABILITIES.

To Shareholders—							
Total Authorized Capital, . . .			£1,000,000	0	0		
Less Calls not yet made on							
31,100 Shares at £3 each,	£93,300	0	0				
670 Shares Unissued at							
£10 each, . .	6,700	0	0				
			100,000	0	0		
Total paid up Capital, ...						£900,000	0 0
To Railway and Pier Sinking Fund, ...						100,000	0 0
To Reserve Fund—							
From Railway Traffic Account, . .			£5,124	3	7		
From Profit and Loss Account, . .			5,000	0	0		
						10,124	3 7
To Creditors—							
On Debentures, ...			£250,000	0	0		
On Bills and Open Accounts, . . .			222,736	18	8		
						472,736	18 8
To Profit and Loss, being Balance at 30th December, 1876, .						190,858	0 8
						£1,673,719	2 11

Glasgow, 23rd March, 1877.—We have audited the Books and Accounts of the Tharsis Su
that the foregoing Abstract Balance Sheet is correct, and that it exhibits a proper state of the Co

UNIVERSIDAD DE HUELVA 2012

COPPER COMPANY LIMITED. *Cr.*

as at 30th December, 1876.

PROPERTY AND ASSETS.

By Works, Buildings, Machinery, and Plant—		
In Britain, ...	£269,673 3 11	
In Spain, ...	129,148 19 0	
		£398,822 2 11
By Railway and Shipping Piers in Spain—		
Including Permanent Way, Rolling Stock, &c., . .		381,839 12 1
By Stocks in Trade per Inventories—		
In Britain, ...	£405,146 12 9	
In Spain, ...	189,050 1 10	
		594,196 14 7
By Debtors on Open Account, ...		127,396 9 0
By Overburden Accounts—		
North Lode, ...	£55,015 17 11	
Centre Lode, ...	13,874 13 11	
		68,890 11 10
By Miscellaneous Assets—		
Mines' Lease, Railway Concession, Cinder Rights, and General Bonus Account, ...		48,000 0 0
By Bills, Securities, Cash at Bankers and on hand, . .		54,573 12 6
		£1,673,719 2 11

Sulphur and Copper Co. Limited, for the year ending 30th December, 1876, and we certify Company's affairs at that date.

WALTER MACKENZIE, C.A., *Auditor.*
ALEX. MOORE, C.A., *Auditor.*

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THE THARSIS SULPHUR AND C

ABSTRACT of PROFIT and LOSS A

——*Dr.*——

To Income Tax, Directors' and Auditors' Fees, 1875, . .			£7,370 5 10
To Charges Account, including Management, Salaries, Law Expenses, Laboratory Expenses, ...			15,126 7 3
To Interest and Discount Account, ...			8,204 11 4
To Bad Debt Account, ...			1,501 1 10
To Amount Written off Property and Plant—			
In Britain, ...	£19,552 1 0		
In Spain, ...	10,109 15 6		
			29,661 16 6
To Amount Written off Miscellaneous Assets, . . .			6,000 0 0
To Reserve Fund, ...			5,000 0 0
To Balance, being Net Profit for Year ending 30th December, 1876, ...	£182,305 11 11		
and Balance from 1875, . . .	8,552 8 9		
			190,858 0 8
			£263,722 3 5

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COPPER COMPANY LIMITED.

ACCOUNT, as at 30th December, 1876.

—*Cr.*—

By BALANCE carried forward from 1875, . . .				£211,052	8	9
Less Dividend paid 10th May, 1876,	£101,250	0	0			
Do. 10th Nov., 1876,	101,250	0	0			
				202,500	0	0
					£8,552	8 9
By PROFIT for Year 1876, ...					255,169	14 8
					£263,722	3 5
By BALANCE, ...					£190,858	0 8

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AUDITORS' REPORT.

THE Auditors have pleasure in reporting to the Shareholders of the THARSIS SULPHUR AND COPPER COMPANY LIMITED, that they have been enabled to complete the audit of the Books and Accounts of the Company, for the year 1876, at a somewhat earlier date than usual.

The Auditors continue to be perfectly satisfied with the system on which the Books and Accounts are kept, and also with the correctness of the Statements and Inventories necessary for certifying the Balance Sheet.

The Auditors further renew their acknowledgement of the facilities afforded to them by the Officers of the Company in the performance of their duty.

WALTER MACKENZIE, C.A.,
ALEX. MOORE, C.A.,
Auditors.

GLASGOW, *28th March, 1877.*

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THE THARSIS SULPHUR AND COPPER COMPANY

LIMITED.

NOTICE IS HEREBY GIVEN, That an ORDINARY GENERAL MEETING of the MEMBERS of the THARSIS SULPHUR AND COPPER COMPANY LIMITED, is appointed to be held within MACLEAN'S HOTEL, 198 St. Vincent Street, Glasgow, *on Thursday, the 19th day of April, 1877, at One o'Clock, afternoon*, for the purpose of considering the Accounts, Balance Sheets, and Ordinary Report of the Directors, for the year 1876, declaring a Dividend from the Profits earned during that year, electing four Directors in room of those retiring, appointing Auditors, and fixing the remuneration to be paid for the services of the Auditors of the past year.

The TRANSFER BOOKS of the Company will be Closed from the 5th to the 18th current, both days inclusive.

BY ORDER OF THE DIRECTORS,

JONATHAN THOMSON,
Secretary.

REGISTERED OFFICE,
136 WEST GEORGE STREET,
GLASGOW, *3d April, 1877.*

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BOARD OF DIRECTORS.

———oo———

The Names are printed in the order in which the Directors retire:—

Charles Tennant, Esq., The Glen.

Archibald S. Schaw, Esq., Glasgow.

John Wilson, Esq., Auchineck.

Holbrook Gaskell, Esq., Liverpool.

William W. Pattinson, Esq., Felling.

Louis Leisler, Esq., Glasgow.

John Moffat, Esq., Ardrossan.

Archibald Arrol, Esq., Glasgow.

David Wilson, Esq., Glasgow.

John Williamson, Esq., South Shields.

David Gamble, Esq., St. Helens.

John Tennant, Esq., St. Rollox.

Charles Tennant, Esq., *Chairman.*

Jonathan Thomson, *Secretary.*

William A. Verel, *Commercial Manager.*

Jonathan Down, Theodore Merz, } *Technical Managers.*

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REPORT OF THE PROCEEDINGS

OF THE

ORDINARY GENERAL MEETING

OF THE MEMBERS OF THE

Tharsis Sulphur and Copper Co.

LIMITED,

HELD WITHIN

MACLEAN'S HOTEL,

ST. VINCENT STREET, GLASGOW,

On THURSDAY, 19th APRIL, 1877,

AT

ONE O'CLOCK, AFTERNOON.

GLASGOW:
PRINTED BY M'LAREN & ERSKINE, 257 ARGYLE STREET.
1877.

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REPORT OF THE PROCEEDINGS

OF THE

ORDINARY GENERAL MEETING

OF THE MEMBERS OF THE

Tharsis Sulphur and Copper Co.

LIMITED,

HELD WITHIN

MACLEAN'S HOTEL,

ST. VINCENT STREET, GLASGOW,

On THURSDAY, 19th APRIL, 1877,

AT

ONE O'CLOCK, AFTERNOON.

GLASGOW:
PRINTED BY M'LAREN & ERSKINE, 257 ARGYLE STREET.
1877.

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REPORT.

THE Ordinary General Meeting of Shareholders of the Tharsis Sulphur and Copper Company Limited, was held on the afternoon of Wednesday, 19th April, 1877, in Maclean's Hotel, St. Vincent Street, Glasgow. There was a numerous attendance, and the Chair was taken by MR. CHARLES TENNANT, of the Glen, Chairman of the Board. MR. JONATHAN THOMSON, Secretary, read the notice calling the Meeting, after which—

The CHAIRMAN said—Gentlemen, I rise to move the adoption of the Report, which, as on former occasions, I will, with your permission, hold as read.

The year 1876, to which it relates, was one of trial in the history of the Company, as we have had to face, somewhat suddenly, very low prices for all our products. I cannot help thinking, however, that we have come creditably out of it—strengthened, I hope, rather than weakened by the ordeal through which we have passed. When I last addressed you, I was hopeful that the large depreciation of 2d. per unit in the Sulphur value of our Pyrites would have been recouped by the improved Copper contents of our Ore, a return to normal profits on the Cementation process at the Mines, and increased efficiency and economy in every department. In this anticipation, although the Copper contents did not maintain the standard of the first three months, I should not have been disappointed, but for one circumstance, over which we have no control, but one which has proved a very important one, and that is, the fall which has taken place in the price of Copper. When I spoke on 20th April last, the market was strong, and the opinion prevailed that we were about to see a recovery to something like the average of former years. In this we have been deceived, as the fall has been almost

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continuous, and amounts to over £5 per ton, which, on the quantity of Copper we delivered, amounts to nearly £45,000. We have had, also, to meet a large fall in the already low price of our Purple Ore, amounting to £14,500 on the total sales. In the presence of these unlooked for deficiencies, it is matter for congratulation that our gross profit for the year, as shewn in the Profit and Loss Account, is only £22,920 less than in 1875.

The operations of the Company, in all its branches, shew satisfactory progress, both technically in the results obtained, and economically in the costs of production; and I am glad to say that these improvements have not reached their limit, but that we are going on in the same lines, and trust that 1877 will shew substantial progress in the same direction.

The extraction from our Tharsis Mines last year was almost confined to the North Lode. Fortunately, notwithstanding the deluge of November and December, in which months 19½ inches of rain fell, (the whole fall during the year being 31½ inches,) the work was but slightly interrupted, the lightening of the south wall having placed the Open Cast in a position of great security. Terrace roads, formerly confined to the north and west sides, have, as stated in our Report, been formed all along the face of the south wall; and Mr. Cowan writes: "Everything is very favourably situated for extraction, and the Mine presents an appearance equalled by few, if any, Mines of the same kind known."

We got little or no benefit from the Centre Lode last year; a large outlay was made on uncovering it, and on the machinery and locomotive roads required for its development. This year its output will be considerable, and will, we trust, tend to raise the Copper contents of our export Ore.

Though not alluded to in our Report, I may here state that our explorations in connection with the various other Deposits of Mineral in the Coy.'s Property have been going quietly on, and have this year been chiefly directed to that adjoining the north-west angle of our North Lode, to which reference was made in our report for the year 1875. This Lode has proved to be of considerable extent, and the Ore of good quality, and can be readily worked. It has been named "The Sierra Bullones Lode."

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We now come to the department which, since the drought which began in 1874, has practically failed us altogether,—viz., the production of Copper on the Mine. The favourable views which an ample supply of water led us to entertain of this for 1876 have been fully realized; and, both as to quantity and quality of Precipitate produced and costs, the results are satisfactory. To rather richer Mineral, but more especially to improved working, and better transport arrangements, this department is also indebted. The tanks and canals have been repaired; and we think that 1877 will compare favourably with any former year. The quantity of Precipitate shipped for the first three months of this year is 1,914 tons, against 1,074 tons last year, (Hear, hear;) but this includes 763 tons taken into stock at cost at 31st December, and which, owing to the wet weather, was left unexported.

We must now notice our Calañas Mine. A great addition has been made to its capabilities. As you are aware, this Mine depends entirely on the extraction of Copper by Cementation; and how essential, therefore, it is to secure it against drought! With the new Digue just completed, 180 metres long and 13½ deep, they will be able to store a two years' supply of water. To avoid any difficulties with the villagers in connection with our increased Calcination, we have purchased 2,000 acres of land, thereby largely extending our perimeter; and I may add that the land itself is a good purchase, and yields a fair interest on the investment. We have added considerably to our Extraction Plant; and Mr. Roepell writes that very little capital outlay will be required here for a long time to come. He purposes increasing his Extraction this year to 50,000 tons. This Mine is gradually becoming a valuable element in the Company's affairs.

As to our Railway, though the costs are still high, there has been a decided improvement in the management this year. Notwithstanding that the quantity carried has been a good deal less, the cost of transport per ton shews a fair reduction. The re-ballasting with slag, and the re-laying of the upper section with steel, have involved a large expenditure, as stated in the Report, which has all been charged to Transport. These improvements have given excellent results, and they will be gradually extended to the lower section.

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The Pier and Cranes are in good order, and the shipping arrangements satisfactory.

The Capital outlay, both at Tharsis and Calañas, has thus been considerable.

The new Stables and Granary, which are much appreciated, the Centre Lode Machinery, and internal Railways, also the additions to Extraction Plant, have cost, at Tharsis, about £13,000; at Calañas the new Digue and extension of Works have cost £8,500. Owing, however, to our writings off, the nett increase to the Dr. of the account of "Works, Buildings, Machinery, and Plant, in Spain," is reduced to £7,708. Considering the large amount of work done, this sum is not excessive; but we now look forward to a gradual reduction of the amount standing at the Dr. of this asset.

Our Stocks in Trade in Spain shew a diminution of £20,961, consisting of £4000 written off the Waste heaps, a diminution in our General and Provision Stores, as well as in Stocks of Ore.

Before referring to our English Assets, I may state that the Annual Reports of Mr. Morrison, our Manager in Spain, as well as those of the heads of departments there, are more than usually detailed; and with regard to our prospects of increased economy and efficiency, their tone is all that could be wished.

We now come to our Metal Works in this country. They have gone on very steadily and satisfactorily. The output of Refined Copper, which I estimated at 9000 tons, has reached 9,737. The costs compare favourably with those of last year. Our Calcination and Production this year are going on at a somewhat increased ratio. The amount standing at the Dr. of this Asset is being gradually reduced. After many attempts, it is satisfactory to find our Purple Ore being now freely used in the blast furnace, and that we have thus been enabled to place the whole of our probable production for 1877 at prices about the same as those of 1876; so that, as compared with last year, we shall have little or no deficiency to make up in connection with this important product. (Hear, hear, and applause.)

The changes in your Stocks in Trade, as well as your other remaining Assets, have been sufficiently noticed in the Report.

Referring to the other side of the Balance Sheet, the decision

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of your Directors to create a Reserve Fund will, we trust, meet with your approval. (Applause.) Our desire is to eliminate, as much as possible, the speculative element from our property; and we regard this as a step in that direction.

In the amount due on Bills and Open Accounts are included the Royalty, and also the Deposits in the Savings' Bank, which, in our last Report, were given separately.

I have now only to allude to our prospects for the current year. Hitherto it has been my custom to go into considerable detail in connection with this subject. I am inclined, however, to doubt the wisdom of this course, as it leads to estimates being formed, and balance sheets made, which can hardly fail to be misleading, and for which I am held responsible. (Hear, hear.) Moreover, there are reasons which will readily occur to you for not stating in detail our position with regard to Contracts. I believe, therefore, that I shall be consulting your interest, as well as my own feelings, in simply stating that our operations for 1877 will follow very much in the track of those of last year. Our Contracts for Pyrites, as I then stated to you, were mostly for three years. Our tonnage requirements are well covered, at rates at least as favourable as those of last year.

The element of uncertainty is again the price of Copper. It is very low—below the average of last year. The statistics, however, notwithstanding the extreme depression in trade, generally, and the almost total absence of the usual demand from the east and south-east of Europe, are not unfavourable; and in any revival in business, Copper would, we believe, at once participate. Meantime, our attention continues to be devoted to producing it at a lower cost.

I have now only to express, as hitherto, our grateful acknowledgments to the heads of the various Departments, as well as to the other officers of the Company, both in Spain and this country, for their able and valued services during the past year. (Applause.)

Mr. THOMSON—The following is the Chairman's motion:—"That the Report of the Directors, with relative Balance Sheet and Profit and Loss Account for the year to 30th December, 1876, be, and is hereby received, approved, and adopted; and that the Dividend of 20 per cent., free of Income Tax, be now declared

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—one-half thereof, or 10 per cent., being payable on the 10th of May next, and the other half on the 10th day of November following; and that the balance of £10,858 0s. 8d. be carried forward to the credit of the year 1877."

Mr. ARCHIBALD SHANKS SCHAW, Deputy-Chairman—In seconding the adoption of the Report, I beg to state it as my firm conviction, that this is the best Balance Sheet which the Board has ever presented to the Shareholders; and if you look to the inherent strength of the Company, as shewn by the Balance Sheet and Accounts, I think you will all agree with me in saying so. There is only one other point which strikes me, and that is the absurdity of a property possessing such inherent strength as ours selling for so long at a price to return 10 per cent. I hope that it will now cease to be dealt with in such a way, and will assume a market price more commensurate with the stability of the concern.

The CHAIRMAN—I beg to put that formally. Those who are in favour of it will please hold up their hands. (Carried unanimously.)

Mr. THOMAS M. FERGUSSON, Merchant, Glasgow—I have been asked to propose the following motion, which I do with very great pleasure:—"That the four retiring Directors, namely, Messrs. Charles Tennant, Archibald Shanks Schaw, John Wilson, and Holbrook Gaskell, be, and are hereby re-elected Directors of the Company." I am quite sure that it does not require a single word from me to recommend this motion to the acceptance of the Meeting. I can appeal to the services of these gentlemen in the past as speaking for themselves; and, without drawing any invidious distinction, I particularly allude to the services of our worthy Chairman, Mr. Tennant, and our Vice-Chairman, Mr. Schaw. I have no hesitation in saying that the success of this Company is owing very much to the untiring exertions of these two gentlemen and of the Board generally; and I think we have every reason to congratulate ourselves that they are again willing to place their services at the disposal of the Company. Good as the progress of the Company has been in the past, I think the Report submitted to the Meeting to-day is one of the best that has ever been brought before us, and, with the continued services of these gentlemen on the Board,

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I have no doubt that the future of the Company will be even brighter than it has been.

Mr. ROBERT TODD, Peebles—I have very much pleasure in seconding the motion put to the Meeting. I think we ought to be very grateful indeed that the retiring Directors have allowed themselves to be again nominated. I think we cannot be too grateful for their services. I don't know them all personally; but the Chairman and Mr. Wilson are personally known to me, and I think we could not get better men to represent us at the Board. In my opinion, it would be a sad day for the Tharsis Company if Mr. Tennant ceased to be its Chairman.

The CHAIRMAN—Those who are in favour of this motion being carried will kindly hold up their hands. (Carried unanimously.) Well, gentlemen, I can only say, for myself and for my brother Directors who have just been elected, that we thank you very much for re-electing us, and for the kind words you have used in doing so. You may rely upon it, that, as hitherto, we shall devote our zeal and energies to your service.

Mr. JOHN BROWN, Jun., Cotton Broker, Glasgow—I have much pleasure in moving, "That Messrs. Alexander Moore and Walter Mackenzie, Chartered Accountants of Glasgow, be, and are hereby re-elected Auditors of the Company for the current year, and that the sum of £300 be paid them for their services as Auditors for the past year—£150 to each."

Mr. R. S. MUIR, Manufacturer, Glasgow—I have much pleasure in seconding the motion. Than the gentlemen mentioned I know of no more worthy or efficient Accountants.

The CHAIRMAN—Those in favour of this motion will kindly hold up their hands. (Carried unanimously.)

Mr. JASPER W. JOHNS, of Purton Lodge, Bucks—I would like, sir, to propose the following resolution:—"That the best thanks of the Meeting be voted to Mr. Charles Tennant for presiding, and to the Directors for the manner in which they have conducted the affairs of the Company." I think it would be a pity if, before separating, we did not shew you, from this side of the table, that we appreciate all the efforts that have been made for us on that side. There is no doubt that one of the most important things you have announced to us to-day is, the reduction in the working expenses. The cost of production, as

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you have said, is considerably less than it was last year; and that shews care and activity on the part of the Managers. Low prices will, I am sure, induce them to continue in that course, and if they succeed in carrying out their reductions further, we shall not fear any fall in the price of Copper or Sulphur. The better water supply to which you alluded, is, of course, a very important matter. I remember it being stated, in one of our Reports, that we suffered considerably, in the amount of our production, by the absence of water. With a two years' water supply at Calañas, that is not likely to recur; and, therefore, that is another great element of success. You have alluded, also, in the Report, to the establishment of the Reserve Fund. I think, if I recollect aright, that I first threw out that hint to you in 1874.

The CHAIRMAN—I believe you did.

Mr. JOHNS—And I am very glad you have adopted it, although you have taken three years to consider the question. Better late than never; and I feel certain that the appearance of £10,000 in our Balance Sheet as a Reserve Fund is a thing that we shall all look upon with great satisfaction. I hope it means the assurance of the 20 per cent. Dividend and a yearly bonus in addition; and I think if you can do that for us we shall be well satisfied in the future, as we have been in the past. It said much for the vitality and soundness of a concern, that in bad times like these it could pay 20 per cent. Dividend, begin a Reserve Fund with £10,000, and carry forward nearly £11,000 to the credit of next year. It is a great pleasure, on this occasion, to find that there is nothing to oppose—that no one has got any special feature to advance for our benefit, except the gentlemen on that side of the table; and I am sure that that will have a very great effect on the outside world. I do not quite agree with Mr. Schaw, our Deputy-Chairman, in alluding at all to the 10 per cent. argument. I think he should let us find that out for ourselves. (Laughter.) Good wine needs no recommendation; and I am quite sure that people will begin to see we have got something like a steady property, without any assistance from the Board even in guiding us in that direction. (Laughter.) I do not agree either, sir, with the depreciation. If you remember, you used to be unsparing with the pruning knife in writing down everything you possibly could write down, and our children or

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our grandchildren will advantage thereby. But you are writing down this Depreciation Account at a tremendously fast rate. It appears to me that in twelve years' time we shall have nothing to write off at all,—all our buildings for nothing, and we shall not know then what to do with our Dividend. (Laughter.) The consumption of Purple Ore that you have announced is also, perhaps, one of the most important features, to my mind, of the Report. If I recollect aright, that could only be used for certain purposes before, whereas now it can be used in blast furnaces. You are thus ensured the sale of everything you can produce in that direction, which might not have been the case if the Iron trade had continued prosperous, so that "out of evil has come good." I have, therefore, great pleasure in proposing a vote of thanks to the Chairman and the Directors, and I am sure it will be carried with great unanimity. (Applause.)

The CHAIRMAN—We are very much obliged to you indeed for speaking of us, and thinking of us so kindly. I think that this year we really have got to the bottom of a good many things. I hope we have seen the lowest price for Iron Ore, and the lowest price for Sulphur; and I think, in the face of these facts, the result we have been able to shew is a good one. The depreciations are certainly rather high. Seven and a-half per cent. is a very serious depreciation, and few undertakings could stand it, particularly in the times we are now going through. But I think it is all in the right direction, and that eventually we shall fortify our position very much. I thank you, gentlemen, for your attendance to-day.

The Meeting then separated.

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MINUTES OF GENERAL MEETING.

At Glasgow, and within Maclean's Hotel, 198 St. Vincent Street, there, on Thursday, the 19th day of April, 1877, at One o'Clock afternoon, at an Ordinary General Meeting of the Tharsis Sulphur and Copper Company Limited, convened by Circular Notice, in terms of the Articles of Association of the Company.

CHARLES TENNANT, Esq., of The Glen, Chairman of the Board, presided.

A large number of Members attended.

The Secretary read the Notice calling the Meeting, as also a Certificate by him, that a copy of the Notice had been duly served upon each Member of the Company. The Notice and Certificate are in the following terms:—

"THE THARSIS SULPHUR AND COPPER CO. LIMITED.

"Notice is hereby given, That an Ordinary General Meeting of the Members of the Tharsis Sulphur and Copper Company Limited, is appointed to be held within Maclean's Hotel, 198 St. Vincent Street, Glasgow, on Thursday, the 19th day of April, 1877, at One o'Clock afternoon, for the purpose of considering the Accounts, Balance Sheets, and Ordinary Report of the Directors for the year 1876, declaring a Dividend from the profits earned during that year, electing four Directors in room of those retiring, appointing Auditors, and fixing the remuneration to be paid for the services of the Auditors of the past year.

"The Transfer Books of the Company will be closed from the 5th to the 18th current, both days inclusive.

"By order of the Directors,

"JONATHAN THOMSON,
"*Secretary.*

"REGISTERED OFFICE, 136 WEST GEORGE STREET,
"GLASGOW, *3rd April, 1877.*"

UNIVERSIDAD DE HUELVA 2012

CERTIFICATE OF POSTING.

"GLASGOW, *9th April, 1877.*—I hereby certify that a copy of the foregoing Circular was this day addressed to each Member on the Register of the Company, and posted at the General Post Office here. The Circular was also inserted as an Advertisement in the Daily Newspapers.

"JONATHAN THOMSON,
"*Secretary.*"

The Directors' Report, together with the relative Statement of Accounts, having been previously printed and circulated among the Members, was held as read. The Chairman then shortly reviewed the principal topics embraced in the Report, and the present satisfactory position of the Company. He thereafter moved,—

> "That the Report of the Directors, with relative Balance Sheet and Profit and Loss Account, for the year to 30th December, 1876, be, and is hereby received, approved, and adopted; and that the Dividend of 20 per cent., free of Income Tax, be now declared—one-half thereof, or 10 per cent., being payable on the 10th of May next, and the other half on the 10th day of November following; and that the balance of £10,858 0s. 8d. be carried forward to the credit of the year 1877."

The motion was seconded by ARCHIBALD SHANKS SCHAW, Esq., Deputy-Chairman; and being put to the Meeting by the Chairman, was declared by him to be carried unanimously.

THOMAS MILLAR FERGUSSON, Esq., Merchant, Glasgow, moved,—

> "That the four retiring Directors—viz., Messrs. Charles Tennant, Archibald Shanks Schaw, John Wilson, and Holbrook Gaskell, be, and are hereby re-elected Directors of the Company;"

which, having been seconded by ROBERT TODD, Esq., Peebles, and put to the Meeting by the Chairman, was carried unanimously; and the Meeting resolved accordingly.

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On the motion of JOHN BROWN, Jun., Esq., Cotton Broker, Glasgow, seconded by ROBERT SHARP MUIR, Esq., Manufacturer, there, it was unanimously agreed,—

> "That Messrs. Alexander Moore and Walter Mackenzie, Chartered Accountants of Glasgow, be, and are hereby re-elected Auditors of the Company for the current year; and that the sum of £300 be paid them for their services as Auditors for the past year—£150 to each."

CHARLES TENNANT,
Chairman.

It was then moved by JASPER WILSON JOHNS, Esq., of Purton Lodge, Bucks,—

> "That the best thanks of the Meeting be voted to Mr. Charles Tennant for presiding, and to the Directors for the manner in which they have conducted the affairs of the Company;"

which motion was received, and carried by acclamation.

JONATHAN THOMSON,
Secretary.

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REPORT BY THE DIRECTORS

TO THE

ORDINARY GENERAL MEETING

OF THE MEMBERS OF THE

Tharsis Sulphur and Copper Co.

LIMITED,

APPOINTED TO BE HELD WITHIN THE

MERCHANTS' HALL,

No. 1 WEST GEORGE STREET, GLASGOW,

On THURSDAY, 18th APRIL, 1878.

AT

ONE O'CLOCK AFTERNOON.

GLASGOW:
PRINTED BY M'LAREN & ERSKINE, 257 ARGYLE STREET.
1878.

UNIVERSIDAD DE HUELVA 2012

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UNIVERSIDAD DE HUELVA 2012

REPORT BY THE DIRECTORS.

THE year 1877 has again marked a period of severe commercial depression, showing no improvement on the two previous years, but, on the contrary, increased inactivity in business. Probably at no former time have Chemicals and Metals ranged so low in price; and the products of the Tharsis Company—viz., Copper, Sulphur, and Iron—have formed no exception. In these circumstances the Directors hope the Shareholders will regard the results detailed in the following Report as not unsatisfactory.

Adopting the usual course, the transactions in Spain are first adverted to.

THARSIS MINES.

North Lode and Open Cast.—The removal of the Overburden has been prosecuted with great energy during the year. There have been removed 227,967 cubic metres, at a cost of £20,039 12s. 3d., of which £16,540 0s. 2d. was borne by the Extraction. This exceptionally large expenditure will enable us to work out the Mineral of the fourth floor without further outlay, and ultimately down to the seventh floor, with a moderate additional expenditure. This Lode has yielded, last year, a total of 353,264 tons; of which there were sent to the Port for shipment 181,768 tons, and to the Calcination ground, 129,486 tons.

Centre Lode.—The uncovering of this Lode is now nearly completed to the extent necessary for working to the depth of the second floor. The Overburden removed was 55,816 cubic metres, at a cost of £5,468 18s. 10d. The total quantity of Ore raised during the year was 69,705 tons. The estimate in last Report was 60,000 tons, which has thus been exceeded by 9,705 tons. The quantity sent to the Port for shipment was 62,018 tons, and

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to the Calcination ground 2,316 tons. The Mineral was charged with the sum of £3,668 13s., leaving a balance of £1,800 5s. 10d. to be debited to the Centre Lode Overburden Account, making the total of this Asset £15,674 19s. 9d.

Sierra Bullones.—This is the branch of the North Lode referred to in the Chairman's speech at last Annual General Meeting, and from which Mineral was begun to be extracted in September. It is promising to become an important additional source of supply, and is yielding good Ore. It is hoped that about 70,000 tons may be got from this source during the present year. The total quantity raised last year was 12,907 tons.

Poca Pringue.—This is a new branch, adjoining the Sierra Bullones Lode, which is being explored; and our Managers are of opinion they are likely to run into one mass.

CALAÑAS MINE.

This Mine continues to give excellent results. The total Mineral raised last year was 46,044 tons, of which 45,415 tons were put to Calcination. The Ore washed amounted to 42,068 tons, and the Precipitate produced, to 1,540 tons. The Reservoir alluded to in last Report was completed during the year, as also an addition to the Washing and Precipitating Tanks. This expenditure has increased the Fixed Property Account by £3,429 3s. 6d.

The total Mineral raised, during 1877, from the various Lodes of the Tharsis and Calañas Mines, was 481,920 tons.

In giving you, as above, the figures of extraction for the year at Tharsis and Calañas, it may be well, once for all, to explain that the tonnage in these is always expressed in tons of 1000 kilogrammes, in consequence of Metrical tons having been adopted by the previous Spanish and French workers of those Mines, which also formed the basis for the payment of Wages and of Customs' Duties; and, as a consequence, all the weighing machines on the Mines are divided to suit Metrical tons.

Our Lessors have informed us that two of their Shareholders had raised lawsuits against them, founding on the fact that the

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figures in their and our Reports did not coincide. It is not possible that they should, because, occasionally, the element of Stocks has caused a difference; but, besides that, there are certain deductions which fall to be made from the Metrical tons, in terms of the Lease, which greatly reduce the quantities. That there can be no real difference between our weights and those of our Lessors, will be understood when we say, that they are mutually agreed on the Mines day by day, by representatives of the two Companies; but our Reports are not intended and cannot be used for the purpose of fixing the number of tons on which, in terms of our Lease, we pay Royalty. This is done annually from the daily agreed on weights which are taken, to which the stipulations of the Lease are applied, and the amounts due paid from year to year.

In last Report the Directors were able to refer to an abundant supply of water, owing to the copious rains which had fallen during 1876. They regret that the experience of 1877, and so far of 1878, has been very much the reverse. The rainfall in 1877 was 16·11 inches as compared with 31·50 inches in 1876. The drought continued till the last week in March, when rain began to fall; and we hope there will be such a continuance of it as will re-stock our Reservoirs, and thus prevent any interruption of our Cementation Processes.

A large amount of important work has been accomplished during the past year, such as Tramways and Roadways in and around the Mines, enlargement of Railway Station, new Stables, Granary, Workmen's Houses, new School at Corrales, near to the shipping port, and the new machinery erected at the Sierra Bullones, &c. The Depreciations have been so liberal, that the Fixed Property and Plant Account in Spain, for 1877, has only been increased by the sum of £2843 4s.

The inventory of Waste Heaps at Tharsis has been written down by the usual amount of £4,000, and now stands at £9,333 14s. 3d.

During the year labour has been plentiful, and the work-people have been contented and well-behaved. The number employed at Tharsis in 1877, was 3,181, embracing a population of about

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6,500 resident at, or depending on, these Mines. The amount of money at the credit of Depositors in the Savings Bank at Tharsis, at 31st December, 1877, was £8,756 0s. 1d.

RAILWAY AND PIERS.

The traffic for the year from the Mines to the Port downwards, was 256,412 tons; and from the Port to the Mines upwards, 21,849 tons; making a total of 278,261 tons. The public traffic has amounted to 360 tons only. The reballasting of the line, improving curves and gradients, and the relaying with steel rails, have been carried on as circumstances permitted during the past year. We are now enabled to dispense with a pilot engine, hitherto necessary. By the end of 1878, our improvements over the whole line are expected to be completed. The outlay on these works last year has been £13,870 13s.; all of which has been charged to Revenue.

The net surplus from the downward traffic, after deducting, as usual, the interest on the first issue of Debentures of £100,000, is £15,096 7s. 6d., and the net surplus from the upward traffic, is £2,942 11s. 10d.; making, together, the sum of £18,038 19s. 4d., of which £5000 has been carried to the Reserve Fund, and the balance of £13,038 19s. 4d. has been credited to the Profit and Loss Account. The small profit of £173 15s. 4d., derived from the Public Traffic, has also been credited to Profit and Loss Account, as usual.

The Pier continues in good order; the Cranes have worked well, and have been found quite equal to all our requirements.

Of Pyrites, there were shipped 234,693 tons of Large Ore, and 14,606 of Small Ore, making a total of 249,299 tons. Of Precipitate, there were shipped 7,199 tons.

METAL WORKS.

The additions to the Works and Plant Account in this country for the year, have amounted to £8,029 1s. 7d. Of that the sum of £7,260 was spent in the purchase of the Freehold of additional Land for the Works at Widnes, which has enabled the Company to obtain a connection with the Midland, in addition to that which we have always had with the London and North-Western

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Railway, and has otherwise greatly added to the accommodation and convenience of the Works. All the Repairs have been charged to Revenue, as usual, and 5 per cent., amounting to £12,467 8s., written off for depreciation; shewing a reduction on this Account of £4,438 6s. 5d. Hitherto the depreciation has been, for the most part, at the rate of 7½ per cent.; but looking to the moderate value at which these Works now stand in the Company's books, after a writing down, since 1869 inclusive, amounting to a total sum of £118,760 1s. 1d., the Directors and Auditors consider that 5 per cent. is now ample for depreciation.

PYRITES, COPPER, AND IRON ORE.

The total quantity of Pyrites invoiced to Consumers for the year was 226,869 tons. No change took place in the price of Sulphur. Both as to quantity and quality, the production of Refined Copper has been satisfactory. The Company had, however to contend with a falling market during the whole course of the year. The Iron Ore produced in 1877, was 189,942 tons. The quantity delivered was 196,645 tons.

VALUATIONS.

These have received the careful attention of your Directors and Auditors, as usual. The Stocks in Trade in Britain are reduced by the sum of £55,645 1s. 8d.; and those in Spain, by the sum of £9,089 12s. 5d. The Spanish Property and Plant Accounts have been written down by the sum of £8,919 18s. 2d., charged to Profit and Loss, in addition to what has gone as a charge against the Cost of Production in Spain. The Miscellaneous Assets have been written down by the sum of £6,000, charged against Profit and Loss.

DEBENTURES.

The interest on the second issue of £150,000, has been charged to Interest and Discount Account, as usual. A Special Resolution will be proposed to the Shareholders, conferring power on the Directors to re-issue or pay off these securities as they become due, according as they may consider most expedient for the interests of the Company.

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PROFIT AND LOSS ACCOUNT.

The net Profits for the year 1877, together with the balance from 1876, as shewn by the Profit and Loss Account, amount to £165,359 6s. The Directors recommend that the sum of £157,500 be appropriated to the payment of a Dividend of 17½ per cent., free of Income Tax,—the first half being payable on the 10th of May next, and the second half on the 8th of November following; and that the balance of £7,859 6s. be carried forward to the credit of the year 1878.

RETIRING DIRECTORS AND AUDITORS.

The following Directors retire at this Meeting:—viz., Messrs. William W. Pattinson, Louis Leisler, John Moffat, and Archibald Arrol, who are all eligible, and again offer themselves for re-election; and the Directors recommend that they be returned to the Board. It also falls to the Meeting to elect the Auditors of the Company, and Messrs. Moore and Mackenzie again offer themselves for re-election.

Before concluding this Report, the Directors deem it proper to refer to an agreement which has recently been concluded between this Company and the Representatives of the San Domingo and Rio Tinto Mines; the result of which, they are satisfied, will conduce to the interests of this Company.

By order of the Directors,

CHARLES TENNANT,
Chairman.

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Dr.

THE THARSIS SULPHUR AND CO

ABSTRACT BALANCE SHEET,

CAPITAL AND LIABILITIES.

To Shareholders—							
Total Authorized Capital, . . .			£1,000,000	0	0		
Less Calls not yet made on							
31,100 Shares at £3 each,	£93,300	0	0				
670 Shares Unissued at							
£10 each, . .	6,700	0	0				
			100,000	0	0		
Total paid up Capital, ...						£900,000	0 0
To Railway and Pier Sinking Fund, ...						100,000	0 0
To Reserve Fund, ...						15,124	3 7
To Creditors—							
On Debentures, ...			£250,000	0	0		
On Bills and Open Accounts, . . .			393,213	16	2		
						643,213	16 2
To Profit and Loss, being Balance at 31st December, 1877, .						165,359	6 0
						£1,823,697	5 9

Glasgow, 27th March, 1878.—We have audited the Books and Accounts of the Tharsis that the foregoing Abstract Balance Sheet is correct, and that it exhibits a proper state of the

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COPPER COMPANY LIMITED. *Cr.*

as at 31st December, 1877.

PROPERTY AND ASSETS.

By Works, Buildings, Machinery, and Plant—			
In Britain, ...	£265,234 17 6		
In Spain, ...	131,992 3 0		
		£397,227	0 6
By Railway and Shipping Piers in Spain—			
Including Permanent Way, Rolling Stock, &c., . .		381,803	1 10
By Stocks in Trade per Inventories—			
In Britain, ...	£349,501 11 1		
In Spain, ...	179,960 9 5		
		529,462	0 6
By Debtors on Open Account, ...		325,320	8 0
By Overburden Accounts—			
North Lode, ...	£58,515 10 0		
Centre Lode, ...	15,674 19 9		
		74,190	9 9
By Miscellaneous Assets—			
Mines' Lease, Railway Concession, Cinder Rights, and General Bonus Account, ...		42,000	0 0
By Bills, Securities, Cash at Bankers and on hand, . .		73,694	5 2
		£1,823,697	5 9

Sulphur and Copper Co. Limited, for the year ending 31st December, 1877, and we certify Company's affairs at that date.

ALEX. MOORE, C.A., *Auditor.*
WALTER MACKENZIE, C.A., *Auditor.*

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THE THARSIS SULPHUR AND CO

ABSTRACT of PROFIT and LOSS ACC

—*Dr.*—

To Income Tax, Directors' and Auditors' Fees, 1876, . .		£7,170	5 9
To Charges Account, including Management, Salaries, Law Expenses, Laboratory Expenses, ...		15,786	3 4
To Interest and Discount Account, ...		13,518	15 4
To Bad Debt Account, ...		4,012	9 11
To Amount Written off Property and Plant—			
In Britain, ...	£12,467 8 0		
In Spain, ...	8,919 18 2		
		21,387	6 2
To Amount Written off Miscellaneous Assets, ...		6,000	0 0
To Balance, being Net Profit for Year ending 31st December, 1877, ...	£154,501 5 4		
and Balance from 1876, . . .	10,858 0 8		
		165,359	6 0
		£233,234	6 6

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COPPER COMPANY LIMITED.

ACCOUNT, as at 31st December, 1877.

—*Cr.*—

By BALANCE carried forward from 1876, . . .		£190,858 0 8	
Less Dividend paid 10th May, 1877,	£90,000 0 0		
Do. 10th Nov., 1877,	90,000 0 0		
		180,000 0 0	
			£10,858 0 8
By PROFIT for Year 1877, ...			222,376 5 10
			£233,234 6 6
By BALANCE, ...			£165,359 6 0

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AUDITORS' REPORT.

THE Auditors having completed their examination of the Books and Accounts of the Company for the year 1877, have had much pleasure in appending their docquet of correctness to the Balance Sheet at 31st December.

They desire, in addition, to say, that the Books and Accounts of the Company continue to be kept with great care and perfect accuracy; and that they have had every facility from the Officers of the Company in the business of the Audit.

ALEX. MOORE, C.A.,
WALTER MACKENZIE, C.A.,
Auditors.

GLASGOW, *27th March, 1878.*

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THE THARSIS SULPHUR AND COPPER COMPANY
LIMITED.

NOTICE IS HEREBY GIVEN, (First,) That an ORDINARY GENERAL MEETING of the MEMBERS of the THARSIS SULPHUR AND COPPER COMPANY LIMITED, is hereby convened to be held within the MERCHANTS' HALL, No. 1 West George Street, Glasgow, *on Thursday, the 18th day of April, 1878, at One o'Clock afternoon*, for the purpose of considering the Report of the Directors for the year 1877, electing four Directors in room of those retiring, appointing two Auditors, fixing the remuneration to be paid to the Auditors of the past year for their services, and transacting the ordinary business of the Company; and, (Second,) That an EXTRAORDINARY GENERAL MEETING will be held at the same place and time, for the purpose of considering, and, if approved of, adopting and passing the following Special Resolution:—viz., "That the "Directors be, and hereby are empowered, to pay off the "£250,000 of Debentures of the Company, as these become "due; and for this purpose to re-borrow, on new Debentures "of the Company, such amount as may be necessary, not "exceeding said sum, for such periods, and at such rate of "interest as the Directors may determine."

AND NOTICE IS FURTHER GIVEN, That the TRANSFER BOOKS will be Closed from the 4th to the 17th April, both days inclusive.

BY ORDER OF THE DIRECTORS,

JONATHAN THOMSON,
Secretary.

REGISTERED OFFICE,
136 WEST GEORGE STREET,
GLASGOW, *28th March, 1878.*

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BOARD OF DIRECTORS.

———oo———

The Names are printed in the order in which the Directors retire:—

William W. Pattinson, Esq., Felling.

Louis Leisler, Esq., Glasgow.

John Moffat, Esq., Ardrossan.

Archibald Arrol, Esq., Glasgow.

David Wilson, Esq., Glasgow.

John Williamson, Esq., South Shields.

David Gamble, Esq., St. Helens.

John Tennant, Esq., St. Rollox.

Charles Tennant, Esq., The Glen.

Archibald S. Schaw, Esq., Glasgow.

John Wilson, Esq., Auchineck.

Holbrook Gaskell, Esq., Liverpool.

Charles Tennant, Esq., *Chairman.*

Jonathan Thomson, *Secretary.*

William A. Vérel, *Commercial Manager.*

Jonathan Down, Theodore Merz, } *Technical Managers.*

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REPORT OF THE PROCEEDINGS

OF THE

ORDINARY AND EXTRAORDINARY GENERAL MEETINGS

OF THE MEMBERS OF THE

Tharsis Sulphur and Copper Co.

LIMITED,

HELD WITHIN THE

MERCHANTS' HALL,

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UNIVERSIDAD DE HUELVA 2012

REPORT.

THE Annual Ordinary General Meeting of the Members of the Tharsis Sulphur and Copper Company Limited, was held in the Merchants' Hall, Glasgow, on Thursday, 18th April, 1878, at one o'clock, afternoon. The Directors having taken their seats on the platform,

Mr. H. GASKELL said—Gentlemen, you are probably aware of the great loss which this Company has sustained by the death of Mr. John Tennant. He was, I believe, one of the founders of this Company, as well as one of the largest Shareholders, if not *the* largest Shareholder in the concern. I do not assume, nor would the Board of Directors assume, to express the feelings of the Shareholders on this occasion. My object, in rising, is purely one of business. Our Chairman, Mr. Charles Tennant, is of course prevented from attending here to-day by this event—as unexpected as it is sad. I rise, therefore, simply to move that Mr. Schaw, the Deputy-Chairman of the Board, be requested to take the Chair on this occasion. (Applause.)

Mr. SCHAW took the Chair accordingly.

The CHAIRMAN—Gentlemen, having been suddenly called to take the place of Mr. Charles Tennant, who is unfortunately unable to be with us to-day, I shall not enter on the sorrowful circumstances which have rendered my taking the Chair necessary. I shall ask Mr. Thomson to read the notice calling the Meeting.

Mr. JONATHAN THOMSON (Secretary) accordingly read the notice calling the Meeting, and added—There is the usual certificate by me that that notice has been sent to every Member on the Register of the Company.

The CHAIRMAN—I presume that you have all received copies of the Directors' Report and Balance Sheet, and that it will be

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your pleasure to hold these as read, as we have always been in the habit of doing. (Applause.) I have been suddenly called, as you are aware, to take Mr. Tennant's place; but it is fortunate that, prior to the fatal illness of Mr. John Tennant, our Chairman had prepared the address which he intended to make to this meeting. That address, after having been duly considered, has been put into type; and while in consonance with my own feelings, it will also, I believe, be more in accordance with the wishes of the Shareholders to hear that address, than to have an independent speech from me. I shall, therefore, with your permission, ask Mr. Thomson to read the address as prepared. I have communicated with Mr. Tennant, who approves of that course. The address has been very carefully considered, and embraces, I believe, all that you will think necessary to be said in the interests of the Company.

Mr. THOMSON—I shall read the address from the beginning, just as Mr. Tennant has prepared it.

MR. TENNANT'S ADDRESS.

GENTLEMEN,—I rise to move the adoption of the Report, which has been in your hands for some time, and which, with your permission, I will, as on former occasions, hold as read.

The past year has not varied from that which preceded it, except in the greater intensity of its commercial gloom, and the lower market values to which articles, both of import and manufacture, have fallen. That this condition of things should have found its reflection in our Profit and Loss Account, is what I think most of our Shareholders must have anticipated. We got the same price, it is true, as the year before, for our Sulphur; and the average obtained for our Iron or Purple Ore, in which I had looked for no reduction, was only slightly lower; but with a net revenue, reduced by upwards of £100,000 from the fall in Copper, the maintenance of our Dividend was not to be expected. The result of our year's working must, under the circumstances, be regarded as satisfactory, and as tending to strengthen our confidence in the value of our property.

The operations on the Mines, as well as in our Works, in this country, shew good progress, economically and technically; and, unless impeded by want of water in Spain, we look forward to at

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least maintaining the standard of efficiency to which we have now reached. It is gratifying to state, that our latest advices from Tharsis tell of more rain having fallen, with a prospect of its continuance.

The great preparatory work—viz., the Removal of the Overburden—is drawing near to a very much smaller annual expenditure. By the end of this month our Managers hope to have pretty well completed all that they intend to do at present; and this will, I trust, be brought pleasantly home to us in the reduced sum standing at the Dr. of this Asset at the close of the current year.

"Works, Buildings, Machinery, and Plant Account." The new machinery fittings and engine-house for the working of the Sierra Bullones Lode have involved an outlay of £8,500. The Mineral from this Lode proves to be nearly all of a quality suitable for export. The additions to our Cementation Plant have cost £4,600. New Stables, and other things, have also caused considerable expenditure. By our system of depreciation, however, there is an actual reduction in the amount standing at the Dr. of this asset at Tharsis of £585. At Calañas, however, where the field for our writing down is comparatively small, there is, owing to the expenditure on the new Dam and the Cementation Plant, an addition of £3,429, leaving a net increase under the head of this Account, as shewn in your Balance Sheet, of £2,843. The full benefit of our expenditure at Calañas has yet to be realized, the dam being still short of its full supply of water.

As to our "Works in this country," they stand at £4,438 less than they did in last year's Balance Sheet; and but for the purchase of land at Widnes, would have stood at £12,000 less. They are maintained in a thorough state of efficiency out of revenue. The land, moreover, on which all our works stand has much increased in value since we became its possessors. We are satisfied that a five per cent. depreciation, amounting, as it does, to over £12,000, is safe and ample.

"The Railway and Pier" stand as before. The outlay this year of £13,870, against £8,432 in 1876, for Steel Rails and permanent improvements, is unusually large; but in diminished wear and tear of plant, and reduced cost of transit, it is bearing good fruit. The upper section of the Line was finished in 1876.

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By the end of this year nearly the whole of the lower section will be completed; and our Manager has no doubt that the large outlay which has been thus incurred will be fully justified by future results.

"Stocks in Trade in Britain" are less by £55,645, chiefly from smaller stocks of Refined Copper; and in Spain, owing to £4,000 written, as usual, off the Wasteheap, and less Precipitate on hand.

"Debtors in Open Account" stand at the large sum of £325,320, owing to large sales of Refined Copper in the last six weeks of the year, which stood at the Dr. of the purchasers.

"Miscellaneous Assets" are written down by £6,000, as before.

On the other side of your Balance Sheet the "Railway and Pier Sinking Fund" remains at £100,000, being the amount of the Debentures, the interest of which is charged to the Railway Traffic Account.

"Reserve Fund" now stands at £15,124 3s. 7d., and we look forward to the steady growth of this Account.

Owing to our large holding of Refined Copper, the amount standing at our Dr. on "Bills and Open Accounts" is more than usual, and hence our "Interest and Discount Account," as shewn in "Profit and Loss Account," amounts to £13,518, against £8,204 last year. This Account includes the Royalty for the year, and the deposits in the Savings Bank.

Our bad debts amounted to £4,012, against £1,501 the year before.

I have, I think, gone over the principal items in your Balance Sheet, and will now refer for a moment to the last, though not the least important paragraph in our Report,—viz., the arrangements entered into between the Rio Tinto Co.—Messrs. Mason & Barry, representing the San. Domingo Mine—and ourselves. The agreement is a very rational and simple one, was arrived at without difficulty, and with the cordial assent of all. From this I think you may infer that its provisions are equitable, and likely, therefore, to work satisfactorily.

The competition induced on the coming into the Market of the Rio Tinto Company, by which the price of Sulphur fell at once from 7d. per unit to 5d., will cease, and a minimum price of 6d. has been fixed for the next three years, beginning with 1879. I

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need hardly say that our object is not to raise unduly the price of Pyrites, which would be an unwise policy, and, in the end, injurious to our permanent welfare. Owing to the action of the many Metal Works which have sprung up, particularly in Lancashire, the price of the Sulphur element in our Ore has, for the last two years, become a very variable and uncertain one. The great inducement to us to go into this combination, and one which, as an Alkali maker, I felt would render it not unacceptable to the trade, was to be enabled to do away with this fertile cause of irritation and complaint, and by fixing a minimum price, give assurance to the consumer, that in his supplies of this important raw material he was not being put on a worse footing than his neighbours. By the present arrangement, the working of which we shall narrowly watch, this has been accomplished; and I need hardly say that, in this point of view, I regard it as a great boon to the Alkali trade.

Looking to the future of the three Mines, the consumption of Pyrites becomes a very important consideration. It has grown, as you are perhaps aware, in a very remarkable manner. If we go back ten years, we find that the imports in 1868 were 229,720 tons; they rose gradually till, in 1872, they reached 516,299 tons. During the next four years the chemical trade became very bad, and the imports remained almost stationary. Last year, however, they rose somewhat unaccountably to 680,000 tons. This large figure has probably left considerable stocks in the country, as for the three months of this year the imports are 152,000 tons against 184,000 tons for the first three months of last. There is no doubt, however, that from various causes, chiefly the increase of artificial Manure Works, the consumption is growing, and with a recovery from the present extreme depression in the Chemical trade, this growth would again become more marked. In the opinion of your Directors, the result of the agreement will be to strengthen the position of the three Mining Companies, without prejudicing the permanent interest of the consumer.

I will conclude, as usual, with a slight allusion to our prospects for the current year. Our sales of Pyrites foot up to 246,000 tons, being a good deal over those of last year. The price is 5d., as before. Iron Ore has fallen so low, that though the Iron

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trade is very depressed, I hardly think it can go lower; and there is a point at which we shall probably decide to hold, rather than sell.

Of Copper we have no Stocks, and have sold all we can produce for some weeks forward. The price is lower even than the average of last year, but the demand takes off all we make. The Stocks in consumers' hands are small, and the consumption, notwithstanding bad trade, is said to be increasing. With peace, the East of Europe would probably be again a good customer, as it used to be; and I cannot help thinking, that with any improvement in business generally Copper would be amongst the first articles to participate.

I have now only to express my acknowledgments, which I do very heartily, and also those of my colleagues, to the heads of Departments in this country and Spain, as well as to all our employés, for the zeal and ability they continue to shew in the conduct of your business.

The CHAIRMAN—Such is Mr. Tennant's address. As it comprises all that is necessary to be said, I need not add anything. I shall therefore confine myself to moving the adoption of the report. The terms of the motion will be read by Mr. Thomson.

Mr. THOMSON accordingly read as follows:—"That the Report of the Directors (with the relative Balance Sheet, and Profit and Loss Account) for the year ended 31st December, 1877, be, and is hereby received, approved, and adopted; and that the Dividend of 17½ per cent. (free of Income Tax), therein recommended, be now declared: one-half thereof, or 8¾ per cent., to be paid on the 10th of May next, and the remainder, or 8¾ per cent., on the 8th day of November following; and that the Balance of £7859 6s. be carried to the credit of the year 1878."

Mr. DAVID WILSON—I have great pleasure in seconding the motion.

The CHAIRMAN—Is it your pleasure, gentlemen, that this motion be adopted? (Applause.) Unanimously carried. The next business before us is the election of Directors.

JAMES WHITE, Esq., of Overtoun—In accordance with the Contract of Copartnery, the first four gentlemen on the list of Directors fall to retire at this time, and as they are all men who have done good service to the Company in time past—men of

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thorough business habits and experience, and well known to the Shareholders—I have great pleasure in proposing that they be re-elected. The motion is as follows:—"That the retiring Directors—viz., Mr. William Watson Pattinson, Mr. Louis Leisler, Mr. John Moffat, and Mr. Archibald Arrol—be re-elected Directors of the Company."

JOHN M'CLURE, Esq.—I beg most cordially to second the motion proposed by Mr. White.

The CHAIRMAN—Is it your pleasure to confirm this resolution? (Applause.)

JAMES ALEXANDER, Esq., Helensburgh—Before you pass this motion, I have a word or two to say. I have not the slightest objection to any of the names proposed, nor to any remarks made by Mr. White regarding the retiring Directors; but I would ask, Is it not possible to infuse a little new blood into the Directorate, supposing it should be only the election of a Director in room of one out of the four Directors who annually retire? I do not wish to propose any amendment, but I make this suggestion as one that is worthy the consideration of the Board during the year on which we have now entered.

The CHAIRMAN—I understand this is not proposed as an amendment. I would remind the Shareholders, that during the last three years we have had two new members appointed to the Directorate—Mr. Holbrook Gaskell and Mr. W. W. Pattinson. The suggestion Mr. Alexander has made will, however, be kept in view by the Board. Meanwhile, I beg again to ask whether the re-election of the gentlemen named is confirmed by the meeting? (Applause.) The next business before us rests entirely with the Shareholders,—the election or re-election of Auditors, and their remuneration.

MATHEW ANDERSON, Esq.—I think the election of Auditors is very important for the Shareholders. It is impossible to expect that Shareholders can give such an overhaul to the accounts as that carried out by professional accountants, and I look upon it as very important that we should have as Auditors men of standing and experience, such as we have had hitherto. I have, therefore, much pleasure in proposing as follows:—"That Mr. Walter Mackenzie, C.A., Glasgow, and Mr. Alexander Moore, C.A., there, be re-elected as Auditors of the Company, and to

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Audit the Books and Accounts of the Company for the current year; and that the remuneration for their services during the past year (1877) be fixed at £300, to be equally divided."

GEORGE GIBSON, Esq.—I have much pleasure in seconding that motion.

The CHAIRMAN—Is it your pleasure that this motion be adopted? (Applause.) This concludes the ordinary business of the meeting, but Mr. Johns, I think, desires to say a few words.

J. W. JOHNS, Esq., London—I should like to have made a few general remarks on this occasion, but in consideration of the great sorrow which has overtaken our Chairman, it may be better to pass all business over in silence. I have, however, a special word or two to say. I feel that there are many in this room who could express what I have to say a great deal better; but I am sure no one can do so more sincerely. I think we ought not to separate on this occasion without in some way expressing sympathy with our Chairman and his family, who have suffered so great a loss in the death of Mr. John Tennant. It is unnecessary that I should say much about the deceased to Glasgow men. They will miss his well-known form, and the omission of his honoured name from the records of philanthropy and charity will be a great loss to Glasgow. It has had many great citizens, but I doubt if it has had many greater than Mr. John Tennant, and his father who preceded him. I think, therefore, that if we convey to Mr. Charles Tennant a resolution expressive of our sympathy, it will be a great consolation to him and to his family. Our loss is great, but theirs is greater; and I can only hope that when the last shadow passes over us all, we may be as ready to go as I understand Mr. John Tennant was. Permit me now to move as follows:—"That the Shareholders express deep regret at the loss which the Company and its Board of Directors have sustained by the death of John Tennant, Esq., of St. Rollox; and desire to convey to our esteemed Chairman their expression of sincere sympathy and condolence under this sorrowful bereavement."

JAMES WHITE, Esq.—I have very great pleasure in seconding the resolution which has just been proposed. In common with the citizens of Glasgow, I feel that we have lost one of our standard-bearers in the commercial world through Mr. Tennant's

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death, and I believe that an expression of sympathy, conveyed by this Meeting to Mr. Tennant, of The Glen, will satisfy him that Glasgow feels his loss, and that we sympathize with him and the other relatives in the bereavement they have sustained. (Applause.) It would be needless to say more on an occasion of this kind; but I am sure I only express the feelings of the citizens of Glasgow in speaking as I have done. (Applause.)

The CHAIRMAN—It will be my duty, and also my privilege, to convey to our Chairman the resolution you have passed, after the very kind expressions which have fallen from Mr. Johns and Mr. White. The business of the Ordinary Meeting being concluded, we shall now resolve ourselves into an Extraordinary General Meeting, to carry out what, I believe, we will all regard as a simple formality. Perhaps Mr. Thomson will be good enough to read the resolution.

Mr. THOMSON—We have to pass a special resolution regarding our Debentures, which are maturing this year, next year, and the following year. There are about £60,000 odds due on 1st December, and the Board feel that it is necessary for you to give them power to deal with these securities as they fall due. If it is expedient to pay them off, the Directors will do so; if they require to renew them, they will re-issue them on the best possible terms; but as some of the Debentures fall due before another general meeting, it is necessary that you should give the Board this power. They, therefore, ask you to pass the following special resolution:—"That the Directors be, and hereby are empowered, to pay off the £250,000 of Debentures of the Company, as these become due; and for this purpose to re-borrow, on new Debentures of the Company, such amount as may be necessary, not exceeding said sum, for such periods, and at such rate of interest as the Directors may determine."

Mr. JOHNS seconded the motion.

The CHAIRMAN—Is it your pleasure that this resolution be adopted? (Applause.) Carried unanimously. Gentlemen, that concludes the business of the day.

Mr. H. GASKELL—Gentlemen, I think you cannot separate without giving thanks to Mr. Schaw for having taken the Chair at this time. (Applause.)

The Meeting then separated.

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MINUTES OF GENERAL MEETING.

AT GLASGOW, and within the Merchants' Hall, No. 1 West George Street, there, on Thursday, 18th April, 1878, at One o'Clock, p.m., was held the Annual General Meeting of the Tharsis Sulphur and Copper Company Limited.

There was a large attendance of Members, holding or representing 49,687 shares.

On the motion of Mr. HOLBROOK GASKELL, (who explained the sorrowful cause of Mr. Charles Tennant's absence,) Mr. ARCHD. S. SCHAW, Deputy-Chairman of the Board, was chosen Chairman of the Meeting.

Mr. THOMSON, the Secretary, read the Notice calling the Meeting; also a Certificate by him, bearing that a Copy of the Notice had been duly posted to all the Members on the Register of the Company.

The Notice and Certificate are as follows:—

"THE THARSIS SULPHUR AND COPPER CO. LIMITED.

"Notice is hereby given, (First,) That an ORDINARY GENERAL MEETING of the MEMBERS of the THARSIS SULPHUR AND COPPER COMPANY LIMITED, is hereby convened to be held within the MERCHANTS' HALL, No. 1 West George Street, Glasgow, *on Thursday, the 18th day of April, 1878, at One o'Clock, afternoon*, for the purpose of considering the Report of the Directors for the year 1877, electing four Directors in room of those retiring, appointing two Auditors, fixing the remuneration to be paid to the Auditors of the past year for their services, and transacting the ordinary business of the Company; and, (Second,) That an EXTRAORDINARY GENERAL MEETING will be held at the same place and time, for the purpose of considering, and, if approved of, adopting and passing the following Special Resolution:—viz., 'That the 'Directors be, and hereby are empowered, to pay off the '£250,000 of Debentures of the Company, as these become

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'due; and for this purpose to re-borrow, on new Debentures 'of the Company, such amount as may be necessary, not 'exceeding said sum, for such periods, and at such rate of 'interest as the Directors may determine.'

"And Notice is further given, That the Transfer Books will be Closed from the 4th to the 17th April, both days inclusive.

"By order of the Directors,

"JONATHAN THOMSON,
"*Secretary.*

"Registered Office, 136 West George Street,
"Glasgow, *28th March, 1878.*"

Secretary's Certificate.

"Glasgow, *6th April, 1878.*—I hereby certify that a copy of the foregoing Circular Notice was this day addressed to each Member on the Register of the Company, and posted at the General Post Office here.

"JONATHAN THOMSON,
"*Secretary.*"

The Directors' Report, which had been previously circulated among the Members, having been held as read, the Chairman called upon the Secretary to read the address which the Chairman of the Board (Mr. Charles Tennant) had prepared for delivery to the meeting. The Secretary having read the address, which referred to the various matters alluded to in the Directors' Report, as also to the prospects of the Company for the current year, the Chairman moved,—

> "That the Report of the Directors, with the relative Balance Sheet, and Profit and Loss Account, for the year ended 31st December, 1877, be, and is hereby received, approved, and adopted; and that the Dividend of 17½ per cent. (free of Income Tax) therein recommended be now declared—one-half thereof, or 8¾ per cent., to be paid on the 10th of May next, and the remainder, or 8¾ per cent., on the 8th day of November following; and that the Balance of £7,859 6s., be carried to the credit of the year 1878;"

which motion was seconded by Mr. David Wilson, one of the

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Directors, and having been put to the meeting, was carried unanimously.

It was then moved by JAMES WHITE, Esq., of Overtoun,—

> "That the retiring Directors,—viz., Mr. William Watson Pattinson, Mr. Louis Leisler, Mr. John Moffat, and Mr. Archibald Arrol—be re-elected Directors of the Company."

JOHN M'CLURE, Esq., Writer, Glasgow, seconded the motion; which was unanimously agreed to.

JAMES ALEXANDER, Esq., Merchant, Glasgow, suggested, in relation to the above motion, and without having objection to any of the names therein mentioned, that it might be advisable to introduce a new member into the Board, even should it be in place of only one of the four who annually retire. The Chairman stated, that during the last three years two new Members had been thus introduced, but that Mr. Alexander's suggestion would not be lost sight of.

It was further moved by MATHEW ANDERSON, Esq., Writer, Glasgow, seconded by GEORGE GIBSON, Esq., Merchant there, and unanimously agreed to,—

> "That Mr. Walter Mackenzie, C.A., Glasgow, and Mr. Alexander Moore, C.A. there, be re-elected as Auditors of the Company, and to audit the Books and Accounts of the Company for the current year; and that the remuneration for their services during the past year (1877) be fixed at £300, to be equally divided."

JASPER W. JOHNS, Esq., of Purton Lodge, Bucks., feelingly alluded to the death, on the previous evening, of John Tennant, Esq., of St. Rollox, a Director of the Company. He moved,—

> "That the Shareholders express deep regret at the loss which the Company and its Board of Directors have sustained by the death of John Tennant, Esq., of Saint Rollox; and desire to convey to our esteemed Chairman their expression of sincere sympathy and condolence under this sorrowful bereavement;"

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which motion was seconded by JAMES WHITE, Esq., of Overtoun, and unanimously adopted by the Meeting. The Chairman stated, that it would be his duty and privilege to convey to Mr. Charles Tennant the expression of sympathy given by the Meeting.

This being all the ordinary business before the Meeting, it resolved itself into an Extraordinary General Meeting, for the purpose specified in the circular notice calling the same.

The CHAIRMAN then moved, that the Meeting approve of, adopt, and pass the following special resolution, viz.:—

> "That the Directors be, and hereby are empowered, to pay off the £250,000 of Debentures of the Company, as these become due; and for this purpose to re-borrow, on new Debentures of the Company, such amount as may be necessary, not exceeding said sum, for such periods, and at such rate of interest as the Directors may determine;"

which, having been seconded by JASPER W. JOHNS, Esq., and put to the Meeting by the Chairman, was declared by him to be carried unanimously; and the Meeting resolved accordingly.

ARCHD. S. SCHAW, *Chairman.*

A vote of thanks to the Chairman was cordially and unanimously carried.

JONATHAN THOMSON, *Secretary.*

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REPORT BY THE DIRECTORS

TO THE

EXTRAORDINARY GENERAL MEETING

OF THE MEMBERS OF THE

Tharsis Sulphur and Copper Co.

LIMITED,

APPOINTED TO BE HELD WITHIN THE

MERCHANTS' HALL,

No. 1 WEST GEORGE STREET, GLASGOW,

On TUESDAY, 10th DECEMBER, 1878,

AT

ONE O'CLOCK AFTERNOON.

GLASGOW:
PRINTED BY JAMES C. ERSKINE, 257 ARGYLE STREET.
1878.

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REPORT BY THE DIRECTORS.

YOUR Directors have, for some time past, been engaged in an important negotiation with your Lessors the French Company, —the result of which we have now the pleasure to lay before you.

For the past eleven years we have worked the Tharsis and Calañas Mines under a lease granted by the owners, La Compagnie des Mines de Cuivre de Huelva, of Paris, represented by its Gérant, Monsieur Victor Mercier.

It has long been our opinion that it would be advantageous to your Company to become the owners of the property. Until now, however, no basis which we could recommend to you, has been attainable.

It affords us pleasure, therefore, to be now in a position to submit for your consideration an arrangement by which this may be accomplished. It has commended itself to us, and we trust it will also secure your hearty approval.

Under the conditions of the lease, we pay a Royalty of 5 francs (4s.) per ton of 21 cwts. net on every ton of Ore we export, and one of $2\frac{1}{2}$ francs (2s.) per ton on every ton we treat on the Mines. The lease fixes a minimum Annual Royalty, which we are bound to pay, amounting to £34,000 a-year, which constitutes a first charge on the business of the Company.

Our relations with our Lessors have always been, and continue to be, highly satisfactory. At the same time, we feel it would be, in every respect, more satisfactory to place these relations on a footing of absolute identity.

The Royalties we paid for the year 1877, amounted to £65,381 10s.; for 1876, to £58,084 2s.; and for 1875, to £61,612 12s.; or an average of £61,692 14s. 8d. a-year for these three years.

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The French Company has two classes of shares,—Capital and Jouissance. The Capital Shares are entitled to a yearly interest at the rate of 5 per cent.; the Jouissance to all that remains of the profits of the year. The par value of the Capital Shares is £8, but by the Company's statutes they must be redeemed at the rate of £10 per Share. We propose, accordingly, to acquire the Capital Shares by a payment of £194,240; and in exchange for 47,332 Jouissance Shares, to create 23,666 fully paid-up Tharsis Shares, giving one Tharsis for two Jouissance Shares.

The unclaimed interest on Capital Shares, and dividends on Jouissance Shares, will, it is expected, very soon amount to about £1,000 a-year; and not having been claimed during five years, will, under the proposed arrangement, become the property of the Tharsis Company. The principal of the Shares, on which interest and dividends have not been claimed, will ultimately, also, should no claimants appear, become the property of the Tharsis Company; but, according to the law of France, they are not forfeited before thirty years from the date of the dividend or interest being unclaimed.

The gross revenue of the French Company, in 1877, was	£71,502 19 8
The charges thereon, ...	10,257 7 9
Leaving a net revenue of . .	£61,245 11 11

Had the fusion taken place on 1st January, 1877, we would have had to pay 17½ per cent., amounting to £41,405, on 23,666 additional £10 Shares, which would have left £19,840 11s. 11d. wherewith to pay interest, and towards extinguishing the sum paid for the Capital Shares.

Looking to the great fact, that we get rid of a rent charge of not less than £60,000 a-year, which forms a first Mortgage on your income and assets; looking also to the increased freedom of action in working the Mines which is likely to accrue from becoming the owners, the project of arrangement we submit to you is one which, in the opinion of your Directors, adds materially to the stability and value of your property. On these grounds it commends itself to our adoption; and it is further welcome to all of us as a proof of the entire approval

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by our French friends of the way in which we have conducted the business of the Company, and as a signal mark of their confidence in the future prosperity of our undertaking.

The arrangement is intended to have a retrospective effect, and to be operative as from 1st January last,—the figures of our respective Balance Sheets, at 31st December, 1877, being taken as the basis. If carried out, we shall pay no Royalties for this year; but the Jouissance Shares, converted into 23,666 Tharsis £10 fully paid Shares, will be entitled to their proportion of the dividend to be declared at our next General Meeting.

In taking over the whole Property and Assets of the French Company, we also inherit its liabilities. These will consist of the expenses for the year 1878, which, in 1877, amounted, as before stated, to £10,257 7s. 9d., including the dues payable to the Spanish Government, and the expenses on certain lawsuits of the French Company, which we shall have to carry on. We have known of the existence of these for a long time, and in view of this arrangement have made very special inquiry into their nature and objects. They are merely reproductions of claims which have been judged several times already, and decided, in every case, in favour of the French Company. The costs connected with these suits have been trifling, averaging about £250 a-year, which is not likely to be increased. They will continue to be carried on in France, and the Gérant of the French Company has kindly consented to attend to them, as hitherto.

As the depreciations of future years will, eventually, recoup the amount to be paid, in January next, for the Capital Shares of the French Company, we have to ask you to create £150,000 of additional Debenture Stock, terminable in five years, and to be issued to such extent as may be found necessary. We have also to ask you to sanction the issue of 23,666 full paid Shares, to be given in exchange for the 47,332 Jouissance Shares of the French Company. Special resolutions will be submitted to you for that purpose.

The agreement by virtue of which the French Company is to be absorbed by our Company, and the Balance Sheet of the French Company, as at 31st December, 1877, will be on the table at the General Meeting called for the purpose of considering this

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matter. We do not deem it requisite to circulate this agreement, its leading features being sufficiently explained in the foregoing statement. One of its stipulations is, that the dividends shall henceforth be paid on 10th July yearly, or nearest lawful day thereto, in one sum, instead of two, as hitherto. This has been strongly insisted on by the French Company, who have always been accustomed to have their profits paid in one sum. We therefore propose, in future, to balance the books of the Company up to 1st March, and to hold the Annual Meeting in the month of June. Our next balance will therefore include the profits of fourteen months, instead of twelve. Another stipulation is, that two members of the French Company's Board, along with M. Victor Mercier, its Gérant, shall have seats at your Board; M. Barthélemy Saint-Hilaire, Senator and Member of the Institute of France, President of the French Company's Board, and M. Messéan, its Secretary, are the parties selected, and can only confer honour on those with whom they may be associated; while M. Mercier, the very able and successful Gérant of the French Company, will, in many ways, be a great acquisition to your Board.

In conclusion, your Directors have only to express their satisfaction at the result of these negotiations, and their conviction that it will greatly strengthen the position of your undertaking.

By order of the Directors,

CHARLES TENNANT,
Chairman.

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BOARD OF DIRECTORS.

———oo———

The Names are printed in the order in which the Directors retire:—

David Wilson, Esq., Glasgow.

John Williamson, Esq., South Shields.

David Gamble, Esq., St. Helens.

James Couper, Esq., St. Rollox.

Charles Tennant, Esq., The Glen.

Archibald S. Schaw, Esq., Glasgow.

John Wilson, Esq., Auchineck.

Holbrook Gaskell, Esq., Liverpool.

William W. Pattinson, Esq., Felling.

Louis Leisler, Esq., Glasgow.

John Moffat, Esq., Ardrossan.

Archibald Arrol, Esq., Glasgow.

Charles Tennant, Esq., *Chairman.*

Jonathan Thomson, *Secretary.*

William A. Verel, *Commercial Manager.*

Jonathan Down, Theodore Merz, } *Technical Managers.*

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REPORT OF THE PROCEEDINGS

OF THE

EXTRAORDINARY GENERAL MEETING

OF THE MEMBERS OF THE

Tharsis Sulphur and Copper Co.

LIMITED,

HELD WITHIN THE

MERCHANTS' HALL,

No. 1 WEST GEORGE STREET, GLASGOW,

On TUESDAY, 10th DECEMBER, 1878.

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REPORT.

AN Extraordinary General Meeting of the Members of the Tharsis Sulphur and Copper Company Limited, was held within the Merchants' Hall, No. 1 West George Street, Glasgow, on Tuesday, the 10th day of December, 1878, at One o'clock afternoon. The Chair was occupied by CHARLES TENNANT, Esq., of The Glen, and there was a large attendance of Shareholders.

The CHAIRMAN requested Mr. THOMSON (Secretary) to read the Notice calling the Meeting.

Mr. THOMSON having read the Notice,

The CHAIRMAN, in moving the adoption of the Report, said—

GENTLEMEN,—We have called you together to submit for your consideration and approval a project of fusion with our French owners, the details of which are pretty fully given in the Report I hold in my hand, and which has been in your possession for some days. If it is your wish I will ask the Secretary to read the Report. If not, I will hold it as read, and make a few remarks on it previous to moving the Resolutions which its adoption involves.

The main features of this arrangement are these,—that we get rid of a Royalty, forming a first charge of over £60,000 a-year on the income and assets of the Company; second, that we become the owners of the Mines, and can work them, or, any other Mineral Deposits in Spain, in the way we deem best, and with a freedom which is not permitted to us under our existing Lease. These are advantages to which a considerable degree of importance is to be attached, and which may prove of great value to the Company.

In exchange for these advantages what then is the consideration we have to offer? *First*, We take over the Capital Shares of the

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French Company at the price fixed by their Articles of Association—viz., £10 per Share. This involves a payment, as stated, of £194,240. These Capital Shares were originally 22,500 in number, but by annual drawings they have been reduced to 19,424. They represent actual expenditure of the French Company on the Works, Buildings, and Plant, and also on the Open-cast and general development of the Mines, both at Tharsis and Calañas; and further, the capital outlay involved in acquiring the fee simple of about 18,000 acres of land contiguous to the Mines, —a large perimeter being necessary to protect us against claims for smoke damages, to which we are liable in Spain very much as in this country.

Secondly, We take the French Company into partnership by converting their Jouissance Shares into Tharsis Shares, giving one of ours for two of theirs. When we entered into this negotiation in the month of July last, our Shares were selling at rather over £24, and their Jouissance at a little over £12. Since that date their relative values have remained nearly the same, and are to-day 11½ and 22½. On both sides the negotiation has been conducted with great care and patience; and the result arrived at is, we believe, a fair and equitable one, likely to conduce to the welfare of both Companies. Our present called-up Share Capital is £900,000. It will now be increased to £1,136,660. Five per cent. dividend on this would amount to £56,833. As our Royalties amount to over £60,000, the French Company are practically giving up a five per cent. preference security over the whole Share Capital of this Company, and merging the same in the ordinary Stock of the joint undertaking. We all know the difference in value which attaches to a preference as against an ordinary share; and we can thus appreciate the advantages of placing the whole Stock of the Company on the same platform.

You may naturally ask, why the Directorate of the French Company should have entertained such an arrangement? There has been a good deal of writing in their financial journals disapproving strongly of the scheme. One of these explains to the Shareholders that they are exchanging an ingot of gold for an ingot of platinum, or, it may be, even of tin—recommends them to adhere to their solid French security, whose dividends are undoubted, and not contract a Gretna Green marriage with a

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Company whose domicile is in Scotland,—a country whose laws are not the written laws of England, but where there are customs on the faith of which the judges act, as in the little State of Jersey; where there are also societies of unlimited liability, which involve, as in the recent example of the Glasgow Bank, the individual responsibility of all the shareholders for the total debts of the Bank. It goes on to indicate that they could dispose of their property on much more favourable terms; and ends by urging them to remain loyally and determinedly under the laws of their country, and not get married at Gretna Green. Another journal concludes a long article adverse to the scheme in these words:—"If carried out, it may once more be affirmed, that when England has a bad affair on hand, she passes it over to French holders; but that when these latter have a good thing in hand, England steals it from them."

You see, therefore, that, in the opinion of these writers, the French Shareholders are making a bad bargain. Well, to my mind, the reasons which have weighed with the French Directors are not far to seek. In the first place, they get their Capital Shares paid off at once, instead of by annual drawings spread over a period of years. Secondly, they think both Sulphur and Copper very low, and likely to recover in value when the present commercial depression has passed away. They are aware that next year our sales of Sulphur are at 1d. per unit above present prices, equal to about 4s. per ton; and they see that, with a return to former prices for Copper, our dividends will improve, and they will then reap their reward. You will find that 22½ per cent. is the turning point of the matter of advantage or disadvantage. If our dividends are below that figure, we gain by the arrangement; if over, they gain. Now, I think you will not only not grudge, but will be glad to pay them 25 per cent. or more when we are in the enjoyment of the same ourselves,—seeing that if, from any adverse causes, the dividends should fall off, they become sharers alike in our misfortunes.

It will be satisfactory to you to know that, amongst the assets handed over to us by the French Company, as at 31st December, 1877, there will be a sum of about £16,000 in cash; and that we ourselves are holders of 2,304 Jouissance Shares, and 93 Capital Shares; so that we are enabled, with these aids, to meet the

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payment of £194,240 by a creation of £150,000 of Debenture Stock.

The Revenues of the French Company, for 1877, of £71,502, consisted of Royalties £65,381, about £1,500 unclaimed dividends, and a balance of about £4,000, which latter will not occur again. This balance represents the dividends on a certain number of Jouissance Shares which were created with the rest, but never allotted, and remain now the property of the Company, and will be handed over to us without payment. The dividends on these were reserved annually; but the amount was carried forward always to the Cr. of Profit and Loss Account, and became part of the divisible Balance of the next year.

The expenditure of the French Company, £10,257, will, in 1879, be reduced to about £8,000. It consists almost entirely of liferents to the Gérant and Conseil and officials of the Company, which will, in course of time, cease.

The lawsuits, into which we have carefully inquired, are not of a nature to give us uneasiness. They arise, chiefly, out of disputes between the present Gérance and Conseil, and that which preceded it. One is for having given us a certain extension of time in carrying out our minimum shipments in the first years of our lease, when the Railway was incomplete; others are connected with the unallotted Jouissance Shares to which I have alluded. In all these suits M. Mercier has been invariably successful hitherto; and our French counsel advises us that the same result is likely to attend him in the future.

I think I have now only to allude to the alteration with regard to the payment of the Dividend, which will take place in one sum, on the 10th of July, and to the change which this renders necessary in the date of our Balance—viz., to 1st March. This has been done at the instance of our French friends, with whom such payment in two sums is unusual, and will not, I think, be unacceptable to you. Hitherto, as you are aware, we have balanced to 31st December, and paid the dividend, half in May, half in November, being four and eleven months, or an average of seven and a-half months after that date. Now we propose to balance to 1st March, and pay the dividend in one sum on 10th July, or four months afterwards. You will thus receive your Dividend three and a-half months sooner than you have been in

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the habit of getting it. The current year will extend to the 1st March, 1879; and the Balance will be on fourteen months' operations, instead of twelve.

I am sure you will agree with me, that the addition to the Board of the three French gentlemen named, will materially conduce to the strength and influence of the united Company.

I may add, that our French friends are, like ourselves, met in general Meeting to-day; and I am now waiting for a message, telling us of the ratification of the agreement.

Mr. A. S. SCHAW (Deputy-Chairman)—I beg to second the motion proposed by the Chairman. I do so most cordially, believing that the proposed arrangement will be for the general interests of the Company.

The CHAIRMAN—Before putting the resolution to the Meeting, I would ask whether any Shareholder wishes to make any remarks. I shall be glad to give every information in my power.

Mr. WHITE, of Overtoun—In looking over the Report which has been circulated among the Shareholders, I see that you propose taking over all the liabilities of the French Company, and along with these liabilities two or three good-going law pleas. You do not seem to regard these liabilities or these law pleas as a very serious purchase in taking over the concern, and I think the Shareholders present will have such perfect confidence in the commercial integrity and ability of the Directors, as to believe that they have looked very narrowly into these two points. With reference to the general principle, I do not think there can be any difference of opinion as to the propriety of acquiring a leasehold property and becoming proprietors, and so being enabled to work the undertaking in a way that is much more satisfactory to the Shareholders than can possibly be done under a lease, of whatever duration. I do not mean to go into the details of the pecuniary arrangement,—whether it is better for us or for the French Company,—being perfectly satisfied to leave that matter in the hands of the Directors, who are every way competent to judge of the desirability of the Shareholders of the Tharsis Company taking over this property permanently, and the advantages of doing so, as compared with what would be the result of remaining in our present position,—that of leaseholders only. I think all the Shareholders must be satisfied that hitherto

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the Directors have managed this concern with admirable commercial propriety; and although the dividends are not so large as they at one time were, it is better sometimes to have a smaller dividend, with the assurance that it has been thoroughly well earned, than a fictitious dividend based on wrong principles. The change that has been made in the payment of the dividends is one, I think, that must commend itself to the Shareholders generally. We are not now, as we were at one time, getting dividends paid in anticipation of their being earned, because they are actually earned before the books are closed. We are getting our dividend at a much earlier period than would have been the case if it had been payable in two instalments, as has hitherto been the case. No doubt there are some parties to whom the double payment of a dividend is sometimes more convenient than getting it in one slump sum; but I think the advantage to the Shareholders of the Tharsis Company, in getting their dividend four months earlier than they did before, even with the one-half, must commend itself to them as a great advantage over what we have hitherto been accustomed to. I do not think there is anything in the arrangement that is injurious to the interests of the Shareholders of the Tharsis Company; and I am quite sure that if anything had been foreseen by the Directors as likely to be injurious, they would have taken care, in the arrangement with the French Company, to provide for that. I have very great satisfaction in feeling that the Directors have done for the best; and I feel assured the result of it will be for the continued and increasing prosperity of the Company. (Applause.)

Mr. JOHN M'GAVIN—May I ask if you have any idea of the amount of claims that are now being litigated in the French courts; and if it is likely that any fresh claims may be started in consequence of the change which is now being made? I rather disagree with Mr. White in regard to the payment of the dividend. I think that for Scotch Shareholders a half-yearly dividend is more convenient; and it would have likewise furnished you with a very large sum of money for a number of months, which I for one would certainly not have grudged. I think that, to the large majority of Shareholders, a half-yearly payment is much preferable to an annual one; and I beg to say, that I think it would tend much more to the price of the Shares being maintained at

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a more legitimate amount, because, by an annual payment, it occurs to me that you open the door for speculators, who, during the whole year, are very apt to get up reports, which, by half-yearly payments, would not be so readily believed by the public. I merely state this as my own opinion; and any of the Shareholders that I have met outside agree with me on that point. Mr. White, of course, has very great experience in these things, and I would defer very much to his judgment and your own, Sir, and that of the Directors; but I do think a half-yearly payment is preferable to an annual payment. (Applause.)

Mr. Wm. M'Ewen—I rise merely to express my approval of the views that have been expressed by Mr. White, and to differ from those expressed by Mr. M'Gavin. I cannot see how a dividend payable in one sum can make more speculation than its being declared at one time, and divided during the year; and I think the difficulty may be got over by any Shareholder who does not wish to receive the large dividend, allowing it to remain in the hands of the Company for six months at a fair rate of interest. (A laugh.) I think the arrangement you have made is a very judicious one, and I look forward to receiving very considerable benefit from it. If you look at the consumption of Pyrites in this country, you may expect every year to see an increasing quantity; and that increasing quantity means an increased Royalty being paid to the French Company; so that the arrangement that has been made is one, I think, likely to conduce to the future prosperity of the Company. There is only one other point I would refer to, and which you have overlooked. I think that this money that you have got the benefit of hitherto, by the dividend being postponed, could be very well provided by your calling up the £3 on the £7 Shares. (Applause.) I have a little doubt whether you should increase the capital without first calling this £3, which is yet unpaid. I see that, on the 10th of July, assuming that you pay the 17½ per cent., which you paid last year, and which we all hope to get, you will have a dividend of £232,000 to pay in one sum. Of course you have to deduct from that the Royalty which you would have paid had this agreement not been gone into; but even deducting that, you will have about £170,000 to pay. Of that you would have had £85,000 under the former arrangement; and I would suggest for your consideration the propriety of calling

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up the £3, which would just provide you with the exact sum in which you would be deficient. If you look at last year's account, you have got somewhere about £300,000 that you must continually finance for. I think the cheapest way of financing is to call up the money, and place all the Shares on one basis. That is a mere suggestion. Allow me here to state, that I approve entirely of this arrangement being carried out.

The CHAIRMAN—I am very glad indeed to find that our scheme has met with so good a reception at your hands. I would first express my entire sympathy with Mr. M'Ewen on the question of the £7 Shares. Like himself, I am a very large holder of them, and it would give me very great pleasure indeed if we could see our way to calling up the £3. But I confess I do not see my way to that. In what we have done we have consulted the welfare of the undertaking; and I think that in issuing debentures, instead of calling up the money, Mr. M'Ewen, at the bottom of his heart, thinks we have done the right thing. However, I will not go into that. Mr. M'Ewen only throws out a suggestion; and as any suggestion from him meets with every consideration at this Board, I can only thank him for having made it. As to Mr. M'Gavin's remark, I think that the question of the dividend being paid in one sum or two, cannot really in any way affect speculative operations in the stock. I do not myself see how it possibly can. Of course, when the Shares are quoted *ex* the large dividend, the reduction will be more considerable than being quoted *ex* the half dividend. But beyond that I do not know that it can affect in any way the price of stock in the market. As Mr. M'Ewen throws out a suggestion, I will be very glad to encourage it. If any gentleman would like to leave his money, Mr. Thomson will be glad to pay him in two sums,—in July and January, and allow him four per cent. for the money on hand. If any gentleman likes that suggestion, I can assure you it will give us satisfaction. As to the lawsuits, I may say, in reply to the remarks of Mr. White and Mr. M'Gavin, that we have looked into them very carefully—as carefully as we possibly could do. We went over to Paris. We saw our own counsel, and two distinguished French counsel, on the subject; and their opinion was, that the lawsuits were of a frivolous kind altogether; that there was really nothing connected with them about which we need

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have the slightest uneasiness. There has been a good deal of difference of opinion between the present Gérance and the one that preceded it; and I believe these lawsuits arose, in a great measure, in connection with these personal matters, and do not in any way affect the welfare of this Company. The other matter that was alluded to was as to the liabilities. Well, the principal liabilities are really those in connection with these lawsuits, and Mr. White asked if we had investigated the subject. A friend of mine said to me to-day, "I hope you do not take over a pig in a pock;" and he added, "The worst pig you can possibly take over is a lawsuit." We really did not do that. We looked into the matter very carefully, and we have no apprehension at all as to the results. There are no other liabilities at all in connection with the Company.

The Report was then unanimously adopted.

Gentlemen, I shall now ask Mr. Thomson, with your permission, to read the Resolutions *seriatim*.

Mr. THOMSON—As a matter of form the Resolutions require to be put to you one by one. It will not take above a couple of minutes. I shall read them, beginning at No. 1. The Chairman will put it for your adoption, and we shall get through the work very quickly in that way. The first resolution is as follows:—"That the Directors be, and hereby are instructed and empowered, on behalf of this Company, to acquire and take over the business, and whole Estate and Assets of THE COMPANY OF THE COPPER MINES OF HUELVA, trading under the style or firm of VICTOR MERCIER & COMPANY, and whose business address is Rue de Châteaudun, 38, Paris."

The CHAIRMAN—I beg to move that resolution.

Mr. SCHAW—I beg to second the motion.

The CHAIRMAN—Gentlemen, Is it your pleasure that this resolution, which has been moved and seconded, pass? (Applause.)

Mr. THOMSON—The second resolution is as follows:—"That the Treaty Articles or Agreement in that behalf, dated 1st and 7th November, 1878, entered into between VICTOR MERCIER, of Rue de Châteaudun, 38, Paris, on behalf of the said Company of the Copper Mines of Huelva, on the one part, and CHARLES TENNANT, President or Chairman of the Board of Directors of, and on behalf of, this Company on the other part, be, and the

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same are hereby approved, adopted, and confirmed; and the Directors be, and hereby are instructed and empowered to fulfil and give effect to the said Treaty Articles or Agreement so far as incumbent on this Company, and to adopt and follow out all measures and proceedings, and execute all deeds and writings required, whether in Spain, in France, in Britain, or elsewhere, for that purpose."

The CHAIRMAN—I beg to move the adoption of that resolution.

Mr. A. S. SCHAW—I beg to second that motion.

The CHAIRMAN—Is it your pleasure that it should pass? (Applause.)

Mr. THOMSON—The third resolution is as follows:—"That to enable the Directors to pay out to the Members of the said Company of the Copper Mines of Huelva, the value of their respective Shares and interests therein, which has been fixed, by the said Treaty Articles or Agreement, at the aggregate amount of £430,900 sterling, (1), The present Share Capital of this Company be increased from £1,000,000 to £1,236,660; and that the amount of such increase being £236,660 sterling, divided into 23,666 Shares of £10 each, be deemed and issued as fully paid up; and (2), The Directors be, and hereby are instructed and empowered to borrow upon Debentures of this Company, in addition to the sum of £250,000 already authorized to be borrowed by them, the further sum of £150,000, to be applied, along with £44,240 of ordinary funds of the Company, in settlement of the balance of the said sum of £430,900."

The CHAIRMAN—I beg to move the adoption of that resolution.

Mr. SCHAW—I beg to second that motion.

The CHAIRMAN—Is it your wish that it should be carried? (Applause.)

Mr. THOMSON—The fourth resolution is as follows:—"That the following members of the present Board of Directors of the said Company of the Copper Mines of Huelva—viz., BARTHELEMY ST. HILAIRE, ALFRED DOMINIQUE MARIE MESSEAN, and VICTOR MERCIER, all of Paris, shall, on the transfer of the said Company's business and whole Estate and Assets to this Company, be and become Directors of this Company; to none of whom the disqualification mentioned in the first clause of Article 61 of the Company's Articles of Association shall apply."

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The CHAIRMAN—I beg to move the adoption of that resolution.

Mr. SCHAW—I beg to second that motion.

The CHAIRMAN—Is it carried? (Applause.)

Mr. THOMSON—The fifth resolution is as follows:—"That the Annual General Meetings of the Company, instead of being held in the month of April, shall hereafter be held in the month of June; and that the Balance of the Company's Books falling to be made, as at 31st December next, shall be carried forward to 1st March, 1879, and shall continue to be made at 1st March annually thereafter."

The CHAIRMAN—I beg to move the adoption of that resolution.

Mr. SCHAW—I beg to second that motion.

The CHAIRMAN—May I take the resolution as carried? (Applause.)

Mr. THOMSON—The sixth resolution is as follows:—"That the Articles of Association shall be altered or modified to such extent as to give effect to the foregoing resolutions."

The CHAIRMAN—I beg to move the adoption of the resolution just read.

Mr. SCHAW—I beg to second that motion.

The CHAIRMAN—I now put it to the meeting. (Applause.) That is the whole business, gentlemen. We are very much obliged to you for attending.

A vote of thanks to the Chairman closed the proceedings.

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MINUTES OF GENERAL MEETING.

At Glasgow, and within the Merchants' Hall, No. 1 West George Street, there, on Tuesday, the 10th day of December, 1878, at One o'clock afternoon, was held an Extraordinary General Meeting of the Tharsis Sulphur and Copper Company Limited, convened by circular, dated 30th November, 1878.

CHARLES TENNANT, Esq., of The Glen, Chairman of the Board of Directors, occupied the Chair.

There was a numerous attendance of Members, holding or representing 50,405 Shares.

The Secretary, on being called on by the Chairman, read the Notice calling the Meeting, and a Certificate annexed thereto, bearing that that Notice had been duly posted as a prepaid letter, addressed to all the Members on the Share Register of the Company. The Notice and Certificate are in the following terms:—

"THE THARSIS SULPHUR AND COPPER CO. LIMITED.

"Notice is hereby given, that an Extraordinary General Meeting of the Members of The Tharsis Sulphur and Copper Company Limited, is hereby convened to be held within the Merchants' Hall, No. 1 West George Street, Glasgow, on Tuesday, the 10th day of December, 1878, at One o'Clock afternoon, for the purpose of considering, and if approved of, adopting and passing the following Special Resolutions, viz.:—

"1. That the Directors be, and hereby are instructed "and empowered, on behalf of this Company, to "acquire and take over the business, and whole "Estate and Assets of The Company of the "Copper Mines of Huelva, trading under the "style or firm of Victor Mercier & Company, and "whose business address is Rue de Châteaudun, "38, Paris.

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"2. That the Treaty Articles or Agreement in that behalf, "dated 1st and 7th November, 1878, entered into "between Victor Mercier, of Rue de Châteaudun, "38, Paris, on behalf of the said Company, of the "Copper Mines of Huelva, on the one part, and "Charles Tennant, President or Chairman of the "Board of Directors of, and on behalf of, this "Company on the other part, be, and the same are "hereby approved, adopted, and confirmed; and "the Directors be, and hereby are instructed and "empowered to fulfil and give effect to the said "Treaty Articles or Agreement so far as incum- "bent on this Company, and to adopt and follow "out all measures and proceedings, and execute all "deeds and writings required, whether in Spain, in "France, in Britain, or elsewhere, for that purpose.

"3. That to enable the Directors to pay out to the "Members of the said Company, of the Copper "Mines of Huelva, the value of their respective "Shares and interests therein, which has been "fixed, by the said Treaty Articles or Agreement, "at the aggregate amount of £430,900 sterling, "(1), The present Share Capital of this Company "be increased from £1,000,000 to £1,236,660; and "that the amount of such increase being £236,660 "sterling, divided into 23,666 Shares of £10 each, "be deemed and issued as fully paid up; and (2), "The Directors be, and hereby are instructed and "empowered to borrow upon Debentures of this "Company, in addition to the sum of £250,000 "already authorized to be borrowed by them, the "further sum of £150,000, to be applied, along "with £44,240 of ordinary funds of the Company, "in settlement of the balance of the said sum "of £430,900.

"4. That the following members of the present Board "of Directors of the said Company of the Copper "Mines of Huelva—viz., Barthèlemy St. Hilaire,

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"Alfred Dominique Marie Messéan, and Victor "Mercier, all of Paris, shall, on the transfer of the "said Company's business and whole Estate and "Assets to this Company, be and become Directors "of this Company; to none of whom the disquali- "fication mentioned in the first clause of Article "61 of the Company's Articles of Association shall "apply.

"5. That the Annual General Meetings of the Company, "instead of being held in the month of April, shall "hereafter be held in the month of June; and "that the Balance of the Company's Books falling "to be made, as at 31st December next, shall be "carried forward to 1st March, 1879, and shall "continue to be made at 1st March annually there- "after.

"6. That the Articles of Association shall be altered or "modified to such extent as to give effect to the "foregoing Resolutions.

"By order of the Directors,

"JONATHAN THOMSON,
Secretary.

"REGISTERED OFFICE, 136 WEST GEORGE STREET,
"GLASGOW, *30th November, 1878.*"

CERTIFICATE OF POSTING.

"GLASGOW, 30*th November*, 1878.—I hereby certify that a copy of the foregoing Notice was properly directed to each Member on the Share Register of the Company, and this day put into the Post Office here as a prepaid letter.

"JONATHAN THOMSON,
"*Secretary.*"

The Meeting having been asked by the Chairman, whether it would hold as read the Report by the Directors, which had been printed, and previously circulated among the Members, unanimously agreed to do so.

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The Chairman thereafter addressed the Meeting at some length, explanatory of the Directors' Report, and of the Resolutions to be proposed.

Thereafter the Meeting was addressed by JAMES WHITE, Esq., of Overtoun, JOHN M'GAVIN and WILLIAM M'EWEN, Esquires, Merchants, Glasgow; and further remarks made by the Chairman. After which the Directors' Report was unanimously adopted.

The Chairman then stated that the special Resolutions contained in the Notice calling the Meeting would be proposed for the adoption of the Meeting.

These Resolutions, which were read *seriatim* by the Secretary, were moved in like manner by the Chairman, seconded by Mr. ARCHIBALD SHANKS SCHAW, Deputy-Chairman; and being put to the Meeting, were carried unanimously; and the Meeting resolved accordingly.

CHARLES TENNANT,
Chairman.

A cordial vote of thanks was awarded to the Chairman for his conduct in the Chair.

JONATHAN THOMSON,
Secretary.

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REPORT BY THE DIRECTORS

TO THE

ORDINARY GENERAL MEETING

OF THE MEMBERS OF THE

Tharsis Sulphur & Copper Co.

LIMITED,

APPOINTED TO BE HELD WITHIN THE

MERCHANTS' HALL,

No. 1 WEST GEORGE STREET, GLASGOW,

On WEDNESDAY, 18th JUNE, 1879,

AT

ONE O'CLOCK AFTERNOON.

GLASGOW:
PRINTED BY JAMES C. ERSKINE, 257 ARGYLE STREET.
1879.

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REPORT BY THE DIRECTORS.

In accordance with the Constitution of the Company, as modified by the Special Resolutions passed and confirmed on the 10th and 24th December, 1878, it is now the duty of the Directors to lay their Report before the Shareholders, extending from 31st December, 1877, till 1st March, 1879; embracing the transactions of the united Company during fourteen, instead of twelve months as hitherto. These Reports will be annual in future.

It is hardly necessary to remind the Shareholders, that the present Report extends over a period of unexampled depression in the trade and commerce of the country.

FUSION WITH THE FRENCH COMPANY.

Before proceeding with the usual details, the Directors would advert to the change in the position of this Company, which was submitted to, and sanctioned by, the Extraordinary General Meetings above referred to. Your Directors have every reason to feel satisfied with the wisdom and prudence of that step; and they continue under the conviction that it will greatly strengthen the future of this Company. The arrangements of the Fusion are being carried out with as little delay as the circumstances have permitted. The necessary legal formalities have been so far attended to, and the Treaty and Articles of Fusion have been registered in Scotland and in France. The legal steps required in Spain are also in progress. The French Company have handed over all their Assets to this Company; their Capital Shares are in process of redemption; and at 28th February last, 8053 had been paid off, involving a total sum, with interest, of £83,470 2s. 4d. sterling. There still

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remained at that date 11,371 Shares to be redeemed, equal in value to £118,202 13s. 4d. sterling; the money for which was duly provided, and remitted to Paris. The exchange of the French Company's Jouissance Shares for Shares in this Company, is in progress, and will be gradually accomplished.

The total cost to the Tharsis Company of acquiring, by this Fusion of interests, the Mines, Property, and Assets of the French Company, represents in round numbers, in cash and Shares, the sum of £762,224; but as the Tharsis Shares were valued at £24 per Share, there is a premium accruing on them of £331,324, which has been deducted in the Balance Sheet, bringing out a net sum of £430,900. The Directors have adopted this mode of stating this Asset, as being clearer and simpler, instead of inserting the full sum on the one side of the Balance Sheet, and carrying the difference to a Reserve, or Suspense Account, on the other.

LAW-SUITS.

The Shareholders will expect a reference to the French Law-suits, which, at the time of the Fusion with the French Company, had been going on for many years, and to which special allusion was made in the Reports submitted in December last. It would take too long to go into a history of these. Our opinion of them has not changed. Unsuccessful in the Law Courts as their authors have hitherto been, and as your Directors firmly believe they will continue to be, an effort has been made to prejudice the interests of this Company by anonymous correspondence in various quarters, which has been allowed to pass in silence. But it may be remarked, that the statements made in that correspondence are much in the line of those hitherto unsuccessfully pleaded in the French Courts. In regard to the main question,—viz., the allegation that the Apporteurs (the parties who originally brought the Mines to the French Company) have not been fully paid, it may be sufficient to give here extracts from three judgments pronounced on that question which have been furnished to us by our French colleagues.

"Seeing (says the Tribunal) that the sum promised has been paid; that the issues have been subjected to the decisions of

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the General Meetings; that the 'Apporteurs' have received the *pro rata* coming to them on the issues made; that they have therefore nothing they can now claim under this head; that if, instead of having recourse to other issues, the General Meeting has preferred, on the report of the Gérant, to authorize him to substitute a lease of the Mines in lieu of the direct working thereof, this Meeting, at which the 'Apporteurs' were present, or could have been present, has in nothing exceeded its powers; that the documents produced establish the fact that it acted in a well-understood common interest; that this decision, besides, does not destroy the equilibrium of the rights of the Apporteurs, and of the other Shareholders; that it is advantageous as well to the one as to the other; that Gosse and the heirs of Hazelden, one of the founders of the Company of the Copper Mines of Huelva, have not, therefore, sustained any prejudice, and have, consequently, no ground for their demand, which must be rejected."

It is scarcely necessary to add, that these Law-suits will be carefully watched in the future, as they have been in the past, and that the interests of the Tharsis Company will not be neglected. The Shareholders may confidently leave them to the guidance of the Directors, here and in Paris.

MANAGEMENT.

In connexion with a change of the management in Spain, the Directors have pleasure in stating, that they secured the services of Mr. Albert Grothe, Civil Engineer, favourably known in this country; and that since he entered upon his position, they have every reason to be satisfied with his ability and zeal in the performance of his responsible duties.

THARSIS MINES.

North Lode.—In former Reports the figures were given shewing the large amount of Overburden covering this mass of Mineral which had been already removed. Since then it has, therefore, been unnecessary to prosecute the work to the same extent. During the fourteen months under review, there were removed 60,981 cubic metres, as against 227,967, and at a cost

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of £5,883 8s. 8d., as compared with £20,039 12s. 3d. in the previous year. The Mineral was charged with the sum of £9,013 12s. 6d., thus leaving a sum of £3,130 3s. 10d. in reduction of the debit at the North Lode Overburden Account. The Mineral extracted from this deposit has been 185,654 tons.

Centre Lode.—The uncovering of this mass has likewise been curtailed, for the reasons given above. The Overburden removed was 10,073 cubic metres, at a cost of £1,226 8s. 3d., as against 55,816 metres, costing £5,468 18s. 10d. in 1877. The Mineral was charged with the sum of £5,275 11s. 0d., leaving a sum of £4,049 2s. 9d. in reduction of the debit at the Centre Lode Overburden Account. The Mineral raised from this deposit, from January till October inclusive, when extraction was suspended until further requirements, was 100,235 tons.

Sierra Bullones and Poca Pringue Lodes.—As was anticipated in last Report, these Deposits are branches of the same mass; and the communication between them was established in October, after a gallery had been driven, extending to 250 metres. The Sierra Bullones Branch has yielded Ore of a superior quality; and from it 65,349 tons were raised during a portion of the year 1878, a large proportion of which was exported. The Poca Pringue Branch has only been developed to a small extent, the explorations yielding 2,153 tons.

The Overburden Accounts of the North and Centre Lodes now stand at the sum of £67,011 3s. 2d., as against £74,190 9s. 9d. in the Balance Sheet for 1877,—a reduction of £7,179 6s. 7d.

CALAÑAS MINE.

Our increased explorations have proved this Deposit to be of much greater extent than we had previously believed it to be. Here the Ore is all worked by shafts and galleries. The quantity of Mineral raised was 65,641 tons, of which 63,751 tons were put to Calcination. The Ore washed amounted to 63,139 tons; and the Precipitate produced to 2,229 tons. All the Plant and Apparatus have been kept in thorough repair; and the Fixed Property Account has been reduced by the sum of £1,794 6s. 9d.

The total Mineral raised, from 1st January, 1878, till 28th

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February, 1879, from the various Lodes of the Tharsis and Calañas Mines, was 419,032 tons, as against 481,920 tons in 1877.

It will be observed that the foregoing total extraction of Mineral is less by 62,888 tons than what was raised during the year 1877. This is accounted for by the interruption to our Cementation Processes during August, September, and October of 1878, from the excessive drought which then prevailed. Advantage was taken of this interruption to enlarge the storage of our principal Reservoir, which now contains about 220,000,000 gallons of water—being double its former capacity. Our last Report alluded to the rainfall in 1877, having been 16·11 inches, as compared with 31·50 inches in 1876, and stated that rain had begun to fall in the month of March, which it was hoped would continue. In this we were disappointed; for although the rainfall of 1878 measured 19·9 inches, 14 inches of this fell during the three last months of the year. We had then, and have had since, very copious rains, so that our Reservoirs are now more amply stocked than ever before.

Preparations were resumed last year for more thoroughly investigating the various Mineral Deposits at Tharsis. Several experimental shafts were sunk, and others further explored, and a series of bores put down on what are known as the South, Silillos, and Esperanza Lodes. In course of time these investigations will add to our knowledge of the large Mineral reserves of the Company. To provide for cheaper raising from the deeper levels of the North Lode, extensive machinery, in the shape of Pithead Frames, Drawing and Pumping Engines, Boilers, Shoots, Platforms, &c., have been provided, and the former Smithies located there removed to a new building in a more central position. These additions involved an outlay of £15,337 18s. 11d. The substitution of steam-power for mule labour allowed 89 of the Company's mules to be sold, realizing the sum of £1,255 16s. 1d. The Depreciations on the Fixed Property and Plant Account have been £8,077 8s. 5d.; the net addition to this asset being £6,004 14s. 5d.

The Inventory of Waste Heaps at Tharsis has been written down by the usual amount of £4,000 per annum, equal to

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£4,666 13s. 4d. for the fourteen months, leaving a balance of £4,667 0s. 11d., which will disappear from our next year's Inventory. The quantity of material in these Waste Heaps is represented by 1,413,378 tons, which remain a valuable asset of the Company.

We have the same favourable report to give regarding the supply of Labour at the Mines, and the demeanour of our work-people. The amount of money at the credit of Depositors in our Savings Bank at Tharsis, on 28th February, 1879, was £10,283 6s. 10d.

RAILWAY AND PIERS.

The traffic for the fourteen months from the Mines to the Port downwards was 235,097 tons, and from the Port to the Mines upwards, 21,530 tons, making a total of 256,627 tons. The public traffic amounted to 462 tons. The Mileage run, including Ballast Trains, carrying 37,980 tons of Slag, was 12,587 miles. The ballasting is now all but completed. The relaying with Steel Rails amounted to 9,314 metres, leaving only 140 metres to finish this work. The Rolling Stock is in excellent order, not a single waggon being in the repairing shed at 31st December, and is ample for our present requirements. Our Manager reports the Railway to be now in such good condition that our outlay is likely to be moderate for several years to come. The expenditure embraced by the present Report was £11,346 15s., all of which has been charged to Revenue.

The net surplus from the downward traffic, after deducting, as usual, the interest on the first issue of Debentures of £100,000, is £12,990 13s. 1d.; and the net surplus from the upward traffic is £2,471 0s. 2d.; making together the sum of £15,461 13s. 3d., of which £5000 has been carried to the Reserve Fund, and the balance of £10,461 13s. 3d. credited to the Profit and Loss Account. The profit of £251 3s. 11d. obtained from the public traffic has also been credited to Profit and Loss Account.

The Pier, Cranes, and Mineral Depot at Corrales have all been maintained in good condition, and continue satisfactory in all respects.

Of Pyrites there were shipped 216,623 tons of Large Ore, and 17,203 of Small Ore; a total of 233,826 tons. Of Precipitate there were shipped 6,669 tons.

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METAL WORKS.

The additions to the Works and Plant in this country have amounted to £8,542 7s. 9d., and include £743 0s. 8d. spent in Culverts and Embankments at Widnes, £1,165 14s. 5d. on additional Plant at Oldbury, £846 4s. 2d. for new Well at Cardiff, and £1,883 9s. 4d. on the Silver Extraction Plant at Garngad, where the extraction of Silver from our Copper Liquors has now begun. The sum of £3,903 19s. 2d. is an addition to the Cardiff Works, and is the balance of the Contractor's Account for the cost of their erection, only paid after several years of litigation. The Contractor's claim was upwards of £10,000, but the amount found due by the House of Lords, who finally adjudicated upon it, including all expenses, was the sum already named. All the Repairs have been charged to Revenue, and five per cent., amounting to £13,880 16s. 8d., written off for depreciation, shewing a reduction on the Metal Works Property Account of £5,338 8s. 11d.

PYRITES, COPPER, AND IRON ORE.

The total quantity of Pyrites invoiced to customers was 235,803 tons. Since 1st January last an advance of 1d. per unit, or nearly 4s. per ton, has been obtained in the price of Sulphur. The production of Copper has continued satisfactory, but the Company has again had to contend with very low prices, the market having continued to fall, until we have now reached a range of quotations lower than ever before known in the history of the trade. The Iron Ore produced was 203,431 tons, and the quantity delivered to consumers 226,336 tons.

VALUATIONS.

All the Inventories in this country and in Spain have been made up with the greatest care. The Stocks in Trade in Britain are increased by the sum of £41,206 6s. 2d.; and those in Spain reduced by £1,488 19s. 3d. The Spanish Property and Plant Accounts have been re-audited, as usual, in this country, and have been reduced by the sum of £10,325 3s. 5d., charged to Profit and Loss, in addition to what has been charged against Costs of Production in Spain. The Miscellaneous Assets have been

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written down by the sum of £7,000 charged against Profit and Loss. The interest on the Capital Shares of the French Company, now being paid off, amounting at 1st March, 1879, to £9,063 10s. 2d., has been charged to Profit and Loss.

DEBENTURES.

In accordance with the powers conferred on the Board by the Special Resolutions of the Company, the Debentures falling due on 1st December last were renewed for five years, bearing 5 % interest; and the sum of £150,000 was issued on 1st February last, having a like period to run, and at the same rate of interest. The Debentures which fell due on the 1st of this month have also been renewed on the same terms. The applications for these securities exceeded the requirements of the Company.

PROFIT AND LOSS ACCOUNT.

The net Profits for the fourteen months ending 1st March, 1879, together with the balance carried forward at 31st December, 1877, as shewn by the Profit and Loss Account, amount to £199,728 14s. 0d.

The Directors recommend that the sum of £187,548 18s. 0d. be appropriated to the payment of a Dividend of 16½ per cent., free of Income Tax,—the whole being payable on Thursday, the 10th day of July next; and that the balance of £12,179 16s. 0d. be carried forward to the credit of the succeeding year.

RETIRING DIRECTORS AND AUDITORS.

In terms of the Company's Articles of Association, one-third of the Directors who have been longest in office, together with any who may have been appointed by the Directors to fill a casual vacancy, retire at each Annual Meeting. As the number of the Board is now fifteen, four of the Directors—viz., Messrs. David Wilson, John Williamson, David Gamble, and Charles Tennant—retire at this Meeting. Mr. James Couper, Chemical Manufacturer, who was elected to fill the vacancy caused by the lamented death of his relative and partner, the late John Tennant, Esq., of St. Rollox, also falls to retire at this Meeting.

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They are all eligible, and again offer themselves for re-election; and the Directors recommend that they be returned to the Board. It also falls to the Meeting to elect the Auditors of the Company; and Messrs. Mackenzie and Moore again offer themselves for re-election.

By order of the Directors,

CHARLES TENNANT,
Chairman.

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Dr. **THE THARSIS SULPHUR AND**

ABSTRACT BALANCE SHEET,

CAPITAL AND LIABILITIES.

To SHAREHOLDERS—							
Total Authorized Capital, . . .			£1,236,660	0	0		
Less Calls not yet made on							
31,100 Shares at £3 each,	£93,300	0	0				
670 Shares Unissued at £10 each, . .	6,700	0	0				
			100,000	0	0		
Total paid up Capital, ...						£1,136,660	0 0
To RAILWAY AND PIER SINKING FUND, ...						100,000	0 0
To RESERVE FUND, ...						20,124	3 7
To HUELVA COPPER COMPANY—							
Capital Shares still unredeemed at 1st March, 1879, . .						113,027	14 9
To CREDITORS—							
On Debentures, ...			£393,000	0	0		
On Bills and Open Accounts, . . .			143,795	13	7		
						536,795	13 7
To PROFIT and Loss, being Balance at 1st March, 1879, . .						199,728	14 0
						£2,106,336	5 11

Glasgow, 7th June, 1879.—We have audited the Books and Accounts of the THARSIS certify that the foregoing Abstract Balance Sheet is correct, and that it exhibits a proper state

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COPPER COMPANY LIMITED. *Cr.*

as at 1st March, 1879.

PROPERTY AND ASSETS.

By Mines in Spain—			
Value of Interests acquired by Fusion with the Huelva Copper Company—			
23,666 Tharsis Shares of £10, fully paid at the Market value of £24 as against 47,332 Jouissance Shares at the Market value of £12 each, ...	£567,984 0 0		
Cash for 19,424 Capital Shares in Huelva Copper Company at £10, ...	194,240 0 0		
	£762,224 0 0		
Less premium of £14 per Share on 23,666 Tharsis Shares, ...	331,324 0 0		
		£430,900	0 0
By Railway and Shipping Piers in Spain— Including Permanent Way, Rolling Stock, &c., . . .		384,531	0 1
By Works, Buildings, Machinery, and Plant—			
In Britain, ...	£259,896 8 7		
In Spain, ...	135,818 8 3		
		395,714	16 10
By Stocks in Trade, per Inventories—			
In Britain, ...	£390,707 17 3		
In Spain, ...	178,471 10 2		
		569,179	7 5
By Debtors on Open Account, ...		73,600	4 0
By Overburden Accounts—			
North Lode, ...	£55,385 6 2		
Centre Lode, ...	11,625 17 0		
		67,011	3 2
By Miscellaneous Assets— Mines' Lease, Railway Concession, Cinder Rights, and General Bonus Account, ...		35,000	0 0
By Bills, Securities, Cash at Bankers and on hand, . .		150,399	14 5
		£2,106,336	5 11

Sulphur and Copper Co. Limited for the fourteen months ended 1st March, 1879, and we of the Company's affairs at that date.

WALTER MACKENZIE, C.A., *Auditor.*
ALEX. MOORE, C.A., *Auditor.*

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THE THARSIS SULPHUR AND

ABSTRACT of PROFIT and LOSS

—*Dr.*—

To Income Tax, Directors' and Auditors' Fees, 1877, . .		£8,752	12 1
To Charges Account, including Management, Salaries, Law Expenses, Laboratory Expenses, ...		16,874	17 11
To Interest and Discount Account, ...		10,286	18 1
To Interest on Huelva Copper Company's Capital Shares,		9,063	10 2
To Bad Debt Account, ...		1,372	15 5
To Amount written off Property and Plant—			
In Britain, ...	£13,880 16 8		
In Spain, ...	10,325 3 5		
		24,206	0 1
To Amount written off Miscellaneous Assets, . . .		7,000	0 0
To Balance, being Net Profit for 14 months ended 1st March, 1879, ...	£191,869 8 0		
And Balance from 1877, . . .	7,859 6 0		
		199,728	14 0
		£277,285	7 9

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COPPER COMPANY LIMITED.

ACCOUNT, as at 1st March, 1879.

—*Cr.*—

By BALANCE carried forward from 1877, . . .		£165,359 6 0	
Less Dividend paid 10th May, 1878,	£78,750 0 0		
Do. 8th Nov., 1878,	78,750 0 0		
		157,500 0 0	
			£7,859 6 0
By PROFIT for 14 months ended 1st March, 1879, ...			269,426 1 9
			£277,285 7 9
By BALANCE, ...			£199,728 14 0

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AUDITORS' REPORT.

HAVING completed the Audit of the Books and Accounts of the THARSIS SULPHUR AND COPPER COMPANY LIMITED for the Fourteen Months ending 1st March last, we have much pleasure in renewing our testimony to the admirable system and perfect correctness with which they are kept. It is a source of gratification to us, as Auditors of a Company involving such important interests, that we are able to assure the Shareholders, that, so far as complete and systematic Book-keeping and Account-keeping are indicative of good management and thorough control of a business, they exist in this Company in a degree which we have not seen excelled.

WALTER MACKENZIE C.A.,
ALEX. MOORE, C.A.,
Auditors.

GLASGOW, *7th June, 1879.*

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THE THARSIS SULPHUR AND COPPER COMPANY LIMITED.

NOTICE IS HEREBY GIVEN, That an ORDINARY GENERAL MEETING of the MEMBERS of the THARSIS SULPHUR AND COPPER COMPANY LIMITED is appointed to be held within the MERCHANTS' HALL, No. 1 West George Street, Glasgow, *on Wednesday, the 18th day of June, 1879, at One o'Clock, afternoon*, for the purpose of considering the Accounts, Balance Sheets, and Ordinary Report of the Directors, for the fourteen months ended 1st March, 1879; declaring a Dividend from the Profits earned during that period; electing five Directors in room of those retiring; appointing Auditors, and fixing the remuneration to be paid to the Auditors for their services during the past fourteen months.

The TRANSFER BOOKS of the Company will be Closed from the 4th to the 17th June, both days inclusive.

BY ORDER OF THE DIRECTORS,

JONATHAN THOMSON,
Secretary.

REGISTERED OFFICE,
136 WEST GEORGE STREET,
GLASGOW, *2nd June, 1879.*

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BOARD OF DIRECTORS.

———oo———

The Names are printed in the order in which the Directors retire:—

David Wilson, Esq., Glasgow.
John Williamson, Esq., South Shields.
David Gamble, Esq., St. Helens.
James Couper, Esq., St. Rollox.
Charles Tennant, Esq., The Glen.
Archibald S. Schaw, Esq., Glasgow.
John Wilson, Esq., Auchineck.
Holbrook Gaskell, Esq., Liverpool.
William W. Pattinson, Esq., Felling.
Louis Leisler, Esq., Glasgow.
John Moffat, Esq., Ardrossan.
Archibald Arrol, Esq., Glasgow.
M. Jules Barthelemy St. Hilaire, Paris.
M. Alfred Dominique Marie Messean, Paris.
M. Michel Louis Victor Mercier, Paris.

Charles Tennant, Esq., *Chairman.*
Jonathan Thomson, *Secretary.*
William A. Verel, *Commercial Manager.*
Jonathan Down, } *Technical Managers.*
Theodore Merz, }

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REPORT OF THE PROCEEDINGS

OF THE

ORDINARY GENERAL MEETING

OF THE

Tharsis Sulphur & Copper Co.

LIMITED,

HELD WITHIN THE

MERCHANTS' HALL,

No. 1 WEST GEORGE STREET, GLASGOW,

On WEDNESDAY, 18th JUNE, 1879.

GLASGOW:
PRINTED BY JAMES C. ERSKINE, 257 ARGYLE STREET.
1879.

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REPORT OF THE PROCEEDINGS

OF THE

ORDINARY GENERAL MEETING

OF THE

Tharsis Sulphur & Copper Co.

LIMITED,

HELD WITHIN THE

MERCHANTS' HALL,

No. 1 WEST GEORGE STREET, GLASGOW,

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GLASGOW:
PRINTED BY JAMES C. ERSKINE, 257 ARGYLE STREET.
1879.

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REPORT.

THE Ordinary General Meeting of the Members of the Tharsis Sulphur and Copper Company Limited, was held on Wednesday, 18th June, 1879, within the Merchants' Hall, No. 1 West George Street, Glasgow. The Chair was occupied by Charles Tennant, Esq., of The Glen, and there was a large attendance of Shareholders.

The CHAIRMAN,—Gentlemen, I shall ask our Secretary to read the notice calling the Meeting.

Mr. THOMSON accordingly read the notice in question, and added—Before sitting down I have to apologize for the unavoidable absence to-day of three of our Directors. Mr. Williamson and Mr. Leisler are on the Continent in search of health; and I am sorry also to say, that Mr. Gamble, who intended to have been present to-day, is laid aside by indisposition.

The CHAIRMAN—Gentlemen, I rise to move the adoption of the Report, and with your consent I shall hold it as read.

It covers, as you are aware, the operations of the Company during a period of fourteen months; but though such is the case, the amount of business done has scarcely exceeded that of the previous year. This is accounted for chiefly by the falling off in the consumption of Pyrites—the Chemical and Manure trades, on which this consumption depends, having been still further depressed; and here I may mention, that the total imports of Pyrites, in 1878, were 577,719 tons, against 680,033 in 1877—shewing a reduction of 102,314 tons. Our own deliveries to consumers were, for the fourteen months, 235,803 tons, against 226,869 for 1877—being only 8,934 tons more, instead of 39,000, which ought to have been the addition had our

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deliveries continued on the same scale as in 1877. This, again, affects our supply of Cinders to our Metal Works, so that the production of Refined Copper for fourteen months has also failed to shew a proportionate increase. From the absence of rain in Spain in August, September, and October, the washing of Calcined Mineral was suspended for a time. The production of Precipitate is thus only 8 tons more; and we were led to diminish, for a time, our Extraction of Mineral—the total for the fourteen months being, as is stated in the Report, 62,888 tons below that of the previous year. This comparatively small business has had to bear fourteen months of establishment expenses and depreciation. Added to all this, the selling price of Copper has fallen almost continuously—our average being about £6 below that of 1877. For Iron Ore the price obtained has been 7¼d. less than in 1877. That of Sulphur has been the same, excepting for the two months of this year, when our arrangement with the other importers came into force, and we got 1d. per unit more, or nearly 4s. per ton. Freights have been lower, and have helped us to the extent of 1s. 6d. per ton; and there have been certain other small comparative advantages; but it is mainly to the fact, that we have worked better and cheaper, both in Spain and this country, that we owe our compensation for the drawbacks I have told you of, and that we are able to present to you so favourable a Report, and pay you so good a Dividend.

The details as to the Mines are so full that I have but little to add to them. The uncovering of the North and Centre Lodes has arrived at a point at which it has been deemed advisable it should stop for the present. The amount standing at the debit of this account is reduced by £7,179 6s. 7d., and will be further reduced during the current year. We have decided, however, to uncover the Sierra Bullones Branch, which has hitherto been worked by shaft and galleries. It is here that we have met with, for the first time, very extensive ancient workings, and in close proximity to the large deposits of old slags; and it is here, also, that the richest and most regular Ore for export has been found. An open cast is the more economical method of extraction; and what is of greater importance, it enables us to get out the whole of the Mineral, whereas, by the underground system, a

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considerable quantity must necessarily be left standing; and as labour is abundant, we shall obtain it on moderate terms.

Though the long drought was a serious inconvenience and loss, it enabled us to clean out our large reservoir, to heighten the embankment, and add greatly to its capacity. It is now full, and I trust we are fairly protected against a short supply of water in the future.

The expense connected with the new Winding Engines and Pithead Frames has been very heavy; the whole, however, is now completed, and in a very satisfactory manner.

We are making certain improvements on the Houses of the Work-people and of the employées, as also on our Stores and our Precipitation Plant. These will not, however, be attended with much outlay, and will be remunerative.

We now look forward to a gradual reduction of the amount standing at the Dr. of Works, Buildings, Machinery, and Plant in Spain.

The Calañas Mine, under the care of Mr. Allan, who had been long in a responsible position at Tharsis, is giving very good results. The Lode consists of two masses, extending, so far as already proved, to a length of 750 metres, and a width at the broadest part of 107 metres. The Ore is excellent; and both in point of quality and extent, this deposit is perhaps second to none in Spain. I may mention, that we have met here also with an immense number of ancient workings, some 800 shafts having been come upon along the line of the Lode. The working gallery, which does great credit to Mr. Roepell, its constructor, follows, to some extent, the line of the tortuous old Roman adit. It is an important work, and has given us great additional facilities of extraction. The Mineral here, as you are aware, is nearly all treated on the Mine; but the quantity that can be treated, is, unfortunately, limited by the amount of level ground available for Teleras and Cementation Tanks. In this narrow valley level ground is not easily found,—in fact we have to make it by the extension of our waste heaps. We look forward, however, to gradually increasing our Calcination to 100,000 tons per annum.

I now come to the Railway and Pier, which have done their work satisfactorily, and are in good order. The ballasting and

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relaying of the Railway have been completed, involving, as stated, an expenditure of £11,346 15s. This heavy outlay being now at an end, we anticipate considerable savings for the future in this department.

Before leaving Spain, I am glad to mention that, at the request of the Board, our colleague, Mr. Couper, with Mr. Vérel, our Commercial Manager, paid a visit to the Mines in February, remaining there three weeks.

They installed Mr. Grothe as our Mines Manager, giving him the assistance of Mr. Rutherford as head of the office. The latter gentleman filled a prominent position in the Glasgow Office for a considerable time, very much to our satisfaction. They then went carefully into the working of all the departments on the Mines, making certain changes, which will, we think, tend to promote the interests of the Company. They were much pleased with their visit, of which they have furnished to the Board an exhaustive and valuable report. We look forward, I may add, with great confidence to the results of Mr. Grothe's administration.

I will now allude for a moment to our assets in this country. The Metal Works continue to give good results, and stand at £5338 less than at last Balance. The long-delayed Silver process will, we hope, be fairly at work in the course of this year at Garngad and Hebburn.

Our Stocks in Trade in Britain, owing to the larger quantity of refined Copper, shew an increase of £41,206; but we are gradually realizing them, and at higher prices than those at which they were valued in our Balance Sheet.

Miscellaneous Assets are written down £7000.

On the other side, our Share Capital now stands at £1,136,660 —an addition of £236,660—representing the Jouissance Shares of the French Company.

The amount of their Capital Shares, unredeemed at 1st March, was, as stated in our Balance Sheet, £113,027 14s. This is now reduced to a small sum, and the liquidation draws to a close.

Our Debentures stood, at that date, at £393,000, but are now £400,000,—an increase of £150,000, created to pay off the 19,424 Capital Shares of the French Company. The charge of £9063 10s. 2d. of Interest on these, which stands at the Dr. of Profit and Loss Account, will not occur again, but will

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be represented by the interest on the Debentures referred to, at a saving of £2500 a-year.

The balance remaining at the Cr. of Profit and Loss is £199,728, which enables us to pay 16½ per cent. on our increased capital, and carry forward £12,179 16s. 0d.

You will now, perhaps, expect me to say a few words as to our prospects for the current year. We look for a continuance of favourable results in our operations on the Mine and in the Metal Works. Whilst trade continues so depressed, our deliveries of Pyrites to consumers will continue to shew a considerable falling off; but in the better selection for Copper which a diminished export allows us to make, and the higher price we are now getting for Sulphur under our contracts for three years, we shall, we trust, find a set off. Up to this date, at least, we are justified in this anticipation, as our Imports shew a considerable increase in value over those of the last fourteen months. Our sales of Iron Ore, which include all we are likely to produce, are at fully last year's prices. Copper is again the uncertain element. After our many disappointments I scarcely like to hazard an opinion with regard to it, and will merely express a hope that we may have seen the worst. Within the last fortnight the demand has been more active, and we have got a little advance on recent very low prices. An improvement in the Indian Exchange would, no doubt, tend to improve the position of this article in that important area of consumption.

I have, I fear, detained you too long by these remarks, as I am sure you are, like myself, very desirous of expressing the great satisfaction which it affords the Directors and Shareholders to have our French Colleagues represented here to-day.

It was the intention of M. Barthélemy St. Hilaire, the distinguished President of the Council of their Company, to have been with us to-day; but senatorial duties have detained him at the last moment. We regret much his absence, as also that of our esteemed friend, M. Mercier, who is much disappointed at being unable, owing to the serious indisposition of Madame Mercier, to be present. In M. Messean, we are honoured with one of the leading Members of their Council; and in your name, and in that of your Board, we welcome him cordially to this,

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the 12th Annual General Meeting of the Company, but the first of the United Companies.

The marriage has been consummated, and the results have not been of the evil kind which some—I believe a very few—of our French friends apprehended. With the experience of fourteen months' working under very adverse circumstances, these fears have passed away, and the Gretna Green marriage is now regarded as a well-ordered honourable alliance, likely to contribute to the happiness of us both.

I need hardly tell you that our relations with the French Company have been, all along, of the most harmonious kind. We were faithful to our obligations under the Lease, and they, in their turn, did all in their power to facilitate and encourage our enterprise. They recognised that their prosperity was identified with ours; and in fusing the two interests in one, we were only carrying a twelve years' intimacy to its legitimate termination. I have no misgivings as to the wisdom of the step, and I have no hesitation in saying, that I now regard our position as more consolidated and secure, and our property, therefore, as a more valuable one than I ever did before.

As to the Lawsuits, I have nothing to add to what I said to you in December. The French Courts afford great facilities, I understand, for such attacks. We must hope that failure will, in the end, discourage our persevering foes; and, in the meantime, those who have had the charge of these matters hitherto will still continue to watch over our united interests.

Before sitting down I would gladly express, as I have so often done, our appreciation of the faithful and able services of the Company's officials, both in this country and Spain.

I now beg to move the adoption of the Report.

M. Alfred Dominique Marie Messéan, Paris, seconded the motion, and in doing so said—Comme la plupart de mes compatriotes, j'ai le malheur de ne pas parler l'anglais. Jamais je ne l'ai regretté autant que dans la circonstance présente. Je suis chargé par mes honorables amis, M. M. Barthèlemy St. Hilaire et Mercier, de vous exprimer leurs profonds regrets de ne pouvoir assister à cette séance; ils vous auraient dit combien ils se félicitent avec vous de la fusion de nos deux Compagnies, ils trouvent que l'arrangement intervenu entre elles, est parfaitement

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équitable et avantageux pour les deux partis contractants. J'ai maintenant à vous remercier du cordial accueil que vous avez bien voulu faire en ma personne, à mes collegues de France et à moi; je suis très touché des témoignages de sympathie que vous venez de manifester si chaleureusement pour vos administrateurs français et je serai heureux de reporter ce témoignage à mes amis absents.

Je seconde la motion de notre cher et honorable Président, M. Charles Tennant.

The CHAIRMAN—I daresay most of the gentlemen present understand the tenor of the remarks which have been made by our friend, and that it is really unnecessary for me to offer any explanation regarding them. He merely congratulates us on an amalgamation which he thinks will prove to be in the interest of both parties, and expresses the satisfaction which he has had all along in his dealings with the English Company. He is extremely obliged to you, also, for the welcome you have given him; and he wishes us all success in future years.

The SECRETARY—The Chairman's motion is as follows:—"That the Report of the Directors, with the relative Balance Sheet and Profit and Loss Account for the fourteen months ended 1st March last, be, and is hereby received, approved, and adopted; and that the dividend of 16½ per cent., (free of Income Tax,) therein recommended, be now declared—the whole to be paid on Thursday, the 10th day of July next; and that the balance of £12,179 16s. be carried forward to the credit of next year."

The CHAIRMAN—Is it your wish that this resolution should pass?

Mr. WILLIAM A. SMITH—Before the resolution is put to the Meeting, I should like to make one or two remarks on the Report; and in doing so, I shall occupy your time as shortly as possible. The first point I desire to call your attention to, is the omission from the Report of certain details that were formerly published, and which, I submit, might still be published without any detriment to the interests of the Company. In the second place, there is, in certain respects, an indefiniteness in the Report which might be altered; and in the third place, I would call attention to the enormous depreciation which has been written off, and to the fact that new businesses are being built up out of the undivided profits of the Company. Lastly, I would refer to the

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holding of the Jouissance Shares in the French Company. If necessary to keep myself in form, I am prepared, at the end of these remarks, to move an amendment. For your convenience, I will refer to the various matters in the order in which they occur in the Report. The first apparent discrepancy to which I would call attention, occurs at the top of page 4—that is, the second page of the Report. It is there stated—"There still remained, at that date, 11,371 shares to be redeemed—equal in value to £118,202 13s. 4d. sterling;" while, on turning to the extract from the Balance Sheet, I find that stated as £113,027 14s. 9d.

The CHAIRMAN.—You forget the interest of about £5000 to be added.

Mr. SMITH—Well, I call attention to it to get an explanation. I know it is a small matter.

The CHAIRMAN—It is not a mistake at all. The interest is not included in the sum in the Balance Sheet.

Mr. SMITH—Thanks; that quite explains this point. While speaking on the French Shares, I may at once allude to the question of holding the Jouissance Shares. It was stated at the meeting in December last, that we, the Tharsis Company, hold 2304 Jouissance Shares in the French Company. That amounted, at £12, the then market price, to £27,648 of the Tharsis funds, or undivided profits thus invested in the French Company's shares. But, sir, if these shares are exchanged, as the other shares have been, it follows, as a natural consequence, that we now hold 1152 shares of our own stock. I do not wish it to be understood that I consider this a bad investment at all; but, looking to recent experience in this part of the country, I think if a company invests in its own shares, the shareholders ought to know of it. With regard to the Lawsuits, I shall pass them over, because the explanations you have given are so eminently satisfactory, that they require no further remark. I come now to the part of the Report regarding which I miss the details formerly given, and which, I think, might still be given to the shareholders, without any detriment to the concern. I refer first to the North Lode in the Tharsis Mine. It is there stated that we have extracted 185,654 tons, and there our information ends. In all former Reports we had stated under this head the amount shipped and the amount calcined. The same remark applies exactly to the

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Centre Lode. Under the Calañas Mine, I am glad to see that the information given is the same as formerly; and it is a source of great gratification to know that the Precipitate produced has amounted to such a large quantity, being nearly 50 per cent. more than last year, and nearly double that of 1876. Before passing from this paragraph, relating to the Calañas Mine, I observe that, according to the last sentence, the fixed property account has been reduced by the sum of £1794 6s. 9d. Now, this is an example of the indefiniteness to which I wish to call attention. Is this included in, or is it excluded from, the paragraph immediately opposite, on page 7—namely, the depreciation on fixed property, which is there stated to amount to £8077 8s. 5d., because there is nothing whatever to shew whether it is excluded from or included in that sum? The next paragraph to which I wish to call your attention is somewhat indefinite also—I refer to the Reservoir. It is stated in the Report that it now contains 220,000,000 of gallons, being double its former capacity. But what I should like to know is, what are we to understand by former capacity? In the Report of 31st December, 1876, it was stated that this reservoir was increased to hold a two years' supply. Does the Report mean that this reservoir now holds a four years' supply? If so, and seeing that, as stated in your speech, the reservoir is now full, I suppose we may assume that we shall have no further stoppage from this cause. The next paragraph to which I would call attention is the one referring to the Waste Heaps at Tharsis; and in order that the force of the few remarks I have to make may be fully appreciated, I will read the first three or four lines: "The inventory of waste heaps at Tharsis has been written down by the usual amount of £4000 per annum, equal to £4666 13s. 4d. for the fourteen months, leaving a balance of £4667 0s. 11d., which will disappear from our next year's inventory. The quantity of material in these waste heaps is represented by 1,413,378 tons, which remain a valuable asset of the Company." Now, sir, it is doubtless the case that this heap does remain a valuable asset of the Company, and I hardly think it is in accordance with the principles of strict accounting that that valuable asset should be entirely wiped out of the books. If, sir, you were to value this heap at anything like the price you gave for it—namely, 3s. per ton—it would stand now in your books at over £212,000. That

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of course would be out of the question. Still, I submit that it ought to be kept in your balance at a certain fixed sum, let that be what it may, to represent the asset at all events. Passing on to the Railways and Piers, I find that the expenditure is £11,346, all of which has been charged to revenue. Now, sir, if we add this sum to the two sums spent in the two previous years, we get a total of £33,649, which has been spent in relaying with steel rails and ballasting, and which has been entirely charged to the revenue of the three years. I think that, with perfect fairness and justice, the expenditure might have been spread over ten years. The item of the profit obtained from additional public traffic, though small, is very satisfactory, shewing, as it does, a large increase over the amount earned last year and the year before. The next paragraph as to which I would beg to say a word or two refers to the point of building up new businesses. I do not object to this altogether, but there is a certain point at which it must end, namely, the expenditure of £1883 9s. 4d. on the silver extraction plant at Garngad. As I believe that that will be an eminently profitable investment, I cannot of course find fault with it, but it is, nevertheless, the building up of a new business out of the profits undivided. And now as regards the Pyrites, Copper, and Iron Ore. You state that the production of copper has continued satisfactory, and I have listened attentively to your speech without hearing that the same details were given that were formerly afforded to us. I do not think it would be detrimental to the interests of the Company to allow the shareholders to know what is actually being produced in each period, that we may be able to judge of the work done and the progress made. I now come to the most important point, and one which I think is worthy of your serious attention—I refer to the valuations. I have all along maintained that the course pursued by your Board has been one of very great safety, namely, the immense depreciation that has been made. But there is a certain limit to everything, and I think that now you are going a little too far. Several years ago—namely, in the spring of 1873—I made up from your Reports a list of what had been depreciated and written off out of profits and premiums. Up to the end of 1872 it amounted to £304,089; and since that date you have written off no less than £95,208 from the Works in Britain; £51,283 off miscellaneous and San Telmo Mining shares;

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£47,800 off Spanish property in Spain, in addition to £54,473 written off the same assets by the auditors at home; and £24,675 off the Barbasco, or waste heaps. In addition to all this you have placed £42,518 to the credit of the railway sinking fund, thereby raising that fund to £100,000; and you have established a reserve fund of £20,124. We thus get a total of £677,170, of which amount £100,000 was obtained from premiums on shares issued, leaving £577,170 sterling which has been written off the actual earnings of the Company, in addition to the debiting of revenue with all repairs and renewals. Now, sir, this is a perfectly safe course to pursue, and I quite appreciate the arguments which have often been brought forward in support of it, but, at the same time, I submit that there is a limit to such policy. It, no doubt, makes the shares safe and good for the future; but it occurs to me that in thus benefitting the future shareholders of the Company the present shareholders may suffer; and I can only remind you of the familiar query, "What has posterity done for us, that we should do so much for posterity?" I shall not quarrel with the dividend; I believe that it is a most excellent dividend, as you, sir, have stated in your speech. All the same, I do not see that there is any reason why it should not have been 17½ per cent., looking to the fact that you are carrying forward over £12,000. In 1874, when you paid us 25 per cent., you only considered it necessary to carry forward £4000. Nor do I think it was necessary in such a year to add to the reserve fund. These two items alone would have given you £11,360 for the additional 1 per cent. of dividend. I have nothing further to say.

The CHAIRMAN—Mr. Smith, do you propose an amendment?

Mr. SMITH—I certainly will not propose an amendment unless you wish me to keep myself in order by doing so.

The CHAIRMAN—Certainly not. I am very much obliged to Mr. Smith for looking into all these matters; but let me say at the outset, that the clerical error to which he has referred is not a clerical error at all. The difference between the two sums he referred to is made up by the interest current on these shares, which is stated under a different head in the Balance Sheet. I shall not allude further to that. I think the tenor of Mr. Smith's remarks amounts to this, that we have been too prudent and too careful in our management. That

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is an accusation I am very willing to submit to; and I have no doubt that, in saying so, I speak for the Board. We have, it is true, endeavoured throughout to make our accounts true and safe, and such as will give confidence to our shareholders in the future. I believe myself that we have written off an exceptionally large sum from the fixed property of the Company for the last ten years. A statement has been prepared by the Secretary, shewing the exact amount we have written off; and I believe it exceeds considerably the sum Mr. Smith has ventured to put it down at. But I think we shall eventually get the benefit of all that. Whether it is right to deprive the living of something for the benefit of those who are to come after us, is a question that is open to philosophical discussion, into which we need not enter here; but I think that, in the long run, we will all benefit by the course which the Board have adopted,—viz., to make the property as safe and secure as a property of this description can possibly be. With reference to the railway, there is no doubt that we have spent the sum of money Mr. Smith has alluded to, by re-ballasting and relaying with steel, and that we have charged that against the current income of the year. But we shall get the benefit of that in the future. That sum will absolutely cease; and I hope we shall have a sum of £10,000 to deal with next year in a different manner. With reference to the Waste Heaps, I may say, that if we were to value them at anything like what we took them over at, it would be an enormous asset, but it would not be very tangible; and the only tangible form is to give it us as an annual revenue in the Copper we take from it. That it will continue to do so I have no doubt. That revenue will increase, and not diminish; and the waste heaps are a very valuable asset. We have written these heaps down to £4667 0s. 11d., which will disappear, and we shall get good interest from that asset. I grant you that it might make some figure in the balance; but I think it better that it should not, and that we should merely get the benefit of it in annual income. With reference to the advisability, or otherwise, of our furnishing further details or figures, it seems to me that this is a matter the shareholders ought to leave to the discretion of the Board. We give you such information as we believe you require in order to afford you a fair insight into the working of

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the business of the Company. Is it necessary or desirable to encumber our statement with long details which can do no good, and may possibly have meanings attached to them which are unsound, and therefore mischievous? It is a matter of the shareholders having confidence in the Board; and they must leave it, as they have hitherto kindly left it, in the hands of the Board to consider what details and figures shall be given in our Report. (Applause.) With reference to water, I am afraid we did overestimate our supply of water at one time. I admit that I do not think our estimate proved correct; but now I think it will be found to be accurate. We have absolutely doubled the capacity of the reservoir; and we have now that reservoir absolutely full, with an ample supply for, we hope, two years. I did not like to put that positively in the Report, but I stated in my speech that we have a supply such as protects us from any casualties of that kind in the future. Then, with reference to the Silver process, it is of course a new business, but it is one that I believe will pay; and I believe we have perhaps been rather slow. But we are now in earnest; and I hope that next year you will find something to the credit of silver production in the Profit and Loss Account. I may add, that the £1800 spent upon the silver plant is charged to capital in the metal works; and the large depreciation of £13,000 of course writes down a great deal more. The £6000 added this year to Works, Buildings, &c., in Spain, is caused in this way, that we spent some £15,000 in new winding machinery; and the writing off some £8000, with the Mules sold, does not quite meet the new expenditure, and therefore there is a balance of £6000, which goes to the debit of that asset. The Report, in fact, explains that pretty distinctly. As to the Jouissance Shares, we have equal to 1100 Tharsis Shares; and I think we must ask the shareholders to entrust us with the management of them for the present. It is not our intention to sell them now. We intend to hold them for the present. We have not got them yet, because the actual exchange has not taken place. It will take place in the course of ten days or a fortnight; but I must ask the shareholders to leave to the Board discretion as to the method of dealing with these shares. I do not think it is a bad investment, although it is open to the remark Mr. Smith has made—that it is not a

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legitimate thing for a Company to hold its own stock. But eventually we will get into the sound position you wish; and you must allow us to do so in the way which we believe to be best for the interests of the Company. We have, no doubt, carried forward a somewhat larger balance this year; but the income tax, the Directors' fees, and a number of things, are to come out of it. We might have carried forward a lesser sum, no doubt; but, on the whole, in paying 16½ per cent. in an easy manner, we thought we were giving you a good dividend.

Mr. THOMSON (Secretary)—Perhaps Mr. Smith and the shareholders generally forget that we have now to pay 5d. per pound of income tax, instead of 3d. per pound, as in the previous year, and the expenditure altogether is increased. Therefore you require to carry forward a larger balance. I have got the exact figures, and I will give to the meeting the total gross profits since we began business on 1st December, 1866, and which represent twelve annual reports or balances. The gross total is £2,786,664. The expenses of management, charges, discounts, interest, bad debts, laboratory expenses and experiments,—all these have amounted to £295,740; and we wrote off the property and plant in these years, charging them directly against the revenue, £467,438. We have laid aside to the sinking fund and to the reserve fund £120,124; and we have paid to the shareholders, including the present dividend, £1,891,182, carrying forward £12,180 at this balance. The total dividends have amounted in these years to 223⅙ per cent. I may remind the shareholders that in 1868, when we fused with the metal companies, the shareholders of the Tharsis Company got 20 per cent. of a bonus added to their shares' capital,—every £10 share that year becoming £12. That is not taken into account in the statement of dividends; but, if you include it, the shareholders have got in all 265 per cent. of dividends, notwithstanding the very heavy writing down that Mr. Smith has alluded to. Your affairs are all the better and the sounder that we have written down so largely.

The CHAIRMAN—A copy of the statement, Mr. Smith, is very much at your service, or that of any of the shareholders, if you would like to look at it.

A MEMBER—Should that statement not be put into the report of the proceedings?

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The CHAIRMAN—Any one who likes will get a copy of it at the office. It is what Mr. M'Ewen has annually epitomized for himself.

Mr. HENDERSON—I think this gentleman suggests that Mr. Thomson's statement should be printed in the proceedings of this meeting, and sent to the shareholders, so that we might all have a copy of it.

The CHAIRMAN—It is printed in a separate form, so that we can send a copy of it to anybody who wishes it, with great pleasure. It is rather a big document, and could scarcely be printed in a page.

Mr. THOMSON—If it is the wish of the shareholders, and if it meets with the approval of the Board, I shall be very happy to enclose a copy of the statement with the report of the proceedings of this meeting. (Applause.)

The CHAIRMAN—I am obliged to Mr. Henderson for the suggestion. I daresay it will be a very interesting document.

Mr. THOMSON—I may add, that it contains the figures that have been already printed and circulated during the last twelve years, simply the figures that have been in your previous Reports.

The CHAIRMAN—Is it your pleasure to pass the Report? (Applause.)

Mr. WILLIAM M'EWEN—Mr. Chairman and gentlemen, before proposing the motion that has been entrusted to me, and although I might have made the few remarks I have to make previously, I should like to congratulate the Directors upon the Report that has now been submitted. I have looked into it carefully, and I certainly cannot see that in any previous year you have made the same amount of profit upon the quantity of Pyrites you have invoiced, namely, 235,000 tons. It is not in the quantity you have treated that the profit has been made, nor is it in the price of Copper; and it must be very satisfactory to the Shareholders to be forced to the conclusion that it has either been by economy in production, or by the improved extraction of the Copper. On that ground, I think we have good prospects for the time to come. I think it also proper to mention that I am rather surprised at your saying £6 is the difference in the price of Copper from what you had in the previous year.

The CHAIRMAN—The average.

Mr. M'EWEN—The average I mean. Because, on referring to

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the prices fixed by the Copper Smelters weekly, I find that the price of 1878, and the two months of 1879, as compared with the year 1877, is eight guineas lower. Therefore, in selling Copper, the production of this Company, you have certainly succeeded in obtaining a better price than has been got by the trade generally. That is a fact which I think the shareholders should be made aware of. I entirely differ from Mr. Smith in his views about depreciation. It is the only point in the Report that I was going to find fault with. Up till last year you allowed a depreciation of 7½ per cent. off the Works in this country. This year you have come down to 5 per cent.

The CHAIRMAN—Last year was 5 per cent.

Mr. M'EWEN—You reduced it in 1876 from 7½ to 5 per cent.

The CHAIRMAN—Not this year.

Mr. M'EWEN—No, but this year you are worse. You have only allowed 5 per cent for the fourteen months, and you should have deducted 6 per cent.

The CHAIRMAN—I assure you it is not so at all.

Mr. M'EWEN—Well, the English language of the Report puts it so.

The CHAIRMAN—I am very glad to find that Mr. M'Ewen is in error. It is not often that such is the case.

Mr. M'EWEN—"All the repairs have been charged to revenue," I quote from the Report; "and 5 per cent., amounting to £13,880 16s. 8d. written off for depreciation." It is not "at the rate of" 5 per cent., but 5 per cent. is written off for the fourteen months. I do not know whether the statement is founded on a mistake or not.

The CHAIRMAN—My impression is that I am still right.

Mr. M'EWEN—I am only stating what the Report states.

The CHAIRMAN—Very well. Perhaps you are right as to the words of the Report, but I am right as to the depreciation being at the rate of 5 per cent. per annum for fourteen months.

Mr. M'EWEN—I think that the depreciation upon railway and upon everything else is sound and judicious, and that if Mr. Smith were set to value the miscellaneous assets which stand at £35,000, and which I hold should have been written off long ago, he would see that the system you are pursuing is the only wise and prudent one to adopt. (Hear, hear.) With these remarks I beg

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now to move—"That the retiring Directors, namely, Messrs. David Wilson, John Williamson, David Gamble, James Couper, and Charles Tennant, be now re-elected Directors of the Company." As these gentlemen, with two exceptions, are all here, I do not care to say what I think about the value of their services. We all appreciate these services, and none more so, sir, than those which you yourself have rendered,—the laborious work and the disinterested devotion which you have given to the affairs of the Company. I am sure we cannot have better Directors in the time to come, and I beg leave most cordially to propose this resolution. (Applause.)

Mr. WM. HENRY SCOTT, Newcastle-on-Tyne, seconded the resolution.

The CHAIRMAN—I am extremely obliged to you for the kind way in which you have spoken of the Directors. Is it your pleasure that this resolution, which has been moved and seconded, should now pass? (Applause.)

Mr. JOHN M'GAVIN—Allow me just one word to express my concurrence in what Mr. M'Ewen has said regarding one of the points raised by Mr. Smith,—that is, in regard to the writing off. I quite agree with the policy which has been pursued by the Board in regard to this matter; and I am delighted to know, sir, that there is one railway in the world which I think is conducted upon proper principles. (Laughter.) I do not say anything about the others. At all events, I think it is extremely wise in a Company of this kind to be generous in the way of writing down their property. I agree altogether with Mr. M'Ewen, and differ from Mr. Smith on that point. I beg to move, without further remark,—"That Mr. Alex. Moore, C.A., Glasgow, and Mr. Walter Mackenzie, C.A., there, be re-elected Auditors of the Company, to audit the books and accounts of the Company for the current year; and that £350 be paid them as remuneration for their services during the fourteen months ended 1st March last, the amount to be divided equally." I believe this £350 includes exactly the proportional addition for the two extra months which they were receiving for the twelve months.

Mr. MONTGOMERY PATERSON—I have great pleasure in seconding the motion which has now been proposed.

The CHAIRMAN—Is it your wish that the resolution which has

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just been proposed and seconded should be passed? (Applause.) That is all the business, gentlemen, and I have to thank you for your attendance.

Mr. SMITH—I think it would be ungracious for us to separate without proposing a cordial vote of thanks to our worthy Chairman for his conduct in presiding. Nor do I think we should separate without endorsing the welcome offered by Mr. Tennant to Mons. Messéan. Therefore, avec votre permission, Monsieur le President, je prendrai la liberté d'exprimer à Monsieur Messéan, en très peu de mots, de la part des actionnaires Ecossais, le vif plaisir que nous éprouvons en le voyant ici parmi nous. J'espère que l'ancienne alliance entre la France et l'Ecosse que je vois renouvelée anjourd'hui n'apportera que le bonheur et la prospérité à toutes les deux. (Applause.)

The meeting then separated.

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MINUTES OF GENERAL MEETING.

At Glasgow, and within the Merchants' Hall, No. 1 West George Street, on Wednesday, the 18th day of June, 1879, at One o'Clock p.m., at an Ordinary General Meeting of the Tharsis Sulphur and Copper Company, Limited, convened in the manner prescribed in the Articles of Association of the Company.

CHARLES TENNANT, Esq., of The Glen, and St. Rollox, presided.

A large number of Members were present, who held or represented 51,582 Shares.

The Secretary read the Circular Notice calling the Meeting, also a Certificate by him that it had been duly served upon all the Members of the Company. The Notice and Certificate are as follows:—

"THE THARSIS SULPHUR AND COPPER COMPANY LIMITED.

"Notice is hereby given, That an Ordinary General Meeting of the Members of the Tharsis Sulphur and Copper Company Limited, is appointed to be held within the Merchants' Hall, No. 1 West George Street, Glasgow, on Wednesday, the 18th day of June, 1879, at One o'Clock afternoon, for the purpose of considering the Accounts, Balance Sheets, and Ordinary Report of the Directors, for the fourteen months ended 1st March, 1879; declaring a Dividend from the Profits earned during that period; electing five Directors in room of those retiring; appointing Auditors, and fixing the remuneration to be paid to the Auditors for their services during the past fourteen months.

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"The Transfer Books of the Company will be closed from the 4th to the 17th June, both days inclusive.

"By Order of the Directors,

"JONATHAN THOMSON,
Secretary.

"REGISTERED OFFICE,
"136 WEST GEORGE STREET,
"GLASGOW, *2nd June, 1879.*"

SECRETARY'S CERTIFICATE OF SERVICE.

"GLASGOW, *9th June, 1879.*—I hereby certify that a copy of the foregoing Notice was properly directed to each Member on the Share Register of the Company, and this day put into the Post Office here, as a prepaid letter.

"JONATHAN THOMSON,
Secretary."

A copy of the Directors' Report—with relative Statement of Accounts and Balance Sheets—having been previously forwarded to each Member, the document was held as read.

The Chairman then addressed the Meeting at some length on the several subjects set forth in the Report. He concluded by moving,—

> "That the Report of the Directors, with the relative Balance Sheet and Profit and Loss Account, for the fourteen months ended 1st March last, be and is hereby received, approved, and adopted; and that the Dividend of 16½ per cent., (free of Income Tax,) therein recommended, be now declared; the whole to be paid on Thursday, the 10th day of July next; and that the balance of £12,179 16s. be carried forward to the credit of next year;"

which motion was seconded by MONSIEUR ALFRED DOMINIQUE MARIE MESSEAN, of Paris, a Director of the Company. Before the motion was put to the Meeting, WM. ALEX. SMITH, Esq., Merchant, Glasgow, offered some remarks on the Report. The Chairman having replied in detail, put his motion for the adoption of the Report to the Meeting, when he declared it to be unanimously carried; and the Meeting resolved accordingly.

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It was moved by WILLIAM M'EWEN, Esq., Merchant, Glasgow, seconded by WM. HENRY SCOTT, Esq., Newcastle-on-Tyne, and unanimously agreed to,—

> "That the retiring Directors—viz., Messrs. David Wilson, John Williamson, David Gamble, James Couper, and Charles Tennant—be now re-elected Directors of the Company."

It was then moved by JOHN M'GAVIN, Esq., Merchant, Glasgow,—

> "That Mr. Alexander Moore, C.A., Glasgow, and Mr. Walter MacKenzie, C.A., there, be re-elected Auditors of the Company, to audit the Books and Accounts of the Company for the current year; and that £350 be paid them as remuneration for their services during the fourteen months ended 1st March last—the amount to be divided equally;"

which motion, having been seconded by MONTGOMERY PATERSON, Esq., Manufacturing Chemist, Glasgow, was unanimously carried.

CHARLES TENNANT, *Chairman.*

On the motion of WM. ALEX. SMITH, Esq., Glasgow, a vote of thanks to the Chairman was carried by acclamation; the Meeting at the same time heartily endorsed the welcome given by the Chairman to M. Messéan from Paris.

JONATHAN THOMSON, *Secretary.*

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