

on the increase, will continue to be one of the leading assets of our country, and will bring our Dominion into the foremost ranks of mineral producing countries.

In connection with the lumber industry, with which the development of our country is so closely associated, it is worthy of mention that during 1910 the lumber cut was 396,776,000 board feet in excess of the previous year.

Our great Canadian Railroads have just experienced the most successful year in their history. During 1910 over 600 miles of railway were constructed in Western Canada, and considerable activity was in evidence in other parts of the Dominion. From present indications, and from information already supplied, the year 1911 will see even much greater expansion in railway construction.

Our Railroad Companies have been a most important factor in the settlement of the country, and are to be highly commended for the splendid enterprise they show in equipping their lines with a view to secure comfort and safety for their many patrons, and also for the energetic policy of expansion which is so characteristic of our Canadian Railroads, and especially so in the great Western portion of the Dominion.

Without proper transportation facilities, farmers, and in fact the whole business community, are most seriously handicapped, and as a tangible evidence of the great value of a railway to a district we have but to refer to certain parts of the country, where two or three years ago the land was too far away from railway communication to be at all profitable for farming operations, but to-day the same land, which only a short time ago was practically passed by altogether by the incoming settlers, is in much demand for actual settlement, and has very materially increased in value.

With the immense areas of rich uncultivated land in Western Canada yet remaining open for settlement, the policy of expansion on the part of our railways will undoubtedly continue for many years.

Coincident with the large immigration into the Dominion and the general development of our country, the earnings of our Canadian Railways show remarkable increases during recent years, and with the splendid modern and efficient railway equipment, not only on land but on water, stretching from ocean to ocean, and practically encircling the globe, their lines of transportation are becoming more popular year by year, and are becoming keen competitors in the carrying trade of the world.

Of the 325,000 immigrants who arrived in Canada last year, fully fifty per cent. of this number found their way to Western Canada.

From information issued by the immigration authorities, we learn with much satisfaction that 75,000 British people of an exceptionally desirable class detained at Winnipeg last year. The rush of settlers into Western Canada from the United States showed considerable more activity in 1910 than in any previous year, and it is worthy of special note that these settlers brought with them on an average of at least \$1,000 per head, in stock, implements and cash. Another very desirable feature in connection with thousands of American settlers who have come across the border into Canada is that they are practical and experienced farmers and are thoroughly conversant with the agricultural methods existing in Western Canada, and for this reason they will be a most desirable acquisition to our country. We also received thousands of hardy, industrious Scandinavian settlers, who are in great demand by the railroads in construction work.

One might naturally form the opinion that with such a constant stream of immigration the labor market would be more or less congested at certain points, but so vast is the territory, and so many are the opportunities in our Western Provinces, that these thousands of newcomers disappear like magic into the great expanses of our agricultural lands.

Notwithstanding the large numbers of able-bodied men who found their way into Western Canada last year, there was a great scarcity of labor, both on the farm, in the bush and in railway construction, and even at this time of year, in the depth of winter, reliable information shows that the demand for labor is far in excess of the supply. As a direct consequence wages have been unusually high throughout the entire West.

It might be inferred that in a young and growing country education would be neglected to a certain extent, but it is very gratifying to learn that much active interest and devotion is displayed by our settlers in the worthy cause of education. This undoubtedly will have a most beneficial effect on the growing generation and on the country at large.

The general business conditions which prevailed last year throughout the Dominion are clearly reflected in the Bank Clearings. In 1909 the Canadian Bank Clearings amounted to \$5,204,955,353, whereas in 1910 they increased to \$6,153,702,587, or a gain of about 20 per cent. for the year, and already the present year is eclipsing all previous records.

The Building Trade, with which a loan company is so closely identified, was very active last year in every part of Canada, and was splendid evidence that prosperity abounded in every Province of the Dominion.

It is interesting to note that returns from 27 of our leading Canadian cities show that during 1910 nearly \$100,000,000 was expended in building operations in these cities, which represents a gain of 60 per cent. over the previous year, or 150 per cent. over the year 1908, when the total building operations in Canada for the year amounted to a little over \$40,000,000. As all past records in Canada were eclipsed in 1908, the phenomenal growth of the Dominion is very apparent when we learn that in the past two years there has been a gain of 150 per cent. over the previous record figures.

With a succession of splendid crops, particularly in our Prairie Provinces, which have been harvested during recent years, the whole country has received such an impetus and so much valuable advertising abroad, that we may look forward to even greater progress in the future, in wealth, population and general development.

With the great and promising future in store for the Dominion of Canada, and more particularly the district from the Great Lakes to the Pacific Coast, I am sure that you will all agree with me when I say that our Company is most favorably situated to share in the general prosperity of our country, and to operate on an extensive scale to the best possible advantage.

After such a splendid and satisfactory business experienced by the Company last year, as is evidenced by the Financial Statement submitted to you to-day, I have indeed much pleasure in moving the adoption of this, the Eighth Annual Report of your Directors.

DR. E. S. POPHAM, THE VICE-PRESIDENT, on rising to second the adoption of the Report, addressed the meeting as follows:

Mr. Chairman and Shareholders:

"After the comprehensive report of the Directors, and the lengthy address of the President, I feel that the ground has been covered so well that there is but little left for me to say.

"However, in the event of there being any items in the Financial Statement which may not be perfectly clear to you, I shall endeavor to discuss briefly each item as it appears in the statement.

"If you refer to the Statement of Assets, you will observe that, in respect to First Mortgages, the Company has now loaned on the security of high-class, productive real estate, the large sum of \$3,845,150.00. Considering that this represents a gain of \$1,324,331.58 over the previous year, I feel that this splendid increase in business is deserving of especial mention.

"In respect to the item 'Bank and Trust Company Stock,' I may say that an asset of this nature is a liquid asset, and is, therefore, a very desirable security for a financial institution, which includes deposits as a part of its business.

"With regard to 'Real Estate owned by the Company,' it affords me great pleasure to draw your attention to the fact that, after eight years' business, there is only one piece of property standing on the Company's books, and against this item of about \$6,000.00 we have ample security, and I desire to state further that the Company has never yet lost a dollar in this connection. This, gentlemen, is a record of which we may well be proud.

"When dwelling on the subject of Real Estate, it occurs to me that it might be well to mention that, although we do not loan more than 45 or 50 per cent. of the conservative value of a property, yet, by reason of the repayments of principal, and the increased value of the land, our margin of security is always improving. Take, for instance, in the case of Mortgages which we placed on properties four or five years ago in our growing Western cities and towns, I am sure you will all agree with me when I state that the increase in land values during that progressive period has been really phenomenal, ranging from 25 per cent. to even 100 per cent., and with the rapid development of the country the increase in land values will undoubtedly continue.

"With a definite return of principal as well as interest, each year, it will be at once evident that, while we considered we had ample security for each loan at the time the loan was granted, the present margin of security is very much greater.

"With First Mortgages now approximating \$4,000,000, it will be very apparent that the value of the real estate security covering this large sum is enormous, and, therefore, each individual Mortgage, as well as the aggregate of our First Mortgages, are very fully protected.

"Referring to the Charter and License Account, I desire to explain that this item constitutes the cost of securing the Company's Charter, as well as the cost involved in obtaining the necessary Licenses in various Provinces of the Dominion. This item, of course, is a necessary expenditure, and is a valuable asset to the Company.

"The item relating to 'Cash on Hand at Head Office, etc.,' practically speaks for itself, and indicates that at the close of our fiscal year, December 31, 1910, there was a certain amount of cash on hand at the Head Office of the Company, as well as at the various Branches of the Company, and in addition to this the Company had credit balances in the banks at the various cities where our Branch Offices are located.

"The first item noticed under 'Liabilities' is 'Capital Stock Subscribed.' This now amounts to practically \$2,400,000.00, and of this amount there was paid up last year the very creditable sum of \$546,341.17, bringing the Paid-up Capital to \$1,823,784.12. The amount remaining unpaid on Capital Stock subscribed at December 31, 1910, was \$574,865.88.

"Our Deposits, which now stand at \$418,944.74, show an increase of \$181,833.77 over the previous year. This branch of the Company's business is, indeed, a very profitable one, as the difference between the rate of interest of 4 per cent. allowed on deposits, and the interest received on our Mortgage loans, represents a handsome margin of profit.

"Debenture money is the money received from the sale of the Company's Debentures, and from which source we anticipate very large amounts will be forthcoming in the future, owing to the special attention which is being directed to this part of our business. The major portion of our Debenture money will be secured through the active efforts of the Company's Agents in Great Britain.