

one of much disappointment. I have no intention of prophesying as to when a cessation of hostilities may take place. While they continue the financial horizon cannot but remain overcast. It will continue to be the policy of your Directors to conserve to the fullest extent the resources of the Corporation, and to maintain it in a position in which it will be able to meet any situation which may arise. This necessitates our keeping a larger amount of cash unemployed and at all times available than was deemed necessary in more normal times. By this and numerous other features of a conservative policy our profits are somewhat reduced, but we have the comfort and satisfaction of being able to face the future with every confidence, whatever may be the vicissitudes which at present cannot be foreseen.

While the grain crops in our Western Provinces were not as ample as had at one time been hoped, they were of a quality which has not been excelled and of fair volume in the aggregate. The high price fixed by the Government has, therefore, returned to the grain growers a large amount of money and they have been able to meet their interest and also to reduce their principal in a manner most satisfactory. By gradually reducing the original indebtedness, in accordance with what has been our fixed policy for many years, not only is the Corporation's margin of security increased, but the mortgagor's increased equity is an encouragement to greater effort and progress, resulting in advantage to himself and to the community. There have been, as usual, individual cases of inability to meet their instalments through partial or complete failure of crops. In such cases, consideration has been cheerfully given to their circumstances, and the reduction of the indebtedness which had generally been made in previous years has enabled us to carry over these customers till next season, with advantage and satisfaction to them and with perfect safety in the Corporation.

As in previous years I can assure the Shareholders that there is good value for every dollar of the Corporation's assets. With every possible precaution, we can never fully guard against borrowers proving unsuccessful. The farmer who meets with unforeseen misfortune, becomes discouraged and fails to meet his obligations, usually allows his property to deteriorate, and occasionally, when we are reluctantly compelled to find a purchaser for it, the full claim cannot be realized. Our system of inspection, however, is so thorough that, not only are these losses minimized but are usually foreseen. In the balance sheet submitted to you, ample provision has been made for any possible losses.

It is with the most sincere regret that I have to record the death during the past year of our Second Vice-President, Mr. G. W. Monk. Mr. Monk had been associated with the Canada Permanent Loan & Savings Company for a long period of years, was one of the first Directors of this Corporation, and held the office of Second Vice-President since 1910. For upwards of a quarter of a century he represented the County of Carleton in the Provincial Legislature. His wide and varied experience and wise counsel will be greatly missed by his colleagues on the Board. Mr. R. S. Hudson has been appointed Second Vice-President, and his long experience will thus be increasingly serviceable to the interests of the Corporation. The vacancy on the Board was filled by the appointment of Mr. William Mulock, Jr., who represents very important holdings in the shares of the Corporation.

I regret to say that since our last meeting, four bright young men of our staff have been killed in action and a number have been wounded. It is gratifying to inform you also that some have received Decorations from His Majesty, the King.

I think it is not necessary to detain you with any further remarks. I have much pleasure in moving, seconded by the First Vice-President, that the Report of the Directors be received and adopted, and, together with the General Statement, be printed and a copy sent to each Shareholder.

The Vice-President, Mr. W. D. Matthews, in seconding the motion for the adoption of the Report, said: Mr. President and Gentlemen:—

The President in his address has explained to you that the Directors in making loans to borrowers are able to rely upon careful inspection of all the properties by our own experienced Inspectors before these loans are made. Without this inspection and without the very complete system established by the Management of the Corporation for the scrutiny of accounts and reinspection of securities, you can readily understand that the loaning and supervision of \$26,700,000 (which is the amount of the mortgages held by your Corporation), would be a very onerous and difficult task. That

we have been able to loan this immense sum of money on mortgages, and present a statement to you which, as the President says, and as I am sure you will corroborate, is highly satisfactory, speaks well for the Management that the Corporation has received. The management, of course, devolves upon the Joint General Managers, the Secretary, the Treasurer, and the Inspectors. I can cheerfully testify to the care and thought that is given by the management and staff in the conduct of the Corporation's business.

The outbreak of the War caused anxiety to the whole community, the people fearing its effect upon Merchants, Manufacturers, Financial and all other Companies. The demand for war material, however, brought into existence new enterprises and industries throughout the Dominion, which made business conditions so favorable that confidence was restored and people generally began to realize that, so far as business and finance was concerned, we had not suffered very much.

This prosperity continued to a degree that financial and manufacturing concerns were placed in excellent credit and on a financially sound basis. Added to this was the fact that all the products of our farms, mines, forests and sea were required, and at once began to command unusually good prices, finally resulting in the Government undertaking to handle most of these materials and fixing values at which they were to be taken over. These prices are such that it has brought the farming community to a very prosperous condition.

Our farmers never realized so much money for what they had to sell as under present regulations. As you are all aware, the backbone of any progress or prosperity that we have made in Canada, is due almost entirely to the development of our Natural Products. The Governments are now instituting campaigns for the increase of supplies of various kinds, particularly of food. In the Northwest the campaign for raising a larger number of hogs is resulting very satisfactorily, and I hope that the preparations that have been made by the farmers, and the inducements offered by the Governments for the production of more grain, will also prove to be as highly satisfactory as we could wish. There is every indication that, even after peace is declared, all the products we have to sell will be wanted and will command good prices, so that this prosperity is likely to continue for some time to come. Even in the early period of the war the values of farm lands in the Northwest have been fully maintained, and, with the prosperity that has attended farming operations, values are not only being maintained, but in nearly every district have been enhanced. As we have very largely given attention to the lending of money on farm properties in the Northwest, the advance in land values and the prosperity of the farmers, have placed our mortgages in a very satisfactory condition.

The President has pointed out that the amount of our Sterling Debentures has somewhat decreased since we last presented our Report, but this was to have been expected, and the fact that we have such a large amount still outstanding is a pleasing tribute to the fact that the credit of our Corporation stands high in Great Britain. I, therefore, think that we may look forward to continued success. Even after peace is brought about, which some authorities feel will bring with it the up-setting of business, and which has caused more or less anxiety, I am quite sure that our Corporation may confidently expect a continued period of satisfactory results.

The President has referred to the figures which have been read to you, and which you have had opportunity to look over. The statement does not need any further comment on my part, and I, therefore, have much pleasure in seconding the adoption of the Report.

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

The Shareholders unanimously approved and ratified certain subscriptions which the Directors had made to the Canadian Patriotic Fund, the British and Canadian Red Cross Societies, and for other patriotic purposes.

The election of Directors for the ensuing year was then held, and resulted in the unanimous re-election of Messrs. W. G. Gooderham, W. D. Matthews, R. S. Hudson, Col. Albert E. Gooderham, J. H. G. Hagarty, John Campbell, S.S.C. (Edinburgh), John Massey, F. Gordon Osler, E. R. C. Clarkson and William Mulock, Jr.

Messrs. Henry Barber and A. E. Osler were re-appointed Auditors for the current year.

At a meeting of the Board, held after the adjournment of the Annual Meeting, Mr. W. G. Gooderham was re-elected President, and Mr. W. D. Matthews, First Vice-President, and Mr. R. S. Hudson, Second Vice-President.