

"A few words in connection with our Debenture money. This is capital which we secure through the sale of our Debentures, and is obtained very largely in Great Britain. As this money costs the Company only $4\frac{1}{4}$ per cent. and is then invested at a much higher rate on First Mortgages on improved productive real estate in Western Canada, we have a splendid margin of profit.

"With regard to the Bank Overdraft, which appears in the Financial Statement, I desire to state that the policy of the Company in having an Overdraft at the Bank at the close of the year, is a very commendable one for the following reason: During the summer months and in the fall of the year the active building operations create a tremendous demand for money, with the result that a loan company has its funds very fully employed, and towards the close of the year the Company often experiences that the demand for money in completing the many houses which have been under construction during the year is greater than the funds immediately at its disposal. It is then that the Company requires a temporary advance from its Bankers. This money borrowed from the Bank is repaid during the winter months, when, as is well known, there is very little building done; especially so does this apply to our Western Provinces, where the winters are usually long and severe. During these winter months the funds of the Company accumulate and the Overdraft is gradually reduced. In the meantime, however, the money represented in the Overdraft is invested in First Mortgages, at a higher rate of interest than that charged by the Bank, and in addition to this borrowed capital being a matter of great convenience to the Company in its busy loaning season, it is a source of considerable profit to the Company.

"With the great influx of settlers into Western Canada, we naturally expect that the business from our many Branch Offices and Agencies will continue to increase very rapidly, and we may reasonably look for as much increase in business during the present year as we experienced in 1910.

"It is hardly necessary for me to state that your Directors take a very keen and active interest in the welfare of this Company, and I feel that you will agree with me when I say that they fully appreciate the splendid confidence which you have placed in them by re-electing them year after year to direct the affairs of this growing Company.

"I feel that I have now spoken at sufficient length and as this is a meeting of the Shareholders of the Company, I am sure that the Directors will be very pleased to have some of the Shareholders present express their opinions on the Financial Report submitted to-day."

Mr. A. R. Leonard then asked the Chairman as to the extent of the Debenture Issue which had already been authorized by the Shareholders.

In reply, the Chairman stated that at a previous Annual Meeting the Shareholders passed a By-law authorizing the creation and issue of Debentures of the Company, under the provisions of The Act of Incorporation of the Company, to the extent of \$2,000,000.00.

Mr. H. Sandison, in addressing the meeting, stated that the Report was of such a very satisfactory nature that no one could possibly take any exception to it or make anything but an entirely favorable comment. He further remarked that he had been a Stockholder of the Company since its inception and that he was very pleased to state that the Financial Report for each year was so much better than the preceding year that he could scarcely express himself as to the high opinion he held of the Company and its general management.

He expressed himself as being thoroughly satisfied with the management of the Company and was confident that the Directors would do all in their power to advance the Company, as they had so creditably done in previous years.

Mr. S. P. Clark, in addressing the meeting, spoke as follows:

"Mr. Chairman and Directors,—I must state that, as the Report speaks for itself, I have but really little to say. I might add, however, that I consider the Company is certainly managed in a most successful manner, which is splendid evidence that the Board of Directors is carefully looking after the interests of the Stockholders.

"I feel confident that the success of a Company of this nature depends on the Board. If you have on a Board of Directors men who are thoroughly conversant with the business of the Company, Stockholders naturally are inspired with confidence, and for myself, I am pleased to say that I am more than well satisfied with the present Board of Directors.

"While this is the first Annual Meeting of the Company at which it has been my pleasure to attend, I feel it my duty to state that I am exceedingly well pleased with the full explanations that have been so cheerfully given in connection with the Report, and, in fact, with the whole proceedings of the meeting.

"In respect to the Overdraft, to which previous reference was made, I am certainly of the opinion that the policy of the Company in this connection is very businesslike, in securing additional capital at the time most required in the loaning season, and repaying it from the funds of the Company as they accumulate in the winter months.

"In conclusion, Mr. Chairman and Gentlemen, my sincere wish is that the Company may have the same splendid success in the future that has characterized it in former years."

Mr. E. L. Taylor, the Company's Solicitor, in referring to the Company's Securities, stated that every possible precaution was taken, not only in the selection of loans, but in the legal work which follows the passing of the loans by the Directors. He referred to the large financial interests which the Directors and

Advisory Board held in the Company. As these gentlemen held over \$175,000.00 of the Capital Stock of the Company, a most natural conclusion to draw was that in protecting the interests of the Shareholders at large, they were certainly interested to a considerable extent in their own large personal holdings in the Company.

In discussing the method of investing the Company's funds, Mr. Taylor spoke as follows:

"We have only two methods of investing the funds of the Company; in the first instance, which comprises practically all the investments or assets of the Company, we invest the funds on the security of First Mortgages on improved productive real estate.

"These Mortgages are filed in the Company's vaults, and it is the duty of your Auditors to check over every Mortgage and Insurance Policy covering the same, to see that they are all in the Company's possession and in strict accordance with the Annual Statement, as is evidenced in the Auditors' Statement in the Financial Report.

"With nearly all of our funds invested in this safe manner, I feel that you are unanimous with me when I say that it is a great comfort to us all to know that there is no possibility of any loss whatever with such class of securities, and as a result the Stockholders' money is as secure in this Company as in the Dominion Government, the Bank of Montreal or any of our worthy Canadian financial institutions.

"In reference to the other class of investments, held by the Company, I may say that you will notice in the Annual Statement that the Company has purchased, with a view of having a certain amount of liquid assets, about \$18,000.00 of Bank and Trust Company Stock. This amount will be added to from time to time, as deemed expedient.

"In conclusion, I may say that, from present favorable indications, we expect an exceedingly prosperous year."

The motion to adopt the Report, as moved by the President and seconded by the Vice-President, was then put to the meeting and carried unanimously.

It was moved by Mr. S. P. Clark and seconded by Mr. J. H. Morgan, that the management be and is hereby instructed to have the Directors' Report and Financial Statement for the year 1910 printed and distributed among the Shareholders for their general information.—Carried.

The appointment of the Auditors was next considered, when it was moved by Mr. A. R. Leonard and seconded by Mr. F. Steele, that Messrs. D. A. Pender, C.A., and William Ramage, C.A., be and are hereby appointed Auditors of the Company for the ensuing year.—Carried.

A new By-law regulating the number of Directors was next submitted for consideration, and was duly approved by the Shareholders.

In commenting on the addition to the Board of Directors, in the person of Sir Gilbert Parker, M.P., of London, England, Mr. N. Bawlf spoke as follows:

"It might be well to add a few words of explanation in connection with the proposed new Director, and I may say that your Directors, after taking into their serious consideration the rapidly increasing interests of the Company in Great Britain, came to the conclusion that it would be very much in the Company's interest if we had on our Directorate a man who was thoroughly in touch, not only with the financial conditions in the Old Country, but also in Canada.

"In their selection, I am sure you are all of the opinion that they have been singularly fortunate in securing for one of the Directors of this Company a gentleman of such high standing, both in Britain and in Canada, and who is not only thoroughly conversant with the conditions prevailing throughout Canada, but is a strong believer in the future of our Dominion and an ardent advocate for any good cause that would help to advance the growth of this country, and who has, at the same time, such an intimate knowledge of conditions, financial and otherwise, in the great money centres of the British Isles. With such an able representative in the Old Country, I feel that we are indeed to be congratulated in securing Sir Gilbert Parker as one of the Directors of this Company.

"I need not enlarge further on this subject, other than to say that I am firmly convinced that the policy of the Company in appointing an Old Country Director is exceedingly wise, and with the judicious selection made, I feel that very gratifying results will follow."

The election of Directors was then proceeded with, when it was moved by Mr. J. K. B. Turner and seconded by Mr. J. H. Morgan, that the following qualified Shareholders: Nicholas Bawlf, E. D. Martin, Sir Gilbert Parker, W. T. Alexander, Dr. E. S. Popham, E. L. Taylor, James Stuart and F. H. Alexander, be and are hereby elected Directors of the Company for the ensuing year, and that the Secretary cast a ballot for them as Directors.

The motion carried unanimously, and the Chairman reported the result of the ballot was, that the above-mentioned Shareholders were elected Directors.

Mr. N. Bawlf, on rising to thank the Shareholders for the hearty confidence they had again displayed in re-electing the Directors for another year, stated that, on behalf of his fellow-Directors, he desired to thank the Shareholders most cordially for their expression of confidence.

He wished to add that, in connection with the Audit of the Company's books, and the examination of our securities, that prior to our completing arrangements in Great Britain for the sale of our Sterling Debentures, we had agreed that an independent Audit be made by a very reputable firm of Chartered Accountants in