

and rents derived from all assets, and also in the net profits of the Corporation in both cases shown in quinquennial periods as follows:—

	Interest and Rents.	Net Profits.
For first five years	\$ 707,085 27	\$ 72,598 02
For second five years	1,409,852 67	197,817 18
For the third five years	2,215,840 91	210,347 30
For the fourth five years	3,254,440 81	269,877 18
For the fifth five years	5,909,090 75	545,579 90

When these figures and statements are carefully examined I think you will agree with me that I am fully warranted in making the statement that the Corporation has acquired, and now holds, the confidence and appreciation of the public in fulfilling the duties for which it was brought into existence.

It is sometimes stated that the Corporation has already more business than it can properly attend to. There is not the slightest foundation for such a statement. Never in our history has the Corporation been better equipped for the prompt and effective management of every interest, whether large or small, that may be committed to its care. Moreover, it is only through the administration of a large volume and a great variety of trust and estate work that the requisite skill and experience can be acquired for effective management. And here I may also say that with the complete equipment and the systematic management which now obtain in the expert and clerical departments, the Corporation could, with the necessary additions to the staff, effectively handle double the business that it has now in hand.

With respect to the operations of the Corporation for the past year, they are set out with so much detail in the annual report and statements which have just been read that I need not take up your time with any extended comments. The profit and loss sheet clearly shows the receipts and the sources from which they were derived, and the expenditures under each heading. The net earnings, after payment of all charges and expenses of every nature, both at the head office and the Ottawa and Winnipeg branches, and after making provision for every ascertained or estimated loss, amount to \$150,428.09, as compared with \$108,461.11 in the preceding year.

Having regard to the large volume of business the Corporation has to take care of, amounting to over thirty millions, I am sure you will agree with me that the net profits are not only very moderate, but, taking into consideration, the great responsibilities that have to be assumed by the Corporation they will be considered by most people to be insufficient.

Before closing I desire to express my thanks to the staff of the Corporation, both at the head office and the branches, for the zealous and efficient manner in which they have performed their respective duties.

The report of the directors was adopted, as well as the report of the inspection committee as presented by Mr. W. H. Beatty, chairman. Certain by-laws and amendments were confirmed.

Election of Directors.

The following shareholders were elected directors:—John Hoskin, K.C., LL.D., Hon. S. C. Wood, W. H. Beatty, John L. Blaikie, W. R. Brock, Hon. J. J. Foy, K.C., M.P.P., Sir D. H. McMillan, J. W. Langmuir, Thomas Long, W. D. Matthews, Hon. W. C. Edwards, Hon. Peter McLaren, E. B. Osler, M.P., J. G. Scott, K.C., Sir Aemilius Irving, K.C., Hon. Robert Jaffray, B. E. Walker, D. R. Wilkie, Albert E. Gooderham, Frederick Wyld, Samuel Nordheimer, Arthur C. Hardy.

At a subsequent meeting of the board of directors Dr. Hoskin was elected president, and the Hon. S. C. Wood and W. H. Beatty vice-presidents.

TORONTO MORTGAGE COMPANY.

Eighth General Meeting.

The annual general meeting of the shareholders of the Toronto Mortgage Company was held at its offices, No. 13 Toronto street, Toronto, at 12 o'clock noon, on Wednesday, the 13th day of February, A.D. 1907.

There were present: Hon. Wm. Mortimer Clark, Alexander Smith, William Martin, C. S. Gzowski, James Ley, Theron Gibson, Thomas Gilmour, Edward Galley, Edward R. Greig, Dr. H. B. Yates, George F. Burns, David Carlyle, Wellington Francis, W. L. Hime, H. W. Eddis, Herbert Langlois, H. E. Hamilton, S. W. Black, George Martin Rae, and others.

On motion of Dr. Yates, seconded by Mr. Langlois, the president, Hon. Wm. Mortimer Clark, took the chair, and the manager acted as secretary.

The secretary read the notice calling the meeting. The minutes of the last annual meeting were taken as read, and confirmed. The secretary read the financial statement and

profit and loss account for 1906, and the eighth annual report, as under:

Report.

The directors of the Toronto Mortgage Company beg to submit the usual financial statement of the company's affairs, for the year which ended on 31st December, 1906.

The gross earnings, including the balance of \$15,060.03 brought forward from 1905, amount to \$147,739 62

To which has been added profit on sale of real estate 7,500 00

After deducting cost of management, interest on debentures and deposits, and all other charges, amounting in all to 74,279 00

There remains a net profit of \$ 80,960 62

Out of which dividends and bonus, equal to 6%, on the capital stock have been paid, amounting to 43,473 00

Leaving a surplus of \$ 37,487 62

From which have been deducted:

Cost of alterations to office premises \$ 4,063 31

Written off office premises account 1,000 00

Transferred to reserve fund 15,000 00

Leaving a balance to be carried forward to 1907 of \$ 17,424 31

The reserve fund is now equal to 42% of the capital stock

Debentures matured during the past year amounting to \$390,183.00, to renew which, and for new moneys, new debentures of the company have been issued to the extent of \$403,210.00.

Loans were made amounting to \$571,800.00, and mortgages aggregating \$123,000.00 were renewed for further terms, after due examination of the present values of the properties in question.

The revenue taken credit for consists of actual cash receipts for interest and net rentals.

The earning power of the company being now on a satisfactory basis, the directors felt justified in declaring a dividend for the last half of 1906, at the rate of six per cent. per annum, to take the place of the 5 per cent. dividend and 1 per cent. bonus previously paid.

The office staff have performed their duties to the satisfaction of the directors, and the books and accounts, and all securities held by the company, have been regularly audited.

All of which is respectfully submitted.

WM. MORTIMER CLARK,
President.

FINANCIAL STATEMENT FOR THE YEAR ENDING 31st DECEMBER, 1906.

Liabilities.	
To the Public—	
Debentures, Sterling	\$904,458 36
Debentures, Currency	309,650 00
Accrued interest thereon	11,189 43
Deposits	154,731 54
Sundry unpaid accounts	580 84
	\$1,440,619 17
To the Shareholders—	
Capital stock fully paid	\$724,550 00
Reserve fund	\$290,000 00
Added in 1906	15,000 00
	\$305,000 00
Unclaimed dividends	28 00
Dividend payable 2nd Jan., 1907	21,736 50
Balance carried forward	17,424 31
	\$1,068,738 81
Total	\$2,509,357 98
Assets.	
Mortgage loans	\$2,119,383 96
Office premises in Toronto Street	45,000 00
Bonds, stocks &c., owned by company	\$138,963 44
Call loans on stocks and bonds	170,848 53
Cash in banks	24,357 81
Cash in office	1,804 24
	\$344,974 02
Total	\$2,509,357 98

Profit

Interest on sterling debentures
Interest on currency debentures
Interest on deposits
Charges on money borrowed
Cost of management, and auditors' fees, tax, office rent, etc.
Dividends and bonus on capital stock
Alterations to office premises
Written off office premises
Transferred to reserve fund
Balance carried forward

Total

Balance brought forward
Interest on investments
Office premises
Profit on sale of real estate

Total

We have audited the accounts of the Toronto Mortgage Company for the year ending 31st December 1906. We have examined the vouchers and certify that the foregoing statement is correct.

Toronto, January 9th 1907.

The chairman in his report expressed the pleasure of the shareholders in the company for the past year. The position of the company on its hands, save its sale under powers of mortgage, represents there is no mortgage.

The premises used for the company's business is now, after having been improved, better than at which it might reach. That the mortgage company's good investments is evident from the arrears of interest, the amount of only one or just a fraction over from them, and since the small sum of money is a significant amount on mortgage.

In connection with the mentioned that all interest on the past year has been capitalized. It is known that upwards of 40% of the loans are held for ever, and stocks held by the company are worth substantially more than they were acquired. None of the value, it being contrary to the value of the company.

The chairman called attention to the facts, showing the position of the company: (1) The total assets of the company amount to 42 per cent. of the capital stock at no distant date. (2) The undivided profits of the company amount to \$2,000.

(3) The mortgage loans of the company amount to \$35,000. (4) Ninety per cent. of the loans matured last year were renewed for the same period. The chairman also called attention to the fact that the company's assets are worth substantially more than they were acquired.

(a) The security of the company's loans is absolutely safe. (b) To secure to the company a regular income from the capital is absolutely safe.