

b. Mortgages and Agreements of Sale

What has been said in respect of the Natural Resources of this Country and of the certainty of their full development will make it easy to convince the conservative investor, the one who is not looking forward to a rise in values as an inducement to placing his money, that in no other field will he be more secure than in Western Canada. The very increase in values to which we have referred emphasizes this point. A mortgage on land of an estimated value of \$15.00 per acre is obviously safer when the land can later be sold for \$25.00. And that is occurring all over Western Canada.

So far as mortgages are concerned we need only add that we shall recommend those which are strictly gilt edged. There is no necessity for handling any other. The demands for money to aid in the development of the land are too great. From our standpoint ultra conservatism is the only profitable course. Our aim in all our dealings is to MERIT AND RETAIN the confidence of our clients. We shall therefore not consider mortgages on a higher basis than from FORTY TO FIFTY PER CENT of the bed-rock value. Such mortgages will bear interest at seven per cent; or we guarantee the principal at six per cent.

Agreements of Sale are a kind of investment peculiar to Western Canada. They present practically the security of a mortgage but in a different shape. They are the form which is commonly in use where real estate is purchased with but a part of the consideration paid. In such cases the vendor does not give a deed of the property but executes an agreement whereby he binds himself to make a conveyance when the payments are finally made as stipulated and the property is paid for in full. In the meantime title remains in the vendor. The purchaser is however protected by registering the agreement and a deed is given when he has paid up. The security in such cases, therefore, is upon the property and when a sufficient amount has been paid by the purchaser it becomes undoubted and in all respects is a desirable form of investment. In addition to the value of the land there are two personal covenants to secure the investor, that of the original purchaser and that of the vendor of the agreement. Such liability may not be of value, but, on the other hand it may. It ought not however to be considered as a factor. The vendor, desiring