

The Great West Permanent Loan Company---continued

"With the rapid increase in the volume of our Savings Deposits and Debentures, it is very evident that the earning power of the Company will be materially and most beneficially affected.

"With reference to the half-yearly dividends due and payable January 1, 1911, it is worthy of note that these dividends have now assumed large proportions, as shown by the Statement that they amounted to \$74,594.16. This sum represents a half-yearly dividend at the rate of 9 per cent. per annum on the Fully Paid Class A Stock, and includes a certain amount of 5 per cent. interest that stood at the credit of any Partly Paid Stock, Class B, which was paid in full during the latter half of the year.

"The item of 'Loan Repayments' is self explanatory, and simply refers to the return of principal on Mortgage loans.

"With reference to the 'Amount Due on Uncompleted Loans,' it might be well to mention that, in the case of building loans, the houses are always in various stages of construction, with the result that at the close of our Fiscal Year, December 31, there are many houses not yet completed. As a loan company makes it a practice to retain sufficient money until each building is completed, it naturally follows that at December 31, when our books are closed for the year, there must be a considerable amount of money owing on uncompleted loans, but which is not actually due and payable to the borrowers until the buildings are further advanced in construction or completely finished, as the case may be. The amount so withheld at December 31, 1910, amounted to \$208,665.00.

"Referring to 'Bank Overdraft at Head Office,' you will observe that the amount at December 31, 1910, was \$257,437.21. This item speaks for itself, but in connection with the account, there must be considered the item of 'Cash on Hand at Head Office and Branches, and in Banks at Branches,' which amounts to \$102,757.44, and which, therefore, makes the actual Bank Overdraft only \$154,679.77.

"As this borrowed capital not only furnishes the Company with additional funds when the demand for money is very great in our busy loaning season, but as we make a fair margin of profit through investing this borrowed money, it is quite clear that the policy of the Directors in thus increasing the loaning, as well as the earning power of the Company, is a very commendable one.

"It is not my intention to discuss the Profit and Loss Account in detail, but I would draw your attention to the fact that at December 31, 1909, our Reserve amounted to \$449,454.75. It is with pleasure that I refer to the large increase to the Reserve Fund last year. In actual figures the addition to the Reserve was \$68,732.92, comprising \$26,117.13 Surplus Interest Earnings, and \$42,615.79 Premium on Capital Stock. Our Reserve Fund now amounts to \$518,187.67, and is a source of material strength to our Company.

"This Report is such that the Directors have every reason to be well satisfied with the progress of the Company, and I am confident that their feelings in this respect are shared by the Stockholders generally.

"With the growth of our business, our Branch Offices and Agencies are very closely associated, and I consider that great credit is due these Offices and Agencies for the splendid amount of high-class business furnished our Company, and particularly during the year just closed. Especial mention should be made of the large number of desirable loans we secured last year through our Vancouver and Calgary offices. From such cities as Edmonton, Moose Jaw, Regina, Saskatoon, Fort William and Port Arthur we have also received much desirable business.

"Many new Agencies were opened up during the year, and as an evidence of the good selection of Agents, we have but to refer to the great volume of excellent business we received last year from our various Agencies.

"With the rapid growth of the country at large, thriving towns and villages have sprung up, where money for building operations is in great demand. As these centres of urban population are the direct result of the settlement of the surrounding agricultural country, they are established on a good business basis, and for this reason the towns and villages increase in population and importance, as is justified by the growth of the country tributary to them, and from which they derive their support.

"Our experience in loaning in the many Western cities, towns and villages has been of a most satisfactory nature.

"With the succession of record crops in Western Canada, this country has received much valuable advertising abroad, with the result that each year sees an increasing number of capitalists from other countries coming into the Dominion, for the purpose of securing much valuable information from personal observation and enquiry, with a view of making, not only a few investments at the present time, but, if thoroughly satisfied with the conditions prevailing in this country, to make the necessary arrangements to invest on a much larger scale in the future.

"In this connection it might be well to mention that the great prosperity of the Dominion, as well as unsettled conditions abroad, with particular reference to the political situation in the British Isles, have been instrumental in causing a great flow of capital into Canada, where the opportunities for splendid investments are practically unlimited. I feel sure that the movement of capital in the direction of Canada is only nicely started, and we may look forward with reasonable assurance to much larger amounts of foreign capital annually being brought into the Dominion, and which will undoubtedly give stimulus to trade and commerce, and materially assist in the general development of the country.

"With the rapid expansion of business from one end of the Dominion to the other, building operations last year exceeded all previous records in Canada. For instance, in the City of Winnipeg in 1910 the building permits were in excess of \$15,000,000; whereas, in the previous year, the amount was only a trifle over \$9,000,000.

"Splendid increases in the building returns for most of our Canadian cities are much in evidence, and from present indications it is expected that the building operations for the year 1911 will eclipse all previous records.

"When attending the Annual Meeting of one of our financial institutions quite recently, I was much impressed with a statement made by the President of the Company, in which he made a very apt comparison of the growth of Winnipeg with that of one of our Eastern cities. He remarked that the building permits granted in Winnipeg in 1910, amounting to \$15,000,000, represented an amount nearly double the assessment value of the City of Kingston, Ontario, which was a city of considerable importance long before Winnipeg came into existence.

"With such active building operations in every part of the country, the demand for money will continue unabated, with the direct result that our financial institutions will be able to keep their funds very fully and profitably employed.

"We confidently expect to receive a large amount of money this year through the sale of our Debentures, and as this borrowed Capital costs the Company only 4¼ per cent., you can readily see that, with the high earning of the Company's investments in Western Canada, our profits will be greatly increased. With such bright prospects for the future, we have every reason to believe that the business of our Company for 1911 will be fully as satisfactory, if, indeed, it may not excel, the splendid record of 1910.

"If there are any items in the Report which are not perfectly clear to the Shareholders, I am sure that the Directors will consider it a privilege to deal fully with any items that may appear obscure.

"I have, Mr. President, very much pleasure in seconding the adoption of the Report, which has been just submitted to the Shareholders."

The Chairman then enquired if there were any Stockholders present who wished to ask any questions regarding the Report.

Thereupon short addresses followed by Messrs. N. Bawlf, S. P. Clark, A. R. Leonard and H. Sandison.

Mr. N. Bawlf addressed the meeting as follows:

"Mr. Chairman and Gentlemen:

"With such lengthy addresses as have been delivered to-day, it is hardly necessary for me to go into many details.

"Speaking generally of the Report, I feel that it speaks for itself. With such a comprehensive Report which has been submitted to-day for your consideration, showing the splendid growth of our Company during the past year, I have good reason to believe that the Shareholders are thoroughly satisfied with the progress that has been made.

"Referring to the great strides made by our Company in recent years, it is almost superfluous for me to add many remarks to what has already been dwelt upon so fully, but it might be in order to refer to the growth of this Company as compared with some of the Companies which have been in operation for many years.

"After eight years' business this Company has, with but two or three exceptions, the largest amount of Subscribed and Paid-up Capital and Assets of any of our Canadian Loan Companies, and when you consider that these other Loan Companies have been doing business in some cases from 25 to 50 years and upwards, the record of our young Western Company is such that we are justly entitled to refer to its phenomenal growth with a feeling of enthusiasm and pride.

"Our Reserve Fund, which has increased steadily year by year, now amounts to nearly \$525,000.00, and therefore compares very favorably with the Reserve of our largest loan companies, which have required many years to accumulate their Reserves.

"In connection with the loaning department of the Company, I may say that your Directors exercise every precaution. In no case do they recommend a loan for more than 45 or 50 per cent. of the conservative value of a property. Our system of valuation is a complete and efficient one, and I am pleased to state that we have, in our valuers, in every part of the country, able, experienced and practical men, thoroughly conversant with their respective districts.

"It is with pleasure that I refer to the unanimous decision of the Board in considering the applications for loans. While each individual member naturally has his own opinion as to the character of every loan submitted, as well as the amount which would be safe and proper to advance, yet there is never a loan passed by the Directors without the unanimous and hearty approval of all the Directors present.

"Allow me to refer to the margin of security which the Company has in respect to its mortgage loans.

"It is a matter of general knowledge that the values of property in our Western cities and towns have increased at least 25 to 30 per cent. in recent years, so that with the 50 per cent. margin of security which existed at the time a loan was granted, say, three or four years ago, the Company's security on these loans now approximates 100 per cent., and this does not include the margin of security which improves annually through the repayment of principal.