

PROCEEDINGS OF THE FORTY-FIFTH ANNUAL MEETING

The Forty-fifth Annual Meeting of Shareholders was held in the Company's Office Building, on Monday, 12th March, 1900, at 2 o'clock in the afternoon.

The President, Mr. J. Herber Mason, occupied the chair, and the Secretary, Mr. George H. Smith, was appointed Secretary of the meeting. The following shareholders were present:—Ralph K. Burgess, Jacob Bull, James Barber, Henry Barber, W. H. Beatty, C. C. Baines, Melfort Boulton, W. H. Clarke, William Cook, R. C. Carlyle, W. M. Cockburn, Benjamin Dean, W. N. Eastwood, F. A. Fraute, T. B. Frankish, W. G. Gooderham, Henry Gooderham, A. Cecil Gibbom, H. L. Hime, R. S. Hudson, Richard Heather, Fred. Hudson, Beverly Jones, George Jackes, Price Jackes, William Lawrence, C. J. Leonard, E. B. Lelloy, G. W. Monk, John MacNamara, Alfred Myers, Augustus Myers, W. P. Morse, J. Gordon Macdonald, Rev. Dr. Moffatt, Alfred J. Mason, Samuel Nordheimer, Dr. U. Ogden, George Pim, Rev. T. W. Paterson, Dr. Prentice, Fred. Price, Hon. A. M. Ross, G. M. Rae, W. J. Robertson, Andrew Robb, T. M. Rowland, Alex. Smith, William Spry, John Stewart, R. H. Tomlinson, P. M. Thomas, W. E. Wellington, S. G. Wood.

The Secretary read the Report of the Directors and Financial Statements for 1899.

The President then said :

GENTLEMEN.—Before moving the adoption of the Report of the Directors, just read by the Secretary, I desire to say a few words.

The confirmation and establishment of the very strong and sound position of the Company as at the 31st December 1898, as the result of the searching investigation made during last year, may have been a surprise to some, but was not so to myself nor to others who knew the character and condition of our investments. The severe test and thorough sifting to which our securities were subjected, in common with those of the other Companies proposed to be taken over by the Canada Permanent and Western Canada Mortgage Corporation, revealed the fact that, so far from overestimating our position and presenting a too sanguine exhibit of our affairs in our Annual Statements, we rather underestimated our assets and erred, if at all, on the side of being over-pudent.

In the depression, which reached its lowest point in 1897, when real property became almost unsalable and general distrust prevailed, we made a thorough examination of our securities, and as a precautionary measure decided to reduce Stockholders' dividends, and provide for a considerable reduction in the value of our Assets. You were told at the time that these precautions were not required to meet actual losses, but to provide in due time for deficiencies which might possibly be sustained. Some of these could not be avoided, and more might have occurred had no improvement in the general condition of the country taken place. That improvement began in 1898. By the end of that year the value of our securities so far recovered that we had a surplus of over \$100,000, of which \$50,000 were restored to the Reserve Fund, and \$50,000 were added to the Contingent Fund. The Committee of Experts appointed by the four Companies concerned, the interests of three-fourths of whom were adverse to the Company whose securities were being examined, found our Assets so good and so ample for the amounts they represented on our books that we have been warranted in restoring another \$100,000 to the Reserve Fund, thus bringing that Fund nearly back to what it was before the reduction made in 1897.

I need not enlarge on the business of 1899. The year was generally prosperous and land values continued to improve. That we should have been able to realize net earnings of more than ten per cent. in that year, when the time and energies of the Officers at the Head Office, as well as the Branches, were so largely occupied in arranging for the proposed change, shows the great revenue earning power the Company possesses, and will confer on the new Company, if the provisional agreement be ratified and consummated. In that very probable event this is the last time when I may appropriately call your attention to the record this Company has achieved among Canadian Financial Institutions during the forty-five years of its existence. I, therefore, crave your indulgence while I relate a few prominent facts in its history.

This Company was organized on the 2nd day of March, 1855, consequently has passed its forty-fifth birthday. It had a very modest and unpretentious beginning. It has been domiciled on the spot its building now occupies, and where the new Company is to have its home, from that time to the present. At first and for a few years its business was limited to the City of Toronto and vicinity. After that its ramifications were extended throughout the Province of Ontario, then to Manitoba and the North-West Territories, then to British Columbia, and quite recently to the Maritime Provinces, and wherever it went its business has been successfully carried on.

its Capital was for some years derived from Canadian sources only. In 1862 an attempt was made to tap the great reservoir of accumulated Capital in Great Britain, and turn its fertilizing streams on to Canadian soil, where it was much needed, but from causes which only time could cure that attempt was not successful. Thirteen years later, in 1875, I again visited Great Britain and presented our claims for credit with such success that from that date to the present a steady stream of British capital has flowed to us, to the benefit of the investors, to the advantage of the Company, and especially to the advantage of the borrowing community here, who have thus been able to obtain capital at a much reduced rate of interest.

The annual Dividends paid to the Shareholders have been as follows :—

For the 10 years from 1855 to 1864, inclusive, the average Annual Dividend was 13.10%

"	10	"	1865 to 1874,	"	"	"	"	10.60%
"	10	"	1875 to 1884,	"	"	"	"	12.80%
"	15	"	1885 to 1899,	"	"	"	"	9.43%

The average Annual Dividend paid for the whole forty-five years was eleven and one-half per cent. Of course you understand that these dividends were not paid on all the capital invested, but only on the stock, which averaged about one-fourth of the total amount of capital employed.

The Stock Capital, Reserve Fund and Total Assets were as follows :

	Stock Capital.	Reserve Fund.	Amts.
At the end of 1855	\$31,327		\$68,798
" " 1864	796,643	\$22,104	1,284,219
" " 1874	2,000,000	457,481	3,415,482
" " 1884	1,500,000	1,100,000	8,539,476
" " 1899	2,600,000	1,300,000	10,325,809