

has enjoyed during the whole of the forty-five years of its existence, and to express the hope that the new company, which will begin under such very favorable conditions, and in which the shareholders of this company will have so large an interest, may have an equally successful career.

All of which is respectfully submitted.

J. HERBERT MASON,
President.

Toronto, March 7th, 1900.

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

FINANCIAL STATEMENT.

PROFIT AND LOSS.

Interest on deposits, debentures, etc., etc.	\$240,769 85
Dividends on capital stock	\$156,000 00
Tax on dividends	1,906 70
	157,906 70
Cost of management—Salaries, directors' allowances, inspection, etc., including branch offices	68,090 82
Charges on money borrowed and lent	18,687 09
Reserve fund, addition thereto, as at Dec. 31, 1898	100,000 00
Appropriations for amalgamation deductions and other contingencies	60,058 61
Surplus profits for the year 1899	105,580 15
	\$751,093 22

Contingent fund, January 1st, 1899	\$160,058 61
Interest on mortgages, debentures, rentals, etc.	579,778 94
Provision for depreciations found to be necessary	11,255 67

\$751,093 22

ABSTRACT OF ASSETS AND LIABILITIES.

Liabilities to the Public.	
Deposits and interest	\$ 682,894 28
Debentures—Sterling—and interest (£880,681)	4,285,979 67
Debentures—Currency—and interest	245,925 00
Debenture stock and interest (£201,329)	979,802 76
Sundry accounts	47,301 30
	\$ 6,241,903 01
Liabilities to Shareholders.	
Capital stock paid up	\$2,000,000 00
Capital stock (\$3,000,000) 20 p.c. paid	600,000 00
	\$ 2,600,000 00
Reserve fund	\$1,300,000 00
Contingent fund	105,580 15
	\$ 1,405,580 15
Dividends unclaimed	326 20
79th dividend	78,000 00
	\$ 78,326 20
	\$10,325,809 36

Assets.

Mortgages on real estate	\$9,565,038 11
Mortgages on other securities	153,491 43
	\$ 9,718,529 54
Municipal debentures	\$ 188,581 77
Real estate foreclosed	60,400 20
Company's office buildings, Toronto and Winnipeg	254,776 98
Cash on hand	\$ 1,101 25
Cash in banks	102,419 62
	103,520 87

\$10,325,809 36

GEO. H. SMITH, Secretary.

We, the undersigned, beg to report that we have made the usual thorough examination of the books of the Canada Permanent Loan and Savings Company for the year ending 31st December, 1899, and hereby certify that the above statements are strictly correct and in accordance therewith.

J. E. BERKELEY SMITH,

HENRY BARBER, F. C. A.,

Auditors.

Toronto, February 27th, 1900.

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 over-estimating 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-prudent.

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

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 Northwest 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 to the shareholders have been as follows:

	Per cent.
For 10 years, 1855 to 1864, inclusive, average	13.10
For 10 years, 1865 to 1874, inclusive, average	10.60
For 10 years, 1875 to 1884, inclusive, average	12.80
For 15 years, 1885 to 1899, inclusive, average	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