

REPORT OF THE DIRECTORS OF THE
Canada Permanent Building and Savings' Society,
FOR THE YEAR 1868.

In presenting to the Shareholders of the Canada Permanent Building and Savings Society their usual Annual retrospect of the affairs of the Association, the Board of Directors feel pleasure in remarking, that the business transactions of the year have not revealed anything calculated to disturb the onward progress of the Society, or to shake the favorable anticipations they have always entertained of the high position it is destined to hold among the financial institutions of the Province.

In the preceding Report the Directors noticed the deficient harvest of 1862, and the consequent increase in the amount of arrears. That deficiency proved to be more wide spread and serious than they were then aware of. It is a source of great satisfaction that a generally better crop of cereals, and a larger yield of all other agricultural productions, as well as an improved demand for most of them, has rewarded the labours of farmers during the past year,—although the yield of grain is on the average much below what was expected shortly before the harvest, and in some of the front townships is little if anything better than the previous year. Largely no doubt resulting from these causes, it is gratifying to notice that, notwithstanding an increase in the whole amount invested of about 20 per cent., the amount overdue is actually reduced to the extent of 14 per cent.; so that the comparative amount in arrear is considerably smaller than last year.

The income of the Society for the year has been unusually large, but has not been equal to the demand for advances, and for a few months it was found necessary to stop receiving proposals altogether. The average income has increased from \$24,000 to \$26,700 per month. Six hundred and thirty-five loans were made, amounting to \$361,100. It is believed that during the present year the funds will be sufficient to supply all desirable applications.

It will be seen from the tabular statement hereto attached that a very considerable increase has been made to the shares subscribed for investment. The capitalized stock has been augmented by the addition of all the shares which have matured during the year, excepting five not yet disposed of, and now amounts to \$388,100. The whole amount of subscribed stock, accumulating and capitalized, now amounts to \$818,550, on which the sum of \$664,428 has been paid. The constant gradual enlargement of the Society's capital to the important figure it has now reached suggests an enquiry as to how long it is desirable that this continued addition should go on. The Directors have not hitherto felt that a sufficient limit has been reached, or that any good purpose would be effected by an announcement of what they considered that limit should be. They would, however, recommend the matter to the consideration of the incoming Board, in the belief that the time is approaching when the interests of existing shareholders may require that a restriction be placed on the further increase of the capital.

The Deposit Branch continues to exhibit evidence of increasing appreciation on the part of those whom it is more especially intended to benefit. No mere Savings Bank can afford the same security, combined with the same remuneration to depositors, as is supplied by this Institution; and that this is becoming to be understood by the public is apparent from the fact that, although only a comparatively short time in existence, it is believed the Society now does the largest Savings Bank business in Western Canada. Accounts are open with 610 depositors, having increased from 498 last year.

Two half-yearly dividends, amounting to eleven and one-half per cent., have been declared on the Permanent Capital. The usual addition has likewise been made to the Permanent Stock Reserve, the gradual increase of which, to a certain reasonable amount to be hereafter determined, is considered by the Directors to be of essential importance to the uniform permanent well-being of the Institution. It has not been found necessary to add materially to the Contingent Fund, which remains at a sum believed to be sufficient for the purpose for which it was formed.

In a comparatively few cases the Directors have during the year been obliged to realize from the properties mortgaged the amounts advanced thereon. It is always a cause of deep regret when such a proceeding is forced on the Society, and it affords matter for sincere congratulation, that out of so large a number of loans, now more than 2,300, and amounting to more than one million and a half of dollars, so small a proportion of sales have been found necessary, and the majority of these have arisen from causes beyond the control or foresight of either the borrower or the Society.

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