Meetings.

CANADA PERMANENT LOAN AND SAVINGS COMPANY.

The forty-fourth annual general meeting of the shareholders of the company was held on Monday, the 20th inst., in the company's office building, Toronto street, Toronto, the president, J. Herbert Mason, Esq., in the chair.

The secretary, Mr. George H. Smith, having been appointed secretary to the meeting, read the report of the directors for the year 1898, as follows:

REPORT.

The directors of the Canada Permanent Loan and Savings Company have pleasure in presenting to the shareholders the financial statement and auditors' report for the past year, the forty-fourth year of the company's history.

It is with much satisfaction that the board is able to record that the revival of commercial, industrial and agricultural prosperity referred to last year still continues, and that its effect upon the value and salability of landed property is no longer a matter of conjecture. It has been demonstrated by the fact that properties practically unsalable for several years past have been disposed of, not at high prices or even at the full amount of the company's claim, but in many cases at more than the sums at which they were debited and taken in stock in the books of the company, and have now become safe interest-yielding investments. The amount of real estate foreclosed and held for sale has been reduced from $121,078 to $80,678. Other properties held for sale under mortgages have likewise been materially reduced by sales during the year.

The revenue of the company for the year amounted to $620,315. After deducting all known as well as estimated losses, expenses of management, commissions and all other charges on business, and paying therefrom two half-yearly dividends of 3 per cent. each on the capital stock, the directors were able to add $50,000 to the reserve fund, leaving $57,567 at the credit of profit and loss, which was added to the contingent fund. The reserve fund now amounts to $1,200,000 and the contingent fund to $160,058.

The cash receipts from borrowers were unusually large, for both principal and interest, and generally the accounts of mortgagors are in good condition. The rates of interest obtainable on safe mortgage loans continue low. In consequence the directors considered it preferable to pay off a considerable sum borrowed on deposit and on debenture, rather than continue to hold the money at rates of interest which did not offer a sufficient margin of profit. Debentures to the amount of $1,080,883 matured during 1808. Of these $607,283 were paid off, $173,600 were renewed at a lower rate of interest, and $245,413 new money were received. The sterling debentures renewed, as well as the new money received, were all at the rate of three and one-half per cent. per annum.

For some time it has been evident that in view of the changed conditions in the interest value of money seeking investment in real estate loans, it would be difficult for land mortgage companies to maintain the dividends they have been accustomed to pay to their shareholders, and it occurred to the directors that a great saving in expenses might be effected and some other advantages secured, if several companies could be combined under one management. On approaching the boards of some other companies it was found that they shared the views of this board. After consideration and consultation, resolutions were passed by the directors of this company, the Western Canada and the Freehold Loan and Savings Companies, and the London and Ontario Investment Company, approving of a scheme of consolidation based on the value of the assets of the respective companies, to be ascertained by experienced and competent appraisers, one being appointed by each company. Before this proposed arrangement can be effected it must be submitted to and approved by the shareholders of each company, at meetings to be called for the purpose, of which due notice must be given in accordance with the statute.

All which is respectfully submitted.

J. Herbert Mason,
President.

FINANCIAL STATEMENT.

PROFIT AND LOSS.

Interest on deposits, debentures and debenture stock		$ 265,343 90
Dividends on capital stock	$156,000 00	
Municipal tax on dividends	2,630 94	
		$ 158,630 94
Cost of management, salaries, directors' allowances, and inspection, including branch offices		73,210 07
Charges on money borrowed and lent		15,563 51
Reserve fund, addition thereto		50,000 00
Contingent fund, December 31st, 1898		160,058 61
		$ 722,807 03
Contingent fund, January 1st, 1898		$ 102,491 21
Interest on mortgages, debentures, rentals, etc.		617,603 41
Exchange		2,712 41
		$ 722,807 03

ABSTRACT OF ASSETS AND LIABILITIES.

Liabilities to the Public:		
Deposits and interest	$ 749,774 37	
Debentures—sterling—and interest (£1,013,419)	4,931,970 72	
Debentures—currency—and interest	216,425 00	
Debenture stock and interest (£204,000 sterling)	992,799 93	
Sundry acc'ts.	8,439 08	
		$ 6,899,409 10
Liabilities to Shareholders:		
Capital stock paid up	$ 2,000,000 00	
Capital stock ($3,000,000) 20 per cent. paid	600,000 00	
		$ 2,600,000 00
Reserve fund	$ 1,150,000 00	
Added this year	50,000 00	
		$ 1,200,000 00
Contingent fund		160,058 61
Dividends unclaimed	$ 1,041 90	
77th dividend	78,000 00	
		$ 79,041 90
		$10,938,509 61
Assets—		
Mortgages on real estate	$10,267,347 20	
Mortgages on other securities	42,156 47	
		$10,309,503 67
Municipal debentures		146,052 48
Real estate foreclosed		80,678 96
Company's office buildings (Toronto and Winnipeg)		209,109 35
Cash on hand	$ 933 00	
Cash in banks	192,232 15	
		193,165 15
		$10,938,509 61

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, 1898, 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 7th, 1899.

In moving the adoption of the directors' report, the president said:

Gentlemen.—I am sure you will join heartily in the feeling of satisfaction expressed by the directors in their report at the fact that the wave of prosperity referred to last year continues to flow, and that it is producing the effect anticipated on the business of the company.

The revenue of the company for the past year amounted to $620,315, about 5.60 per cent. on the capital employed, and $28,000 more than in the previous year. This sum enabled us, after providing for all expenses, charges on business, interest on deposits and debentures, and for all ascertained as well as anticipated losses, to pay two half-yearly dividends of three per cent. each on the paid-up capital, to add $50,000 to the reserve fund, and to place $57,567 to the contingent fund.

The properties which came on our hands as the result of the depression are being gradually disposed of at satisfactory prices, and nearly all of those that remain on hand are producing satisfactory rentals, and are written down to sums that they may reasonably be expected to realize in the near future.

Such results, after so many years of depression and diminishing profits, must be considered most encouraging.

The report refers to a subject of great importance, which I am sure all the shareholders must feel a deep interest in. I refer to the proposed consolidation of this with three other loan companies. It may be the opinion of some that this company, the largest Canadian Land Mortgage Company, is large enough to be operated under one management. But is it not a fact that the largest financial institutions are at least equally well managed and as successful as smaller ones? Who will say that the larger banks in Canada and in England are not among the best managed institutions in the world? My own opinion is that with an effective organization, and a judicious division of labor, the business of the four companies can be consolidated and conducted as efficiently and much more economically than by four separate boards of directors, four managers, and four staffs, and that, therefore, if the proposed arrangement, based on the ascertained value of the assets by competent appraisers representing each of the parties thereto, can be fairly effected, it will be in the interests of the shareholders of this company to carry it out. Before this can be done, however, a special meeting of the shareholders must be held, and their authority obtained.

It is also my opinion that the company should have enlarged powers of borrowing and investing. Experience has shown that restrictive legislation does not insure good management, or immunity from disastrous losses. Real estate does not now afford that unlimited field for investment at remunerative rates it formerly did, and it is desirable and necessary that companies should have power to purchase and to lend on good easily convertible securities, which heretofore they have been excluded from.

Before concluding I wish to say a few words respecting the company's head office property. We own a valuable building and site in the heart of the city of Toronto, having a frontage of 104 feet by a depth of 100 feet. The building is five stories in height. The two upper stories were for about forty years occupied by the Order of Freemasons, as tenants. On their leaving last year, it became necessary to remodel the building, with the result that we have added twenty-five commodious, well-lighted and heated offices and suites, supplied with all modern conven-