Meetings.

CANADA PERMANENT LOAN AND SAVINGS COMPANY.

The fortieth annual general meeting of shareholders of this company was held on Wednesday, the 13th inst., in the company's office building, Toronto street, Toronto, the president, J. Herbert Mason, Esq., in the chair.

The report of the directors for the year 1894 is as follows:

REPORT.

At the close of the fortieth year of the company's history, the directors have pleasure in laying before the stockholders a duly audited statement of the transactions of the past year, and of the present position of the company, as exhibited in the accompanying balance sheet.

As anticipated, and in common with nearly every other kind of investment, the business of the past year has yielded less profits than formerly. This results from the well-known conditions referred to in the previous year's report.

After providing for interest on borrowed money, for all expenses, commissions and other charges, and writing off all actual as well as probable losses, the net earnings amount to $284,318, nearly eleven per cent. on the paid-up capital stock, equal to seven per cent. on the capital and Reserve fund. Of this sum $277,992 were appropriated to the payment of two half-yearly dividends, amounting to ten and one-half per cent., and to the payment of the shareholders' income tax thereon. The remaining sum of $6,326 was added to the Contingent fund, which now amounts to $111,079. The Reserve fund stands at $1,450,000.

Owing to the continued depression in business, and the low price of cereals, much forbearance has been required by mortgagors. This has been cheerfully granted when the sufficiency of the security warranted it, but the depreciation in the value of real estate has rendered necessary great care in this respect, compelling the management in many cases to enforce payment, or take possession of the rentals, always a disagreeable duty. Generally, however, interest falling due has been fairly well paid, and a large amount of principal was also repaid and reinvested. The sum outstanding on mortgage loans at the end of the year was $11,428,266.

The uses to which money can be profitably put have for the time being become so limited in Ontario and the other provinces in which the company lends, that the directors consider it inexpedient to bring in more British capital at present. Debenture money called up has been replaced by new money at reduced rates of interest.

The directors availed themselves of a favorable opportunity for acquiring office premises in a central position in the city of Winnipeg. While permanently securing suitable accommodation for conducting the company's North-West business, the larger portion of the block is available for rental, and yields a remunerative return on the investment. The situation of the company's building, together with its excellent appointments, will always secure the best class of tenants.

The directors regret to have to record the death of their esteemed and valued colleague, Mr. A. M. Smith, who for more than twenty-five years had been a member of the board, and always manifested a warm interest in the welfare of the company. Mr. W. D Matthews has been appointed to the vacant position.

In conclusion, the directors have much satisfaction in congratulating their fellow shareholders on the completion of forty years of growth and prosperity believed to be unparalleled in the annals of Canadian financial institutions. While the immediate outlook is less encouraging than it has appeared on former occasions, they enter upon the company's fifth decade with confidence in the strength and soundness of the company's position, as well as in the relatively high revenue-earning capabilities it continues to possess.

All of which is respectfully submitted.

J. Herbert Mason,
President.

FINANCIAL STATEMENT.

Profit and Loss.

Interest on deposits, debentures and debenture stock		$306,229 26
Dividends on capital stock	$273,000 00	
Municipal tax on dividends	4,992 00	
		277,992 00
Cost of management, salaries, directors' allowance and inspection, including branch offices		67,695 45
Charges on money borrowed and lent		26,028 72
Contingent Fund, December 31st, 1894		111,079 19
		$789,024 62
Contingent fund, January 1st, 1894.		$104,753 08
Interest on mortgages, debentures, rentals, etc		684,271 54
		$789,024 62

ABSTRACT OF ASSETS AND LIABILITIES.

Liabilities to the public—		
Deposits and interest	$ 925,755 62	
Debentures (£1,129,195 Sterling) and interest	5,495,416 47	
Debentures — currency—and interest	312,084 22	
Debenture stock (£200,000 Sterling)	973,333 33	
Sundry accounts	10,079 60	
		$ 7,716,669 24
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	1,450,000 00	
Contingent fund	111,079 19	
		1,561,079 19
Dividends unclaimed	12 65	
69th dividend	130,000 00	
		130,012 65
		$12,007,761 08

Assets.

Mortgages on real estate	$11,379,424 70	
Mortgages on other securities	48,842 25	
		$11,428,266 95
Municipal debentures		169,797 72
Company's office buildings, Toronto and Winnipeg		194,220 64
Accrued rentals		6,817 62
Cash on hand	$ 789 10	
Cash in banks	207,869 05	
		208,658 15
		$12,007,761 08

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, 1894, and hereby certify that the above statements are strictly correct, and in accordance therewith.

J. E. Berkeley Smith,
Henry Barber, } Auditors.

Toronto, 30th January, 1895.

The President said:—

Gentlemen,—In moving the adoption of the report of the directors, it is not necessary for me to detain you with any lengthened observations, but I ask your indulgence while referring briefly to some of the more prominent features of last year's business, and to the present position and prospects of the company.

We are passing through a period of widespread commercial and financial depression, which necessarily has a detractive effect on revenue. In the face of this depression, of diminished demand for money owing to the lack of opportunity for its profitable employment, of depreciation in the value of real estate, as well as of reduced rates of interest, the business of the year produced a net profit of nearly eleven per cent. on the paid-up capital stock, as appears in the statement of Profit and Loss. This enabled the directors to declare dividends amounting to ten and one half per cent., to pay the shareholders' income tax thereon, and left a surplus of more than six thousand dollars to be added to the Contingent Fund.

Under the circumstances I hope you will agree with me in the opinion that this cannot be considered an unsatisfactory record.

Before declaring these results provision was made for paying interest on borrowed capital, for expenses, commissions and charges of every description, and the usual rigid scrutiny into the company's investments was made. Not only was no interest charged in doubtful cases, but as has always been our practice, wherever there was reason to expect delay or deficiency in realizing any securities in default, corresponding deductions were anticipated and the amounts written off.

This is not the first period of commercial and ficancial stringency, accompanied by retrogression in land values, the company has passed through. After the crisis of 1857 the shrinkage in prices amounted for a few years to almost entire unsaleability. The company was then young, without any accumulated reserves, and for a time profits were considerably diminished.

The productions of the country were then comparatively small, as was also its population. Toronto contained less than 40,000 inhabitants. Now it has more than 180,000. Recuperation was therefore slow. The present is a time for retrenchment, for the practice of industry and thrift, for the avoidance of all speculative expenditures, whether public or private, for adopting the most approved methods in agri culture as well as other branches of labor, and for the legitimate development of the known resources our country is so richly endowed with. That the interests affected will emerge from the present depressing period, and resume their normal condition of prosperity, admits of no doubt. Already there are encouraging indications of improvement.

Canada has suffered less than many other countries. It is satisfactory to note that the banks and other financial institutions of the Dominion have stood the strain, and maintained their high reputation both at home and abroad. Not one loan or land mortgage company has failed to promptly meet its obligations. I believe I am correct in saying that during the last forty years not a dollar has been lost by a creditor of one of these companies.

In the forty years of progress referred to in the report, as profits have fluctuated, so also dividends have by no means been uniform. While the rate paid on the shareholders' capital has averaged twelve per cent. for the whole of that period, for several years the dividends were ten per cent. We see no reason why that rate may not be maintained. That lower rates of interest than formerly will continue to prevail is to be expected. This has long been foreseen. As far as the company's business is concerned, the effect of the lower rates obtained is in a great measure neutralized by the lower rates paid.

Canada, like all new countries, must for many years continue to be a borrower. There should be, therefore, and doubtless will be, as in the past, a fair margin between the rates paid in Great Britain by companies of high standing and unquestionable resources, who pledge their credit there, and the rates received here on individual loans. This margin, together with the revenue derived from the investment of the capital stock and Reserve Fund, will continue to afford a remunerative return to the shareholders.

In conclusion, I desire to express to my colleagues on the board, to the officers, agents and employes of the company at the head and branch offices, to our solicitors and numerous appraisers throughout the country, as well as to our esteemed representatives in Great Britain, my grateful acknowledgments for their loyal support and devotion to the interests of the institution. It is largely to their influential efforts that the shareholders are indebted for the gratifying position the company occupies to-day.

The report of the directors was unanimously adopted, as also were votes of thanks to the president, directors, officers, and agents of the company. The retiring directors, Messrs. J. Herbert Mason, S. Nordheimer, Henry Cawthra, and John Boyd, were unanimously re-elected.

At a subsequent meeting of the board, Messrs. J. Herbert Mason and Edward Hooper were respectively re-elected to the offices of president and vice-president.