

REPORT OF THE DIRECTORS OF THE
Canada Permanent Building and Savings' Society,
FOR THE YEAR 1864.

The Board of Directors beg leave now to submit the Tenth Annual Report of the Society's progress, together with the usual duly audited Financial Statements, and various statistical memoranda, which together will be found to embrace a full and very satisfactory exhibit of the transactions of the past year, and of the present state of the Institution.

As more especially bearing directly on the interests of this Association, the Directors regret to notice that, for the third successive year, the country has suffered from a deficient harvest, due in a great measure to the extraordinary drought of last summer, and to the ravages of the midge; amounting in many of the older and heretofore most productive agricultural districts to an almost entire failure in wheat, the main staple, and to a lesser degree in other grains and root crops. The repeated recurrence of these unfortunate reverses, together with low prices for wheat and lumber, and the falling off of immigration, more particularly of the better class, has resulted in a material depreciation in the value of farm property, rendering sales difficult, and has very much curtailed the average ability of borrowers to meet their engagements. It is to be feared that a modification of the system of farming hitherto pursued and more than one average crop will be required to restore the agricultural interest of the country to even an approximation to its wonted state of prosperity.

Notwithstanding these adverse circumstances, injuriously affecting a large proportion of the members to whom advances have been made, the repayments from mortgagors exceed the important figures of the previous year, which together with the augmented receipts from other sources, have hitherto enabled the Board to supply all desirable applications for loans as they arose. The advances during the year numbered 652, amounting to the sum of \$417,400. The average income from members has increased from \$26,700 to \$31,350 per month.

The subscribed capital has been extended from \$818,550 to \$960,950, of which the sum of \$445,450 is paid up in full and capitalized as permanent stock; \$900 is matured and since capitalized; and \$514,600 is still accumulating. On the latter the sum of \$354,209 46 has been paid, making the total paid up capital \$800,559 46.

A very considerable enlargement has taken place in the Savings Bank Branch of the Society's business, which shews an increase of forty per cent. on the amount of the previous year, and the number of depositors has increased from 610 to 714.

As in the preceding year, two half-yearly dividends on the permanent stock, amounting to 1 1/2 per cent. were declared for the past year—a rate which, taking into consideration the reductions made in the terms to borrowers within the last few years, and the maintenance of a prudent reserve, must be considered eminently satisfactory. A small increase has been made to the Permanent Stock Reserve Fund, in addition to contributions from newly capitalized shares. The Contingent Fund has been likewise enlarged, not, however, more than is warranted by the uncertainties to which securities in default are liable.

The attention of the Board having been called to the unsatisfactory state of the Rules with reference to the Reserve Fund derived from the profits on permanent stock, a special meeting of the shareholders was called on requisition, as provided by statute, at which was submitted a rule which equitably accomplishes the desired object, and establishes that prospectively important fund on a satisfactory footing. The opportunity afforded by this special meeting, was made use of also for proposing several minor amendments suggested by experience and more immediately beneficial to borrowers, which, together with the Reserve Rule, received the approval of the requisite number of members, and are now in operation.

The large accessions to the Society's Funds, in all the branches of its business, in a year certainly not distinguished by general monetary ease and prosperity, affords the most gratifying and unquestionable evidence of the confidence and favor which the past careful management of the Society's affairs has secured for it among all classes of investors; and the Directors feel satisfied that the accounts herewith presented, with the substantial guarantees for future safety and remunerative profit therein shewn, will fully sustain the preëminent position which it has been, and will continue to be, the highest object of its conductors to establish.