

REPORT OF THE DIRECTORS
OF THE
Canada Permanent Loan & Savings Company
FOR THE YEAR 1880.

The Directors have the pleasure of reporting the business of the Company, for the year 1880, as set forth in the annexed Statements: resulting in an increase to the Assets, of \$183,467, to the Reserve Fund, of \$60,000, and to the Contingent Fund, of \$3,338.

The amount received for principal and interest on Mortgage Securities, during the year, was \$1,660,028, and the amount invested was \$1,183,471: in both cases somewhat less than the amounts of the preceding year. Of the properties held for sale at the beginning of the year, a considerable proportion was disposed of, on the average, at higher prices than they had been estimated at, and a further portion are placed on rental. Every effort is being made to close out the unsold properties at the earliest opportunity, and it is believed, after the most careful investigation, that no loss will be sustained on the amounts at which they now stand on the Company's books.

The limited demand for loans, and reduced rates of interest, compelled the Directors to refuse large amounts, both on Deposit and on Debentures, and the sums accepted have been taken at considerably reduced rates. Deposits to the amount of \$285,936, were received, and \$413,403, returned. Sterling Bonds to the amount of \$364,075 were issued: \$209,266 matured bonds were renewed at lower rates of interest, and \$96,846 were paid off.

The usual half-yearly dividends of six per cent. each on the Capital Stock, were declared and paid.

The accumulation of unemployed capital at the great monetary centres, and the success which has attended the operations of some Canadian Loan Companies, has led to the introduction of a large amount of foreign capital for lending purposes, and to a keen competition and reduction in rates of interest, which may cause disappointment to investors. The anxious attention of the Board has been directed to every phase of this subject. Being a borrower as well as a lender, the Company has, as yet, sustained no perceptible diminution of profits from the diminished rates of interest. The eventual result, should the present state of things continue, must be to reduce profits: but the Shareholders may congratulate themselves that the Company has its capital already well invested and guarded by ample Reserve and Contingent Funds: and, having also a large experience, and an established credit which enables it to borrow on the best terms and in the cheapest markets, it is in an advantageous position to meet future contingencies, from whatever source they may arise. There is the further consideration, that the reduction in the value of money operates beneficially on landowners and others needing capital, and may be reasonably expected to enable them to meet future engagements with greater ease and punctuality.

Under a recent Act of the Ontario Legislature, the City authorities of Toronto claim the right to assess the whole Dividend of the Company for municipal purposes. The Directors wish to record their conviction of the inexpediency and injustice of any municipality having power to tax for local purposes the personal property of an Institution whose funds are chiefly invested on outside property, and many of whose Shareholders reside and pay taxes elsewhere, simply because the Head Office of the Institution happens to be in that municipality. The result is to compel both borrowers and Stockholders to pay taxes not only where they reside, but also to pay a heavy contribution to the municipality where the Chief Office of the Company may be. The Directors believe that a fairly adjusted business tax would be generally approved, and, by its more certain and universal application, would be equally productive as the present inequitable and inequitable income and personal property assessment.

Deeming it advisable that the Company should be in a position to take advantage of favorable opportunities of lending on securities in Manitoba, the Directors have adopted certain amendments to the Rules authorizing investments outside of Ontario, which will be submitted to this meeting of the Shareholders for adoption.

All which is respectfully submitted.

J. HERBERT MASON,
Manager.

JOSEPH D. RIDOUT,
President.