

REPORT OF THE DIRECTORS
OF THE
CANADA PERMANENT LOAN AND SAVINGS COMPANY,
FOR THE YEAR, 1898.

In presenting the Statements and Auditors' report of the business and financial proceedings of the past year, the Directors have much satisfaction in being able to record the continued prosperity and sound condition of the Company.

A large proportion of the Company's Debentures which became due during the year were renewed, and those presented for payment were replaced by others bearing a somewhat lower rate of interest, and by Sterling Debenture Stock. The total issue of this Stock now amounts to £200,000 (\$973,333) a sum which the Directors do not consider it advisable to increase at present.

The interest and instalments of principal falling due on mortgage loans have on the whole been well met, although in some localities much indulgence has been required. The total receipts on mortgages and other securities during the year reached the sum of \$2,748,195, and the sum lent aggregated \$1,922,279.

Two half-yearly Dividends on the Capital Stock were declared amounting to eleven and one-half per cent. in addition to paying the income tax of \$4,812 thereon.

The Reserve Fund remains at \$1,450,000. The Contingent Fund of \$104,753 is amply sufficient for the purposes for which it was formed.

The earning power of the Company was quite equal to the average of previous years, but from causes referred to in the last Annual Report and still in operation, the net profits appear less than they were in the year preceding. The actual loss sustained on the realization of securities was very trifling, but in consideration of the general depression in the value in both urban and agricultural Real Estate, in Ontario as well as in Manitoba and the North-West Territories, the Board deemed it wise to refrain from charging interest on mortgages in default, and also in some cases to write down the sums standing against them. This conservative policy will not prevent the Company from charging up and collecting its full claim, should, as is hoped, a revival take place in the not far distant future.

All which is respectfully submitted.

J. HERBERT MASON,
President.