

Canada Permanent Mortgage Corporation

ANNUAL MEETING.

The Annual Meeting of Shareholders of the Canada Permanent Mortgage Corporation was held at the Head Office of the Corporation, Toronto Street, Toronto, on Friday, January 30th, at twelve o'clock noon.

The chair was taken by the President, Mr. W. G. Gooderham. The Assistant General Manager, Mr. George H. Smith, having been appointed Secretary of the meeting, read the Report of the Directors for the year 1919, and the Statement of Assets and Liabilities, which are as follows:—

REPORT OF THE DIRECTORS.

It is with much pleasure that the Directors present to the Shareholders the Annual Statement of the business of the Corporation for the year 1919, which has been duly certified by the Auditors.

The net profits for the year, after deducting interest on borrowed capital, expenses of management, all charges and losses, together with War Taxes and sundry contributions to Patriotic Funds, amounted to..... \$27,983.51
The balance at the credit of Profit and Loss at the beginning of the year was..... 172,509.77

Making available for distribution..... \$1,000,493.28
This sum has been appropriated as follows:—
Four quarterly dividends of Two and One-Half per cent each on the Capital Stock..... \$600,000.00
Transferred to Reserve Fund..... 250,000.00
Balance carried forward at credit of Profit and Loss..... 150,493.28
\$1,000,493.28

All which is respectfully submitted.

W. G. GOODERHAM,
President.

Toronto, January 14th, 1920.

We beg to report that we have examined the foregoing accounts together with the books and vouchers of the Corporation, and that we have obtained all the information and explanations we have required. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, according to the best of our information, and as shown by the books of the Corporation, and that all transactions of

AUDITORS REPORT.

the Corporation that have come within our notice have been within the powers of the Corporation.

A. E. OSLER,
HENRY BARBER,
Chartered Accountants. } Auditors.

Toronto, January 12th, 1920.

In moving the adoption of the Report of the Directors, the President, Mr. W. G. Gooderham, said:

I am sure the Report and Financial Statement which the Assistant General Manager has just read has afforded the Shareholders the same satisfaction and pleasure which your Directors have in being able to present so gratifying an exhibit of the Corporation's affairs.

After paying the usual quarterly dividends at the rate of ten per cent. per annum, a quarter of a million dollars have again been added to the Reserve Fund, which now amounts to \$5,750,000, in addition to which there are unappropriated profits amounting to \$150,493.

A comparison of the General Statement with that of a year ago will disclose evidences of progress made during the year in every department. Not only have gratifying increases taken place in the amount of our deposits and of our debentures payable in Canada, but, as I expressed the hope a year ago, the money obtained in Great Britain on the security of our Sterling Debentures does not this year show any diminution.

While we are desirous of maintaining the amount of our capital borrowed in Britain at not less than its present level, the adverse exchange rates render it impossible to bring money to Canada, and, as long as this condition continues, no considerable increase in our Sterling Debentures may be looked for. In the meantime, therefore, it is necessary to look to Canada for the funds with which to supply the demand for loans. Our Shareholders can materially further the interests of the Corporation in this direction by their influence as well as by making it the depository of their savings.

The amount of high-class negotiable securities actually owned by the Corporation is considerably greater than at the end of 1918, due to further investments in both British and Canadian War and Victory Loans and to increased holdings of stock in The Canada Permanent Trust Company. The latter Company's paid-up stock is now one million dollars and during 1919 its net profits were in excess of seven per cent. on the average capital actually paid up. It was considered advisable to transfer one hundred thousand dollars from the Profit and Loss account of our Trust Company to establish the beginning of a Reserve Fund for it.

Notwithstanding the larger investments in Bonds and similar securities, the Corporation's mortgages on real estate, which are always its chief and most desirable form of securities, amount to the large sum of \$26,211,306.42. The total Assets have increased from \$31,461,387.24 to upwards of Thirty-three million dollars.

Sometime ago the Directors decided that it would be advisable to have a Branch Office for the Province of Nova Scotia in Halifax, instead of, as hitherto, transacting all the business arising in the Maritime Provinces in Saint John. Our office building in Halifax was completed last month and the

new Branch was opened on the first business day of this year.

I believe a brief review of the progress made by the Corporation since 1905 will be of interest to the Shareholders.

At the close of the year 1905 the Reserve Fund and unappropriated profits totalled \$2,244,708.50, while during that and the two years following the Shareholders received dividends at the rate of six per cent. per annum. Beginning in 1908 the Dividends were gradually increased and for the past seven years have been at the rate of ten per cent.

At the close of 1919 our Reserve Fund amounts to \$5,750,000, in addition to unappropriated profits of \$150,493, making a combined surplus of \$5,900,493. The average annual increase during the fourteen years was \$261,127. While not attempting to prophesy, I think it may reasonably be expected that at the end of our present year we shall attain the goal towards which we have long been aiming, a Reserve Fund equal to our paid-up Capital. When that objective has been reached, the Directors may not consider it necessary to appropriate so large a portion of the annual profits for further additions to that Fund.

I have confined my remarks entirely to the business and affairs of the Corporation of which we are Shareholders, and in which I have taken a deep personal interest from the day I became associated with it. For sixty-five years the Canada Permanent has occupied a prominent and honourable position among our leading and most responsible financial institutions. From my close association with and personal knowledge of its affairs, I have no hesitation in reiterating that its position today is even more firmly established than it has ever been.

The death during the year of Mr. W. D. Matthews took from us one who has filled a large place not only in the affairs of this Corporation but in many large institutions of great importance to our Country. Mr. Matthews had been associated with the Canada Permanent as a Director for twenty-five years, and as Vice-President since 1905. His death is deeply regretted by his colleagues on the Board and by the Shareholders, among whom he was widely known. The vacancy thus created has been filled by the appointment of Mr. George W. Allan, K. C., M.P., of Winnipeg, who is well known to many of you and a man of wide experience, especially in the Western Provinces.

Without detaining you further, I beg to move, seconded by the Vice-President, that the Report of the Directors be received and adopted and, together with the General Statement, be printed and a copy sent to each Shareholder.

The motion was seconded by the Vice-President, Mr. R. S. Hudson, who said:

Before seconding the President's motion that the Report just presented be received and adopted, I wish to say that I think the record of the past fourteen years, to which the president has specially directed your attention, is one that cannot but inspire

GENERAL STATEMENT. 31st December, 1919.

LIABILITIES.

Liabilities to the Public.

Deposits and Accrued Interest.....	\$ 6,206,962.05
Debentures—Sterling—and Accrued Interest (£2,105,063 7s. 6d.).....	10,244,641.72
Debentures—Currency—and Accrued Interest.....	4,122,278.35
Debenture Stock and Accrued Interest (£87,869 14s. 8d.).....	427,632.70
Sundry Accounts.....	2,229.92
	<hr/> \$21,003,744.74

Liabilities to Shareholders.

Capital Stock.....	\$ 6,000,000.00
Reserve Fund.....	5,750,000.00
Dividend Payable 2nd January, 1920.....	150,000.00
Balance carried forward at Credit of Profit and Loss	150,493.28
	<hr/> \$12,050,493.28
	<hr/> \$33,054,238.02

ASSETS.

Mortgages on Real Estate.....	\$26,211,306.42
Advances on Bonds and Stocks.....	494,499.24
Municipal Debentures, Bonds, British War Loans, Dominion of Canada War Loans and other securities.....	4,232,768.18
Real Estate acquired by Deed or Foreclosure.....	228,259.44
Office Premises, (Toronto, Winnipeg, Vancouver, Saint John, Edmonton, Regina, Woodstock and Halifax).....	732,134.59
Cash on Hand and in Banks.....	1,245,070.15
	<hr/> \$33,054,238.02

R. S. HUDSON,
Vice-President and Joint General Manager.
JOHN MASSEY,
Joint General Manager

the fullest confidence of the Shareholders and of the public generally.

In considering the results of the past few years it should be borne in mind that, in addition to having to contend with many difficulties directly attributable to war conditions, both with respect to the procuring of funds for loaning purposes and the loaning of the money when obtained, the profits shown have been the net earnings after the deduction of large and increasing payments for special war taxation. In the past three years the amount paid to the Dominion Government in settlement of these new taxes, and the amount contributed for patriotic purposes, have aggregated \$126,921.14. This is in addition to the taxation imposed by the various Provinces, which existed previous to the war but has since been on an increasing scale. How long these various forms of taxation will be continued we do not know but it will be seen that but for them the Corporation's profits would have been even more satisfactory.

I can well remember when the margin between the cost of money and the rates we obtained was very much larger than it is at present. Under existing conditions, such results as those the President has mentioned can only be attained by the most careful management.

I shall not detain you with any lengthened remarks, except to say that I can assure you, as one who knows every detail of this business, that the Assets as presented are realizable and are only incorporated in the Statement after the most careful revision.

A strong reserve is of the most vital interest to a financial institution which obtains money from the public, as it increases the security of the Debenture holders and Depositors and inspires their confidence. We have all been looking forward for some years to the time when our Reserve Fund would equal the paid-up Capital. Now that, as the President has indicated, the goal is in sight, I think the Shareholders might be justified in expecting that thereafter so large a proportion of the net profits may not necessarily be devoted to augmenting the Reserve.

Without further remarks, I beg to second the motion to adopt the Report.

The motion to adopt the Report of the Directors was then presented to the meeting and unanimously carried.

The election of Directors for the ensuing year resulted in the unanimous re-election of Messrs. W. G. Gooderham, R. S. Hudson, Col. Albert E. Gooderham, J. H. G. Hagarty, John Campbell, S. C. (Edinburgh), John Massey, F. Gordon Osler, E. R. C. Clarkson, William Mulock, and George W. Allan, K.C., M.P., of Winnipeg.

Messrs. Henry Barber and A. E. Osler, Chartered Accountants were re-elected auditors for the current year.

At a subsequent meeting of the Board, Mr. W. G. Gooderham was re-elected President, and Mr. R. S. Hudson, Vice-President.