

ined the vouchers and securities of the Canada Permanent Mortgage Corporation for the year 1904.

The accompanying statement is a correct exhibit of the affairs of the corporation as on December 31st, 1904.

A. E. OSLER, A.C.A.,
HENRY BARBER, F.C.A.,

Toronto, January 24th, 1905.

Auditors.

The meeting was then addressed by the chairman, Mr. J. Herbert Mason, who said:

Ladies and Gentlemen,—Before inviting you to adopt the directors' report and statement for 1904, I desire to call your attention to some of its more salient features.

In the first place, you will find that there is a substantial increase in every branch of the business of the corporation. The funds placed with the company for investment increased during the year from \$15,040,539 to \$15,892,546, an increase of \$852,006; of this sum \$198,914 were for sterling debentures. The mortgages on real estate increased from \$20,758,468 to \$21,554,624. The total assets and business of the company was enlarged from \$23,296,448 to \$24,122,957.

When addressing you on previous occasions, I have adverted to the well known fact that among the assets taken over by this corporation at the amalgamation were a number of properties held for sale by the respective companies, although the rights of the original owners had not been foreclosed. This state of things was the outcome of the reaction, and depression in real estate values, which followed the collapse of the last boom. All the companies had assets of that character, some proportionately more and some less. You will be pleased to know that these properties have nearly all been disposed of. Of the whole of our \$24,000,000 of assets, representing investments on securities extending all over the Dominion, the aggregate of properties in default and held for sale at the end of last year amounted to less than \$20,000, including one foreclosed property of the value of \$786, as appears in the statement. With this exception, all the properties in default, including all those that have come on hand through default since amalgamation, have been sold and any loss sustained has been charged against the current revenue of each year, without touching the unappropriated profits.

The net earnings in 1904, after deducting all charges and expenses, were \$537,193. This sum, with \$133,822 previous profits, unappropriated, enabled the directors to declare two half-yearly dividends of three per cent. each; to add \$250,000 to the reserve fund, making that fund \$2,000,000, and still leave the substantial sum of \$63,934 at the credit of profit and loss.

Although in earlier days, when high rates of interest prevailed, I have presented statements to the shareholders showing larger profits than were made last year, in my long experience it has never been my privilege to present a cleaner and more thoroughly satisfactory balance sheet than that submitted to you to-day. In this connection permit me to call your attention to the fact that this is the jubilee year of the Canada Permanent, which was organized early in 1855, and from that date to the present has never failed to promptly meet every obligation. In respect of the extent of its business, its revenue earning power, and the uniformly prosperous position it has invariably maintained, it stands unrivalled in the history of Canadian land mortgage companies.

I regret to have to refer to the loss sustained by the board through the removal by death of their esteemed colleague, Mr. C. H. Gooderham, who was a member of the board of directors and also a member of the executive committee, from the date of the formation of this corporation to the time of his decease.

I beg leave to move, seconded by Mr. Vice-President Beatty, that the report of the directors for 1904 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. W. H. Beatty, who said:

Mr. Chairman, Ladies and Gentlemen,—It certainly is a very great satisfaction to me to second the adoption of the report which has just been moved by the chairman. In doing so, it may be well to call your attention to one or two facts in connection with the company's affairs which indicate the progress that has been made since amalgamation. At the end of the first year's business, our reserve fund was \$1,490,000, now it is \$2,000,000, or an addition of over half a million. Our deposits then were \$1,833,000, now they are \$2,734,000, or an increase of nearly a million. The debentures of the company, which were held by Canadians at the same date, were \$2,389,000, now they are \$3,767,000, or an increase of nearly a million and a half. Our total loans on the 31st December, 1900, were \$21,578,000, now they are \$22,935,000, or an increase of \$1,500,000.

If one might use a trite expression, we might call 1904 a record year. The prosperity of the whole Dominion never was as great as it has been during the past year, and I would like to say here that there is no country, let it be where it will, that the sun shines on, in which the general well-being of the people is as good as it is in Canada, and particularly

in the Provinces of Ontario and Manitoba. No poor, no distress, and every man willing to work can get employment and at remunerative wages. To refer to our own city of Toronto, we are having unexampled prosperity. Never has real estate been in such a satisfactory condition as it is to-day. A few years ago it was difficult to find tenants for houses, and now the people find it difficult to get houses, and real estate finds ready sale and at advancing prices.

In the province of Manitoba, where we are loaning a great deal of our money, and where our investments are increasing, everything looks bright and prosperous. However, in such prosperous times as are now being experienced in that province, it is prudent to trim our sails and see that no storm overtakes us, and we are exercising more than usual care in the selection of our securities for loans throughout the North-West. Though loans are only made after full reports by carefully selected appraisers, and to a small proportion of conservative valuations, which in most cases are confirmed by experienced inspectors from the company's office, the directors during the past year thought it advisable to take even further precautions against the possibility of making unprofitable investments. We were fortunate in securing an exhaustive report in connection with North-West lands from a gentleman of large experience, who had resided in the North-West for over thirty years, and who had travelled all over it many times. In connection with and accompanying the report, he prepared for us a number of maps showing, as his great experience enabled him to do, the localities in which he deemed it inadvisable for us to make loans at present. Some of these are districts which just now are enjoying a large measure of prosperity, but which in the past have been subject to what they call a "cycle of dry years," during which, through lack of rainfall, crops were a comparative failure, though these dry years have been followed by a "cycle of wet years," enabling the farmers to reap a fair crop. He has furnished us with a great deal of information which, based as it is upon an experience almost unique, has been of immense value to the company, and has enabled the directors to avoid localities which for a few years have seemed desirable fields for investment, but the future of which is not yet assured.

The same cautious policy is adopted in Winnipeg, where real estate is very active, but we are not entertaining applications on the basis of any but assured permanent values. We have no property on hand in that city, except our office premises, which we could sell at any time for nearly twice the sum at which they are carried in our books.

We look forward for some years to come to increasing our business in the province of Manitoba at good rates of interest, and when the present loaning districts in Manitoba and the North-West Territories become like the province of Ontario, a place where it is difficult to get remunerative rates of interest, we may expect to find in the new districts opened up by the Grand Trunk Pacific and other railways contemplated and under construction, further fields for the profitable investment of our funds; so that the prospects for well managed loan companies are brighter than they have been for years.

And now let me allude to the fact that this company has another record. I think I may say without fear of truthful contradiction, that there is not a company of any kind, banking financial, commercial or otherwise, that can point to one of the records of this corporation as the successor of the Canada Permanent. I allude to the fact that the managing director of this company, Mr. J. Herbert Mason, entered the service of the company at its inception, now fifty years ago, that he has held a controlling position ever since then, and to-day he has the well-deserved reputation of being beyond all question the most successful and the most sagacious loan company's manager that has ever been in Canada. Not only is he a successful manager, but a good citizen, and having the respect of the whole community. What better could a man wish for?

Referring to Mr. Beatty's concluding remarks, Mr. Mason said:

Ladies and Gentlemen,—It would be ungrateful of me not to acknowledge the very flattering terms in which the vice-president has alluded to me here. I can only say that I have on all occasions endeavored to do my duty to this company. It owes its origin to me, and I formed its constitution, and have attended in my official capacity every annual meeting for the last fifty years, and I can assure you that while I appreciate the kind remarks of Mr. Beatty, I appreciate much more highly the fact that we present on our fiftieth anniversary one of the best statements we have ever had.

The chairman's motion for the adoption of the directors' report was unanimously carried. The election of directors was then held, resulting in the re-election of Messrs. Geo. Gooderham, J. Herbert Mason, W. H. Beatty, Ralph K. Burgess, George F. Galt, Winnipeg; W. G. Gooderham, W. D. Matthews, George W. Monk, S. Nordheimer, R. T. Riley, Winnipeg; J. M. Robinson, St. John, N.B.; and Frederick Wyld.

At a subsequent meeting of the board, officers were re-elected as follows: President, George Gooderham; first vice-president, J. Herbert Mason; second vice-president, W. H. Beatty.