

REPORT OF THE DIRECTORS
OF THE
Canada Permanent Building and Savings' Society,
FOR THE YEAR ENDING DECEMBER 31st, 1860.

The Directors have pleasure in submitting this their Sixth Annual Report and Statement of the affairs of the Institution. On previous occasions they have called attention to the rapid and constant progress of the Society, but in no former year have they been able to point to so large and satisfactory an increase of business as characterises the one just closed.

A more than ordinary interest attaches to the Report now presented, from the fact that it brings down the accounts of the Society to within a few months of the time when the first series of Shares mature, and when the holders will be called on to witness the results of their investment and to receive the accumulated earnings of the last six years, with which the Board believes they will have abundant reason to be satisfied.

During the past year the income of the Society from members has increased from \$17,500 to \$25,000 per month. The number of Shares of \$100 each, the issue of which has ceased, has been reduced from 2104 to 1721, there having been purchased 220, redeemed 651, matured 504, and closed by default 381; of the remainder, 750 are advanced, and 970 are investing shares.

Of the new shares of \$50 each, 1705 were held last year. This number has been increased by the addition of 7457 new shares, and reduced by 157 having been purchased, 112 redeemed, and 390 matured, leaving a present total of 8503—of which 5880 are advanced and 2623 remain as investing shares. In the last twelve months 5062 shares, amounting to \$258,100 were advanced on mortgage to upwards of 300 borrowers, averaging \$21,100 per month.

The year 1860 will be distinguished in the annals of the Society as having witnessed the commencement of its Permanent Capital, by the conversion of matured shares into Fixed Stock. The earliest date at which any investing shares matured was on 1st September last, since which to 1st December, inclusive, 390 shares matured, the whole of which, with the exception of three as yet undisposed of, were Capitalized. A half-yearly dividend to 31st December has been declared on this Permanent Stock, payable on the 15th January, at the rate of twelve per cent. per annum. The Capital Stock of the Society now amounts to \$541,450, of which \$19,350 is paid up and fixed, and the remainder is still accumulating. Should the demand for new shares continue as heretofore the Directors would recommend to the consideration of their successors, whether, now that the capital has assumed such large proportions, it would not be advisable to limit its increase, as provided by the Rules.

Although the Board offered, through the newspapers, a premium equal to 12 per cent. per annum compounded half-yearly, for shares over five years old, not one such share could be procured. Premiums varying from six to ten per cent. continue to be paid on shares of shorter duration.

In the Deposit Branch a steady and gradual increase has taken place equal in all to 45 per cent. on the amount held at the commencement of the year. The Society has now accounts open with 320 Depositors, in sums of \$4 and upwards, averaging about \$300 each, and is thus a useful medium for bringing into circulation a considerable amount of what would probably otherwise be unemployed capital, to the advantage alike of the Depositor, the Borrower and the Institution.

The demand for advances, with the exception of a short time in the summer, has been sufficient to absorb all the available funds, although so materially increased. The amount on hand at the end of the year was less than the receipts of the preceding month, and was all invested in the following month of January. One beneficial result of the capitalization of a portion of the stock has been, that the Board was enabled to increase the facilities afforded to borrowers for the repayment of advances, by diminishing the periodical instalments, and extending the time from five years, the limit hitherto, to ten years, giving applicants the option of choosing any shorter term they desire.

The advantage of this extension will be manifest, when it is remembered, that a large proportion of the funds advanced is for the purpose of paying off incumbrances on, in erecting buildings, and otherwise aiding in the improvement of farming lands, whose owners depend for the repayment of their loans on the slow returns derived from the produce of the soil.

The Board regrets having been obliged in nine cases during the year, to make sale of the property mortgaged, in order to get back the sums advanced thereon, and it is satisfactory to be able to state, that in every instance more than the amount at which the Society's claim was estimated last year was realized. Painful as it is to the Board to be obliged to resort to such a process, it can scarcely be expected but that, from a variety of causes, cases will occasionally arise where no other course is left, and bearing in mind the great commercial depression which has characterised the past few years, and that the Society has made in all more than 800 loans, amounting to \$716,600, before and during that period the resort to compulsory measures has been unusually small as compared with other institutions, or even individual business establishments. In some of the cases referred to the sale has taken place