

REPORT OF THE DIRECTORS  
CANADA PERMANENT LOAN AND SAVINGS COMPANY,  
FOR THE YEAR 1885.

In meeting the Shareholders at this their thirty-first Annual Meeting the Directors point with pleasure to the evidence afforded by the accompanying Statements of the increased volume of business and continued prosperity of the Company.

No more satisfactory proof could be given of the high degree of confidence reposed in the Company as a depository for capital, than is furnished by the fact that notwithstanding the enlargement of the Stock Capital and the reduction in the rate of interest offered, the funds tendered by investors have again reached the statutory limit of the Company's borrowing power.

The cash receipts for the year were:—On deposit \$321,473, on Debentures \$406,221, and from borrowers for repayments on loans \$1,807,512. The amount lent during the year was \$1,571,387. At the close of the year the amount held on deposit was \$1,067,806, and on Debenture was \$4,162,581. The total assets show an increase from \$8,539,476 to \$8,773,561.

The demand for loans was sufficient to absorb all the new capital, as well as the repayments of principal by mortgagors, which have become an important item in the annual receipts. The rate of interest on first-class Ontario securities has, however, ruled comparatively low. It has now reached a point at which lending on mortgage can be remunerative only to companies having facilities for obtaining money on the best terms in the cheapest markets.

Out of the net earnings of the year two half-yearly dividends were declared, amounting to twelve per cent, the average annual rate paid to Stockholders from the beginning of the Company. The income tax thereon, amounting to \$4,797, was also paid. After providing for all charges there remained a surplus of \$48,515, which has been applied in reduction of claims upon Manitoba securities.

The commercial and financial depression in that Province, referred to in last Report, still exists. It is hoped, however, that the lowest point has been reached, and indications are not wanting of decided improvement. The Directors believe that the increased railway facilities now open and in progress, and the vast natural resources of the great North-West will, at no distant date, lead to a revival of prosperity in that Province. While, therefore, on prudent grounds making provision against a permanent shrinkage in the value of some of its securities, they trust that the amounts thus set aside will be again added to the Company's surplus account.

In our home Province of Ontario, where more than seven-eighths of the Company's mortgage funds are invested, the business of the Company continues to be of the most satisfactory character, as also is the major part of its business in Manitoba.

The Reserve Fund remains at \$1,100,000, equal to fifty per cent upon the paid up capital. The Contingent Fund of \$102,620 supplies a more than sufficient guarantee against any fluctuations not otherwise provided for.

The deep interest the Company has in all matters relating to real estate, renders it fitting for the Directors to notice that during the past year they have had the gratification to witness the introduction into the Provinces of Ontario and Manitoba of an improved method of land transfer, known as the Torrens System. The value of this boon to landowners in simplifying and making more certain all dealings in real property, as compared with the old cumbersome and expensive process, will doubtless be more highly appreciated as its many and great advantages become more generally known.

In conclusion the Directors call the attention of the Shareholders to the Statements and Balance Sheet herewith presented, all of which are certified by the Auditors, who devote a great deal of time to the monthly examination of the Company's books.

ALL which is respectfully submitted.

E. HOOPER  
PRESIDENT.