

REPORT OF THE DIRECTORS
OF THE
CANADA PERMANENT LOAN AND SAVINGS COMPANY
FOR THE YEAR 1897.

The Board of Directors beg to lay before the Shareholders of the Canada Permanent Loan and Savings Company the Forty-third Annual Report of its transactions.

The revenue of the Company for the past year amounted to \$625,827.82. After providing therefrom for interest on borrowed capital, expenses of management, commissions, and for all known losses, the Directors declared two half-yearly dividends of three per cent. each upon the paid up capital stock; after which there remained surplus profits amounting to \$51,071.37.

It is with much satisfaction that the Directors are able to record a much greater degree of prosperity in agricultural and commercial affairs than existed at this time last year. Consequent on these improved conditions, and more especially as a result of the abundant harvest of 1897, and the higher prices received for farm products, maturing instalments of principal as well as interest on mortgage loans, were paid with more than usual promptness. Many accounts which, owing to adverse circumstances in previous years, had fallen into arrear, were paid up or placed in a satisfactory condition. Farming lands in Ontario, as well as in Manitoba and the North-West, have proven more readily saleable than for several years before. With another such year as 1897, very little property of this description will remain on the Company's hands.

An independent and exhaustive examination of mortgagors' accounts in the Company's books has recently been made, and the Directors are pleased to be able to inform the Shareholders that with comparatively few exceptions, the state of these accounts is most satisfactory. Not only is interest kept well paid up, but in a large number the principal sum advanced has been reduced by repayments.

Having in view the severe depression in the market value of real estate, a careful reinspection of securities in default has been made. In a number of cases the Directors have deemed it advisable, in anticipation, and as a prudential measure, to materially reduce the sums at which these properties appear in the Company's books. To effect this they have appropriated the surplus profits of the year, together with a portion of the funds reserved to provide against such exceptional depreciations as at present exist. Although these reductions are believed to be amply sufficient, a further sum has been applied to form a Contingent Account, with a view to meet any possible loss not now foreseen. The Reserve Fund remains at \$1,150,000, more than 44 per cent. of the paid up capital, and the Contingent Fund stands at \$102,491.21.

The limited demand for loans on first-class securities, and the low rates of interest obtainable, did not warrant the Directors in offering to continue the rates of interest borne by maturing debentures, and in consequence some of these were paid off. Those renewed, and the new money received, were all at three and one half per cent. per annum. Accounts with Depositors show a small increase.

The outlook for the immediate future is encouraging. If the tide of prosperity, indications of which are now visible, continues to flow as generally expected, real estate values will doubtless be favourably affected, there will be a more active demand for money, and our Company, with its extended ramifications and effective staff, is in a position to promptly take advantage of it.

A member of the Board, Mr. Henry Cawthra, having gone abroad, with the expectation of making a prolonged stay, sent in his resignation. His place as a Director has been filled by the election of a qualified shareholder, Mr. W. E. Wellington, a gentleman who is well acquainted with the agricultural resources and requirements of the Provinces in which the funds of the Company are invested.

All which is respectfully submitted.

J. HERBERT MASON,

President.

TORONTO, February 9th, 1898.