

REPORT OF THE DIRECTORS OF THE Canada Permanent Building and Savings' Society, FOR THE YEAR 1865.

The lapse of another financial year, and the return of the period for holding the usual annual inquiry into the affairs of the Canada Permanent Building and Savings' Society, furnishes the Directors with their customary opportunity of submitting a duly audited and certified synopsis of the business and present position of the Society.

The Directors rejoice to be able to do this under much more encouraging circumstances to the country generally than for several preceding years. The bountiful harvest which rewarded the labors of our agriculturists last year would at any time have formed a fit subject for congratulation and thankfulness, and when to this was added the improved demand at high prices, not only for cereals, but also for wool, cattle, lumber, and in fact almost every article which the country produces, by which the year was also characterised, a degree of prosperity and monetary ease has resulted which a few months ago would hardly have been deemed possible. Nearly the only exception to the generally successful issue was in some of the older counties, where the midge was as destructive to the wheat crop as in the previous year, excepting only the midge-proof varieties. The loss in this respect has, however, been largely compensated by the abundant yields and remunerative rates for other products.

As might have been expected, the receipts from mortgagors, as well as from other sources, more particularly in the last three months of the year, were greatly augmented; and although for a short time in the earlier part of the year, the Board was obliged to stop the receipt of applications for loans, in consequence of the extraordinary number pressed upon them, at the close of the year the demand was scarcely sufficient to absorb the unusually increased monetary receipts.

The amount advanced in loans during the year was \$374,200, and the number of borrowers, 632. The total amount now remaining due on the mortgages held by the Society reaches the important sum of \$1,400,000.

Finding that the Act of Incorporation did not provide for stopping the issue of investing shares, an Act in amendment thereof was obtained from the Legislature, and under its provisions, early in December the Board determined to stay the further increase of the Society's capital by closing the issue of shares for investment until further order. The amount of capital now subscribed is \$1,115,450, on which \$961,981 has been paid. Of this amount \$547,850 has been fixed and capitalized as Permanent Stock, to which additions are monthly being made as the remaining accumulating shares arrive at maturity. The dividends declared for the year on the Permanent Capital amount to 11 per cent., a rate which must be considered satisfactory to the Shareholders. Should a further issue of shares be hereafter deemed advisable, it will be first offered to the existing shareholders pro rata, in accordance with the amended Act. The addition to the Reserve Fund has been chiefly by appropriations from maturing shares on being capitalized. Nothing has transpired during the year to call for any material addition to the Contingent Fund, which, therefore, is only slightly in excess of last year's estimate.

The Deposit branch of the Society's business continues to exhibit evidences of increasing public appreciation, as is further witnessed by the fact that the amount and number of accounts open, places this Society at the head of all Savings' Bank institutions in Western Canada. The number of Depositors has increased from 714 to 788. The importance to the community of having well conducted institutions in which the savings and unemployed capital of the country, in large or small sums, may be safely and readily placed and made productive is generally conceded; and it would be difficult to point out any mode by which the great requisites in a Savings' Bank of unquestionable security to depositors and ability to repay, are more satisfactorily combined than they are in an institution with a large paid up capital, invested on ample real estate security, and which, being constantly returned in instalments, can always be made available to meet demands. The amount now held by the Society on deposit, which is its only liability, does not equal one-third the capital pledged to the depositors in security.

The loans made by the Society for some years past having been chiefly on farm property, the returns from which are only available annually, the Board determined to adopt a table of half-yearly and yearly instalments, the mortgages being drawn for either as desired by the borrower—an improvement which is generally acceptable. The Directors have been much gratified to notice, in numerous instances, that mortgagors who, in consequence of deficient harvests, had been unable to meet their engagements, have this year not only paid the usual instalment, but, in many cases, have nearly, if not quite, cleared off the accumulated arrears of preceding years. Some of the more fortunate or more prudent have even anticipated their instalments, no less than forty-three thousand dollars being thus at their credit, on which they are entitled to interest until it becomes due. As these instalments include a portion of the principal, which is applied as a sinking fund to the reduction of the debt, the position of the borrower, as well as that of the Society with respect to its security, is