

REPORT OF THE DIRECTORS  
OF THE  
CANADA PERMANENT LOAN AND SAVINGS COMPANY  
FOR THE YEAR 1898

---

The Directors of the Canada Permanent Loan and Savings Company have pleasure in presenting to the Shareholders the Financial Statement and Auditors' Report for the past year, the Forty-fourth year of the Company's history.

It is with much satisfaction that the Board is able to record that the revival of Commercial, Industrial and Agricultural prosperity referred to last year still continues, and that its effect upon the value and saleability of landed property is no longer a matter of conjecture. It has been demonstrated by the fact that properties practically unsaleable for several years past have been disposed of, not at high prices or even at the full amount of the Company's claim, but in many cases at more than the sums at which they were debited and taken in stock in the books of the Company, and have now become safe interest-yielding investments. The amount of Real Estate foreclosed and held for sale has been reduced from \$121,078 to \$80,678. Other properties held for sale under mortgages have likewise been materially reduced by sales during the year.

The Revenue of the Company for the year amounted to \$620,315. After deducting all known as well as estimated losses, expenses of management, commissions and all other charges on business, and paying therefrom two half-yearly dividends of three per cent. each on the Capital Stock, the Directors were able to add \$50,000 to the Reserve Fund, leaving \$57,567 at the credit of Profit and Loss, which was added to the Contingent Fund. The Reserve Fund now amounts to \$1,200,000 and the Contingent Fund to \$160,058.

The Cash receipts from borrowers were unusually large, for both principal and interest, and generally the Accounts of Mortgagors are in good condition. The rates of interest obtainable on safe mortgage loans continue low. In consequence the Directors considered it preferable to pay off a considerable sum borrowed on Deposit and on Debenture, rather than continue to hold the money at rates of interest which did not offer a sufficient margin of profit. Debentures to the amount of \$1,080,883 matured during 1898. Of these, \$607,283 were paid off; \$473,600 were renewed at a lower rate of interest, and \$245,413 new money were received. The Sterling Debentures renewed, as well as the new money received, were all at the rate of three and one-half per cent. per annum.

For some time it has been evident that in view of the changed conditions in the interest value of money seeking investment in Real Estate Loans, it would be difficult for Land Mortgage Companies to maintain the dividends they have been accustomed to pay to their Shareholders, and it occurred to the Directors that a great saving in expenses might be effected, and some other advantages secured, if several Companies could be combined under one management. On approaching the Boards of some other Companies it was found that they shared the views of this Board. After consideration and consultation, resolutions were passed by the Directors of this Company, the Western Canada and the Freehold Loan and Savings Companies, and the London and Ontario Investment Company, approving of a scheme of consolidation based on the value of the assets of the respective Companies, to be ascertained by experienced and competent appraisers, one being appointed by each Company. Before this proposed arrangement can be effected it must be submitted to and approved by the Shareholders of each Company, at meetings to be held for the purpose, of which due notice must be given in accordance with the Statute.

All which is respectfully submitted.

J. HERBERT MASON,  
President.