

# British Columbia Permanent Loan Company

## NINETEENTH ANNUAL MEETING OF SHAREHOLDERS.

The nineteenth annual meeting of the shareholders of The British Columbia Permanent Loan Company was held at the head office, 330 Pender Street West, Vancouver, B. C., on Wednesday, February 28th, at 3 p.m.

Mr. W. H. Malkin, Vice-President, occupied the chair, and the Secretary, Mr. James Low, acted as secretary of the meeting.

The minutes of the last annual meeting were read and confirmed, and the secretary presented the report of the directors and the financial statement for the year.

### PROFIT AND LOSS ACCOUNT. For Year Ending December 31st, 1916.

Income—		
Interest received on Mortgage Loans .....	\$207,345.64	
Interest received on Share Loans .....	356.58	
Interest received on Agreements for Sale....	1,285.83	
Interest received on Bank Deposit Acc'ts ....	1,140.52	
Interest received on War Bonds.....	1,325.07	
		\$211,453.64
Rents net .....		4,219.26
Miscellaneous Income .....		2,053.20
		<u>\$217,726.10</u>
Deduct—		
Administrative and General Expenses:		
Management and General Expenses .....	\$26,935.96	
Provincial and War Taxes.....	3,884.53	
Sterling Debenture and Agency Expenses .....	14,375.57	
Taxes on Company's Properties .....	6,814.15	
Depreciation written off Furniture and Fixtures.....	572.81	
Reserved for Taxes on Foreclosed Properties .....	2,500.00	
		\$ 55,083.02
Interest Charges:		
Sterling Debenture Interest \$38,223.27		
Currency Debenture Interest 14,702.32		
Bond Interest .....	28,637.23	
Bank Loan Interest .....	17,567.30	
Interest on Mortgage on Lots 1, 2, 3, 4, Blk. 36, D.L. 541 4,000.00		
		<u>103,130.12</u>
		\$158,213.14
		<u>\$ 59,512.96</u>

### PROFIT AND LOSS APPROPRIATION ACCOUNT.

Undivided Profits at December 31st, 1915 .....	\$ 49,031.80	
Net Profit for year ending December 31st, 1916 .....	59,512.96	
		\$108,544.76
Deduct—		
Interest on Terminating Stocks .....	\$ 5,050.92	
Transferred to Contingent Fund.....	10,000.00	
		<u>15,050.92</u>
Undivided Profits Carried Forward to January 1, 1917		<u>\$ 93,493.84</u>

The Chairman expressed regret that illness prevented the President of the Company, Dr. Wilson, from being present, and read the following message from him to the shareholders:

"I regret exceedingly my inability to be present at the meeting. Heretofore, with the exception when I was absent from the province, it has been my privilege and pleasure to take part in all these annual proceedings.

Under the unprecedented conditions which have prevailed for some years, and through which Western Canada, and especially British Columbia, has not benefited by the trade incident to the great war, but on the contrary, has lost heavily through lack of tonnage and loss of man power, together with the high rates of interest offered for money in Great Britain, the operation of Canadian Loan Companies has been rendered increasingly difficult, necessitating the most unremitting care and attention on the part of your Directors.

Under the conditions referred to, together with the high war provincial taxation, that we are able to submit a report such as that in your hands, showing the earning-power of the Company to have been over 8 per cent. (approximately \$55,000.00), is a matter of congratulation. Your Directors have kept in view during the year the desirability of protecting the good name which this Company already enjoys. All our liabilities have been fully and promptly met. With the ending of the war and the resumption, to a degree at least, of normal business conditions, no part of the country will experience a quicker return to prosperity than British Columbia, and I hope that this Company will show a corresponding return to normal conditions."

In moving the adoption of the report, the Vice-president, Mr. W. H. Malkin, said in part:

The printed report in your hands will show you accurately and clearly what has been accomplished during the past twelve months.

It is a matter for congratulation that we have been able in these strenuous times to make a profit amounting to about 6 per cent. on the paid up capital of the company. For many reasons it is much more difficult, since the war broke out, for a Company of this kind to earn dividends. We have to pay higher rates of interest on our debentures in Great Britain, and a conservative policy demands the investment of our surplus funds in war loans, which are liquid, although mortgages would bear higher rates of interest.

I have no doubt that the decision of the directors to pay no dividend will prove disappointing to the shareholders, but I believe the shareholders, after studying the financial report and giving the matter careful consideration, will fully endorse the action of the directors in appropriating \$10,000 of the profits to contingent fund and carrying the balance, \$44,462.04, together with the \$49,031.80 from 1915, forward unappropriated to 1917.

The amount of interest due and accrued may seem to you somewhat large, but in explanation I would remind you of the moratorium legislation which has been enacted in Alberta, Saskatchewan and Manitoba, and also of the Soldiers' Relief Act of our own province of British Columbia. These moratoria have had a very serious effect on our collections. The wives and families of the men who have gone to the front have to be protected and harsh measures in the circumstances would not be right. We trust, however, when the war is over, that we shall be able to collect this interest and thereby reduce to a normal sum the amount showing in our statement under the heading "Accrued Interest Receivable."

I think we are in danger sometimes of forgetting that we are a "country at war," but it is well to remind ourselves that, so long as this condition exists, the future, so far as finance is concerned, is uncertain and unknown. Bearing this in mind your directors are desirous of providing in every way possible for any contingency that may arise in the future on account of the war or other economic reasons.

In speaking of the Dominion, it is most encouraging to find that whereas when the war broke out the country was confronted with a serious adverse trade balance of over \$300,000,000; today we can with pride point to the fact that this adverse trade balance has been converted into a credit balance. During that short period from August, 1914, to the present time, not only has the country succeeded in doing this, but Canada has floated two domestic loans amounting to \$200,000,000 and provided credits for \$250,000,000 for the Imperial Government, to enable them to pay for the munitions they have bought from us. Never has Canada's credit stood so high in the eyes of the financial experts of the world. Our securities are eagerly bought up by American investors, and I think we can look into the future with great confidence and encouragement.

While Western Canada has not, so far, benefited from war orders, nevertheless it has enjoyed considerable prosperity. The crops, with the exception of Alberta, were not as heavy as in 1915, but the prices realized were so much greater that the total monetary return will be equal to 1915.

The same story of prosperity is told of our own province. Although the salmon season last year was an off one, 1,000,000 cases of salmon were packed, aggregating in value between \$5,000,000 and \$6,000,000. The cut of lumber in 1916 very much exceeded that of 1915, and the price of all grades today is much higher and the demand very active. The mills are working full time, and many of them over-time. Mining is also very active. The fruit crop was good last year, over \$1,000,000 worth of fruit being shipped out of the Okanagan Valley alone. The youngest and perhaps the most interesting industry is shipbuilding. There are at present under construction and on order no less than twelve vessels, and more orders, I understand, are in sight. I believe this is going to prove one of our greatest industries. The demand for ships at the present time is very great, and will continue when the war is over for a considerable period, and I think we can take it for granted that when the final terms of peace are made, they will carry with them some measure of preferential tariff between the Allied nations, thereby bringing British Columbia into much closer touch with Russia than she is at the present time. The port of Vancouver being the gateway for Russian trade, should see a great increase of imports and exports. After the war Russia will need a vast quantity of goods, which we can provide her with.

Mr. Chris Spencer, in seconding the motion to adopt the report, said:

"The Chairman has gone over the ground very thoroughly and leaves very little for me to say, but one thing that appeals to me is that the statements are clear; they are not ambiguous and they show exactly the position of the Company and its operations during the year. The way in which the borrowers are meeting their payments shows that the system under which the Company is loaning its funds is a safe one. We have had paid us by our borrowers over \$247,000 in principal, and \$207,345.64 in interest during the year, and you will note in the report that out of the principal