

REPORT OF THE DIRECTORS
OF THE
CANADA PERMANENT LOAN AND SAVINGS COMPANY
FOR THE YEAR 1894.

At the close of the fortieth year of the Company's history, the Directors have pleasure in laying before the Stockholders a duly Audited Statement of the transactions of the past year, and of the present position of the Company, as exhibited in the accompanying Balance Sheet.

As anticipated, and in common with nearly every other kind of investment, the business of the past year has yielded less profits than formerly. This results from the well-known conditions referred to in the previous year's report.

After providing for interest on borrowed money, for all expenses, commissions and other charges, and writing off all actual as well as probable losses, the net earnings amount to \$284,318, nearly eleven per cent. on the paid-up Capital Stock; equal to seven per cent. on the Capital and Reserve Fund. Of this sum \$277,992 were appropriated to the payment of two half-yearly dividends, amounting to ten and one-half per cent., and to the payment of the Shareholders' Income Tax thereon. The remaining sum of \$6,326 was added to the Contingent Fund, which now amounts to \$111,079. The Reserve Fund stands at \$1,450,000.

Owing to the continued depression in business, and the low prices of cereals, much forbearance has been required by mortgagors. This has been cheerfully granted when the sufficiency of the security warranted it, but the depreciation in the value of real estate has rendered necessary great care in this respect, compelling the management in many cases to enforce payment, or take possession of the rentals, always a disagreeable duty. Generally, however, interest falling due has been fairly well paid, and a large amount of principal was also repaid and reinvested. The sum outstanding on mortgage loans at the end of the year was \$1,428,266.

The uses to which money can be profitably put have for the time being become so limited, in Ontario and the other Provinces in which the Company lends, that the Directors consider it inexpedient to bring in more British capital at present. Debenture money called up has been replaced by new money at reduced rates of interest.

The Directors availed themselves of a favorable opportunity for acquiring office premises in a central position in the City of Winnipeg. While permanently securing suitable accommodation for conducting the Company's North-West business, the larger portion of the block is available for rental, and yields a remunerative return on the investment. The situation of the Company's Building, together with its excellent appointments, will always secure the best class of tenants.

The Directors regret to have to record the death of their esteemed and valued colleague, Mr. A. M. Smith, who for more than twenty-five years had been a member of the Board, and always manifested a warm interest in the welfare of the Company. Mr. W. D. Matthews has been appointed to the vacant position.

In conclusion, the Directors have much satisfaction in congratulating their fellow Shareholders on the completion of forty years of growth and prosperity, believed to be unparalleled in the annals of Canadian Financial Institutions. While the immediate outlook is less encouraging than it has appeared on former occasions, they enter upon the Company's fifth decade with confidence in the strength and soundness of the Company's position, as well as in the relatively high revenue-earning capabilities it continues to possess.

All which is respectfully submitted.

J. HERBERT MASON,
President.