

# CANADA PERMANENT Loan & Savings Company

## THIRTY-EIGHTH ANNUAL REPORT,

DECEMBER 31st, 1892

Subscribed Capital	\$ 5,000,000
Paid-up Capital	2,600,000
Reserve Funds	1,572,619
Total Assets	12,130,126

### Directors:

President & Managing Director, J. HERBERT MASON,  
Vice-President..... EDWARD HOOPER.

S. NORDBELMER, JUDGE BOYD,  
A. M. SMITH, RALPH K. BURGESS,  
HENRY CAWTHRA, W. M. G. GOODEHAM.

Assistant Manager..... ALFRED J. MASON,  
Superintendent..... RUFUS S. HUDSON,  
Secretary..... GEORGE H. SMITH.

Toronto Subscribers..... JONES BROS. & MACKENZIE.

### Bankers in Canada:

THE BANK OF TORONTO, THE STANDARD BANK,  
THE MERCHANTS BANK, THE ONTARIO BANK,  
THE CANADIAN BANK OF COMMERCE.

### Bankers in Great Britain:

THE CITY BANK, LIMITED, LONDON,  
THE BIRTHSH LINDEN COMPANY BANK, EDINBURGH

### OFFICE:

*Company's Buildings, Toronto Street, Toronto*

The C. P. M. Trust Company, Ltd., Partners, Colborne St., Toronto.

REPORT OF THE DIRECTORS  
OF THE  
CANADA PERMANENT LOAN AND SAVINGS COMPANY,  
FOR THE YEAR 1892.

The Directors have much pleasure in presenting to the Shareholders the Thirty-eighth Annual Report of the business of the Company.

The income for the year, including the cash balance brought over from 1891, was \$3,861,586 of which \$2,720,374 were received for principal and interest on mortgage loans. The principal money thus repaid was all reinvested.

The Total Assets show an increase from \$12,091,772 to \$12,130,126.

The legal limit of the power of the Company to accept money loaned for investment, on the present Stock Capital, having been reached, the Directors have been obliged to refuse numerous offers of additional funds.

After providing for all known, as well as anticipated, losses and deductions, the earnings for the past year were \$745,545. Of this amount \$317,261 were applied to the payment of interest on borrowed capital. The Directors were enabled to declare the usual half-yearly dividends to Shareholders of six per cent. each, and to pay the Income Tax thereon. The surplus profits, \$10,367, were added to the Reserve and Contingent Funds which now amount to \$1,450,000 and \$122,619 respectively.

In view of the continued depression in the value of real property, and also the lower rates of interest now generally obtained, the Directors believe the Shareholders have much cause for satisfaction with the excellent results of the year's business, and with the undoubtedly sound position of the Company, as set forth in the Financial Statements herewith submitted, which have been duly examined and certified by the Auditors.

All which is respectfully submitted.

J. HERBERT MASON  
*President.*

FINANCIAL STATEMENT  
—OF THE—  
Canada Permanent Loan and Savings Company,

DECEMBER 31st, 1892.

PROFIT AND LOSS.

	\$	c.		\$	c.	\$	c.
Interest on Deposits, Debentures and Debenture Stock .....	\$317,261	24	Contingent Fund, January 1st, 1892 .....	\$117,252	16		
Dividends on Capital Stock .....	\$312,000	00	Less Loss by Forgery .....	3,044	64		
Municipal Tax on Dividends .....	4,350	00				\$114,207	52
	316,350	00	Interest on Mortgages, Debentures, Rentals, etc. ....			745,545	71
Cost of Management, Salaries, Directors' Allowances, Inspection, etc., Including Branch Offices .....	73,379	83					
Charges on Money Borrowed and Lent .....	24,743	07					
Reserve Fund, addition thereto .....	5,000	00					
Contingent Fund, December 31st, 1892 .....	122,619	09					
	\$859,753	23				\$859,753	23

ABSTRACT OF ASSETS AND LIABILITIES.

LIABILITIES TO THE PUBLIC.		\$	c.	ASSETS.		\$	c.	
Deposits and Interest .....	\$1,057,241	70		Mortgages on Real Estate .....	\$11,532,456	90		
Debentures (£1,122,477 Sterling) and Interest .....	5,462,721	40		Mortgages upon other Securities .....	20,659	65		
Debentures—Currency—and Interest .....	348,553	53		Municipal Debentures .....			\$11,553,116	55
Debenture Stock (£188,408 Sterling) .....	916,918	80		Company's Building .....			192,066	91
Sundry Accounts .....	16,020	55		Accrued Rentals .....	2,077	70	127,232	55
	\$7,801,455	98		Cash on hand .....	253,533	80	2,099	16
				Cash in Banks .....			255,611	50
LIABILITIES TO SHAREHOLDERS.								
Capital Stock paid up .....	\$2,000,000	00						
Capital Stock (\$3,000,000) 20 per cent. paid .....	600,000	00	2,600,000	00				
Reserve Fund .....	1,450,000	00						
Contingent Fund .....	122,619	09	1,572,619	09				
Dividends unclaimed .....	51	60						
65th Dividend .....	156,000	00	156,051	60				
	\$12,130,126	67					\$12,130,126	67

GEO. H. SMITH, *Secretary.*

We, the undersigned, beg to report that we have made the usual thorough examination of the books of the CANADA PERMANENT LOAN AND SAVINGS COMPANY for the year ending 31st December, 1892, and hereby certify that the above statements are strictly correct, and in accordance therewith.

J. E. BERKELEY SMITH, } *Auditors.*  
HENRY BARBER, }

TORONTO, 6th February, 1893.

## Proceedings of the Thirty-eighth Annual Meeting.

The thirty-eighth Annual Meeting was held in the Company's Building on Wednesday, 22nd February, 1893, at 12 o'clock noon.

The President, J. Herbert Mason, Esq., occupied the chair, and Mr. G. H. Smith was appointed Secretary to the meeting. The following Stockholders were present:—Messrs. P. L. Allen, Ralph K. Burgess, Judge Boyd, Rev. C. Hall, Melbort Boulton, H. W. Barber, George Blackburn, Reginald L. Ball, Philip Browne, Jacob Bull, Henry Cawthra, William Cook, William Davidson, Benjamin Dean, A. Ford, W. G. Gooderham, H. Gamble, C. S. Gizowski, Jr., Edward Hooper, G. R. Hamilton, R. S. Hudson, Clarkson Jones, Beverley Jones, E. C. Jones, F. H. Lamb, Alfred Myers, G. W. Monk, M.P.P., George A. Mackenzie, Alfred J. Mason, C. J. Matani, S. Nordheimer, A. Nordheimer, Dr. U. Ogden, P. L. Ridout, W. J. Robertson, A. E. Rowland, William Spry, James Scott, G. A. Stimson, F. M. Thomas, S. G. Wood, N. L. Wilcocks, Arthur Worth, J. J. Woodhouse.

The Secretary read the Report of the Directors and Financial Statements for 1892.

The President said:

GENTLEMEN.—In moving the reception and adoption of the Report of the Directors for 1892, it is not necessary for me to detain you by any lengthened remarks. It is said that good wine needs no bush, and a year's business, that, after providing for every contingency, yields its proprietors a clear profit of twelve per cent., and adds something to its Reserves, needs no apology. The position of the Company in all the Thirty-eight years of its existence was never sounder, or its revenue earning powers better assured than they are to-day.

It is true that the Directors would gladly have added a larger sum than they did to the Reserve Funds. But for the reasons referred to in the Report they did not feel justified in doing so. Under existing circumstances it is perhaps matter for congratulation that we were not obliged to take something of the Fund set aside for unforeseen contingencies. We have had to meet and to provide against a shrinkage in the value of Real Estate in this Province, which for far reaching extent and duration, is unexampled in the history of the Company. The necessity for a more frequent inspection, and closer supervision of our landed securities has led to increased expenditure in that Department. Some losses have also been incurred, or are anticipated, and these, as our custom has always been, were provided for out of the earnings of the current year. This depression in values has arisen from no local cause. Its effects, generally, as far as this Company is concerned, seem to be well nigh spent, though in certain localities the end may not yet be reached.

A tendency to reduced profits also arises from the diminished earning power of money. This condition is also wide spread, and appears likely to be lasting. Investors generally are accepting lesser rates of interest than formerly. As affecting this Company the lower rates obtained, are to a great extent compensated by the lower rates paid for borrowed capital, leaving the margin for profit much the same as before; but as about one-third of the invested funds are Shareholders' capital, the revenue earning power of the Company must be, in some measure, curtailed.

Then, for the first time in its history, the Company sustained a loss, as shown in the statement, by allowing a transfer of Stock under, what is alleged to be, a cleverly executed forged Power of Attorney.

While revealing these adverse influences and incidents, the past year has on the other hand presented some encouraging features. The Company's business operations in the North West, which have been extended to the Pacific Coast, are yearly becoming more satisfactory and remunerative. They now contribute to the surplus Revenue instead of being as formerly a charge upon it. Our funds have been kept well employed throughout the year. The credit of the Company stands observedly high, both in Canada and Great Britain, and abundance of money at very moderate rates is at our disposal, if we were in a position to accept it.

The inspection and watchful supervision of our securities is most thoroughly carried out by a competent Staff of Inspectors, and all the care which a lengthened experience has shown to be necessary, is given to the selection of properties offered in pledge for new loans. Our books and accounts are carefully revised month by month by competent Auditors.

On the whole, gentlemen, compared with the high standard of our own average records in recent years, or with the performances of our contemporaries, I feel warranted in congratulating you on the eminently satisfactory results of the past year's business, and on the strong and healthy position the Company continues to hold. To insure the maintenance of this prosperity we can point to our Reserve Fund of \$1,450,000, and to a Contingent Fund of \$122,619, the latter Fund being more than one per cent. on the total Assets of the Company. This Fund may be considered a provision for the equalization of Dividends, but it has never yet been drawn upon for that purpose.

The Report notices the fact that the Company has received the full proportion of borrowed money to Shareholders' paid-up Capital, fixed by law. This restriction takes no note of the accumulated Profits retained as Reserves, which are just as much Capital as that paid in, and equally contribute to the security of our Bondholders. No addition to the volume of business can therefore be made unless by increasing the Stock. Much as many of the Shareholders would like to participate in a further issue of Shares, in the opinion of the Board there are at present no sufficient inducements to warrant it.

It affords me much pleasure to again acknowledge the zeal and ability displayed in their respective spheres by the officers of the Company, producing for our large and extended business the successful results condensed in the Financial Statement. At the Head Office, and for the Province of Ontario, our staff of officers is most effective; and after my last annual visit, and travelling for some weeks with our Agent at Winnipeg, Mr. Harris, I am glad to be able to repeat the favorable testimony I had the satisfaction of bearing last year to the efficient conduct of our business in Manitoba and the North-West.

The interests of the Company in Great Britain are well cared for by our excellent Agents there. Last summer we again had the pleasure of welcoming Mr. John Campbell, S.S.C., of Edinburgh, of the firm of Messrs. Mylne & Campbell, our Chief Agents in Great Britain, who spent several weeks in Canada and the United States.

If any Shareholder present desires any further information it will be gladly furnished.

The President then moved, seconded by the Vice-President, Edward Hooper, Esq.:

"That the Report of the Directors for the year 1892 be received and adopted, and that it be printed with the audited statements of Profit and Loss and Assets and Liabilities, for distribution to the Shareholders."—*Carried.*

ny,

\$ c.

\$114,207 52

745,545 71

\$859,753 23

\$ c.

1,553,116 55

192,066 91

127,232 55

2,099 16

255,611 50

2,130,126 67

Secretary.

PERMANENT

copy correct,

It was moved by James Scott, Esq., seconded by P. L. Ridout, Esq. :—

"That the thanks of this meeting be given to the President, Vice-President, and Directors for the care and attention with which they have watched over the interests of the Company during the past year, and that the same sum be voted to them as compensation as was voted in preceding years."—*Carried.*

It was moved by A. Nordheimer, Esq., seconded by S. G. Wood, Esq. :—

"That the thanks of the Shareholders are due and are hereby presented to the Managers and Staff of the office, to the Solicitors and Appraisers, and to the Agents of the Company in Manitoba and in Great Britain, for their services in the successful conduct of the affairs of the Company during the past year."—*Carried.*

It was moved by Alfred Myers, Esq., seconded by Clarkson Jones, Esq. :—

"That the thanks of this meeting be presented to the Auditors for the past year, and that they be paid the sum of four hundred dollars each; and that Messrs. J. E. Berkeley Smith and Henry Barber be appointed to audit the accounts of the Company for the current year."—*Carried.*

The election of Directors was then held, and resulted in the unanimous re-election of Messrs. J. Herbert Mason, S. Nordheimer, Henry Cawthra, and John Boyd.

At a subsequent meeting of the Board, Messrs. J. Herbert Mason and Edward Hooper were respectively re-elected to the office of President and Vice-President.