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**CANADA PERMANENT
BUILDING AND SAVINGS SOCIETY.**

NINETEENTH

ANNUAL REPORT,

DECEMBER 31ST, 1873.

<i>Subscribed Capital,</i>	\$1,500,000
<i>Paid-up Capital,</i>	1,460,692
<i>Assets,</i>	3,009,309

Directors:

- JOSEPH D. RIDOUT, President.
- PETER PATTERSON, Vice-President.
- JAMES G. WORTS, E. H. RUTHERFORD,
- S. NORDHEIMER, JOSEPH ROBINSON,
- EDWARD HOOPER, A. M. SMITH.
- J. HERBERT MASON, Secretary and Treasurer.
- JONAS AP JONES, Solicitor.

Bankers:

BANK OF TORONTO. | BANK OF MONTREAL.
MERCHANTS' BANK.

OFFICE:

MASONIC HALL, TORONTO STREET, TORONTO.

Copn, Clark & Co., General Printers, Colborne Street, Toronto.

REPORT OF THE DIRECTORS
OF THE
Canada Permanent Building & Savings Society,
FOR THE YEAR 1873.

The business of the Society for the year 1873 presents few features to distinguish it from previous years. The same steady progress and the same satisfactory results that have uniformly characterized its operations heretofore have continued to attend them throughout the past year, and, in the opinion of the Directors, the position and prospects of the Institution, on entering its twentieth year, leave little to be desired.

One fact has been more strongly impressed upon the Board than ever before, and that is, that the more the Society is known as a source for supplying Capital to the owners of Real Estate in this Province, and the larger its transactions become, the better its terms are appreciated and the greater the demand for its funds. This affords gratifying testimony to the wisdom of the course adopted at the beginning, and persistently adhered to, of insisting upon the superior advantages of the Sinking Fund system to any other method for the repayment of mortgage debts.

The amount lent during the year was limited by the ability of the Directors to supply the demand. Much more could have been securely invested had the state of the funds permitted. The limit of the amounts at present authorized both of Stock and of Deposits having been nearly reached, no considerable enlargement of the volume of business can be made unless these lines are extended. This, it is believed, may safely be done to a limited extent in respect of Deposits, and, if found necessary, in respect of the Stock account also.

In the past year 941 Loans were effected, amounting to \$694,703; and a nearly equal number of Mortgages have been paid off. The aggregate amount now invested on Mortgage security is \$2,964,853; the net increase on the year being \$105,000.

The repayments by Mortgagors have been met with more than average promptness,—the amount received under that head for principal and interest being \$905,855. The aggregate Cash Receipts from all sources during the year amounted to \$1,358,547.

After paying two half-yearly dividends of five and one half per cent. each, amounting to \$113,239 on the Permanent Capital, crediting profits at the same rate on the Accumulating Shares, and making ample provision for contingencies, the sum of \$30,802 has been added to the Reserve Fund. By the capitalization of the Accumulating Shares maturing on 1st July next, large additions will be made to this fund and also to the Permanent Capital, which alone is entitled to participate in the advantages derivable from it.

The Savings Bank Branch has always formed an important part of the Society's business, and continues to maintain that high position as a Depository for the accumulation of money it has for so many years held.

One of the Societies incorporated under the general Building Societies Act having applied for and obtained special privileges and other modifications of the general law, it has been considered advisable that these increased powers, so far as they may be found desirable and safe, should be accorded to Building Societies generally. With that view, and also to secure other amendments, a Bill has been prepared for submission to the Dominion Legislature. Failing the passage of this Bill, the Directors ask the concurrence of the Shareholders to a petition in favour of a Special Act applying to this Institution alone.

The Directors request the careful consideration of their fellow Shareholders to the Financial Statements duly examined and certified to by the Auditors. In conclusion, they have much pleasure in stating that the Staff of the Office of the Society continue to perform the duties of their several departments to the entire satisfaction of the Secretary and Treasurer and of the Board. The Appraisers scattered throughout the country have also, with scarcely an exception, proved good and reliable valuers.

All which is respectfully submitted.

J. HERBERT MASON,
Secretary and Treasurer.

JOSEPH D. RIDOUT,
President.

Proceedings of the Nineteenth Annual Meeting.

The Nineteenth Annual Meeting was held, pursuant to notice, on Wednesday, 11th February, 1874, at the Society's Office, at three o'clock p.m.—the President, Joseph D. Ridout, Esq., being in the Chair, and the following gentlemen being present: Messrs. J. Wickson, E. Hooper, Geo. McManus, M.P.P., J. G. Worts, A. M. Smith, H. Thompson, J. Eastwood, E. H. Rutherford, Joseph Robinson, J. A. Musgrave, Fred. Wickson, James Browne, Henry Pellatt, G. W. Lewis, Rev. Mr. Chesborough, R. Donald, S. B. Smith, A. Crumpton, S. Nordheimer, J. Elliott, P. Paterson, E. B. Osler, Clarkson Jones, R. H. Tomlinson, B. Jones, A. T. Todd, W. B. Phipps, U. Ogden, M.D., G. R. R. Cockburn, and the Secretary.

It was ordered that the Minutes of the last Annual Meeting be considered as read, and be now confirmed.

The President read the Report of the Directors for the year 1873, together with the Financial Statement.

It was then moved by the PRESIDENT, seconded by S. B. SMITH, Esq., "That the Report of the Directors for the year 1873 be received and adopted; and that it be printed, together with the Society's Financial Statement, for distribution to the Shareholders."

In moving the adoption of the Report, the President said—

"It appears to me, Gentlemen, that there would be no use of any kind in my endeavouring to entertain you by a verbal explanation of the condition generally of your institutional affairs, inasmuch as it has already been given to you in a more deliberative and therefore better form by the Report of the Directors and their account of Assets and Liabilities, and by which you learned that it is eminently good in every branch of them, and as shewn particularly by the large sum of thirty thousand dollars added to the Reserve Fund and ten thousand to the Contingent Fund, making the latter more than ample to cover any losses that could possibly occur, on our present figures, in any reasonably supposable state of things. But there is one subject, a brief reference to which, I think, would be reasonable at this time.

"I think it would be in some degree beneficial for me, by a few words additional to what I said, upon a former occasion, to give such further publicity as I may be able, through the medium of this meeting, to the distinctive character of our Reserve Fund, and the system of management under which it has been created, so that it may be understandingly compared with other accounts of a nominally similar kind; to repeat the fact that the shares proportion of it is, with respect to the original stock, exactly the sum that has been made by the Society over and above the twenty-seven dividends which have been paid; and that the proprietors of subsequently established shares simply contributed the equivalent thereof as existing at the respective periods of their shares maturing, immediately available at a price considerably beyond the cost of it, and that the class of shares to fall in next July may be capitalized at that time at a price as now estimated about thirty per cent. less than their marketable value.

"I have thought it proper to make these remarks under a belief, in the absence of that just appreciation of the peculiar features of our Reserve Fund which it is desirable should obtain, and the conviction that, by reason of the many different ways in which basis of per centage upon capital, and without a proper comprehension of the important difference which there is between cases where they are made up by assessments on new stock, in excess of the shares proportion at the time of issue, and cases like our own, where the assessment has been only the equivalent thereof.

"I noticed in 1872, in the instance of a baby Institution a little over two years old, that the Reserve Fund had reached the large figure of 42 per cent. upon the paid-up capital, almost entirely made up of premiums upon new shares, and I understand that the gentlemen who paid those premiums were, as it seemed to me humorously, congratulated upon the large profits which had accrued to them by the very curiously ingenious and amusing process of transferring their shillings from their own personal pockets into those of the Society.

"I do not assume to advise as to whether the course pursued by this Society or that adopted by some others is most in accordance with true principle and the commonly accepted meaning of such accounts, but I may warrantably say that our plan is the best for the new-stockholders, and that it is my duty to give all the information in my power, for the assistance of parties concerned in forming a sound and decided judgment upon the matter, and an intelligent estimate of comparative figures in different cases of the kind; and I ask you to co-operate with me in the promulgation of a correctly appreciative opinion upon the subject, as conducive to the increasing of the credit and popularity of this Society."

THE MOTION WAS THEN DECLARED CARRIED.

It was moved by JOHN WICKSON, Esq., seconded by GEO. MC MANUS, Esq., M.P.P., "That the thanks of this Meeting are due, and are hereby presented to the President, Directors, and Officers of the Society, for their successful management of the Society's business for the past year; and that the Directors be paid at the same rate per Meeting attended as in previous years."—Carried.

It was moved by CLARKSON JONES, Esq., seconded by A. T. TODD, Esq., "That in accordance with the recommendation contained in the Annual Report this day adopted, the President and Directors are hereby authorized to apply, under the Seal of the Society, to the Legislature of Canada for an Act conferring privileges and powers upon this Society, and the Directors thereof as are or have been granted to any other similar Society, or such of them as the Board may approve; together with such other amendments as the Directors may consider for the interests of the Institution."

It was moved by W. B. PHIPPS, Esq., and seconded by JOHN EASTWOOD, Esq., "That the ballot for the election of Directors be now proceeded with, and that Messrs. Henry Thompson and E. B. Osler be requested to act as Scrutineers; and that the poll remain open for the space of one hour, provided that if no vote be tendered for the space of five consecutive minutes, the poll may be closed within the hour."—Carried.

The Scrutineers reported Messrs. J. G. Worts, Edward Hooper, E. H. Rutherford and A. M. Smith, the retiring Directors, unanimously re-elected.

It was moved by JOSEPH ROBINSON, Esq., seconded by E. H. RUTHERFORD, Esq., "That the Scrutineers be paid the usual allowance of five dollars each for their services at the poll."—Carried.

A vote of thanks was then passed to the Chairman, and the Meeting adjourned.

At a subsequent meeting of the Board, Joseph D. Ridout, Esq., and Peter Paterson, Esq., were re-elected President and Vice-President, respectively, for the current year.