

CANADA PERMANENT Loan & Savings Company

THIRTY-NINTH ANNUAL REPORT,

DECEMBER 31st, 1893.

<i>Subscribed Capital,</i>	\$ 5,000,000
<i>Paid-up Capital,</i>	2,600,000
<i>Reserved Funds,</i>	1,554,753
<i>Total Assets,</i>	12,037,849

Directors:

PRESIDENT & MANAGING DIRECTOR... J. HERBERT MASON.
VICE-PRESIDENT..... EDWARD HOOPER
S. NORDHEIMER, JUDGE BOYD,
A. M. SMITH, RALPH K. BURGESS,
HENRY CAWTHRA, WM. G. GOODERHAM.

ASSISTANT MANAGER..... ALFRED J. MASON.
SUPERINTENDENT..... RUFUS S. HUDSON.
SECRETARY..... GEORGE H. SMITH.

TORONTO SOLICITORS..... 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 BRITISH LINEN COMPANY BANK, BIRMINGHAM

OFFICE:

Company's Buildings, Toronto Street, Toronto

The Opp. Clark Company, Ltd., Printers, Colborne St., Toronto.

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

In presenting the Statements and Auditors' report of the business and financial proceedings of the past year, the Directors have much satisfaction in being able to record the continued prosperity and sound condition of the Company.

A large proportion of the Company's Debentures which became due during the year were renewed, and those presented for payment were replaced by others bearing a somewhat lower rate of interest, and by Sterling Debenture Stock. The total issue of this Stock now amounts to £200,000 (\$973,333) a sum which the Directors do not consider it advisable to increase at present.

The interest and instalments of principal falling due on mortgage loans have on the whole been well met, although in some localities much indulgence has been required. The total receipts on mortgages and other securities during the year reached the sum of \$2,748,195, and the sum lent aggregated \$1,922,279.

Two half-yearly Dividends on the Capital Stock were declared amounting to eleven and one-half per cent. in addition to paying the income tax of \$4,812 thereon.

The Reserve Fund remains at \$1,450,000. The Contingent Fund of \$104,753 is amply sufficient for the purposes for which it was formed.

The earning power of the Company was quite equal to the average of previous years, but from causes referred to in the last Annual Report and still in operation, the net profits appear less than they were in the year preceding. The actual loss sustained on the realization of securities was very trifling, but in consideration of the general depression in the value in both urban and agricultural Real Estate, in Ontario as well as in Manitoba and the North-West Territories, the Board deemed it wise to refrain from charging interest on mortgages in default, and also in some cases to write down the sums standing against them. This conservative policy will not prevent the Company from charging up and collecting its full claim, should, as is hoped, a revival take place in the not far distant future.

All which is respectfully submitted.

J. HERBERT MASON,
President.

Proceedings of the Thirty-ninth Annual Meeting.

The thirty-ninth Annual Meeting was held in the Company's Office Building on Wednesday, 7th February, 1894, at 12 o'clock noon.

The President, J. Herbert Mason, Esq., occupied the chair, and the Secretary, Mr. George H. Smith, was appointed Secretary to the meeting. The following Shareholders were present:—Messrs. Samuel Alcorn, Judge Boyd, Ralph K. Burgess, James Barber, C. C. Baines, E. St. G. Baldwin, M.D., Philip Browne, Reginald L. Ball, Henry Cawthra, William G. Goolerham, William Goolerham, Col. Sir Casimir S. Gzowski, W. Herbert Cawthra, Miles W. Cook, W. N. Eastwood, William G. Goolerham, Henry Goolerham, H. L. Hime, R. S. Huison, Richard Heather, K.C.M.G., C. S. Gzowski, Jr., H. D. Gamble, Edward Hooper, Charles E. Hooper, H. L. Hime, R. S. Huison, Richard Heather, Beverley Jones, J. G. Jones, N. Kingsmill, G. W. Monk, M.P.F., Alfred J. Mason, Alfred Myers, Francis Marriott, P. L. Mason, A. Midgley, George A. Mackenzie, S. Northmeier, H. B. Newton, M. O'Donnell, Rev. T. W. Paterson, George Pim, W. Pate, Andrew Robb, W. W. Robertson, P. F. Ridout, Samuel Risley, A. M. Smith, William Spry, J. E. Berkeley Smith, John Stark, G. A. Simson, P. M. Thomas and N. L. Wilcocks.

The Secretary read the Report of the Directors and Financial Statements for 1893.

The President said:

GENTLEMEN,—The Directors' Report and the Financial Statement just read, and which I have the honor to ask you to receive and adopt, furnish ample grounds for satisfaction and encouragement.

The funds of the Company have been kept well employed throughout the year, at fairly remunerative rates. The high position of credit accorded to the Company in the British markets continues to be maintained, and if the Directors find it desirable to use more capital, it can be obtained on favorable terms.

In the Report for 1892, and also in the observations it was my privilege to address to the last Annual Meeting of Shareholders, attention was drawn to the depressed value of real property, as well as to the lower rates of interest prevailing, as conditions tending to reduce profits during their continuance. Since then, one of the most destructive financial cyclones known in modern times has swept over a large portion of this continent, and over the Australasian Colonies. While the Dominion of Canada was appreciably affected, chiefly indirectly, it is gratifying to know that its financial institutions, with one unimportant exception, withstood the storm without loss of prestige or credit.

It would be futile for any one to allege that the conditions I have mentioned, and this monetary crisis, have had no effect. The shrinkage in the value of every kind of landed property, the partial failure of the grain crops in certain districts in Ontario and Manitoba, the remarkably low prices of wheat, barley and other agricultural products, together with the locking up of capital in unproductive investments by the too rapid extension of some of our cities and towns, have to a greater or lesser degree affected all financial, commercial and industrial interests. Evidences of restricted operations and diminished earnings are everywhere to be seen.

While, therefore, admitting the situation and providing in anticipation for possible deficiencies, prudent and watchful management will seek to minimize the effects, as well as to take the earliest advantage of returning prosperity to recover any ground which may have been temporarily lost. If a more sanguine disposition had prevailed we might in many cases have charged up interest and paid the usual dividend, as well as added a considerable sum to the Contingent Fund, but I am sure you will approve of the more cautious policy adopted by the Board, although for the time being the net gain appears smaller than it would have appeared had that course been followed.

With retarding prosperity there is no reason to doubt that many of these deductions may be recovered. The normal revenue earning power of the Company remains unimpaired.

A few years ago it was estimated that an accumulated Reserve Fund of fifty per cent. would suffice to ensure a continuance of the average dividend of twelve per cent. on the paid-up Stock, equal to eight per cent. on the total Shareholders' capital. Under the changed conditions as to the value of money, and to provide against possible periods of extraordinary and long-continued depression, a larger Reserve is now deemed necessary to secure that result. I trust that existing and future business will warrant additions being made to that Fund.

The affairs of the Company were never more carefully looked after than at present. The office staff in Toronto and Winnipeg continue to discharge their duties in an efficient manner. We are assisted by a numerous body of local Appraisers who have been selected with the utmost care. Several active and experienced Inspectors are always in the field; while Mr. Harris, in Winnipeg, and Mr. Masani, in Vancouver, look well after the interests of the Company in their respective districts. The Agents of the Company in Great Britain continue to give the same zealous and influential service they have rendered during the past nineteen years.

In conclusion, gentlemen, speaking for myself and co-directors, who include the largest holders of shares in the Capital Stock, it affords me much pleasure to know, and to be able to tell you, that notwithstanding the circumstances to which I have alluded, we enter upon the fortieth year of the Company's history, a history in some important respects unparalleled by that of any Financial Institution in the Dominion, with unabated confidence in its sound and healthy condition, and in its eminent suitability as a safe and remunerative medium for the investment of the Capital of its Bondholders, Depositors and Shareholders.

I beg to move, seconded by the Vice-President, Mr. Edward Hooper:

"That the Report of the Directors for the year 1893 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."

Any question which any gentleman present would like to ask will be cheerfully answered.

The motion was unanimously carried.

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\$ c.
22,619 09
90,108 62

12,727 71

\$ c.

82,263 23
97,119 48
28,954 41
53,800 00
1,910 00

78,802 43

37,349 55

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It was moved by Sir Casimir S. Gzowski, K.C.M.G., seconded by Mr. Henry Gooderham :

"That the thanks of this meeting be given to the President, Vice-President and Directors for their careful and successful supervision of the Company's business during the past year, and that the compensation now voted to them be the same as in the preceding years."—*Carried.*

It was moved by Mr. Henry Cawthra, seconded by Mr. A. M. Smith :

"That, recognizing the continued prosperity of the Company, the Shareholders desire to express their thanks to the Managers and Staff of the Office, to the Solicitors and Appraisers, and to the Agents of the Company in Manitoba, British Columbia and Great Britain, for their zealous and efficient services in the management of the affairs of the Company during the past year."—*Carried.*

It was moved by Mr. P. F. Ridout, seconded by Mr. H. L. Hime :

"That the thanks of this meeting be presented to the Auditors for the past year, and that they be paid the same sum as was paid last year ; 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. Edward Hooper, A. M. Smith, Ralph K. Burgess and William G. Gooderham.

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.