

CANADA PERMANENT LOAN AND SAVINGS COMPANY

FOURTEENTH

ANNUAL REPORT,

DECEMBER 31ST, 1894.

Subscribed Capital,	\$ 5,000,000
Paid-up Capital,	2,600,000
Reserved Funds,	1,561,079
Total Assets,	12,007,761

Directors:

President & Managing Director, J. HERBERT MASON.
 Vice-President, EDWARD HOOPER.
 S. NORDHEIMER, RALPH R. HERGESS,
 HENRY CAVTHERA, WM. G. GOODERHAM,
 JEREE BOYD, W. D. MATTHEWS.

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

Toronto Solicitors:

JOS. MACKENZIE & LEONARD, BARRISTERS.

Banks in Canada:

THE BANK OF TORONTO, THE STANDARD BANK,
 THE MERCHANTS' BANK, THE ONTARIO BANK,
 THE CANADIAN BANK OF COMMERCE,
 THE IMPERIAL BANK OF CANADA,
 THE BANK OF BRITISH COLUMBIA.

Banks in Great Britain:

THE CITY BANK, LIMITED, LONDON.
 THE BRITISH LINEN COMPANY BANK, ENDSBURGH.

HEAD OFFICE:

Company's Buildings, Toronto Street, Toronto

The Corp. Clerk Company, Ltd., Printers, Colborne St., Toronto.

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.

Proceedings of the Fortieth Annual Meeting.

The fortieth Annual Meeting was held in the Company's Office Building on Wednesday, 13th February, 1895, 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:—Judge Boyd, Messrs. Ralph K. Burgess, James Barber, Philip Browne, A. M. Crombie, William Cook, W. N. Eastwood, J. Fullarton, W. G. Goslerham, Edward Hooper, Richard Heather, R. S. Hulson, Beverley Jones, C. J. Leonard, W. D. Matthews, Rev. Dr. Moffat, Alfred J. Mason, G. W. Monk, Alfred Myers, P. L. Mason, George A. Mackenzie, S. Northheimer, A. Northheimer, Dr. E. Ogden, M. O'Donnell, George Pim, George Robson, Andrew Robb, P. F. Ridout, Alexander Smith, John Stewart, William Spry, F. M. Thomas, J. J. Woodhouse and S. G. Wood.

The Secretary read the Report of the Directors and Financial Statements for 1894.

The President said:

GENTLEMEN,—In moving the adoption of the report of the Directors, I ask your indulgence while referring briefly to some of the more prominent features of last year's business, and to the present position and prospects of the Company.

We are passing through a period of widespread commercial and financial depression, which necessarily has a destructive effect on revenue. In the face of this depression, of diminished demand for money owing to the lack of opportunity for its profitable employment, of depreciation in the value of real estate, as well as of reduced rates of interest, the business of the year produced a net profit of nearly eleven per cent. on the paid-up capital stock, as appears in the Statement of Profit and Loss. This enabled the Directors to declare dividends amounting to ten and one-half per cent., to pay the Shareholders' income tax thereon, and left a surplus of more than six thousand dollars to be added to the Contingent Fund.

Under the circumstances I hope you will agree with me in the opinion that this cannot be considered an unsatisfactory record.

Before declaring these results, provision was made for interest on borrowed capital, for expenses, commissions, and charges of every description, and the usual rigid scrutiny into the Company's investments was made. Not only was no interest charged in doubtful cases, but, as has always been our practice, wherever there was reason to expect delay or deficiency in realizing any securities in default, corresponding deductions were anticipated, and the amounts written off.

This is not the first period of commercial and monetary stringency, accompanied by retrogression in land values, the Company has experienced. After the crisis of 1857 the shrinkage in prices amounted for a few years to almost entire unsaleability. The Company was then young, without any accumulated Reserves, and for a time profits were considerably diminished.

The productions of the country were then comparatively small, as was also its population. Toronto contained less than 40,000 inhabitants. Now it has more than 180,000. Re-creation was therefore slow. The present is a time for retrenchment, for the practice of industry and thrift, for the avoidance of all speculative expenditures, whether public or private, for adopting the most improved methods in agriculture as well as other branches of labour, and for the legitimate development of the known resources of our country in as properly endowed with. That the interests affected will emerge from the present depressing period and resume their normal condition of prosperity, admits of no doubt. Already there are encouraging indications of improvement.

Canada has suffered less than many other countries. It is satisfactory to note that the banks and other financial institutions of the Dominion have stood the strain, and maintained their high reputation, both at home and abroad. Not one loan, or land mortgage, company has failed to promptly meet its obligations. I believe I am correct in saying that during the last forty years not a dollar has been lost by a creditor of one of these companies.

In the forty years of progress referred to in the report, as profits have fluctuated so also dividends have by no means been uniform. While the rate paid on the Shareholders' capital has averaged twelve per cent. per annum for the whole of that period, for several years the dividends were ten per cent. We see no reason why that rate may not be maintained. That lower rates of interest than formerly will continue to prevail is to be expected. This had long been foreseen. As far as the Company's business is concerned, the effect of the lower rates received is in a great measure neutralized by the lower rates paid.

Canada, like all new countries, must for many years continue to be a borrower. There should be, therefore, and doubtless will be, as in the past, a fair margin between the rates paid in Great Britain, by companies of high standing and unquestionable resources, who pledge their credit there, and the rates received here on individual loans. This margin, together with the revenue derived from the investment of the capital stock and reserve fund, will continue to afford a remunerative return to the Shareholders.

I desire to express to my colleagues on the Board, to the Officers, Agents and employees of the Company, at the Head and Branch Offices, to our Solicitors and numerous Appraisers throughout the country, as well as to our esteemed representatives in Great Britain, my grateful acknowledgments for their loyal support and devotion to the interests of the Institution. It is largely to their influential efforts that the Shareholders are indebted for the gratifying position the Company occupies to-day.

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

"That the Report of the Directors for the year 1894 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."

The motion was unanimously carried.

It was moved by Mr. S. G. Wood, seconded by Mr. A. Northheimer:

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

It was moved by Dr. Uzziel Ogden, seconded by Mr. Percival F. Ridout:

"That the thanks of the shareholders are due and are hereby presented to the Managers and Official Staff, to the Solicitors and Appraisers, and to the Agents of the Company in Manitoba, British Columbia and Great Britain, for their efficient services in carrying on the business of the Company during the past year."—Carried.

It was moved by Mr. J. J. Woodhouse, seconded by Mr. G. W. Monk:

"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. J. Herbert Mason, S. Northheimer, Henry Cawthra and Judge 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.