

CANADA PERMANENT LOAN AND SAVINGS COMPANY

FORTY-FOURTH ANNUAL REPORT,

DECEMBER 31st, 1898.

Subscribed Capital	\$ 5,000,000
Paid-up Capital	2,600,000
Reserved Funds	1,360,058
Total Assets	10,938,509

Directors:

PRESIDENT & MANAGING DIRECTOR: J. HERBERT MASON.
 Vice-PRESIDENT: WM. G. GOODERHAM.
 EDWARD HOOPER, S. NORDHEIMER,
 W. D. MATTHEWS, RALPH K. BURGESS,
 G. W. MONK, W. E. WELLINGTON.

ASSISTANT MANAGER: ALFRED J. MASON.
 SECRETARIES: RUFUS S. HUDSON,
 GEORGE H. SMITH.

Toronto Solicitors:

JONES, MACKENZIE & LEONARD, BARRISTERS.

Bankers 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.

Bankers in Great Britain:

THE LONDON CITY AND MIDLAND BANK,
 LIMITED, LONDON.
 THE BRITISH LINEN COMPANY BANK, EDINBURGH.

HEAD OFFICE:

Company's Building, Toronto Street, Toronto

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

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

The Directors of the Canada Permanent Loan and Savings Company have pleasure in presenting to the Shareholders the Financial Statement and Auditors' Report for the past year, the Forty-fourth year of the Company's history.

It is with much satisfaction that the Board is able to record that the revival of Commercial, Industrial and Agricultural prosperity referred to last year still continues, and that its effect upon the value and saleability of landed property is no longer a matter of conjecture. It has been demonstrated by the fact that properties practically unsaleable for several years past have been disposed of, not at high prices or even at the full amount of the Company's claim, but in many cases at more than the sums at which they were debited and taken in stock in the books of the Company, and have now become safe interest-yielding investments. The amount of Real Estate foreclosed and held for sale has been reduced from \$121,078 to \$80,678. Other properties held for sale under mortgages have likewise been materially reduced by sales during the year.

The Revenue of the Company for the year amounted to \$620,315. After deducting all known as well as estimated losses, expenses of management, commissions and all other charges on business, and paying therefrom two half-yearly dividends of three per cent. each on the Capital Stock, the Directors were able to add \$50,000 to the Reserve Fund, leaving \$57,567 at the credit of Profit and Loss, which was added to the Contingent Fund. The Reserve Fund now amounts to \$1,200,000 and the Contingent Fund to \$160,058.

The Cash receipts from borrowers were unusually large, for both principal and interest, and generally the Accounts of Mortgagors are in good condition. The rates of interest obtainable on safe mortgage loans continue low. In consequence the Directors considered it preferable to pay off a considerable sum borrowed on Deposit and on Debenture, rather than continue to hold the money at rates of interest which did not offer a sufficient margin of profit. Debentures to the amount of \$1,080,883 matured during 1898. Of these, \$607,283 were paid off; \$473,600 were renewed at a lower rate of interest, and \$245,413 new money were received. The Sterling Debentures renewed, as well as the new money received, were all at the rate of three and one-half per cent. per annum.

For some time it has been evident that in view of the changed conditions in the interest value of money seeking investment in Real Estate Loans, it would be difficult for Land Mortgage Companies to maintain the dividends they have been accustomed to pay to their Shareholders, and it occurred to the Directors that a great saving in expenses might be effected, and some other advantages secured, if several Companies could be combined under one management. On approaching the Boards of some other Companies it was found that they shared the views of this Board. After consideration and consultation, resolutions were passed by the Directors of this Company, the Western Canada and the Freehold Loan and Savings Companies, and the London and Ontario Investment Company, approving of a scheme of consolidation based on the value of the assets of the respective Companies, to be ascertained by experienced and competent appraisers, one being appointed by each Company. Before this proposed arrangement can be effected it must be submitted to and approved by the Shareholders of each Company, at meetings to be held for the purpose, of which due notice must be given in accordance with the Statute.

All which is respectfully submitted.

J. HERBERT MASON,
President.

FINANCIAL STATEMENT

— OF THE —

Canada Permanent Loan and Savings Company,

DECEMBER 31st, 1898.

PROFIT AND LOSS.

	\$	c.		\$	c.
Interest on Deposits, Debentures and Debenture Stock	265,343	90	Contingent Fund, January 1st, 1898	102,491	21
Dividends on Capital Stock	\$156,000	00	Interest on Mortgages, Debentures, Rentals, etc.	617,603	41
Municipal Tax on Dividends	2,630	94	Exchange	2,712	41
	158,630	94			
Cost of Management, Salaries, Directors' Allowances, and Inspection, including Branch Offices	73,210	07			
Charges on Money Borrowed and Lent	15,563	51			
Reserve Fund, addition thereto	50,000	00			
Contingent Fund, December 31st, 1898	160,058	61			
	\$722,807	03		\$722,807	03

ABSTRACT OF ASSETS AND LIABILITIES.

LIABILITIES TO THE PUBLIC.	\$	c.	ASSETS.	\$	c.
Deposits and Interest	\$ 749,774	37	Mortgages on Real Estate	\$10,267,347	20
Debentures—Sterling—and Interest (£1,013,419)	4,931,970	72	Mortgages on other Securities	42,156	47
Debentures—Currency—and Interest	216,425	00	Municipal Debentures	146,052	43
Debenture Stock and Interest (£204,000 Sterling)	992,799	93	Real Estate Foreclosed	80,678	96
Sundry Accounts	8,439	08	Company's Office Buildings (Toronto and Winnipeg)	209,109	35
			Cash on hand	953	00
			Cash in Banks	192,232	15
	6,899,409	10		193,165	15
LIABILITIES TO SHAREHOLDERS.					
Capital Stock paid up	\$2,000,000	00			
Capital Stock (\$3,000,000) 20 per cent. paid	600,000	00			
Reserve Fund	\$1,150,000	00			
Added this year	50,000	00			
Contingent Fund	160,058	61			
Dividends unclaimed	1,041	90			
77th Dividend	78,000	00			
	\$10,938,509	61		\$10,938,509	61

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, 1898, and hereby certify that the above statements are strictly correct and in accordance therewith.

J. E. BERKELEY SMITH, }
HENRY BARBER, F.C.A., } *Auditors.*

Toronto, Feb'y 7th, 1899.

PROCEEDINGS OF THE FORTY-FOURTH ANNUAL MEETING.

The Forty-fourth Annual Meeting of Shareholders was held in the Company's Office Building, on Monday, 20th February, 1899, at 12 o'clock noon.

The President, Mr. J. Herbert Mason, occupied the chair, and the Secretary, Mr. George H. Smith, was appointed Secretary to the meeting. The following Shareholders were present:—Ralph K. Burgess, Jacob Bull, R. C. Bailie, H. C. Boomer, Philip Browne, James Craig, J. C. Copp, T. W. Clarke, W. H. Clarke, A. W. Clarke, J. T. Carnaghan, R. C. Carlyle, John Edgeworth, W. G. Gooderham, R. T. Gooderham, C. S. Gzowski, R. S. Hulson, R. Heather, G. W. Jackes, Mrs. A. J. Jackes, Beverley Jones, J. Gordon Jones, T. Langton, William Lawrence, E. B. LaRoy, C. J. Leonard, G. W. Monk, Augustus Myers, Rev. R. C. Moffatt, D. D., Alfred Myers, Rev. W. MacLaren, D. D., P. I. Mason, W. F. Morris, W. E. Mason, Alfred J. Mason, H. H. Mason, A. J. Mason, Jr., Francis Marriott, Samuel Nordheimer, Albert Nordheimer, Dr. U. Ogden, D. Prentice, W. M. Platt, Fred. George Pim, Dr. Parker, Rev. T. W. Paterson, T. M. Rowland, Andrew Robb, G. Robson, P. F. Ridout, Alexander Smith, William Spry, John Stewart, George A. Stimson, Rev. Francis Tremayne, F. M. Thomas, W. E. Wellington, J. J. Woodhouse, and S. G. Wood.

The Secretary read the Report of the Directors and Financial Statements for 1898.

The President said:

GENTLEMEN,—I am sure you will join heartily in the feeling of satisfaction expressed by the Directors in their report at the fact that the wave of prosperity referred to last year continues to flow, and that it is producing the effect anticipated on the business of the Company.

The Revenue of the Company for the past year amounted to \$620,315, about 5.60 per cent. on the Capital employed, and \$28,000 more than in the previous year. This sum enabled us, after providing for all expenses, charge on business, interest on Deposits and Debentures, and for all ascertained as well as anticipated losses, to pay two half-yearly dividends of three per cent. each on the paid-up Capital, to add \$50,000 to the Reserve Fund, and to place \$57,567 to the Contingent Fund.

The properties which came on our hands as the result of the depression are being gradually disposed of at satisfactory prices. Nearly all of those that remain are producing satisfactory rentals, and are written down to sum that they may reasonably be expected to realize in the near future. Our securities are in excellent condition and will stand any examination to which they may be subjected.

Such results, after so many years of depression and diminishing profits, must be considered most encouraging.

The Report refers to a subject of great importance, in which I am sure all the Shareholders must feel a deep interest. I refer to the proposed consolidation of this with three other Loan Companies. It may be the opinion of some that this Company, the largest Canadian Land Mortgage Company, is large enough to be operated under one management. But is it not a fact that the largest financial institutions are at least equally well managed and as successful as smaller ones? Who will say that the larger Banks in Canada and in England are not among the best managed institutions in the world? My own opinion is that with an effective organization, and a judicious division of labour, the business of the four companies can be consolidated and conducted as efficiently and much more economically than by four separate Boards of Directors, four Managers, and four Staffs, and that, therefore, if the proposed arrangement, based on the value of the Assets ascertained by competent Appraisers, representing each of the parties thereto, can be fairly effected, it will be in the interests of the Shareholders of this Company to carry it out. Before this can be done, however, a special meeting of the Shareholders must be held, and their authority obtained.

It is also my opinion that the Company should have enlarged powers of borrowing and investing. Experience has shown that restrictive legislation does not insure good management, or immunity from disastrous losses. Real estate does not now afford that unlimited field for investment at remunerative rates it formerly did, and it is desirable and necessary that Companies should have power to purchase and to lend on good easily convertible securities, from which heretofore they have been excluded.

Before concluding, I wish to say a few words respecting the Company's Head Office property. We own a valuable building and site in the heart of the city of Toronto, having a frontage of 104 feet by a depth of 100 feet. The building is five storeys in height. The two upper storeys were for about forty years occupied by the Order of Freemasons, as tenants. On their leaving last year, it became necessary to remodel the building, with the result that we have added twenty-five commodious, well lighted and heated offices and suites, supplied with all modern conveniences and appliances, and approached by an electric elevator. Although scarcely finished, several of these offices have been let, and it is expected that the improvements will yield a sufficient rental return to justify the expenditure.

I beg to move:

"That the Report of the Directors for the year 1898 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 seconded by the Vice-President, Mr. William G. Gooderham, after which the President said that before putting the motion to the meeting it was open to any Shareholder present to make any remarks, or to ask for explanations on any point which might not be clear to him, and that he would be pleased to answer any questions so far as he was able to do so.

The motion was unanimously carried.

It was moved by Rev. Dr. Moffatt, seconded by Mr. George A. Stimson,

"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 Rev. Prof. MacLaren, seconded by Mr. P. 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.

The election of Directors was then held and resulted in the unanimous re-election of Messrs. J. Herbert Mason, S. Nordheimer, Ralph K. Burgess, and W. E. Wellington.

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