### LOAN AND SAVINGS COMPANY CANADA PERMANENT

### ANNUAL FORTY-FIRST REPORT,

# DECEMBER 31st, 1895

### Subscribed Capital, Total Assets, Reserved Funds, -Paid-up Capital, VICE-PRESIDENT .... EDWARD HOOPER Hirectors : HERBERT MASON. - 12,037,462 \$ 5,000,000 1,571,514 2,600,000

PRESIDENT & MANAGING DIRECTOR. . J.

HENRY CAWTHRA, NORDHEIMER, BOYD,

W. D. MATTHEWS, WM. G. GOODERHAM, G. W. MONK.

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

JONES, MACKENZIE & LEONARD, BARRISTER TORONTO SOLICITORS:

## Bankers in Canada;

MERCHANTS BANK, THE ONTARIO BA BANK OF TORONTO, THE BANK OF BRITISH COLUMBIA THE IMPERIAL BANK OF CANADA, THE STANDARD BANK,

# Bankers.in Great Britain :

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

### HEAD OFFICE:

Company's Buildings, Toronto Street, Toronto

The Copp, Clark Co npany, Ltd., Printers, Colborne St., Toronto

### REPORT OF THE DIRECTORS

OF THE

### CANADA PERMANENT LOAN AND SAVINGS COMPANY

FOR THE YEAR 1895.

The Directors of THE CANADA PERMANENT LOAN AND SAVINGS COMPANY herewith present a Statement of the business of the Company for the year 1895, duly certified by the Auditors.

After defraying all charges, consisting of cost of management, and commissions on money received and invested; providing for interest on borrowed capital; and after writing off all ascertained as well as probable losses, there remained a net revenue of \$249,048.03; a sum sufficient to enable the Board to declare two half-yearly dividends, amounting to nine per cent. on the paid-up Stock, and to pay the Shareholders Income Tax thereon, together amounting to \$238.612.70. The remaining sum of \$10,435.33 was added to the Contingent Account, which now stands at \$121,514.52. The Reserve Fund remains at \$1,450,000.

The Directors note with pleasure that the receipts for principal and interest from Mortgagors were considerably in excess of those for the previous twelve months.

From the same causes as were referred to in last year's report, the demand for money on the security of acceptable landed properties was limited. Many applications the Board felt obliged to decline.

All the Debenture Bonds which became payable during the year were renewed, or replaced with new money, at reduced rates of interest. It will be noticed that there is a satisfactory increase in the sum held on Debenture, payable at fixed dates, and a decrease in the sum held subject to notice.

For several years it has been the policy of the Company to restrict the volume of business, to decline to accept offers of additional working capital, and to give special attention to the Company's investments and securities, which, in consequence of the shrinkage in the selling value of all classes of Real Estate, whave required more frequent and careful revision than formerly. All properties, that from any cause have become of doubtful character or value, have been disposed of, or have been written down to what, after investigation, is believed to be a safe basis.

Low rates of interest on choice mortgage securities still prevail. While to some extent compensated by the reduced rates paid by the Company, as existing obligations mature, its effect in contributing to diminished profits is observable. Compared with other similar investments, the Directors believe the results of last year's business to be eminently satisfactory, and see no reason for doubting that the Company will still maintain a large and remunerative revenue earning power.

It is with much regret that the Directors have to record that one of their number, Mr. R. K. Burgess, in consequence of impaired health and absence, both of which it is hoped are temporary, felt obliged to tender his resignation. The vacancy at the Board was filled by the appointment of Mr. G. W. Monk.

All which is respectfully submitted.

J. HERBERT MASON,

President.

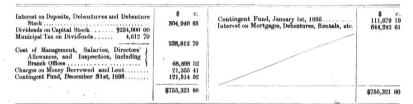
### FINANCIAL STATEMENT

OF THE -

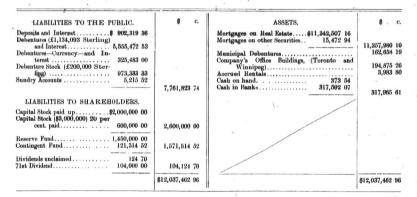
### Canada Permanent Loan and Savings Company,

DECEMBER 31st, 1895.

### PROFIT AND LOSS.



### ABSTRACT OF ASSETS AND LIABILITIES.



JOSEPH LUCAS, Acting Secretary.

We, the undersigned, beg to report that we have made the usual thorough examination of the Books of the Canada Perhanent Loan and Savings Company for the year ending 31st December, 1895, and hereby certify that the above statements are strictly correct and in accordance therewith.

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

Товонто, 3rd Feb'y, 1896.

### Proceedings of the Forty-First Annual Meeting.

The forty-first Annual Meeting was held in the Company's Office Building on Monday, 17th February, 1896, at 12 o'clock noon.

The forty-first Annual Meeting was held in the Company's Office Building on Monday, 17th February, 1896, 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:—Judge Boyl, Jacob Bull, John Brymer, Henry Barffer, James Barber, B. E. the meeting. The following Shareholders were present:—Judge Boyl, Jacob Bull, John Brymer, Henry Lawffer, A. W. Clarke, Mrs. Elizabeth Dodds, Bull, Dr. E. St. G. Baldwin, Philip Browne, Melfort Boulton, Henry Cawffar, A. W. Clarke, Mrs. Elizabeth Dodds, Bull, Dr. E. St. G. Baldwin, Philip Browne, Melfort Boulton, Henry Cawffar, A. W. Clarke, Mrs. Elizabeth Dodds, Bull, Dr. E. J. Hodgkin, Baldwin Jackes, Beverly Jones, J. Gorlou Jones, J. Herbert Mason, t. W. Monk, W. D. Matthews, Hamilton, Dr. T. J. Hodgkin, Baldwin Jackes, Beverly Jones, J. Gorlou Jones, J. Herbert Mason, t. W. Monk, W. D. Matthews, Hamilton, Dr. T. J. Hodgkin, Baldwin Jackes, Beverly Jones, J. Gorlou Jones, J. Herbert Mason, t. W. Monk, W. D. Matthews, Hamilton, Dr. T. J. Hodgkin, Baldwin Jackes, Beverly Jones, J. Gorlou Jones, J. Herbert Mason, t. W. Monk, W. D. Matthews, Hamilton, Dr. T. J. Hodgkin, Baldwin Jackes, Beverly Jones, J. Gorlou Jones, J. Herbert Mason, t. W. Monk, W. D. Matthews, Hamilton, Dr. T. J. Hodgkin, Baldwin Jackes, Beverly Jones, J. Gorlou Jones, J. Herbert Mason, t. W. Monk, W. D. Matthews, Hamilton, Dr. T. J. Frenzer, L. Mason, C. T. Y. Patterson, Mrs. E. Robinson, W. J. Robertson, Andrew Robb, Alex. Smith, William Spry, George A. Stimson, F. N. Thomas and Rev. E. Tremayne. and Rev. F. Tremayne.

The Secretary read the Report of the Directors and Financial Statements for 1895.

The President said:

Ladies and Gentlemen,—In asking you to adopt the Directors' Report and Financial Statement, just read, I may confidently say that it is one that, under existing circumstances, gives us much cause for congratulation. That in a year distinguished by a slack demand for money, by low rates of interest and by unusual depression in the value of real estate, the revenue was sufficient to provide for all losses, to pay a dividend of nine per cent. on the capital stock and to increase the unappropriated profile reserved for unforeseen continuous, to pay a dividend of nine per cent. on the capital stock and to increase the unappropriated profile reserved for unforeseen continuous. But the profile of the compared with the earnings of other similar institutions is most satisfactory. It can be compared with the capital singular comparison with our own past performances, and that from causes beyond the Company's control.

only lans in comparison with our own past performances, and that from causes beyond the Company's control.

If the Board had seen fit to appropriate for distribution a two whose and dollars from the fund set apart to meet contingencies, the reduction of one per cent. would have been unnecessary. The Contingent Fund is intended to be used for equalizing divideable in the event of an unexpected or temporary reduction in profits. As it is impossible to forecast the future to-creating the creating, or to foresee here the reserves, adopted the more prudent and conservative course of reducing the dividend.

reducing the dividend.

All who hold stock in a land mortgage company such as ours know that its business consists in obtaining capital at low rates in the best markets, and in investing that capital, together with the paid-up stock and reserved funds of the Shareholders, in mortgages on the bescurity of lauded or heritable property. Subject to wise and efficient management, one of the conditions of its prosperity is take bein gabe to obtain a rate of interest for the money it lends sufficient to cover the interest and cost of obtaining it, expenses of management to observations, and leaves far margin to remunerate the Company for risk and trouble. Its prosperity is also contingent on its landed securities not shrinking in price sufficiently to wipe out the margin between their appearsed value and the sum lent upon them. When there is a tendency to both these conditions at the same time, if a depression in interest and a depression in values are concurrent, the effect in diminishing profits becomes apparent.

current, the effect in diminishing profits becomes apparent.

A you were informed last year, both these conditions were in operation then, and have so continued during the year. The favourable astignations then indulged in have not yet been realized. Fortunately it has been the practice of the Directors of our Company not be activations then indulged in have not yet been realized. Fortunately it has been the practice of the Directors of our Company not be activated from the property of the Company's Appraisers, and to encourage, and to activate more than from 40 to 50 per cent. of the value of property, as reported by the Company's Appraisers, and to encourage, and searchly to insist upon, the loans made being reduced by a nanual or more frequent instances of consequently, in the great majority of generally to insist upon, the loans have been reduced much more than proportionately to the diminished enders of the property, and remain perfectly well search. It is also that the property of the

the properties thrown on our names and nem for safe produce rentant which yield a moderate interest on the investment.

Personally, I much regret that a reduction in the dividend was found necessary. The Directors hold and represent a larger amount of stock than any other eight Shareholders, and, of course, are similarly affected. I sincerely sympathize with those of limited means, whose incomes have been saterially cuttailed by the lower interest they receive on this and other investments. It is some satisfaction whose incomes have been saterially cuttailed by the lower interest they receive on this and other investments. It is some satisfaction to know that there has been a compensating reduction in the prices of many of those commodities which constitute the necessaries of life.

The simplest and easiest way to avoid having to reduce dividends is to begin low and not to raise them. Without claiming any superiority over other companies, I may be permitted, to remind you that the earnings of this Institution have been larger, and its dividends have averaged several points higher than those of any of its cotemporaries.

dividends have averaged several points higher than those of any of its cotemporaries.

For several years there was no provision in our constitution for a reserve fund. Our Company was the first Canadian Loan Company to have such a fund. When the idea was originally proposed it was opposed by some of the Shareholders as an unnecessary innovation. When authorized by by-law, and year by year additions were made to it, Shareholders sometimes objected, and questioned the Universal of the Management as to how far they proposed to go. On more than one occasion the then President, R. Ridout, vioced the sentiants of the Board in declaring that when the Reserve Fund reached a sum equal to 50 per cent. on the paid-up capital, no further addition to it would be deemed necessary and that thereafter the earnings of each year would he divided. That understanding has been addition to it would be deemed necessary and that thereafter the earnings of each year cent, per annum, the Directors had begun to pay dends that have since occurred. It to specify the sum of the property of the paid-up capital. The property of the

Guarded as it is by an ample Contingent Fund, our Reserve Fund remains intact and contributes its quota to the annual revenue. cake and have it.

Guarded as it is by an ample Contingent Fund, our Aceserve Fund remains intact and contributes its quots to the annual revenue.

As to the degree of future prosperity we may expect it is hardly possible to predict with certainty. Values and rates of interest wits doubtless adjust themselves before very long. It is safe to say that under improved systems and methods, the agricultural, fining and other products of our own great Province of Ontario are annually becoming of more value. Not for many years have improved farms and other productive city properties been so low in price, or have offered such inducements to purchasers as they do to-day. The absence of and productive city properties been so low in price, or have offered such inducements to purchaser as they do to-day. The absence of demand seems to indicate a want of confidence in ourselves, in our country and in its future, for which there appears no adequate grounds.

demand seems to indicate a want of confidence in ourselves, in our country and in its future, for which there appears no adequate grounds.

In the Northwest and Pacific Provinces the advance in the annual value of natural productions is phenomenal. Statistics show that steep providing for Borne consumption, Manitoba and the Territories, with a population of some 250,000, had available for export large and the state of more than thirteen millions of dollars; and British Columbia, with apopulation of year grain, stock and other-produce to the value of more than thirteen millions of dollars; and British Columbia, with apopulation of year grain, stock and other-produce to the amount of about ten millions of dollars. Countries possessing such vast capabilities, cannot long remain so largely unpeoplet. What will their trade be when these immense areas are as thickly inhabited as are the older rot long remain so largely unpeoplet. What will be of the stock of the provinces of Ontario and Quebec? That improvemently operation, the fertile lands convenient anarkets and railways will be prospers so will institutions which are required to furnish the capital necessary for its more speedy deeplopment. While it would be rotated to the province of the provi

"That the Report of the Directors for the year 1895 be received and adopted, and that it be printed with the audited statements."

Profit and Loss and Assets and Liabilities for distribution to the Shareholders."

The Vice-President, not being in good voice this morning, has asked me to second the resolution just proposed by the President in place of doing so himself.

place of doing so nimseir.

The President has completely cet from under my feet all the ground I would have touched upon by having made his remarks so very fall and exthautive. I have, however, one thing to say that may possibly interest the Stockholders in addition to what has fallenvery fall and extracted and it is this: Some short time ago for several days all the Directors met in this common. We had the books of the Company brought on the table; we had some of the Apprisers, Inspectors and Chief Officers of the Company before us, and we went Company brought on the table; we had some of the Apprisers, Inspectors and Chief Officers of the Company before us, and we went into a through and exhaustive examination of all the securities in default. As you know, at such times as this, it is necessary to nurse into a through and exhaustive examination of all the securities in default. As you know, at such times as this, it is necessary to nurse into a through and exhaustive examination of all the securities in default.

securities. This is no time to force a sale of defaulting securities. We examined the original reports of the Appraisers : we examined the recent reports of Inspectors and others, who have been sent to examine the properties, and we have ruthlessly cut down everything in excess of what we consider the value of these properties. From the time they have been in default there has not been one cent of

in excess of what we consider the value of these properties. From the time they have been in detault there has not been one cent of interest charged against these defaulting morp or less income. Some of them are playing very well. Some of those which have been written down have been disposed of at a larger amount than we had them at in our books, and a portion of the purchase money paid upon them. The result to me, and I believe to the rest of the directors, has been most satisfactory. The income arising from these defaulting scentrities—where we have been compelled to take possession—alwayment of taxes and for looking after them, nursing them as I call it, has been a very fair rate of interest. I think it is somewhere approaching the per cent. on

the average.

The policy of this Company has always been a merciful one. The Company likes to deal indulgently with those who are in default, and borrowers like to come back to us again.

I have much pleasure in seconding the resolution.

Mr. G. W. Monk also spoke in support of the resolution, as follows:—

Mr. G. W. Monk also spoke in support of the resolution, as follows:—

Mr. PESSIDENT,—As one of the latest additions to the Board, I may be excused for making a few remarks at this stage of the proceedings. I have only been a few months on the Board, that I do not think it can be said that I am new to the Company's business. More than 25 years ago you did me the honor of appointing me an appraiser in the Country of Carleton, near Ottawa. I occupied that position for several years, and I did a considerable and profitable business for the company there, and was shortly afterwards promoted to the nosition of inspector. I acted in that canactiv for about twenty vears, and during that long time thas my duty to travel over position for several years, and I did a considerable and protitable business for the company there, and was shortly afterwards promoted to the position of inspector. I acted in that capacity for about twenty years, and during that long time it was my duty to travel over this Province from Toronto cast, thoroughly examining the properties held by this Company as security for money lent, assisting in twenty properties as came on hand, and generally attending to the outside business of the company. During that long term of twenty years I went over more properties held for the money hand, I think, any other on mahas done, and I am satisfied that the securities held for the money lent by this company are undoubted. Although depressions take piace in certain localities, from circumstances which cannot be controlled or foreseen, yet I hold the security is as safe as it can possibly by man's ingenuity be made, for money invested in this country.

possibly by man's ingenuity be made, for money invested in this country.

In the eastern part of the Province some years ago there was a depression equal to that which prevails in Toronto to-day.

Property was absolutely unsaleable. I have myself offered as many as 29 properties for sale on one occasion, and not a bid was received for one of them. Such a state of things as that is very unusual, but it may take place in Toronto to-day. These properties have all

been sold or redeemed, and that with very little loss. We did not rush off properties at a loss. We kept them, took care of them, had them well rented, and in due time a demand for them arose. In many instances the tenants purchased them. Our loss scarcely amounted to anything appreciable. It was so trifling that the attention of the stockholders was never drawn to it, so far as I am aware. The same thing will take place here, I have no doubt. As time goes on people, by living economical and husbanding heir resources, will be able to purchase homes and farms for themselves. What properties we hold, as Mr. Cawthra has said, are not dead stored. They are harding interest or rather yearly which is carrivalent in server as a sold arose to the said of the properties we hold, as Mr. Cawthra has said, are not dead stored. will be able to purchase homes and farms for themselves. What properties we hold, as Mr. Cawthra has said, are not dead stock.

They are bearing interest, or rather rental, which is equivalent in some cases to the interest we should receive if we had the money to Interest as loan; instead of the property under rental, when no equivalent in some cases to the interests we should receive if we had the money to With the large experience I have had, therefore, I have not the slightest hesitation in assuring you, that, as far as my knowledge goes, nothing could be more satisfactory than the state the Company's business is in to-day.

The motion was unanimously carried.

It was moved by Mr. C. S. Gzowski, jr., seconded by Mr. Alfred Myers,

"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.

preceding years." Carried.

It was moved by Mr. W. G. Gooderham, shounded by Mr. S. Nordheimer,

"That 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. A. Nordheimer, seconded by Mr. William Spry.

"That the thanks of this meeting be presented to the Auditors for the past year, and that they be paid as follows:—Auditors of Head Office accounts \$400 each, Auditor of Manitoba Branch accounts \$150, Auditor of British Columbia Branch accounts \$400 each, Auditor of Manitoba Branch accounts at the British Columbia Office for the current year." Carried.

Nichols to audit the accounts of the Company at the Manitoba Office, and Mr. W. F. Salabury to audit the account of the Company at the Manitoba Office, and Mr. W. F. Salabury to audit the accounts of the Company The election of Directors was then held, and resulted in the unanimous re-election of Messrs. Edward Hooper, W. G. Gooderham, At a subsequent meeting of the Board, Messrs. J. Herbert Mason and Edward Hooper were respectively re-elected to the office of

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