

CANADA PERMANENT MORTGAGE CORPORATION.

The report presented for 1918 by the Canada Permanent Mortgage Corporation, one of Canada's most sound and progressive institutions, is as usual most interesting and satisfactory. The net profits total of \$824,532, comparing with \$852,325 in 1917 are under the circumstances and in view of the manner in which the affairs of financial and other institutions have been disturbed during the period of the war, distinctly satisfactory. With a balance of \$197,977 brought forward, the total amount available on profit and loss account is \$1,022,509 for distribution. Of this amount the ten per cent. dividend upon the Capital Stock absorbs \$600,000 and the Corporation's Reserve Fund is again increased by the addition of \$250,000—for the sixth year in succession—making this fund \$5,500,000, equal to over 91 per cent. of the paid-up capital, the balance carried forward at credit of profit and loss was \$172,509.

In moving the adoption of the Report, the President, Mr. W. G. Gooderham, said, in part:—

The money on deposit with the Corporation consists chiefly of the savings of thrifty people who seek primarily to be assured of unquestioned security for their money, and at the same time to obtain a reasonable rate of interest thereon. Our deposits, therefore, form one of the most stable portions of our borrowed funds. As was to be expected the Victory War Loans appealed very strongly to the patriotism of our depositors, who also recognized the unusually favourable investment they afforded, and as a result they were large purchasers of these bonds. The volume of money available for loaning having been thus considerably reduced, there was an accompanying reduction in the net profits for the year, which, nevertheless, amounted to \$824,532.36, equal to more than 13.74 per cent. of the paid-up Capital, or 7.20 per cent. of the total Shareholders' Capital.

The extremely heavy withdrawals for the purpose I have referred to have been to some extent replaced by new deposits, which have been most satisfactory. Our Sterling Debentures which matured in 1918, though the amount was unusually large, were almost fully renewed or replaced by new money, and our Debenture money obtained in Canada has somewhat increased. All these are most encouraging features of the year's operations. With the lessened requirements of the British and Canadian Governments, we may expect a gradual restoration of our borrowed funds, which have been so greatly reduced during the past four years, and this will better enable the Corporation to supply the requirements of real estate owners for loans. The lessened volume of loaning has not been due to an absence of demand,

but to the necessity for refusing much desirable business in order that our depositors as well as the Corporation might do their duty by participating as largely as possible in providing the money which was so urgently needed for the prosecution of the war, now as we all hope and believe so happily terminated.

Mortgages on Real Estate continue, as they always have been, to be the principal item in our Assets and amount to \$26,318,586.75. It will be of interest to the Shareholders to know that for this large sum we hold 15,590 mortgages, every one on improved and productive property, averaging \$1,688.17 each. The securities consist chiefly of cultivated farm lands and residences of moderate size and cost in our leading cities. Experienced lenders and real estate dealers know that there are no classes of security so readily saleable under any circumstances as these two upon which the funds of the Corporation and its Depositors and Debenture holders are principally secured. Nor is there any class of borrower who so carefully attends to his obligations and strives to pay off his mortgage as the owner of a cultivated farm or of a modest home. Though the ability of many of our customers in the West to make their payments was adversely affected owing to the somewhat disappointing crop returns, the payments received from our mortgagors during the year exceeded five million dollars, or nearly one-fifth of the total mortgage loans and almost sufficient to have repaid every dollar of our deposits.

The amount of Bonds and Debentures owned by the Corporation is somewhat larger than at the beginning of the year, the increase consisting almost entirely of the Canadian Victory Loans.

Mortgages were slightly decreased last year from \$26,742,535 to \$26,318,586, following a decrease in 1917 of over \$1,100,000. Advances on stocks and bonds were further slightly reduced from \$527,087 to \$502,866. Security holdings (war loans, municipal debentures, etc.), were increased last year by \$357,851 to \$2,045,344. Cash on hand and in banks totalled the large sum of \$1,655,148.

The Canada Permanent has enjoyed a high prestige during its long career, in which it has been a factor in the financial development of the country.

CANADIAN BANKING PRACTICE

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