

CANADA PERMANENT MORTGAGE CORPORATION.

The report presented for 1917 by the Canada Permanent Mortgage Corporation indicates that this well-known institution is continuing to pass satisfactorily through a period of comparative restriction of its operations, and of repayments of funds borrowed in Great Britain. Repayment of sterling debentures as they mature is, of course, not merely due to the desire of some British holders to transfer their funds home for investment or other purposes, but probably to a much greater extent, in view of the popularity hitherto in Great Britain of the Corporation's debentures, because renewal of debentures at existing rates of interest gives an insufficient margin, with the moderate yield obtainable on mortgage loans. Under the circumstances, and in view also of war taxation and other increased charges upon revenue, profits in 1917 under \$14,000 less than in 1916, are distinctly satisfactory.

THE YEAR'S FIGURES.

The net profits total \$852,325 compared with \$866,126 in 1916. With a balance of \$195,652 brought forward, the total amount available on profit and loss account is \$1,047,977. Of this amount the ten per cent. dividend upon the capital stock absorbs \$600,000; \$250,000 is again transferred to the reserve fund—for the fifth year in succession—making this fund \$5,250,000, equal to 87.5 per cent. of the paid-up capital, and the slightly increased balance of \$197,977 is carried forward.

The balance sheet shows a position well prepared to meet any unfavorable development. Both deposits and currency debentures reflect, in fairly substantial increases, the capacity to save, and the desire for safe investment on the part of many Canadians, and their growth is particularly satisfactory in view of the War Loan demands of the year. Deposits increased during 1917 by nearly \$140,000, from \$6,059,274 to \$6,197,544, and currency debentures by nearly \$75,000, from \$3,112,237 to \$3,186,332. In sterling debentures, there is a net decrease of \$1,170,000 (following one of \$1,600,000 in 1916), from \$11,305,960 to \$10,135,081.

DECREASE IN MORTGAGES.

Funds for paying off these debentures appear to have been almost wholly provided through repayments of mortgage principal. Mortgages were decreased last year by over \$1,100,000, from \$27,859,082 to \$26,742,535, following a decrease of about \$550,000 in 1916. Advances on stocks and bonds were further slightly reduced from \$546,053 to \$527,088. Security holdings (war loans, municipal debentures, etc.), which in 1916 were reduced by \$200,000, were increased last year by \$72,000, from \$1,615,901 to \$1,687,494. Cash at December 31st last was \$315,000 larger than at the close of 1916, being reported as \$1,807,840, compared with \$1,492,003. The policy of keeping strong in cash naturally has an adverse effect on earnings, since only nominal rates of interest are secured, but, as President W. G. Gooderham explained at the recent annual meeting, while the financial horizon remains overcast, it will continue to be the policy of the directors to conserve, to the fullest extent, the resources of the Corporation, and to maintain it in a position in which it will be able to meet any situation which may arise.

The Corporation is largely interested in farm

mortgages in the prairie provinces, and with the prosperity that has attended farming operations in recent years, this department of the Corporation's activities has been placed in a very satisfactory position.

Messrs. R. S. Hudson and John Massey continue as the joint general managers of the Canada Permanent and a board of well-known business men conduct its affairs.

SOME REASONS FOR EMBEZZLEMENTS.

A considerable part of the annual embezzlement loss could be saved, according to Comptroller H. J. Lofgren of the National Surety Co., if employers clearly understood the real origin of most embezzlements and if they adopted more rigidly businesslike methods to prevent them. At least nineteen out of twenty embezzlements originate in the surreptitious "borrowing" of an employer's money by a trusted employee, who hopes to make restitution from future wages, commissions, investments or speculations.

"Very frequently (probably in most of the embezzlements of last year) the employee is unable to replace the 'borrowed' money as easily or quickly as he expects, which generally results in further 'borrowing.' His 'borrowing' is discovered and since he cannot repay, he automatically becomes an embezzler. Thousands of trusted employees, every year, wreck their entire lives and imperil their employer's business in this way.

"If employers would systematically adopt a rigid business habit of issuing frequent warnings to all trusted employees, against this surreptitious 'borrowing' and if they would periodically check up the accounts of all trusted employees, embezzlements would be much less frequent and would not individually mount up so high."

Surety companies' payments arising out of embezzlements in 1916 in the United States amounted to over \$2,000,000.

PROVINCIAL LIFE'S REPORT.

The Provincial Life Assurance Company, of Montreal, which operates under a province of Quebec license, reports new business "issued" in 1917 of \$1,571,000, an increase of 41 per cent. over the preceding year. Total insurance in force was increased by \$933,246, and now stands at \$4,501,053. Last year's increase is about 60 per cent. of the new business—a satisfactory proportion.

Cash receipts for 1917 reached \$161,809, of which \$148,005 was premium income. Disbursements were \$104,246, payments to policyholders being \$36,574, including death claims of \$16,300—50.9% of the expectation. Ledger assets are \$211,940, a gain for the year of approximately \$60,000.

A feature of the Provincial Life's operations is a sickness and accident insurance department, for which life policyholders only are eligible. This arrangement, which secures a weekly indemnity when incapacitated, for a small premium, is stated to have been found useful in prevention of surrenders or lapses of policies through their holders' temporary incapacity.

The Provincial Life was founded in 1910 by its present managing director, Mr. Jean Taché, and so far has limited its operations to the Province of Quebec.