

Canada was the leader, its issues of this class of security having gone up from \$827,532 in 1897 to \$1,712,620 in 1900. Another considerable increase was that of the Huron & Erie; this company enlarged its debentures payable in Canada from \$1,443,496 in 1897 to \$2,021,293, in 1900, an increase of \$577,830. The other additions were of inconsiderable amounts, but any increase shows the continued confidence of Canadians in the companies issuing these debentures. On the other hand 15 companies reduced the amount of their debentures payable in Great Britain. This was to be expected, as the rates formerly paid on these securities were coming too near the rates procurable on mortgages to make such borrowings as profitable as formerly. Besides this change of rate conditions, there has been such an accumulation of money amongst the agriculturalists of Canada, and the people generally of the saving class, as to have very largely reduced the demand for mortgage loans; hence the decline in the rates of interest on them, and therefore the lesser need of renewing debentures payable in Great Britain. Canada in short is becoming financially self-sufficient. What money one class of Canadians needs to borrow, other classes are able to supply. Thus we find that since 1897 the aggregate amount of loans on real estate made by all the Ontario companies has been reduced close upon eight millions of dollars, with a tendency to further decreases. Naturally under such circumstances the companies are rather more inclined to redeem their debentures payable abroad than to renew or to increase them. Further evidence of this slackness of demand for mortgage loans and at the same time increase in the supply of money is given by the return of "Loans on other securities." The table does not give a comparison of this highly interesting feature. But the increase in this class of loans can be judged by the Home Savings Co. having enlarged these advances since 1898 from \$1,248,483 to \$1,711,228, an increase of \$462,745; the Central Canada from \$1,372,913 to \$1,708,213, an increase of \$335,300, and the London and Canadian from \$39,3740 to \$591,374, an increase of \$197,634. Those three companies in the last two years increased their loans on stocks and debentures by the sum of \$1,325,979, and in the same period they decreased their loans on real estate by a proportionate amount.

One of the most important items in the statement of a mortgage loan company, the one that gives more anxiety and trouble to managers than any other part of the business, is the extent of the property which, through foreclosures, or otherwise, save direct purchase, has come into the hands of the company. The handling of these properties to get returns from them sufficient to meet the interest on the mortgage by which they are covered is a very irksome task, as is

the work of disposing of them to a buyer. Managers in Ontario, however, have informed us that in the last few years there have been considerable clearances from their books of these unsatisfactory assets, which is confirmed by the table of assets which show that, since 1897, 20 loan companies reduced the amount of "mortgaged property held for sale, included under mortgages on land." A close study of the statistics of the larger class of loan corporations of Ontario leaves the impression that several movements are going on in the sphere of their business: (1) they are finding fewer openings for their funds in loans on real estate; (2) they are consequently utilizing their resources in loans on other securities; (3) they are gradually redeeming their debentures payable in Great Britain; (4) they are enlarging their issues of debentures payable in Canada; and, (5) judging by their decreased holdings of properties held for sale and other signs, they have been extensively weeding out unsatisfactory loans and bringing their assets into a far more healthy condition than they were in when the business was larger and regarded as more profitable.

DANGER OF VERBAL UNDERSTANDINGS.

Life insurance solicitors and agents cannot be too wary in entering into verbal "understandings," or indeed any understandings or arrangements that are not specifically stated in the contract or policy issued to any one whose insurance they have negotiated. A claim made against a company which is based upon a verbal "understanding" between the policyholders and the company's agent may have no legal force, but if repudiated there is very apt to be scandal involving and damaging the company.

The New York Life is having an experience of this kind. A policyholder gave two notes to pay his first premium on \$100,000 insurance. He wished some change made that the company thought not desirable. Thereupon, as one of the notes was unpaid, suit was brought by the agent to recover the amount. The plea has been entered that the maker had an "understanding" that he was not to pay the second note, that in fact it was a rebating scheme. Proceedings have commenced to test this, which the New York Life declares is an attempt at blackmail that will be exposed. "Avoid verbal understandings" should be the watchword of all insurance solicitors and agents.

THE SHARES OF THE CANADIAN BANK OF COMMERCE are now officially quoted on the London, England, Stock Exchange.