THE GROWTH OF LOAN CORPORATIONS.

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by these companies. The corporations too, have made considerable increases in their share capitals during 1910, and a proportion, if not all of this, would be capital from abroad.

And Canada may legitimately expect to receive further large supplies of capital for this purpose. It is well known that mortgage and loan companies are particularly popular in Scotland. Probably the Scot has done more than anyone else to develop the whole of the new world, including North and South America and Australia, in this way, for agricultural and similar purposes. Investments of this kind, too, have paid him exceedingly well, and there can be little doubt that at the present time he is particularly well disposed towards Canada, which country has probably taken the greater part of his mortgage investment money for a year or two. A retention of Scottish and other confidence in this connection will likely mean much to Canada during the next few years, and for that reason we may perhaps express the hope that the companies will, in the interests of the country generally as in their own, keep a firm hand upon their business so that no encouragement is given to a "boom." Steady progress will carry both the country and the companies further in the long run, with less expenditure of energy, and to ensure that only needs a continuance of the existing wise administration of these corporations, many of whose names are almost household words throughout Canada.

It will be noticed that while there has been a substantial gain in debentures payable in Canada, these being about $1,800,000 higher than in 1909, compared with an advance of $812,000 in that year, deposits compare rather poorly, showing a gain of only $700,000 or less than half their gain during 1909. Possibly this is accounted for to an extent by transfers from deposits to debentures, while the large output of merger and other securities here lately might also be an explanation of this relatively small increase.

The following are summary figures of the companies' operations in 1910 additional to those appearing on the preceeding page:—

Average rate of interest paid on	
(a) Deposits	3.7142 per cent.
(b) Debentures	4.542 per cent.
(c) Debenture Stock	4.00 per cent.
Average rate of interest received on Mortgages of realty.	
(a) Owned beneficially	6.4264 per cent.
(b) Not so owned	6.190 per cent.
On other securities.	
(a) Owned beneficially	5.9475 per cent.
(b) Not so owned	5.709 per cent.

Being a second cousin to an uncle of the owner's wife may be helpful in securing a line, but an acquaintance with the hazards of the risk will be appreciated both by the underwriter and the assured.—W. H. Merrill.

CANADIAN NEW ISSUES IN LONDON.

Mr. G. W. Farrell, of the Montreal brokerage house of G. W. Farrell & Co., who has just returned from London and Paris, is reported as stating that the congestion in Canadian securities on the other side has become so intense that an understanding has been reached in London among the stronger financial interests in the various groups to the effect that no new issues, except those already contracted for, will be issued until after September, which will give a chance for those already in the hands of the underwriters to be absorbed.

We are not surprised to find that this step has again been taken, and it is to be hoped, in the interests of Canadian securities, that this compact will be strictly adhered to. Apparently, however, a number of Canadian new issues, already contracted for, remain to be forced upon an unwilling market in the immediate future, though it is difficult to understand the attitude of those who thus insist upon not consulting the convenience of the people from whom they wish to borrow.

"During the half-year," cables the London correspondent of the New York Evening Post, "the capital creations on London's market footed up £118,000,000; which, although less than the same period's £188,000,000 in 1910 and £121,000,000 in 1909, exceeds all other recent years. In fact, the real comparison is between the £750,000,000 new issues of the three-and-a-half years which have elapsed since the end of 1907, and the £463,000,000 issues of the similar period ending with 1907.

The result is that underwriters are now so heavily loaded up that several impending issues have been postponed. The French market is in a similar condition, while the situation here is aggravated by the break in prices for mining and rubber shares, and by the fact that the Birkbeck Bank's securities are presumably still unsold."

Canada's share of this six-months' total of new public issues was practically £17,500,000, and traceable issues, which do not come strictly within the category of public issues, make the total of traceable British capital which has been borrowed in London during the six months, through the ordinary underwriting and financial channels, little short of £20,000,000. This, of course, is altogether apart from purely private and untraceable transactions, by which British capital is transferred here into various forms of investments, and in the aggregate reach a large amount. Canadian public issues in London for the first half of last year aggregated £25,452,534. But of this amount £8,935,000 was represented by the Dominion Government's borrowings. This year the Dominion Government has not found it necessary to borrow so it would appear that there has been greater activity among other borrowers. A short rest will do everybody concerned good.