

The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXVI. No. 28.

MONTREAL, JULY 14, 1916.

Single Copy 10c.
Annual Subscription \$5.00

THE POSITION OF CANADIAN LOAN CORPORATIONS.

During the last year or two, the position of the Canadian loan corporations has not been a happy one. With the war as an excuse, Western provincial governments have been busy with legislation, the effect of which has been to make it exceedingly difficult for the loan corporations to enforce their just claims, while in some cases the new legislation amounts to nothing less than a breach of faith with lenders. The Dominion Government, in its seed-grain legislation last year, added its quota to the process of whittling away of lenders' security which has been going on for some years, by placing the seed-grain liens in priority to mortgages and other vested interests. It would seem obvious that legislative action of this kind, while doubtless useful from the vote-catching point of view, is uncommonly poor statesmanship. If present expectations are in any way realised, after the war there will gradually develop a very large demand for mortgage money in connection with the further settlement of the West. According to a present-day theory popular in some quarters, this demand will be met by a system of Government rural credits, an experiment upon which British Columbia has lately embarked. Even with such systems in operation, however, it may very reasonably be doubted if the private lender will be entirely supplanted at any early date. It appears little short of sheer foolishness for legislatures in Canada now to pursue policies which can only have the effect of making capital nervous and of checking its investment.

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On page 785 is published a table showing the liabilities and assets as at December 31, 1915, of the loan and trust companies of Ontario. The figures are fairly, though not entirely, representative of the loan company business of Canada. With one or two exceptions, the figures of the leading loaning companies in the Dominion are included in the present summary. The business of these companies during recent years has made great progress.

At the close of 1907, their mortgages on realty were \$111,608,006, and their assets, \$206,945,906. Three years later, at the close of 1910, mortgages had increased to \$131,138,109 and the companies' assets to \$308,729,139. In a further period of four years, to the end of 1914, mortgages had increased to \$170,496,683, and the companies' assets to \$545,180,739. Last year, as was to be anticipated, there was a decline in the amount of the companies' mortgages, to \$167,643,566. This figure, however, it is interesting to note, is \$500,000 higher than the total reported for 1913, while the companies' assets show a gain of \$46 millions for the year to \$591,932,396.

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The new lendings of the companies on mortgages were much reduced last year, being only \$13,149,583, compared with \$27,286,009 in 1914. (Including the funds loaned by trust companies, etc., as agents, the new lendings were \$20,891,351 against \$39,373,538.) The total amount of mortgages outstanding at the end of the year was \$167,643,566 against \$170,496,683, a reduction of some \$2,800,000, compared with an increase of \$3,300,000 in the preceding year. There was an increase in the amount of mortgaged land held for sale, from \$367,025 in 1914 to \$502,312 in 1915. These last figures, however, compare very favorably with the experience of preceding years, the amount at the end of 1913 being \$822,627. The companies' holdings of securities show some interesting changes. Government securities were naturally largely increased, they being reported as \$1,787,874 against \$217,198 in 1914. In 1913, it may be added, they were reported as only \$25,000. Holdings of municipal securities, after having been doubled in 1914, last year decreased by about \$1,500,000, from \$5,219,367 to \$3,764,670. There was also a very heavy decrease in the holdings of miscellaneous securities, these being reported as \$33,681,809, against \$38,364,730 in 1914, and \$43,064,885 in 1913. Cash shows the large increase of \$3,200,000 in comparison with the previous year, to \$13,525,507—an advance which indicates

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