

cheapening of the rates for bank accommodation has had something to do with the growth of deposits, also with the growth of Canadian trade.

But there is one point which investors in bank stocks would do well to mind, which is this. The gradual reduction in rates of interest, commissions, etc., does not affect all the banks equally; neither have they all increased their business at the same ratio. Lately we have seen two or three banks acknowledge that they had found the pressure of competition from institutions larger and stronger than themselves more than they could bear. In some respects the process that has been going on seems to have been a process of taking from him that hath not and giving to him that hath. The large banks with their networks of branches and their masses of capital can do things with profit at rates which mean very meagre profits to some of their small rivals.

But it would not be safe to judge the banks from the investor's point of view by their size alone. Some, with capitals not more than \$3,000,000 are making a higher rate of profit and are as strong, relatively, as others with larger capital. The proportion of deposits to capital is an important point to consider when it comes to the question of the rate of earning power on stock. The bank which has deposits amounting to six times its capital will obviously be in position to earn a higher rate than could one with deposits of but three times its capital.

While the very small banks have found it difficult to make progress lately; most of the medium sized institutions are doing well. A study of the bank return shows several of this class as not making much headway. If they cannot gain ground while prosperity rules there is not much likelihood of their being able to do so when things are not so bright. Obviously they could make better terms, if they proposed merging themselves with other institutions, by negotiating while the sky is clear. The Canadian people would regard such combinations as these, where a strong bank assumed the liabilities and assets of a weak concern, and thereby removed a possible future danger spot, with much more favour than they would regard amalgamations between strong banks which would result in increasing too rapidly the concentration of banking power.

Then, of course, in addition to the points raised above, investors have always to make allowances for the character of the management in the different institutions. That has an important bearing on the value of the shares.

ONTARIO LOAN CORPORATIONS.

STATEMENTS OF MORTGAGE LOAN COMPANIES, LAND COMPANIES AND TRUST COMPANIES IN ONTARIO COMPRISED IN THE REPORT OF THE REGISTRAR OF LOAN CORPORATIONS FOR YEAR 1904.

The loan companies established and operating in Ontario have a record of services rendered which were of inestimable value in the development of Canada. Though the need for the assistance of these companies is not so urgent as in earlier years they are still most helpful in providing capital to the enterprising and thrifty who are laudably ambitious of owning their own farms, of erecting their own house or store, or factory, of utilising any real estate they have acquired in some form of business, or acquiring some substantial property for use in declining years, or the benefit of their heirs.

The development of Manitoba and the Northwest Territories is being materially helped by the Ontario loan companies whose returns are affected to a considerable extent by their Northwest business.

The increase in the mortgages on land in that region accounts for the increase in the total amount of mortgages owned by Ontario loan companies. In 1894 the total of mortgage loans reached its maximum of \$116,815,000 owing to booming influences. As these diminished the mortgages total began to lessen, until, in 1903, it came down to \$104,274,754, each year after 1894 having shown a decline.

Last year the process was reversed, as the total mortgages was \$108,327,490, or \$4,052,748 more than at close of 1903. These amounts only include what we may term "live" mortgages, that is, such as were bringing a regular revenue from the mortgagor, as contrasted with those mortgages which covered land that had come into the hands of the mortgagee by foreclosure, or other process of law, or agreement.

One of, indeed, the most satisfactory features in the returns of last year is the very small amount of property held for sale by the loan companies as compared with previous years. From 1881 up to 1903, the average total of real estate held for sale at the close of the year was \$4,750,000, the highest, \$8,710,600, being in 1898 and the lowest, \$1,095,271 in 1903.

Last year this very moderate figure was reduced to \$1,341,941, being only 0.80 per cent., or 80 cents for each \$100, of the total under mortgage. Any investor would regard such a proportion as highly satisfactory. It is certainly striking evidence of the prosperity of land interests in Canada that the total amount of land held for sale by the loan companies was reduced from \$8,710,600 in 1898 down to \$1,341,940 in 1904, while the same years the total mortgages rose from \$105,152,220, 1898, to \$108,327,490, 1904. The lands that had fallen into arrears of interest were taken up by new settlers, or other farmers, or, better times had enabled the original owners to pay off, or reduce their mortgage indebted-

MONTREAL CLEARING HOUSE.—Total, for week ending August 17, 1905—Clearings \$23,167,961; corresponding week 1904, \$19,877,714; 1903, \$20,478,348.