

What little money has come from England has been sent largely by former Canadians residing there. In Scotland investments in loan and mortgage companies' debentures are popular. One company states that in certain cases, while the capital is fairly well distributed throughout Great Britain, there is no doubt that, if it is not all actual Scotch money, "it is Scotch credit." Probably only 2 per cent. of the total comes from continental Europe.

Taking the figures of the Canadian company which has interested most money in these securities, it is found that during five recent years only 7 per cent. of its total has come from any source in Great Britain outside of Scotland. Here again, of the 7 per cent. much has come through a Scottish connection. From time to time efforts have been made to interest more particularly the London market and some of the larger lending corporations, such as insurance companies, in that metropolis.

English Capital Not Participating.

Nearly all efforts so far have proved ineffectual. Generally speaking, there appear to be in the minds of English financiers two arguments against loan corporation debentures. First, they are not listed on any stock exchange, and cannot, therefore, be disposed of as are other bonds. Second, a great part of the English investing public like something in which there is a possible chance of profit, a factor which, alike with hazard of loss, is usually absent from the loan company's proposition. It is suggested that if a standard company chose to make a large issue of debentures payable in, say, twenty years, and went to the expense of having the securities listed in London, they might finally be absorbed in that market. Apparently none of the purely Canadian companies have taken this step. They seem to be bound by a curious rule of practice to a limit of five years in their debenture issues.

The Scotch have been interested in debentures and land mortgages for many years. These investments have appealed to the man of comparatively small means, as the borrowers seek loans of £500 to £2,000 rather than big blocks, and for the reason that they are for fixed periods, and are, therefore, more easily arranged on maturity. Loans falling due in five years are invariably renewed, and there are several millions of Scotch money on short loan in Canada. These loans on debenture find acceptance from the fact that they give the lender little trouble. There are no broker's fees or expense to the tender, either in investing or realizing the investment. At the end of each five years the investor, if he desires, can obtain repayment of his investment at par, and is not dependent on the fluctuations of the stock exchange, as in the case of stocks.

Growth of Deposits and Dividends.

Here is a table showing the growth of deposits:—

Year.	No. of Cos.	Deposits.
1867	19	\$ 577,299
1874	33	4,614,812
1884	84	13,876,515
1894	94	20,782,944
1904	83	21,353,315
1910	82	25,421,628

The deposits in 1867 were only a little more than half a million dollars, while in 1910 they were \$25,000,000, a gain in that period of 4,304 per cent. The appended table shows the amount of dividends declared by these companies in various years:—

Year.	No. of Cos.	Dividends declared during year.
1874	33	\$ 736,558
1884	84	2,207,738
1894	94	2,547,339
1904	83	2,731,833
1910	82	3,497,356

The dividends since 1874 have increased by 395 per cent.

Some Interesting Figures.

The date of the establishment of the oldest company or society from which returns were received in 1910 is 1844. The amount of dividends declared was \$3,497,356, and the amount loaned, \$53,569,617. The sum received from borrowers was \$43,482,383, and from depositors, \$50,672,390, while \$53,016,780 was repaid to depositors. The sum of \$82,708,966 was borrowed for purpose of investment. Debentures issued during the year amounted to \$20,985,801; those repaid to \$11,229,033, while \$18,529,547 debentures will mature within one year. The total amount of interest paid and accrued was \$5,901,133. The expenses, including commission, agency and all other expenses at head office and elsewhere, not directly chargeable to or on account of borrowers, totalled \$2,735,442. The estimated value of real estate under mortgage was \$345,802,003. The sum overdue and in default on mortgages was \$838,711. The amount of

mortgages payable by instalments was \$64,069,149, and the amount invested and secured by mortgage deeds, \$170,346,014. There were 405 mortgages amounting to \$652,794, upon which compulsory proceedings were taken. The value of the mortgaged property held for sale was \$1,011,005, and the amount chargeable against such property was \$892,356. The present cash value of investments on mortgages and other securities totalled \$240,910,499.

Ontario Farm Loan.

The Ontario farm loan, owing to the growing prosperity of the farmer of that province, is said to be a disappearing factor and will probably lead to the greater expansion of Ontario loan companies' operations in Western Canada.

The multiplication of so-called trust companies has frequently been referred to in the columns of *The Monetary Times*. This matter was discussed some months ago by Mr. J. W. Langmuir, of Toronto. He referred to the apparent want of discrimination that exists, both by the parliament at Ottawa and the Legislature of Ontario, in granting charters to organizations designated "trust" companies, empowering them to speculate in the purchase and sale of real estate, underwrite industrial bond issues, act as holding companies and other work of a more or less uncertain character, and, at the same time, authorizing them to become executors, trustees, administrators, and to deal generally with the estates of deceased persons. He is convinced that the time will come when the governments issuing such charters will have cause to regret the lack of discrimination between companies of the kind applying for charters and companies strictly confining themselves to the management of estates and agency work. An illustration was recently cited in *The Monetary Times*—the case of a company having been given extraordinarily wide powers by the British Columbia Government, including authority to act as a trust company.

Functions of Trust Companies.

It cannot logically be argued that because in Canada, so far, there has been no apparent loss occasioned through speculations on the part of corporate trustees, this country will in the future be exempt from such losses, for American trust companies in the United States have lost enormous sums by speculation. In this connection we must also include as trust funds not only the estates of deceased persons and minors, but also what is recognized as guaranteed funds which are invested in mortgages and other securities that come within the terms of the Trustee Investment Act. With funds that are received under the guarantee principle by trust companies and are invested in this way, while the net earnings may not be so large, yet, on the other hand, the trust company's liability under its guarantee is reduced to a minimum.

Some hold that trust companies having care of trust funds should not even hazard their capital and reserve funds in speculation, but that the investment even of these funds should be made within the terms of the Trustee Investment Act, so as to leave their capital intact as a guarantee for the proper administration of the trust funds that have been committed to their care, and which may remain in the hands of a company for future generations.

More money has been and is being made by trust companies engaging from time to time in transactions that may be termed more or less hazardous than by being strictly confined to the performance of the duties of an executor and trustee. That kind of an argument should, however, have no weight with a trust company having trust funds under its control. One must look to the future, and, as far as humanly possible, provide against a series of years when, because of crop failures or general trade depression, values of real estate, and particularly of industrial stocks and bonds, may be very seriously depreciated.

A proper distinction should be made between companies organized for the administration of estates and trusts and the investment of funds under the Trustee Investment Act, and companies whose charter provides that while they may engage in this class of work, gives them also the additional privilege of entering into many other fields more or less hazardous or uncertain.

The following are the new officers of the Ontario Associated Boards of Trade:—President, Dr. H. T. Reason, of London; 1st vice-president, Colonel W. N. Ponton, Belleville; 2nd vice-president, A. J. Young, of North Bay; 3rd vice-president, R. Home Smith, of Toronto; secretary-treasurer, F. G. Morley, of Toronto; executive, W. Gage, of Toronto; H. W. Richardson, of Kingston; H. L. Frost, of Hamilton; G. B. Ryan, of Guelph; H. J. Sims, of Berlin; E. S. Coate, of Chatham; R. G. W. Connolly, of St. Catharines; George S. Matthews, of Brantford; G. T. Somers, of Toronto; F. S. Wylie, of Port Arthur; C. T. Yong, of Haileybury; and M. P. Byrnes, of Collingwood.