

vide a reserve for conflagrations, and a fair amount for return on the capital involved.

If the mercantile community wish to have insurance that does not provide such manifestly equitable conditions we fear their desire will not be gratified. But the mercantile community does not, consciously, expect to have insurance provided, practically, as a gratuity. Business men, as a rule, are reasonable, and when insurance affairs are laid before them in a business style they have shrewdness enough to appreciate the facts and arguments presented.

ONTARIO LOAN CORPORATIONS.

TABLE SHOWING THEIR AGGREGATE LIABILITIES AND ASSETS.

In a recent issue we published a table giving the principle items in the statements of all the loan corporations transacting business in Ontario. In this number we present a table of aggregates, showing the total amount of each of the items in the whole of the companies.

There are some of the figures which are somewhat difficult to understand. The amount subscribed of "terminating stock" in 1904 was \$15,825,780, whereas in 1905 the amount was only \$7,275,460. How did \$8,550,320 of subscribed Terminating Stock become cancelled?

The amount of Instalment Stock, terminating in 1904 was \$3,318,098, which, in 1905, had shrunk to \$1,431,888. The disappearance of \$1,886,210 stock, out of \$3,318,098, seems a remarkable movement. We, however, have heard of what is called the "Terminating Stock" of a loan company being treated in a highly arbitrary manner by the management, to the great surprise and disappointment of the stockholder. We fear there is a great lack of clearness in the conditions attached to certain classes of stock in some of the minor organizations of the savings and loan class, which are very apt to mislead the stockholder owing to the complicated statements of the contract with the company.

The loaning Land Companies do not appear to have been doing an active business last year of their special class. They borrowed on mortgages, that is, on the properties they had acquired, \$874,389, which is \$581,053 more than in 1904. This money evidently was invested in stocks bonds and securities, the amount of which in 1905 was \$449,325 more than they had invested in securities in 1904.

The gradual increase of loans on collaterals by the mortgage loan companies has been noticeable for some years. It has arisen from their possession of funds for which mortgages cannot be found of a desirable quality and rate of interest. The increase of these loans between 1904 and 1905 was from \$20,068,862 to \$25,810,061, an addition of \$4,741,199.

It is somewhat remarkable how steadily the deposits of the loan companies keep at about 20 millions of dollars.

More variable items are the several amounts of debentures issued by the companies. The changes since 1898 were as follows:

	1905.	1898.	Increase or Decrease.
	\$	\$	\$
Debentures payable in Canada.....	20,591,596	13,026,257,	Inc. 7,565,339
Debentures payable elsewhere.....	32,991,183	41,174,877	Dec. 8,183,694
Total debentures.....	53,582,779	54,201,134	Dec. 618,355
Debenture Stock.....	3,212,170	11,844,965	Dec. 8,632,795

The debentures issued by the Ontario loan companies that are held outside Canada, now amount to \$32,991,183 which is \$8,183,694 less than in 1898, whereas those held and payable in Canada are now \$20,591,595 against \$13,026,257 in 1898, an increase of \$7,565,339. This affords a striking illustration of the movement by which Canada has been supplying herself with capital for all manner of enterprises.

The Trust companies business has enlarged very considerably in recent years. In 1898 they held \$9,192,672 in properties which they did not own beneficially, that is, they held them on trust. In 1905 the value of their trust properties was \$38,685,558, or over 4 times the amount in 1898.

The mortgage loans in 1905 were \$106,852,824 which is less by \$1,474,675 than in 1904. Since 1898 the mortgage loans of the Ontario companies have fallen off to extent of \$4,840,708, which is significant of a great change having come over the farmers who were the old time borrowing class in that Province. They are not purchasing land, or making additions to their buildings, plant, etc., out of borrowed money, but from their stock of savings. A highly gratifying feature in the loan company returns is the small amount of mortgaged land held for sale. In 1898 the extent of lands acquired by foreclosure, or other legal process, amounted to \$6,364,990, which exceeded 6 p.c. of the total lent on mortgage. Last year these lands amounted to only \$1,049,208, which is only 1 p.c. of the loans. The mortgage loan companies must have had a very anxious time in 1898 and in later years until their lands held for sale were gradually reduced, as such properties are rarely cleared out of the books of a loan company without a loss being written off.

We regret that the voluminous compilation issued by the Ontario Government under the superintendence of Mr. J. Howard Hunter, M.A., registrar of loan corporations, the elaborate detailed work on which is highly creditable to his staff, is not adopted as a model by the Government of Quebec.

Indeed a marked gap in the reports published by the Dominion Government is caused by the non-publication of returns of the leading items in the statements of the loan companies of the whole Dominion.