

tant loan companies. By reference to the table it will be seen that, while 5.58 per cent. is the average rate of interest charged on mortgage loans by the companies whose stock is "Permanent," companies, that is, whose shareholders are not usually borrowers from the company whose stock they hold, the average rate of interest paid on loans granted by companies whose stock is "Terminating," is 8.00 per cent. The borrowers, however, who pay this higher rate are, as shareholders, participators to some extent in the company's profits, or have privileges granted which are regarded as a compensation for a higher rate than is ordinarily charged for a mortgage loan. The "Permanent Stock" companies own "Freehold Land," apart from their mortgages, to extent of only 6.17 per cent. of their paid-up capital, whereas the "Terminating Stock" companies own "Freehold Land" to extent of 12.89 per cent. of their paid-up capital. This difference marks the distinction in their several classes of business.

The table has several highly gratifying features, indicating, as they clearly do, a prosperous condition prevailing in Canada. The deposits entrusted to the Ontario loan companies increased last year to extent of \$972,198. The debentures payable in Canada were enlarged by \$510,305, and those "payable elsewhere," which means in Great Britain, were reduced by \$161,298. These changes are features in a movement that has been going on for some time, which is gradually providing our mortgage loan companies with funds furnished by Canadian depositors and investors in substitution of money borrowed in Great Britain. The following shows the changes in last 10 years:—

	Debentures p'ble abroad.	Decreases.	Debentures p'ble in Canada.	Increases.
	\$	\$	\$	\$
1893.....	49,408,398		10,028,102	
1898.....	40,373,067	9,035,331	12,667,914	2,639,812
1901.....	35,015,011	5,358,056	16,879,498	4,211,584

Decrease in Debentures p'ble abroad since 1893.....	14,393,387
Increase in Canadian De- bentures since 1893....	\$6,851,396

Another gratifying feature is the heavy decrease in "mortgage land held for sale," from \$5,371,757 to \$3,956,140, a decline of \$1,415,617. This item is now lower than for many years, and the significance of this decrease is much heightened when it is considered that the land held has a much higher value than it had when foreclosed. The amount received on account of mortgages, principal and interest was \$4,487,935 larger than in 1900, and \$4,919,899 greater than in 1899.

The small increase in total amount of mortgage loans, the enlargement having been only \$374,952 last year, was not satisfactory to the loan companies.

but it affords striking evidence of the improved financial condition, more particularly of the agricultural population of Ontario. They were adding materially to their deposits and their investments; they were paying off arrears of mortgage instalments and of interests; they were becoming less and less dependent upon outside capital, all of which changes are developments upon the progress of which the Province of Ontario, indeed the whole Dominion, must regard with proud satisfaction.

THE JUNE BANK STATEMENT.

The close of the first-half of 1902 finds the banks in an unprecedented position as regards extent of resources and amount of loans. The changes customary during the month of June are usually moderate so far as those caused by active business are concerned. June is a growing time, but too early to make much show in the bank returns. There are abundant signs that the banks are well able to increase their mercantile loans considerably, as their funds have increased in the past month, as they have been doing for some time past, far more heavily than the demand for current loans and discounts. The course of their business in the past month is shown by the following:—

	June.	May,	Increase or decrease.
	\$	\$	\$
Circulation.....	53,953,043	50,754,716	Inc. 3,198,327
Deposits.....	380,681,318	371,847,040	Inc. 8,834,278
Increase of funds in June.....			\$12,032,605
Current loans and discounts.....	326,812,268	330,065,398	Dec. 3,253,130
Call and short loans.....	92,216,494	79,580,810	Inc. 12,635,684
Increase of discounts and call loans in June.....			\$9,382,554
Excess of increase in funds over increase in loans in June.....			\$2,650,051

Of this sum there was \$439,843 appropriated to securities, chiefly railway bonds and stocks.

If we make a similar comparison for the past year, between June 30, 1901, and June 30, 1902, we get the following result:—

	June, 1902.	June, 1901.	Increase or decrease.
	\$	\$	\$
Circulation.....	53,953,043	49,119,479	Inc. 4,833,564
Deposits.....	380,681,318	337,415,719	Inc. 43,265,599
Increase of funds in year ended 30th June, 1902....			\$48,099,163
Current loans and discounts.....	326,812,268	306,099,116	Inc. 20,713,152
Call and short loans.....	92,216,494	74,772,820	Inc. 17,443,674
Increase of discounts and call loans in past year....			\$38,155,826
Excess of increase in funds over increase in loans in year ended 30th June, 1902.....			\$9,942,337

Of this excess \$5,316,688 was used to enlarge the stock of specie and Dominion notes, and \$2,617,648 of the excess was added to securities. Clearly the above conditions indicate that the banks have ample means for the expansion of their loans. If a