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THE POSITION OF CANADIAN LOAN CORPORATIONS.

The Canadian loan corporations are at present almost in a position of "marking time." There is no eager demand for their funds as in the years prior to the war, resulting in an enormous expansion within a comparatively short time of the companies' operations. Grossly unfair legislation in several of the western provinces has had its natural effect of a refusal on the part of some companies to continue lending operations until assured the ordinary protection of the law. The amount of the companies' debentures held abroad shows a declining tendency, and, in fact, the high rates which would have to be paid, make renewal a not particularly profitable operation.

The period of unfair provincial legislation now appears to be passing. Within recent months, some of the companies' grievances have been remedied, and while many serious ones remain, there is apparent a better tendency to treat the companies with fairness. Schemes of Government credit to farmers have made their appearance, though it is not yet at all clear that these schemes are economically sound. Whatever developments there may be in this connection, however, it is obvious that in any large post-war development of Canadian agriculture and settlement the loan corporations will have an extremely important part to play. An increased agricultural production pre-supposes an adequate supply of mortgage funds, and a large inflow of capital will be of as vital importance to Canada after the war as large immigration. Given fair treatment, the loan corporations will be in a position to perform services of immense value to Canada after the war, probably on a much larger scale than before. While the interest rate for capital from abroad may be high, the fine reputation of these corporations as a class and of many individual loaning companies ensures their ability to secure additional funds, where these are procurable, on the most favorable terms.

FURTHER ENLARGEMENT OF ASSETS.

On page 857 is published a table showing the liabilities and assets as at December 31st, 1916, of the loan and trust companies of Ontario. The figures are fairly, though not entirely, representative of the loan company business of Canada. But 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. In 1915, as was to be anticipated, there was a decline in the amount of the companies' mortgages to \$167,643,566, the companies' assets, however, showing a gain of \$46,000,000 to \$591,932,396. Last year saw a further decline in mortgages, although a slight one, their total at December 31st last being reported as \$163,423,748. Assets were enlarged a further \$17,500,000 to \$609,491,716.

LENDINGS AND SECURITY HOLDINGS.

The new lendings of the companies on mortgage were slightly enlarged last year in comparison with 1915, but are little more than half those of 1914. The respective figures are: 1916, \$14,466,758; 1915, \$13,149,583; 1914, \$27,286,009. (Including the funds loaned by trust companies, etc., as agents, the new lendings were \$21,483,601 against \$20,801,351 and \$39,373,538 in the years preceding). There was an increase in the amount of mortgaged land held for sale, from \$502,312 in 1915 to \$813,650 in 1916. These last figures, however, are nearly \$10,000 less than those reported for 1913. The companies' holdings of securities again show some interesting changes. Holdings of Government securities were much more than tripled, being reported as \$6,067,037, against \$1,787,874. At the end of 1914, it may be noted, holdings of Government securities were only \$217,198 and at the close of 1913, \$25,000. Holdings of municipal securities which in 1915 decreased by about \$1,500,000, from \$5,219,367 to \$3,764,670, were doubled last year, reaching \$7,643,654. There was again a very heavy decrease in the holdings of miscellaneous securities, these being reported as \$21,433,867 against \$33,681,809 in 1915, \$38,364,730 in 1914, and \$43,064,885 in 1913. Cash is \$1,300,000 less than in the year preceding at \$12,213,420 against \$13,525,507.

On the other side of the account, the total of capital shows only a slight change from that reported for 1915. Reserve funds were increased by nearly \$2,000,000 to \$37,214,440, about 58 p.c. of the paid-up capital. Unappropriated profits were increased by \$550,000 from \$3,517,084 to \$4,103,946, following a decrease of \$1,500,000 in 1915. This movement suggests both increased earnings and a cessation of the necessity for writing down securities held.

DEPOSITS AND DEBENTURES.

The deposit and debenture accounts are very satisfactory. Deposits show an increase of nearly \$1,300,000 to \$24,545,533, following an increase of \$800,000 in 1915. Debentures payable in Canada are up by over \$300,000 from \$26,642,486 to \$26,963,098. The 1915 increase was nearly \$2,000,000 and the relatively small growth in comparison with the year preceding is probably to be accounted for by the diversion into war loans of a large proportion of funds, both institutional and private, which would ordinarily go into these loan companies' debentures. Debentures payable elsewhere, after being \$210,000 higher in 1915 than in 1914, at \$77-

(Continued on page 859).