

## ONTARIO LOAN ACT TO BE AMENDED

### New Regulations Regarding Investments and Furnishing of Statement Will Be Much More Stringent —Loan Officers Consulted

The Ontario Government is preparing important amendments to the Loan and Trust Corporations Act. These amendments will be embodied in a bill which will be submitted at the next session of the Provincial Legislature. This work is under the direction of Hon. I. B. Lucas, attorney-general for the Province. The bill has already been drafted and has been sent to loan company officers in Ontario, and others who are interested in the subject. A meeting is to be held at the Parliament Buildings on Thursday, December 5th, at 2 p.m., where a general discussion will take place, and suggestions received regarding the proposed amendments. The annual statement form which is also required from loan and trust companies at the end of each year has been mailed to them by the attorney-general's department.

The principal changes required by the new Act are as follows:

(1) Instead of the statement being certified by a "competent" accountant it will be necessary that it be certified by a "chartered" accountant, which means a member of the Institute of Chartered Accountants of Ontario, or any person being a member in good standing of the Dominion Association of Chartered Accountants on the 16th day of December, 1909, was on that date entitled to membership in the institute or to apply therefor.

(2) A verified statement of assets, liabilities, income and expenditure of the corporation must be delivered to each shareholder at least two weeks before the annual meeting.

(3) For the purpose of incorporation, at least \$300,000 of stock must be subscribed for and taken up by at least 25 subscribers, each of whom must hold at least ten shares. In the case of trust corporations, at least \$100,000, and in other cases at least \$30,000, of such subscribed stock must be paid in cash into a bank in Ontario in trust for the proposed corporation.

(4) Where money is received by a trust company on what is known as the guaranteed investment plan, such money should be invested only in securities authorized by the Trustee Act and for every \$100 of such guaranteed investments received, \$115 of securities should be set aside definitely as security therefor. A statement of these investments must be made quarterly to the Government.

(5) Clause (b) of Sub-Section 1 of Section 27 of the Loan and Trust Corporations Act is repealed and the following substituted therefor:

(b) Any securities of or guaranteed by the United Kingdom of Great Britain and Ireland, the Dominion of Canada or any of the Provinces of Canada or any other Government the interest on whose securities has been paid regularly for the previous ten years;

(c) Debentures, bonds, paid-up stock and other securities, except bills of exchange and promissory notes, of any municipal corporation or school corporation or of any chartered bank or incorporated company, if such bank or company is incorporated by Canada, or by any Province of Canada or by any former Province now forming part of Canada.

(6) On and after the 1st of January, 1920, no corporation shall:

(a) Invest money in any one security or make a total investment in any one corporation including the purchase of its stock or other securities, the lending to it on the security of its debentures, mortgages or other assets or any part thereof, of more than 15 per cent. of its own paid-up capital stock and reserve funds;

(b) Make any investment the effect of which will be that such corporation will hold more than 15 per cent. of the stock and debentures of any one corporation;

(c) Invest in the stocks, debentures or funds of any chartered bank or incorporated company which has not paid a dividend of 6 per cent. per annum on its capital stock for the previous three years.

(7) Section 29 of the Act is amended by adding the clause that the amount of such real estate shall not exceed 15 per cent. of the paid-up capital and reserve funds of the corporation. A similar addition is made to Section 30.

(8) Extensive powers are given to the auditors to secure access to books, documents, etc., and to take the cash and verify the securities of the corporation. A certain form of auditors' report is also required.

(9) The form of the general statement of affairs is laid down by the Provincial Registrar. Such statements must be

attested by the signature of the president or vice-president, and of the managing director, or some other principal officer of the corporation. The auditor's certificate must also be accompanied by an independent opinion as to the condition of the company.

(10) Every circular, etc., issued by a corporation for the purpose of soliciting business from the public, offering debentures or other securities for sale, or offering its own shares for sale, must bear upon its face a notice stating that the statements contained in the circular are the statements of the corporation only and do not indicate any guarantee from the Provincial Government.

## LIFE PRESIDENTS' DISCUSSIONS

The programme, which appeared in the Monetary Times of November 15th, for the annual convention of the Association of Life Insurance Presidents which will be held in New York on December 5th and 6th, is approximately correct. It has been arranged in addition, however, to have an address on "Failure of German Compulsory Insurance—a War Revelation," by Mr. Frederick L. Hoffman, LL.D., third vice-president and statistician of the Prudential Insurance Company. Mr. John B. Linger, vice-president of the Equitable Life, will speak on "A Great National Service—How Life Insurance Has Discharged Its Duty to the Nation," and Major-General Williams C. Gorgas, former surgeon-general of the United States army, will speak on "Thrift in Health—Application of Lessons of Military Sanitation to Peace Times."

## ILLEGAL DISTRIBUTION OF FUNDS

It has been decided by a court of appeal in Quebec Province that a distribution of \$1,500,000 of bonds by the Great Northern Construction Company among its shareholders was not according to law.

The Great Northern Construction Company in March, 1899, undertook the construction of the Great Northern Railway and sub-let the work to a firm of contractors. The above distribution was made before the contractors were fully paid. The distribution was made possible as the company had collected from the Great Northern Railway Company cash, bonds and stock of the railway company in accordance with its contract. When the time came to complete payment to the contractors it was found that the company was insolvent. The whole of its capital, totalling \$500,000, had been employed in the construction of the railway and all the receipts had already been expended.

Action was accordingly taken against one of the shareholders who had received \$6,000 in bonds which he had disposed of for \$3,418.54. The judgment was that as he had sold the bonds he was liable for the amount which he received for them.

## READY FOR RETURNING ARMY

"The Provincial Governments of Canada, so far as it could be shown at the recent conference between the Provincial Ministers and the Dominion Government at Ottawa, will do their share to maintain business and prosperity throughout the country," said Hon. Edward Brown, treasurer of Manitoba, in a statement to the press on his way home. "It was agreed that we should co-operate to restore confidence on the part of the public by putting into effect plans involving expenditure which had been in abeyance. We would endeavor to influence business organizations to do the same, and any additional cost compared with what it would be, say, a year from now, would be regarded as a contribution to the solution of a difficult problem. As a consequence, I think there will be great activity in the various Provinces."

"The returned soldier problem will not be as formidable as many of us expected," said Mr. Brown. "Those who went from business, commercial and professional life will go back to their places without assistance. So will farmers' sons. Many of the laboring classes will return without assistance. There remain the maimed men who will need help and guidance and who should be generously treated. General Mewburn made a good impression on the conference by the revelation of his plans for demobilization, and the Government has issued a booklet with the names of all soldiers and the point at which each one should be discharged."