

THE POSITION OF CANADIAN LOAN CORPORATIONS.

(Continued from front page.)

graphically the conservative course pursued by the companies last year in preparation for any possible emergencies.

On the other side of the account, the total of capital shows only a slight change from that reported for 1914. Reserve funds were increased by \$2,100,000 to \$35,365,518, over 55 per cent. of the paid-up capital. Unappropriated profits were decreased by \$1,500,000, from \$5,077,911 to \$3,517,084, the result, doubtless, of decreased earnings combined with the necessity for writing-down securities held and providing for contingencies.

DEPOSITS AND DEBENTURES.

The deposit and debenture accounts are very satisfactory. Deposits show an increase of about \$800,000 to \$23,180,899 following a decrease of \$1,200,000 in 1914. Debentures payable in Canada are up by nearly \$2,000,000, from \$24,726,476 to \$26,642,486. This exhibit is distinctly encouraging as an indication of increasing home appreciation of the conservative investments offered in the debentures of the loan companies. Debentures payable elsewhere are \$210,000 higher than in 1914 at \$77,675,533. This showing, considering the circumstances of the year, can only be considered as affording remarkable testimony to the esteem in which many of the loan corporations are held by investors abroad, particularly in Scotland. The Treasury Committee, as is well known, is allowing the companies to make new issues of their debentures up to the amount of the debentures repaid. But, apart from this, it is evident that old-country investors esteem these holdings so highly that they are distinctly loathe to part with them, even under pressure, and that those surrendered from one cause or another are easily replaced, though of course at higher rates of interest. Such a condition of affairs cannot but be a great source of gratification to the managements of those Canadian loan companies, to whom for many years have been entrusted large amounts of old-country money, at very favorable rates. The facts constitute the strongest evidence of the supreme confidence on the part of old-country investors in the management of these companies, and are an excellent indication that when the war is over, and British capital is again allowed to come here, that new funds are likely to come freely to the companies, and probably at rates which will make a very favorable showing in the after-the-war standard of interest. It is to be hoped that the companies will be given a fair chance by equitable legislation to employ actively large amounts of such funds, to the great future benefit of the Dominion.

INTEREST RATES.

The average rates of interest paid on deposits and debentures by the companies continued last year the advance which has been in evidence for a considerable period, as will be seen from the following table:—

Interest paid on	Rate per cent.			
	1915.	1914.	1913.	1912.
Deposits.....	4.229	4.119	3.750	3.7385
Debentures.....	4.683	4.570	4.599	4.4350
Debenture stock.....	4.0	4.0	4.0	4.0

The average rate of interest received on realty

mortgages and other securities owned during the last two years was as follows:—

	Rate per cent. on			
	Mortgages of realty.		Other securities.	
	1915.	1914.	1915.	1914.
Loan companies (perman- ent stock).....	7.107	6.975	5.823	5.715
Loan companies (termi- nating stock).....	6.64	6.24	6.30	6.30
Loaning land companies	6.28	6.24	5.66	6.00
Trust companies.....	6.913	7.003	5.872	5.950
Average, all companies.....	6.735	6.614	5.913	5.991

We hear with pleasure that Captain E. W. Hughes, of the 6th London Rifles, serving on the headquarters staff of the 140th Infantry Brigade, British Expeditionary Force, a member of the foreign fire department at the Phoenix Assurance Company's head office, has been awarded the Military Cross for services in France.—*Policy-holder.*

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Mr. Arthur J. Hughes, formerly well-known in Canadian life insurance circles and in recent years managing director of the China United Assurance Society, Ltd., of Shanghai, has been appointed honorary adviser on insurance affairs to the Chinese Board of Agriculture and Commerce, which has jurisdiction over insurance in Canada. A new life insurance law in China is based largely on the Dominion Act.

ESTABLISHED 1873.

The

Standard Bank

of CANADA

QUARTERLY DIVIDEND NOTICE No. 103

NOTICE is hereby given that a Dividend at the rate of THIRTEEN per cent. per annum upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st July, 1916, and that the same will be payable at the Head Office in this City, and at its branches on and after Monday, the 1st day of August, 1916, to Shareholders of record of 22nd July, 1916.

By Order of the Board,

GEO. P. SCHOLFIELD,
General Manager.

Toronto, June 27th, 1916.