

The Commercial

WINNIPEG, AUGUST 15, 1887.

THE LOAN COMPANIES.

There seems to exist in the minds of a great many people in Manitoba a prejudice against mortgage loan companies. Indeed, this feeling of hostility to the companies has been carried to such an extent as to have been manifested on several occasions in the Local Legislature. Bills have been passed, which, to say the least, were intended to hamper and restrict the operations of the companies. Undoubtedly many persons have had reason to regret their falling into the hands of loan companies, but this is not the fault of the companies. There are two sides to the question, and a great deal can be said in favor of the companies as well as against them. The prejudice against the companies is founded merely upon the superficial effects of some transactions with them, and not upon the real commercial nature of these institutions. As a business enterprise, the loan company is a perfectly legitimate institution, and withal a very necessary and useful one. Occasionally an improvident, or to put it milder, an unfortunate person, will suffer severely and perhaps lose his property through having negotiated a loan upon it. The effects of incidents of this nature are very apparent in a community, and at once the entire blame is cast upon the company. In this way the prejudice against the companies has been aroused. The great usefulness of the companies in many ways is not taken into consideration, nor is it even supposed that the unfortunate individual who has lost his property through foreclosure, might not have got into as great financial difficulties in other ways. In fact it is often to relieve pressing financial difficulties that recourse is had to the loan companies.

It is certainly a deplorable fact that instances of foreclosure under mortgage are unpleasantly frequent, and this is an experience not only in Manitoba, but in other countries. It is also true that sometimes these foreclosures are attended with considerable hardship; but in many cases it will be found that improvidence or extravagance is at the bottom of the trouble. In spite of these occurrences, however, a broader view of the subject should be taken, and when this is done,

the usefulness of the loan companies will be recognized.

To the provident and thrifty person, it is unnecessary to lay down rules to guide him in applying to or keeping away from loan companies. Such persons can safely be left to their own judgment, and they will seldom be found to have made a mistake. The person who is prospering in his business affairs, and who sees his way clearly and well ahead, may occasionally find it to his advantage to raise a loan for the purpose of enlarging his sphere of activity. In such cases, however, the greatest care should be taken that no room has been left for a miscalculation, or that the party negotiating the loan has not become intoxicated with past successes. In cases of sudden and unexpected losses, the mortgage loan company is often the only recourse open to the sufferer, and a little timely aid in this way is not unfrequently a very great assistance. It sometimes tides the individual safely through difficulties, where without such assistance a much greater loss would have been unavoidable. The mortgage loan should not be resorted to under ordinary circumstances to supply unnecessary comforts or luxuries. The person who is doing fairly well, should be very careful about discounting the future. He should think the matter over very carefully before negotiating a loan not absolutely necessary. Always allow something for a possibility of miscalculation or future reverses. Mr. Jones across the way may live in a more elegant house, but it would be a dangerous and foolish experiment to try and eclipse him on the strength of a mortgage loan. Do not try to grasp and carry too much business on capital raised in this way. As a rule, it is a poor policy to expect to get rich by going into debt.

The mortgage loan company fills an important and useful position in all communities. It is the abuse and not the use of the advantages offered which frequently causes so much trouble. No possible good can result, however, from attempting to hamper a legitimate business institution. On the other hand a great deal of harm may come from the passage of legislation inimical to the companies. Quite a number of the companies operating in Manitoba have temporarily ceased doing business, and a wholesale closing up of these institutions is threatened should further restrictive legislation be enacted against them. The result of such

a move would certainly be to cause a general advance in the rates of interest, to the serious injury of our commercial interests and the hindering of the development of the country. It is therefore to be hoped that in future legislation affecting the mortgage loan companies, no injustice will be done these institutions.

TRADE RETURNS.

The trade returns for the port of Winnipeg for the fiscal year ended 30th June last, have been published. The figures show a considerable expansion in every direction over the returns for the previous year. Thus for the fiscal year ended June 30th, 1886, the total value of goods entered for consumption amounted to \$1,858,343. For the year ended 30th June, 1887, the value of goods entered for consumption amounted to \$1,936,872. This shows an increase for last year of \$78,529, which, though small, is satisfactory. Whilst the total of goods entered for consumption last year was larger than for the previous fiscal year, the value of free goods entered was smaller for 1887 by \$30,000. The complete figures are: Free goods entered for the fiscal year, 1886, \$334,099; for the fiscal year, 1887, \$304,076. The increase was therefore entirely in dutiable goods as follows: Dutiable goods entered for consumption for the fiscal year, 1886, \$1,524,244; dutiable goods entered for the fiscal year, 1887, \$1,632,796. This gives an increase in dutiable goods for the last named year to the value of \$108,552. Duties collected were: For the fiscal year of 1886, \$450,205; for 1887, \$497,197, or an increase for the latter year of \$46,992. The returns of imports for the fiscal year ended June 30th last, as compared with the previous year, show as follows: Imports of free goods for 1886, \$333,584; for 1887, \$304,074. Decrease for 1887, \$29,510. Imports of dutiable goods for 1876, \$1,460,789; imports of dutiable goods for 1887, \$1,625,044. Increase for 1887, \$164,256. Total imports dutiable and free for 1886, \$1,794,373; total imports for 1887, \$1,929,120. Increase for 1887, \$134,747. Exports only show the small increase of \$39,780 for the fiscal year ended June 30th, last, as compared with the previous year. The complete figures are: Exports for the fiscal year, 1886, \$776,480; for 1887, \$816,260. The comparatively small increase in exports is of course due to the light crops which were harvested in parts of the country last