

THE TRUST AND LOAN COMPANY OF CANADA.

The potential importance of the loan companies, in the development of Canada following the war, is clearly very great. In the expansion of agriculture, a basic necessity of the post-bellum period, they will undoubtedly play a leading part. Provincial government schemes of credit to farmers, of which the best that can be said at present is that they are still in the experimental stage, are not likely to displace or possibly even prove serious competitors of agencies which depend for their success in the long run upon the fair and liberal treatment of borrowers,—agencies whose policies are not influenced by political considerations. In the last five years the loan companies have been passing through a period of transition. The period of great demand upon their resources a few years ago, has been followed by one of comparative restriction in loan requirements, and the appearance of a tendency towards the repayment of loans by those who desire to make wise use of newly-found prosperity. Restrictions in the volume of the companies' loans has been accentuated to some extent also by unfair and distinctly unwise legislation on the part of some of the western provinces, and although possibly the worst phase of this legislation has passed, undoubtedly many serious grievances remain.

In such circumstances, the lot of loan company managements has not been an easy one, and it says a good deal for the skill, patience and experience of those associated with the Trust and Loan Company of Canada, that they have been able to present a series of financial statement disclosing results from year to year of a highly satisfactory character. Presentation of the statement for the year ended 31st March last at the annual meeting of shareholders in London was made the occasion of some distinctly interesting and significant remarks in regard to the future. The President (Lieut.-Col. the Hon. Sidney Peel) pointed out that at present capital cannot flow freely from one part of the world to another at the present time, and in consequence, it may quite easily happen that there should be a temporary abundance of money in one quarter, which is not really justified by the world conditions of the money market as a whole. "It would be rash to prophesy," said Mr. Peel, "whether this state of things will continue, but if I am allowed to state my own personal opinion, it is that after the war, there will be a great demand for capital for all sorts of purposes of reconstruction. Those who demand it will then feel the effects of the great distinction of capital, which has been and is being caused by the war, and even if trade be not so active as it once was, there will be on balance a stronger demand for money. Then the channels by which capital flows will be gradually re-opened and restrictive regulations removed; and when that time comes I think we shall see an increased demand—probably a very greatly increased demand—for loans in Canada as elsewhere." Canada's capacity to absorb capital from abroad for productive purposes after the war will undoubtedly be considerable, and it is to be hoped that no legislative unwisdom will check the loan companies' operations in their application of capital to particularly good purpose from the Canadian point of view.

During the year ended 31st March last, the Trust and Loan Company continued to follow a conserva-

tive policy. Liquid assets were maintained at a high level throughout the period, cash at 31st March last approximately \$650,000 and temporary investments, which, it is understood comprise short-dated British Government securities, over \$2,000,000. Mortgages in Canada were reduced during the year about \$940,000 from \$14,204,217 to \$13,264,165, following a reduction of \$1,350,000 in the preceding year. The causes of this reduction have been already referred to. Foreclosures are reported as \$293,076, a very small amount compared with the Company's total loans, and in view of the circumstances of the last two or three years. So excellent a showing in this connection is a valuable indication of the thoroughly sound character of the Company's business as a whole.

In reference to the financial results of the year, the interest account in Canada stands at approximately \$1,123,528. Net profits for the period were \$634,463, a slight increase on the \$621,470 reported for the preceding twelve months. An allocation of \$197,080 is made to the Statutory Reserve Fund, bringing this up (after the amalgamation of the Special Reserve Fund with the Statutory Fund) to \$3,000,000—the equivalent of the Company's paid-capital. After payment of income tax and transfer of \$25,000 to a contingencies account, a dividend of 12½ per cent. for the year is paid (an increase of 2½ per cent. over the preceding annual dividends), a balance of approximately \$41,775 being carried forward.

At the annual meeting, highly appreciated reference was made to the important and valuable services of the Company's officers in Canada, of whom Mr Joseph Campbell, of Winnipeg, is chief commissioner, while Mr. R. C. Young, assistant commissioner, ably fills the position of manager at Montreal. It is interesting to note, as illustrating the Company's aim to meet every need of borrowers that at the present time, it is averaging a certain number of "open wars", in which part of the principal can be drawn and repaid at any time, interest only being charged for the time the funds are actually in the hands of the borrower. Such an arrangement is, of course, a district service to farmers, who are engaged in fattening stock or similar operations, and under present circumstances, the facilitations of operations of that kind contributes a district national service.

EX-MAYOR OF NEW YORK CARRIED \$144,000 INSURANCE IN TRAVELERS OF HARTFORD

Major John Purroy Mitchel, ex-mayor of New York city, who was killed by a fall from his airplane at Gerstner Field, La., recently, carried a policy for \$144,000 with the Travelers of Hartford. His mother and wife are named as beneficiaries. By the terms of a special aviation clause Major Mitchel was allowed to engage in that service, either here or in France. The full policy will be paid immediately upon claim by the beneficiaries, according to a statement from the Travelers.

J. G. Batterson, managing director of the Travelers in New York, said Monday:

"The policy is what is known as a straight life policy. Mr. Mitchel took it out two years ago. Before entering the aviation service he had the aviation clause inserted. This involved an increased premium, which was paid. The policy was, therefore, in full effect."