

THE ONTARIO LOAN CORPORATIONS ACT.**WARNING AGAINST FRAUDULENT SCHEMES.**

The Loan Corporations Act of Ontario prohibits, under a penalty of fine or imprisonment, any incorporated persons transacting the business of a loan corporation, unless registered under that Act. The terms of the Act are comprehensive and stringent.

"Any person, partnership, organization, society, association, company or corporation, not being a corporation registered under this Act, or under the Ontario Insurance Act, that assumes or uses in the province a name which includes any of the words, 'Loan,' 'Mortgage,' 'Trust,' 'Trusts,' 'Investment' or 'Guarantee' in combination or connection with any of the words, 'Corporation,' 'Company,' 'Association,' or 'Society,' or in combination or connection with any similar collective term, shall be guilty of an offence against this Act, and any person acting on behalf thereof shall be guilty and liable to a fine of \$200 and in default of payment shall be imprisoned for three months, and on a second offence shall be liable to be imprisoned with hard labour for twelve and not less than three months."

A clause provides that if interest on a loan exceeds 10 per cent. per annum, magistrate or justices may summarily order such loan to be dischargeable by paying the legal rate.

Under this Act proceedings were taken last year against "The Preferred Mercantile Company of Boston, Mass." which had begun operations in Ontario which stated its object as follows:

"Our object is to furnish a co-operative plan embodying the fundamental principles of life insurance and co-operative enterprises, etc. The plan is based upon the actual experience of all successful life insurance companies. The company is an association of persons banded together, each contributing a stipulated amount in weekly or monthly premiums and agreeing upon the happening of a certain contingency, that a portion of such weekly or monthly contribution shall be used towards paying a large profit to those selected by the happening of a chosen contingency"!

The above reminds us of the scheme put out during the South Sea craze which was thus announced, "Subscriptions are invited to a scheme the nature of which will be later on revealed!"

The scheme was shown in Court to be a plan of issuing "leases" which lease, said Judge Osler, answers to the certificate of terminating shares, and as those shares have their "maturity" period and value so have this company's "leases."

The postmaster general of the United States denied the use of the mails to those issuing "contracts," or "leases" generally resembling and in passages identical with the scheme of the above named company.

Another scheme which is contrary to the Ontario

Act is one for issuing what by a most dangerous misuse of words are termed "Bonds," or "Debentures." These are to be issued on a certain number of subscriptions having been paid up and the company undertakes to pay \$3 for each dollar received! The subscriptions are all to be forfeited if default is made in continuing the payments. When before the Court of Illinois the judge said: "This scheme constitutes a cheat." Yet, so barefaced a swindle had received in two years "half a million dollars from fees."

The registrar of Loan Corporations, Ontario, has done a public service by calling public attention to the Act governing these institutions and raising the danger flag to warn against fraudulent schemes of ostensibly a loan companies character, which contravene the law of Ontario.

BANK STATEMENTS OF THE UNITED KINGDOM.

The statement of bank accounts of many of the leading banks in the United Kingdom compiled by our London contemporary does not show any very material changes from their returns a year ago.

Some features may be compared with our Canadian banks. The large amount of money at the credit of deposit and current accounts in proportion to capital accounts for the high rates of dividend paid by so many of the old country banks. A few cases will be found interesting. The above table does not give the capital apart from the Reserve Fund so the following ratios are based on the capital as published earlier in the year. The 20 banks in following table include the largest in the 41, and some are selected as representing various parts of the United Kingdom.

Banks.	Capital paid up, \$	Deposits and current accts. \$	Percentage of capital to Deposits.
Bank of Ireland.....	13,845,000	48,560,000	28.5
Minister.....	1,000,000	21,243,000	4.7
Bank of Liverpool.....	5,000,000	63,303,000	7.9
B. relay & Co.....	13,983,000	186,463,000	7.4
Capital and Counties.....	7,500,000	152,334,800	4.9
Crutren bank.....	1,050,000	13,116,900	6.9
Crompton and Evans.....	1,250,000	22,938,000	5.5
Glyn, Mills & Co.....	5,000,000	63,429,000	7.8
Lloyds.....	17,740,000	281,072,000	6.3
London and Westminster.....	14,000,000	139,043,900	10.07
London City & M'land.....	15,000,000	234,612,000	6.4
London & C. nty.....	10,000,000	221,066,900	4.4
National P. ovincial.....	15,000,000	261,724,000	5.7
Paris.....	8,540,000	140,567,000	6.07
Union.....	17,720,000	172,593,100	10.2
Br.afford Dist.....	1,720,000	15,318,000	11.2
Halifax Commercial.....	1,500,000	7,816,000	19.3
Manchester & County.....	4,640,000	43,525,000	10.7
Sheffield & Ha. laush.....	1,500,000	7,662,900	19.5
Whitehaven.....	300,750	3,218,000	9.2
Total of 20 banks.....	\$156,288,750	\$2,104,608,000	7.4

It is notable how many British banks have a capital amounting to less than 10 per cent. of their deposits, some indeed less than 5 per cent. Twenty