

THE LENDER AND THE MONEY.

article on the subject of loans... strong statements about the Ontario and Manitoba... made by the Montreal Journal... The writer goes so far as to... charge if not the largest proportion... lands in Ontario are really... the loan companies by their... as the possibility of the... being paid off is so remote... est may fairly be looked upon... nual charge." We fear that... desire to say a smart thing... contemporary to make a state... xpense of this province easily... proof. According to the re... of the Bureau of Industries... re than 11,314,000 acres of... land in Ontario, and 8,513... woodland, besides some two... of swamp, marsh, or waste... under the description of occu... sioned farm land. The value... and what it contains is placed

value 1888.....	\$640,480,801
1887.....	188,293,225
1886.....	102,839,255
1885.....	49,754,802
thus.....	\$981,368,083

22,000,000 acres of Ontario... assessed at something over... and the value of ground and... ced at \$828,000,000, there are... which amount to say \$58,000... the figures in the official re... and deduct \$6,500,000 done... es in other provinces, \$1... e probable share of the busi... companies done in Manitoba... 000 dollars as loans made... illage properties or factories... is equal to seven per cent... value of farm property. But... number of loan companies... ss is not included in this... se we place their Ontario... \$10,000,000, and say we allow... ore is loaned by private lend... nds, it brings the percentage... to nearly one-tenth of the... and yet this critic coolly de... the whole of Ontario and a... of Manitoba is literally... mortgages,"—"Virgin soil... ts in the province,"—the in... ctiveness in former years... arm by some money judi... wed is a condition "allo... ed," and on the whole the... r is in a dreadful way. Any... the trouble to observe that... alone upon these Ontario... most suffice to pay off the... on them, will be disposed to... prophet of evil who makes... ort to belabor the loan com... the broad shoulders of the

by this writer that there is... chance that these mortgages... ruthfully says cover a large... gest proportion of Ontario... will ever be paid off. What

does he think of the fact that in 1886 out of a total of \$54,000,000 of mortgages upon Ontario lands valued at \$140,000,000 no less than \$12,275,000 were paid off? The largest and oldest of these companies, the Canada Permanent Loan Co., has made in the thirty or forty years of its existence over 30,000 loans. Of these more than two-thirds have been paid off, leaving nearly one-third current; and, while it made last year 1,534 new loans, it received part payments on nearly 2,000, and 895 were entirely paid off and the mortgages discharged. We know of another company which discharged mortgages to the extent of \$47,000, \$30,000, \$66,000, and \$72,000 in four consecutive months of the present year, the mortgagors having cleared them off by payment of these sums. Out of 250,000 mortgages existing in 1886 the companies holding them found it needful to take compulsory proceedings upon only 390, representing \$930,000, or one fifty-eighth part of the whole. Such results as these are sufficient proof of the recklessness and folly of the sweeping assertions we have quoted.

Another word as to the alleged desperate state in which the farmers of Ontario are said to be plunged. In twelve years, the assessed value of all land, rural and urban, rose from \$325,000,000 (1874) to \$632,000,000 (1886). The actual value of real estate is much greater than the assessed value, as appears from the official return, which gives the value of farm property in 1886 at \$831,758,040, nearly double the assessed value. These figures do not include the value of live stock and farm implements, amounting to \$157,739,871, nor the value of crops and produce. The value of urban property is not given in the report, but assuming it to be twenty-five per cent. more than its assessed value—or \$259,387,325—and adding thereto \$831,758,040, the value of farm lands, the total value of real estate in 1886 was \$1,091,145,365.

But leaving the apparently congenial subject of the difficulties of the farmers, this critic devotes some of his bitterness to the loan companies. He declares, and repeats his declaration in two distinct paragraphs, that "it is evident that the business [of lending on mortgage] is being overdone, and that sooner or later some of the companies will burn their fingers." He considers it a portentous fact that the liabilities of the mortgage loan societies have grown from \$37,600,000 in 1878 to \$84,500,000 in 1883 and \$107,900,000 in 1888. This is an agricultural country, and we have usually congratulated ourselves upon the growth of our area of cultivated land and the corresponding increase in the products of the field. Let us see whether our assets of this sort, upon which the transactions of individual or associated lenders are based, have kept pace, in ratio of increase, with those assets upon which our banks base their advances.

In the year 1878 the liabilities of the Canadian banks were \$83,000,000 and their total loans \$120,000,000. By 1888 these liabilities had grown to \$146,000,000 and the loans to \$172,000,000. If the growth of the banking business in these ten years is to be regarded as evidence of the com-

mercial prosperity of the country, is it not equally a proof of prosperity on the part of the cattle raisers and growers of grain that their operations justify them in borrowing to a like degree? Of course, if the writer in question assumes, with some of the other people of Quebec and New Brunswick who objected two years ago to the operations of such companies, that borrowed money is an injury, and that "the country is too poor to bear such burdens," one can only wonder at perverted views of this sort from a financial journal. It is just as wide of the mark to say that a merchant is "injured" by the bank which lends him money, or a manufacturer "injured" by the capitalist who makes him a loan to erect his factory, as to aver that farm-owners are "burdened and fleeced" by corporations which have loaned them money on mortgage. These very societies have been the salvation of many a holder of real estate, and have proved a positive blessing to thousands of farmers. They have enabled the agriculturist to clear, to seed, to develop his farm and stock it: in short they have put him upon the high road to success and wealth.

As to the charge that "a large proportion of the assets of the companies consist of second and even third mortgages," which "can only be termed a risky business at best," we shall prove it to be an unpardonable misstatement. Taking a list of ten leading companies in Toronto, London, and Hamilton, which among them have loans of \$40,000,000, and putting the question to their managers, verbally or by letter, we received the reply from eight of them: "We do not lend on second or third mortgages;" and from the other two the reply: "Never, except where we hold the first, and are amply secured for both." Agricultural implement makers take second mortgages, and so do private bankers as security for notes, but the loan companies as a rule refuse them.

There is found, in the columns of the *Journal of Commerce* itself, comfort for the British investor in the bonds of these companies, if he needs to be comforted after such a pessimistic tirade. In the third paragraph, seventh line, it is admitted that "in the case of a first mortgage, no doubt the company do stand to lose nothing." Very well, then; it having been shown that the companies do not take second or third mortgages, the critic's case falls to the ground. He is condemned out of his own mouth.

MERCHANTS' CONVENTION AT HAMILTON.

We are happy to learn that there are many applications for certificates entitling the applicants to reduced railway fares, a good number of papers sent or promised, and every promise of a large gathering at the convention. The subject for discussion which seems to be suggested by the largest number of correspondents is that of bankrupt stocks, and it is one the solution of which is among the most difficult, namely, the disposition to be made of bankrupt stocks. A letter from Ohio to the committee states that merchants there have combined in petitioning that stores

be not let for the purpose of running these off. The rent of any store, divided amongst the local dealers of a village for a year, would be but small compared with the loss of cash trade arising from a bankrupt sale going on in their midst.

A letter received by the secretary says: "I shall be pleased if you can secure me comfortable and private lodgings. I am glad your people are doing all they can to make the convention a success, for I have taken a good deal of interest in it and look for a big turnout. The time has come that action should be taken to put the mercantile trade on a better foundation than it now is, and I believe that it is possible to do so. In my experience many of the travellers from Toronto and London know nothing about the convention. Send me some circulars, that I may put them in the hands of every traveller that calls and knows nothing of it."

One Presbyterian writes to ask if it is intended to hold an "experience" meeting, to use a Methodist expression. The promoters of the convention answer "No. The fewer professional 'dead beats' we have among the merchants of Ontario the better for honest ones, and for wholesale men also. The wave of opposition to compromises developed during the past six or nine months has arisen from the number of crooked or incompetent traders who have come before their creditors, aided by sharp or unscrupulous professional men, who after effecting favorable settlements have gone home and slaughtered their stocks of goods to the detriment of every merchant in their vicinity. 'Experiences' like this are not fit for the light of the convention."

INSURANCE IN CANADA.

We have received from Ottawa the report of the Superintendent of Insurance for the Dominion of Canada for the year ending 31st December, 1888, which is more than usually full and interesting. There are now no fewer than eighty-five insurance companies in all under the ken of the superintendent's office. Forty-one of these do regular life assurance, and five are on the assessment plan. Thirty-two do fire insurance. Then there are seven doing inland marine and three ocean marine underwriting. No fewer than nine companies do accident business, and three fidelity guarantee business. Plate glass and steam-boiler insurance are transacted by four and two companies respectively.

The amount of securities held by the Receiver-General in trust for these companies, to protect their policy-holders, amounted on 17th June last to \$14,584,772, and consisted of the following classes:

Canada stock.....	\$1,946,896 81
Canada debentures.....	486,973 33
Canada Provincial debentures..	1,608,744 24
United States bonds.....	2,270,000 00
Connecticut State bonds.....	500,000 00
Swedish Government bonds....	48,666 66
British annuities.....	652,910 00
British Colonial securities...	500,126 67
Bank deposit receipts.....	321,303 00
Montreal Harbor bonds.....	462,000 00
Municipal securities.....	4,566,891 20
Bonds and stocks of banks and incorporated companies.....	30,420 00
Canadian Pacific and Canada Central Railway bonds.....	1,189,840 00
Total.....	\$14,189,772 20