

THE GROWTH OF CANADIAN LOAN CORPORATIONS.

The important part which loan corporations have played in the development of the Dominion and their great potential utility in regard to future development are recognized by all those who have studied Canada's economic position. As much perhaps by their careful regard for their good name and by their consistent following of conservative business methods as by their large importations of British and other capital, have they exerted a marked influence. Naturally, black sheep are bound to appear from time to time in every fold, but apart from one or two manifestations of undesirable and disastrous business methods which will come to mind, the loan corporations of all kinds in Canada as a whole have been remarkably successful in achieving a high position in the public esteem, by reason alike of their fair and liberal treatment of borrowers, of a conservative policy in the interests of their shareholders, and of a high sense of obligation to those who hold their debentures. The remarkable success which they have achieved in securing large funds from the other side of the Atlantic, and particularly in Scotland, at exceedingly moderate rates of interest furnishes an interesting commentary upon the measure of the trust reposed in their managements. This trust, too, has continued under exterior conditions which would have had a notably adverse effect upon organisations less securely entrenched. The loan companies have had good reason to complain of the unreasonable character of some of the moratoria measures passed in Canada within the last year, and insufficient attention was likewise paid to their interests in the seed-grain legislation of the Dominion Parliament passed last winter. In view of the indispensable character of the services which these corporations render, they are at least entitled to expect from governing authorities bare justice of treatment in matters of legislation and it is to be hoped that more attention will be paid to the strength of their claims in this respect when matters of this kind are again brought into the legislative arena.

GROWTH OF BUSINESS.

On page 835 is published a table showing the liabilities and assets as at December 31, 1914, of the loan and trust companies of Ontario. The figures are fairly, though not entirely, representative of the loan company business of Canada. With one or two exceptions, the figures of the leading loan companies in the Dominion are included in the present summary. The business of these companies during recent years has made notable progress. At the close of 1907, their mortgages on

realty were \$111,608,006, and their assets, \$206,945,906. Three years later at the close of 1910, mortgages had increased to \$131,138,109 and the companies' assets to \$308,729,139. A further period of four years makes the figures of 1914 available. At the close of last year, mortgages had increased to \$170,496,683, and the companies' assets to \$545,180,739. These advances are very large; with a renewal of business at the close of the war upon something like normal conditions it may be assumed that they will be continued.

THE RECORD OF 1914.

The business of these companies during 1914 presents a number of interesting features. The total of their mortgages was increased by some \$3,300,000 from \$167,158,513 to \$170,496,683. In view of the fact that during part of the year, some of the companies hardly lent at all, this gain in mortgages is distinctly interesting. Showing a healthy condition in the business of the companies generally, it was accompanied by something more than a halving of the mortgaged land held for sale (\$822,627 in 1913, \$367,025 in 1914). The rise in mortgages is, however, moderate in comparison with the advances which have been made in recent years, and the companies last year placed a much larger proportion of their funds than usual in high-grade securities. Their holdings of municipal debentures were doubled last year, being increased from \$2,605,915 to \$5,219,367. Holdings of government securities were increased from \$25,000 to \$217,198. Advances in these classes of investments were, however, accompanied by a sharp decrease in the holdings of miscellaneous stocks and bonds, which were reduced from \$43,064,885 to \$38,364,730.

On the other side of the account there is seen a decrease in the amount of the fully paid-up capital stock, owing probably to the failure of the Dominion Trust and to capital re-arrangements which have followed upon amalgamations. This decrease is, however, more than compensated for by an increase of nearly \$5,000,000 in partly paid up capital stock. The reserve funds of the companies were increased by nearly \$1,700,000 and now aggregate \$33,232,155, about 50 per cent. of the aggregate capital. A particularly large increase, amounting to almost 50 per cent. of their total at the end of 1913, is seen in unappropriated profits, which were advanced from \$3,478,005 to \$5,077,911.

DEPOSITS AND DEBENTURES.

Deposits are down by \$1,200,000, from \$23,501,053 to \$22,391,643. In part this is offset, however, by the rise in debentures payable in Canada, which

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