

THE TRUST AND LOAN COMPANY OF CANADA.

The half-yearly report of the Trust and Loan Company of Canada for the period ended September 30, shows that this old and well-known institution is finding its way through a period of great difficulty for all loaning companies in satisfactory manner, thanks to the strong position it has achieved through previous conservative management. The period named was naturally one of restriction, although in certain directions the restriction was somewhat less than might perhaps have been reasonably anticipated. The figures show, for instance, that in regard to the debentures and debenture stock of the company, there was during the six months a reduction in the amount outstanding of only approximately some \$70,000. Considering present-day circumstances in Great Britain, the decrease is a remarkably small one, and constitutes a notable tribute to the liking of British investors for these debentures and their disinclination to surrender them in favor of other securities.

The situation in regard to mortgages in Canada is reflected in a further contraction of their total from \$16,852,662 at March 31 to \$16,594,332 at September 30. A satisfactory feature is a reduction during the six months in the amount of overdue interest by over \$23,000. In this matter, as is well known, the mortgage companies have been unfavorably affected through the unreasonable moratoria legislation passed in the West—this legislation having naturally been taken advantage of by some borrowers, who would have found themselves well enough able to pay if the moratoria had not been proclaimed. The company again reports particularly substantial cash resources, amounting to approximately \$720,000, of which amount over \$500,000 is in British treasury bills, and the remainder at banks.

The net profits for the six months amounted to \$301,860, comparing with \$312,295 in the corresponding six months of 1914. In view of the conditions of the period, and the large cash reserves maintained, this return must be deemed a satisfactory one. Allocations have been made as usual to the reserve funds, bringing the statutory reserve up to \$2,182,060 and the special reserve to \$625,000. After writing off the cost of issue of debenture stock by an allocation of \$25,015, there is a balance of \$142,525. An interim dividend for the six months at the rate of 10 per cent. per annum less income tax, is declared leaving the slightly reduced balance of \$15,025 to be carried forward.

The declaration of the interim dividend at the 10 per cent. rate marks an important change in the dividend policy of the company. For several years, the dividend rate has been 9 per cent., free of income tax. The effect of the new policy is to free the company from onerous and somewhat uncertain obligations in regard to income tax while at the same time giving shareholders a compensation for the demands to be made upon them by the taxing authorities. In making this change, the directors of the Trust & Loan Company are following the example lately set by many conservative financial institutions in England which until recently declared their dividends tax free.

THE OCTOBER BANK STATEMENT.

The bank statement for October issued at Ottawa yesterday shows circulation at \$122,782,233, which is about a million less than at the corresponding date in 1914. Demand deposits are up to \$392,042,193 compared with \$359,315,280 at September 30, and \$348,732,830 at October 31, 1914. A further important advance of about \$17 millions in the month is marked by notice deposits which are \$710,336,850 against \$693,339,851 at the close of September, and \$659,866,682, a year ago. This increase is, however, offset by a corresponding decrease in foreign deposits which are down to \$111,236,345 against \$128,271,771, a month ago. At October 31, 1914, they were \$90,866,894.

On the other side of the accounts, the holdings of Dominion notes have taken a new turn upward to \$136,223,275 compared with \$129,818,906 a month previously, and \$123,023,100 a year ago. Deposits in the Central Gold Reserve are \$11,750,000, an increase of \$3,000,000 for the month, but a decrease of \$1,250,000 for the year. Home call loans show an advance on the month of nearly three millions to \$74,574,270, and are approaching \$4½ millions higher than at the corresponding date last year. Foreign call loans were pulled down in October by nearly \$14½ millions to \$120,681,624, which compares with \$81,201,671 in 1914. Current loans and discounts are up to \$780,785,754, an increase of \$6,698,996 for the month. Their total at October 31, 1914, was \$816,623,852.

The Bank of England continued its official rate of discount yesterday at 5 per cent.

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