incorporated. The aggregate of their increase of capital, of deposits, and of debentures was $28,612,-308, and the total increase of their loans on real estate was $28,833,487, which proves that the funds supplied by shareholders and the public were devoted to the precise class of loans these companies were organized to negotiate. In reference to the large sum of $2,406,295, which is the aggregate of loans made on the security of bonds, stocks, etc., such as are commonly styled "call loans," it may be explained that of this total no less than $1,285,481 is the amount of the loans of this class made by the Home Savings' and Loan Company, Toronto. This company operates on exceptional lines; it has only $200,000 of paid-up capital, with a reserve fund of the same amount. Its deposits amount to $1,920,373, of which $1,285,481 is invested on the collateral security of "stocks, bonds, and debentures." Such loans are its specialty, and they constitute a profitable and safe business. A company in this position has over 66 per cent. of its deposits so invested as to be available in case of need at a few days' call. Deducting this special item from the total call loans of the loan companies, we have left the sum of $1,120,814 as the aggregate of the advances made by 14 other companies. The total paid-up capital of these companies is $7,-540,000, and of deposits, and debentures, $16,661,-000, making a gross amount available for loans of $24,201,000. Their advances therefore on securities other than real estate amount to about 4 1-2 per cent. of their loaning resources supplied by shareholders and the public. The same companies whose call, or short date loans, on bonds, stocks, etc., amount to $1,120,814, have Reserve Funds, the total of which amounts to $1,629,000. Now, even if we grant that these loan companies ought to devote all their paid-up capital, deposits and debentures to advances on real estate, there can be no such claim made for the purposes to which their reserve funds are devoted, and, as those funds exceed their loans on securities, their policy in this respect cannot justly be criticised as either illegitimate or imprudent. When we consider how large are the deposits held by these companies, and on what short terms they are repayable, compared to the terms of their mortgage loans, we see how desirable it is for them to have substantial cash reserves to provide for contingencies. Now "cash on hand" is a profitless possession; it is indeed a source of loss, as, from whatever source it is derived, such money is chargeable with interest, and some part of management expenses. The managers of such companies naturally therefore desire to make their surplus funds earn at least what they are costing, and more if feasible, while at the same time they wish to have such funds promptly available. To secure both these points they make advances on call, or at very short dates, on the security of bonds and stocks, such as their financial judgment approves as sound, and without risk of loss by stock exchange fluctuations. If any manager of a loan and savings' company has not the requisite experience and sagacity to confine his advances to securities of this class which are "as sound as the wheat," he is out of place in a position which demands the constant exercise of sound judgment in selecting mortgage securities, the wise choice of which calls for a high degree of financial wisdom and prudence. From the above considerations and facts we are unable to see that the loan companies are open to any reproach for utilising their surplus funds for loans on securities other than mortgages. They are far from anxious to increase such loans, as those on real estate are more profitable. As regards the extension of the powers of these companies so as to authorize their lending to incorporated trading and manufacturing companies, we see grave objections to their entering upon this class of business. The security such enterprises give is not well adapted to loans on call, or at short dates, as advances to them are very apt to become "lock-ups," and their safety is wholly dependent upon the business of such enterprises being successful. Money borrowed on debentures or from depositors by a loan company ought to be re-invested as far as possible on the security of property having a permanent value, a value not liable to serious depreciation by the fluctuations of trade. One of the heaviest losses ever made by a Canadian loan company was one on a mortgage covering a large manufacturing establishment, the buildings and plant of which became almost worthless by a change in trade conditions a few years ago. Had the advances been on the manufacturing company's debentures, the loss would have been total, but being on a mortgage on the buildings and plant, there was something saved from the wreck, which may increase in value when business revives. The loan companies are finding acceptable mortgages scarce; they have money seeking an outlet; but we would recommend the management to take the line of absolute safety by avoiding advances on the securities of trading and manufacturing companies. The banks will provide all the accommodation such enterprises need, if they can furnish the requisite collaterals and good business.

YUKON YARNS AND THEIR AFTERMATH.

In several issues of The Chronicle, we have ventured to refer to the rush of many thousands of people to the Klondike as being unwarranted by anything yet positively known of the richness of the district. In the wild scramble for wealth, nothing is so alluring to mankind as the prospect of digging gold out of the ground or washing it from the sands of a river. There is an air of romantic mystery and enchantment about the Klondike discoveries equal to anything related of the early days of gold mining in Australia. The news of a lucky strike of the yellow metal, followed by fabulous riches for the finder, will never suffer in the telling by those who are filled with a desire to go to the diggings.