

CANADIAN TRUST COMPANY OPERATIONS.

Financial Institutions that Share in the Prosperity and Development in which they are an Important Factor.

It is desirable that the development of Canada's latent wealth should be not merely rapid, but permanently profitable. To this end, capital from abroad is necessary. That its inflow should not be checked a few years hence, is even more important than immediate large supplies. During 1908 and 1909 Canada has received from British investors alone some \$400,000,000 or over. A London financial journal predicts \$300,000,000 for the current year—including, presumably, some refundings. To maintain and strengthen foreign confidence in Canada as an investment field, there are two desiderata:

First.—An abundance of legitimate enterprises that can make profitable use of new capital; and,

Second.—Accredited channels through which capital from abroad can find its way conveniently and safely into investment opportunities.

Two Essentials to Canada's Development.

That Canada possesses the first essential, none now doubts. As to the second, mortgage and permanent loan companies have long done good work, alike for old country investors and for agricultural and financial interests in Canada. For instance, the Trust & Loan Company of Canada has been established in the Dominion for over fifty years—and throughout its successful and honourable career has aided materially in Canada's upbuilding, by its placing of British capital. Of late years, there has come the upgrowth of institutions engaged in placing municipal and industrial securities at home and abroad—some of these being in more or less close affiliation with leading chartered banks. These and certain other Canadian companies have broadened considerably the former "Trust Company" scope—and, while carefully carrying out their duties in the administration of estates and long-period trust contracts, they maintain distinct departments through which other than trust funds can be more actively employed in the financial development of the country. Legitimate and profitable undertakings are entered into in the way of corporate organization, underwriting, issuing and transferring of securities, real estate development and administration and so forth.

Encouraged by the undoubted success of outstanding companies such as those mentioned, a number of trust companies and security corporations have lately sprung into existence, and others are now forming. In numbers, there will soon be no dearth of such institutions, but care is needed that too much should not be attempted where resources and backing are limited.

Scotch Interest in Trust Company Development.

Mr. F. Norie-Miller, general manager of the General Accident, Fire & Life Assurance Corporation, of Perth, Scotland, has been visiting the head office, in Toronto, of the subsidiary company, the General Accident Assurance Company of Canada. Mr. Norie-Miller does not confine himself to a Scotsman's non-committal expression of opinion, regarding things Canadian. He freely expresses the opinion, that in fifty years, Canada will be bigger than the United States. The country to the South has almost reached the height of development, he believes, while Canada

has only just entered upon an epoch of remarkable activity.

Two factors there are that work together to make a country great in the economic sense—capital and population. "Canada is getting the best possible class of immigrants," commented Mr. Norie-Miller, "and the capital is coming."

"I know positively," he continued in an interview with a representative of the Toronto Globe, "that during the past two years, more British money has come to this country than in any previous ten. The British manufacturer is not establishing factories—because British money, invested here, is returning a handsome dividend. There is in Montreal at this time, Mr. Gerard Moncrieff, of the famous London banking house of Boulton Brothers, Broad street, with \$3,000,000 to be invested in a Canadian power project. Mr. James Simpson, of Edinburgh, one of the foremost men at the British bar to-day, is with me for the purpose of investigating the purchasing of bonds in your trust companies here. As for my own company, the General Accident, Fire & Life Assurance Corporation of Perth, Scotland, and London, England, we propose great extensions, and in a few years will have large office buildings in Montreal, Toronto and Winnipeg."

Some Trust Company Results.

As indicating the profitable nature of a trust company doing a general business, the recent annual report of the National Trust Company, of Toronto, is of interest. Since the report's appearing, the dividend rate of the company has been increased from 8 to 9 per cent.

Referring to the year 1909, President, J. W. Flavell, stated to the shareholders of the National Trust, that the company had shared generously in the Dominion's business progress. He commented upon the fact that the company's earnings were derived from the investment of its own capital, and guaranteed trust funds, and from fees and commissions received for services as trustee, executor, liquidator, administrator and agent.

The net earnings of \$160,779.42 represent sixteen per cent. upon capital, and an increase of \$22,257.40 during 1909, over the preceding year. The comparative figures, since the date when the stock of the company became fully paid, are as follows, showing that prosperity continued during lean years:

1901.....	\$78,097.91	1905.....	\$112,819.78
1902.....	83,206.05	1906.....	122,442.44
1903.....	89,359.94	1907.....	133,828.87
1904.....	92,620.90	1908.....	138,522.02
	1909.....		\$160,779.42

Out of the earnings of the year, dividends at the rate of eight per cent., amounting to \$80,000, have been paid, the surplus, with a balance in Profit and Loss Accounts, enabling the Directors to carry the sum of \$100,000 to Reserve, which now stands at \$650,000.

In the cases of some other of Canadian companies, notably the Toronto General Trusts, a more restricted Trust Company business is profitably conducted—the result of many years of gradual upbuilding. Herewith is given a statistical abstract of the position and earnings of such leading Canadian trust companies, as have already issued reports for 1909: comparisons are made with 1908.

For years to come—whatever temporary "ups and