

occurred between 1887 and 1897 for each of the four companies being amalgamated, was as follows:—

	Canada Permit.	Western Canada.	Freehold.	London & Ont.
Capital pd. up. inc.	\$ 300,000 inc.	\$ 100,000 inc.	\$ 119,000 inc.	\$ 59,460
Reserve Fund. dec.	30,000 inc.	70,000 inc.	89,000 inc.	55,000
Deposits. dec.	221,000 dec.	522,000 dec.	544,000	
Debentures. inc.	841,000 inc.	1,015,000 inc.	1,465,000 dec.	55,000
Mortgages. inc.	1,612,600 inc.	285,000 dec.	155,000 dec.	186,500
Do. in default inc.	216,200 inc.	858,000 inc.	790,300 inc.	232,260

Taking the changes in the four companies together made between 1887 and 1897, we get the following results.

	Net Increase 1887 to 1897.	Net decrease 1887 to 1897.	Totals of the 4 Cos in 1897.
Capital paid up.	\$ 578,460		\$ 5,969,000
Reserve Fund..	184,000		2,739,000
Deposits.		1,287,000	2,042,000
Debentures.	3,266,000		14,796,000
Mortgages.	1,556,000		23,538,600
* Do. in default.	2,096,760		3,075,300

* The amount given as "Mortgages in default" in above tables is, in each case, the amount which in the government report is stated to be "The amount chargeable to property held for sale."

The salient feature in the above statistics are: (1) the large decrease in deposits, for which have been substituted debentures, apparently in excess of the demand for mortgage loans, which only increased \$1,556,000, while the debentures to replace deposits increased \$1,979,000; (2) the regrettable enlargement of the amount due upon properties held for sale, that is, on properties foreclosed, the mortgages on them being in default. That item is always a source of anxiety to managers of loan companies, as when interest once begins to fall in default it quickly eats up the margin between the amount of the mortgage loan, and the valuation upon which the loan was based. In arranging the terms of amalgamation and re-organization, we venture to recommend the writing down of the assets, represented by properties held for sale to such a figure as beyond all peradventure will put those assets down to bed rock. It will be far wiser to anticipate the worst, and provide for it, than to be too sanguine and entail grave disappointment in future years. As the earning power of the loan companies declined, owing to reduced rates on mortgages, the prices of their shares fell, as the following comparison shows of the above companies:—

	1890.	1894.	1895.	1896.	1898.
Canada Permit.....	201	170	164	130	106
Western Canada.....	182	165	150	130	116
Freehold.....	143	134	134	103	86
London & Ontario....	115	114	113	100	70

It is stated that the manager of the amalgamated companies will be Mr. Walter S. Lee, managing director of the Western; Mr. J. Herbert Mason, who has been over forty years manager of the Canada Per-

manent, will be Vice-President, and the Hon. S. C. Wood, manager of the Freehold, ex-Treasurer of the Province of Ontario, will be on the directorate. Mr. George Gooderham, will be President. It will take a length of time to value the assets of the 4 companies, and to adjust the interests of their respective shareholders. When this has been done, and the new organization completed, we trust the results will fully equal the most sanguine anticipations of the promoters of this important enterprise.

CURRENCY REFORM AND A CONTRARY COMPTROLLER.

(The Adoption of the Canadian System of Protection to Note-holders Upheld.)

Canadian bankers and others who have followed with any interest the unceasing efforts of the best financiers in the neighbouring republic to bring about a much-needed reform in the currency of that country will be interested in the following extracts from an admirable article in the New York "Commercial Bulletin," dealing with the perverse and obstinate stand made by Comptroller Dawes against the introduction of a plan for issuing bank-notes guaranteed by a first lien upon the assets of a bank. We are unwilling to believe that the hostility of the Comptroller to a reform which has been so warmly advocated, and which has received a large measure of public support, is due to dislike to borrowing anything in the shape of a banking system from others. Yet his failure to suggest any better plan of currency reform, and the paltry objections he lodges to the proposed scheme, warrants the *Bulletin* in saying:—

"It is quite likely that, when the Comptroller's horizon has been widened by official experience, he may feel little flattered over having raised such a narrow objection to such a broad and essential principle."

It seems that to the proposed plan of reform Comptroller Dawes is opposed; first, because he thinks no change is needed beyond that suggested by the President,—requiring the Treasury to withhold United States Notes from re-issue except in exchange for gold; and, next, because the preferential guaranty, which it is proposed to award to the notes, would impair the protection of deposits.

The Comptroller is evidently totally unfit to grapple with such a question as the one presented to him, and it is not surprising to find the leading financial paper of the principal city in the United States expressing regret that in his Annual Report, and later in a public address, delivered at Chicago, this small-minded official should declare himself directly hostile to the absolute protection of the note-holder. The *Bulletin* more than insinuates that a measure of reform comprising said protection for note-holders would have been sanctioned some time ago but for "personal ambitions in the Committee on Banking and Commerce."

However, it ought to be cheering to the advocates