LOAN COMPANIES IN THE WEST.

South Brandon Member Talks of Reform; Views of an Observer.

Regarding the proposal of Mr. A. H. Carroll, M.P.P., of South Brandon, to introduce legislation regarding western loan companies—a reference to which appears in the banking notes. "Observer" writes:—

Editor, Monetary Times:—

Sir,—As far as I know the loan companies are conducting their business along legitimate lines. No doubt you are aware that there are many financial companies that are lending money on mortgages besides the loan companies; building societies, life insurance companies, guarantee companies, and many others. I hardly think that Mr. Carroll refers to the loan companies in particular. I have visited nearly all the western towns, and my experience has been that the citizens are always pleased to see a loan company establish a branch office or an agency in their town. In fact, they are very anxious indeed to have loan companies establish branches or agencies. In my opinion the loan companies have had a great deal to do with the building up of western towns and cities, even more so than the banks, because we lend a man a thousand dollars, or any number of thousand, providing he has the necessary security for five or ten years. We give him a definite contract, and for that reason the business man can build a block to transact his business in, can build a home to live in, and he retains the money loaned by the loan company for five or ten years, or the length of time agreed upon, which enables him to do so as outlined above.

Plenty of Business For Companies.

Of course you understand an overdraft from a bank as a rule, is only for a short time; for that reason a business man could not build a block, or a home to live in on an overdraft from a bank.

My opinion is that there is plenty of business in the West for all the banks and loan companies. In fact I think it would be a good thing for the western country, if we could induce several more large banks and loan companies with lots of money to lend to establish in the West. I think it is generally admitted by the business man of the West that the loan companies have had a great deal to do with the building up of the western country.

As you are aware several of our life insurance companies compel a person to take life insurance before they will advance him money on real estate. Mr. Carroll may be opposed to this method of lending money. Then again, in the early days a great many of the building societies, or so-called loan companies, loaned their money on shares. Or in other words, a person wishing to borrow a thousand dollars would have to subscribe for ten shares of stock in order to secure a loan of $1,000.

Maturity of the Mortgage.

The maturing of the mortgage depended enitrely upon the maturing of the shares subscribed. In many cases I think the shares were estimated to mature in 8 years, but several of these companies did not mature their shares in 8 years. In fact the borrowers had to continue their payments with several of these companies for 10 years before their shares matured. As I have already explained to you the maturing of the shares depended on the maturing of the mortgage. This method of loaning has had a very bad effect on the loan company business, as a great many people think that all loan companies are alike. I believe that the great majority of the people are perfectly satisfied with the treatment they have received from all the loan companies, with the exception of these so-called loan companies that lend their money on shares. I believe the method of loaning money on shares is practically done away with. This method of loaning has left a very bad impression with a great many people.

In closing I would say that the loaning companies have had more to do with the building up of this Western country than a great many people have any idea of. I think that the great majority of people that have borrowed from loan companies are perfectly well satisfied. The only objection that we have had to contend with is that we have not had sufficient money to supply the demand.

WESTERN BANK OF CANADA.

Eleven shareholders were present at the annual general meeting of the Western Bank, held last week. They listened to an encouraging report by the president, Mr. John Cowan, on the operations of the past year, which resulted in net earnings of $88,784, representing 16 per cent. of the paid-up capital of the bank.

To that sum has been added $45,434, brought forward from the previous year, making a total of $134,218. Out of this amount, $50,000 has been transferred to the rest account, which now stands at $55,000; and $39,000 to past due bills, $44,000 being distributed as dividends. The balance carried forward is $818. With a circulation amounting to about $400,000 and deposits of not quite $4,400,000, the bank has assets aggregating $5,800,000, of which $1,140,000 is due from other banks in Canada and $812,000 debentures and other securities. This is a very satisfactory statement, and the strength of the deposits account shows confidence.

ANNUAL MEETINGS.

April 22nd.—Cobalt Silver Queen, Limited.

April 23rd.—Boiler Inspection and Insurance Company of Canada.

DIVIDENDS PAYABLE.

Quarterly.—April 20th: Auer Incandescent Light Manufacturing Company, 1½+1 per cent.; Nipissing Mines Company, 3 per cent.; Shawinigan Water and Power Company, 1 per cent.

Half-Yearly.—April 21st: Lake of Wood Milling Company, 3 per cent.

ROYAL SECURITIES CORPORATION TRANSFER.

The transfer to Toronto interests of the Royal Securities Corporation, originally founded in Halifax, and which some little time ago removed its head office to Montreal, has now been consummated. The company will handle bonds and debentures, and having regard to its good connections, the outlook for its career is very bright. Mr. R. C. Matthews is in charge.

PERSONAL.

Mr. Walter Bell has been appointed manager of the Northern Bank at Wolseley, Sask.

Mr. C. W. Appleyard, of the Imperial Bank, at Brandon, Man., has been transferred to Nelson, B.C.

Mr. George Kerr, formerly manager of the Western Bank of Canada, at Pickering, Ont., died on Sunday in his 8oth year.

Mr. W. P. Osborne, teller of the Bank of Ottawa, at Staughton, Sask., is to be transferred to the branch of the bank at Regina.

Mr. W. R. W. Mitchell, accountant in the Alberni, B.C., branch of the Royal Bank of Canada, has been transferred in the same capacity to Nanaimo, B.C.

Mr. J. D. Bell, the popular manager of the Weyburn, Sask., branch of the Bank of Commerce, has received notice that he will be sent to Elgin, Man., as manager.

Hon. John Lovitt died at Yarmouth, N.S., after an illness of several months, cancer being the cause of death. He was formerly president of the Bank of Yarmouth.

Mr. A. H. B. Mackenzie has returned to his arduous duties at the St. James office, Montreal, of the Sovereign Bank, now controlled by the Bank of British North America.

Mr. G. F. Laing, for many years manager of the Bank of British North America at Yorkton, Sask., has been promoted to the position of manager of the Calgary, Alta., branch.

Mr. C. E. Moe, manager of the Eastern Townships Bank at Taber, Alta., has resigned to enter another business. Mr. C. H. Niles, of Sherbrooke, Que., has been appointed manager of the bank.

Mr. J. Jones, ledger-keeper at the Union Bank at Haileybury, Ont., has been promoted to the position of cashier at Englehart, Ont., and Mr. Donald McKenzie has been promoted to the position of ledger-keeper at Haileybury.

Mr. E. Percy Hunter, accountant of the Pembroke, Ont., branch of the Bank of Ottawa, has been promoted to be manager of the branch at Richmond, Ont., while Mr. Keaney, accountant at Haileybury, will succeed Mr. Hunter at Pembroke.

Mr. J. H. Brookes, accountant, at the Victoria, B.C., branch of the Bank of British North America, has been promoted to the managership of the Kaslo, B.C., branch. Mr. N. B. Gresley, also of the staff, Victoria branch of the bank, has been promoted to the managership of the branch at Belmont, Man.

Mr. Charles Jerome Edwards, manager, the Equitable Life Assurance Society of the United States, Brooklyn, N.Y., spent a day in Montreal, last week, the guest of Mr. George H. Allen, manager for Montreal, the Mutual Life Assurance Company, of Canada. Mr. Edwards is a prominent insurance man in the United States, and also holds the important position of president of the National Association of Life Underwriters of the United States.