

LENDING ON MORTGAGE.

The business of lending on mortgage is a very considerable one in Canada. So far as we are aware, no statistics have been compiled which state the aggregate so loaned by the various insurance companies, mortgage loan societies, and private lenders. But an idea may be found of the extent of the business from the circumstance that the assets of the thirty-four companies forming the Land Mortgage Loan Companies' Association of the Province of Ontario amounted at the close of 1896 to no less than \$897,148,610. These thirty-four companies have an aggregate paid-up capital of \$27,775,000, and their loans are scattered over the farm lands of Ontario and Manitoba, and the factories, shops, residences in the towns and cities of both.

For several years past, up to the close of 1896, through depression in general mercantile business and through depreciation in farm lands of Ontario, unusual difficulty was experienced by many lenders on mortgage in obtaining regular payment of interest and principal on their loans. In the City of Toronto and its suburbs, by reason of exaggerated land values occasioned by the "boom" of eight or ten years ago, numbers of properties had fallen into the hands of the mortgagees, which meant a large lock-up of capital in such properties, or the sale of them at a loss. This, while it affected a number of the larger Toronto loan companies, applied only indirectly, if at all, to the majority of the companies situated there and in London, Hamilton, Brantford, Guelph, and other places in Ontario.

Better conditions set in with the year 1897, when improvement in mercantile business, together with an abundant harvest and increased prices for field products, wrought a betterment in values of assets of all kinds, caused brisk remittances of interest and principal, and made a market for lands and buildings that had been for some years unrealizable. This welcome change for the better will doubtless be reflected in the statements of Ontario loan companies, whose annual meetings are now beginning to be held. That the great bulk of the four hundred millions mentioned above as loaned on Ontario and Manitoba properties, is safely loaned, is a matter upon which all well-informed financial men are agreed. And that the era of increased prosperity on which the country has now entered, will gradually effect a betterment of the comparatively small aggregate of locked-up loans, is also reasonably sure.

In a very sensible review of the mortgage lending field of Ontario and Manitoba, made on Wednesday by the president of the Canada Landed and National Investment Company, some statements are made which merit attention. In the course of this Mr. Blaikie says pointedly—and he is a man who weighs his words—that "this Company's experience with farm loans in Ontario has been extensive, long continued [nearly forty years] and most satisfactory. No better securities could be obtained than most of the farm loans this company has in Ontario." And he makes reference to the change for the better gradually taking place in the methods of farming in the province, a matter of no small amount to lenders on mortgage, as well as affecting deeply the general prosperity of the people. Further, he says, there has never been in the history of the company less past due interest than at the present time. This is very strong testimony to the improved state of things among farmers and other borrowers. We consider it likely, from enquiries we have made, that every loan company or other lender can give testimony on this point, if not as strong as the above, yet very satisfactory as to the improvement.

But why are the most of the quoted loan society shares so low, as compared with bank shares or other securities? Largely because investors have been made timid by what they hear of losses through the "boom" investments of some prominent land companies, which have reflected severely on loan companies proper, and by recent revelations of mismanagement and dishonesty in the conduct of minor lending societies. Very possibly the extent of both these defects has been exaggerated; but also, not unnaturally, in such cases, the innocent, in either respect, suffers with the guilty.

The reports of the Ontario loan companies for 1897 will be scanned with more than usual interest. Evidences of faulty book-keeping, indications of hiding losses or juggling with figures, will be sought out with great keenness—and very properly. The utmost frankness of statement and clearness of detail is the best policy in times when there is apprehension in the mind of investors. The reports of auditors, too, will be read with care, to discover whether they contain anything more than stereotyped phrases, and whether the auditors have had the courage, when they found anything questionable in policy or method, to say so. We trust it may nowhere else be found that the fatuous and fatal custom of the Farmers' Loan Company prevails, of crediting interest regularly on loans upon properties fallen into the company's hands and vacant. The policy of making an entire separation of active from dormant loans, is one alike commended by prudence and good book-keeping.

SIX MONTHS' TRADE.

The trade returns for the six months ending 31st December, 1897, indicate a very satisfactory condition of commerce in the Dominion. Not only has Canada produced a larger quantity of goods for export, shipping abroad commodities to the value of \$99,673,000, as against \$76,886,000 in the same period last year, but we have been able to purchase more freely of the products of foreigners, importing goods valued at \$52,701,000, as against \$58,102,000 in the similar six months of 1896. Of the imports, \$34,350,000 were dutiable, while \$25,613,000 were free, as against \$31,989,000 dutiable goods and \$21,634,000 free goods in 1896. The imports of coin and bullion were smaller than those of 1896, amounting to \$2,732,000 in comparison with \$4,478,000. The exports of the period may be classified and compared with those of 1896 as follows:

	1897.	1896.
Minerals.....	\$7,656,000	\$5,314,000
Fish	7,100,000	7,230,000
Animals and produce	32,467,000	25,950,000
Forest.....	19,767,000	18,762,000
Agriculture	26,771,000	14,247,000
Manufactures	5,736,000	5,132,000
Miscellaneous	174,000	248,000
Total.....	\$99,673,000	\$76,886,000
Produce of Canada	89,779,000	69,911,000
Coin and bullion.....	987,000	3,212,000

The principal source of increased export trade has been agriculture, while shipments of animals and their produce has also brought larger revenues into the country. Activity in mining regions has led to an increase of more than \$2,300,000 in the value of our exports. Canadian manufacturers have done little more than hold their own in foreign markets. This is not wholly unsatisfactory, as in some cases a decline in the exportation of manufactured products has been caused by the improved condition of the home markets and the better prices realized here.

The record of the month of December has been in keeping with this excellent record. We give our usual comparative list of articles imported: