

LOAN CORPORATIONS AND CANADIAN DEVELOPMENTS.

In Canada, as in the United States and elsewhere, loan corporations and similar companies have played and continue to play a very considerable part in the development of the country. For some reason or other the loan and trust company has been for many years a favored medium of investment with the canny Scotsman. Why this should be the case we are at a loss to understand, except on the hypothesis that the business is a particularly profitable one, and a casual glance at a few of the multitude of balance sheets of these undertakings emanating from Edinburgh, Glasgow and Aberdeen suggests that this is the true explanation. Be that as it may, the canny Scot has supplied capital in this way to such widely scattered lands as New Zealand, Australia, Argentina, the United States and Canada, and he continues his investments on a large scale, though, perhaps, of late years it is to the United States and Canada that he has been mainly devoting his attention.

The companies reporting to the Ontario Registrar of loan corporations, the customary annual abstract of whose business is given on page 1057 are mainly Canadian undertakings, but they enlist in their service a good deal of capital from the other side by way of debentures. At the end of 1909 the amount of their outstanding debentures payable elsewhere than in Canada was \$47,569,168, comparing with \$42,702,566, there having thus been a substantial increase during 1909 of \$4,866,602. Moreover, this increase followed upon a similar substantial increase in 1908 of \$4,236,280, and, as 1907 showed an advance under the same heading of some \$2,500,000, it appears that in the three years ending 1909, there was an increase of upwards of 11½ million dollars in the amount of British capital contributed to these Ontario undertakings.

It is satisfactory to find also that during 1909 there was an increase in the amount of debentures payable in Canada. This, it is true, and as is to be expected, was of more modest dimensions than the increase in the amount of debentures payable elsewhere, the 1909 total being \$20,726,401 compared with \$19,913,722, a rise of \$812,679, but since this compares with decreases of several previous years, it is, as has been said, satisfactory. So also is the substantial increase in deposits aggregating at the close of 1909, \$19,147,323 as compared with \$17,613,228 twelve months previously or an advance of \$1,534,095. This, if no other evidence were available, is a very fair indication of the period of healthy expansion which Canada enjoyed in 1909, a happily normal period in which both the Scylla of depression and the Charybdis of feverish speculation were avoided. In the proportion of debentures payable in Canada to the whole of the debentures issued by the companies, there is in 1909 a fractional decline, but since twelve years or so ago only one-tenth of the money borrowed by these companies on debentures was obtained in Canada and the proportion is now about five-seventeenths, this fractional decrease need not be considered significant.

The increased activity which marked the year 1909 in Canada is reflected again in the increase of mortgages. These in 1909 totalled \$122,253,988, comparing with \$113,975,110, an increase of \$8,278,869. This is the sixth consecutive year of expansion in the mortgage total, the movement having begun in 1904 after a decade of decreases which followed the wild "boom" of 1894, in which year the aggregate of mortgage loans was pitched up to \$117,000,000—relatively, of course a much larger total than it would be now. That the Ontario companies business is built upon solid foundations of legitimate demand for accommodation is shown by the fact that there were steady increases all through the dull period which followed the speculative boom of 1906 and the early part of 1907.

The total of mortgages given is that of "live" mortgages; mortgaged land held by the companies for sale is given separately and has increased only during 1909 from \$516,299 to \$547,600, a quite inconsiderable rise in comparison with the marked expansion in mortgages during 1908. No longer ago than 1898, indeed, the loan corporations of Ontario had well on to \$9,000,000 of mortgaged lands on their hands for sale, so that in the eleven years which have since elapsed there has been in this direction a remarkable improvement.

The loan corporations are grouped into four classes in the statistical summary:—

- (1) Loan companies having only permanent stock.
- (2) Loan companies having terminating stock as well as permanent stock, or having terminating stock only.
- (3) Loaning land companies.
- (4) Trust companies.

It is by the first class of companies that the major portion of foreign capital is secured and they do also the greater part of the deposit business holding \$17,870,547 out of a total of \$19,147,323. There was in 1909 a remarkable falling off in the deposits of trust companies. These at the close of 1909 were \$809,608, but twelve months later they had decreased to \$10,215.

The following particulars which do not appear in the statistical table throw some additional light upon the companies' operations during 1909:

Average rate of interest paid on

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|--------------------------|-------------------|
| (a) Deposits..... | 3.72951 per cent. |
| (b) Debentures..... | 4.68296 per cent. |
| (c) Debenture Stock..... | 3.972 per cent. |

Average rate of interest received on Mortgages of realty

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|-----------------------------|-------------------|
| (a) Owned beneficially..... | 6.36067 per cent. |
| (b) Not so owned..... | 6.7421 per cent. |

On Other securities.

- | | |
|-----------------------------|-------------------|
| (a) Owned beneficially..... | 6.36067 per cent. |
| (b) Not so owned..... | 5.472 per cent. |

CENSUS OF AGRICULTURE.—The next Census of Agriculture will be taken under date of 1st June, 1911. The area, product and value of field crops harvested in 1910 will be enumerated, but grain and other field crops for the harvest of 1911 will be taken by areas only, as none of these crops will be ripe at the taking of the census. The products of these crops will be gathered later in the year from the reports of correspondents. Animals and animal products, coming under the head of agriculture, will also be included in the census.