

PART II.—MISCELLANEOUS COMMERCIAL FINANCE.**Section 1.—Loan and Trust Companies.***

The Canada Year Book, 1934-35, presented at p. 993 an outline of the development of loan and trust companies in Canada from 1844 to 1913.

The laws relating to trust and loan companies were revised by the Loan and Trust Companies Acts of 1914 (4-5 Geo. V, cc. 40 and 55), with the result that the statistics of provincially incorporated loan and trust companies ceased to be collected. In Table 1, however, certain summary statistics of provincial companies have been supplied for 1936 by courtesy of those companies and are included in order to complete the picture for loan and trust companies throughout Canada. The provincial figures are believed to be substantially correct. It will be noted that the totals for the division of assets of trust companies by type of asset (shown in the lower part of the table) do not agree with the totals in the upper part of the trust company section, for the reason that par values are used in the former case and book values in the latter. The statistics of Tables 2 and 3 refer only to those companies operating under Dominion charter, except that, beginning in 1925, the statistics of loan companies and trust companies incorporated by the province of Nova Scotia, and brought by the laws of that province under the examination of the Dominion Department of Insurance, have been included as well as those for trust companies in New Brunswick since 1934 in Table 3. All the tabulations of this Section have been rearranged and revised; the historical series now start with the year 1920, at which time the Dominion Department of Insurance took over the administration of the legislation concerning Dominion trust and loan companies—the Department of Finance had previously exercised supervision of their activities.

As indicating the progress of the aggregate of loan company business in Canada, it may be stated that the book value of the assets of all loan companies rose from \$188,637,298 in 1922 to \$213,649,794 in 1931, but had declined to \$196,120,255 by 1936. The assets of trust companies, not including trust, estates, and agency funds, which cannot be regarded as assets in the same sense as company and guaranteed funds, have increased from \$154,202,165 in 1928 to \$237,588,455 in 1936. In the former year, the total of trust, estates, and agency funds administered amounted to \$1,077,953,643 and in the latter year to \$2,537,931,352. (Table 1.)

Functions of Loan Companies.—The principal function of loan companies is the lending of funds on first mortgage security, the money thus made available for development purposes being secured mainly by the sale of debentures to the investing public and by savings department deposits. Of the loan companies operating under provincial charters, the majority conduct loan, savings, and mortgage business, generally in the more prosperous farming communities. The historical statistics published in Tables 1 and 2 respecting loan companies have been revised by the separation of the statistics of small loans companies, which are now included in Section 2.

Functions of Trust Companies.—Trust companies act as executors, trustees and administrators under wills or by appointment, as trustees under marriage or other settlements, as agents or attorneys in the management of the estates of the living, as guardians of minor or incapable persons, as financial agents for municipalities and companies and, where so appointed, as authorized trustees in bankruptcy. Some companies receive deposits, but the lending of actual trust funds is restricted by law. The figures of Table 1 are of particular interest in the case

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