

Section 2.—Small-Loans Companies

There has been incorporated in recent years, by the Parliament of Canada, a number of companies that make small loans, usually not exceeding five hundred dollars each, on the promissory notes of the borrowers and additionally secured in most cases by endorsements or chattel mortgages. While small-loans companies may, under their charter powers, make loans on the security of real estate, actually they have made but very few of such loans.

On Jan. 1, 1940, The Small Loans Act, 1939 (3 George VI, c. 23), passed by the Parliament of Canada, came into force under which licensed money-lenders making personal loans of \$500 or less are limited to a rate of cost of 2 p.c. per month on outstanding balances and unlicensed lenders to a rate of 12 p.c. per annum, including interest and charges of every description. As at Apr. 5, 1941, licences had been issued to 72 money-lenders. Figures covering their operations are not yet available.

The small-loans companies dealt within this report, three in number, became licensees, as small-loans companies, under The Small Loans Act, 1939, as from Jan. 1, 1940.

5.—Assets and Liabilities of Small-Loans Companies Chartered by the Dominion Government, as at Dec. 31, 1928-39

Year	ASSETS			
	Loans Receivable	Cash on Hand and in Banks	Other	Total
	\$	\$	\$	\$
1928.....	138,635	3,597	17,007	159,239
1929.....	434,432	9,621	36,341	480,394
1930.....	598,275	21,814	31,551	651,640
1931.....	777,414	13,020	36,939	827,373
1932.....	644,339	22,125	13,449	679,913
1933.....	1,228,180	327,760	14,019	1,569,959
1934.....	2,353,862	284,761	22,111	2,660,734
1935.....	2,962,580	194,406	30,403	3,187,389
1936.....	4,145,066	214,363	32,961	4,392,390
1937.....	4,875,596	261,864	37,092	5,174,552
1938.....	4,764,032	412,594	32,182	5,208,808
1939.....	5,081,320	342,578	42,781	5,466,679

Year	LIABILITIES									
	Liabilities to Shareholders					Liabilities to the Public				Total Liabilities
	General Reserve	Reserve for Losses	Capital Paid Up	Other Liabilities	Total	Borrowed Money	Un-earned Income	Other Liabilities ¹	Total	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
1928.....	Nil	1,757	101,000	2,650	105,407	45,000	6,549	397	51,946	157,353
1929.....	"	10,075	101,000	1,399	112,474	346,924	16,656	1,571	365,151	477,625
1930.....	"	16,284	141,150	7,418	164,852	450,659	22,211	9,349	482,219	647,071
1931.....	"	36,028	273,150	3,992	313,170	474,659	24,532	10,759	509,950	823,120
1932.....	"	14,722	331,600	1,775	348,097	295,930	18,596	12,375	326,901	674,998
1933.....	"	22,945	976,750	10,871	1,010,566	445,382	96,248	4,075	545,705	1,556,271
1934.....	"	65,559	976,750	76,518	1,118,827	1,330,797	171,817	17,181	1,519,795	2,638,622
1935.....	"	91,061	976,750	163,923	1,231,734	1,681,062	222,643	21,742	1,925,447	3,157,181
1936.....	300,000	146,658	976,750	2,771	1,426,179	2,581,710	315,673	37,559	2,934,947	4,361,126
1937.....	300,000	220,308	1,001,750	237,643	1,759,701	2,920,840	361,315	95,904	3,378,059	5,137,760
1938.....	318,000	295,361	1,001,750	441,718	2,056,829	2,653,334	348,355	118,108	3,119,797	5,176,626
1939.....	318,000	351,850	1,234,250	749,666	2,653,766	2,265,834	369,723	134,724	2,770,281	5,424,047

¹ Includes taxes.