

**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.

**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. Such companies receive deposits, but the lending of actual trust funds is restricted by law.

**Statistics of Loan and Trust Companies.**—The figures of Table 1 are of particular interest in the case of trust companies. On account of the nature of their functions, they are mainly provincial institutions, their chief duties being intimately connected with the matter of probate, which lies within the sole jurisdiction of the provinces.

**1.—Operations of Dominion and Provincial Loan and Trust Companies in Canada, as at Dec. 31, 1940**

Item	Provincial Companies	Dominion Companies	Total
	\$	\$	\$
<b>Loan Companies—</b>			
Assets (book values).....	59,110,662	133,713,412	192,824,074
Liabilities to the public.....	30,707,547	98,988,451	129,695,998
 Capital Stock—			
Authorized.....	32,373,275	59,150,000	91,523,275
Subscribed.....	19,913,771	25,718,500	45,632,271
Paid-up.....	17,906,309	19,145,919	37,052,228
Reserve and contingency funds.....	10,042,680	14,262,422	24,305,102
Other liabilities to shareholders.....	905,547	1,303,100	2,208,647
Total liabilities to shareholders.....	28,854,536	34,711,441	63,565,977
Net profits realized during year.....	1,050,960	518,371	1,569,331
 <b>Trust Companies—</b>			
Assets (book values)—			
Company funds.....	57,570,952	20,209,559	77,780,511
Guaranteed funds.....	108,290,989	35,482,199	143,773,188
Totals, Company Funds and Guaranteed Funds... ..	165,861,941	55,691,758	221,553,699
Estates, trust, and agency funds.....	2,417,078,216	256,781,691	2,673,859,907
 Capital Stock—			
Authorized.....	51,657,600	25,300,000	76,957,600
Subscribed.....	25,267,750	13,283,570	38,551,320
Paid-up.....	23,840,026	11,867,224	35,707,250
Reserve and contingency funds.....	15,971,396	5,902,904	21,874,300
Unappropriated surpluses.....	3,859,292	948,663	4,807,955
Net profits realized during year.....	2,677,617	405,726	3,083,343