

Canada at official rates. All Canada's current receipts from transactions with the United States dollar area (except some part of the tourist receipts) accrue in the form of foreign exchange. The significance of the unofficial market relates, therefore, mainly to capital items.

PART II.—MISCELLANEOUS COMMERCIAL FINANCE

Section 1.—Loan and Trust Companies*

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

The laws relating to loan and trust 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. However, summary statistics for 1944 and 1945 of provincial companies have been supplied by those companies and are included in Table 1 in order to complete the statistics for loan and trust companies throughout Canada. It is estimated that more than 90 p.c. of the business of provincial companies is represented in the figures, so that they may be accepted as fairly inclusive and representative of the volume of business transacted as compared with Dominion registered companies. The statistics of Tables 2 and 3 refer only to those companies operating under Dominion charter, except that, beginning with 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 in Table 3 as well as those for trust companies in New Brunswick since 1934 and in Manitoba since 1938. In 1920, the Dominion Department of Insurance took over the administration of the legislation concerning Dominion loan and trust companies—the Department of Finance had previously exercised supervision of the activities of these companies.

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 increased from \$188,637,298 in 1922 to \$213,649,794 in 1931, or by 13.3 p.c., but declined to \$197,455,071 in 1945 or by 7.6 p.c. since 1931. The assets of trust companies (not including estates, trust and agency funds, which cannot be regarded as assets in the same sense as company and guaranteed funds) increased from \$154,202,165 in 1928 to \$278,728,016 in 1945 or by 80.8 p.c. In the former year, the total of estates, trust and agency funds administered amounted to \$1,077,953,643 and in the latter year to \$3,117,808,409.

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. In the war years from 1939 to 1945 the amount invested in mortgages declined by almost \$27,000,000, being practically all accounted for by an increase in the amount of bonds and stocks held. Of the loan companies operating under provincial charters, the majority conduct loan, savings and mortgage business, generally in the more prosperous farming communities.

* Revised under the direction of G. D. Finlayson, C.M.G., Superintendent of Insurance, Department of Insurance, Ottawa.