

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, which was practically all accounted for by an increase in the amount of bonds and stocks held. The 1947 figure of \$79,000,000 was greater by \$6,000,000 than that for 1946.

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 for investment, but both the investing and lending of such deposits and of actual trust funds are restricted by law.

Statistics of Loan and Trust Companies.—The figures in 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 Provincial and Dominion Loan and Trust Companies as at Dec. 31, 1946 and 1947

Item	1946			1947		
	Provincial Companies ¹	Dominion Companies	Total	Provincial Companies ¹	Dominion Companies	Total
	\$	\$	\$	\$	\$	\$
Loan Companies—						
Assets (book values)	70,345,417	145,016,997	215,362,414	76,008,059	155,117,857	231,125,916
Liabilities to the public	44,343,248	113,605,949	157,949,197	46,629,627	121,257,755	167,887,382
Capital Stock—						
Authorized	26,683,425	56,000,000	82,683,425	21,338,625	56,000,000	77,338,625
Subscribed	15,871,620	21,364,000	37,235,620	16,529,276	21,504,200	38,033,476
Paid-up	14,512,425	17,584,586	32,097,011	15,401,461	17,929,295	33,330,756
Reserve and contingency funds	9,100,231	12,652,844	21,753,075	10,430,321	14,639,711	25,070,032
Other liabilities to shareholders	2,389,513	1,173,618	3,563,131	3,546,650	1,291,096	4,837,746
Total liabilities to shareholders	26,002,169	31,411,048	57,413,217	29,378,432	33,860,102	63,238,534
Net profits realized during year	1,283,081	1,153,125	2,436,206	1,207,433	3,108,680	4,316,113
Trust Companies—						
Assets (book values)						
Company funds	65,268,327	23,699,397	88,967,724	66,212,491	23,421,857	89,634,348
Guaranteed funds	154,216,706	62,184,103	216,400,809	171,642,223	71,660,445	243,302,668
Totals, Assets	219,485,033	85,883,500	305,368,533	237,854,714	95,082,302	332,937,016
Estates, trust, and agency funds	2,758,442,016	392,430,578	3,150,872,594	2,735,930,892	480,931,822	3,216,862,714
Capital stock—						
Authorized	48,705,000	27,750,000	76,455,000	47,220,000	30,250,000	77,470,000
Subscribed	25,232,085	14,369,170	39,601,255	25,527,135	14,057,070	39,584,205
Paid-up	24,077,401	13,666,595	37,743,996	24,400,997	13,333,408	37,734,405
Reserve and contingency funds	22,139,978	7,396,948	29,536,926	24,209,547	7,754,554	31,964,101
Unappropriated surpluses	4,678,478	1,198,576	5,877,054	4,556,136	1,348,130	5,904,266
Net profits realized during year	3,009,779	1,290,478	4,300,257	2,877,337	898,435	3,775,775

¹ Excludes one loan company incorporated under the laws of Quebec the capital stock and debentures of which have been issued largely outside Canada.