

5.—Assets and Liabilities of Small Loans Companies Chartered by the Federal Government, as at Dec. 31, 1938-47—concluded

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 ⁶	Total		
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
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	
1940..	18,000	421,488	1,234,250	1,233,841	2,907,579	3,708,366	"	213,253	3,921,624	6,829,203	
1941..	18,000	517,986 ¹⁰	1,234,250	1,590,941	3,361,177	4,258,853	"	298,896	4,557,749	7,918,926	
1942..	18,000	576,586 ¹⁰	3,734,250	1,920,499	6,249,338	2,572,615	"	238,309	2,810,924	9,060,262	
1943..	18,000	565,110 ¹⁰	3,735,000	2,393,312	6,711,422	3,570,695	"	314,249	3,884,944	10,596,366	
1944..	18,000	579,270 ¹⁰	3,805,000	2,970,071	7,372,341	4,819,254	"	406,251	5,225,505	12,597,846	
1945..	18,000	586,428 ¹⁰	3,965,000	4,083,179	8,652,607	7,077,840	"	270,383	7,348,223	16,000,830	
1946..	18,000	915,290 ¹⁰	4,155,000	4,560,862	9,649,152	15,007,689	"	260,629	15,268,318	24,917,469	
1947..	18,000	1,122,974 ¹⁰	4,555,000	4,428,560	10,124,534	22,003,002	"	510,292	22,513,294	32,643,343 ¹¹	

¹ First year Small Loans Act in operation. ² Not including balances other than small loans.
³ Includes \$200,000 bonds, debentures and stock. ⁴ Includes \$250,000 bonds. ⁵ Includes \$250,000 bonds and \$1,534,756 balances of loans made in amounts greater than \$500. ⁶ Includes \$4,046,210 balances of loans in amounts greater than \$500. ⁷ Includes \$6,762,669 balances of loans in amounts greater than \$500. ⁸ Includes taxes. ⁹ No unearned income, since from 1940 small loans have been on an earned basis. ¹⁰ Includes business other than small loans. ¹¹ Includes \$5,515 premium on capital stock.

The small loans companies chartered by the Federal Government show a substantial increase in business for 1947 as compared with the previous year. The number of loans made to the public during the year increased from 245,887 to 294,602 or by 20 p.c. and the amount of such loans rose from \$40,188,730 to \$50,761,348. The average loan was approximately \$172 compared with \$163 in 1946. At the end of 1947, the loans outstanding were 190,068 to an amount of \$24,425,311 or an average of \$129 per loan.

Licensed Money-Lenders.—In addition to the above-mentioned small loans companies, 55 licensed money-lenders furnished annual statements of their business, showing, for 1947, total assets of \$28,111,238, of which balances of small loans amounted to \$12,411,187, other balances to \$12,747,649, bonds, debentures and stocks to \$284,239, real estate to \$44,381, cash to \$1,094,356, and other assets to \$1,529,426. Liabilities amounted to \$28,111,238, of which borrowed money accounted for \$21,383,989 and paid shares and partnership capital for \$3,796,091. Loans made in 1947 numbered 128,286, totalling \$23,282,833 and averaging almost \$181, an increase of 21 p.c. in number and 28 p.c. in the gross amount; at the end of the year there were 92,304 loans outstanding with a total of \$12,411,187 averaging \$134. About 39 p.c. of the loans made in 1947 were between \$100 and \$200. Further details of this type of business are given in the 1947 report "Small Loans Companies and Money-Lenders Licensed under The Small Loans Act, 1939" published by the Federal Department of Insurance.

Section 3.—The Underwriting and Distribution of Investments: their Influence on the Capital Market*

Introduction.—This Section deals, in general, with the development of the capital market in Canada and, in particular, with that phase having to do with government, municipal and corporation securities which are or may be publicly dealt in or traded. Such government, municipal and corporation securities are

* Prepared in co-operation with the Investment Dealers Association of Canada.