

on that portion of the unpaid balance of a loan not exceeding \$300, 1 p.c. per month on that portion of the balance exceeding \$300 but not exceeding \$1,000, and one-half of 1 p.c. per month on any remainder of the balance exceeding \$1,000. The maximum rate permitted to be charged by an unlicensed lender is 1 p.c. per month. Prior to Jan. 1, 1957, the scope of the Act extended only to loans of \$500 and under and the maximum rate permitted to be charged by licensed lenders was 2 p.c. per month and by unlicensed lenders 12 p.c. per annum. The small loans companies—four in number—were incorporated by special Acts of the Parliament of Canada, the first such company commencing business in 1928. Money-lenders, of which there are 77, are made up of companies otherwise incorporated and include a few partnerships and individuals. Table 5 gives the combined financial experience of small loans companies and licensed money-lenders for the years 1956-59.

5.—Assets and Liabilities of Small Loans Companies and Money-Lenders, 1956-59

Assets and Liabilities	1956	1957 ¹	1958 ¹	1959 ¹
	\$	\$	\$	\$
Assets	262,386,415	326,549,959	408,581,861	489,458,577
Small loan balances.....	88,428,203	229,199,629	315,827,669	360,019,949
Balances, large loans and other contracts.....	160,743,235	86,534,064	81,597,731	117,019,123
Cash.....	6,308,752	5,287,550	5,334,230	5,422,060
Other.....	6,906,225	5,228,716	5,822,231	6,997,445
Liabilities	262,386,415	326,549,959	408,581,861	489,458,577
Borrowed money.....	191,697,344	258,184,531	326,274,370	398,296,116
Reserves for losses.....	5,607,582	6,766,856	8,454,003	9,536,367
Paid-up capital.....	13,978,275	14,992,722	26,620,278	36,106,703
Surplus paid in by shareholders.....	12,078,629	12,478,629	9,475,379	377,890
Earned surplus.....	12,497,185	18,184,528	17,877,114	17,999,186
Other.....	26,527,400	15,942,693	19,880,717	27,142,315

¹ Commencing Jan. 1, 1957, the Small Loans Act became applicable to loans of \$1,500 or under made on and after that date.

The combined companies showed a substantial increase in the amount of business for 1959 as compared with 1958. While the number of small loans made to the public during the year 1959 decreased from 1,107,500 to 1,097,226, or by 1 p.c., the amount of such loans rose from \$477,705,515 to \$526,682,817, or by 10 p.c. The average small loan made was approximately \$480 in 1959 compared with \$431 in 1958. At the end of 1959 small loans outstanding numbered 920,747 for an amount of \$360,019,949 or an average \$391 per loan. These figures compare with 892,111, \$315,827,669 and \$354, respectively, for 1958.

Gross profit of small loans companies, before income taxes and before taking into account any increase or decrease in reserves for bad debts, increased from \$22,400,025 in 1958 (\$17,669,262 being the profit on small loans and \$4,730,763 the profit on business other than small loans) to \$24,767,979 in 1959 (\$18,857,377 being the profit on small loans and \$5,910,602 the profit on business other than small loans).

Section 3.—Sales of Canadian Bonds*

Previous editions of the Year Book have traced sales of Canadian bonds to the end of 1959. This review continues a record of new issues placed in 1960 with some reference to developments in the first six months of 1961.

Excluding all financing of less than one year, the grand totals of new security issues placed amounted to \$4,215,103,238 in 1960 compared with \$4,342,890,839 in 1959. When these totals are broken down into various classifications, the following details result: federal and guaranteed financing amounted to \$2,627,977,950 in 1960 compared with

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