

companies is represented in the figures of this Section, so that they may be accepted as fairly inclusive and representative of the volume of business transacted.

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. The extent of investments in mortgages by federal and provincial loan companies may be gauged by the following figures: total assets of such companies for the years 1960 and 1961 amounted to \$751,369,090 and \$771,995,209, respectively, which amounts include mortgage loans of \$583,982,535 and \$595,251,243, respectively; thus, the resulting percentages of mortgages to total assets for those years were approximately 78 p.c. and 77 p.c., respectively.

Trust companies act as executors, trustees and administrators under wills or by appointment, as trustees under marriage or other settlements, as agents in the management of the estates of the living, as guardians of minor or incapable persons, as financial agents for municipalities and companies, as transfer agents and registrars for stocks and bond issues, as trustees for bond issues and, where so appointed, as authorized trustees in bankruptcy. Such companies receive deposits for investment but the investing and lending of such deposits and of actual trust funds are restricted by law. 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 \$1,608,484,326 in 1961. In the former year the total of estates, trust and agency funds administered amounted to \$1,077,953,643 and in 1961 to \$8,118,543,169.

A summary of operations of provincial and federal loan and trust companies is given in Table 1. As a result of the nature of the operations of the latter companies, which are intimately connected with the matter of probate, the larger trust companies usually choose to operate under provincial charters. The statistics of Tables 2, 3 and 4 refer to those companies incorporated both by the Government of Canada and by the provinces. Included in the statistics of federal companies are data of loan and trust companies incorporated by Nova Scotia and brought by the laws of that province under the examination of the federal Department of Insurance, as well as data for trust companies in New Brunswick and Manitoba.

1.—Operations of Provincial and Federal Loan and Trust Companies, as at Dec. 31, 1960 and 1961

Item	1960			1961		
	Provincial Companies	Federal Companies	Total	Provincial Companies	Federal Companies	Total
	\$	\$	\$	\$	\$	\$
Loan Companies—						
Assets (book values).....	290,728,768	460,640,322	751,369,090	205,483,633	566,511,576	771,995,209
Liabilities to the public.....	223,064,693	413,236,909	636,301,602	146,060,226	506,328,076	652,388,302
Capital paid up.....	24,045,050	18,727,117	42,772,167	23,158,009	20,410,770	43,568,779
Reserve and contingency funds....	30,824,333	27,997,648	58,821,981	29,986,605	38,914,179	68,900,784
Surplus.....	12,794,692	678,648	13,473,340	6,278,793	858,551	7,137,344
Total liabilities to shareholders...	67,664,075	47,403,413	115,067,488	59,423,407	60,183,500	119,606,907
Gross profits realized during year ¹	6,155,722	6,815,970	12,971,692	5,206,685	8,475,977	13,682,662
Trust Companies—						
Assets (book values)—						
Company funds.....	116,836,442	42,503,686	159,340,128	129,352,820	59,858,136	189,210,956
Guaranteed funds.....	820,656,210	325,792,913	1,146,449,123	899,871,495	519,401,875	1,419,273,370
Totals, Assets.....	937,492,652	368,296,599	1,305,789,251	1,029,224,315	579,260,011	1,608,484,326
Estates, trust, and agency funds...	6,143,921,379	1,246,508,258	7,390,429,637	6,170,097,541	1,948,445,628	8,118,543,169
Capital paid up.....	33,614,925	17,553,140	51,168,065	32,945,340	22,004,140	54,949,480
Reserve and contingency funds....	54,760,891	21,214,519	75,975,410	60,400,074	32,823,231	93,223,305
Surplus.....	8,233,876	1,268,791	9,502,667	7,494,702	1,901,965	9,396,667
Gross profits realized during year ¹	11,898,635	5,601,529	17,500,164	13,517,267	7,979,311	21,496,578

¹ Profits before income taxes.