

According to the DBS figures, the mortgage loan companies had assets of \$1,908,000,000 at the end of 1964 compared with \$1,544,000,000 a year earlier. Their holdings of mortgages amounted to \$1,469,000,000, or 77 p.c. of total assets. Specialization in mortgage investment has kept this ratio fairly steady over the years. At the end of the year, these companies had borrowed \$1,256,000,000 or 66 p.c. of their total funds by the sale of debentures and \$320,000,000 from deposit accounts, about one half of the deposits being in chequeable savings accounts.

At the end of 1964, the "intermediary" assets of trust companies in the DBS survey were \$2,789,000,000 compared with \$2,321,000,000 a year earlier. In addition, the companies had a total of \$9,966,000,000, at book values, under administration in estate, trust and agency accounts on Dec. 31, 1963.* Trust companies have not specialized in mortgage financing to the same extent as loan companies but in recent years they have been putting a high proportion of their funds into these investments so that mortgages were 51 p.c. of their assets at the end of 1964 compared with 39 p.c. five years earlier. The trust companies had \$1,478,000,000 of term certificates outstanding and \$1,050,000,000 in deposit accounts in December 1964. As in the case of mortgage loan companies, about one half of the deposits were in chequeable accounts. There is considerable variety among the trust companies and a few have developed a substantial short-term business, raising funds by issuing certificates for terms as short as thirty days and also operating as lenders in the money market. Nevertheless, it remains true that the main preoccupation of the trust companies in their intermediary role, as of the mortgage loan companies, is the channelling of savings into mortgages and other long-term investments.

More complete information may be found in the reports of the Superintendent of Insurance on Loan and Trust Companies, the reports of provincial supervisory authorities and in the Report of the Royal Commission on Banking and Finance as well as submissions and evidence put before the Commission. Quarterly balance sheet statements are published by the Dominion Bureau of Statistics and the Bank of Canada. The annual figures given in Tables 19-22 are from the Department of Insurance report; data for 1964 were not available at the time of printing.

* Department of Insurance figure; latest available.

19.—Operations of Provincial and Federal Loan and Trust Companies, as at Dec. 31, 1962 and 1963

| Item | 1962 | | | 1963 | | |
|---|----------------------|-------------------|---------------|----------------------|-------------------|---------------|
| | Provincial Companies | Federal Companies | Total | Provincial Companies | Federal Companies | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Loan Companies— | | | | | | |
| Assets (book values)..... | 256,439,854 | 669,516,472 | 925,956,326 | 337,274,251 | 775,562,275 | 1,112,836,526 |
| Liabilities to the public..... | 192,289,290 | 602,964,243 | 795,253,533 | 263,281,428 | 696,750,185 | 960,031,613 |
| Capital paid up..... | 25,226,797 | 23,048,264 | 48,275,061 | 32,146,664 | 28,388,618 | 60,535,282 |
| Reserve and contingency funds.... | 31,980,414 | 42,616,400 | 74,596,814 | 35,809,232 | 48,619,146 | 84,428,378 |
| Surplus..... | 6,943,353 | 887,565 | 7,830,918 | 6,036,927 | 1,803,426 | 7,840,353 |
| Total liabilities to shareholders... | 64,150,564 | 66,552,229 | 130,702,793 | 73,992,823 | 78,812,090 | 152,804,913 |
| Gross profits realized during year ¹ . | 5,564,661 | 9,644,393 | 15,209,054 | 6,620,715 | 10,325,026 | 16,945,741 |
| Trust Companies— | | | | | | |
| Assets (book values)— | | | | | | |
| Company funds..... | 140,787,304 | 72,443,013 | 213,230,317 | 162,291,058 | 81,472,495 | 243,763,553 |
| Guaranteed funds..... | 1,061,205,513 | 632,659,981 | 1,693,865,494 | 1,305,530,825 | 798,722,300 | 2,104,253,125 |
| Totals, Assets..... | 1,201,992,817 | 705,102,994 | 1,907,095,811 | 1,467,821,883 | 880,194,795 | 2,348,016,678 |
| Estates, trust, and agency funds... | 6,818,580,561 | 2,195,628,230 | 9,014,208,791 | 7,594,738,180 | 2,371,284,565 | 9,966,022,745 |
| Capital paid up..... | 36,917,543 | 24,706,315 | 61,623,858 | 43,271,752 | 26,400,185 | 69,671,937 |
| Reserve and contingency funds.... | 71,507,051 | 42,135,004 | 113,642,055 | 87,594,226 | 48,223,038 | 135,817,264 |
| Surplus..... | 8,821,534 | 2,115,300 | 10,936,834 | 8,254,638 | 2,263,615 | 10,518,253 |
| Gross profits realized during year ¹ . | 14,221,156 | 9,039,634 | 23,260,790 | 15,305,697 | 11,551,735 | 26,857,432 |

¹ Profits before income taxes.