

22.—**Estates, Trust and Agency Funds of Trust Companies, Chartered by or Supervised by the Federal Government and by Provincial Governments, as at Dec. 31, 1954-63**

Year	Federal Companies ¹	Provincial Companies ²	Total	Year	Federal Companies ¹	Provincial Companies ²	Total
	\$	\$	\$		\$	\$	\$
1954.....	663,520,956	3,734,874,516	4,398,395,472	1959.....	1,127,767,607	5,774,745,226	6,902,512,833
1955.....	734,670,479	3,985,662,299	4,720,332,778	1960.....	1,246,508,258	6,143,921,379	7,390,429,637
1956.....	815,367,349	4,318,560,879	5,133,928,228	1961.....	1,948,445,628	6,170,097,541	8,118,543,169
1957.....	886,560,559	4,695,817,867	5,582,378,426	1962.....	2,195,628,230	6,818,580,561	9,014,208,791
1958.....	990,078,160	5,328,920,074	6,318,998,234	1963.....	2,371,284,565	7,594,738,180	9,966,022,745

¹ Includes companies chartered by the Governments of Nova Scotia, New Brunswick and Manitoba which, by arrangement, are inspected by the federal Department of Insurance. ² Excludes provincial companies of Nova Scotia, New Brunswick and Manitoba which are included with federal companies.

Subsection 2.—Licensed Small Loans Companies and Licensed Money-Lenders*

Small loans companies and money-lenders are subject to the Small Loans Act (RSC 1952, c. 251, as amended by SC 1956, c. 46). This Act, first passed in 1939, sets maximum charges on personal cash loans not in excess of \$1,500 and is administered by the Department of Insurance. Lenders not licensed under the Act may not charge more than 1 p.c. per month. Those wishing to make small loans at higher rates must be licensed each year by the Minister of Finance under the Small Loans Act. The Act allows maximum rates, including charges of every kind, of 2 p.c. per month on unpaid balances not exceeding \$300, 1 p.c. per month on the portion of unpaid balances exceeding \$300 but not exceeding \$1,000 and one half of 1 p.c. on any remainder of the balance exceeding \$1,000. Loans in excess of \$1,500 are not regulated and lenders operating entirely above this limit and the larger loans of licensed lenders are thus exempt from the Act. Nor does the Act regulate charges for the instalment financing of sales. Prior to Jan. 1, 1957, the Act applied only to loans of \$500 or less and the maximum rate was 2 p.c. per month.

At the end of 1963, there were six small loans companies and 83 money-lenders licensed under the Act. Small loans companies are incorporated by special Acts of the Parliament of Canada, the first of them commencing business in 1928; the money-lenders include provincially incorporated companies and a few partnerships and individuals. Many of the small loans companies and money-lenders are affiliated with other financial institutions, principally Canadian sales finance companies and American finance or loan companies, and these subsidiary companies account for a high proportion of the total business of licensed lenders. The affiliations with sales finance companies reflect the close relationship between instalment financing and the consumer loan business. The Dominion Bureau of Statistics publishes quarterly balance sheets for sales finance and consumer loan companies as a whole and does not attempt to distinguish two groups within the industry.†

The subsidiary small loans companies and money-lenders obtain most of their funds through their parent companies. A few of the larger companies have supplemented their bank loans by selling short-term paper in the market but the amount has been small compared with the short-term market borrowing of the sales finance companies. The smaller independent companies rely mainly on their shareholders and on borrowing from the chartered banks.

The annual figures of assets and liabilities given in Table 23 for 1960-63 are from the Department of Insurance report.†

* Prepared by the Research Department of the Bank of Canada in co-operation with the Superintendent of Insurance for Canada.

† See *Business Financial Statistics* (Catalogue No. 61-006). More complete details on the business of licensed lenders are given in the *Report of the Superintendent of Insurance for Canada on Small Loans Companies and Money-Lenders for the year ended Dec. 31, 1963*. (Catalogue No. In 3-4/1963.)