

According to the DBS figures, the mortgage loan companies had assets before investment in subsidiaries of \$2,216,000,000 at the end of 1965 compared with \$1,886,000,000 a year earlier. Their holdings of mortgages amounted to \$1,817,000,000 or 82 p.c. of total assets. To finance their investments, these companies had borrowed \$1,365,000,000 or 62 p.c. of their total funds by the sale of debentures and \$366,000,000 from deposit accounts.

At the end of 1965, the "intermediary" assets of trust companies in the DBS survey were \$3,422,000,000 compared with \$2,860,000,000 a year earlier, for an increase of 20 p.c. In addition, the companies had a total of \$12,588,000,000, at book values, under administration in estate, trust and agency accounts on Dec. 31, 1965.* Trust companies, while not specializing in mortgage financing to the same extent as loan companies, in recent years have been putting a high proportion of their funds into these investments with the result that mortgages were 51 p.c. of their assets at the end of 1965 compared with 35 p.c. five years earlier. The trust companies had \$1,973,000,000 of term certificates outstanding and \$1,119,000,000 in deposit accounts in December 1965, accounting for over 90 p.c. of total funds. 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 business of the trust companies in their intermediary role, as of the mortgage loan companies, is to channel savings into mortgages and other long-term investments.

More complete and up-to-date financial information may be found in quarterly balance sheet statements published by the Dominion Bureau of Statistics and the Bank of Canada, 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. The annual figures given in Tables 19-22 are from the Department of Insurance report.

* Department of Insurance figure.

19.—Operations of Provincial and Federal Loan and Trust Companies, as at Dec. 31, 1964 and 1965

Item	1964			1965		
	Provincial Companies	Federal Companies	Total	Provincial Companies	Federal Companies	Total
	\$	\$	\$	\$	\$	\$
Loan Companies—						
Assets (book values).....	458,793,428	980,794,295	1,437,587,723	568,253,970	1,124,663,414	1,692,917,384
Liabilities to the public.....	367,671,320	889,272,259	1,256,943,579	473,155,125	1,017,301,322	1,490,456,447
Capital paid up.....	41,524,959	37,610,908	79,135,865	44,558,698	40,345,920	84,904,618
Reserve and contingency funds..	38,378,679	52,104,555	90,483,234	41,574,505	64,316,956	105,891,461
Surplus.....	9,218,470	1,806,575	11,025,045	8,965,644	2,699,216	11,664,860
Total liabilities to shareholders.	89,122,108	91,522,036	180,644,144	95,098,845	107,362,092	202,460,937
Gross profits realized during year ¹	8,362,588	12,159,622	20,542,210	8,949,284	14,168,584	23,117,868
Trust Companies—						
Assets (book values)—						
Company funds.....	200,303,367	97,712,777	298,016,144	204,768,769	106,112,516	310,881,285
Guaranteed funds.....	1,642,678,032	967,843,862	2,610,521,894	2,039,499,564	1,132,113,512	3,171,613,076
Totals, Assets.....	1,842,981,399	1,065,556,439	2,908,537,838	2,244,268,333	1,238,226,028	3,482,494,361
Estates, trust, and agency funds.	8,542,766,048	2,728,744,451	11,271,510,499	9,419,621,484	3,168,647,670	12,588,269,154
Capital paid up.....	60,876,093	30,805,690	91,681,783	65,504,315	32,105,960	97,610,275
Reserve and contingency funds..	93,464,853	58,231,889	151,696,742	102,664,506	64,475,042	167,139,549
Surplus.....	11,014,401	3,154,613	14,169,014	10,886,649	3,461,325	14,327,974
Gross profits realized during year ¹	19,598,920	13,937,980	33,536,910	20,359,714	14,232,586	34,592,300

¹ Profits before income taxes.