

Functions of Loan Companies.—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. In the war years from 1939 to 1944 the amount invested in mortgages declined by over \$22,000,000, being practically all accounted for by an increase in the amount of bonds and stocks held. Of the loan companies operating under provincial charters, the majority conduct loan, savings and mortgage business, generally in the more prosperous farming communities.

Functions of Trust Companies.—Trust companies act as executors, trustees and administrators under wills or by appointment, as trustees under marriage or other settlements, as agents or attorneys in the management of the estates of the living, as guardians of minor or incapable persons, as financial agents for municipalities and companies and, where so appointed, as authorized trustees in bankruptcy. Such companies receive deposits, but the lending of actual trust funds is restricted by law.

Statistics of Loan and Trust Companies.—The figures of Table 1 are of particular interest in the case of trust companies. On account of the nature of their functions, they are mainly provincial institutions, their chief duties being intimately connected with the matter of probate, which lies within the sole jurisdiction of the provinces.

1.—Operations of Provincial and Dominion Loan and Trust Companies in Canada, as at Dec. 31, 1943 and 1944

Item	1943			1944		
	Provincial Companies	Dominion Companies	Total	Provincial Companies	Dominion Companies	Total
	\$	\$	\$	\$	\$	\$
Loan Companies—						
Assets (book values)	59,081,710	126,943,566	186,025,276	58,728,602	130,945,859	189,674,461
Liabilities to the public	32,308,360	93,776,695	126,085,055	33,893,128	97,780,572	131,673,700
Capital Stock—						
Authorized	29,502,290	59,000,000	88,502,290	28,107,925	59,000,000	87,107,925
Subscribed	17,854,355	25,039,900	42,894,255	16,598,000	24,905,700	41,503,700
Paid-up	16,207,797	18,885,241	35,093,038	14,838,455	18,848,684	33,687,139
Reserve and contingency funds	9,130,430	12,966,837	22,097,267	8,390,996	12,834,013	21,225,009
Other liabilities to shareholders	1,435,123	1,289,177	2,724,300	1,606,023	1,414,080	3,020,103
Total liabilities to shareholders	26,773,350	33,141,255	59,914,605	24,835,474	33,096,777	57,932,251
Net profits realized during year	962,886	966,868	1,929,754	1,048,683	457,159	1,505,842
Trust Companies—						
Assets (book values)						
Company funds	60,385,651	20,569,787	80,955,438	61,889,195	21,284,655	83,173,850
Guarantee funds	112,006,133	41,504,191	153,510,324	123,730,978	47,741,930	171,472,908
Totals	172,391,784	62,073,978	234,465,762	185,620,173	69,026,585	254,646,758
Estates, trust, and agency funds	2,528,566,545	313,457,551	2,842,024,096	2,593,730,380	338,978,141	2,932,708,520
Capital Stock—						
Authorized	51,980,000	25,050,000	77,030,000	51,130,000	25,050,000	76,180,000
Subscribed	25,357,750	13,036,570	38,394,320	25,270,410	13,041,570	38,311,980
Paid-up	24,079,561	12,171,035	36,250,596	24,920,033	12,311,457	37,231,490
Reserve and contingency funds	16,089,694	6,221,927	22,311,621	18,126,926	7,037,955	25,164,881
Unappropriated surpluses	4,743,426	1,193,570	5,936,996	4,524,209	1,106,345	5,630,554
Net profits realized during year	2,100,976	1,010,912	3,111,888	2,321,271	987,688	3,308,959