# Section 2.—Licensed Small Loans Companies and Licensed Money-Lenders

Four companies have been incorporated by the Parliament of Canada that make small loans, usually not exceeding $500 each, on the promissory notes of the borrowers and additionally secured in most cases by endorsements or chattel mortgages. While these companies, under their original charter powers, were permitted to make loans on the security of real estate, that power was withdrawn by the Small Loans Act, 1939.

On Jan. 1, 1940, the Small Loans Act, 1939 (3 Geo. VI, c. 23), came into force, by which the above-mentioned small loans companies and money-lenders licensed thereunder, making personal loans of $500 or less, are limited to a rate of cost of loan not in excess of 2 p.c. per month on outstanding balances, and unlicensed lenders to a rate of 12 p.c. per annum, including interest and charges of every description.

**5.—Assets and Liabilities of Small Loans Companies Chartered by the Federal Government, as at Dec. 31, 1939-48**

NOTE.—Figures for the years 1928-32 will be found at p. 838 of the 1942 Year Book and for the years 1933-38 at p. 988 of the 1946 edition.

| Year | ASSETS | | | |
|---|---|---|---|---|
| | Loans Receivable | Cash on Hand and in Banks | Other | Total |
| | $ | $ | $ | $ |
| 1939 | 5,081,320 | 342,578 | 42,781 | 5,466,679 |
| 1940[1] | 6,266,336[2] | 381,061 | 181,806 | 6,829,203 |
| 1941 | 7,557,414 | 269,943 | 91,569 | 7,918,926 |
| 1942 | 8,485,590 | 246,629 | 328,043[3] | 9,060,262 |
| 1943 | 9,768,506 | 412,429 | 415,431[4] | 10,596,366 |
| 1944 | 11,548,308 | 542,359 | 507,179[4] | 12,597,846 |
| 1945 | 13,354,915 | 734,583 | 1,911,332[5] | 16,000,830 |
| 1946 | 20,307,530 | 377,813 | 4,232,126[6] | 24,917,469 |
| 1947 | 24,425,312 | 1,073,419 | 7,144,612[7] | 32,643,343 |
| 1948 | 36,533,501 | 3,800,365 | 2,331,969 | 42,665,835 |

| Year | LIABILITIES | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Liabilities to Shareholders | | | | | Liabilities to the Public | | | | Total Liabilities |
| | General Reserve | Reserve for Losses | Capital Paid Up | Other Liabilities | Total | Borrowed Money | Unearned Income | Other Liabilities[8] | Total | |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| 1939 | 318,000 | 351,850 | 1,234,250 | 749,666 | 2,653,766 | 2,265,834 | 369,723 | 134,724 | 2,770,281 | 5,424,047 |
| 1940[1] | 18,000 | 421,488 | 1,234,250 | 1,233,841 | 2,907,579 | 3,708,366 | [9] | 213,258 | 3,921,624 | 6,829,203 |
| 1941 | 18,000 | 517,986[10] | 1,234,250 | 1,590,941 | 3,361,177 | 4,258,853 | [9] | 298,896 | 4,557,749 | 7,918,926 |
| 1942 | 18,000 | 576,589[10] | 3,734,250 | 1,920,499 | 6,249,338 | 2,572,615 | [9] | 238,309 | 2,810,924 | 9,060,262 |
| 1943 | 18,000 | 565,110[10] | 3,735,000 | 2,393,312 | 6,711,422 | 3,570,695 | [9] | 314,249 | 3,884,944 | 10,596,366 |
| 1944 | 18,000 | 579,270[10] | 3,805,000 | 2,970,071 | 7,372,341 | 4,819,254 | [9] | 406,251 | 5,225,505 | 12,597,846 |
| 1945 | 18,000 | 586,428[10] | 3,965,000 | 4,083,179 | 8,652,607 | 7,077,840 | [9] | 270,383 | 7,348,223 | 16,000,830 |
| 1946 | 18,000 | 915,290[10] | 4,155,000 | 4,560,862 | 9,649,152 | 15,007,689 | [9] | 260,629 | 15,268,318 | 24,917,469 |
| 1947 | 18,000 | 1,122,974[10] | 4,555,000 | 4,428,560 | 10,124,534 | 22,003,002 | [9] | 510,292 | 22,513,294 | 32,643,343[11] |
| 1948 | 18,000 | 1,318,365[10] | 4,565,000 | 4,148,179 | 10,049,544 | 31,938,137 | [9] | 672,639 | 32,610,776 | 42,665,835[11] |

[1] First year Small Loans Act in operation. [2] Not including balances other than small loans. [3] Includes $200,000 bonds, debentures and stock. [4] Includes $250,000 bonds. [5] Includes $250,000 bonds and $1,534,756 balances of loans made in amounts greater than $500. [6] Includes $4,046,210 balances of loans in amounts greater than $500. [7] Includes $6,762,669 balances of loans in amounts greater than $500. [8] Includes taxes. [9] No unearned income, since from 1940 small loans have been on an earned basis. [10] Includes business other than small loans. [11] Includes $5,515 premium on capital stock.