

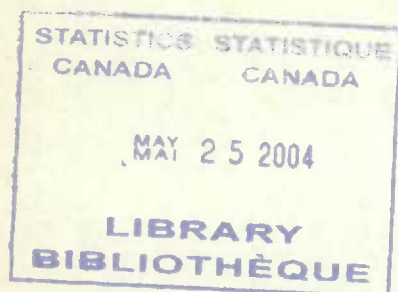
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# BUSINESS FINANCIAL STATISTICS BALANCE SHEETS

Selected Financial Institutions

THIRD QUARTER, 1965

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# BUSINESS FINANCIAL STATISTICS

## BALANCE SHEETS

### Selected Financial Institutions

THIRD QUARTER 1965

#### INTRODUCTION

The present publication contains the balance sheets for trust companies, mortgage loan companies, sales finance and consumer loan companies, mutual funds, closed-end funds, and investment dealers. As information becomes available, the published tables will be expanded to include insurance carriers, credit unions and caisses populaires, other companies in the finance, insurance and real estate industry, and non-financial corporations.

The quarterly survey was started on the recommendation of the Interdepartmental Committee on Financial Statistics, which represents several government departments and the Bank of Canada. The Committee found that the lack of up-to-date information on the assets and liabilities of corporations was a serious handicap to those concerned with economic and monetary policies. More complete and up-to-date information from financial institutions and non-financial corporations on the sources and uses of funds is essential in assessing such factors as the distribution and adequacy of funds available at any particular time. This corporation information will be combined with data from other parts of the economy to give a comprehensive picture of the financing of economic activity.

Although quarterly (or more frequent) data have been available for some time in areas such as banking, quarterly data for the groups in this report are new, and problems in interpreting the results may occur. For example, seasonal factors affect loans by sales finance companies, and short term commercial paper held by trust companies. Until more experience has been obtained so that deseasonalized totals can be published, each quarter's results should be related to several previous quarters. There will also be discontinuities caused by reorganisations, mergers, reclassification of companies into and out of the published industries, and other factors.

The published balance sheet material is designed to show estimates of the totals at the end of each quarter. It should be used with caution when changes from one quarter to another are being studied. At a later stage, as financial flows accounts are developed, the corrected quarterly changes will be published by industry.

This publication has been prepared in the Business Finance Division. Acknowledgement is gratefully made to the companies reporting in the survey whose cooperation has made this report possible.

### TABLE 1. Trust Companies

	1962		1963				1964				1965		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits .....	26	46	63	65	45	60	37	45	41	65	45	58	51
(ii) Cash in other institutions .....	1	1	2	4	4	3	4	2	2	4	4	2	3
(b) In foreign currency .....	8	7	8	8	4	8	3	9	6	13	1	2	6
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills .....	10	18	8	5	15	27	15	7	6	17	12	10	5
(ii) Other Government of Canada debt .....	290	281	284	302	288	291	336	323	339	366	372	370	367
(iii) Provincial government debt .....	131	136	145	164	160	154	166	162	155	163	188	196	179
(iv) Municipal government debt .....	87	94	105	109	115	114	126	129	124	129	139	136	128
(v) Short-term notes of finance and other companies .....	159	122	201	205	218	108	234	261	225	152	303	340	255
(vi) Corporation and institution bonds .....	132	140	156	172	188	196	207	207	210	214	210	241	247
(vii) Mortgage loans and sales agreements .....	810	845	900	968	1,039	1,103	1,175	1,259	1,340	1,422	1,515	1,656	1,806
(viii) Collateral loans .....	70	83	77	74	86	123	96	106	102	96	145	99	104
(b) Investments in Canadian preferred and common stocks .....	60	63	75	67	66	65	68	71	65	68	68	77	76
(c) Investments in foreign securities .....	6	6	6	4	4	4	8	4	4	6	7	7	7
(d) Investments in subsidiary and associated companies .....	8	9	8	9	10	10	10	11	12	16	17	16	18
4. Real estate and equipment .....	28	31	32	32	34	36	38	39	40	39	41	42	42
5. Other assets .....	13	13	18	18	17	18	18	20	19	20	20	23	22
Total assets <sup>1</sup> .....	1,839	1,894	2,088	2,205	2,293	2,321	2,541	2,656	2,692	2,789	3,087	3,277	3,316
Liabilities													
11. Demand deposits and demand certificates (a) Chequable <sup>2</sup> .....	} 588	610	381	406	432	451	441	462	475	506	515	567	549

<sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

<sup>2</sup> Breakdown between chequable and non-chequable accounts was not available prior to 1963.



TABLE 2. Mortgage Loan Companies

	1962		1963				1964				1965		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
	millions of dollars												
Assets													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits .....	17	23	14	15	15	17	21	19	67	52	37	41	38
(ii) Cash in other institutions .....	4	5	3	3	3	3	6	10	9	12	8	8	5
(b) In foreign currency .....													
3. Investments:													
(a) Investments in Canadian securities:													
(i) Government of Canada treasury bills .....	3	2	2	4	1	3	2	12	7	3	8	5	11
(ii) Other Government of Canada debt .....	89	91	103	119	122	104	102	103	118	117	124	116	102
(iii) Provincial government debt .....	31	31	35	36	38	35	37	41	41	42	44	46	44
(iv) Municipal government debt .....	8	8	7	7	8	8	8	9	9	11	10	10	10
(v) Short-term notes of finance and other companies .....	8	4	17	7	4	4	6	6	11	7	12	3	5
(vi) Corporation and institution bonds .....	14	14	18	20	20	25	24	24	26	26	33	28	27
(vii) Mortgage loans and sales agreements .....	946	989	1,029	1,078	1,140	1,188	1,242	1,314	1,387	1,469	1,575	1,676	1,790
(viii) Collateral loans .....	22	18	15	12	12	13	12	10	11	13	10	10	12
(b) Investments in Canadian preferred and common stocks .....	37	38	43	45	49	52	51	54	55	56	56	61	59
(c) Investments in foreign securities .....	6	6	11	7	4	4	14	7	4	4	4	4	4
(d) Investments in subsidiary and associated companies .....	34	36	40	41	41	43	43	44	44	45	204 <sup>a</sup>	201 <sup>a</sup>	206 <sup>a</sup>
4. Real estate and equipment .....	26	28	31	33	33	36	36	37	40	42	44	44	49
5. Other assets .....	7	7	9	8	8	8	12	13	10	9	12	18	19
<b>Total assets<sup>1</sup> .....</b>	<b>1,253</b>	<b>1,300</b>	<b>1,376</b>	<b>1,436</b>	<b>1,497</b>	<b>1,544</b>	<b>1,615</b>	<b>1,702</b>	<b>1,841</b>	<b>1,908</b>	<b>2,178</b>	<b>2,271</b>	<b>2,380</b>
Liabilities													
11. Demand deposits and demand certificates (a) Chequable <sup>2</sup> .....	} 203	205	131	138	143	139	142	147	149	154	151	157	160
(b) Non-chequable <sup>2</sup> .....			84	102	113	121	133	145	155	166	179	187	191
12. Term deposits, guaranteed investment certificates, instalment certificates and debentures .....	734	763	788	811	823	845	862	905	949	980	1,013	1,034	1,051
13. Short-term loans and notes payable:													
(a) Bank loans and overdrafts .....	12	14	16	18	20	20	22	34	13	17	20	37	58
(b) Other loans and notes payable .....	4	4	1	1	3	4	6	10	64	69	74	81	95
15. Other liabilities <sup>3</sup> .....	120	136	158	165	185	200	214	226	263	276	470 <sup>a</sup>	493 <sup>a</sup>	515 <sup>a</sup>
Shareholders' equity													
20. General, investment and special reserves .....	75	78	79	84	85	87	88	90	91	95	96	102	105
21. Paid-in capital .....	56	57	65	65	72	80	91	95	95	99	113	117	128
30. Net accruals, payables and retained income <sup>1</sup> .....	49	44	53	50	53	47	56	51	61	52	63	62	75
<b>Total liabilities and shareholders' equity<sup>1</sup> .....</b>	<b>1,253</b>	<b>1,300</b>	<b>1,376</b>	<b>1,436</b>	<b>1,497</b>	<b>1,544</b>	<b>1,615</b>	<b>1,702</b>	<b>1,841</b>	<b>1,908</b>	<b>2,178</b>	<b>2,271</b>	<b>2,380</b>

<sup>1</sup> Total assets excludes dividends, accrued interest, and other receivables. These receivables are netted against the combined liability items, interest, dividends and other payables, and retained income.

<sup>2</sup> Breakdown between chequable and non-chequable accounts was not available prior to 1963.

<sup>1</sup> Consists mainly of long-term debentures and notes.

<sup>4</sup> These items are affected by changes in inter-company accounts of affiliated companies.

**TABLE 3. Sales Finance and Consumer Loan Companies**  
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1962		1963				1964				1965		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q <sup>1,2</sup>	3Q <sup>1</sup>
millions of dollars													
<b>Assets</b>													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits	26	28	19	27	26	27	38	36	40	43	41	41	33
(ii) Cash in other institutions			1			4	2	1	3	2	11		1
(b) In foreign currency	1	1	8	8	7	8	9	11	13	13	14	14	24
2. Accounts and notes receivable <sup>3</sup>	2,205	2,365	2,457	2,595	2,567	2,751	2,901	3,130	3,085	3,202	3,367	3,602	3,535
3. Other current assets	4	4	4	4	4	5	6	6	8	10	6	7	6
4. Investments and advances:													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance and other companies	13	16	10	16	7	7	8	5	7		12	14	11
(ii) Government of Canada treasury bills	19	17	20	14	14	5	6	11	13	6	11	17	12
(iii) Other Government of Canada debt	35	42	34	29	6	18	13	27	29	9	16	9	17
(iv) Other Canadian bonds and debentures	13	9	26	25	69	43	53	58	38	59	60	58	23
(v) Other Canadian investments	8	6	10	12	16	15	20	23	16	11	18	17	28
(b) Investments in Canadian preferred and common stocks	5	10	13	11	12	13	13	27	23	15	13	15	15
(c) Investments in foreign securities	4		1	1	1	4	1	1		1	1	1	1
(d) Investments in subsidiary and associated companies	197	195	211	229	221	252	266	218	267	273	276	242	268
5. Property, plant and equipment	16	16	17	18	18	18	23	32	32	31	34	33	36
6. Other assets	16	18	17	17	17	20	22	24	24	25	33	34	34
<b>Total assets</b>	<b>2,561</b>	<b>2,726</b>	<b>2,849</b>	<b>3,005</b>	<b>2,986</b>	<b>3,191</b>	<b>3,382</b>	<b>3,610</b>	<b>3,597</b>	<b>3,700</b>	<b>3,912</b>	<b>4,105<sup>1,2</sup></b>	<b>4,045<sup>3</sup></b>
<b>Liabilities</b>													
11. Owing parent and associated companies	417	464	463	480	460	486	488	444	449	452	495	619	600
12. Short-term loans and notes payable:													
(a) Bank loans and overdrafts	198	212	192	194	190	259	230	244	204	234	213	307	394
(b) Demand and short-term notes payable (Canadian dollars)	570	562	694	714	694	744	887	1,042	908	871	981	993	839
(c) Demand and short-term notes payable (foreign currency) <sup>1</sup>	38	88	78	102	105	113	159	181	255	279	261	189	216
(d) Other short-term loans payable	2	2	2	2	2	2	2	3	1	3	16	2	2
13. Accounts payable:													
(a) Income and other taxes payable	19	17	20	20	24	22	24	23	26	22	25	16	26
(b) Other payables	30	30	32	44	34	38	46	53	63	61	69	87	65
14. Other current liabilities:													
(a) Dealers' credit balances	46	43	43	45	47	45	44	47	48	46	44	47	50
(b) Other current liabilities	4	4	4	4	5	5	5	6	7	7	7	7	5
15. Long-term debt:													
(a) Debentures, bonds and notes (Canadian dollars) <sup>2</sup>	723	758	566	584	609	622	627	638	682	735	768	831	844
(b) Debentures, bonds and notes (foreign currency) <sup>2</sup>			210	240	225	243	249	265	269	289	308	273	253
(c) Mortgages and other long-term debt	2	2	3	3	4	4	3	6	6	6	6	8	9
16. Other liabilities:													
(a) Unearned income and other deferred credits	157	159	159	174	179	183	183	204	213	217	217	228	239
(b) Pensions, trust or earmarked funds	1		1	1	1	1	1	1	1	1	1	3	3
(c) Interest of minority shareholders	1	1	1	1	1	1	2	2	2	1	2		
<b>Shareholders' equity</b>													
20. Paid-in capital	208	223	234	246	248	261	259	272	275	286	305	307	313
21. Retained income	145	140	147	151	159	163	173	178	187	190	195	198	195
<b>Total liabilities and shareholders' equity</b>	<b>2,561</b>	<b>2,726</b>	<b>2,849</b>	<b>3,005</b>	<b>2,986</b>	<b>3,191</b>	<b>3,382</b>	<b>3,610</b>	<b>3,597</b>	<b>3,700</b>	<b>3,912</b>	<b>4,105<sup>1,2</sup></b>	<b>4,045<sup>3</sup></b>
<b>* Footnote:</b>													
(a) Specified receivables <sup>3</sup>													
Sales finance companies:													
Consumer goods	798	801	799	865	878	874	903	996	1,038	1,035	1,023	1,099	1,136
Commercial and industrial goods	445	440	446	490	514	520	514	557	582	586	583	634	655
Wholesale goods	143	240	305	279	174	301	418	413	251	268	383	423	278
<b>Totals</b>	<b>1,386</b>	<b>1,481</b>	<b>1,552</b>	<b>1,634</b>	<b>1,566</b>	<b>1,695</b>	<b>1,835</b>	<b>1,966</b>	<b>1,871</b>	<b>1,889</b>	<b>1,989</b>	<b>2,156</b>	<b>2,069</b>
Consumer loan companies:													
Instalment credit	49	52	51	53	55	55	47	49	52	54	57	63	65
Cash loans	631	662	675	709	729	755	751	788	814	850	868	912	929
<b>Totals</b>	<b>680</b>	<b>714</b>	<b>726</b>	<b>762</b>	<b>784</b>	<b>810</b>	<b>798</b>	<b>837</b>	<b>866</b>	<b>904</b>	<b>925</b>	<b>975</b>	<b>994</b>
(b) Other receivables <sup>4</sup>	176	208	218	241	261	288	313	375	397	459	506	529	532
<b>Total receivables</b>	<b>2,242</b>	<b>2,403</b>	<b>2,496</b>	<b>2,637</b>	<b>2,611</b>	<b>2,793</b>	<b>2,946</b>	<b>3,178</b>	<b>3,134</b>	<b>3,252</b>	<b>3,420</b>	<b>3,660</b>	<b>3,595</b>
Allowance for bad debts	- 37	- 38	- 39	- 42	- 44	- 42	- 45	- 48	- 49	- 50	- 53	- 58	- 61
<b>Total receivables (net)</b>	<b>2,205</b>	<b>2,365</b>	<b>2,457</b>	<b>2,595</b>	<b>2,567</b>	<b>2,751</b>	<b>2,901</b>	<b>3,130</b>	<b>3,085</b>	<b>3,202</b>	<b>3,367</b>	<b>3,602</b>	<b>3,534</b>

<sup>1</sup> Includes some foreign bank loans prior to second quarter, 1965.

<sup>2</sup> Breakdown between Canadian and foreign debt was not available prior to 1963.

<sup>3</sup> Detail of "Specified Receivables" is taken from DBS publication, *Credit Statistics* (Catalogue No. 61-004). Figures for 1964/65 are revised in this publication.

<sup>4</sup> "Other Receivables" includes capital loans, other non-personal loans, receivables of subsidiaries engaged in other activities and sampling errors.

<sup>5</sup> Includes outstanding liabilities in default of one company which went into receivership.

<sup>6</sup> Reflects the reorganization of a company with its U.S. parent.



**TABLE 4. Mutual Funds**  
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964				1965		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars										
<b>Assets</b>										
1. Cash on hand and on deposit:										
(a) Canadian dollars:										
(i) Cash and bank deposits .....	10	11	9	10	16	17	18	24	23	24
(ii) Cash in other institutions .....	3	3	1	3	3	2	5	3	5	7
(b) Foreign currency .....	1	3	2	2	2	2	2	1	2	4
2. Short-term notes and bills:										
(a) Government of Canada treasury bills .....	4	4	4	4	4	4	4	2	3	1
(b) Canadian short-term notes of finance and other companies .....	4	7	5	3	10	39	43	48	32	38
(c) Foreign short-term notes .....	1				1	3	1	3	1	2
3. Interest and dividends due and accrued .....	5	5	6	6	7	6	7	7	8	9
4. Amount due from brokers and other current assets .....	3	6	5	8	5	10	7	14	12	9
5. Portfolio at cost (see also Table 4 A):										
(a) Investments in Canadian bonds:										
(i) Government of Canada debt .....	60	58	58	58	64	65	68	72	64	69
(ii) Provincial and municipal debt .....	29	28	31	31	28	32	42	53	54	49
(iii) Corporate bonds and debentures .....	36	38	40	45	41	41	44	56	62	62
(iv) Mortgages and agreements of sale .....	5	6	6	7	9	10	12	12	12	12
(v) Other Canadian investments .....	3	3	11	19	27	5	9	13	10	19
(b) Investments in Canadian stocks:										
(i) Preferred shares .....	53	60	64	67	71	71	72	78	91	107
(ii) Common shares .....	500	507	518	530	551	578	623	686	731	745
(c) Investments in foreign securities:										
(i) Bonds, debentures, mortgages, etc. ....	2	2	10	10	6	4	5	5	4	4
(ii) Preferred and common shares .....	144	152	151	152	162	171	178	206	245	275
<b>Total portfolio at cost .....</b>	<b>832</b>	<b>854</b>	<b>889</b>	<b>919</b>	<b>959</b>	<b>977</b>	<b>1,053</b>	<b>1,161</b>	<b>1,273</b>	<b>1,342</b>
(d) Investments in subsidiary companies .....										
6. Property, buildings and equipment .....										
7. Other assets .....										
8. <b>Total assets at cost .....</b>	<b>863</b>	<b>894</b>	<b>920</b>	<b>956</b>	<b>1,006</b>	<b>1,060</b>	<b>1,140</b>	<b>1,263</b>	<b>1,357</b>	<b>1,436</b>
<b>Liabilities</b>										
11. Short-term loans:										
(a) Bank loans in Canadian currency .....	1	3	2	1	2	1	1	1	1	1
(b) Other loans payable .....						1	1	1	1	1
12. Accounts payable:										
(a) Income and other taxes payable .....	1	1	1	1	1	1	1	1	1	1
(b) Amount due brokers and other payables .....	5	11	6	6	9	11	10	27	19	12
13. Long-term debt .....	1	1	1	1	1	1	1	1	1	1
14. Other liabilities .....	1			1		1			1	1
<b>Shareholders' equity</b>										
20. Paid-in capital .....	795	820	845	873	914	963	1,040	1,133	1,215	1,296
21. Reserves:										
(a) Investment reserves .....	5	5	6	7	6	7	7	8	9	11
(b) Other reserves .....								1	1	1
22. Retained income .....	54	53	60	66	73	75	79	91	110	112
<b>Total liabilities and shareholders' equity .....</b>	<b>863</b>	<b>894</b>	<b>920</b>	<b>956</b>	<b>1,006</b>	<b>1,060</b>	<b>1,140</b>	<b>1,263</b>	<b>1,357</b>	<b>1,436</b>

**TABLE 4 A. Investment Portfolio at Market Value**

	1963			1964				1965		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars										
<b>1. Portfolio:</b>										
(a) Investments in Canadian bonds:										
(i) Government of Canada debt .....	61	58	58	58	64	65	69	73	64	69
(ii) Provincial and municipal debt .....	29	28	30	31	28	32	42	53	54	49
(iii) Corporate bonds and debentures .....	37	40	42	47	45	41	44	57	62	61
(iv) Mortgages and agreements of sale .....	5	6	7	7	9	10	12	12	12	12
(v) Other Canadian investments .....	3	4	11	20	28	5	9	13	10	19
(b) Investments in Canadian stocks:										
(i) Preferred shares .....	55	62	67	70	75	75	76	80	92	106
(ii) Common shares .....	637	650	676	716	779	843	891	972	981	1,016
(c) Investments in foreign securities:										
(i) Bonds, debentures, mortgages, etc. ....	2	2	10	10	6	4	5	5	4	3
(ii) Preferred and common shares .....	169	178	183	192	205	220	227	263	287	347
<b>Total portfolio at market .....</b>	<b>998</b>	<b>1,028</b>	<b>1,084</b>	<b>1,151</b>	<b>1,239</b>	<b>1,295</b>	<b>1,375</b>	<b>1,528</b>	<b>1,566</b>	<b>1,682</b>
2. Total portfolio at cost (Item 5 - Table 4) .....	832	854	889	919	959	977	1,053	1,161	1,273	1,342
3. Unrealized appreciation (Item 1 minus 2) .....	166	174	195	232	280	318	322	367	293	340
<b>TOTAL ASSETS AT MARKET PRICES (Item 8 - Table 4 plus item 3 - Table 4 A)</b>	<b>1,029</b>	<b>1,068</b>	<b>1,115</b>	<b>1,188</b>	<b>1,286</b>	<b>1,378</b>	<b>1,462</b>	<b>1,630</b>	<b>1,650</b>	<b>1,776</b>

**TABLE 5. Closed-end Funds**  
Quarterly Statements of Estimated Assets, Liabilities and Shareholders' Equity

	1963			1964				1965		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars										
<b>Assets</b>										
1. Cash on hand and on deposit:										
(a) Canadian dollars:										
(i) Cash and bank deposits	1	2	1	2	1	1	2	2	2	2
(ii) Cash in other institutions		1	1	1	1	3	2	3	2	2
(b) Foreign currency										
2. Short-term notes and bills:										
(a) Government of Canada treasury bills	1								2	1
(b) Canadian short-term notes of finance and other companies	8	3	3	1	2	6	4	20	9	30
(c) Foreign short-term notes										
3. Interest and dividends due and accrued	1	1	1	1	1	1	1	1	1	1
4. Amount due from brokers and other current assets	1	1	2	1	2	2	2	2	1	1
5. Portfolio at cost (see also Table 5A):										
(a) Investments in Canadian bonds:										
(i) Government of Canada debt	7	7	5	4	3	4	5	6	7	6
(ii) Provincial and municipal debt	1	1	1			1	1	1	1	1
(iii) Corporate bonds and debentures	15	16	13	14	11	8	8	7	10	10
(iv) Mortgages and agreements of sale									1	
(v) Other Canadian investments	7	10	10	60	61	61	60	60	58	55
(b) Investments in Canadian stocks:										
(i) Preferred shares	37	44	29	34	34	33	33	32	33	34
(ii) Common shares	269	299	314	275	275	287	295	309	309	316
(c) Investments in foreign securities:										
(i) Bonds, debentures, mortgages, etc.		1							1	1
(ii) Preferred and common shares	11	11	13	15	15	15	15	17	19	24
<b>Total portfolio at cost</b>	<b>347</b>	<b>389</b>	<b>385</b>	<b>402</b>	<b>399</b>	<b>409</b>	<b>417</b>	<b>432</b>	<b>439</b>	<b>447</b>
(d) Investments in subsidiary companies	14	11	11	11	11	11	11	11	14	14
6. Property, buildings and equipment										
7. Other assets	1	2	2	2	1	1	1	2	2	4
8. <b>Total assets at cost</b>	<b>375</b>	<b>409</b>	<b>406</b>	<b>421</b>	<b>418</b>	<b>437</b>	<b>442</b>	<b>474</b>	<b>471</b>	<b>503</b>
<b>Liabilities</b>										
11. Short-term loans:										
(a) Bank loans in Canadian currency	1	30	19	25	2	2	5		6	6
(b) Other loans payable	1	1	1	1	15	24	24	43	4	8
12. Accounts payable:										
(a) Income and other taxes payable										
(b) Amount due brokers and other payables	3	2	2	3	2	3	2	3	3	4
13. Long-term debt	32	32	32	32	32	32	32	32	31	30
14. Other liabilities	1	1	1	1	1	1	1	1	1	1
<b>Shareholders' equity</b>										
20. Paid-in capital	195	199	201	201	202	205	205	208	228	257
21. Reserves:										
(a) Investment reserves	96	97	102	109	114	117	119	131	136	136
(b) Other reserves	1									
22. Retained income	46	47	48	49	51	54	54	55	63	64
<b>Total liabilities and shareholders' equity</b>	<b>375</b>	<b>409</b>	<b>406</b>	<b>421</b>	<b>418</b>	<b>437</b>	<b>442</b>	<b>474</b>	<b>471</b>	<b>503</b>

**TABLE 5A. Investment Portfolio at Market Value**

	1963			1964				1965		
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars										
<b>1. Portfolio:</b>										
(a) Investments in Canadian bonds:										
(i) Government of Canada debt	7	7	5	4	3	4	5	6	7	6
(ii) Provincial and municipal debt	1	1	1			1	1	1	1	1
(iii) Corporate bonds and debentures	18	20	17	18	14	8	8	8	10	10
(iv) Mortgages and agreements of sale										
(v) Other Canadian investments	7	10	10	60	61	61	60	60	58	55
(b) Investments in Canadian stocks:										
(i) Preferred shares	46	56	37	43	45	47	47	48	48	45
(ii) Common shares	444	477	505	491	558	591	608	650	623	622
(c) Investments in foreign securities:										
(i) Bonds, debentures, mortgages, etc.		1							1	1
(ii) Preferred and common shares	17	17	19	21	22	22	21	23	23	34
<b>Total portfolio at market</b>	<b>540</b>	<b>589</b>	<b>594</b>	<b>637</b>	<b>703</b>	<b>734</b>	<b>750</b>	<b>796</b>	<b>771</b>	<b>774</b>
2. <b>Total portfolio at cost</b> (Item 5 - Table 5)	<b>347</b>	<b>389</b>	<b>385</b>	<b>402</b>	<b>399</b>	<b>409</b>	<b>417</b>	<b>432</b>	<b>439</b>	<b>447</b>
3. <b>Unrealized appreciation</b> (Item 1 minus 2)	<b>193</b>	<b>200</b>	<b>209</b>	<b>235</b>	<b>304</b>	<b>325</b>	<b>333</b>	<b>364</b>	<b>332</b>	<b>327</b>
<b>TOTAL ASSETS AT MARKET PRICES</b> (Item 8 - Table 5 plus Item 3 - Table 5A)	<b>568</b>	<b>609</b>	<b>615</b>	<b>656</b>	<b>722</b>	<b>762</b>	<b>775</b>	<b>838</b>	<b>803</b>	<b>830</b>

**TABLE 6. Investment Dealers**  
Quarterly Estimates of Selected Balance Sheet Items

	1962		1963				1964				1965		
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
millions of dollars													
<b>Selected assets</b>													
1. Cash on hand and on deposit:													
(a) In Canadian dollars:													
(i) Cash and bank deposits .....	20	19	15	15	17	12	10	16	21	23	28	49	68
(ii) Cash in other institutions .....	5	6	12	9	10	8	7	7	2	55	35	2	14
(b) In foreign currency .....													
2. Securities owned or managed at book value: <sup>1</sup>													
(a) Investments in Canadian securities:													
(i) Short-term notes of finance companies, commercial paper and bankers' acceptances .....	21	22	32	45	46	66	84	105	150	162	146	136	132
(ii) Government of Canada treasury bills .....	96	159	94	165	163	187	105	115	116	126	78	117	75
(iii) Other Government of Canada debt:													
(a) Term less than 3 years .....	142	202	175	93	102	149	99	120	160	60	84	78	82
(b) Term over 3 years .....	50	54	28	45	23	12	15	33	24	40	63	5	67
(iv) Provincial government debt .....	28	68	38	42	32	46	37	44	56	49	69	41	49
(v) Municipal government debt .....	14	15	18	28	16	24	37	27	33	22	28	21	20
(vi) Corporation and institution bonds .....	40	47	34	48	46	52	42	38	38	49	50	53	45
(vii) Preferred and common stock <sup>2</sup> .....	14	19	20	15	15	13	24	20	17	25	27	28	17
(viii) Other investments <sup>2</sup> .....			2	6	3					3	5	6	10
(b) Investments in foreign securities .....			1	1		1	3	1	1	2	2	2	2
(c) Short-term loans from subsidiary and associated companies	6	2	8	7	10	3	7	4	3	3	4	1	1
<b>Total selected assets</b> .....	<b>437</b>	<b>615</b>	<b>476</b>	<b>518</b>	<b>484</b>	<b>573</b>	<b>470</b>	<b>531</b>	<b>621</b>	<b>619</b>	<b>619</b>	<b>540</b>	<b>582</b>
3. Short-term loans and notes payable:													
(a) Bank loans and overdrafts in Canadian currency .....	224	383	215	230	209	373	221	267	318	335	295	326	402
(b) Short-term loans from subsidiary and associated companies	6	9	5	6	7	11	8	7	9	10	7	6	12
(c) Other loans and notes, excluding buy-backs .....	153	185	235	266	201	184	196	229	240	243	300	207	183
<b>Total selected liabilities</b> .....	<b>382</b>	<b>577</b>	<b>456</b>	<b>501</b>	<b>417</b>	<b>567</b>	<b>426</b>	<b>503</b>	<b>567</b>	<b>588</b>	<b>602</b>	<b>539</b>	<b>597</b>
4. Total securities outstanding under buy-back agreements .....	70	50	91	131	110	112	114	188	107	201	189	236	178

<sup>1</sup> Net of short positions and excluding securities outstanding under buy-back agreements.

<sup>2</sup> Excluding investments in and loans and advances to subsidiary and associated companies.



## CONTENT OF GROUPS

### Trust Companies

This group includes all companies incorporated under the Trust Companies Act of Canada and corresponding provincial acts. Many of these companies are heavily engaged in mortgage lending as well as in the management of estate, trust and agency funds and other financial activities permitted under the federal and provincial trust companies acts.

The balance sheet data shown for this group includes both company funds (shareholders' equity) and guaranteed funds originating from deposits and the sale of certificates. Estate, trust and agency funds are not included.

### Mortgage Loan Companies

This group consists of those companies which raise funds from the public (directly or through publicly owned parent companies) primarily for mortgage lending. It includes all companies incorporated under the Dominion Loan Companies Act, savings certificate companies and other institutional lenders engaged principally in mortgage lending. Privately financed mortgage companies are not included. They will be incorporated in one of the other financial groups to be published at a later date.

### Sales Finance and Consumer Loan Companies

In general, sales finance companies are in the business of financing durable sales at the factory or wholesale levels and at the retail level. Consumer loan companies lend money to persons on the security of promissory notes with additional security frequently being provided by chattel mortgages on the goods purchased. Consumer loan companies include companies operating under the provisions of the Small Loans Act, and affiliated companies engaged in personal loans.

There is a close relationship between sales finance companies and consumer loan companies. Many carry out both sales financing and loan activities, while some engage primarily in one and have a wholly-owned subsidiary engaged in the other. Since consolidated returns are received from some of these companies, it was decided to include both sales finance and consumer loan companies in one table.

Sales finance companies which are wholly-owned subsidiaries of merchandising and manufacturing companies and finance only the sales of their parent company are not included in these tables. Also excluded are companies primarily engaged in loans to business, such as factoring companies and investment companies, and companies lending to home owners for home improvements. Insofar as possible, the companies in this group are the same as those covered in the DBS publication,

*Credit Statistics*. The footnote to Table 3, and the definition in the text of the item "accounts and notes receivable" show the relationship between this item, as reported in *Credit Statistics* and in this publication.

### Mutual Funds

This group includes those firms which have their major assets invested in a portfolio of various types of securities and in which the public may purchase any desired number of shares at a price fixed in relationship to net asset value, and redeem any number of shares held at net asset value. Because the number of outstanding shares constantly changes with purchases and redemptions of shares by each individual investor, the companies in this group are also referred to as open-end funds.

Included in this survey are those companies whose shares are available to the public through the companies' own salesmen or agents, or through stock brokers, trust companies or other managers of funds. Excluded are those funds set up to operate a pension plan, special non-resident owned funds, funds which invest only in the shares of other mutual funds, investment clubs, and other investment companies the shares of which are not available to the general public.

### Closed-end Funds

The main difference between this group and the mutual funds is the fact that shares of closed-end companies are not redeemable by the company at net asset value. Share capital is set up as in an ordinary limited corporation. Once the shares have been offered to the public, the number of outstanding shares remains constant. Shares of such corporations may be purchased only from existing holders and owners of such shares must find a buyer if they wish to sell their shares. Such companies are called closed-end funds to distinguish them from the mutual funds or open-end funds.

Closed-end funds have a common feature with mutual funds in that their major assets consist of investments in securities. Investment policies and objectives of many of the closed-end funds are also similar to those of the mutual funds. However, when an investment corporation exists primarily to gain control and provide management it is excluded from the totals and will be included in another group. Because of the various degrees between these two objectives—investment or control—and also because objectives often change, it is difficult to precisely define this group. We have, therefore, closely followed the group of closed-end funds found in the Financial Post Survey of Investment Funds. The user of these data is warned however, that reclassification into or out of this industry of few companies could change drastically the published totals.



## Investment Dealers

This group includes firms which act as principals in the underwriting and trading of securities. Stock-brokers and, where possible, the brokerage business of investment dealers are excluded. Where investment dealers do not maintain separate accounts for their brokerage business, total operations of the firm are included but the effect on the data is believed to be small.

Investment dealers do not report all balance sheet items, and total reported assets therefore do not equal total reported liabilities. Shareholders' equity, certain types of receivables and minor asset and liability items are not reported. The omission of these receivables is the largest single cause of difference between total reported assets and total reported liabilities.

## DEFINITION OF ITEMS

Noted below are items where special problems of interpretation may exist.

### A. Trust Companies and Mortgage Loan Companies

#### Item 3 - Investments

Investments are at book value. Part of these investments will be after deduction of investment reserves since some companies show investments before deduction of investment reserves and other companies show them net of reserves. The understatement of assets due to deduction of reserves will be very small however. Item 3(a-viii), collateral loans, consists largely of call loans and day-to-day loans to investment dealers. Item 3(c), foreign investments, consists largely of short-term securities such as United States treasury bills.

#### Item 11 - Demand deposits and demand certificates

This item contains those deposits and certificates which can be withdrawn or cashed on demand.

#### Item 12 - Term deposits, guaranteed investment certificates, instalment certificates and debentures

This item contains deposits which cannot be withdrawn without a waiting period, and certificates and debentures for which there is an agreement covering a specific period. The certificates and debentures can be for any number of years, with the most common term being from three to five years.

#### Item 21 - General, investment and special reserves

As stated above under investments, some companies include investment reserves in the reported total of general, investment and special reserves, while others deduct these reserves directly from the appropriate investment category. Although transfers from surplus to reserves may take place at any time there is a tendency for these transfers to be concentrated at the fiscal year-end, which accounts for the increase in this item in the fourth quarter.

#### Item 30 - Net payables and retained income

A number of companies do not make quarterly calculations of interest accrued on investments or on obligations. They are not therefore able to report these items, or to report their retained income which is dependent on these calculations. The total of assets, excluding receivables, is therefore obtained,

and the balancing item on the liability side is net payables and retained income. Total assets are therefore understated by the amount of receivables, or by about one per cent.

### B. Sales Finance and Consumer Loan Companies

#### Item 2 - Accounts and notes receivable

The questionnaire used in the survey requests only the total of accounts and notes receivable. The Dominion Bureau of Statistics publication, *Credit Statistics* contains more detail on these receivables and this information is given in the footnote to the table. Item (b) of the footnote, other receivables, is the difference between the receivables reported in the balance sheet survey and the receivables reported in *Credit Statistics*. A small part of this difference is due to the inclusion in consolidated returns of the receivables of subsidiaries engaged in other activities. Primarily however, it is made up of inventory financing, capital loans, other types of non-personal loans and sampling errors.

#### Item 11 - Total liabilities to parent and associated companies

Several of the larger consumer loan companies are owned by foreign parents or by Canadian incorporated sales finance companies, and an important part of their funds is supplied by loans from those parent companies. Since these loans are inter-company transactions they are eliminated when consolidated reports are filed. This item would therefore be larger if non-consolidated reports were received from all companies.

#### Item 13 - Short-term loans and notes payable

Demand and short-term notes represent an important source of funds to sales finance and consumer loan companies. They are sold, either directly or through investment dealers, to corporations, governments, foreign buyers and persons with short-term funds to invest, and are one of the major money-market instruments.

#### Item 15 - Dealers' credit balances

When an automobile dealer sells customers' paper to sales finance companies, under most agreements the dealer is liable for any default and the sales finance company customarily withholds part of the purchase price. This item represents the total amount so withheld.

#### **Item 17 - Unearned and deferred income and charges**

When loans are made it is customary to show under accounts and notes receivable the total which must be repaid, including all interest and other charges. The unearned portion of these charges is included in this item.

#### **C. Mutual Funds and Closed-end Funds**

##### **Item 5 - Investment Portfolio**

Investment in securities represents the major assets for these groups. There is a particular interest in the market value of the portfolio since the price of mutual fund shares depends directly on this value. The price of closed-end fund shares also has a close relationship to the market value of the portfolio. For this survey, therefore, the portfolio is shown at both cost price and market value.

##### **Item 21 - Paid-in capital**

Included in this item are all the contributions made by shareholders including share capital, capital or paid-in surplus, capital redemption reserves, etc.

##### **Item 24 - Unrealized appreciation**

This item is the difference between the value of the portfolio at market price and its cost price.

#### **D. Investment Dealers**

##### **Item 1 - Cash on hand and on deposit**

Included in this item are demand and term deposits with banks and other institutions. Short term notes of chartered banks and guaranteed investment certificates are also included, as are foreign currency and swapped deposits.

##### **Item 2 - Securities owned or managed by the firm**

The major assets of investment dealers are various types of securities. Since the accounting practices of investment dealers often differ from the practices of other types of firms in respect to security accounts, dealers are requested to report their securities in the following manner:

- (1) Securities should be reported at book value.
- (2) Securities outstanding under buy-back agreements should be excluded. This avoids duplication, since the owner of the securities is requested to report them.

- (3) Securities held under sell-back agreements should be included. This follows the rule that the owner should report the securities.
- (4) Short positions should be deducted from long positions.
- (5) Securities sold on an "if, as and when" basis should be omitted.
- (6) Borrowed securities should not be included in reported inventory.
- (7) The accounting of security transactions may differ at any specific point in time, depending on which accounting basis is employed.

By using:

- (a) **Trade date** - securities are entered on the accounts on the date that a buy or sell agreement or commitment was made.
- (b) **Value date** - securities are entered on the accounts on the date that settlement of the transactions was due.
- (c) **Delivery date** - securities are entered on the accounts on the date that delivery of the securities took place.

Generally, value and delivery dates coincide. Since financial institutions usually use the delivered date for accounting purposes, investment dealers are requested to use delivery date as well for reporting inventories of securities to DBS in order to have the securities counted in the statistics.

##### **Item 3 - Short term loans and notes payable**

3(a) includes short term and day-to-day loans from chartered banks in Canadian currency. Loans from subsidiary and affiliated companies are reported in 3(b), and all other loans, excluding buy-backs, are reported in 3(c).

##### **Item 4 - Securities outstanding under buy-back agreements**

Investment dealers raise funds through buy-back (re-purchase) agreements with various financial institutions, non-financial corporations and government agencies. Dealers generally regard the transactions as loans, but since the other parties to this type of transaction treat the securities as owned, dealers have been requested to exclude buy-backs from borrowing and to exclude the underlying securities from inventory reported. The amount of securities outstanding under these buy-back agreements is reported in Item 4.

### **QUALITY AND COVERAGE OF THE ESTIMATES**

As a result of full cooperation by the surveyed corporations and the relatively small number of companies in each of the published groups, coverage in terms of assets is very high for each of the groups in this publication. The estimates for all companies contained here will therefore contain relatively small sampling errors. There may be some errors in individual items due to differences in accounting

practices of companies. A complete description of the procedures of estimation used will be given in a later publication.

Where available, the tables will carry figures for the thirteen most recent quarters. The figures are published in one million dollar amounts.



## OTHER SOURCES OF FINANCIAL INFORMATION

Included among the more valuable sources of background information are:

Report of the Royal Commission on Banking and Finance, 1964

The Financing of Economic Activity in Canada, by Wm. C. Hood, for the Royal Commission on Canada's Economic Prospects

Additional financial statistics on the companies and industries included in this report are available in the following publications:

Report of the Superintendent of Insurance for Canada: Loan and Trust Companies (annual)

Report of the Superintendent of Insurance for Canada: Small Loan Companies and Money Lenders (annual)

Report of the Ontario Registrar of Loan and Trust Corporations (annual)

Summary of Financial Statements filed within the office of the Inspector of Trust Companies for the Province of Quebec (annual)

Department of National Revenue *Taxation Statistics* (annual)

Bank of Canada *Statistical Summary* (monthly)

Dominion Bureau of Statistics *Credit Statistics* (monthly)

Financial Post *Survey of Industrials* (annual)

Financial Post *Survey of Investment Funds* (annual)



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