

the lot systems of distribution, the permanent society in Brooklyn ("The Metropolitan Building Association") guards by adopting the plan of sealed bids for the loan offered. By this plan, the premiums offered are so moderate, perhaps, as hardly to meet the purposes of the terminating societies, which must rely very much upon large premiums from the borrowers to bring the concern to an early and profitable close, for the non-borrowing members.

But to proceed with the working of the terminative plan: The successful bidder and borrower having secured his 2,000 by agreeing to return \$3,000, or \$2,500, as the case may be, has now to pay ten per cent. of his debt to the Society annually, in monthly instalments, for ten years, besides the weekly due of one dollar until all the shares are satisfied and the concern is closed. He of course makes all haste to complete his building or his purchase and transfer his family to his own house. Ten per cent. per annum on the actual loan (2,000) will not be a more extravagant rent, provided the property was well purchased, than he had to pay to his landlord before. So that for his \$100 or \$50 per annum premium, (as the case may be,) plus the \$52 of weekly dues, he may be said, to put it in the popular fashion, to be laying up money fast enough to secure him a house in ten years, (less the incumbrance of \$52 a year for the remaining duration of the Society, while enjoying not only the privilege of renting it in the meantime, but the advantage of any natural rise in the property, and any improvement which his own industry may put upon it during that period. A brief calculation, however, will show that the rash borrower at fifty per cent. premium, paying steadily \$152 for ten years, will have over-paid his loan by about \$175, allowing compound interest at seven per cent., in addition to the heavy rent of ten per cent., and with the incumbrance of \$52 a year, to be paid for an unknown period—five years at the very least, to come. By paying \$352 a year for ten years, he has at once enjoyed and acquired a \$2,000 house and lot, subject to the remaining payments. Taxes, insurance and repairs will have run his annual payments up to at least \$400, and the long and the short of it almost certainly is, in fact, that he has not been able to pay anything like this amount, has lost all his hard savings, and is long ago turned adrift again, with a heavy load of debt to carry the rest of his life. If he has met the conditions, on the other hand, he has made one of the hardest bargains for money that capital could screw out of penury. Of course, a more moderate premium, even twenty-five per cent., would make a very different showing; but it is only by throwing out of the account an entire ten per cent. per annum on the value of the property, as a rent that would have gone to the dogs (or the landlords) in any case, that this system of borrowing can be made to appear at all advantageous. The permanent societies, by their terms, declare their conviction that more favourable conditions than these can be offered to the borrower.

It is evident, then, that a terminative building society, disposing of its loans by auction at large premiums, offers the highest inducements (if too many individual failures do not take place) to members who have no occasion to borrow, but seek a profitable investment. As the rapidly-increasing income from repaid loans and premiums clears off the borrowing members and reduces the period for which the weekly payments must be continued to close up the concern, the shares of the remaining holders soon to be realized in full, begin to have a manifestly rich value, premiums cease to be offered for the accumulating funds, and they begin to be distributed necessarily by lot. Now arises a new traffic: The rest of the five hundred members, eagerly endeavouring to buy off the non-borrowers on as favourable terms as possible, close the concern, and stop their weekly taxes. The master evil of the system is a moral one, and two-fold. To the members anxious to borrow, it offers the strongest kind of stimulus, with a plausible

facility, for doing so at a ruinous rate of interest; and to the investing members it offers a stimulus to cupidity, if not to rascality, in the form of inordinate gains from the necessity, indiscretion and excitability of their poorer and simpler brethren. The strong natural tendency of the plan is evidently toward the worst form of usury, with some peculiar aggravations of its usual evils on both sides.

TORONTO STOCK MARKET.

(Reported by Pellatt & Osler, Brokers.)

Very little business has been done during the past week. There is a large demand for all classes of Debentures, and some sales have been made at very high rates.

Bank Stock.—Montreal has been sold at declining rates, viz., 160½, 160, 159½ and 158½, closing firm at the latter rate. British books still closed, buyers would pay 104½ ex-dividend. Ontario has sold during the week at 96 and 96½, the stock is asked for at the latter rate. Toronto, books closed, no stock offering ex-dividend, 125 would be paid. Last sales of Royal Canadian were at 62, buyers now offer 60 to 60½. Commerce, books closed, no stock offering ex-dividend. Gore, nominal at 60½ to 61. Merchants' books closed, sales at 106 ex-dividend. Buyers would pay 102½ for Quebec. There were sales of Molson's at 101½. Sales of City are reported at 89, and closed at 88½. There were buyers of Du Peuple at 105½, and sellers at 106½. Nothing doing in Nationale. Sales of Jacques Cartier were made at 107½, at which rate there are buyers. There are buyers of Mechanics' at 90, and of Union at 103½ with sellers at 104½ ex-dividend.

Debentures.—There are no Canada debentures on market of any description, and there is a large demand. Toronto, none on market; it is reported that 95 was offered for twenty-year bonds. County are in demand at a small premium.

Sundries.—No City Gas Company on market. There are buyers of British American Assurance, at 76, but no sellers. Western Assurance sold at 85½, and is in demand at this rate. No sales of Canada Permanent Building Society, ex-dividend, books closed. Western Canada Building Society, books closed, a small sale at 118 ex-dividend was made. A small sale of Freehold Building Society was made at 118½, none on market. No sales of Huron and Erie Savings and Loan Society, holders ask 118 ex-dividend. Montreal Telegraph Company is in demand at 142½, little on market. Buyers of Canada Landed Credit at 82, none on market. Mortgages continue to be freely taken at 8 per cent.

AMOUNT OF GOLD IN U. S. TREASURY.—Although the amount of gold in the United States Treasury is reported to be \$118,000,000, it seems that considerable allowance should be made for offsets, and that the amount which will remain after making them is comparatively small. The N. Y. *Evening Post* makes the following statement: First—The amount of gold in the Treasury of the first day of December was \$105,969,949.

Second—Of this \$36,862,940 was the property of depositors, and was simply held in trust to pay their certificates.

Third—\$8,067,572 was the property of holders of coupons overdue, but not yet presented.

Fourth—\$3,202,914 was represented by interest already accrued, though not yet due, and will be needed to pay it; so that,

Fifth—\$78,133,426 in all was the amount absolutely necessary to make the Treasury safe in view of immediate wants; and the whole amount of coin properly belonging to the government was not \$118,000,000, but \$27,836,523.

Now, during December, the gold interest accruing on the public debt is \$10,355,033. The Secretary has advertised sales of gold in New York during the month amounting to \$11,000,000, and

has countermanded the order only as respects \$2,500,000 leaving \$8,500,000 sold or to be sold before January 1st. On the other hand, the estimated revenue from imports for the month is less than \$10,000,000. The loss of coin in the Treasury for December, when interest is paid up to the first of January, will therefore be at least \$8,855,033. Deducting this from the amount properly owned by the government on the 1st December, there remains not \$118,000,000, but less than \$19,000,000, as the whole gold reserve of the Treasury at the beginning of the year 1870. It seems impossible that it should exceed \$20,000,000.

BANK OF B. N. AMERICA.

The ordinary general meeting of the shareholders of the Bank of British North America was held at the London Tavern, on the 7th inst., Mr. A. H. Phillpotts in the chair.

The report stated that after a careful examination of the accounts of the Bank, up to the latest dates received from the branches and agencies, the court of directors have declared the customary half-yearly dividend at the rate of six per cent. per annum, free income tax.

The Chairman, in moving that the report be received and adopted, said the directors had received the Queen's warrant extending the privileges of the charter of the bank until the 1st June 1881. The proprietors were perhaps aware that the concurrence of the Canadian government was requisite in order to give effect to the extension of the charter. The directors memorialised that government, and their request was acceded to. Of course they could not but regard the friendly reception that their request met with as a testimonial of the long services which this bank had rendered to the colony, to the prudence with which it had been conducted, and the sound principles by which it had been guided. Of course this extension had been granted to them with the condition that they should conform in all respects to any future legislation in Canada bearing upon the financial and banking arrangements of the country. There was a subject of considerable importance which it was his duty to mention, and that was the change that was about to take place in the office of general manager of the bank. Mr. Paton's resignation had been accepted, and would take effect from the 1st of January next. His communication with the Canadian government had no doubt facilitated the extension of the charter, and the directors could bear their testimony to his possession of all those qualifications which had won him the esteem of all those who had been brought in contact with him, and he thought that, after the long period during which Mr. Paton had devoted his best energies and the greater part of his life to their service, the proprietors would not be surprised to learn that they had awarded him a suitable allowance on his retirement. The directors had then to consider the question as to who should be his successor, and seeing the great aptitude of Mr. M'Nab, the secretary, and considering his great experience they had appointed him. But before doing so they had thought it desirable that he should be for a time the manager of their establishment in New York, which was the centre of the financial operations of the New World, and he had now been the manager of that branch for some time, and would continue to be so until he entered on his duties as general manager. He thought that the appointment of Mr. M'Nab would infuse new vigor into the administration.

A Shareholder—Can you tell us the result of the last half year's working.

The Chairman said that it had been the uniform practice of the board to be rather chary of the topic to which the hon. proprietor had alluded; but so far as the most recent accounts went they had no reason to doubt that the results would be such as they could wish. It would be premature, however, to state what the next dividend would be.