

# THE CANADIAN MONETARY TIMES AND INSURANCE CHRONICLE.

DEVOTED TO FINANCE, COMMERCE, INSURANCE, BANKS, RAILWAYS, REAL ESTATE, MINES, INVESTMENT,  
PUBLIC COMPANIES, AND JOINT STOCK ENTERPRISE.

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TORONTO, FRIDAY, DECEMBER 31, 1869.

SUBSCRIPTION \$2 A YEAR.

## Mercantile.

### J. B. Boustead.

PROVISION and Commission Merchant. Hops bought and sold on Commission. 82 Front St., Toronto.

### Buntin, Brother & Co.,

WHOLESALE STATIONERS, and Paper, Envelope, and Bank Book Manufacturers, Nos. 3 and 4 Commercial Buildings, Yonge Street, south of King Street, Toronto.

### Wm. Croft & Co.,

MANUFACTURERS of Needles, Fish Hooks, Tackle, &c., Importers of Cutlery, Thimbles, Pears and Buttons, Hooks and Eyes, Pins, Combs, and Small Wares in general. 37 Colborne Street, Toronto, Ont.

### Childs & Hamilton.

MANUFACTURERS and Wholesale Dealers in Boots and Shoes, No. 7 Wellington Street East, Toronto, Ontario.

### L. Coffee & Co.

PRODUCE and Commission Merchants, No. 2 Manning's Block, Front St., Toronto, Ont. Advances made on consignments of Produce.

### John Fiskin & Co.

ROCK OIL and Commission Merchants, Wellington Street East, Toronto, Ont.

### Gundry and Langley.

ARCHITECTS AND CIVIL ENGINEERS, Building Surveyors and Valuers. Office corner of King and Jordan Streets, Toronto.  
THOMAS GUNDRY. HENRY LANGLEY.

### Lyman & McNab.

WHOLESALE Hardware Merchants, Toronto, Ontario.

### W. D. Matthews & Co.

PRODUCE Commission Merchants, Old Corn Exchange, 16 Front St. East, Toronto Ont.

### R. C. Hamilton & Co.

PRODUCE Commission Merchants, 119 Lower Water St., Halifax, Nova Scotia.

### H. Nerlich & Co.,

IMPORTERS of French, German, English and American Fancy Goods, Cigars, and Leaf Tobaccos, No. 2 Adelaide Street, West, Toronto. 15

### Parson Bros.,

PETROLEUM Refiners, and Wholesale dealers in Lamps, Chimneys, etc. Waterrooms 51 Front St. Refinery cor. River and Don Sts., Toronto.

### Reford & Dillon.

IMPORTERS of Groceries, Wellington Street, Toronto, Ontario.

### W. Rowland & Co.,

PRODUCE BROKERS and General Commission Merchants. Advances made on Consignments. Corner Church and Front Streets, Toronto.

### Sessions, Turner & Cooper.

MANUFACTURERS, Importers and Wholesale Dealer in Boots and Shoes, Leather Findings, etc., 8 Welton St West, Toronto, Ont

### Sparrow & Whatmough,

IMPORTERS and Dealers in General House Furnishing Goods, Willow, Wooden and Hollow Ware, Chandeliers, Kerosene Lamp Goods, Oils, &c. Manufacturer of Water Filters, Refrigerators, Meat Safes, Children's Cabs, etc. 87 Yonge Street Toronto.

## Financial.

### BUILDING SOCIETIES.

Antiquarians find traces of rude combinations of this nature in the ancient Greek republics, in the Anglo-Saxon period of English history, and in the South Sea Islands. Societies for mutual benefit in various ways began to be organized in England in 1793, and in the next twelve years increased with, for those days, miraculous rapidity, embracing in 1805, 704,000 members. The first savings banks proper were founded in 1808, one at Tottenham, and another, for female servants, at Bath. To Rev. H. Duncan, of Ruthwell, in Scotland, belongs the credit of maturing the savings bank system in its present complete form, in the Parochial Bank of Ruthwell, founded at about this time, which furnished the model upon which the act of Parliament relating to these institutions was framed. A germ of co-operative stores (which seems not to have sprouted and taken root) is noticeable at the same active period, in the form of benefit clubs, for obtaining clothing, coals, and other leading necessities of life, on advantageous terms.

The first building society was founded in the same period by Earl Selkirk, at Kirkcudbright, Scotland in 1815, and others sprung up after it, and flourished in the same thrifty part of the island, under the title of *menagies*. From Scotland the emigration of this idea was easy and natural to Manchester, and to Liverpool, where it took effect among the numerous trades unions, and in 1830, the movement began to become English, soon after which the acts of Parliament now in force were passed, legalizing and regulating the new institutions, and conferring upon them novel and (for English law) remarkable privileges. Any number of persons were authorized to form a building society, with shares not exceeding £150 and monthly payments not exceeding £1 upon which shares no profits should be allowed until fully paid up—to make advances to individual members on mortgage deeds, to receive any bonuses for the preference in awarding such advances, without liability to the penalties of usury, and to convey real estate to members by a simple release on the mortgage deed, without the complicated and costly proceedings which had practically restricted conveyances of land to large parcels or to persons of considerable means. Transfers of shares and other documents were exempted from stamp duties. Their funds were forbidden to be invested in savings banks or government stocks, and the articles and by-laws were required to be certified by a Government registrar, as conformable to law, and copies filed in his office.

The various plans upon which these societies have been organized may be reduced to two, presenting a strong general contrast, very important to be carefully considered by those who propose to interest themselves in such enterprises. In England, where building societies are numbered by thousands, and by hundreds in single towns, and have already created a large body of independent landed proprietors—the so-called terminating plan, which received first development, has since

been almost universally discarded in favor of permanent organizations; while in the United States, from present appearances, the general tendency is to tread in the primitive and disused path of the transatlantic pioneers. Of the half dozen building societies started in New York and Brooklyn, five are on terminating and only one on the permanent principle. It is perhaps impossible absolutely to decide in advance of full experiment which method is best adapted to the conditions existing in that country. Each is commended to those who adopt it by peculiar considerations of advantage, which we will proceed to compare.

The terminating societies fix the value of their shares at a certain figure—suppose it to be \$2,000—which all the members are pledged to realize to every individual before the concern is closed. That done, the function of the institution is exhausted, and it expires, naturally and inevitably like a burnt out candle. Each member pays a small initiatory fee, say fifty cents, and a weekly instalment of say \$1 on each share held by him, from the beginning to the end of the institution; the number of shares to the individual being, of course, restricted closely. A certain number of members is requisite for successful operations—we will suppose there are five hundred. The income of the society will then be \$500 per week, and in four weeks it will have accumulated enough to pay off one full share of \$2,000. What shall be done with this money? Of the five hundred members, quite a number are probably ready and impatient to build or purchase a house, while others are waiting and looking out for eligible opportunities, and a third class are merely salting down their shares for a profit or for uses as yet but indefinitely forecast. This natural state of things has apparently induced our projectors to choose the plan of selling the share at auction to the highest bidder of premium, rather than that of awarding it by lot. If awarded by lot, there is an even chance, perhaps, that it will fall to one who does not at present want it and who will immediately sell his privilege for the most he can get; so that large premiums are likely to be paid at any rate, and it is certainly for the equal benefit of the whole that they should go into the common fund. On the other hand, there is the obvious evil of rash and excited bidding, which although it runs up great premiums for the treasury, and directly seems to be leading to large profits for the non-borrowing members, (who hope to get their shares, by an early winding up, for an aggregate payment of perhaps half their amount,) yet leads also indirectly to loss, through the troubles and failures of the injudicious borrower, and seems on the whole to be one of the most pernicious elements that could be well introduced into a business of this kind. The first appropriation by the "Second Union Co-operative Building Society," illustrated the subject, rather vividly. A premium of fifty per cent. for the use of money, in addition to the permanent weekly payment into the common fund, is the wisest of financiering for our laboring men, and will bring ruin rather than prosperity in its train. Yet it is the natural result of the public vendue, and we are informed that premiums of twenty-five per cent. are not considered at all excessive by the sober members and managers themselves.

Against this evil, inherent alike, as we have shown, in different forms, in both the auction and