

no greater
the paid-up
or investing
CHARITABLE
generally ob-

Toronto
Exchange,

N,
Treasurer.

REMARKS

ON THE

ACT AMENDING THE LAW OF BUILDING SOCIETIES.

THE Act passed at the last Session of Parliament, amending the Law of Building Societies, and defining their powers, has, at the same time, materially increased their privileges; by enabling them to operate under an improved system, which renders it necessary, on the formation of a new Institution, to explain the changes provided for, and the working of the Society under their operation.

Previous to the passing of the amended Act, it was considered doubtful, whether Building Societies had the power to receive moneys on deposit, to be used for the purposes of the Society. This question is now settled; special permission being given, in the amended Act, to receive deposits to the extent of three-fourths of the paid-up Stock of the Society; a privilege which cannot fail to increase its profits, on the reasonable assumption that the depositors will contribute an amount equal to at least one-half of the paid-up Capital of the Society.

Another material change from the former system is, the permission to capitalize the paid-up Shares, by which means, Shareholders will be entitled to receive periodical Dividends, instead of waiting for the termination of a cycle, as has been usual in similar Societies.

The want of a provision for paying dividends has been found to operate as a serious drawback to the extension of these useful Institutions; as many people of moderate capital, whose necessities require the annual payment of interest, have been prevented from investing in them, from being unable to wait, as heretofore required, for the realization of the Shares. The amended law has, however, remedied this obstacle, so that capitalists may now avail themselves of its advantages, with safety to themselves and benefit to the borrowers.