

The monthly and yearly instalments worked out in the same manner are supposed to yield similar results, allowance being made for their more or less frequent payment.

There is another aspect in which our subject may be viewed, and which, in order to a proper understanding of it, must be presented. It is held that the borrowing and lending of money is a practical question in which the abstract rate of interest is only one of the considerations to be taken into account.

For instance, if a man of business wants to anticipate his receipts for a few months or days, it may be better for him to pay a given rate, for that time only, than a lower rate, coupled with the condition that the principal must be retained and interest must be paid for a much longer period: or to a borrower whose resources are limited and available only at long intervals, it may be of much greater consequence that he can pay at those periods and in small sums than that he obtain the loan at one, or two per cent. less, repayable in such a manner that he cannot expect to meet his engagements without borrowing again and incurring the expense of a second loan. Again, an investor may prefer a lower rate of interest and to have his principal continuously employed, than a higher rate with the principal repayable in instalments upon which there would necessarily be a loss of time in reinvestment.

Mr. Arthur Scratchley in his able work, which is the leading Text Book on the subject, points to this fact of the inevitable loss of time on reinvestment as one of the chief causes which have prevented some Building Societies from meeting the expectations of their projectors, based upon theories in which this practical consideration was overlooked. And the advocates of the Sinking Fund system, adopted alike by Building Societies and Landed Credit Companies, contend that the abstract rate which their mortgages in theory earn, is not realised in practice by the lender nor paid by the borrower, and that the small contributions to the sinking fund, paid in monthly, half-yearly or yearly upon each loan, are only entitled to be credited with common interest, such as would be allowed by Banks or Savings Banks, had they been put aside from time to time to meet the principal if repayable in one sum at the end of the term.

The Canada Landed Credit Company claims that it charges 8 per cent. per annum upon the loan, and allows 5 per cent. for the sinking fund. The Canada Permanent Building Society publishes computations to prove that their tables yield 8½ per cent., instalments payable at the end of each half year, or 8 per cent. per annum, instalments payable half yearly in advance, 6 per cent. per annum being allowed in either case for the sinking fund. We append one of these calculations to shew how they are worked out.

The instalment on an advance of \$10 for

five years, payable at the end of each half year, are \$129.50 each, from which deduct interest for six months at 8½ per cent. per annum, \$42.50, leaving a balance applicable to the sinking fund of \$87, on which compound interest is calculated as follows:—

1st Instalment on Sinking Fund (paid at end of half year).....	\$87 00
Six months' interest .....	2 61
2nd do. do. ....	87 00
Six months' interest .....	176 61
3rd do. do. ....	5 28
Six months' interest .....	87 00
4th do. do. ....	268 89
Six months' interest .....	8 04
5th do. do. ....	87 00
Six months' interest .....	263 93
6th do. do. ....	10 89
Six months' interest .....	87 00
7th do. do. ....	461 82
Six months' interest .....	13 83
8th do. do. ....	87 00
Six months' interest .....	562 65
9th do. do. ....	16 86
Six months' interest .....	87 00
10th do. do. ....	666 51
Six months' interest .....	19 98
Balance in favour of the borrower .....	87 00
	773 49
Six months' interest .....	23 19
11th do. do. ....	87 00
Six months' interest .....	883 68
12th do. do. ....	26 49
Six months' interest .....	87 00
13th do. do. ....	997 17
Balance in favour of the borrower .....	2 83
	\$1,000 00

It is not our purpose to discuss the practical issues which the subject evokes: they are numerous and may be safely left to the determination of each individual according to his peculiar circumstances.

Our object has been to remove some of the misconceptions that exist as to the actual earnings of these societies, and by easily understood examples to explain the principles upon which they are carried on, so that any one of ordinary intelligence can prove what loans from them will cost. In testing the loan tables of any society, it is essential to take into account, the time of payment, whether for instance in advance or not, as well as the frequency and amount of the instalments.

Some societies are said to increase the cost of loans by computing interest from the date of application being accepted, and also by charging very high rates upon instalments which may not be paid when due. In these and other respects however, competition and a better understanding of their principles and practice have led to material improvements in late years, and as they respectively assume larger proportions it may be expected that more uniformity in carrying out practical details, and still more favorable terms, will be offered to borrowers.

The diminution of the proportionate cost of management alone will enable them to do this.

We regret to learn that the Shuniah Mining Company, which own a large tract of silver land on Thunder Bay, Lake Superior, have determined to suspend operations,

owing to an alleged difficulty in obtaining a number of their patents from the Government, and to the recent Mining Act, which they state will be most detrimental to their interests, and also to those of all Mining Companies in the Province.

#### MADOC GOLD REGION.

(From our own Correspondent.)

BELLEVILLE, March 23, 1868.

Owing to the recent change in the ownership of the El Dorado Mills, the statutory returns were not sent in until last week from Messrs. Tarley & Gilbert, and those from Daniels & Co. have not come to hand yet. The following are the returns handed in, but not in this case sworn to, at least when I got them:—

Owner.	Lot.	Con.	Township.	Quantity.	Value.
A. W. Thompson..	39	9	Madoc	1 ton	\$17 50
Alan Bess .....	20	6	Madoc	1 "	6 00
A. Ross .....	11	1	Elzevir	1 "	6 04
Hale .....	1	5	Madoc	1 "	11 00
Dean & Gilbert ..	11	3	Lake	2½ "	45 50
Barber & Wheeler..			Kennebec	1 "	4 00
S. Molyneux .....	31	1	Kennebec	700 lbs	0 50
Beatty .....			Grimsthe	1 ton	1 00
A. Brooks .....	23	12	Hungerford	1 "	1 00
Richardson Mine..	18	5	Madoc	20½ tons	180 00
				ozdwt	
				12 grs.	546 50
Ross & Wood .....	6	6	Madoc	21 tons	35 00
Young & Co. ....	23	6	Belmont	1 ton	7 50
T. W. Nixon .....	19	1	Madoc	1 "	6 08
Gregory & Nichols	17	5	Madoc	1 "	10 00
Wilcox .....			Marnora	1800 lbs	2 68
James Maitland ..	97	gr	E. Tudor	1 ton	5 50
Brown & Parr .....	21	1	Kaladar	1800 lbs	2 62
Richardson Mine..	18	5	Madoc	20½ tons	180 00
				9oz.	

In the above return, the gross value of the gold is given, instead of being reduced to tonnage value as formerly.

As you apprise me that exceptions have been taken to the correctness of the returns previously sent by me, I may as well state here that the said returns were those made according to law to the Inspector of the Quinte District, and sworn to by the mill owners, and were copied by myself from the originals, by the kind permission of Lieut.-Colonel Campbell, in whose office they are filed. They ought, therefore, to be the most reliable source of information within our reach; though if parties will collude with each other to make false returns, and stamp them with the seal of *perjury* to make them pass current, I, as well as others, may be deceived.

In exemplification of the last paragraph, I may mention that a choice tit-bit of scandal has been agitating the mining circles, and is now finding its way into the newspapers of this district. The Empire Mine is situated within the limits of the Village of Madoc. The valuable material of this mine consists of a number of veins of grey copper ore (*fahlerz*), varying from half an inch to three inches in thickness, besides a fair portion of the same are disseminated in granular form through the gangue. This grey *fahlerz* was assayed last October by Mr. J. T. Bell, of Belleville, and found to consist of an arseniated sulphuret of antimony and copper, containing 1.66 per cent. of silver, and a variable quantity of gold; and, besides these constituents, enveloping small crystals of mispickel, (arsenical iron,) common pyrites and grains of quartz. The total value was given by one trial at \$4.83 per ton, and by a second at \$4.97 per ton, of *clean dressed ore*, or \$66.68 per ton of whole vein as then developed.

Dr. T. Sterry Hunt, attending to visit Madoc about that time, his attention was directed to the mine by Mr. Bell. He accordingly visited the locality, and obtained specimens of the ore, which he took home with him for examination.

When the mill was set agoing at El Dorado, the then owners of the mine sent a ton of ore to Messrs. Daniels & Co. for reduction, and got the gratifying return of \$41 per ton in gold. Encouraged by this, they sent 14 tons to the same establishment, but to their dismay, found the return this time was only at the rate of some \$2 per ton. What was to be done? Such