

mortgage interest will vary: not, be it remarked, so much as on mercantile loans, for these are for short periods, which allows interest to vary with the change of the money market, while mortgages are for a long period, during which a certain average interest must be calculated. This explains the apparent anomaly that in England the rate of mortgage investment scarcely varies, and remains steadily at from four to five per cent., while the interest on mercantile loans—quoted by the Bank of England—fluctuates from $1\frac{1}{2}$ per cent. to 10. Money may be worth only 2 per cent. on the Stock Exchange, while mortgages are bringing five,—and mortgages will bring only five, when money at the Bank of England can only be had for ten. Now, during the last six or seven years, there has been an accumulation of money on deposit at the banks alone of more than twenty millions of dollars. Money has therefore become remarkably plentiful, stocks are in demand, corporations can readily borrow at low rates, and mortgage interest, on good properties, is bearing steadily down. Ten or twelve years ago, there was not one half the accumulated capital in the country there is now, and the consequence was, that money could only be had at far higher rates than prevail at present.

But, some will say, all this, though plain enough, does not explain why it is that farmers in remote districts, and *habitans*, in Lower Canada, have to pay such fearful rates, when money is found in the cities cheaply enough, at the very same time. This leads us to remark, that in loaning money the lender looks to two things, punctual payment of interest and principal, and the power he has of collecting should the borrower fail to pay. Now, it is well known, that farming is a poor and uncertain business, in some parts of Lower Canada, that anything like punctuality in payment of interest can never be expected. And, as to re-payment of the principal, unless the amount be a very small proportion, indeed, to the presumed value of the property, it is scarcely possible for such a thing to happen, as for the principal to be repaid at the time, for it can only be paid out of savings over and above the interest, and if it is difficult to reach the interest, how is it possible to give over and above the interest, a sum which will gradually meet the principal? What then can the lender do, when he can only get the interest by fits and starts, and has a very poor chance of getting the principal at all? What is his remedy? For the interest he can sue, and for the principal he can foreclose, and sell the property. But will these processes benefit him? If he sues and gets judgment, and obtains his money by selling the farmer's chattels, he ruins him and prevents him ever

paying interest again. If it is the principal he wants, and sells the property to obtain it, will that process give him his money? Can such properties under such circumstances, be sold for cash? Or for one half cash and the balance credit? Nothing of the kind. They can only be sold at all by giving long credit, and thus the disappointed lender can neither get his money from the borrower or from the land.

The reason why money can be borrowed, as a rule, so cheaply on landed property in England, is that it is constantly in demand, and perfectly easy to sell in case a mortgage is foreclosed, while farming is a profitable pursuit, enabling borrowers to pay interest punctually. But where farmers are poor, and the land difficult to dispose of, the lender of money in risking it on such security, must calculate on irregular payments of interest, and on having, in all probability, to take property for his principal, which cannot be sold except on long credit, or rented, except at an excessively low rate. Now, is it to be supposed that he will not charge accordingly? Will he be such a simpleton as to lend his money on such property at the same rate he would on security where he could rely on interest and principal like clock-work? Will the accumulated capital of the cities find its way to these parts of the country at all? As a rule, certainly not, for after trying experiments a few times, capitalists in cities learn to avoid places where payment is uncertain. The accumulated capital of the cities therefore does the borrower in such localities no good, for lenders have learned by experience not to send money there. It is of no use for a borrower to say, is not my security ample? Is not my firm worth double the money? The question is—can the interest be relied on? Can double the money be got? Unless these can be answered in the affirmative, it is of no use pressing a mere fanciful estimate of supposed value.

These considerations at once explain the preference of capitalists for certain districts in lending on mortgage. Farmers, they say, are generally prosperous there; land can readily be sold there; it is therefore safe and satisfactory to lend;—or, on the other hand, and looking at other districts, farmers are poor and struggling there—land can hardly be sold at any price there—better avoid it.

The capital of the centres of finance therefore not being available, the only resource is the local money lender, who has learned by experience the risks he has to encounter, and charges accordingly—and this no law can prevent. If the law could prevent it, and did prevent it, the effect would simply be that the local money lender would send his

money to the cities, where safe and certain investments could be had at the rate which we are supposing the law to confine him to. He would be a simpleton, indeed, to take a loan at a certain rate, where payment of interest and principal were uncertain, when at the same rate he could lend his money in a way which would give him both punctually.

Thus, the farmer in poor districts, under the operation of a usury law, strictly carried out, could never borrow at all, and would have to suffer the consequences.

THE Directors of the Canada Permanent Building Society have issued a circular to the shareholders, allotting new shares to them *pro rata* to their present holdings, and stating the terms of payment. It is intended to increase the capital to \$1,500,000. It is not likely that any difficulty will be experienced in obtaining subscriptions for the whole \$500,000 required.

THE NEW NORTHERN ELEVATOR.

The erection of this structure, with the approaches thereto, was commenced some thirteen months ago, and on Saturday last was formally opened for traffic in the presence of about two hundred gentlemen, comprising representatives of the various insurance companies doing business in the city, the managers of the different banks, along with the principal produce merchants, and others. On the Thursday previous, in compliance with an invitation of the Manager of the Northern Railway, Mr. Cumberland, the building was visited by the inspectors and other officers of the different insurance offices, to hold a survey of the building for insurance purposes. A Mr. Palmer, of Buffalo, inspector of the Fire Underwriters' Association, and also of the Elevator Association of that city, and who has acquired considerable experience, particularly in the surveying of specially hazardous property, was, by invitation, also present, and expressed a most favorable opinion respecting the building and its various appliances.

The elevator is situated at the end of a dock extending some 660 feet into the bay—the whole of which is built of massive crib-work, in the most substantial manner, and filled in with stone, clay and gravel. The total cost, including the dock, was \$140,000. The capacity of the bins, 280,000 bushels. Any danger from the approach of locomotives into too close proximity to the building is obviated by a patent car-mover, worked by the engine. Eight cars can be removed and unloaded at one time, the combined lifting capacity of the elevators being 22,000 bushels an hour. The engine house is built wholly of brick, stone, and iron, with the exception of the window frames not a particle of wood being observable. The engine is a beautiful and substantial piece of workmanship.

In the offices in the elevator, it would seem that unnecessary precautions have been taken to guard against danger from fire, being warmed by steam, and the whole interior, the ceiling not