

the first of \$1,000.00, is payable in twelve years at 5 per cent. The second is payable on demand at 5 per cent., and both notes are secured by money mortgage.

The purchaser makes supplementary agreement to purchase five shares in a co-operative bank, and to continue payments thereon until his deposits have matured a sum of \$1,000.00, which takes nearly twelve years. In consideration of the agreement the company agrees not to make demand on the demand note as long as the purchaser continues his payments at the co-operative bank. The company itself insures the life of each purchaser, and in this way is able to agree that if he shall die or be incapacitated within twelve years it will accept the value of his co-operative bank share at that time in full payment of the time note.

By this arrangement the purchaser is assured of ownership of the property in twelve years, or at the time of his prior death, with the exception of a first mortgage covering a demand note which is less than 60 per cent. of the value of his house.

To carry the payments on a house costing \$3,800.00 the total monthly payment, covering interest, taxes, insurance, bank shares, etc., is \$20.00, the house in this case is sold at cost to the company, the lot on which it stands contains 6,850 square feet. The cost figured from purchase of the land and its share of the town development added is 10 cents per square foot, or \$585.00.

The Goodyear Company purchased land at \$300.00 per acre. This land subdivides into four house lots per acre after the deductions for streets, parks, etc., have been made. The improved cost per lot was \$490.00 on an average. Their arrangement for the purchase required no initial payment down. The first mortgage is in this case carried by a large life insurance company, and the second by the company themselves, with interest at 6 per cent. in both cases.

Semi-monthly payments are arranged which pay the second mortgage in twelve years, and the first mortgage in three years more.

To prevent speculation 25 per cent. is added for the cost price of each lot at the time of sale, and is credited the purchaser after he has carried his payments for five years' time. The *semi-monthly* payments required to purchase a house valued at *cost* at \$2,860.00 if no initial payment is made, \$16.54 for the first five years, \$10.26 for the next seven years, and \$5.22 for the last three years, when the house is entirely clear. The company allows the employees, if they desire, to arrange for a larger payment at specified time. The company has also arranged that if the purchaser wishes he may by adding an average of 50 cents per thousand to his semi-monthly payments to carry a life insurance which will free his home in case of death.

The nature of each industry and each town site require a special adaptation of the general principle stated above. No industry can undertake housing with the expectation of having its capital earn what it might elsewhere, but it has been proven that provision can be made to give attractive conditions to permanent labor at no cost other than the difference in interest rates. The fact that such houses as those shown in the accompanying cuts have been built in this way should encourage Canadian industries to attempt a similar solution for their labor problem.

Dry Rot

Dry rot is a misnomer. According to an article on this subject by C. Waterton in the "Architect and Contract Reporter," this disease in timber ought to be designated a decomposition of wood by its own internal juices, which have become vitiated for want of a free circulation of air. If you rear a piece of timber, newly cut down in an upright position in the open air, it will last for ages. Put another piece of the same tree into a ship or into a house, where there is no access to the fresh air, and ere long it will be decomposed. But should you have painted the piece of wood which you placed in an upright position, it will not last long, because, the paint having stopped up its pores, the incarcerated juices have become vitiated, and have caused the wood to rot. Nine times in ten wood is painted too soon. The upright unpainted posts in the houses of our ancestors, though exposed to the heats of summer and the blasts of winter, have lasted for centuries, because the pores of the wood were not closed by any external application of tar or paint, and thus the juices had an opportunity of drying up gradually. On making some alterations in a passage, I put down and painted a new plinth made of the best and apparently well-seasoned foreign deal. The stone wall was faced with wood and laths, and the plaster was so well worked to the plinth that it might be said to have been air-tight. In about four months a yellow fungus was perceived to ooze out betwixt the bottom of the plinth and the flags, and on taking up the plinth, both it and the laths and the ends of the upright pieces of wood to which the laths had been nailed were found in as complete a state of decomposition as though they had been buried in a hot-bed. Part of these materials exhibited the appearance of what is usually called dry rot, and part was still moist, with fungus on it sending forth a very disagreeable odor. A new plinth was immediately put down, and holes one and a half inch in diameter at every yard were bored through it. This admitted a free circulation of air, and to this day the wood is as sound and good as the day on which it was first put down.