

before the whole Senate, it is received by a committee of nine, by whom it is reported. All the Senators, even if they have not served on the committee, have a right to vote, and many of them do vote without any reference to the merits of the cases brought before them. This state of things the Divorce Committee protest against by resignation. Looked at from one side, such proceedings as those of the opposing Senators are simply scandalous; from another point of view they appear in the light of religious scruples. But surely Senators ought not to undertake to decide judicially cases of which they have no knowledge.

Mr. McDougall, Auditor General, has appealed to Parliament, by petition, to have two of his clerks promoted and his contingencies increased by \$500. If the 21 clerks now at his disposal be insufficient for the actual needs of his office, extra assistance ought not to be withheld. But to appeal to Parliament against a Government with a vast majority at its back is always a desperate resource, very much, in fact, in the nature of a vote of want of confidence. The Auditor General is an independent officer, as he ought to be; and the safest thing, both for the country and the official, is to follow the English practice, in spirit as well as in the letter. The petition being an appeal against the Government to the House, naturally became the precursor of a partisan debate, during which the hint was thrown out by the Government that owing to his relations to the Opposition, there was some danger that the usefulness of this functionary would be largely impaired. By Mr. Dickey he was distinctly charged with being under the influence of the Opposition. If there be any truth in this accusation, the Auditor General should at once fall into that neutral attitude which his position demands. There seems to be some difference of opinion as to what constitutes the duties of this functionary. According to Mr. Foster, his duty is "to take the expenditure and the grants, and see the former was made in accordance with the latter;" not to publish petty details outside of this. In his petition, Mr. McDougall said he would warn the taxpayer if things were not going well. He is right in doing this, on condition that he confines himself strictly to the limits of his duty. If the Auditor General has, in any way, misconceived his duties, who is to instruct him in them?

CHEAP BUILDING AND LOAN ASSOCIATIONS.

A friend has sent us extracts from recent Detroit papers containing criticisms of building and loan associations operating in the States, and referring to the Bill introduced by Senator Johnson, providing for the State supervision of these societies in Michigan.

We have had several enquiries from Canadians during the past few weeks asking how the Canadian Mutual, the Birkbeck, the Globe, and the York County Loan Companies could do for their patrons what they professed to do in the way of furnishing cheap money or earning big profits, and have been obliged to answer as Mark Twain did to his cousin William. So far as these, or any other concerns encourage saving and stimulate thrift, we find no fault with them. But when they offer higher interest than other lenders, or promise returns which are unreasonable and excessive, their methods should be shown, and the conditions on which people are "made rich" by borrowing from them should be made known.

We are told that a number of these societies are sending agents to all the cities and towns in Ontario, and are getting a great many subscriptions from servant girls and others in receipt of small incomes, upon expectations which will in all probability fail to be realized. This is a repeti-

tion of what took place between 40 and 50 years ago; but it seems that each generation must pay for its own experience in matters of this kind. The rate of interest paid by a borrower on this supposed cheap plan, rightly calculated, amounts to between ten and eleven per cent. per annum.

Analysis of the report of a Michigan association shows that the \$1,654 profits made during the year cost 55 per cent. for management. That is to say, the salary, rent, taxes, law expenses, insurance and other general expenses of the concern amounted to \$910 out of the gross profit of \$1,654, or more than 55 cents for each dollar earned. This heavy percentage for expenses is one of the reasons that these concerns cannot mature their shares in the time they advertise. The concern mentioned above stated in print that its shares would mature in eight years. Now, in October, 1894, when its shares had been in force for seven years, and \$42 per share paid on them, they were worth only \$58.94, so that it would take ten and a half years to mature to \$100, on the supposition that the same rate of earning could be maintained.

Here is a case cited by the *Detroit Evening News* which will serve as an example of how some people are "paying through the nose" for money and do not know it: In one case a member borrowed on 18 shares the sum of \$1,800, for which he paid a premium of 25 per cent., thus receiving only \$1,350 [instead of \$1,800] as a net loan. For this he agreed to pay \$21 at the time of receiving the loan and \$21 in each month until his 18 shares were worth \$1,800, with which to pay off his mortgage. If he makes 96 monthly payments of \$21 each, his loan will have cost him at the rate of almost 11 per cent. [10.98] per annum on every dollar of which he had the actual use. And if he has to pay for 27 months longer, as we have shown above is likely, his interest rate will be 14.64 per cent. per year, computed on monthly balances.

In another case the large cost to members of each dollar of profits credited to them is shown, thus: In the case of a member of one of these concerns, holding \$1,000 of stock in the first series, he was credited with \$197 of profits during 62 months, for which he paid \$72 into the so-called expense fund. So that each \$100 of profits cost nearly \$86.55 to earn it. We are told that the York County Savings and Loan Company, whose representatives are issuing pink handbills throughout Western Ontario inviting the populace to meetings to "learn the object and benefits of this popular company (ladies cordially invited)," is offering higher rates for money than other older and stronger concerns and making flattering promises of big returns to those who will lend it. Clever talk is one thing—earning dividends is another. The York County Loan has no method of money-making by lending on real estate that can earn profit for both borrower and lender. Its rose-colored promises will not pan out.

MUST WE DRINK SEWAGE?

The report of the city engineer to the mayor of Toronto, read at the meeting of the city council on Monday last, is of deep interest to the citizens. The precarious condition of our water supply is therein shown with startling clearness. Replying to enquiries by the mayor, it is stated by the engineer that so close is the five-foot supply pipe to the surface of the bay that it is covered at one point by only fourteen inches of water; while the four-foot pipe is at its shallowest point but five feet three inches above the present [low] water level. Happily the three-foot pipe "is at an ample depth for all practical purposes." It is explained by the engineer, however, that the four-foot pipe is not running much more than half full.