

sums of interest, beginning with the \$2, the following would be the result :

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|----------------------------------|--|
| In 10 years I should have \$ 600 | |
| " 15 " " 1,000 | |
| " 20 " " 1,500 | |
| " 25 " " 2,050 | |
| " 30 " " 2,800 | |
| " 35 " " 3,650 | |

But then I know the whole thing is chimerical and misleading, and that I shall never carry out the plan. It is a castle in Spain, and the \$3,650 will never be accumulated, at least in this way. Without the interest, the savings pure and uninterrupted would amount to respectively :

| | |
|---------------------|---------------------|
| In 10 years, \$ 500 | In 25 years \$1,250 |
| " 15 " 750 | " 30 " 1,500 |
| " 20 " 1,000 | " 35 " 1,750 |

All the rest is the interest. Thus, in the thirty-five years it amounts to \$150 more than the double of the principal.

But there is a method by which all the business of investing and inter-vesting may be taken out of my hands; by which I can get back the whole of my capital, and with the interest, *which without this plan would not exist*, I can assure my life. Of course it is to be borne distinctly in mind that this compound interest I could not, or certainly should not, obtain for myself. Theoretically it is possible to secure it. Practically it is impossible. Even when I had accumulated \$500 it is most unlikely that I should invest the \$20 of interest which it would yield.

But instead of making any attempts which are so likely, from their initiation to their *finale*, to end in failure, suppose I adopt this alternative course to which I have referred, let us see what will be the result. At thirty years of age I go to a respectable Life Office of good standing, and take out an endowment policy for \$1,500. For this I pay about \$45 for thirty years. If I live to be sixty I shall have paid the company \$1,350, and they will at once pay me \$1,500. But for the whole of that term, namely, thirty years, provided I am punctual in my payments, my life will be insured, although I shall get back from the company more than every dollar I have paid in.

Thus am I not only assisted in my endeavors to save money annually, the engagement being a fixed one, but by means of the interest on my money, which would not be realized by myself individually, I get my life insured; that is, I get insured from the first moment, in full, to my representatives, what my simple savings would amount to in thirty years, and rather more. This, therefore, I call, and I think I am fairly entitled to do so from my point of view, LIFE INSURANCE FOR NOTHING.

THE ENGLISH LOAN COMPANY (LIMITED).

We publish to-day the first annual report of "The English Loan Company." This company, while possessing all the advantageous functions of other similar institutions, is barred from exercising some powers which they possess, the use of which has been viewed as somewhat dangerous.

The Company, incorporated by Charter, issued in the Queen's name attested by the Great Seal under Section 3, Chap. 150 of the Revised Statutes of Ontario, is in the nature of an extensive banking house, making advances upon real property, improved and occupied, up to half the cash value of the estates. In addition to the ordinary loans made from its capital, the company intends opening an account with some extensive financial firm in London, England, through which to procure funds in quantities to meet the Canadian demand and enable it to make advances to smaller loan societies up to one-half the amount for which they hold mortgages on real estate (after making a strict inspection of the securities offered). This feature of the company is a new one for Canada, and no doubt, when it becomes well known and acted upon, will facilitate the procuring of British capital for investment here. In this branch of business the company and its bondholders will have a twofold security: First, the mortgages held by the smaller companies on their loans, together with the usually large margin reserved by such companies; and, second, the fifty per cent. margin held upon the advance made to such societies. The result will likely be a great increase in the supply of money, together with the lowering and equalization of rates of interest. The company will thus form a safeguard against loss to British capitalists, as well as a sure medium through which the smaller companies can, in an inexpensive way, procure ample means for safe investment.

The chief object appears to be the founding of a company which will offer unquestionable security to the British capitalist, and to this end during the last Session of the Legislative Assembly at Toronto a special Bill was obtained by the "English Loan Company," whereby the borrowing powers have been permanently limited. This was much needed, and will constitute a great safeguard to debenture holders: in addition to this, by the same Bill, another security has been permanently fixed, viz.: that only one half of the bona fide subscribed capital

can ever be called for or paid in for the ordinary working of the company, the other half remaining uncalled for in the hands of the stockholders as security to the debenture holders, while the whole of the unpaid subscribed capital, as well as all the mortgages and other assets of the company, are for all time to be a security upon which debenture holders have the first claim.

By the terms of its charter and the statutes in that behalf, this company is excluded from the right to receive deposits, or from having a Savings bank or doing a Savings bank business. Most other similar companies have this questionable privilege, and out of it they make large profits, but we think the (Honorable Senator Vidal and the other) founders of this company acted wisely in excluding this branch of business, and by so doing adding another safeguard to its stability. This alone will no doubt commend itself to the favor of capitalists in the Mother Country. The founders of this company are men of standing, while most of them have had years of experience in successful companies of lesser proportions but of a similar nature. The object as stated in the prospectus issued in 1878 is the formation of an extensive and reliable organization founded on such principles as years of experience and the most matured judgment would suggest as safest and best adapted to insure success.

In view of the formation of similar companies in the past and looking at the number of really good useful institutions of the kind at the present time we cannot see how more effective and complete safeguards could be thrown around a loan company than has been secured in the charter and by the special Act of Parliament in that behalf upon which the English loan company is founded.

The capital is fixed at six millions of dollars. The stock books were opened on the 20th January, 1879, at the head office, London, Canada. During the first year fifteen thousand shares, or one and a half million dollars, were offered for sale, and the whole amount was voluntarily applied for and sold by the 10th December last. The money for investment up to the present has been payments on stock, and the company has now invested in real estate mortgages \$236,000 on property valued at \$621,000. The company has recently declared its fifth quarterly dividend at the rate of eight per cent. per annum.

THE TEA SEIZURES are not resolvable into Toronto vs. Montreal, nor Grit vs. Tory, but simply profit vs. loss to the parties in interest.