

The Weekly British Colonist AND CHRONICLE.

Tuesday, March 24, 1868

The anomalous position of the Judiciary of this Colony will doubtless prove a subject for discussion during the present session of the Council. Since Union we have had two distinct judicial establishments, each independent of the other, and neither possessing jurisdiction beyond the limits to which it was confined prior to Union. Mr Begbie, holding a commission as Judge of the Supreme Court of British Columbia, exercises unrestricted judicial control on the mainland; and Mr Needham, holding the commission of Chief Justice of the Supreme Court of Vancouver Island, presides over the section formerly known as the "Colony of Vancouver Island." Neither gentleman appears to be subordinate to the other, nor have they co-ordinate powers, since the Judge of British Columbia cannot sit as Judge of Vancouver Island any more than the Chief Justice of Vancouver Island can do the same as Judge of British Columbia, except by special commission. When the Grouse Creek war raged fiercest, Chief Justice Needham proceeded to Cariboo and sat as Judge of British Columbia; but a commission as such was previously issued by the Governor, into whose hands, upon his return to New Westminster, the Chief Justice resigned it. This anomalous state of things arises from a strange oversight on the part of the framers of the Union Bill. They effaced the Colony of Vancouver Island from the map, but failed to define the status of the Court of either section. The measure which consolidated every other branch of the Colonial Government left the Courts as distinct as ever, and to-day we are called on to provide for the maintenance of two establishments where one would suffice. Besides, a manifest injustice is done to the gentlemen interested. One would naturally imagine that under Union Mr Needham, holding a Chief Justice's commission, would rank as Mr Begbie's superior officer—Mr Begbie being simply a Judge. But such is not the fact. Mr Begbie's position is as unchanged as Mr Needham's. To all intents and purposes there has been no Union of the Colonies so far as the judiciary is affected. Cases have arisen wherein the jurisdiction of one or the other judge has been challenged, and the passage of an Act defining the duties and privileges of each Court and abolishing this strange and anomalous state of affairs is imperatively demanded, both as an act of justice to the gentlemen themselves and a matter of protection to the public.

Saturday, March 21.

Mutual Aid or Benefit Building Societies.

Among the remarkable features of the present age Benefit Building Societies occupy a leading position. They have increased in such number, and worked such wonders in the amelioration of the condition of the industrious classes during the last thirty years not only in Great Britain, but in the Eastern States, and what more nearly affects us, in San Francisco, that it has become a matter interesting to all to understand, correctly, their object and the principles on which the most successful have been founded. This information is the more desirable as a large number of our citizens are anxious to see one of these useful associations started in Victoria, and it is not unlikely that if a society were established amongst us, a large portion of the sum now annually squandered in frivolity and folly would be turned to account in building up the town first. A Benefit Building Society, when properly constituted, is a species of joint stock association, the members of which subscribe periodically, and in proportion to the number of shares which they hold, different sums into one common fund, which thus becomes large enough to be advantageously employed by being lent out at interest to such of the members who desire advances, and the interest as soon as it is received, making fresh capital is lent out again and again, so as to be constantly reproductive. Large sums may be raised in this manner, for to take an example, if one thousand shares were subscribed for at two dollars and a half per share per month, in one year the amount would be \$30,000, which, month by month, as received might be advanced to any members who might wish to become borrowers. The payments of Borrowers are so calculated as to enable them to repay, by equal monthly or more frequent instalments, within a specified period, the principal of the sum borrowed, and whatever interest may be due upon it throughout the duration of the loan. The other members who have not borrowed, and who are generally called Investors, receive at the end of a given number of years a large sum which is equivalent to any amount of their subscriptions with compound interest,

accumulated upon them. The idea of a society upon this principle correctly formed and afterwards properly managed, is of the most admirable description, for on the one hand, it holds out inducements to industrious individuals to put by periodically from their income small or large sums which are invested for them by the society on the security of the real estate and buildings of the borrowing members, mortgaged to the society, and at the end of a certain time, are repaid to them in the shape of a large accumulation without their having themselves the trouble of seeking for suitable investments, or lost any interest because the sums they possessed were too insignificant to be made a profitable use of; while on the other hand, the money subscribed, however small the individual contributions may be, when amassed together, is large enough to be advanced to borrowing members thereby enabling them to purchase or erect houses, or similar property, and to repay the loans by small periodical instalments, extended over several years. Second, As regards the purchasing of house property, building societies on a principle of mutual co-operation must be deemed peculiarly beneficial both to the subscribing members and to the general community among which they are established. We have to consider how large a portion of every man's income in this city is absorbed by the payment of rent, especially those who are married and have families around them. The drain upon the family purse under this single head of the monthly outlay is greater for the amount of their incomes than usual, and the disproportion between the monthly rent and the selling value of the dwelling is greater than in most of the countries into which these societies have been introduced. It has been said by an English writer on the subject that, "Every one knows something of the ultimate cost of hiring furniture for their houses or lodgings, they know that it is much more advantageous to the hire of furniture to buy the articles outright than to pay continually for their use; and therefore, most prudent people in the middle classes, and even the poorest as far as they are able, make it a rule to purchase their own furniture, and other articles of domestic comfort and convenience. They know that the price for long hiring is at least equal to the original price of the article hired, and yet how many thousands of persons in every city of England and America, who would deem it an unwise extravagance not to purchase their articles of household furniture, are yet quite content to hire their houses. What numbers occupy hired houses or apartments to deposit their own furniture in." Third, It is much more easy by means of these societies for persons who are not possessed of capital, and who merely receive their wages weekly or monthly, to become possessors of homesteads; and this they are enabled to do by the practical fact, that the monthly payments, required by a society upon a loan, do not much exceed the rent of a house which could be purchased or built with the sum borrowed; so that a man living four or five years in a house instead of paying his rent to his landlord and thus losing so much money for ever, pays it with a little addition to a building society for a limited number of years, and in consideration of his consent to this arrangement, the society advances him at once the money requisite for the purchase of the property which then in the stipulated time, when the loan has been repaid with interest, becomes entirely his own; the money advanced being in the meantime secured by a suitable mortgage. Fourth, Such is the simple outline of the plan pursued in the practice of Benefit Building Societies; and if efficient means are provided for securing correctness in its principles of calculation, and a fair and honorable way of carrying out its object, such an institution established in this town, where we have high rents, and high rates of interest, and where there is no saving bank, or means of investing, or even obtaining safe custody for small sums, must be considered not only as an excellent application of the principle of cooperation, but as a means of strengthening and consolidating the material interests of the place, while socially improving the condition of the most industrious of its inhabitants. A private individual, whether a mechanic or a clerk, usually finds it impossible to obtain an advantageous accumulating interest for the small sums he can spare from his weekly earnings. And even should he have formed those determined habits of economy which would admit of his boarding up a sum large enough to place out at interest, he cannot obtain that information nor always bring that judgment to the scrutiny of the adequacy of the security contemplated for his investment, nor is he always, without neglecting his occupation, in the way of hearing of these remunerative opportunities which present themselves from time to time. An association, however, of provident persons can command all that is wanting by the single member, and although the trifling contribution of each by itself would be too small to be capable of reproductive investment, yet, when united with others, in a large sum it becomes a proportionate participant, and has its representative in the aggregate profits of the general body. Moreover, where there exists a variety of material of talent and capital, their union for the purposes of carrying out the same design facilitates and renders possible its accomplishment. The efforts of a body of men in pursuit of a good object are generally successful whether they endeavor to attain for themselves definite and tangible results by the operation of great commercial enterprises, or whether they combine with the provident desire to avert as far as possible the pecuniary loss, which by death or incapacity to labor, may overtake any individual and expose himself or the members of his family to poverty. As application of these principles of mutual co-operation to the associations known as Life Assurances and Benefit Building Societies, have proved remarkable illustrations of the great advantages conferred by their working when honestly and wisely conducted; though, of course, on their first introduction, especially in building societies, their success was too often obscured by defects and errors in the arrangement of the details. Fifth, It is a coincidence worth recording in bringing building societies before the notice of the people of this Island, that the first society of this kind of which any record is known, was established at Kirkcubright, in Scotland, in 1815, under the auspices of that Earl of Selkirk, who played so important a part in the history of the Hudson Bay Company, and whose see is one

cent net after paying the expenses of the society he will have liquidated his debt. TERMINATING SOCIETIES. 11. Building Societies, though all founded for the same object, are divided into two classes; one kind are called terminating, the other permanent societies. Terminating Societies having latterly fallen into disfavor, the superior advantages of the permanent societies have become better appreciated. A Terminating Society is one which closes at a fixed period; while in the permanent society it is merely the membership of a shareholder which terminates at the end of a fixed period. One of the great evils of the terminating principle is that in consequence of its being intended to close the society in a given number of years, or as soon after as practicable, the opportunity and desire for investment soon cease; as the members are unwilling to borrow in the latter years of its existence, when the period over which a loan can extend has become small, and the corresponding rates of repayment must be increased. It has been found by experience, and indeed it is a fact which common sense would suggest, that it is almost impossible to find members who will care to borrow when half the term of any society's expected duration has elapsed. The monthly payments on a loan for a short period become too large to suit the limited means of the subscribers. 12. There are also objections which apply to both classes of societies, terminating and permanent, but which are seriously aggravated when the association is of a transitory nature. The interest is often calculated to be realized at quicker intervals than is practically the case. It is not possible but that from the very beginning of any society's existence some portion of its funds will at various times remain unemployed for longer or shorter periods. Sometimes this takes place because the balance in hand is not large enough to meet the purpose of any borrower, particularly in the first commencement of a society, when the subscribers are too few in numbers to raise an adequate sum at every meeting. Sometimes, again, there remains on hand a sum beyond the amount required by borrowers who have registered their names as applicants for loans. If the calculations are made for receiving interest monthly from the borrowers, and for crediting it monthly to the investors, it is evident that the loss of a single day's interest falsifies the calculations. The neglect of allowing for this consideration has been the cause of some serious discrepancies between the theories and the actual experiences of some societies. 13. It should always be made a rule to receive the subscriptions and repayments at shorter intervals than the calculations of the accounts as compound interest are based upon. For instance, if the compound interest is reckoned upon reinvestment every month, the subscriptions and repayments should be received weekly. If they are received monthly, the interest should be calculated as produced quarterly. In other words the safety of a society depends upon the managers always having sufficient time before the arrival of the calculated periods of reinvestment upon which the tables are based, to complete the necessary details for preventing loss of interest by investing all monies which are not required for the immediate purposes of management. Any difference between the actual epochs of monetary receipts and the assumed periods should be in favor of the society, and any profit thus accruing will be found most useful for contingencies. 14. Another fault has been not allowing a sufficient margin for preliminary and managerial expenses, and for losses through bad investments, not provided for in the theoretical calculations. When the actual payments have been fixed at rates based on the extreme theoretical calculation of what money continually reinvested would produce, it is impossible that the society should terminate profitably at the period originally fixed, unless during the whole previous duration of the association there had been no loss whatsoever either through dishonesty of officials, bad investment, or unlooked for expenses, beyond what would be covered by the receipts from fees, fines, &c, and unless no month has ever been passed during which any part of the subscriptions had not unproductive. So that in other words no loss of interest has occurred. PERMANENT SOCIETIES. 15. Having reviewed some of the leading objections to the plan of terminating societies, we will now proceed to examine in detail the various superior features of the permanent system. To enable an institution of this kind to conduct its operations successfully as regards the profit which is expected by the investing members, at the same time the borrowers are freed from unjust responsibilities, it is proper not only that the rates of subscription and repayment depend upon a sound basis of mathematical reasoning, but also that the general system of the society's practical operations should be as much as possible clear from these defects, which either prevent the realization of the expected interest within the calculated time, or produce injury and personal inconvenience to the members. It is essential that due provision should be made for the current expenses and liabilities, and that they should never be left dependent upon the uncertain receipts from fees &c. The relative position of the two classes of members should be also equitably considered; so that the profits of the one may not be increased by taking an unfair advantage of the other, and the period of duration of a mortgage should be rendered definite, in order that the claim of the society upon a borrower may at all times be an exact and equitable adjustment in case of his being subsequently desirous of redeeming his property; since it is evident, that any uncertainty respecting the duration and amount of a debt tends materially to reduce the saleable value of the security held for it. As moreover, it is not easy to form an exact opinion of the value of money when it is involved in transactions extending over a period of years, nor of the future value of property in a newly settled country, attention must be given to a suitable reserve being made upon the society's profits to form a protective fund against future contingencies. Experience has shown that Building Societies in other countries, from the peculiar nature of their transactions, are liable to losses which cannot always be averted by the most careful and intelligent

management. By subjecting however, the choice of these mishaps to the Laws of 'Averages,' and by providing a resource whence any deficiency may be at once made good, such an institution may be rendered on the whole as secure and profitable a medium as any commercial joint stock institution in the colony. The permanent plan which we recommend appears to meet these requirements, as it is entirely free from most of the objections peculiar to Terminating Societies and is based upon the system which has received the sanction of the best English authorities. 1. The difficulty of finding borrowers at any time in the course of the existence of a society is removed. 2. New members may enter in any month without paying up any arrears of entrance fee. Hence the scope of the society's action is extended, and the power of doing good, resulting from mutual association, is greatly augmented as the number of shareholders increases year by year, and even month by month, instead of diminishing. 3. The initial and annual expenses can be more equitably divided, and spread over a larger number of members. 4. A member may under reasonable restrictions withdraw his subscriptions, or effect the redemption of a mortgage, without the delay or expense that he would experience in a terminating society. (To be continued) DEATH OF A TELEGRAPH OPERATOR.—A telegram received yesterday at the Victoria office states that the telegraph operator at Swininish, W. T., died yesterday morning after a very brief illness, having been seized with a fit the evening previous. The deceased man was named Jasper, and was only appointed a few days ago to the station. Swininish is the repeating office between Victoria and New Westminster, and we fear that in consequence of this sad occurrence no Council telegrams will be received from the latter place until the vacancy shall have been supplied. FROM PORTLAND.—The Fideliter arrived from Portland yesterday morning at half-past nine with a full freight and a number of passengers. The Fideliter left Portland on the 11th inst, but was several days detained within the bar, owing to unfavorable weather. The steamer 'Sir James Douglas' arrived last evening from Comox and Nanaimo at half-past six o'clock. She was freighted with cattle and produce from the settlements. She also brought about twenty passengers, among whom were Provincial Grand Master Powell and the officers of the Provincial Grand Lodge who went up to Nanaimo last Tuesday on an official visit. Capt Clark reports that on his way down he stopped off the scene of the wrecks and boarded them to render any assistance that might be required. BUILDING SOCIETIES.—We commence today the republication of a series of able letters, advocating the formation of Building Societies, which originally appeared in the Times, a paper printed here in 1865. The letters were written by a gentleman then resident in this city, and the arguments advanced at that time apply with equal force to the present. We commend the series to public perusal. CHANCE FOR INVESTMENT.—Mr J Lamley, of Astoria, Oregon, has sent us a number of specimens of cement taken from a bed recently discovered near Astoria. The specimens sent are not inferior to the celebrated Maine cement, so extensively used for building purposes in the United States. A small capital only is required to work the bed and introduce the cement to the notice of San Francisco builders. LOST THEIR PASSAGE.—The California on Wednesday left behind at this place two passengers, who had intended proceeding to Sitka with her. The unfortunate fellows procured a plunger and started for Nanaimo, where it was known the steamship would stop to coal. They reached Nanaimo on Thursday evening, but too late to catch the steamer, she having sailed some hours prior to their arrival. FOR THE RIVER.—The Str. Enterprise left yesterday morning for New Westminster with a small amount of freight and a number of passengers, among whom were the Hons. Messrs DeCosmos, Barnard and Smith, who go to attend the opening of the Legislative Council to-day. The Hons. Dr Helmcken and Mr Pemberton did not go up. The former was obliged to remain in consequence of the severe illness of a child of Dr Tolmie's. NEW CHURCH SITE.—The society of the St. Andrew's Church have purchased a lot on the corner of Courtenay and Gordon streets, and contemplate building shortly a stone church thereon. THE SPARROWHAWK sailed for New Westminster yesterday morning at 6 o'clock. A salute will be fired upon the opening of the Legislative Council at noon to-day. THE AMERICAN brig Orient, laden with lumber for San Francisco, arrived from Barford Inlet yesterday morning and cast anchor in Esquimalt harbor. THE U S S Lincoln, Captain J E White, detained by the blow yesterday, will sail with the express and mails at an early hour this morning. TEXAS were no cases heard in the Police Court yesterday.

aving Process. sends us the following: 4 Pine street, New York, gives a most of the amalgamating Van Buren Ryerson, ng already been prov- constant use. The has rarely exceeded n, but under the new has been thirty dol- three per cent less than from a Carolina mine ek to the new mill at and the yield which exceeded four dollars, ss was increased to difficulty in treating s the excess of sul- rally been the enemy regions, and is the le and loss in our Ryerson's patent is eated steam, which to a temperature of es, and to which the sed for 15 minutes r is used. Mr Ryer- process would over- difficulties, and enable to extract the entire seems to have just- He uses a shaking th, and with a very but the one distinctive ess is the superheated r used at the Gold s Boston Machine, s a day; it does not out by a centrifugal ck crush rock. The s about \$1,000, the machine was \$1,500 000. We understood distinctly that a fire the power required, an error. This in- y will, we imagine, tance to our Madoc ocially as the charge ll hardly be demand- into Globe. HIS FAMILY.—The atre, accompanied by ing Napoleon sadly or little Prince Im- number of the Owl: and is attained. A his brow—his hand his side he wears the r. He has shaped world of difficulties, his destiny, and now nit of his ambition— ace, and yet while new le to look about him, ight that he can see of glory. He must tham imperial—he t as a warrior, great at as a Bonaparte, st be exchanged for a crown for the war- world must be taught ew is no mean suc- fortunes. dead man's coffin—as ill he seems to go to now. Moreover, he ish—foes to conquer, ns and the Austrians the first great bearer he forgotten Moscow he not know that of Bonaparte the he secures for his brothers—millions of desperate game, per- played. If he wins, the devotion of a e falls to rise no more ich is dearer to him And he plays, and seem to favor him But at last the luck He finds his plans people dissatisfied, down his cards, and to those nearest and duped others now y deceives himself. at he belongs to a his power comes to cent. That the bee est of France; that ever waned from the And he brings him, the family he He feels so solitary nely in the halls that se who scorn him as gathers his family y he can love, the nd when he tries to finds confronting ombs of two dead child that is dy- but one stood the test of time, LANMAN'S FLORIDA thirty years, has been h is to day admitted to adapted to the various dkerchief and the toilet. herfits, buyers should da Water prepared by York. 654