

an equal amount of money for industrial purposes, just think of the extra activity that might have been set agoing hereabouts! A year ago we heard a great deal about people making large sums of money because stocks were booming. We heard then of very few losses. People's blood got fired. No doubt the sums reported were exaggerated. Perhaps the sums reported as having been lost have been exaggerated too, but certainly sums have been lost. One man made close on to \$50,000 last year. I am told he has lost it all and more. All classes seem to have had a stiff dose of it all round. There is a man in penitentiary now who once had a prosperous business in this province, and the probabilities are he would have a prosperous business still had he not speculated heavily and rashly. He got into difficulties and then forged another man's name in order to make his own way out. Another man got a once large estate into a helpless tangle. In different parts of the province cases are reported of business men who have been carried completely off their feet.

I say nothing now about the case of various Halifax stock brokers, who are all before the courts. A few months ago, the ball got started a-rolling, and it has been growing bigger and going faster all the time. A customer of one of the city stockbrokers had given the latter a note to apply to margins. When the note became due, he went to the broker ostensibly to pay it, and on being handed the note during the transaction, refused to pay over the money, tore up the note and threw it in the fire. The broker went to law about it and got accused of running a gaming house. At the same time another broker was accused of a similar offence. Later the grand jury found a true bill against the other stockbrokers in the city, and matters just now are in a pretty interesting state. Whatever the result of the trial, no one can doubt that a great deal of harm has come to the community, as a result of the facility which the brokers have afforded. Some of them I know did not approve of the rashness and ignorance that was being shown by many speculators. They thought it was detrimental to the broader interests of their own business. It is possible that some may have encouraged the rash operations. But, whether or not, the whole trouble lay with the people in general, who, as our own Sam Slick might have said, went "clean, ravin', tearin', distracted mad," on the matter. Their intense interest in stocks no doubt encouraged new brokerage houses to spring into existence. Do you know that at one time we had no less than ten stock brokerage houses in this city of 40,000 population? So far as I am aware, there is a nearly equal number to-day, though I note that a couple have recently dropped out.

LOAN COMPANIES' METHODS.

To the Editor, "Monetary Times," Toronto:—

Dear Sir,—I am a shareholder in two building and loan companies, the Birkbeck Loan Co. of this city, and another company having its headquarters in your city—on their weekly plans of saving.

Grave dissatisfaction is being caused among the shareholders of the first-named company in the matter of the withdrawals now taking place. When the weekly plan of saving was adopted by the Birkbeck, the first withdrawal period was fixed at four years; not long after an alteration was made in this plan, and the first period of withdrawal was reduced to two years and fifty weeks. The holders of certificates on the first plan, i.e., the four-year withdrawal plan were, I am given to understand, told that they were on the same footing, as regards withdrawals, as the holders of the certificates on the subsequent two years and fifty weeks plan, and this contention is borne out by the fact that some of these four-year certificates are stamped on the back with the tabulated form that is on the two years and fifty weeks certificates. Those shareholders who took the precaution to get their certificates stamped, are allowed to withdraw; those who didn't either must take up again at least the same weekly amount and pay varying amounts for dues

in advance—from eight weeks up—or continue paying until the four years is up.

The holders of the two years and fifty weeks certificates are feeling much dissatisfaction also, for not only are they mulcted in fines, through their own delinquency in punctuality of paying their weekly dues, as provided by the by-laws, but they have to suffer, too, for the delinquency of the collectors, who are constantly coming and going in this company, as the pass books will testify. The greatest complaint, however, is against the deductions for their (the shareholders') proportion of the losses, which the management alleges they (the company), have made where a withdrawal takes place in two years and fifty weeks. The effect is that the unhappy shareholder draws out not only less than the tabulated amount the certificate calls for, but even less than he or she has actually paid in! Under this company's new plan of weekly saving, however, they are not likely to make any loss—that is if anyone can be found willing to save under such a plan—for by this, the shareholder is unable to withdraw as much money as he has paid in under six years, and, as the certificate provides for, "a proportionate amount of losses will be deducted," besides fines, the possibility certainly is that not even in six years will he be able to get his own money out. This is such a rich proposition that only a genius (?) could have conceived it!

The reason I have made reference to another company is for purposes of comparison only, and not for giving them any special "boost." This latter company's weekly plan of saving permits of a withdrawal in a little over three years, which has never been changed; there are no fines nor deductions whatever from withdrawals. In other respects it would appear to be on "all fours" with the Birkbeck. I am not an expert accountant, and can only look at things broadly. The Government Report for the year ending December 31st, 1900, shows the Birkbeck with total assets of \$175,422 (I leave out the cents); invested on mortgage, \$77,951. The other company referred to, total assets, \$186,153; invested on mortgage, \$102,243. Here you see there was not any very wide difference between either company in assets or mortgage securities. But look at the transformation since: Birkbeck; December 31st, 1902, total assets, \$216,120; invested on mortgages, \$87,364. The other company, December 31st, 1902, total assets, \$594,726; invested on mortgages, \$538,483. In other words, the Birkbeck's increase in three years of their investments on mortgage (which, as I understand it, is a building and loan company's chief legitimate form of investment of their shareholders' money), has been only \$9,413, as against the other company's increase of \$436,240! And the Birkbeck's increase in assets only \$40,698, as against the other's \$408,573! What a commentary on the two managements! This, however, is not the whole. According to the Birkbeck's three last annual reports, their stock loans were respectively \$13,444, \$15,658, and \$18,599; total, \$47,701; so that, during this period at least, their principal form of investment was loaning the shareholders their own money, that had been paid in on their pass books at 12 per cent. on the security of their certificates!

Am I not, Mr. Editor, under all these circumstances, justified in subscribing myself

A DISSATISFIED SHAREHOLDER OF THE LONDON
(ONT.) BIRKBECK.

London, Ont., April, 1903.

CANADIAN BANK OF COMMERCE.

Having already given our readers some account of the steps towards the amalgamation of the Halifax Banking Company with the Canadian Bank of Commerce, it is not necessary to dwell at great length upon the special meeting of Tuesday last, at which the shareholders of the Commerce adopted a by-law providing for the increase of the bank's capital stock by \$2,000,000, making it now ten millions of dollars. The reasons which impelled the directors to enter upon negotiations for the acquirement of the Halifax Banking Company were fully set forth by Mr. Walker, the general manager. The bank having been so well served by the amalgamation of the Bank of British Columbia in the Far