

BUILDING SOCIETIES.

The Miscellaneous Statistics of Canada, 1867-8, give as the Assets and Liabilities of the Building Societies of Canada, the following figures :—

LIABILITIES.	Permanent Building Societies.	Terminable Building Societies.	Total.
Stock paid up and Deposits.....	\$3,850,061.78	\$211,357.70	\$4,061,419.48
Miscellaneous Liabilities.....	168,80.45	12,293.14	181,273.59
Balance on Reserve.....	369,701.75	44,328.23	414,029.98
ASSETS.	\$4,388,743.98	\$267,979.07	\$4,656,723.05
Mortgages.....	\$3,701,808.62	\$235,825.47	\$3,937,724.09
Loans with Collaterals.....	145,025.33	145,025.33
Government & Municipal Debenture, Bank & other Stocks, &c.	534,130.06	32,153.60	566,283.66
Loss (one Society only).....	7,689.97	7,689.97
	\$4,388,743.98	\$267,979.07	\$4,656,723.05

The increase of their business has been as follows for five years past :—

	Permanent.	Terminable.	Total.
1863.....	\$1,846,956.39	\$903,944.66	\$2,750,901.05
1864.....	2,629,703.94	602,803.04	3,232,506.98
1865.....	3,233,985.37	642,399.16	3,876,384.53
1866.....	3,608,327.20	302,493.73	3,910,820.93
1867-8.....	4,388,743.98	267,979.07	4,656,723.05

The returns for 1868-9 will not be prepared for some time yet, but the statements sent to the Editor of this Book and given below, show an increase of \$683,613.08, over the above statements. By this time, probably, \$500,000 more have been gathered up, so that nearly seven millions of dollars are now in the hands of the Building Societies of the Dominion.

It may fairly be said that, next to Bank Stocks, the Building Societies of Canada—especially of Ontario—are the favorite Canadian investment. And it is with the special view to state the exact facts concerning them, and so to introduce their stocks to investors in England, where the *Year Book* has a large circulation, that this article is written.

In the first place, it must be premised that although these societies were first modelled after those in England, formed to enable mechanics and others to build and own houses, they have long since changed their objects, and the term "Building Society," as applied to them, is a complete misnomer. They now lend money principally upon mortgages on farms, avoiding house property, except in two or three of the principal cities. Their mortgages are however still of the original Building Society type, with this alteration, that they are definite as to their term. They are conditioned for the repayment of both principal and interest by a given number of instalments; a mode often exceedingly convenient to a borrower, seldom so to a private lender, which is why the interposition of the Societies is needed.

The convenience of this method of repayment is so great as to outweigh the consideration of an extra one or two *per cent.* by way of interest. The mortgages being, moreover, always in process of reduction, the Societies do not suffer from the depreciation in value of their securities, which sometimes happens to long term mortgages. These considerations, both favorable to lenders, led the writer to the belief as stated in former *Year Books* that the Building Societies of the country were likely to become more and more important, and, as capital sought them out, to afford cheaper and easier loans to borrowers than they now do.

The following tables, which are made up from those of the principal Societies, show the rates at which they lend, and also the repayments, which would yield 10 *per cent.* if re-invested as received, below which rate none of the loan tables will be seen to vary :—