

THE NORTH-WEST LAND COMPANY.

The *Money Market Review* (London Eng.) has published the names of the Canadian subscribers to the stock of the North-West land Company. This list contains the names of the original subscribers; but we should err if we took it as an index to the present distribution of the stock. Most of the large amounts stand opposite the names of brokers, and there is nothing to show what shares they retain and what they have transferred to clients or otherwise disposed of. It is well known that many transfers have taken place by original subscribers and that about \$1,000,000 of the amount subscribed by Canadians was on New York account.

The object of the publication was apparently to show that many of the subscribers are overweighted with the obligations they have taken upon themselves. This is probably true; but we must not rely on the original list as a means of showing the burthen now carried by each person whose name is given. But whatever re-distribution may have taken place, by transfer, it cannot be denied that \$5,000,000 would be an excessive amount for the city of Toronto to take. For this is only one of the numerous land companies in which our citizens are interested in the North-West; though it is by far the largest and has absorbed more capital than all the others. But from the \$5,000,000 a deduction must be made, on New York account. All these companies, we did not need to be reminded, will have to meet powerful competitions. The Government, the Pacific Railway Company, the Hudson Bay Company, all offer lands at competing prices. The Government gives away a large quantity under the Homestead Law, and the Railway company makes a rebate to settlers. The Hudson Bay Company will not sell at low prices, its policy being to wait till it can get much higher prices than the Government and the Railway Company sell for. The question is asked, how can land companies face the competition they have to meet and make a profit? This question we must leave the companies to answer; though we believe some of them have found purchasers, not a few, at remunerative prices. Others may have to wait for sometime; and to wait they must be in a strong position. Without rapid sales, which cannot be possible to all the companies, an early dividend must not be looked for. A company whose lands have been selected with care, though it may have to defer a dividend, can scarcely help making a profit in the end. Stockholders who can meet their calls without inconvenience and afford to wait for a dividend, are pretty safe. Those who must realize, and are obliged to sell on a falling market must take what they can get. Several of the weaker holders have already been displaced by men able to purchase and hold.

As always happens in such cases, a number of persons will lose. When speculation runs high, people do not stop to make nice calculations. They are too ready to believe that large profits await the adventurer, and they act on that belief. The success or apparent success of one company leads to the formation of several others; and those who come in at the heel of a speculation, as they might

have read in McCulloch, always lose. The stock of a company goes up to double the original price, before the company has earned a dividend or done anything to justify the advance. People do not stop to ask themselves how much, if any, of this is due to the art of stock manipulation; they eagerly subscribe to the stock of a similar company, and are surprised to find that instead of going up from thirty to fifty per cent. above par as they were led to expect, the stock goes down. They are waited on for calls which they did not expect to pay; which they either supposed would not be required at all, or if they were made, they would have the pleasure of seeing some one else meet. The bonds that were to provide the means of paying a large part of the purchase money, it would under the circumstances, be imprudent to offer to the public.

The trouble about this North-West Land Company's stock is that there is too much of it. Many of the holders must be overweighted. Two more calls are to be made, and the question is whether they are likely to be generally met. If the company finds it has bargained for more land than it can conveniently pay for, an arrangement such as the Government has sometimes made, might be the best thing for all parties. Let the quantity of land bargained for be reduced to the limits of the ability of the stockholders; for what they have paid and for what they can pay, let land be given; the residue which the land company was to have got, let the railway company keep. We make this suggestion as offering one solution of the difficulty. If not acted upon, perhaps another may be found.

BRITISH AGRICULTURE AND OUR NORTH-WEST.

So far as the prosperity of the British agriculturist depends on the seasons, he had some measure of good luck last year. In proportion as this incident may relieve his despondency, it would tend to turn his thoughts from emigration. But the state of the weather is only one of the things which, for good or for evil, has a direct bearing on agricultural depression in Great Britain.

The increase of rent, during the last twenty-five years, makes seriously against the British farmer's success. How much that increase is, is a point on which opinions differ. One authority puts it at 25 per cent. for England and 30 per cent. for Scotland; another at 11½ per cent. Mr. George C. Brodrick, in the *Fortnightly Review*, assumes it at £10,000,000 since the Crimean war, and puts down half this amount as interest on reproductive expenditure by the landlord. The rent, properly speaking, would, on this basis, have been increased by £5,000,000. The high prices of agricultural produce to which the Crimean war gave rise, produced, both in Great Britain and America results which are still felt. In Canada, the immediate effect was greatly to raise the price of agricultural land; in Great Britain to raise the annual sum paid under the name of rent, for the use of land. The fall in the price of grain was followed by a corresponding fall in the price of land, in this country; in Great Britain the high

rents, once fixed, remained after the cause that had given rise to them had passed away. Landlords continued the exaction, with the result, other causes operating in the same direction, that British farming became unprofitable. Many tenants, ruined or half ruined, threw up their holdings; and as new tenants could not always be found, large quantities of land were thrown on the hands of the landlords.

While the high rents were too often maintained, prices of agricultural produce, under the influence of foreign competition, fell. Diminished crops, raised on lands paying a high rent, had to be sold at low prices. During the recent years in which the British farmer was discouraged by a succession of bad harvests, wheat sold at less than 50/ (49/10d) a quarter of eight bushels. This, according to Sir James Caird, reduced the value of the product per acre by £3 2s. 1d., as compared with what the farmer had received in the previous cycle of agricultural depression, during the decade ending with 1861. The same authority estimates the British farmers' loss of capital, in six years, at £138,828,000 stg. "Mr. Giffen," Mr. Brodrick observes, dealing with the same class of statistics, roughly estimates the approximate deficiency of the home harvest in 1878, 1879 and 1880 at £12,000,000 sterling annually, and the whole loss to the farmers at a minimum sum of £18,000,000. M. Shaw Lefevre, comparing the six years 1875-80 with the previous six years 1869-74, arrives at an aggregate loss of £78,000,000 upon the wheat crop of the latter period. Of this aggregate, £31,000,000 represents the reduction of produce per acre, £31,000,000 the reduction of acreage, and £16,000,000 the reduction of price." These figures are startling, not only from their magnitude, but even more so from the lessons which they teach.

How far the cause which produced these calamitous results may be permanent is the pivotal question on which the future of British agriculture depends. The succession of short crops was largely due to unfavorable seasons. No such permanent change of climate as would seriously interfere with the success of British agriculture need be dreaded. But if we leave out the bad seasons, as not likely to recur, there remain the diminished acreage and low prices. And here it is probable that, to some extent, the one explains the other—that low prices have their effect in reducing the acreage under wheat. The farmer's capital has been seriously reduced by losses and he is placed at a disadvantage thereby. He may for this reason alone be obliged to reduce his acreage. The low prices, being the result of the extension of agriculture to new soils in other countries, may be counted on as likely to remain active so long as these lands remain unexhausted. Indeed it is doubtful whether the lowest prices which are destined to prevail, have yet been reached. When the great wheat fields of the North-West of Canada are brought under cultivation, an enormous addition to the world's wheat crop will be made, while the number of consumers will not have increased in a corresponding ratio. What the Western States have done in the raising of wheat gives us no rule by which to judge of the production of