

easily and cheaply ascertained; and when to this advantage is added the important fact of titles being derived directly, or almost directly, from the Crown; and also when the annually progressive increase in the value of landed property is considered, one sees that the mortgage in that country, even on the old system, is the very best security, as a security, the capitalist can have; yet there is one serious drawback—the great sacrifice which a lender must make if he wants his capital before the mortgage is run out, and the costs and the delays, if a suit of foreclosure is resorted to. So that we comprehend how it is that lenders exact from borrowers, over and above the natural price of money, a commission, a sort of premium which is to them a compensation for the dangers and difficulties of repayment.

Another principal cause is in the mortgage system itself, which requires the debt to be repaid in one sum all at once. The great attraction which attaches to the possession of the soil gives to it a value far above its productive power. Too often we buy beyond our resources—too often we burden ourselves to excess. The income of the mortgaged estate is oftentimes insufficient to pay even the interest; with what reason then is it expected that the whole capital itself should be repaid all at once at a short date? Whilst the farmer accumulates slowly, by an annual economy, or by the gradual increase of his produce, the term of repayment, the inexorable term, comes upon him rapidly, and he finds it an impossibility to make payment all at once of the whole amount.

How rarely does an estate once mortgaged become free again, your large landed proprietor borrows £5,000 for five years, and then pays it off by borrowing £10,000, and that again by borrowing £20,000 and so on. To pay so large an amount in one lump out of the profits of his estate, is simply impossible; some lucky chance, some wealthy alliance, or as more frequently happens, the sale of a portion or the whole of the estate may do it, but the rental of the land—never.

Hence the constant torture of mind of the landed proprietor, hence the irregularity in the payment of the interest and in the repayment of the capital which has been lent to him; hence also, by a very natural consequence, the strictness of the conditions which he is very often forced into by the lender.

Such are the causes which have exercised so dire an influence on landed credit, and which have so long paralyzed the development of agricultural industry and production in Canada and also in this country.

You have a population consuming more than the soil now produces, but by no means more than it could produce if more capital could be employed upon it. Capital you have in abundance, but it is to a great extent excluded from the soil in consequence of the artificial difficulties, dangers, expenses, and delays which attend loans upon landed security; but all this the system now pursued in Canada obviates, and money is invested and repossessed with so much facility that no one, not even the most timid capitalist need hereafter sigh for the "elegant simplicity of the 3 per cents."

The system of paying off a mortgage debt by little and little, dates from the earliest times of which we have any account, and even in England it obtained at a very early period, so that there is nothing new or original in the plan now under notice.