

Canada is a healthy country. For the decade ending in 1891, the death rate was 14.10 per thousand, against 15.34 in the previous decade. In other words, the mortality has fallen from one in every 65 persons to one in 71, a remarkable gain in ten years. As there was no great epidemic during either of these two periods, the improvement is due to other than the irregular action of fatal diseases, and must be found in improved means of sanitation. While life, the most precious of gifts, receives such an increase, there are strong reasons for persevering in and improving the modern methods of preventing disease; for it is probable that the difference in the relative mortality of the two periods is mainly due to the lessening of the causes of mortality.

TWO YEARS AFTER THE BOOM.

The reaction which followed the abnormal activity in real estate, in Toronto, is causing some complications, though few in number, apparently, in comparison with the multitude of transactions. Some second purchasers appear to be in danger of losing their purchases, and with them what they have paid. The complication is of this nature: a purchaser of a farm for division sells a number of small lots, taking an instalment on each, or stipulating that a building be put up thereon, or both, for all these modes of dealing were practised. The original purchaser of the farm lot paid an instalment and covenanted to pay the balance, for which he gave a mortgage on the whole property. If the seller of the farm lot came under a covenant to release to second purchasers, as they paid up, they could come to no damage; but when such covenant was not entered into, second purchasers may lose what they have paid along with the land, through the default of the first purchaser, if he makes default. This, if the threatened blow cannot be averted by arrangement, would be a hardship, which might prove grievous indeed according to the circumstances. But the second purchaser can scarcely be held to have been quite free from blame, if he neglected to take precautions to secure a release from the holder of the general mortgage, when he had himself completed the conditions of his purchase. It is to be hoped that it will be possible to make some arrangement, in cases of this kind, which will save from loss the second purchasers when they are not in default.

In the history of American towns and cities undue activity in real estate is liable to take place, from time to time, and the same thing has happened in Canada. The man who divides a farm lot into town lots performs a necessary service when there is a demand for such lots for use; but, like excess in other directions, the operation becomes injurious when carried too far. The late land boom in Toronto went beyond the limits of reason. For some time past instances have occurred where losses have had to be counted instead of the profits that had been expected. This is a necessary incident to all speculations which observe no bounds. The complications will become disentangled, and things

will assume their normal course; this process is now far advanced, having begun more than two years ago, and nothing has occurred to justify a panic. Where the land is unimproved, balances are generally due to previous owners, who sold in bulk. Rapidly as the population of Toronto has increased in the last ten years, the houses increased faster. The excess of buildings is another feature of the boom. The visible supply of houses awaiting occupants ought to have checked building operations sooner. But there was a general belief that the extra supply would be taken up in time to prevent loss on building loans, or the advances would not have been made. The lenders of money for building purposes saw as far and no farther than the borrowers; both were a little too hopeful; as a rule, the former are safe. It will take some time to occupy the surplus houses, and meanwhile there is a necessary slackness in building. This restriction may be relied upon to bring things round to a normal condition before long. The danger is, perhaps, that lenders will become too absolute in the enforcement of necessary rules, to which in reason there must be occasional exceptions. The return of building loans may be slow, here and there, and as this is inevitable it must be put up with. In the end no great loss need be feared, though some nursing may be necessary.

The effect of the real estate boom, as always happens under similar circumstances, has been largely to increase the interest account of the holders of real estate. This interest represents and keeps pace with the advanced price, and any future interest can bring profit only if it leaves a surplus after the interest has been satisfied. The struggle of the holders of real estate, when the collapse of a boom has caused prices to fall, and it is difficult or impossible to find purchasers, is to meet the calls for interest. Increment which looks like profit is in fact largely, and sometimes wholly, transmuted into interest. The attacks which have lately been made on real estate by economists of the confiscation school are in reality, whether so intended or not, covert attacks on interest in a new form. The man who can meet his payments of interest, when prices have declined and sales are difficult or impossible to make, is likely to be found among the survivors of the storm. Neither he nor his mortgagees will be likely to lose by holding on. To this rule there are exceptions, no doubt. Too much land near the city has been laid out in small lots. It was a mistake to adopt the small lot mode of division. Another form of division into, say from one acre lots up to any multiple of the acre that might be in demand, would have offered real advantages to second purchasers who would buy for use. The dividers of properties were too eager to make the largest number of lots that an acre could be made to yield, with the object of getting the largest return. The mistake was, perhaps, a natural one, but the operation was premature and was bound to fail if carried far enough. An intermediate step of subdividing into large lots, not less than an acre each, would have brought possible suc-

cess where the minute subdivision of distant suburban properties was bound to fail. But any mode of sub-dividing farms, for the purpose of converting them into building lots, has its limits in the possible demand, a fact which should always be borne in mind. The blunder of extending the city lot too far into the country must now be retrieved in the best way that is open; but that retrieved it must be all concerned should permit themselves to be convinced.

A novel and peculiar feature of the late activity in real estate in Toronto is the large part which barter played in the exchanges. And in one respect it is fortunate that it was so. The mere exchange adjusted all the elements of the transaction, one property being the equivalent of the other. This was the rule, but sometimes there was a balance to be settled in cash or by future payments; but generally these transactions took place without the intervention of money or an obligation come under to pay money. Nobody desired to assume more mortgages than the other party to the bargain was to undertake to pay; but when one property was productive, actually or potentially, it carried more mortgage than property that was not productive. When this happened equality was evolved out of inequality. Barter produced inflation of prices, but only for its own purposes; a purchaser for cash, or for money to be paid, was not likely to give more than the value. The excess of houses has depreciated the prices of house property. On most houses the rate of interest paid for loans, though reasonable, is greater than the profit left to the owner on what may be called his share; frequently he has little or no profit at all, rents having declined from the same cause. This state of things is a result of the boom and must be regarded as temporary; if it were permanent, the mortgagees would suffer in the end, for the mortgagors would have little encouragement to continue to strain every nerve to retain properties from which they no longer expected any benefit; and the moral quality of each man among them would determine whether he would or would not cease to try.

The breaking of the boom was no sudden and complete collapse, but a progressive movement now in its third year. Transactions in real estate, in the city, are reduced to less than half what they were in 1890, when the boom was at its height, and the end of the movement is not yet reached. These shocks and starts in the movement of real estate are continually renewing and repeating themselves. The first of the more notable of them, which have occurred within the half century, came to a sudden end in 1857; within the last twenty-five years there have been two other movements of the scale, up and down; in the first, transactions were more than trebled in a few years, and the decline which followed was nearly one-half from the highest point. At present the recession is getting greater, because the distance of the possible fall exceeded that on any previous occasion. These perturbations follow a law of their own; and judging by the past, their recurrence in future may be looked for. The general