

neighbor, so that it may be said the freehold of the arable lands of Ontario is held by those who are working the land for a living.

This wide distribution of land has been facilitated by a most economical system of legal procedure, a deed for a farm usually not costing more than 5 or 10 cents an acre, or, if a mortgage is involved, and the title is intricate, 10 or 15 cents an acre, the average farm being from 100 to 200 acres. The "metes and bounds" of land when sold are very rarely surveyed, as each lot has its registered number, and its location defined by the number of the concession and road it is on. The usual description of a lot of land in a deed occupies only two or three lines, and is so definite and simple as to be comprehensible by a school-boy, hence disputes as to land boundaries are very rare. Owing to these conditions the land has been settled by men of small means, indeed by thousands of farm laborers and others, who, having saved up say 200 or more dollars, have bought a small farm, worked it, paid the mortgage, or extended their possessions and enlarged the lien in proportion, the mortgage interest being equivalent to a rental. The position then is this, the vast cultivable area of Ontario is owned as freehold by the occupants, and not, as in Great Britain, by great land owners, and the mortgage loan companies practically receive the rentals in the form of interest, instead of its going into the pockets of wealthy proprietors. Our space forbids a full description of the methods adopted by the loan companies to ensure the acquisition of reliable information as to land values before advancing money on mortgages. But they are, as a rule, very sagacious and complete, covering not only the value of the land as a saleable commodity, but the character of the mortgagor as a man upon whose industry, skill and honor the prudence of the loan largely depends. In the years from 1887 to 1894 about \$180,000,000 was received by the mortgage loan companies for repayments of principal and interest, of which about \$23,000,000 was distributed for interest on deposits and debentures, the balance going for re-investments. This shows the mortgages to be constantly, to a large extent, in a state of flux, by redemptions, renewals and extensions. A mortgage giving signs of fixity is closely watched, and steps taken to keep the security in good condition, and the payments maintained by prompt demands being made when mortgagors are neglectful, as all farmers are apt to be. In spite of the utmost vigilance, however, it is impossible to avoid arrears accumulating. Farmers, like others, grow old and too weak to do their work; they have extravagant families,—a growing evil; they buy land for incompetent sons; they contract loose habits; or, from other causes, get into financial difficulties, which bring their payments into arrear, and lead to their mortgages being foreclosed. So far only farm properties have been referred to. Besides these, the companies have made very extensive loans on town and city properties, the value of the security for which arises mainly from the buildings. The returns afford no clue to the extent of such loans, which, however, we know to be very large, the great increase in house property in recent

years having been helped by the facilities afforded for building by some of the companies, and for securing advances on those completed. The rapid growth of Toronto, which caused a "boom" a few years ago, and then a collapse of real estate from over-building and speculating, is to a considerable extent responsible for the large amount of property now held for sale by the loan companies. In 1890 these properties were valued at \$3,906,719, whereas in 1894 they had increased to \$7,172,526, the increase being chiefly in town and city properties, and largely in Toronto where the speculative fever was followed by a collapse which threw an enormous area of land and hundreds of houses on the market, and on those loan companies that had been imprudent enough to recognize boom valuations as a basis for loans. As the rule is to lend up to 50 per cent. of the value of property, it is clear that the margin is destroyed by a few years' interest getting into arrear. Hence the anxiety of the companies to sell properties which began to fall behind,—a very natural and business-like course, but which, when a city has been overbuilt by speculators, has a depressing effect on market prices, and checks purchases who do not care to operate in a falling market. The development of loan company business since 1877 is shown by the following table of their resources:

	1887.	1894.
Paid up capital.....	\$26,994,630	\$37,565,576
Deposits.....	17,533,413	18,351,546
Debentures payable in Canada ..	5,500,622	9,776,047
Debentures payable in Gt. Britain	26,722,070	51,015,402
Total.....	\$76,750,735	\$116,708,571

The gross increase is \$39,957,836, or 52 per cent. The percentages of increase, however, for debentures are, those payable in Canada 78 per cent. and those payable in Great Britain 91 per cent. The small increase in deposits, only \$818,132 between 1887 and 1894, is a notable feature, arising from the companies now preferring to have their engagements to repay borrowed money extended over some years rather than having it at the call of depositors. The very large amount of funds held by the companies on deposit in the banks is indicative of the demand for mortgage loans being low. The position indeed points to the companies being overdone with money owing to the farmers of Ontario becoming less and less in need of assistance in buying or improving properties. The large holdings of real estate by the companies is a regrettable feature, the increase having far exceeded in percentage the increase in percentage of loans since 1887. In 1887 the property held for sale was valued at 3.32 per cent. of the mortgages, in 1894 this percentage was 4.93. But, as we have said, the collapse of the real estate boom in Toronto is largely responsible for the extended holdings of property by the loan companies. There are aspects of this question we must leave to another opportunity.

Chicago, as its debt is rising at the rate of one million a year, is proposing to cut down its fire brigade one-half. The underwriters will probably teach the authorities that reducing fire protection is not economy, as they will probably advance rates.