

bestowed, in the shape of fertile lands, man has, in another form, taken away.

If this comparison were strictly true, and if it embraced all the conditions under which farming is carried on in the two countries, we should be obliged to conclude that the state of the American farmer is hopeless. But at best, this is only one side of the account. The other side is the average cost of production. This Mr. Bookwater makes no attempt to give: he contents himself with pointing out that the advantage of more extended machinery is not enjoyed by the American farmer to the extent that is generally believed. It is no doubt true that the steam plough is much more generally used in England than in the United States or Canada. And it may be that the advantage which the American farmer has over the English does not compensate for the higher wages he has to pay. Including grass lands, there are in England about nine acres to each individual of the farming class; in the United States about twelve acres. But this fact, standing alone without explanation, is of little value as a guide to any useful comparison.

English farmers, the *Economist* tells us, cannot grow wheat at present prices; and if Mr. Bookwater's view of American farming be correct, the American farmer can scarcely be in a better position than the English. In the old Canadian Provinces, the conditions of wheat culture are not dissimilar to those of Ohio, Indiana and Illinois. The yield is about the same. But here the comparison ceases. The large surplus production of American wheat has been chiefly due to the continuous breaking up of new lands, of which the fertility was very great, often producing crops which reached or nearly reached the English average. Those lands were long attainable at low prices; but this great advantage is nearly at an end. The unbroken agricultural lands have nearly all passed out of the hands of the Government, and are held either by individuals for speculation or railway corporations which received them in the way of bonuses in aid of construction. And it is just here that, in future, Canada will have an advantage over the United States, the fertile lands of our North-west are only just being made accessible for culture. Some have gone and more is going in aid of railway construction; too much has been given over to companies in which the speculative element was greater than the industrial, but still, in one form or another, a very large area of fertile land is available for settlement, at low prices. Even the railway companies, as yet, only exact a moderate figure, and the free grants are very far from being exhausted. The advantage of an abundance of cheap virgin soil is great; and it will continue, perhaps not in so marked a degree as at present, long after all the cheap agricultural lands in the United States have been exhausted. If any wheat can be grown at present prices it is in our North-west. And there is a peculiarity about our northern wheat; its unusual richness in gluten makes it worth about ten cents a bushel more than the wheat of Ontario and of nearly all other countries. Exhaustion of the soil might cause the quality of the wheat to degenerate; but its virgin exuberance will long continue without much abatement of vigor.

STEEL RAILS.

Since the sale of steel rails by the Lackawanna Iron & Coal Co. at \$26.50 a ton, the Lehigh Valley Co., of Bethlehem, has sold 10,000 tons at \$27, though there has been an attempt to keep the price at \$28.50.

On the subject of steel rail making and export in England and America the *Iron Trade Exchange* of London, Eng., says, on 25th ult., "Our steel rail makers have accepted the fact that so far as the United States is concerned, the demand for their productions has ceased; but it seems that the Americans, not content with shutting us out of their market, are now competing against us for the Canadian trade. In the first nine months of 1882, the United States were our largest customers for steel rails, taking 139,000 tons, and Canada ranked next with rather more than half this quantity. In the corresponding period of 1883, India and Australasia ran a close race for the head of the poll, India with 96,347 tons heading Australasia by 72 tons. Canada was sixth on the list with 64,803 tons, and the United States seventh with 51,303 tons. During the past nine months Australasia has figured as our largest customer for steel rails, taking 81,972 tons, India coming next with 67,619 tons, Canada fourth, 42,869 tons, and the United States seventh, 16,118 tons. It is reported by cable this week that the Lackawanna Iron and Steel Works, at Scranton, Pa., have sold 10,000 tons of steel rails to the Canadian Pacific Railway Company, the contract price being 25½ dols. (£5 6s. 5d.) per ton. The Iron Works of the Lackawanna Company were established in 1840, and in 1875 Bessemer Steel Works were added, the first steel rail being rolled December 29th, 1875, and the mills can now turn out over 3,000 tons of rails weekly. The cablegram announcing this contract says the rails are to be delivered at the various stations on the railway at 26½ dols. per ton, or at works 25½ dols. per ton. According to the price at works and delivered in Canada, the freight there is but 1 dol. per ton. Now, if this is really the rate, and if the contract has been taken at a price which will even cover the cost of manufacture, it is a most marvellous matter, for American steel rails have fallen 3 dols. per ton in three days. Assuming this to be correct, the relative position of English and American works is this: here rails are quoted £5 1s. f.o.b., and there £5 6s. 5d., the cost of delivery from Scranton to Canada is apparently but 4s. 2d., making the price of American rails £5 10s. 7d. delivered. The cost of British rails is £5, and the rate of freight about 10s., making the cost of British rails delivered in Canada £5 10s., or 7d. per ton cheaper than American."

The fall in price, in this particular instance, was in some measure accidental. The company that made the successful bid for the supply of rails was under the impression that a rival was about to put in a very low tender, and not to be underbid it made an offer at \$26.50. Even at that time the general market price was \$2.50 or \$3.00 higher; but these figures it has been found impossible to maintain, for the Lehigh Valley Company has just made a contract to supply 10,000 tons of steel rails at \$27 a ton. But whether this price will pay is doubtful.

TAXING INSURANCE COMPANIES.

The corporation of Ottawa has assessed the Insurance Companies, about fifty in number, doing business in the federal capital; and the companies have notified their agents to make an additional charge to insurers to cover the taxes, which amount altogether to \$110,000, or an average of about \$2,000 for each company. At the same time, most of the companies have appealed against the tax. Should the appeal succeed, the companies will have indemnified themselves for a tax which they will not have to advance; and in any case, most of them would probably collect more than would cover the amount of the tax. The appeal, therefore, must be regarded as being in the interest of insurers. An Ottawa journal thinks "that Insurance Companies drawing thousands of thousands of dollars out of the people should quarrel over an aggregate sum of \$2,000 is as petty as it is surprising." How many of these companies have a fair profit left out of their receipts when all payments are made? Several of them, it is notorious, made no profit last year. The consumer must pay all the charges incident to the insurance which he purchases; that at any rate must be the theory on which the action proceeds and the taxes must be included in the premium charged. That the companies will make rather than lose by the taxes is an incident which is unavoidable in the distribution of a small amount over a large number of clients. If every municipality assessed the companies in the same proportion that Ottawa does, the profits of the companies that make a profit would be diminished, and the losses of those that make losses would be seriously increased, unless they recouped themselves for the tax. The additional charge made to cover the tax would seem to prove that the levy is indirect and as such beyond the competence of the local legislature to authorize, or the municipality to exact. This is of course an important point for the companies to make.

But Ottawa is inclined to plead that she is peculiarly situated; that the great number of exemptions obliges her to have recourse to extraordinary means of raising revenue. Exemptions are indisputably more than usually numerous in Ottawa; but the reply is that this is the bonus she pays for the privilege of being the seat of the Federal Government, and that she is better off with the seat of government than she would be without it and without the exemptions it brings. There is something in this view of the matter; so much that, if it were a question of losing the seat of government or retaining the exemptions, Ottawa would hold on to the seat of government. And if the seat of government were put up to auction, other and more eligible cities would be glad to take it with the exemptions.

But all this does not vindicate the exemptions or prove that they are just; that is a task which no one has yet been able successfully to perform.

—In addition to the bank dividends mentioned by us last week, the following have been declared: Bank of Montreal, 5 per cent. for the half year; Bank of Ottawa, 3½ per cent.; Maritime Bank, 3 per cent.; La Banque Jacques Cartier 3, and La Banque Ville Marie 3½.