

not been established in England, the answer is, that here there is no general registry of landed property whereby the state of a title can be easily and cheaply ascertained, an essential element in the working of these institutions. A writer in the *Edinburgh Review* for October, 1857, in a very able article which we shall freely use in this sketch, says, that, "without such a register no plan for effectually facilitating mortgages on land can be devised, such a register exists in other civilized countries of Europe, and the fact of our not having one ourselves is a disgrace to our Legislature." So that in this respect, they are in Canada in a much better position than we are in England. They possess a registry of titles—a registry, as a general rule, well kept and admirably adapted for the working of a Landed Credit Institution. They have embraced the opportunity, and a Landed Credit Company is now organized there.

Thus we have endeavoured to show, why capital is not attracted to the land, and we have given a short history of the rise and progress of institutions founded on the Continent of Europe, for the express purpose of relieving agriculture, suffering from the very same causes which weigh down and oppress that important interest in our own country; and we now direct attention very briefly to two or three of the important features of the Landed Credit System as established in Canada.

The first is the just confidence which a lender will have, when he knows he has for his security the accumulated securities of a great number of estates, all vested in one individual or company. If a party had lent perhaps his all, on an estate which, through fraud or forgery, turned out valueless, he is utterly ruined; but if he had lent his money to a well managed Landed Credit Company, so terrible a calamity could not have happened. The rest or reserved fund, which the Company has, meets a contingency of this sort; or put it in the worst point of view, if that fund was insufficient, or if there were no fund at all, then all that could happen would be that the next half-yearly dividend would be a quarter or half per cent. less. We do not like diminished dividends, but the wide spread misery of a ruined family has been averted and not a complaint is heard.

In connexion, and forming an essential feature in this Company, there is a sinking fund. The repayments by the borrower, which are small, and made at long intervals, become his capital, and by the steady application of interest and compound interest to it, the growth of that capital is so rapid that in a few years it reduces considerably, and eventually pays off the principal debt. The wonderful rate at which a sinking fund increases must be obvious to most persons.

The law of accumulation of money at compound interest is so simple, and yet its powers are so prodigious, that it has been demonstrated with mathematical certainty that any sum, however small, increasing at that ratio, would, in a given time, extinguish any debt however great; and the applicability of this principle to paying off mortgage debts, the principle of progressive liquidation, is what we advocate and would earnestly insist on.

George the Third, in 1790, had the credit of establishing, or rather reviving at Zelle, in Hanover, the system of extinguishing a mortgage debt by little and little every year, instead of repaying the principal in one sum. This was an improvement on the system established in Silesia in 1770.