

STATISTICS

TO

ILLUSTRATE THE KINDS OF BUSINESS

WHICH

JOINT STOCK COMPANIES

ARE SUITED TO CARRY ON, ESPECIALLY WITH RESPECT TO
INVESTMENTS IN LAND

A PAPER READ BEFORE THE

DUBLIN STATISTICAL SOCIETY,

ON MONDAY, 16TH FEBRUARY, 1852.

BY JAMES A LAWSON, LL.D.

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BARRINGTON LECTURERS IN POLITICAL ECONOMY.

JAMES A. LAWSON, LL.D. | PROFESSOR MOFFETT, LL.D.

THIS society was established in November, 1847, for the purpose of promoting the study of Statistical and Economical Science. The meetings are held on the third Monday in each month, from November till June, inclusive, at 8, p. m. The business is transacted by members reading written communications on subjects of Statistical and Economical Science. No communication is read unless two members of the council certify that they consider it in accordance with the rules and objects of the society. The reading of each paper, unless by express permission of the council previously obtained, is limited to *half an hour*.

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Statistics to illustrate the kinds of business which Joint Stock Companies are suited to carry on, especially with respect to investments in Land.
By JAMES A. LAWSON, LL.D.

MY attention has been lately directed to the subject of public companies, by the many plans recently brought before the public for the formation of such associations for the purpose of buying land, and sometimes for carrying on various trades and manufactures; for instance, we have had, from time to time, the National Land Society, Freehold Land Investment Societies, a Farmer's Estate Society, and a West of Ireland Land Investment Society, which latter contemplates not only the purchase of land, but the cultivation and farming of it; and not only agriculture, but also the manufacture of sugar from beet, of chicory, and flax—all to be grown and manufactured by the company. This company bases its claim for public support on a very showy pamphlet by Mr. Digby Seymour, to which I shall call more particular attention before I conclude.

Now, most people know what the teachings of political economy are with respect to the kind of business suitable for a public company; but if we propound and impress these principles, we are often met by the assertion, "this is 'mere political economy,' very good in theory, but you will allow us, as practical men, to entertain a very different opinion." If such companies are based on unsound principles, it is our duty, as economists, to point this out, and to show the probability of their failure, and no warnings given to us that we are likely thereby to impede the growth of national prosperity, to check the spirit of enterprise, and to discourage the introduction of capital, should prevent us from making our opinion public. As honest men, we are bound to do so, and even as a question of expediency it is advisable; for the knowledge that a speculation of the kind has been tried and found disastrous does more injury, and gives a greater check to the introduction of capital, than can be given by those who warn capitalists not to embark in undertakings which, in the ordinary course of things, cannot prove prosperous; and it does so, because the failure will frequently be attributed not to the inherent unsoundness of the plan, but to the fault of the people amongst whom it has been tried.

It occurs to me, then, that if we can call in aid the teachings of experience upon this subject, we shall, on the one hand, have an argument to use all-powerful with those who affect to despise mere abstract reasoning; and, on the other hand, if the results of experience be found to correspond with the teachings of science, it will lend very great confirmation to the latter in the minds of many who are now in doubt about them. In truth, I can conceive no course of reasoning more conclusive, than one which succeeds in showing that the teach-

ings of science precisely accord with the lessons of experience I think if we could have a complete history of all joint-stock companies, if we knew their establishment, their *modus operandi*, the period of their existence, and the profits realised throughout, we would have a satisfactory mode of determining, by a wide induction, what were the departments in which public companies might be expected to succeed. An occasional failure might indeed be explained and accounted for, but if we found that failure was the general rule in one department, and success the general rule in another, we would be irresistibly led to the conclusion that such a result was not accidental. This complete history we cannot have; but I have thought it might be useful if I were to collect such statistics upon the subject as were within my reach, and submit them to the Society, knowing that it is a field in which others of our members may labor to advantage, and supply those details which it is not in my power to do.

Now, the statistics which I have to bring forward are derived from the returns made from the office of the Registrar of Joint Stock Companies; and I have to express my obligations to Mr Crawford, the registrar in this country, for the assistance he has given me in procuring information. In order that their purport may be understood, I must briefly call your attention to the legislation respecting joint-stock companies. Until the year 1844, the law placed no check or limit upon the formation of joint-stock companies; but, in consequence of the number of frauds and losses caused by such companies, a committee of the House of Commons was appointed, and from their labors resulted the Joint Stock Companies' Act (7 and 8 Vic, chap. 110). The design of that Act was, to check fraudulent companies, and to prevent any company from carrying on business until it complied with certain requisites designed to show the solvency and *bona fides* of the undertaking. Before a company can present itself to the public, or be set on foot, provisional registration is required, which consists in a return of the name, business, or purpose of the company, and the names of its promoters. Before, however, the company can act effectually—*i e* before they can make calls, declare dividends, or enter into contracts—they must obtain a certificate of complete registration; before that, they can only open subscription lists, allot shares, and receive deposits not exceeding 10s. in every £100 on the amount of each share. After complete registration, the company is incorporated, can sue and be sued, can make and enforce contracts, make calls, borrow money, and, in fact, do every other necessary act; and, in order to obtain that certificate, a regular deed of settlement, executed by the shareholders, and approved of by the registrar, must be lodged in the office: and when a company is thus completely registered, it is required to furnish a return annually to the office; and if the annual return is not made, the company is subject to penalties. Now, if a company never advances beyond provisional registration, we may safely say it has failed, and the attempt to work it has proved abortive.

It is, however, necessary to state that some companies which intend

to obtain an act of parliament are in the first instance provisionally registered; but when a company obtains an act of parliament, or a charter, it does not require complete registration; for it obtains the same privileges through another medium. We must, therefore, make due allowance for this, in looking at the number of companies provisionally registered.

Again, if a company be completely registered, and yet we find it does not furnish the annual return, we may with some confidence conclude that it is not carrying on operations, otherwise its officers would take care to comply with the act, and not expose themselves to penalties. With these observations to explain the nature of the details, I now proceed to give the statistics of joint-stock companies in England and Ireland since the year 1845, so far as I have been able to collect them. We begin with the year 1845. From November, 1844, to June, 1845, there were 425 companies provisionally registered, and only 18 completely registered, and of those 18 so completely registered, there were—

Gas Companies	7
Steam Navigation	3
Mining and working in metals	2
Building	2
Miscellaneous	4
	—
Total	18

There were 966 companies registered as existing before the Joint Stock Companies' Act, making in all 1,380 companies brought under the operation of the act. They consisted of the following:—

Assurance Companies	240
Conveyance by land and water	493
Buildings and public works	113
Improvement and use of land	30
Mining and working in metals	142
Gas and water works	241

Miscellaneous companies, as follow:—

Wool and cotton making	28
Bread	7
Brewery	11
Salt	5
Glass	5
Public baths	8
Newspapers	6
Not reduceable under any head	51
	—
	121

Total... .. 1,380

Thus it appears that the great bulk of the companies then in

operation consisted of assurance, conveyance by land and water, mining, gas and water works companies, and only thirty of them were connected with the improvement and use of land

But what I wish to call particular attention to is, the very small proportion of companies which ever attained to the condition of complete registration; only 18 out of 424, or one in every 24; and none of the companies completely registered were companies for the purpose of dealing with land; but amongst the provisionally registered I find the Waste Land Improvement Society, Lough Corrib Improvement Company, Lough Neagh Improvement Company, Belfast Lough Embankment Company, National Land Draining Company.

For the whole year 1845, the number of companies provisionally registered was 1,520; completely registered, 57; presenting about the same proportion, one in every 25. The returns state that in that year there were 1,484 companies provisionally registered, which never attained the maturer stage of complete registration. On looking to see how Irish enterprise was represented in this goodly list, I find the Dublin and Kingstown Coal Consumers' Company, National Glass Company of Ireland, Royal Irish Railroad Carriage Company, Hibernian Fisheries Association; all these were completely registered, but they had a very brief existence.

In 1846, there were only 292 companies provisionally registered; and of these, 29 were completely registered; and, in addition, 83 of the old companies were completely registered; making 112 companies completely registered in that year

In 1847, there were 202 companies provisionally registered; 24 completely registered; and 56 companies of former years completely registered. Amongst the companies of the year, I find the Irish Provincial Land Culture Improvement and Reclamation Company, Irish Fisheries Company, Irish Amelioration Society; but none of these attained complete registration.

In 1848, there were only 123 companies provisionally registered; 27 of these completely registered, and 36 companies of former years completely registered. Amongst the Irish companies of that year, I find the Farmers' Estate Society, which was provisionally registered in February, 1849, but has not been completely registered; but I find that this society has obtained an act of parliament to enable them to purchase land and mortgage it, and other very extensive powers, which, as I have already stated, supersede the necessity of complete registration.

In 1849, 165 companies were provisionally registered, 31 completely registered, and 37 companies of former years completely registered. Amongst them were the Great Western Fisheries Company, Irish Estate Investment and Improvement Company, provisionally registered July, 1849.

In 1850, 159 companies were provisionally registered; 57 completely registered; 37 of the 57 were new companies, and 20 were companies of other years; amongst these were the Great Western

Fisheries of Ireland Company, provisionally registered January, 1850; Irish National Flax and Hemp Growing Company, provisionally registered February, 1850; and the British and Irish Peat Company.

The result of the whole is, that 2,885 companies were started during that period, and provisionally registered; out of them, about 300 railway companies obtained acts of parliament, leaving 2,585 companies, of which only 455 ever went as far as complete registration, that is, not quite one in every five. We must not, however, suppose that all these 455 are existing companies carrying on business. I have mentioned that all companies carrying on business are bound, under a penalty, to make an annual return, and obtain an annual certificate; and it is fair to assume that the number of such annual certificates nearly represents the number of companies actually in operation; for, although there might be an occasional instance of neglect, we can hardly think that a flourishing company would continue to expose themselves to censure or penalty for neglecting this duty. I have examined this, then, with a view to determine the now existing companies, and I find that the number of annual certificates taken out was—

In 1846—England	50
,, Ireland	5
1847—England	141
,, Ireland	12
1848—England	221
,, Ireland	12
1849—England	253
,, Ireland	15
1850—England	288
,, Ireland	16

So that of the 3,851 companies in existence from 1844 to 1850, we have in 1850 only 304 companies in actual operation. You will observe the very small number in Ireland—16 in 1850. Of these 16, eight were Gas Companies, four Steam Packet Companies, two Building Companies, one Coal Consumers' Company, one Mining Company; and during the four years, 1847, 1848, 1849, and 1850, almost the same identical companies have been those in operation, and of all the companies which I have enumerated, and which professed to trade in land or business of that nature, we can safely say that none of them have succeeded or are now carrying on business; and if we look at the existing companies which are succeeding, we shall find them reducible to a few heads:—assurance companies, railway and canal companies, steam navigation companies, gas and water works companies, and banking and mining companies.

It will, however, be right now to examine in detail one or two cases of companies framed to carry on a business, which is not included within any of the above heads of companies usually successful

A society which was established in England by Mr Feargus

O'Connor, furnishes us with a very remarkable instance of the result which must attend such companies. It was called the National Land Company, and its object was to purchase estates in large lots, and distribute them by lot among the shareholders in small allotments; its affairs were investigated by a committee of the House of Commons, and we have the fullest information respecting it. The design of it was as follows:—

The shares were £1 6s. each, payable by instalments of 3d., 6d., and 1s. per week. A subscriber of two shares was to get a house, two acres of land, and an advance of £15; of three shares, a house, three acres, and £22 10s.; of four shares, a house, four acres, and £30. They were not, however, to get them for nothing; they were to be charged such a rent as would pay 4 per cent. on the cost of the land, the house, and the advance. It was held out to the public, that the company would be a reproductive company, and the way in which it was proposed to be carried on was this:—they purchased an estate, divided it into lots, and then, by selling or mortgaging the rents payable in respect of these allotments, a fund was to be raised for the purchase of a second estate, which would be dealt with in the same manner, a new colony of settlers placed upon it, and their interest mortgaged; and as the management was expected to be good, the estate would always bring at least as much as they gave for it; and thus, by carrying on this process *ad infinitum*, the pleasing prospect was held out of covering England with a race of prosperous small proprietors. So promising a project was sure to attract, and the company very soon had 70,000 shareholders. They purchased three or four estates, fenced them, divided them into allotments, built cottages which cost £100 each, and distributed them by ballot among the qualified shareholders. The scheme proved a failure, and when its principles came to be investigated, it was ascertained by Mr. Finlaison, the actuary who investigated the matter, that a great many generations should elapse before the 70,000 shareholders could be located, and it would require £20,000,000 to accomplish it. There were 70,000 members, the capital was £273,000; they might succeed in borrowing on the plan they proposed, £546,000, which would make £819,000; and it was calculated that this would locate 2,730 persons, leaving 67,270 shareholders unprovided for. We have also some important information respecting the state of the allottees themselves: they were to pay 4 per cent. on the cost of their cottage and holding; and an intelligent witness who visited them (Mr. Revans) states, from personal inspection, his conviction that all those who occupied these allotments, and who had nothing but the produce of their allotments to depend upon, would fail to obtain a living from them, and must become inmates of the workhouse. Now this society was found, after the most strict inquiry, to have been carried on with honesty, integrity, and perfect *bona fides*; the promoters directed their personal exertions to carrying it on, and Mr. Feargus O'Connor himself, at the time the society broke up, was found to have advanced to the society, out of his own funds,

some £3000 or £4000, and it had a full measure of public confidence and support. This memorable instance ought to teach us in what light we are to regard societies which propose to take 1s. or 1s. 6d. a week from the poor, or such other sums as they can afford to pay, and in return hold out to them the hope of becoming fee-simple proprietors.

However, the Freehold Land Investment Societies in England are triumphantly appealed to, as showing that a similar success would attend such a movement in this country applied to agricultural purposes; and I propose in the next place to inquire whether these companies do or do not furnish an instance of a successful speculation in the management of land by a joint-stock company. There is no doubt that such societies have been extensively established in England, but it is too soon to pronounce any opinion upon them, as to whether they are likely to prove profitable to those engaged in them, and they were not originally established for the purpose of realizing pecuniary profit. Even supposing them however to pay, there are circumstances of such wide difference between the two countries, that the cases are by no means alike. The movement in England was, and is, a political not a commercial one, and thousands of persons earning large wages in the towns are willing to pay the money for the sake of getting the franchise; and they regard it not as an investment of money for profit, but as a purchase of a valuable political privilege. From the nature of the franchise here, such a speculation or political movement would not succeed, there being now no 40s freehold here, and the franchise not being so much an object of desire. There the inducement held out is, that a man, by paying £30, may acquire a forty-shilling freehold; and as long as there is this political motive for the establishment of such societies, they may succeed even in a commercial point of view. It is also material to observe that the value of land, as building ground, is constantly rising in the neighbourhood of large towns in England, and that if such societies purchase there, and let the ground be idle until purchasers apply for it, they will not be likely to lose by it at least. But it is to be observed that they have not attempted to carry on agricultural operations; and when it is sought to apply machinery of this kind to agricultural purposes, as would be done in Ireland, assuredly the result would be to call into existence a bad landlord and a bad tenantry. The purchase of estates in Ireland by a joint-stock company, for the purpose of distributing them in small allotments, involves several difficulties. The purchase of an estate involves the dealing with tenants upon it; if you remove them in order to locate your own shareholders, the state of things likely to be produced is far from pleasing to contemplate; and if you do locate your own shareholders, you must deal with them as tenants; they are to pay a rent if the location is to go on to any extent; and the society is placed in greater difficulty than any ordinary landlord, in respect of the recovery and enforcement of that rent. How can a society, designed to regenerate the country and based on benevolent

principles, act like any common-place individual, in distraining or bringing actions for its rent? I am sure if it did do so, it would lose its popularity; and if it did not, I am sure it would get no rent. The Court of Chancery is a very bad landlord, receivers are very bad agents, and this is mainly because the receiver has not absolute authority to deal with the tenants as he wishes; and he has not this, because it would be a dangerous power to entrust to any person but the owner, or a person under the immediate surveillance of the owner; and ill adapted as a Court of Chancery is for such management, a joint-stock company, governed by a body of directors, would be worse, and its paid officers less efficient than receivers. The notion of a company keeping land in their own hands, and farming it, is still more chimerical; so that the only course left is that generally adopted by the societies in England, to distribute the allotments, rent free, by ballot, amongst its members; and how the establishment of a lottery of that kind, in which one would gain only what others lost, would advance national or individual wealth, I am at a loss to conceive. I am far from wishing to underrate the importance of association, and the benefits to be derived from judicious co-operation; and if associations were wisely and honestly carried on, the objects of which were to induce saving and economy, and to form a fund on the principle of mutual assurance, to guard the members from the consequences of sickness and misfortune, and to provide a fund for their families, they would do a vast amount of good. But such associations would be strictly analogous to assurance companies, a business admirably suited, as experience shows, to a joint-stock company, and entirely different from the carrying on of agriculture, manufactures, and other speculations of the kind.

In truth, all those companies which propose to deal in land are based upon an analogy which will not hold good. It is said that there is a vast difference between the wholesale and retail price of every commodity, that the same holds good with respect to land, and that if you buy land wholesale and sell it by retail, you ought to do as good a business as the shopkeeper who buys by wholesale and sells by retail. In order that a joint-stock company may be successful, it must realize a larger rate of profit than individual capitalists do, and whenever private capitalists can carry on the same business on equal terms, the company cannot compete with them: this consideration shows how little reliance ought to be placed upon the analogy; besides, the case of land differs entirely from that of manufactured goods in many respects. The profit of the retailer of goods is generally a very small profit on each particular sale or transaction; and this is sufficient, because a great many of such sales can be made; because they are not attended with any great expense, save the the general one of keeping up an establishment for carrying on the business; and because the calculations as to price can be made with certainty. Again, a manufacturer will not sell his goods by retail, because it would be inconsistent with the business he is carrying on. Now apply this to the case of land; the number of sales that could

take place by retail of land would be much fewer than of goods, the supply of land being limited; therefore, in order to render it a paying concern, there should be a much larger proportionate profit made upon each sale. But each particular sale is attended with an expense of its own, irrespective of the general expenses of the machinery of the society, namely, the title and conveyance, an expense which, I need not say, does not diminish in proportion to the value of the land sold, but, in fact, is not at all governed by that value, so that a small quantity of land is often loaded with expenses equal to its value. These expenses, of course, must be deducted from the expected profit. Then there are the difficulties of transfer by the allottees, when they want to part with it. Again, the value of land is very uncertain; there is no cost of production as in manufactured goods, and the quality is not uniform, so that there would be the greatest difficulty, first, in making calculations as to the price to be given, and then as to the price to be charged, for each lot. In the Encumbered Estates Court, persons who have an incumbrance affecting the property, very often bid up to the amount of that incumbrance, irrespective of the value of the property, and such a price is no test of the value of the property; and if a purchaser known to be deputed by a company possessing large funds appeared at the sale, he would very probably have it soon bid up to a very high figure; and if it were so much more profitable to sell in very small allotments than in large ones, we may be sure that proprietors and persons who wanted to sell, would be quite willing to dispose of their estates in that way. Again, persons desiring to buy a lease of a small lot of ground now, can deal as effectually for it with private owners as they could with a joint-stock company, and get it on terms as advantageous; and the company itself would not be as favorably circumstanced for purchasing as private individuals. I am, therefore, entirely at a loss to discover whence profit is to be expected from speculations of this nature, carried on by companies; there is no source from whence extraordinary profit is to be derived, and they are exposed to the competition of individuals, any of whom can buy land and sell it in small lots as well as the company.

Experience, then, gives us no reason to hope that societies formed to trade in land would be successful; and abstract reasoning confirms this view, and demonstrates the futility of such schemes; and it is not too much to say, that if there were not in such schemes something essentially unsound, there would be found amongst all the trials some instance of a successful speculation of the kind, which cannot, so far as I know, be produced. Besides, the law at present presents an obstacle; joint-stock companies can only hold land by license from the crown, and I have examined the list of such licenses, and none such were granted to these societies; and if registered, as Friendly or Benefit Building Societies, they are limited in the quantity of land they can hold, and the disposition of it.

I have not as yet adverted to the teachings of political economy, purposely abstaining from it; but am I not now justified in saying

that we have, in the facts I have brought forward, a very wide induction indeed to establish the truths of the following principles laid down by Adam Smith?

“The only trades which it seems possible for a joint-stock company to carry on successfully, without exclusive privileges, are those of which all the operations are capable of being reduced to what is called a routine, or to such uniformity of method as admits of little or no variation. Of this kind is, first, the banking trade; secondly, the trade of assurance; thirdly, the trade of making or maintaining a navigable canal; fourthly, that of bringing water to a great city; and under one of these heads may be comprised all successful companies that exist.” The reasons for this distinction are obvious to any reflecting person, and yet they might, with advantage, be expanded and illustrated; but I have already exceeded the due limits of a paper. In ordinary trades, profits depend on the right solution of the questions, when to buy, when to sell, when to increase, when to diminish your stock, by what contrivance to diminish the cost of production, or impart additional value without increasing the cost of production. All this requires unremitting diligence, deep personal interest, sagacity, prudence, forethought, prompt determination, and active ingenuity constantly awake; and on the degree in which these qualities are displayed depends the amount of profit realized. The person observing without only sees generally the process of laying out capital and receiving it back, and replacing it; but he does not see these more delicate operations, on which, in truth, the question of profit or loss in a business always depends. These can never be exercised by a company, and if an irresponsible power be entrusted to its officers, and even if they possess these qualities, the success must depend on the accident of selection. Experience and reasoning thus concur in proving that no business can be profitably carried on by a joint-stock company, except a business of routine, and which requires a larger capital than private individuals are likely to possess; unless the law gives them a monopoly, or some peculiar privileges, which ensure them so great an extra profit as to cover the great expenses of management and the want of care in the details. If a company cannot profitably farm land, it seems to follow also that they cannot profitably carry on the ordinary trades and manufactures, and cannot successfully compete with private capitalists in so doing; and experience confirms this also. What then are we to think of a proposal to establish a company for investing in land in the west of Ireland, growing and manufacturing beet sugar, flax, and chicory? And thus has been advocated in the pamphlet which I alluded to in opening, and which I would not deem worthy of serious consideration, if I had not seen that several articles in commendation of it appeared in the London papers, and were copied into some of ours without any expressions of dissent

The preface introduces the author to us as a barrister on the northern circuit, with large professional engagements, and enjoying

the confidence of the great London capitalists It thus concludes:—
 “While some of my professional brethren have been climbing the rugged Alps, and others sailing upon the lordly Rhine, I have devoted my leisure hours to a work of good and a labour of love; and if I shall have succeeded in awakening attention to the importance of selecting the west of Ireland as a field for agricultural and manufacturing enterprise, I shall have my reward; for, without indulging in any stray expressions of feeling or any parade of sentiment, I trust that I am so far the patriot that I can never bid ‘my native land good night!’”

This gentleman discusses several questions, for instance: the possibility of beet sugar, grown and manufactured in Ireland, competing with foreign and colonial sugar; the possibility of manufacturing flax and chicory on a large scale. Into these questions I do not mean to enter, my object being to show that the machinery which he suggests could not carry them on profitably, namely, a joint-stock company embracing all these objects. He spends a great deal of time in proving that these crops can be grown and manufactured profitably, if well managed; but when we would expect him to show that a company is suited to carry on such operations, his book is indeed a blank. He states, indeed, but offers no proof in support of his assertion, “that if Ireland is to be saved from ruin, it will be by extending to every branch of her commercial manufacturing industry the principle of joint-stock association;” and again, speaking of joint-stock association, he says, “it is a principle too well known in England, to take a mongrel to our arms in its stead!” When, however, he comes to prove these positions, his argument is—only three modes can be resorted to—1st, private enterprise; 2nd, government; 3rd, joint-stock association. The first two have failed, and will fail; *ergo*, the third will succeed!

If we are to judge, from the past history of joint-stock companies in this country, of their future success, we may certainly predict that it will not be by their agency that the hopes of Mr. Seymour will be realised: hopes which it would be unjust to embody in any language but his own “Let us hope,” he says, “the day may not be long distant when the Irishman—poor, perhaps, but no longer discontented—shall sit down, not, indeed, under his ‘own vine’ or his ‘own fig tree,’ but to sweeten with Irish beet-sugar his crop of home-grown chicory!”

That these and similar branches of trade are capable of being carried on profitably in Ireland, I make no doubt, but they do not present any of those circumstances which warrant us in concluding that they can be safely undertaken by a public company.

If, then, such are the teachings of experience and science in respect to joint-stock companies, it surely behoves us to lift up a voice of warning upon this subject. The object of their establishment is to give larger profits to the shareholders than they could derive by lending their money at interest; and this promise cannot be ful-

filled, unless they realise higher profits than individual capitalists in the same business can realise ; and thus raise the rate and increase the aggregate of profit . Have they kept this promise ? If we look over the list of companies started during the last eight years, amounting to over 4,000, and consider that in the establishment of every one of these a considerable amount of capital was invested, which was wholly lost in some, in others only partially replaced ; and if we contrast these numerous instances of failure with the rare instances of success, we shall have reason to think that few agents are more active in consuming unproductively the capital of the country than joint-stock associations, when applied to undertakings which a little consideration would show they were wholly unsuited to carry on.