

In the financial methods of the gold mining companies there may be found something to commend as well as something to condemn, but there is much in classification and discriminating treatment which any one who desires to understand what ought to be done by mining companies, and what had better be avoided, would do well to study. As the life of a mine is not everlasting, it is a matter of prudence, which ought not to be overlooked, to have a redemption fund to restore the capital when profits from the mine will cease by exhaustion. This is attended to by some of the companies. In addition to a depreciation fund, they have a redemption fund. Separate accounts are kept of development before returns come in, and these debits have to be written off in due course. One of the pitfalls to be scanned with care, in a speculative excursion in these gold fields, is the habit of issuing paid-up shares without money payment. Before the value of the mining location is ascertained, working capital is about the only thing that deserves attention; when a mine is in good running order, giving a fair return, and its probable life has been ascertained, not merely conjectured, the gold in the mine has an ascertainable value, and stock representing that value may fairly count. When the promoters of a mining company start with a large nominal capital, fictitiously treated as paid up, the proportion of working capital to what may be called the speculative is often small. The men in control are apt to be very liberal to themselves, and over-capitalization on paper is to be feared; the excess of paper shares, if realized on the London and Paris Exchanges, is very real to the purchaser, but if it represents nothing beyond a chance of sharing in the profits of the working capital, almost the only part of the capital that earns anything, there is no saying what will happen to the balloon. Nominally paid-up shares are issued for some alleged reason which is sometimes good, sometimes a mere pretext; when actual value is got for them, say in mining land, one value is exchanged against another and no harm is done; but when none or only a nominal value is obtained some one not in the secret may take the risk of a speculative purchase. In this way the market becomes flooded with fictitious capital which is undistinguishable from real, and unless a miracle be performed, credulous speculators finding themselves betrayed, as a result of the venture, come to indulge in a long spell of repentance, making the air hideous with their groanings and their woes.

BUTTER AND CHEESE FOR THE WEST INDIES.

"If we want to secure the markets that are rightfully ours we must first put our wares into a condition that will suit the trade, and then we must send a representative to announce their values. Neither of these has so far been done." This is the practical way in which the business of exporting dairy produce to the West Indies is put before its readers by the *Maritime Grocer*. And this, beyond doubt, is what experience is everywhere teaching as to the method of cultivating export trade with any foreign market whatsoever. To produce goods and put them up according to our own ideas solely, and then to try and force them upon foreigners regardless of foreigners' views as to packages and deliveries and terms, is a fair instance of how *not* to do it with success. Premising that the increase in the output of our [that is, Nova Scotian] creamery and cheese factories will very soon necessitate the discovery of a much larger market than that upon which the butter trade of the province is chiefly dependent at present—i.e., the local consumption—the *Maritime Grocer* considers that a great deal more business

could be done with the West India Islands if the trade was catered to in the right way.

"We have a line of steamers with monthly sailings to Jamaica, St. Thomas, St. Croix, St. Kitts, Antigua, Dominica, St. Lucia, Barbadoes, Trinidad and Demerara. In each of these islands the consumption of butter and cheese, while not as large per capita as in climates with a lower temperature, is of sufficient volume to be worthy of our attention. In our best creamery we have as good a quality of butter to offer as has ever been used in that climate, and with the opportunity for transportation, to capture the different markets should be only a question of energy and application.

"The butter now in use in several of the West India Islands is put up in 1, 2 and 4 lb. air-tight tins and is handled much like any other line of canned goods. . . . Perhaps it is our own fault that we seem to do so very little with these Islands, while the United States, with no greater advantage as producers, do so much. We, however," our contemporary concludes, "can scarcely expect the trade to come to us. Trade during the last half of the nineteenth century is not being built that way."

THE LUMBER TRADE.

The fall trade has been very disappointing to mill owners and lumber merchants. Little improvement was expected in Toronto, building trades, and from this quarter no disappointment was suffered. But better things were looked for in Western Ontario, and unfortunately expectations were not realized. The demand from the United States has been void of its characteristic snap and vigor, and sales difficult to make. Large stocks must be carried over in the Ottawa district. The season's cut on the Chaudiere, however, is said to be at least 50,000,000 feet short of last year. There has been little movement of the season's sawing from Georgian Bay, and it is said that some mill owners in this district will not take out any stock for this year. It is impossible to give market quotations. The transactions reported are in nearly every case made at prices lower than quotations of one year ago.

AN ANTI REBATE AGREEMENT.

Some days ago a meeting of life insurance representatives was held at the Fifth Avenue Hotel in New York, in obedience to the call of Mr. Merrill, Superintendent of Insurance for Massachusetts. The *Ætna*, the *Equitable*, the *Metropolitan*, the *Home*, the *Germania*, the *Mutual*, the *New England Mutual*, the *New York*, the *Mutual Benefit*, the *Union Mutual*, the *United States* and a dozen other companies were represented. The aim of the gathering was the establishment of some plan to do away with rebating life assurance premiums.

Mr. Merrill in his address stigmatized the rebating of premiums in a mutual company as a wrong and an injustice to the membership, and of demoralizing and baneful effect upon the interests of the business universally. The evil is too glaring to remain as it is, and if the companies do not take action to stop it the State legislatures will. "Let bygones be bygones," said the commissioner, "and agree to act in the present and for the future, and put an effectual stop to the rebate plague." And so the representatives of companies, presidents, actuaries, general managers, counsel, with virtuous resolution, signed—with the exception of the *Ætna Life*, the *Connecticut Mutual*, which was not represented, and the *Manhattan*, which withheld its signature temporarily—an agreement to the following tenor:

"Resolved, That each of the companies whose names are subscribed hereto agrees with each of the other subscribing companies, and with those companies who may hereafter join herein and become parties hereto.

"That it will not itself pay or allow, or offer to pay or allow, nor will it permit any person connected with it in any capacity to pay or allow, or offer to pay or allow, any rebate of premium in any manner whatsoever, directly or indirectly."

For the purpose of carrying out this agreement, a referee is to be appointed, who shall examine charges of violation of this agreement, and whose decision shall be final.

"On the decision of the referee that any person connected in any capacity with any company party hereto has made any rebate in any manner whatsoever, directly or indirectly, such person shall immediately be dismissed from the service of said company, and shall not, for a period of one year thereafter, be again employed by any company party hereto.

"That a fund of ten thousand dollars (\$10,000) shall be placed in the hands of said referee, which fund shall be contributed and continuously maintained by assessments on the several companies parties