expenditure. If he could not afford to throw that much money away, not looking for it to come back again, he cannot afford to buy the cheap mining stocks that are offered to every body. To borrow money for the purpose, or to use money that should go to pay his debts is the height of folly. Yet that is what many are doing. During the excitement that prevailed some eleven and twelve years ago, when the Rat Portage and Rossland mining booms were going on, at some of the bank branches the managers wondered how it was that certain of their borrowers did not pay off their debts as they were accustomed to pay them. Afterwards it was found that the money which should have gone to reduce the liabilities had gone into speculation in mines, much of it never to come back. Not a few business men were ruined; others had to settle down to hard work and economy for years before they regained the position they had before.

In places such as Cobalt, the most promising mines fall into the hands of capitalists, and others who do not as a rule have to peddle the stock round the country. Whenever a real good proposition is secured the men who have it make arrangements with others to put up the capital necessary for working it; or if they cannot induce the capitalists to come into partnership with them on satisfactory terms they may work it themselves in a small way, gradually enlarging, or they may sell out, lock stock and barrel, to capitalists who will work and develop the property. In these cases there is not, usually, any offer of stock to the public, certainly not at five, ten, or fifteen cents a share. If stock is offered it is generally after the capacity of the mine has been pretty well discovered, its earning power and dividends more or less established. Then, it is not hawked about or glaringly advertised—there is no necessity for that—instead, it is placed on the regular mining exchanges and can be bought or sold at regularly quoted prices. It is a very different kind of proposition that is offered to the salaried clerks and country storekeepers. Promoters, and persons who figure on making money, not through the development of mines, but through creating and selling mining stocks, secure title to property, "*adjacent*" to the the rich So and So mine. They always state that the vein or the seam which has been proved to be so exceeding rich, extends into *their* property. This fiction serves as a trap for thousands. As a matter of fact, if there was good reason to believe that the vein or the seam did extend into the property in question, those gentry would never have had the chance to secure it. And when they sell the shares, in a great many cases they do not make very serious efforts to develop. Their efforts are confined pretty much to endeavouring to spin out their operations to such length as will permit them to appropriate to themselves, in the shape of salaries, expenses, etc., all or nearly all of the money paid in by the stockholders. Of course, in the meantime there is a plentiful supply of type-written and printed circulars going out all the time to the stockholders, explaining why dividends are not paid and advising a further investment, etc., etc.

The risk that the proposition may prove valueless or that it may not be rightly developed, is not the only risk borne by the owner of cheap shares. In any company he joins it is very important that the man who control it be honourable and trustworthy. There was quite a notable case in British Columbia where, after the mines of a certain company became valuable, the controlling interests sold the property for less than it was worth to another company in which it was said that they themselves had an interest. This was done notwithstanding the liveliest opposition from the minority holders.

There are good mines in Cobalt—good Cobalt mining shares can be purchased by clerks and others, but not many are likely to grow rich through the indiscriminate purchase of just anything that is pushed or advertised through lying prospectuses.

INSURANCE INVESTMENTS.

An instructive paper upon investments of life companies was recently read before the Insurance Institute, Toronto, by Mr. Thomas Bradshaw, secretary and actuary of the Imperial Life. The lecturer dealt with a topic of very great interest to insurance men. The following is a synopsis:

The effect which the rate of interest used in determining the amount of the net premium has on the latter is illustrated by the following table showing the net annual and single premiums for a whole life assurance of $1,000 at age of 35. British offices life table, 1893 O.M.:

Rates of Interest.	Annual.	Single.
2 per cent.	$23.90	$549.34
2 1-4 per cent.	23.17	512.89
2 1-2 per cent.	22.47	479.50
2 3-4 per cent.	21.80	448.90
3 per cent.	21.16	420.83
3 1-2 per cent.	19.97	371.33
4 per cent.	18.89	329.39

Equally important in the calculation of reserves is the rate of interest used as shown by the following table:—

Duration.	Whole life Ordinary.		Whole life 20 Premiums.	
	3 p. c.	4 p. c.	3 p. c.	4 p. c.
5	$ 74.98	$ 64.60	$123.37	$101.02
10	156.06	136.64	263.78	219.89
15	242.95	216.24	425.30	361.27
20	334.23	302.38	614.40	532.16
25	427.52	392.87	668.43	592.84
30	519.68	484.60	721.81	654.36

The effect of earning a higher rate of interest than that which enters into the calculation of premiums and reserves is to produce a surplus, or what is erroneously called profit. A practical illustration of this was given by the hypothetical case of com-