

the country, consequently they fail through their persistency in endeavoring to work on English principles, while others who start out with as little knowledge of the conditions ruling here succeed, owing to the fact that they are willing to adapt themselves to the changed conditions ruling here and learn of others who have been here before them.

This was the mistake of the management of the "Kaye" company at the outset. Very soon the company and its manager became the talk and then the laughing stock of all Western Canada. The most ridiculous moves were made, and large expenditures were incurred in experiments and undertakings which to say the least were of an eccentric nature. It was apparent from the start that it would only be a question of time when a change in the management would have to be made, or the enterprise abandoned entirely. To hold out long under such management the company would require to have a mint of money.

It now appears that the "Kaye" management has reached the end of its rope. At the recent general meeting of the company, held in London, England, it was shown that a large sum of money would have to be raised to meet liabilities incurred. The directors were obliged to put up £30,200 "in order" as the report says "to meet the pressing liabilities of the company, and enable the present season's 'corn' crop to be harvested." The directors seem to have considerable faith left in the enterprise, for in return for this advance they have agreed to accept second mortgage bonds at par. This sum is in addition to £40,000 raised about a year ago on second mortgage, to secure which the directors were obliged to pledge their personal security. This is evidence that so far as the directors are concerned they are doing everything in their power to successfully carry on the company. The expenditure incurred at the outset by the management was on an enormous scale, and the capital which it was expected would be sufficient for all necessary investments for a number of years, was all expended in less than twelve months. Sir Lester Kaye has now resigned the management of the company, and Mr. Richardson, a director, is now in the Territories to assist in reorganizing the company, "with a view to securing every possible economy." What the management of the concern in future may be time will show, but anything approaching a continuation of the "Kaye" tactics will certainly result in disaster for the company.

While this farming enterprise has secured the expenditure of a very large amount of money in the country, it is very doubtful if it will be of any permanent benefit. In fact, the unsuccessful operations of such a concern, through mismanagement, is calculated to do the country a great deal of harm. Already the directors spread abroad in their report statements very damaging to the country, which are given as reasons for the misfortunes which have overtaken them. Conducted as the "Kaye" farming enterprise has been from the start, quick disaster would certainly follow under the most favorable conditions. As already stated, Sir Lester Kaye's remarkable way of conducting the enterprise has made him the laughing stock of Western Canada. His

name has been handed around as the butt for many a joke, while the people have wondered how long the shareholders would be able to stand his ridiculous and extravagant ways of doing business. Anything but failure under such circumstances would be a surprise. The trouble is, that while those on the spot know the causes of the disaster, outsiders are likely to put the blame upon the country.

### MERCANTILE AGENCIES.

Western legislators often display an extent of courage and even daring in legislating upon and upsetting usages which older representative bodies from notions of conventionalism are afraid to touch, and an instance of this is furnished in the action of the new South Dakota Legislature which recently passed a law to compel each mercantile agency doing business in the State to deposit \$50,000 with the State Treasurer, which is to be held in trust, to satisfy all suits for damages brought against the agency by parties who have been misrepresented and thereby injured by reports of the agency. Such a piece of legislation is certainly a certificate of boldness and daring, but opinions differ widely as to its being a piece of wise or prudent legislation.

In older countries a few mercantile agencies have as a rule such a hold upon the business community that they are considered privileged institutions, possessed of a right to pry into and report on the affairs of mercantile men, in a manner which would be considered very impudent if not actually mischievous on the part of any other institution or individual. A great many business men look to some such agency as a kind of commercial father confessor, into whose ear they are safe to pour what they would withhold from any other person or institution, and it must be admitted that with at least two of the leading agencies on this continent such confidence is but seldom betrayed or perverted to other uses than the one for which it is asked or given. But it must also be admitted that at rare intervals cases do crop up in which the privileges accorded to mercantile agencies are badly abused by them, and in a manner which inflicts undeserved injury upon men, firms and corporations, who find it very difficult and in some instances impossible to secure any redress. Our readers are familiar with what occurred recently in connection with Dun, Wiman & Co.'s report on the city of Vancouver, how, evidently without malice on the part of their agent, but out of pure carelessness and negligence a report of the most misleading nature was circulated, calculated to have an almost paralyzing effect upon the business of that growing young city.

It cannot be that the South Dakota Legislature wishes to suppress all mercantile agencies as institutions of no business value, although there are numerous so-called mercantile agencies which it would be well for the business public if they were suppressed. In the case of conscientiously operated agencies it is evidently the intention of the Legislators to provide only for the exceptions to the general conduct of such reliable agencies. Radical as western Legislatures often are, it is, we believe, beyond the desire of the South Dakota one to seek to

abolish such institutions altogether in the new State. Even there the well conducted agency has too firm a hold upon the business structure of the country to be suppressed without causing some inconvenience to the trade of South Dakota. This legislative move is therefore a wise one, in so far as it will crush out of existence the irresponsible agencies, which can be well dispensed with; and to make the legislation consistent, and protect the people of South Dakota fully, it is questionable if the demand for an indemnity deposit from reliable agencies is not a wise and prudent as well as a necessary provision. Mercantile agencies which are financially responsible cannot complain about having to furnish such a deposit, when by so doing they can secure immunity from competition with irresponsible and unscrupulous opponents. If, however, they are not prepared to support these claims to conscientious reporting by a cash deposit, it is questionable if they are actually as valuable accessories to commerce as they claim to be, and usually get credit for being. In a number of states insurance companies with headquarters elsewhere have to make a similar deposit as a security to their policy holders in said states, and insurance is certainly as necessary in a business community as the efforts of mercantile agencies. The latter from usage have been pampered into spoiled children, and object to take the risks, which they have no just claim to immunity from, in following out the lucrative business they have engaged in.

It must be remembered that in a Canadian court and in the courts of several of the United States men have been made to suffer for obtaining credit under false pretences when the credit was given upon the strength of a falsified statement furnished to a mercantile agency by the parties receiving credit. In this manner the law has been brought to acknowledge mercantile agencies as legitimate sources of information for commercial guidance, and thus upheld by law in straightforward business transactions, it is no hardship that the law should demand a guarantee that nothing but straightforward and legitimate means be employed by agencies in the collecting, compiling and circulating of their reports.

This legislation in South Dakota will inaugurate a struggle between law and usage, in which it is not at all certain that the old adage of usage being stronger than law will be verified. It is stated that the two leading mercantile agencies of the United States will refuse to make the necessary deposit in South Dakota, and quietly withdraw all their agencies therefrom. Opinions and fears have been expressed that this will mean the ruin of trade in South Dakota, but of course the opinions are all fossilized eastern ones, supplied by parties who know nothing of the commercial elasticity and adaptability of the new Northwest. Trade in South Dakota will prosper just as well without as with mercantile agencies at work there, once the friction of the change passes by; and the fears to the contrary may be considered as well founded as those of the cobbler, who on being elected an alderman of his native village, had a suit of steel mail made to wear under his ordinary garments for fear the greatness of his public position might draw the knife of the assassin upon him.