

cutting in prices. One man with a penchant for cutting prices will demoralize the trade of an entire community, and not only make business unprofitable for himself, but also destroy the prospects of every other person in the trade.

Cutting prices does not show good business ability, as a rule. It belongs to the cheap John style of doing business. The man who habitually resorts to cutting prices in order to draw trade, probably lacks the ability of working up business in a more legitimate fashion. At least, it indicates a lack of ability to draw trade by ordinary business methods. In a well ordered establishment habitual price-cutting is not one of the features of the place. It may draw a certain class of custom for a time, but it does not wear. A legitimate profit on business conducted in an honest and honorable way will count more in the long run.

Cutting prices very often does not indicate simply a desire to extend business. It is often resorted to out of jealousy of a competitor. Sometimes it is the result of a personal feeling against a competitor. To resort to price cutting for any such reason as this, is more unbusinesslike and more objectionable than to do it with the object solely of drawing trade. Cutting prices is at best a dog-in-the-manger policy, which says in effect that "if I cannot do a profitable business myself, I will see that no one else will do it."

Business men are often induced to cut prices by paying too much attention to gossip they hear from their customers. The Commercial has in view at the present time some instances where business men have been hindered from getting a reasonable margin of profit, through reports brought to them by customers. For instance, a customer in examining goods will declare that he can purchase exactly the same article at another store for a certain sum less than is asked by the salesman with whom he is dealing. The customer is always extremely positive that the article is exactly the same, but in nine cases out of ten, if a comparison were made, it would at once be found that the articles were quite different. Sometimes the dealer will accept a statement as true and make up his mind that the competitor is cutting prices, and he at once starts in to adopt the same unbusinesslike course. Sometimes the customers who say he can get an article cheaper at another store, is telling a straight untruth, and does so for the purpose of securing the goods at a lower price. The Commercial has another case in view where cutting was started in a stable line of goods through a lie of this nature. The dealer believed the statement and cut the price of the goods, entailing considerable loss on himself and others in the same line. After the season's trade in this line of goods was over it was discovered that the statement that another dealer was selling at a lower price, was a straight untruth, made with the object of securing the goods at a cut rate.

Sometimes it is a customer who has goods to sell who makes false statements of this nature. Parties who have butter, eggs, hides, wool, or other commodities to dispose of, will often make the rounds of all the dealers, intimating to each one that they can get a

better price from another dealer. A suspicion is thus aroused that another dealer is paying more than the market price, and an unsatisfactory condition is often the result, through paying more for the goods than the market will stand.

There is often altogether too much jealousy and mistrust of each other among business men in the same branches of trade, and when credence is placed in every statement made by customers that they can buy an article cheaper or sell at a better price to a competitor, there will always be danger of making business unprofitable by cutting prices, or if in a purchasing business, of paying more than the goods are worth.

Business men will be wise to pay very little attention, as a rule, to statements of this nature made to them by customers. It is all the same whether the customer is buying from them or selling to them. In the great majority of instances statements of this nature are either based on a misconception or they are absolutely false. At any rate, they seldom form any reasonable excuse for resorting to a war of cutting prices.

MINING SPECULATION.

A wave of mining speculations seems to be developing both east and west of us at present. Our advices from British Columbia intimate that some questionable mining enterprises have or are being floated there. During a time of mining activity there will always be some such enterprises floated, and it is not always easy to distinguish between sound and unsound concerns. This has created a mistrust for mining investments which has greatly injured and retarded many legitimate mining enterprises.

Mr. Kingsmill, president of the Ontario Mining Institute, in a letter to the president of the Toronto board of trade, recently enumerated several important points on which investors should satisfy themselves before parting with their money. These he states as follows:

- (1) Whether the company has been incorporated, and where?
- (2) Whether the stock is paid up and unassessable; if not, what is the extent of the liability of the holders of it? (This depends on the legislation of the place of incorporation.)
- (3) Whether the company has procured a crown grant for the mining locations.
- (4) Whether any development work has been done; and if so, whether it is established that the location justifies further expenditure.
- (5) Whether the incorporators are men worthy of the trust reposed in them, and such men as the investors would trust with the management of their affairs and the investment of their money.
- (6) Whether money raised on the first sale of stock is to be devoted to development purposes or not; if not, a good reason for declining to accept shares would be afforded thereby.

Mr. Kingsmill comments further as follows:

"In my opinion no portion of promoters' stock should be placed upon the market until sufficient treasury stock has been disposed of and expended to demonstrate the value of the property.

"Of these points perhaps none is more important than the fifth. Trustworthiness is

perhaps an indispensable qualification, but a mining manager must be equipped with more than honesty. No higher recommendation could be given a mine than the fact of its being in the hands of men of experience, and whose experience has been crowned with success. The investor will have a very convincing guarantee of a mine's merit, if he knows the promoters have given evidence of their faith by making large investments themselves. The warning regarding assessable and unassessable stock does not necessarily condemn the former, if the investor feels assured he is prepared for assessments and can await profits as slow to come as they may be enormous when they do come."

RELATIONSHIP WITH THE UNITED STATES.

The statement of Mr. Laurier made in a letter to a Chicago paper, regarding our relationship with the United States, is receiving considerable attention throughout the country. Very few people in Canada will take any exception to the remarks of the first minister, in expressing his desire for friendly relationship with the United States. "Providence has placed us in the position of neighbors," says Mr. Laurier, "and we should strive to live side by side on terms of mutual friendship and respect." This is what every one in each country should be prepared to acquiesce in. Politicians in both countries sometimes talk in a strain calculated to stir up international animosities, to further political ends, but it is encouraging to believe that the trend of events is in the direction of closer relationship and greater friendship between the two countries. Anything Mr. Laurier can do to render intercourse between the two countries more friendly, will be welcomed by the people of Canada, so long as it is not done at any sacrifice of our national interests.

After expressions of friendship for the United States, Mr. Laurier proceeds to discuss several questions which have formed subjects of negotiation with the Republic in the past. Regarding the Atlantic fishery dispute he says:

"I do not see now why an arrangement should not be made resembling that effected under the treaty of Washington in 1871 and the treaty of 1851, whereby not only the ports but the inshore waters of both countries were thrown open to the fishermen of both on equal terms, and the markets for the fish of the two countries made equally free."

We in the West are not directly interested in the fishery question. No doubt Mr. Laurier's proposal would be acceptable to our Atlantic fishery interests, but it is hardly likely to prove acceptable to the United States, under a high tariff administration at least. Under such an arrangement the United States would have the advantage in respect to the value of the fisheries, as our fisheries are immensely more valuable than those of the Republic. In throwing open the inshore fisheries of both countries it would therefore be Canada which would be making the sacrifice. On the other hand, Canada would be the gainer by free trade in fish between the two countries.

Regarding the trade situation Mr. Laurier's remarks do not convey any new proposition. He says: