

premium of 100 francs. The capital of the *Union generale* is divided into 200,000 shares of 500 francs each, on which a dividend of 40 francs a share, disposing of 8,000,000 francs of yearly profit, is paid. The 500 franc-shares have under this influence gone up to 1,200 francs.

Where there is so much that is unsound in the inception—where promoters realize enormous profits out of the premiums at which stock is issued—the guarantees for fidelity and soundness in other respects, cannot be strong. It is quite clear that these companies often owe their origin to unscrupulous men, bent only on making money for themselves. Are the profits out of which dividends are paid always real? And if so, are they likely to continue? Of course, when shares are issued at an enormous premium, large dividends can, for some time, be paid. But if they are paid out of premiums they cannot be said to be earned. And as the operation cannot be indefinitely repeated, large dividends cannot always be paid by a process of legerdemain. Hard pan must sometime be touched; and when that happens, we very much doubt whether the end will accord with the hopes held out to shareholders in the beginning.

The very conservatism of the Bank of France led to a reaction, which greatly facilitated the formation of the new companies. That bank has only recently sanctioned the use of checks, and her influence is still exerted rather against their use. It was very easy to make the public believe that the National Bank discouraged the discount business. Her conservatism sometimes perhaps went beyond the limit of reason. With these materials, reaction became an easy matter in the hands of bold and not always scrupulous promoters. There is nothing conservative about some of the new companies; and their experience has yet to be written. Numerous as the new companies are, and large as is the capital they control, there is no reason to suppose they have caused an undue drain of capital; though it is conceivable that if any large proportion of the 1,206,000,000 francs unpaid, were to be called up, in a financial crisis, the result would be an immense aggravation of the trouble. Meanwhile all goes on swimmingly; the future will reveal itself and tell its own tale, whatever it may be.

A CHANGE IN WOOL.

It is gratifying to learn that the views presented by this journal in various recent issues, of the importance to the country of a change in the character of our wool, are making progress amongst farmers as well as business people. Quite a number of the

country journals have reproduced the articles, in full or in part; and the periodicals which deal especially with agricultural affairs are taking the matter up. Good results have already followed: the Granges are discussing what crosses are best in sheep, and some have added short-woolled sheep to their folds. As specimens of what is being *done*, we are told to-day of a farmer in the county of York who, as a consequence of the arguments presented as to the relative values, sold a portion of his sheep and replaced them by Southdowns. Another has purchased a Southdown ram with which he will cross Leicester ewes. A Peel county farmer writes that he perceives the folly of continuing to keep long and coarse-woolled sheep and will at once replace them with Shropshire Downs or other breeds. The report given of the Toronto wool market this week, is significant of the point we have so often urged: "Domestic wool is for the most part neglected, buyers and sellers being apart; there is some little enquiry for lambs, wool but in long combing there is nothing doing. The demand is all for fine wools, such as Southdown." Further, we learn that a Canadian dealer in this city has bought this week 100,000 lbs. of wool in Great Britain, while he has not bought one tenth that quantity of Canadian. This wool, bought in England, is mainly Southdown wool and crosses. The same dealer had previously sold 200,000 lbs. of foreign wool to Canadian manufacturers who are compelled to buy from other countries what is not raised in their own. Our country storekeepers owe it to themselves to keep this view of the matter before their customers' for the loss is theirs if they continue to buy from the farmers, wool which they cannot sell.

OLD METHODS REVIVED.

Progress, we are now occasionally told, is to be best attained by walking backwards. It has been announced as a recent discovery, that what proved the worst and the most primitive form of wood paving—a pavement without a solid foundation—is the best. There is just this difference, that sand is to be used for a foundation instead of clay or whatever may be the natural soil; and if this difference produces all that is promised for it, well and good. Yonge street property-holders are risking \$70,000 on the experiment. Let us hope it will be all right and that the new experience will reverse that of the old. And now we are told that the latest plan of progress is to go back to the coach; not exactly the old mail coach of England or the "stage" of America, but the Herdic coach, which is to compete against

street railways. In Philadelphia and Washington, the experiment has been made and it is to be extended to Toronto. In the name of the Herdic coach much is promised; almost everything except cheaper fares. It is said that it will be a success, because there is no cost of a track; but this was always and everywhere true, and it signifies nothing to the public what the relative cost of apparatus is if fares are the same. Competition, of course, may bring down tramway fares, and with them will down go the Herdic rates. Whatever else happens, we may expect a lively time, in the inevitable competition. The street railway Co. keeps up a considerable portion of the streets on which their tracks are laid; is the Herdic Co. to use the streets without paying any equivalent? If so, an inequality will appear; but can it be maintained? The Herdic Co. promises cheap cabs; four persons to ride half an hour for fifty cents. In this direction, undoubtedly something can be done; there is clearly an opening, and the public will be grateful to whomsoever it may be done by. As for the competition against the present street cars, we are inclined to think that the competition that will be successful will discard horse flesh. The enlightened county of York, in the year of grace 1880, rebelled against steam and turned the engine off the Kingston road. This is walking backward, but it is not progress.

OCEAN FREIGHT RATES.

An increase in the size of steamships engaged in carrying freight on the Atlantic is rapidly going on. The old 2,000 ton vessel is being discarded for one double its size. The reason of the change is that the larger vessel can be worked at relatively less cost in fuel and men than the smaller. When the revolution has been completed, it will cost less to carry a given amount of freight than at present; and it may fairly be assumed that a permanent fall in ocean freights will take place. Temporarily, it is possible that the fall may be aggravated by undue competition, to which the present increase in the construction of ocean steamships, in Great Britain, seems to point. But this would only last till a lull in shipbuilding had restored the equilibrium, while the ability to carry freight cheaper, by employing a larger vessel would, other things being equal, continue to keep freights at a lower rate than now rules. From this lowering of freights, as the result of natural and legitimate causes, two things would follow: The competition which British Agriculturists encounter would be increased in severity, and our own North West would be able to place its bulky produce in England on better terms, in other