

tion. One of these is that long credit not only tempts traders, but licenses them to make such credit supply the place of profit, economy, skill and honesty. Speaking on this point, the *Canadian Journal of Commerce* argues that all goods obtained on credit have a natural period for being retained in stock. Whenever these stocks remain unsold beyond such periods, they not only fall in value but increase in cost. Take the case of goods saleable only in early summer, as dry goods and millinery, that are subject to the caprices of fashion. If a retailer buys \$10,000 of such articles, they ought to sell for \$15,000 or more. So that if he sells two-thirds only in the season, he is simply enabled to return their cost to the wholesaler, leaving not a cent towards business and domestic expenses. As those are running charges to be met week by week, he is almost certain to anticipate the sale of that portion of his summer stock by which these outlays have to be provided for, so that when the season is over, and they have to be paid for, if he has sold only two-thirds of such goods, he will be short of funds for such payments by the money spent in rent, taxes, wages, living, etc. The unsold season's stock then sinks down very heavily in saleable value, and becomes of little service in making up the deficiency in his payments. Then another season comes on and the same process is repeated, until these out of season stocks become burdensome and they are slaughtered at a sacrifice sale.

After reasoning why the long credit system should be reformed, the same journal offers this as a solution of the problem: "Instead of a maximum term being the base of all credits, it should be only the exception. A term say of two months should be the normal rule. Then for another month, a fixed percentage of interest should be enforced, for another month a higher rate of interest, and, as the term extends, the charges should also be extended. This would restrain overstocking at the wholesaler's expense, and to the danger of the imprudent buyer. It would introduce some degree of fairness into prices; it would stimulate the more careful retail traders to economy in order to make cash save interest; it would give wholesalers a more reliable gauge of their customers' business and of their business capacities; it would compel both sides to realize constantly that time is money; that stocks usually are increasing in cost while they are decreasing in value, so that a great stimulus would be given to those essential qualities for success, energy, foresight, prudence and economy."

MOST FAVORED NATIONS.

According to a return presented to the Imperial Parliament, some time back, the nations to which Great Britain and her colonies are bound under "the most favored nation" clause are: The Argentine Confederation, Austria-Hungary, Belgium, Bolivia, Chili, Colombia, Denmark, German Zollverein, Morocco, Persia, Peru, Sandwich Islands, Spain, Uruguay and Venezuela. The arrangement provided under treaties containing the most favored nation clauses binds the parties to it to treat each other in matters rela-

ting to trade as well as they do the most favored of the nations or colonies with which they have dealings. It prevents either nation discriminating against the other in favor of any nation, and if one of them extends a trade privilege to another country the other gets the benefit of that privilege. Moreover, every advantage extended to Great Britain must also be extended to the countries on the above list.

The *Monetary Times*, of Toronto, speak on this subject, says: "Under British treaties, Canada has the right to trade with many countries on the footing of the most favored nation. Under any circumstances, we could not hope to be placed in a better position; and if we stand alone in the making of treaties, we should frequently find it difficult or impossible to obtain equivalent concessions. In many of these treaties, the best treatment accorded to any foreigners is secured to us, as British subjects, for the protection of our liberties, our persons and our property. The British treaties are the charters of our rights in foreign countries; and it is puerile to suppose that, if the right thus acquired were swept away, we could do better for ourselves by acting alone."

INSURANCE AT LLOYD'S.

Recently the London, England, *Review* published the following, which needs no comment, but which will be of interest to many people here:—"In view of the increasing number of policies effected at Lloyd's covering risks not connected with marine insurance, the committee of Lloyd's desire to call attention to the fact that the deposits and guarantees lodged with them by underwriting members as security for their individual liabilities contracted at Lloyd's, are applicable only to settlement of claims arising upon policies which relate to the following subject matters of insurance, viz.:—Vessels of any description (including barges and dredges), cargoes and freights, and other interests which may be legally insured in, by, or in relation to vessels, cargoes and freights; goods, wares, merchandise, and property of whatever description insured for any transit by land or water, or both, and whether or not including warehouse risks or similar risks in addition or as incidental to such transit."

THE POSTAL TELEGRAPH COMING.

It is announced—and the recent visit to British Columbia of the assistant general manager gives color to the statement—that the Postal Company have decided to build a splendidly equipped line over the Sante Fe route, which will, when completed, connect New York with San Francisco over American territory. This will give them and the C. P. R. an alternate route. It had not been the intention of the company to begin its operations in this direction until 1893, but the late disastrous interruptions of the C. P. R. lines have shown them the necessity of getting down to work at once. It is also possible that the company, in order to prevent the recurrence of interruptions here, will decide to lay a three-conductor cable from Victoria to the American side or to Vancouver.

EDITORIAL NOTES.

In a suit brought against the Whittington Life, before Lord Chief Justice Coleridge and a jury, by one Hill, the assignee of Alfred Baker, the company set up the defence that the assured had given untrue answers in the application as to habits of intemperance. It was proved that he had been twice convicted for being drunk, and some witnesses swore to a general reputation for intemperance, others merely that "he was fond of his glass of ale." Lord Coleridge instructed the jury that one or two cases of drunkenness did not establish "intemperate habits" within the true meaning of the term. The jury returned a verdict for the plaintiff.

The *Insurance and Finance Chronicle* says: "To the surprise and regret of all intelligent and honest insurance men and the public generally, the amendments to the Dominion Insurance Act relating to licensing of agents and for the prohibition of rebating was, after a spirited discussion before the Committee on Banking and Commerce on Thursday last, thrown out by a vote of 19 to 14. To say that the grounds of opposition to the bill were puerile and childish and that honest practices in life assurance has received a heavy blow is a mild form of statement. We understand that the Life Underwriters' Association will now seek for legislation at Quebec to apply to this province, similar to that lately secured in Ontario."

PROVINCIAL TRADE NOTES.

H. Waller, of Victoria, contemplates the erection of a flour mill at New Westminster.

The Mechanics' Sawmill, New Westminster, has been closed by the mortgagees, who have foreclosed and placed Geo. H. Grant in as receiver. The mortgagees are O. B. Ackerman, Evans, Coleman & Evans, H. S. Rowley and Campbell & Anderson.

Subscriptions are being asked for at Donald to form a specimen cabinet of the minerals of East Kootenay to stand on exhibition at the C. P. R. depot to attract the attention of travelers to the mineral wealth of the district. The collection may form part of the one to be made up for the World's Fair at Chicago.

The proposal to establish an oatmeal mill in New Westminster should in every way be encouraged by the people of the Royal City. It would not only there introduce a new industry capable of growth to large proportions, but tend to make the town what it naturally should be, one of the Province's farm market centres.—*B.C. Commonwealth*.

The San Juan Fishing, Canning and Trading Company, (limited liability), has been incorporated with a capital stock of \$25,000 in shares of \$250 each. The objects of the company are: The catching, canning, curing and preserving of all kinds of fish and making fish oil and conducting a general trading business. The head office will be in Victoria. H. R. Foot, Geo. A. Perrin and T. W. Carter are directors for the first three months.