

MONTHLY PRODUCTION OF ANTHRACITE.

	Tons-	
	1895.	1896.
January	3,063,534	3,844,022
February	3,133,246	2,003,622
March	3,761,665	2,998,254
April	3,139,122	3,013,090
May	3,788,945	3,125,170
June	3,777,644	3,314,190
July	3,699,674	3,750,248
August	3,835,914	3,949,892

Total to September..... 28,210,513 26,598,788

Most of the parties to the agreement are, as will be seen from the above table of distribution, railway companies. Coal is a weighty commodity and its transportation is always an important element in regulating the markets. The combination have control of the railway facilities leading into many centres of consumption. The independent producers could be effectively closed out of many markets, if the monopoly thought such a course advisable. But it has been considered that the more prudent policy is to allow certain independent mines a struggling existence.

The people of Canada, as well as of the United States, are laying in their supplies of coal for the winter. In a northern country such as ours, where the winters are long and oftentimes the temperature severe, coal forms a very important item in household and business expenditures. Prices of coal are now about the highest point reached in recent years. Consumers are being despoiled by a conspiracy of producers. It would be interesting to know what part Canadian coal importers are playing in this game.

In past years Toronto coal merchants have organized to restrain competition and maintain prices; circumstances indicate that to-day there is an understanding of this nature among a number of the members of the trade. Stringent provisions have been made to guard from the public the means by which the market is being regulated. The plan has, however, been outlined as follows to THE MONETARY TIMES: The tonnage of the city, or at least that part of it which the ring may reasonably expect to control, has been distributed to the different firms in the combination, on a ratio of their sales during the past several years, after the example of the producers. Certain consumers are acknowledged by the combination as customers of different coal merchants, and means are taken to prevent other members from competing for their trade. Twice each week, details as to the sales are given, accompanied by an amount representing seventy-five cents for each ton sold during the period. Should the dealer have exceeded the amount of his sales, he must forfeit seventy-five cents for each ton in excess of his ratio. If any firm has taken an order from the acknowledged customer of another member, he must pay a penalty to the extent of seventy-five cents for each ton sold in violation of the agreement. This money is given to the firm which has lost the customer. But if, on the contrary, he has lived up to the agreement, the amount of his deposit is returned.

No provision has been made, as will be gathered, to regulate prices directly; but the motives for competition having been removed by severe penalties, prices will naturally regulate themselves. There is in addition, at least a tacit understanding in the trade in regard to uniformity of prices. The importers, however, claim that coal cannot be imported to-day at the prices quoted by the mine owners and sold here at a profit, and deny that excessive profits are being made by the coal merchants. There is, certainly, some truth in this contention, as the combination of mine owners being stronger, has successfully squeezed the jobbers. This description of the system, as we have outlined

it, may possibly be faulty in some of its details, but we have reason to believe it is in the main correct. Every opportunity has been given to the association to correct our erroneous statements if we have made any. This has not been done, and the natural inference is, that if the plan we have outlined be not the one actually followed, other means are taken to subvert competition as disastrous to the freedom of trade, and as injurious to the public interest.

A PRUDENT POLICY FOR LOAN COMPANIES.

The season of the year is rapidly approaching when managers of loan companies and other large corporations are estimating the probability of being able to pay their usual dividends. Only such corporations as have prudently managed their affairs can, in a time like the present, reasonably expect to pay a dividend. During the past three years the shrinkage in value of loan companies' shares, in common with other properties, has been very large, but not nearly so great as the depreciation in value of real estate. Bad as his case may be, the loan company's manager has an advantage over the private lender, in having all the machinery necessary to look after the business. He is thus in a position to do better for the shareholder than the private lender individually can do for himself.

The manager of a loan company that can pay its usual dividend at the end of this year may consider himself fortunate. Several of the loan companies have reached the limit of their borrowing powers, and the chief mode of improving their position is by curtailing the expenses of conducting their business in every possible way. This they are doing. Of some of the smaller companies, which are exceptionally well managed, the difficulty has become greatest. A few of them find their capital too large for the business to be done to-day; they are thus handicapped. In our opinion the only chance of improving their position and being able to continue paying dividends is in amalgamation. In suggesting this, we are quite aware that the problem may be found difficult to be worked out. At the same time, we are satisfied that if gone about in a businesslike manner, the problem is capable of a satisfactory solution. In every business, there are a number of fixed charges which are indispensable; for instance, each of the companies requires an office in which to do business. Then there are the manager, the inspector and the clerks all to be provided with salaries; the board of directors expects compensation, and the solicitor must have his fees. One of the difficulties in the way of fusion is how best to dispose of the gentlemen who may, in consequence of the amalgamation of several loan companies into one, happen to be left out in the cold. But after all, this is a matter which the shareholders should carefully consider, regardless of the wants of these gentlemen, if they wish to preserve their capital intact. The shareholders in a number of the smaller societies should take this matter into their serious consideration, and endeavor to put a scheme into shape for being carried out before the end of the year. There are several ways of bringing about amalgamation. One is, to proceed on the basis of the market value of the several companies' shares, and issue to owners the shares of the amalgamated company in exchange for their own, at a price equal to that of those exchanged. Another method would be for the purchasing company to pay, say, one-third or one-half the value in cash, and issue debentures extending for a period of three to ten years for the balance. But this is a matter of detail; it is unnecessary to make any suggestions on this point. The gentlemen who are especially interested in the matter, and who would reasonably expect to be