

The reduction in the rate of interest on Consols provided for by the conversion scheme of 1888 must, of course, be taken into consideration. The whole analysis may very conveniently be divided into three main periods, namely, conditions prior to 1875, conditions during 1875-1897, and, finally, conditions since 1897. This division into periods brings out three leading facts: First, that prices for forty years previous to 1875 had shown no permanent upward tendency; second, that during 1875-1897 prices were inflated by causes of a temporary character; third, that the fall in prices since 1897 has not really been due to genuine depreciation, but to the disappearance of inflation, and that, in the future, Consols may be expected to further decline until they average about 77½, at which price the yield is the same as that for the period 1835-1874, namely, £3 4s 6d per cent.

The greatest factor operating in favor of the decline in the case of Consols has, of course, been the reduction in interest from 3 to 2½ per cent. which will account for a fall of 17 points. One is, therefore, naturally led to ask why the Government should have carried through the conversion scheme of 1888, if it had no reasonable grounds for believing that the price after the second reduction in 1903 would remain in the neighborhood of par. The very fact of British credit remaining stationary over the forty-year period, 1835-1874 precluded any financier drawing the conclusion that the rise in prices after 1874 was the direct outcome of a rise in British credit, yet the Government of the day drew that conclusion.

It may possibly be queried what reason there is for believing that the average price of Consols over a period of years in the future, under normal conditions, will not fall much lower than 77½, seeing that the fall since 1897 has been so continuous, though with one or two breaks. The reason already given, namely, that the yield at that price will equal that derived during 1835-1874, naturally assumes that the yield during this period was bed-rock. Some confirmation is given to the opinion by an economic theory propounded by the writer in another source on gilt edged investment yield under normal conditions. The general formula of the theory is as follows:

Yield, on an average, equals absolutely secured stocks.	100	Expectation of life at commencement of labor period.	100	equals	100	equals	£3 4s 6d per cent.
		Expectation of life at end of labor period.	31				

The divisor 31, i. e. the net labor period, varies from 30.57 to 32.33, according as age extremes varying from 15-20 and 60-65 are taken, as the following table shows:

Age extremes.	Expectation of life in years at age extremes.	Difference or labor period.	Yield per cent. per annum.	£	s.	d.
15 and 60....	45.21 and 12.93	32.28	3.098	equals	3	2 0
16 and 60....	44.34 and 12.93	31.41	3.184	equals	3	3 8
17 and 60....	42.50 and 12.93	30.57	3.271	equals	3	5 5
18 and 65....	42.67 and 10.34	32.33	3.093	equals	3	1 10
19 and 65....	41.84 and 10.34	31.50	3.175	equals	3	3 6
20 and 65....	41.02 and 10.34	30.68	3.260	equals	3	5 2

The labor period of a person's life may be defined as the number of years during which one has, on an average, to labor to pay to humanity the debt of having lived in the world and used its commodities. It, of course, varies slightly in the different classes, but the theory is only concerned with the general average, and includes the domestic duties of women.

If the necessities of life a person has to labor for in passing through life be represented by 100 per cent. then the proportion his labor pays for on an average each year of his labor period will be expressed by 100 divided by the number of years he labors for. This proportion should be about the yield per cent on first-class stocks, possessing undoubted security and transferability, for the yield on first-class stocks can ultimately be traced back to labor, physical and mental.

It has always been an interesting problem why first-class stocks, not only when taken in the aggregate, but also when taken singly, if the amount of the stock be large, give, under normal conditions, a yield somewhere between 3 and 4 per cent. This is not only true of the United Kingdom, but of other countries whose financial stability is undoubted. The more the subject of investment yields is investigated over a period of years the more does one become convinced that some short-sightedness has been shown by some of the financial houses with large holdings in not having anticipated the decline; in other words, in

not only having ceased their purchases of gilt-edged stocks when capital values were clearly above a normal average as judged by their yield; but in not having at such times disposed of some of their stocks; in fact, it would appear that few institutions have made any systematic study of investment yields. What is a normal average only very complete statistical records extending over a long period of years can safely establish, and even then any exceptional disturbing influences must be taken into consideration and proportionately discounted.

MANITOBA'S NEW WORKMEN'S COMPENSATION ACT.

Messrs. Oldfield, Kirby and Gardner, of Winnipeg, have issued a very useful précis in handy form of the new Manitoba Workmen's Compensation Act, passed by the Provincial Legislature in the early part of this year, and coming into force on January 1, 1911. Under previous legislation and common law, say Messrs. Oldfield, Kirby and Gardner, an employer was only liable where the employee could prove negligence on the part of the employer, or his agents, or where there was a defect in the ways, works or machinery of the employer, and there were even some exceptions to the liability in these cases. Under the new Act, however, the employer is liable in any event, with one or two minor exceptions; in other words, under the new Act an employer is liable to his employees for compensation for time lost while in his employment due to any injury to the employee.

The following is the précis of the Act referred to:—

TO WHOM AN EMPLOYER IS LIABLE.

"The provisions of this Act shall apply only to employers who employ in their trade or business at the time the accidental injuries occur, five or more workmen, or who usually or from time to time employ in their trade or business, five or more workmen."—Sec. 2.

This is not limited to manual labor.—Sec. 3 (b)

Exceptions:—An Employer is not liable to an employee who is:

1. Receiving over Twelve Hundred Dollars per year whose work is not manual labor.—Sec. 3 (b)
2. Only casually employed.
3. Not employed for the purposes of the employer's trade or business.
4. An outworker—that is a person doing piece-work on premises not under control of employer.
5. A domestic servant.
6. A farm laborer.—Sec. 13.

FOR WHAT ACCIDENTS AN EMPLOYER IS LIABLE.

"If in any employment to which this Act applies, personal injury by accident, arising out of and in the course of the employment, is caused to a workman, his employer shall, subject as hereinafter mentioned, be liable to pay compensation in accordance with the first schedule to this Act."—Sec. 4.

Exceptions: An Employer is not liable to an employee where:

1. The employee is disabled for less than two weeks.—Sec. 4 (a)
2. An injury is attributable to the employee's drunkenness.—Sec. 4 (c)
3. There is only partial disablement caused by serious or wilful misconduct of the employee.—Sec. 4 (c)

SPECIAL LIABILITY:—Where the injury is caused by the personal negligence or wilful act of the employer, or of some person for whose act or default the employer is liable, the employee may claim under this Act, or independently of it as he chooses. In all other cases the claim must be made under this Act.—Sec. 4 (b)

FOR WHAT COMPENSATION AN EMPLOYER IS LIABLE:

The first schedule of the Act covers this under two heads.