

Its agents everywhere will be members of the local boards, and the company proposes to fight it out on that line. Prudently managed, as we have no doubt that it will be, it has a prosperous career before it in the United States.—*N. Y. Spectator.*

### SPECULATIVE SECURITIES.

We cannot help feeling that in touching on the above subject, we run a risk of meeting with somewhat the same treatment that the clear-headed old soldier Marshal Villars experienced, at the beginning of the last century, when one day, driving through a mob of Parisians, maddened by the celebrated Laws's Mississippi project, he stopped his carriage, threw up the window, and sternly reproved the people for their avarice, warning them that if they did not desist from their insane practices, a national bankruptcy must inevitably be the result. His words were met with yells of defiance, and it was with some difficulty that he managed to make his escape from the infuriated populace. It is now matter of history how prophetically he spoke, and well would it have been, if he had been listened to at the time. Whilst the Mississippi project was inciting the French people to madness, Englishmen were put into an equal state of excitement by the South Sea scheme. Here also were warning voices raised in vain, the credulous public still rushed on to destruction. It is not our intention to suggest that the present rage for investing in speculative securities, assumes anything like the proportions of either the Mississippi or South Sea madness. It is at present comparatively but a cloud, small as a man's hand, but who knows to what proportions it may grow. It would be good if the following lines, which were extensively circulated during the time of the South Sea Bubble, were read by many an unthinking and uncalculating seeker after wealth.

"See with what haste unthinking fools are running,  
To humour knaves, and gratify their cunning;  
All seem transported with a joyful madness;  
But some,—their mighty hopes will come to sadness."

A high rate of interest means a difficulty in procuring money, and this again arises from the fact that the security offered is not thought, by those who are best able to judge, sufficiently good to warrant them in making advances, except at such high rate of interest and on such terms as may make it worth their while to run the risk of a total loss. Let this fact be taken well into consideration by those who invest in these classes of security for the sole purpose of increasing their income. Let them consider that whilst they are receiving a high rate of interest, as high perhaps as 10 or 12 per cent., they are risking the loss of their capital. Even where the capital may not be entirely lost, it may, nevertheless, happen that no dividends may be forthcoming for some time. In this case, the unfortunate investor experiences the inconvenience of having his income materially reduced, and lucky is he if it be only inconvenience, and not absolute ruin. We have but to recal to our memory the events of the last eighteen months, and we shall find many instances of this. Foremost amongst the defaulters stands Spain. Torn by internal feuds and political dissensions, this unhappy country has been of late unable to meet her engagements. Holders of Spanish Stock have therefore been reduced to one of two disagreeable alternatives: they have been obliged to sell out at an immediate and severe loss of capital, or putting up with their present loss of income, have held on in the hopes of better days to come.

It is unnecessary for us to mention the names of any other speculative securities, our readers can furnish themselves with a complete list, by the simple expedient of turning to the Stock and

Share list in any paper, picking out those stocks which give the largest interest for the money invested, and they may be sure that nine out of ten of such stocks are speculative, that is, more or less risky. If the inquiry be pushed a little further, and the history of any of them be entered into, it will be found that they have not earned that title without very good cause.

### THE FREIGHT BUSINESS OF THE PACIFIC RAILROADS.

The San Francisco *Bulletin* publishes the following returns of freight forwarded to the Atlantic States over the Central Pacific and Union Pacific Railroads during the first half of the current year. The increase is 100 per cent greater than the corresponding period of the two previous years, which is chiefly due to the shipments of barley and malt, new features in the operation of the roads. The movement in rice, sugar and syrup is also comparatively new. The prominent articles shipped within the period mentioned are as follows:

	Pounds.		Pounds.
Barley.....	19,067,200	Borax.....	819,300
Butter.....	270,700	Coffee.....	576,900
Dried Fruit...	740,600	Fish, Salmon	1,366,100
Glue.....	151,100	Hides.....	252,000
Hops.....	37,400	Leather.....	578,700
Malt.....	1,608,500	Powder.....	202,900
Quicksilver...	196,700	Rice.....	238,800
Ripe Fruit....	63,100	Silk.....	214,900
Sugar.....	40,000	Syrup.....	909,609
Tea.....	5,251,400	Wine.....	2,340,000
Wool.....	18,319,800	Merchandise	6,087,500
Total.....			59,121,200

In addition, over 6,000,000 lbs of freight has been shipped direct to the East from prominent points in the interior, including 1,718,000 lbs barley, 47,600 lbs canned goods, 20,200 lbs flour, 22,800 lbs quicksilver and 23,800 lbs California tobacco from San Jose; 18,000 lbs leather and 92,000 lbs wine from Stockton; 894,000 lbs wool, 217,000 lbs wine, 102,600 lbs salmon, 304,000 lbs malt, 269,500 lbs barley, 120,000 lbs flour and 105,700 lbs fruit from Sacramento, and 1,009,000 lbs barley and 109,000 lbs hides from Marysville. The total shipments East from San Francisco and the interior aggregate 65,372,200 lbs, an increase of 39,000,000 lbs as compared with the same time last year. Included in the total is 22,000,000 lbs barley, 1,922,000 lbs malt, and 19,214,000 lbs wool. It is difficult to determine the value of this trade, since there is no accessible record of the invoice cost of the shipments, and no means of ascertaining even an approximate value of the unspecified merchandise forwarded. It is probably safe to put down the value of this freight at \$5,000,000, though a good portion of this sum is simply for merchandise in transit. It is noteworthy that the tea shipments are nearly 100 per cent larger than the average for the two previous years, notwithstanding the rupture between the railroad and steamship company.

**THE BUTTER INTEREST.**—Mr. Williard of New York, in an address before the Boston Manufacturers' Association, said: "I have thought it best on this occasion to devote some time to the discussion of milk production. The butter interest of the country has assumed immense proportions. I estimate the annual butter products of the United States at 700,000,000 pounds. In 1850 it was a little over 313,000,000 pounds. Ten years latter it had reached nearly 500,000,000 pounds the annual increase being nearly 20,000,000 pounds. In 1880, if our population increases at the same ratio as during the last decade, we shall need

900,000,000 pounds to supply the demands in the United States alone. Our people are excessive butter eaters, and there is no product that offers better remuneration for extra care in its production. In New York and other Eastern cities extreme fancy butter is sometimes sold as high as \$1 a pound and upward. Suppose we put the whole product, good and bad, at an average of 15 cents a pound; this would amount to \$105,000,000. At 20 cents it would be \$140,000,000, or \$35,000,000 gain by an improvement of five cents on the pound. At 25 cents the product would be worth \$175,000,000; at 30 cents, 210,000,000; 40 cents, \$288,000,000, and at 50 cents, \$350,000,000. Is this point attainable? I feel certain that the assumption is within the bounds of probabilities, and, if correct, the gain to the butter interest alone would be \$245,000,000.—*Am. Gro cer.*

**MISLEADING PROSPECTUS.**—A case of considerable importance not only to persons who issue prospectuses of intended Joint-Stock Companies, but also to those who are induced to take shares on the faith of such prospectuses, was recently decided by the Vice-Chancellor. A motion was made by a shareholder to have his name removed from the register of shareholders in a mining company. The motion was made under the 38th section of the Companies Act, 1867. That section is as follows: "Every prospectus of a company, and every notice inviting persons to subscribe for shares in any joint-stock company shall specify the dates and the names of the parties to any contract entered into by the company, or the promoters, directors, or trustees thereof before the issue of such prospectus or notice, whether subject to adoption by the directors or the company, or otherwise, and any prospectus or notice not specifying the same, shall be deemed fraudulent on the part of the promoters, directors, and officers of the company knowingly issuing the same as regards any person taking shares in the company on the faith of such prospectus, unless he shall have had notice of such contract." In the present case the gentleman who was the holder of the shares had discovered, after inquiries instituted in consequence of certain statements made at one of the company's meetings, that one of the directors had purchased a mine for £40,000, and sold it to the company for over a quarter of a million. Not one word was said about this in the prospectus, and on this ground it was sought to have the name of the shareholder removed from the register. Vice Chancellor Malins held that the prospectus was a fraudulent one within the meaning of the Act, and he accordingly removed the name from the register. The Vice-Chancellor said that he desired now to repeat what he had said on a former occasion, and what was also said by other Judges, viz., that it was absolutely necessary for all persons engaged in the formation of a company to state in their prospectuses everything they knew about the concern which they were bringing before the public.—*Insurance Review.*

**RAILWAYS IN DEFAULT.**—A list of railways in default was recently given in the *Railway Review*. The total amount of interest due and unpaid being \$335,295,668,—about five-sixth of the defaults having occurred since the panic of 1873. The table furnishes interesting information indicative of some of the reasons for the pay interest on bonds and mortgages. Eighty-one companies are represented by amounts ranging from \$150,000 to \$30,000,000. Of these only fifteen operate in the Middle or New England States, and the total amount default by these companies is less than one-seventh of the whole amount. The remaining six-sevenths operate in the West and Southwest, and of these four have the word "Pacific" in their titles and these are in default to the amount of \$71,638,250, or considerably more than one-fifth of