

give an immense impetus to mining on Lake Superior and every other part of the Dominion, and possibly lead many of our people to be as rash in making ventures, as at present they are over-cautious in refusing to aid in good ones.

We have full faith, however, that the day is not far distant when our people will become alive to the value of prudent mining investments, and when our mines will add largely to the exports and wealth of the Dominion. The early bird is said to catch the worm, and when that time arrives, the pioneers of Canadian mining will stand the best chance of reaping the richest fruits of this department of industry.

### MIDDLEMEN.

A few weeks ago there were paragraphs in the papers respecting the formation of a vast organization, with immense capital, unequalled political influence, and wide connections, designed for no less a purpose than the handling and conveying to Europe of the whole grain crop of the Western States. By means of this organization it was claimed that the farmer in Iowa and Nebraska would be put in direct communication with the merchants of Britain, so that he would receive the same price as if he were personally to attend Mark Lane and look after the sale of his produce himself.

We do not know whether the scheme was an elaborate joke, intended to play upon the credulity of the grangers of the West, (who have certainly shown a capacity for being fooled such as is very unbecoming enlightened citizens of an enlightened country), but we have a shrewd suspicion that something of sarcasm lurked under the apparently business-like prospectus put forth. For, surely, it would occur to the most simple-hearted granger to enquire how the expenses of such a vast organization were to be met, and, inasmuch as an immense capital was one feature of its operations, how the returns on this capital were to be obtained. The prospect of being brought into direct contact with the merchants of Liverpool and London is dazzling enough, but how it is to be accomplished without somebody being paid for it, is a question which it would take a more acute intellect than an average "granger" to answer satisfactorily.

The truth is that all those schemes for getting rid of "middlemen" in either the corn trade or any other trade are perfectly futile. Goods of all descriptions in their passage from one stage to another must be handled and taken care of by somebody.

In the grain trade, the first movement of course is with the farmer himself, but the farmer cannot possibly, except in very rare instances, follow his grain further than to the nearest railway station. There he meets with men who are ready to buy and pay for his product, and here commences that series which intervenes between the producer and the consumer, stretching perhaps for thousands of miles until a final destination is reached. Such a series is absolutely necessary, and experience shows that in the long run, all their service is performed for the barest possible profit. If, indeed, all the merchants that have handled grain for twenty years back, had been simply salaried servants—say of the state or of a combination of farmers—and performed the duty of storing, forwarding and handling grain on the basis of a simple payment for service rendered and work done, our opinion is they would have gained as much—taking a broad view of the question—as they have by buying and selling it on their own accounts, and taking profits and losses together, we are of opinion that the net result would be very much as we state; proving that even if grain merchants were abolished, and a series of persons introduced who would forward grain as servants, the result to the farmer would be about the same as at present. Whoever may suffer, he certainly does not by the present system of purchasing grain by "middlemen."

A series of persons intervening between the grower in Iowa and the consumer in Manchester is, we say, indispensable. The farmer, if he would see his grain further than to the nearest station, must make arrangements to receive it himself at some port on the lakes; he must be present to see it stored in an elevator or shipped by rail or water, and following it further he must travel hundreds of miles to the sea, and there again attend in person to placing it on board a ship bound for Europe. Even here, however, he would not stop, for he would require to go to Europe himself and again attend to the delivery of his grain to its temporary storage, and finally to its sale and delivery to the consumer.

To put the case thus is of course to expose the absurdity of it. No farmer could do it, however rich he was, and however much time he had to spare. And if a combination of farmers appointed one of their number to do it, this farmer would become a middleman himself. Nothing less, and nothing more. It would occupy his whole time. He could not attend to farming. He would require to employ clerks, if the amount of grain was large. He would require funds to pay freights. Capital would

then be needed and a banking account, and arrangements with shippers, and correspondence and an office. Everything in fact that a grain merchant does, he would do. Everything that a grain merchant needs, he would need; and he would require to be paid according to the trust reposed in him and the amount of grain handled. What difference then could there be between such a man and the commission merchants?

Middlemen being then absolutely necessary, the only thing for the farmer to do is to get the best price for his grain that he can. Live and let live is a good motto, and farmers need not envy the middleman his share of the living to be got out of grain.

### ROYAL CANADIAN INSURANCE COMPANY.

During the first year of this Company's existence the fire premiums were no less than \$322,395. Only one Company—the Royal of England—took a larger amount on Canadian fire business in 1873. Such a rapid ingathering of insurance is without precedent in the insurance annals of Canada. Agencies of the Company have been opened in every direction; the volume of risks has been increased with the most daring rapidity, which some are free to characterize as recklessness. What may be the quality of the business, and whether adequate rates of premium have been secured under the Royal Canadian anti-tariff policy, are questions to which the future will give a clear answer. So far as the statement shows, everything is most satisfactory. The first year's operations must be described as entirely successful. Of the total fire premiums, less than 22 per cent. was absorbed by losses; and in the marine branch the sum paid for losses was only trifling. The Directors were, therefore, able to add to the Company's funds a sum exceeding two hundred thousand dollars, or as much as the present paid-up capital. A dividend of 10 per cent. to the stockholders is, of course, the least they would expect; but there is an omission in not charging it against the profits of the year. We should have liked the statement much better had it contained an estimate of the re-insurance liability; but it will be pleaded on behalf of Mr. Perry that this sin of omission is one of which most Canadian fire insurance managers are guilty. The establishment of such widespread agencies in the United States is a bold bid for business; and the result will largely depend on *how* and *where* it is done. We only hope the profits will be commensurate with the courage displayed and the risk assumed.