

later years. The amount insured for, whether \$1,000 or \$5,000, must be made up from members' contributions and interest thereon, or it cannot be paid. If a man, likely to live long, joins any insurance association, the members of which pay only one quarter price for their insurance, the burden of quadruple price must fall upon him later on, if he does not drop out before. If he does retire early, the load is all the heavier for those who remain. The whole basis, in fact, is unsound, and such a structure must crumble and fall upon those who are unwise enough to put their trust in it.

TRANSIENT TRADING.

A good deal of misapprehension appears to exist as to what the Ontario act of last session, relating to hawkers and pedlars, was intended to cover. Section 495 of the Consolidated Municipal Act of 1883 provides that, any municipality may pass by-laws for the purpose of licensing hawkers and petty chapmen. It is, however, provided that no such license shall be required for peddling to retail dealers, or for hawking or peddling any goods or wares, the growth, produce, or manufacture of the province, except liquors, by the manufacturer or producer, or his bona fide servant, or employee having written authority in that behalf.

The provision of the Act of last session is an amendment to the clause of the municipal act referred to, and declares that the word "hawkers" in that section "shall include all persons who, being agents for persons not resident within the county, sell or offer for sale, tea, dry goods or jewelry, or carry and expose samples or patterns of any such goods to be afterwards delivered within the country to any person not being a wholesale or retail dealer in such goods, wares or merchandise." Some persons have, apparently, fancied that this was broad enough to prevent outsiders from buying up bankrupt stocks and having them run off by clerks, or from sending bankrupt stocks into the county and having them sold over the counter by clerks. This is, we think, a mistake. Whatever the object of the Legislature was, it will probably be held that the amendment of last session means nothing more than that the protection given to hawking of goods, wares or merchandise, "the growth, produce, or manufacture of this province," shall not apply where the commodities to be sold are tea, dry goods or jewelry. Those who imagine that the amended act has any greater force than what we have indicated above will probably, on the matter coming up for decision, find out their mistake.

INSURANCE ON GOODS IN BOND.

A correspondent in St. John N. B., writes asking the three following questions:—

1st. Say a merchant has \$10,000 worth of goods in bond, or more, as the case may be, should he insure for more than their bonded value? i.e. should he insure to cover the duties on said goods?

2nd. Do you know of the government collecting on bonded goods (private property) actually in Bonded Warehouse, when totally consumed by fire, or only a partial loss?

3rd. Has government the power, seeing duties are only paid when goods go into home consumption, to collect duty on goods destroyed by fire.

Our answer to the first question is that a person can insure the value of the goods in bond, including the amount of duty payable

thereon, provided the insurance company is willing to accept the risk. This is what is known as a "valued policy." The parties to such an insurance contract having agreed on the value of the goods insured, no further proof of value is required in the event of loss, except in cases of fraudulent over-valuation. The estimate that the insured places on his property must be accepted by the insurance company, either in express terms in the policy, or by making the application in which the value is given, a part of the policy.

As regards the second question, we do not personally know of any case in which the government collected duties on goods that had been destroyed by fire. We have no doubt however, of its right to do so. The goods are kept in bond for the convenience of the owner, and they are at his risk. Our correspondent must know, as a business man, that whatever may become of goods placed in bond, the owner must give security to double their value, so that the duty will be paid. We know of a case in which the government did remit the duty on goods consumed by fire.

The answer to the third question is the same as that to No. 2. The duty may, under certain circumstances, and for certain reasons, be remitted.

TIMBER INVESTMENTS.

The *Scottish Banking and Insurance Magazine* has some severe comments on the failure of two Canadian lumbering companies, in which Scotchmen had been induced to take a large pecuniary interest. It says:—"To every man who takes an interest in the good fortune and reputation of Scotland, the recent liquidations must come as a distressing surprise. * * * Prominent among these liquidations are three connected with the timber trade in the United States and Canada. * * * The first point for Scottish investors in timber would apparently be to pay not more than a fair and moderate price for the subject which they propose to convert into dividends. Now, here, two fatal blunders seem to have marked the course of the companies, so recently started and so recently stopped. They imagined that the money they paid was all paid to the true vendor of the subject, but it appears that very large sums were diverted to the pockets of the benevolent and enterprising gentlemen who introduced these tempting schemes to the Scottish public. Of course, a man who procures a good investment in California or Quebec is entitled to something for his trouble, and is entitled to ask anything he pleases, so long as he does not conceal that he is asking for something. But when we find that, as in the case of the Redwood Company, at least £24,000 is thus intercepted, and practically £124,000 is added to the price which might otherwise have been paid; or, as in the case of the American Lumber Company, a sum of £54,000 is actually paid to Canadian promoters over and above what could in any view be considered as the fair value of the subject, we have got far beyond the region of reasonable dealing, and it is obvious that, assuming everything else to be correct, these companies would begin business heavily burdened in the race. The second point, however, is still more serious. What was the true value of the properties acquired? To some extent that is a question which has still to be answered in the liquidations which are proceeding, and to that extent it would be improper to express any opinion on the subject. But one may be permitted to express surprise and admiration at the spirit of child-like trust

in which statements made by American promoters were accepted in this country. So far as is known, not one of the many Scotsmen who put large sums of money in these timber concerns had ever been in or near Humboldt County or Muskoka, or had ever crossed the Straits of Mackinaw or ascended the upper waters of the Ottawa river. There was no examination of the properties at all by any person sent from this side. That was done afterwards when the money was paid, and the company had got into difficulties. There was no examination at all in the case of two of the companies, and in the case of the British Canadian Company the examination was made by parties on the other side, not selected by the Scottish promoters, and under circumstances which excluded the idea of any reliable results being obtained. The sanguine view generally taken in Scotland seems to have been that, as regards copper, which is below the ground, and even as regards cattle, which are wandering about the ground, you may be imposed upon; but nobody would think it worth while to make a delusive statement about trees, because they are not only visible but stationary, and can be counted. Then, why were they not counted, or why was not sufficiently detailed evidence procured to satisfy reasonable persons that certain quantities of timber existed? But the existence of so many trees is only the first step in such an inquiry. Of what size are they?—for some may be so big as to require special and costly apparatus for cutting and removing them, and others may be so small that it would not pay to cut them. Then, where do they stand?—for, if they stand in solid groves, it may pay to start a camp in the middle of them; but if they are isolated trees, even the finest quality of timber may be commercially inaccessible. Again, with reference to each considerable portion of the forest, is it near or far from a stream sufficiently big to float your logs? You may be able to afford horse-haulage for a couple of miles, but not horse-haulage for four miles or six. Then, having reached your stream, how far must you drive your wood to your mill, and what are the risks of obstructions in the stream?—for, if the logs do not descend with the first spates of spring, they may not come at all. These matters are all necessary elements of even the roughest estimate of the value of the property for lumbering purposes, but they do not appear to have been distinctly present to the minds of the Scottish investors in these companies. They seem rather to have assumed that because certain private firms, the vendors, were represented as having made profit in past years in the neighborhood of the investment, it followed without doubt that similar profit might be earned in the future. The validity of that assumption depended of course upon the question whether the general conditions were the same in the old and in the new business. Unfortunately, in some cases it was the old business that had destroyed the ground for the new. The best working centres had been exhausted, and only the fragments of an estate were left, or new mills and roads required to be supplied. But, even if the Scottish investor had miraculously been supplied with an excellent estate, which no doubt he would have some difficulty in finding on the map; even, if there had been no fluctuations in wages to affect the normal cost of production, and no variation of price to cut down the expected profit to a fraction; still, the greatest of all fallacies remained behind. Why should it be taken for granted, without inquiry, that when a company proposes to cut 80 or 100 million cubic feet of