

A NEW CLASS OF OFFENDERS.

WHILE we admire the laudable exertions displayed, of late, by the several Fire Insurance Companies, in their efforts to suppress the crime of Arson, which is one of the gravest known to the law, we are bound to remark on some of those Companies that though busily engaged extracting the mote from their brother's eye, seem quite unconscious of the fact that a beam rests undisturbed in their own.

The following is an extract from 26 Vic., cap. 43, intitled "An Act in relation to Fire Insurance Companies not incorporated within this Province:" "Every such Insurance Company (Foreign Fire Insurance Company) as aforesaid, shall, in addition to the statement required by the third section of this Act, annually in the month of January, file in the office of the Minister of Finance a statement verified by the oath of the President, Manager, or Managing Agent of such Company, in this Province, showing its assets and liabilities, the amount of their Capital stock, how much has been paid thereon, of what the assets of the Company consist, the amount of the losses due, and unpaid losses adjusted and not due, losses in suspense and waiting for further proof, and losses the payment of which is resisted, and for what cause, and all other claims against the Company, together with the amount of the premiums earned and unearned, for the past year—such statement to be made up to the first day of July next preceding; and a copy of such statement shall be published in at least one newspaper in the county, city or place where the principal office or place of business of such Company is situated, and another copy shall be laid before each branch of the Legislature within thirty days after the commencement of each session of Parliament; and any Insurance Company failing to comply with the provisions of this section shall forfeit and pay to the Crown the sum of one thousand dollars, to be recovered on information to be filed by the Attorney General in that behalf."

Now when we find that out of fifteen Foreign Fire Insurance offices licensed to do business in Canada, only six have made the statement required by this Act, and one of those six has failed to publish the statement; the question naturally arises "what reason have the offending Companies for not complying with the law"? The object of the Legislature is to make sure that Companies doing business in the province are in a solvent condition; and if Insurance offices, in the face of this law, decline to make the statement required, the conclusion is inevitable that their affairs are not in a position to be made public. Perfect security is the first principle of Insurance; and while we would object to prying unnecessarily into the affairs of any institution, we consider that the Government is bound to keep itself constantly in possession of the actual financial position of every Company doing business under its sanction.

Wealthy corporations like the Phoenix, the Liverpool and London, or the Commercial Union, whose transactions are extensive and varied, may find it very troublesome to give returns of their business all over the world, but for such Companies Parliament has made a provision whereby this trouble may be avoided. The same Act to which we have referred provides that any Company which shall deposit the sum of \$100,000 in cash or certain securities, with the Minister of Finance, shall only be required to make returns of its Canadian business. The following table shows the Companies who have deposited this amount:—

Company	Amount of Deposits.	How made up.
The Phoenix, (In Canada stocks, & 3 p.c. Consols.)	\$106,120	
The Liverpool and London and Globe, 100,202		(In Canada 5 per cent. stock.)
The North British and Mercantile	100,253	do. do.
The Imperial	103,067	do. do.
The Royal	68,533	do. do.
The Queen	51,100	do. do.
The Commercial Union	50,613	do. do.
The Scottish Provincial	50,445	do. do.
The London Assurance	50,127	do. do.
The London and Lancaster	50,127	do. do.
The Lancashire	48,667	do. do.
(a) The Etina	15,200	do. do.
(a) The Hartford	10,000	do. do.
(a) The Western (British)	10,000	do. do.
(a) The Home and Colonial	10,000	do. do.

(a) Agents of Companies that do not deposit \$50,000 are obliged to deposit \$10,000, and to retain and deposit with the Minister of Finance seventy-five per cent. of all the premiums received, until such premiums shall amount, together with the \$10,000, to the sum of \$50,000.

It is just within the range of possibility that nine out of the above fifteen Companies have unintentionally

neglected to make the return required, and as we should be very sorry to injure the position of any institution unnecessarily, we refrain, for the present, from publishing the names of the defaulters; but should the return not be made within a reasonable time, we shall feel bound, in the interest of the public, to make known the names of those Companies who, by failing to make this statement, place beyond our reach the only reliable method of ascertaining their true financial position.

MINING.

A LECTURE, lately delivered by Professor Bell, of Queen's College, Kingston, before the Natural History Society, on our mining resources, suggests the necessity for consideration as to how these ought to be developed. As hitherto conducted, our mines have been barren of result to all but a few speculators, except in some rare cases, which have been, however, the exceptions to the general rule. Mines, like all other commercial speculations, must be conducted in a fair, business-like manner, and the mode of management which has been found successful, in localities in which they have long been wrought, cannot be with safety set aside in favor of new and untried methods.

In Cornwall, Mines are wrought either by Joint Stock Companies, or by what is called Stock-book system. In mining for what are known as Metallic Minerals, such as Tin, Copper, Lead, &c., the former are seldom entered into; the latter, or Cost-Book system, is usually adapted, the value of the shares being left undetermined, and the capital subscribed as the work goes on. Until within the last few years it has been very difficult to obtain information which could be relied on as to the quantity and value of the Metallic Minerals raised in the United Kingdom; now, however, this uncertainty is removed. We find by the returns, published by authority of the Lords of the Treasury, that the value of these may be taken at an average of four millions and a quarter sterling, in round numbers, twenty-one millions and a quarter dollars.

The mode of working by the Cost-Book system is easily understood, and is thus described: "When any number of individuals have determined on working a piece of Mineral ground, they procure a book henceforth to be denominated the Cost-Book, and enter therein, first, the terms of the lease, secondly, the name by which the enterprise is to be usually known, then the numbers of shares which each individual is disposed to become responsible for to his Co-shareholders. The Mine itself is now known as an adventure, and the shareholders as adventurers. Having thus been legally constituted, the adventurers proceed to the appointment of their officers, which are two in number, viz.—the Purser and the Captain. The Purser is Secretary and Treasurer, being the legal officer of the Company, and, as such, can sue and be sued in their name. The Captain is the scientific officer, and is responsible to the adventurers for the proper working of the Mine. To come fully within the Cost-Book system, the adventurers should hold meetings every two or three months for the purpose of investigating the state of their property. At these meetings the accounts should be audited, and provision made for liquidating the expenses of the concern until the proprietors again meet. Where a profit has been made on sale of Ore, such profit should be divided amongst the adventurers; and in no case should the Mine be left in debt without the meeting providing for its liquidation." The advantages of this system are many. There is nothing about it which cannot be comprehended by the most ordinary understanding; there is frequent inspection, and a direct control is held over all proceedings. The transfer of shares is simple, and the withdrawal from the adventure is rendered easy to any shareholder who so desires.

The plan usually adopted in this country appears to be simple enough. It is merely, as a general rule, the purchase of a piece of land, of greater or less extent, on which "indications" of Copper have been found, the inception of a "Company" with a nominal capital of from three hundred thousand to five hundred thousand dollars, the "floating" of this upon the market by means of a sufficiently highly spiced prospectus, the pocketing of an indefinite number of dollars by a few enterprising share brokers and promoters, a feeble spatter for a month or two, and the appearance of the name in the share list of the new concern, without a dividend, at a ruinous discount, and finally, its untimely death, and as a consequence, the tarnishing of the Canadian name, and the destruction

of Canadian Mining enterprises. We would warn all seeking investments, to beware of these bogus Companies. It is now the season when they will once more be thrown on the market, and already we have had several of them placed in our hands, with almost fabulous nominal capitals. Land worth, probably, ten dollars an acre, valued, in some cases as high as from four to five hundred dollars an acre, the whole money extracted from the pockets of the victims in such cases, going into the pockets of the men who get up these concerns; neither the original proprietor of the land nor the shareholders receiving one penny of the whole. Such schemes are a curse to any country, and it is the duty of every public-spirited man to expose them, and put the press in possession of the information necessary to shew them up. They must not be confounded with true, bona fide, honestly conducted Mining Companies, which have done, and will yet do a large amount of good by developing our resources. An immense capital is not necessary for the successful prosecution of such enterprises. One of the most successful Companies on record, the Devonshire Great Consolidated Mines, having a paid-up capital of only £1,024 pounds sterling, had, up to the 22nd November, 1861, paid off dividends £792,576 sterling, with the Mine at a marketable value of £384,000. The ore, too, did not yield a high per centage, but the quantity brought to market was enormous.

What, then, has little to beget the union of Canadian mining has been the utterly disproportionate nominal capital wasted in the promotion of these schemes, the great bulk of which has gone into the hands of speculators, leaving nothing for working capital. Many mines might have paid a very handsome dividend, but for this dead weight which licked up all the proceeds in the shape of interest on capital. If our mines are to be developed, all such attempts must be frowned down, and every means adopted to lay before the public the true nature of them.

ELECTRIC TELEGRAPHS IN CANADA.

The following statement shows the progress made in the extension of telegraphic communication in Canada during the past year:

	In 1863.	Increase during 1864.	On Dec. 31st, 1864.
Length in miles of Telegraphic line	3130	741	3871
Length in miles of wire used	4045	349	4394
No. of stations open to the public	146	142	288
No. of instruments	208	118	326
No. of public messages sent	322,779	83,338	416,117

These totals are thus made up:

	1863.	Provincial Telegraph Co. (a)	Vermont Telegraph & Boston Telegraph Co. (b)	Montreal & Boston Telegraph Co. (c)
Length in miles of line	43	43	3087	
" " " wires used	43	43	4002	
No. of stations open	1	1	145	
No. of instruments	1	1	207	
No. of public messages sent	2560	2560	330,210	

	1864.	Increase	Total
Length in miles of line	95	43	3433
" " " wires used	95	43	4558
No. of stations open	5	1	22
No. of instruments	5	1	20
No. of public messages sent	100	18,743	397,274

(a) The Provincial Telegraph Company only began business on December 23rd, 1864.

(b) This Company furnishes 22 journals twice, and sometimes thrice a day with public reports; which, together with receipt-messages, if calculated at an average of ten words, would give considerably more messages than those reported above. Including these, 750,000 messages were set down as passing over the line in 1863, an amount said to have been "considerably exceeded" in 1864.

(c) The Vermont and Boston Telegraph Company also receives two general news reports daily, and furnishes two journals with news matter. The above figures relate solely to that part of the Company's line within the limits of this Province.

A New Process

For extracting sulphur from coal has been discovered, by which the sulphur is extracted from Picou and other cheap coals, so that they can be used for forging and iron work. The chemical is very cheap, costing less than a dollar a ton to prepare the coal. It gives a stronger heat, and is better for iron uses than the costly English coal now used. The Novelty Works of New York have introduced it and prepared the coal on their own premises. It will produce an entire revolution in the use of coal.