

involve the appointment of an officer to represent the Imperial Government—an officer who must be really the appointee of the Canadian Government—the actual force in negotiating would reside in Ottawa. It could never be permitted to be at the mercy of Downing Street.

A WAR WITHOUT WISDOM.

It is not always delightful to compare the importance of proceedings in the High Court of Parliament with what is going on for or against the public interest outside. Parliament for the past three days of this week nominally deliberated upon grave affairs of state. But private members who are generally aflame with zeal for the general wellbeing, seem to have been incapable of taking notice of an ominous industrial war. The House of Commons and its galleries were crowded the other evening to hear Mr. Bourassa deal at great length, and with unnecessary eloquence with a bye-election harangue of a Cabinet Minister, to which nobody else attached the slightest permanent importance. Hours have been occupied with recitals of electoral improprieties of parties opposite, delivered with all the fervor, sense and profit of, "You're another." We seem to be reaching a stage of political wisdom when it is thought that you purge your own transgression by proving that your enemy did something just as bad a long time ago.

We are not really growing great in ineptitude, though it sometimes looks like it. It does not matter what Mr. Aylesworth said about Mr. Bourassa, or what Mr. Bourassa said about Mr. Aylesworth. But it does matter that the governors of industrial corporations that are backed and bolstered by public money, and are utilizing the capital of thousands of private shareholders, have got into a wretched dispute which, whatever its issue, must result in the loss of uncounted thousands of dollars, and must strike a blow at the reputation of Canadian finance and business. The war between the Dominion Coal Company and the Dominion Steel Company is a matter of definite national importance to which attention might well have been called by private members in the debate upon the address. Mr. Fielding's reference to it, in his budget speech, was appropriate enough; though it might have been pitched in a more remonstrative tone.

The merits of the quarrel, which might have ruined the Steel Company, will be settled in a court of law. Though the result may be of permanent effect, it will not materially change the current of public opinion, which has this week been setting steadily towards the belief that the sanctity of contract has been violated in a way which would not be condoned on the other side of the Atlantic.

Parliament has a special right to express itself upon the more vital aspects of the dispute. The Coal Company and the Steel Company are what they are because of what the nation does for them. Almost every user of coal in Canada is paying more for warmth and the pleasures of the table than he would if there were no duty upon Pennsylvania coal for the benefit of fuel produced in Nova Scotia mainly by the Dominion Coal Company. Machinery of all kinds is more costly than it would be but for the combination of duty and bounty decreed in the interests of their manufacture by such companies as that which is such a factor in Nova Scotia.

The "Halifax Herald" with every appearance of reliability estimates that the duty on coal means a contribution by Montreal citizens of \$300,000 a year largely for the sake of the Nova Scotia mines. The subsidies to the Steel Company are of corresponding magnitude. Both industries have been favored by the Provincial as well as the Federal Government, so that the contributing public has a most direct interest in the outcome of the controversy. The prevailing view is that the Coal Company had no right, because under

a contract made years ago, it was obliged to supply coal to the Steel Company at a price which did not provide for an unlooked-for rise in miners' wages, to discover a pretext for breaking the contract and driving the Steel Company either to shutting down its works indefinitely, or as it has been doing, getting coal from Philadelphia. The dominating interests in both companies were regarded as identical. The contracts which have led to the trouble were believed to be of mutual advantage. Provision was made for their revision at a given period. Instead of the peaceable fruits of common sense there is the spectacle of disorganized commerce; of damages against one or the other, being piled mountains high; the folly of Nova Scotia coal being carried to the United States, and of United States coal being brought to the very place from which an illimitable supply is procurable. The farce of bringing coal to Newcastle was never more completely and disastrously illustrated.

FIRE COMPANIES' POSITION.

Fire insurance in Canada has not been profitable when considered for the 31 years during which statistics are available. During that period, expenditure has exceeded income by \$1,142,998. The element of chance enters into the business so largely that it is impossible at any time to foretell what the future has in store. That Canadian companies have been able to weather the storms of recent years is a tribute to the manner in which they are managed. The Ottawa and Toronto fires caused severe losses, and the San Francisco fire has yet to be taken into account. With such events in the past it would not be surprising to learn that Fire Insurance was becoming less popular as a business. The statistics are all the other way. While two British companies, the Manchester and the National of Ireland, retired from the Canadian field in 1905, four companies enlarged their activities by obtaining Dominion licenses. These were three Canadian companies, the Manitoba, the Acadia and the Nova Scotia, and one American, the Rochester German. Two other companies; the Richmond and Drummond and the Sovereign have received Dominion licenses since the beginning of 1906. The Yorkshire of England is now preparing to enter the Canadian field, and expects to commence about January 1st next.

The fact that Fire insurance is based upon a sound principle is responsible for the willingness of companies to operate in the face of figures showing that in the past they have lost money faster than they have made it. Modern business methods make it more possible for a company to recover from the effects of a serious loss. Canadian companies lost heavily by the Toronto fire and showed an excess of expenditure over income for the year 1904 of \$1,119,171. With one exception this was the largest deficit since the government commenced compiling the statistics in 1875.

In 1877 the fire at St. John caused an excess of expenditure over income of \$1,178,084. In spite of the heavy losses in 1904 the Canadian companies were able to show in 1905 an excess of income over expenditure of \$533,927. In one year they had recovered and had wiped out half the previous year's deficits. In former years it took much longer to overcome the effects of a heavy loss. After the St. John fire, and until 1884 there were annual adverse balances with the exception of the year 1880. Since 1884 there have been eleven years of favorable balances and ten years of adverse ones.

The frequency of heavy losses has made the companies interest themselves in everything that can be done to lessen risk. In this line nothing has been more effective than the educative campaign carried on incessantly to induce insurers to reduce the danger of fire in their buildings. "Improving the risks" works both

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INTROSPE

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