in 1903, owing to a diminution in the income from investments. An increase of $44,000,000 was also shown in fixed charges, including interest on bonds, so that ultimately the amount available for dividend was less by nearly $5,500,000 than in the previous year. The amount actually distributed, however, was nearly $24,000,000 more than in 1903, the surplus being cut into for that purpose, and reduced by $29,260,048. An aggregate increase of 1½ per cent. is shown in the share capital, and of upwards of 11 per cent. in the bonded debt, the actual increase in the latter being $753,000,000. Against this amount a reduction in other directions of $275,000,000 is shown, but the great expansion of the bonded debt is giving rise to some criticism on the other side. The need for a large increase in the ralway mileage is also being urged, and it is pointed out that, whereas in 1893 there were 26.39 miles of line per 10,000 inhabitants, in 1903 the proportion was only 26.03. This condition of affairs is at the bottom of the traffic congestion that exists on many of the railways of the United States.

Public Debt and Finances, 31st October. The public debt account on 31st October last stood as follows:

	1904.	1905.
LIABILITIES—		
Payable in Canada	$7,589,750	$7,556,718
do in England	209 479,618	209,520 233
do do (Temporary Loans)	4 866,666	2,920,000
Bank circulation, redemption fund	3,333,414	3,419,694
Dominion Notes	46,617,076	50,610 851
Savings Banks	61,766,482	61,398,526
Trust Funds	9,314,245	9 419,350
Province Accounts	11,920,668	11,920,668
Miscellaneous and Banking Accounts	18,611,162	22,108,455
Total gross Debt	$373,499,085	$378,884,498
ASSETS—		
Investments— Sinking Funds	44 880,292	47,144,273
Other investments	14,113,511	12,553,681
Province Accounts	4,119,591	4 048,795
Miscellaneous and Banking Accounts	56,744,651	54,650,810
Total Assets	119,858,047	118,397,561
Total Net Debt	253,641,038	260 486,937
do 30th September	248,999,024	261,023,600
Decrease of Debt	....	536,663
Increase of Debt	4,642,014	....

The public revenue for current fiscal year, July 1 to November 1, was $24,798,479 against $23,513,263 in same period 1904. The expenditure, Consolidated fund account, was $15,840,728, an increase of $2,387,783 over 1904.

The Dominion notes increased in October by $533,461, chiefly in $1, $2 and $4 notes. The $5,000 notes decreased by $635,000 and the $500 and $1,000 increased by $429,000. Since July the issue of Dominion notes, of the smaller denominations, has increased from $13,064,764 to $14,671,235, an addition of $1,606,471, which is accounted for by the demand for currency during the harvest season.

THE CANADIAN MANUFACTURERS' ASSOCIATION AND THE UNDERWRITERS.

The Canadian Manufacturers' Association, whose letter we publish in this issue, intimates that we have misrepresented their intentions in THE CHRONICLE of the 10th inst. If this were so, it were a grievous fault, which was quite unintentional, but with both of their letters before us, we are somewhat puzzled to know what the Association did mean, if it be not what we suggested.

The Manufacturers' say there is no foundation for the statement that, after the advance in rates, they threatened to do their own insurance. If this be so, some of them must have been misrepresented in the statements made in the newspapers. However, it is only right that we should accept the corrections, and will, therefore, proceed to the other points under discussion.

In regard to the proposed system of inspection for the purpose of "reducing the fire waste," we do not see how we could avoid coming to the natural conclusion, namely, "reduction in rates," and that this was to be brought about by the inspectors—not of the insurance companies—but of the Manufacturers', over whom the control rests with the latter.

It now seems this is to be a supplemental inspection for the reason given in the letter before us, that the inspectors of the insurance companies "are not allowed to suggest improvements to the insured in physical construction." This is entirely erroneous. The companies' inspectors are not only allowed, but do suggest improvements in physical construction when possible, but, unfortunately, it often, or we may say generally, happens that the insured does not consult the companies until the building is so far advanced that those improvements are partially or wholly impossible.

Taking up the agency question. The Manufacturers' assume that two rules of the underwriters, namely, (1) agents shall not share their commission with unauthorized parties, and (2) not to effect insurance in non-board companies are "more honoured in the breach than the observance." This is a sweeping assertion, which we are inclined to doubt, because, if true, it would simply mean that the underwriters form rules that they cannot carry out and should, therefore, be expunged. This is what we make out: that the Manufacturers' desire so far as they themselves are concerned, and if this is not "interference," we fail to see what other definition it deserves.

Of course, if the Manufacturers' merely wish to consult with the underwriters as to the best methods of improving their risks and obtaining a corresponding reduction in rates, we are quite sure they would be met in the friendly spirit which is extended to every insured for the same end so long as each has the liberty of managing their own business.