

**CENTRAL PACIFIC RAILWAY COMPANY.**

The re-organization scheme in connection with this Company, and which is now in full working orders, seems to have given general satisfaction.

All differences between the Company and the Government of the United States have been finally arranged. It seems to be the opinion, however, in American financial circles that the road has been rather hardly dealt with. Years ago, when profitable running was impossible, the Company secured from the Government special aid in the shape of subsidy bonds for \$27,855,680. Up to July, 1898, the Company had paid no interest on this loan, nor had it repaid any part of the principal. It was at this juncture that the United States called upon its debtor for payment in full, including all accrued interest. The capitalization of this interest added to the original loan, placed the road in liability to the Government for the enormous sum of \$58,812,715—more than double the amount of the principal advanced.

The friends of the Company complain that this rigorous measure carried with it unusual severity, and it does seem as if the merits of the case called for a reasonable amount of leniency. During the earlier years, when the Company was battling against difficulties, the Company was being opened up, and the Government was deriving great benefit from the operations of the line, which formed a most important part of the first trans-continental route.

But the Act was passed, and the situation which was very serious had to be faced. The law demanded that the debt should be paid within a term not exceeding ten years, the Government in the meanwhile holding security.

Under the plan of re-organization of capital, the Company have issued twenty promissory notes, which mature, one at the end of each six months, during the next ten years. Attached to these notes, is an equal amount, face value, of first mortgage, 4 per cent., refunding gold bonds, which the Government hold, as security, to be released in proportion as said notes are retired.

It would seem as if the simpler plan was for the Government to take over the bonds, but Congress in framing the Act expressly stipulated for the above form of settlement, and fixed the rate of interest on the notes at 3 per cent. per annum.

Here, the Company is a distinct gainer, saving one per cent. per annum on the amount of notes outstanding, as the bonds held as security, and which will be gradually sold to redeem the notes, carry 4 per cent. interest. On such a large amount of principal, it can be readily seen that the economy is an important one to the Company.

A further arrangement has been made, which greatly strengthens the situation, viz.: That the Southern Pacific Company, has agreed to guarantee both principal and interest of the entire bonded debt of the Central Pacific Railway Co. The guarantee is a clean one without conditions.

**RESTORATION OF RATES POSSIBLE.**

The New York Underwriters' Committee of fifteen called a meeting of all fire-insurance companies operating in local territory for Wednesday last, for the purpose of organizing the New York Fire Insurance Exchange. The Committee were unanimous in believing that the meeting should be held without further delay, and that rates should be restored at once. If the project goes through, rates will be advanced immediately, and the 80-per cent. co-insurance will be again a feature of policies of insurance.

**BUSINESS CHANGES.**

Mr. Henry M. Grahame, a son of Mr. Jas. A. Grahame, late Chief Commissioner of the Hudson's Bay Company, has succeeded to the business of Messrs. Löwenberg, Harris & Co., at Victoria, B.C. Mr. Grahame will also represent the Commercial Union and London Assurance.

The New Westminster Branch of the business will continue to be under the management of Mr. F. J. Coulthard.

**DIGBY, N.S. FIRE.**

Following is a list of the Companies interested in the above, together with amounts paid by each:—Aetna, \$4,455; Atlas, \$2,500; British America, \$3,000; Commercial Union, \$600; Guardian, \$1,277; Hartford, \$2,133; Imperial, \$2,500; Insurance Company of North America, \$2,500; Keystone, \$600; Lancashire, \$2,000; Liverpool and London and Globe, \$500; National of Ireland, \$2,600; Norwich Union, \$500; Phoenix of Hartford, \$735; Quebec, \$1,500; Queen, \$1,277; Sun, \$3,200; Union, \$600; Total, \$32,477. The total loss is estimated at about \$80,000.

It is believed that the fire originated from the overheating of a hot air, wood burning furnace, which, during the extremely cold weather immediately preceding the conflagration, had been fed with coal mixed with wood. At the time of the fire, there was a heavy gale and snow storms. There was the usual lack of readiness in the water supply, and an insufficiency of hose.

**A NEW ENTERPRISE.**—The prospectus of a new life venture, bearing the name of The National Life Assurance Company of Canada, has been issued. The Company will have its head-quarters in Toronto, and the provisional manager and secretary respectively are Messrs. R. H. Matson and F. Sparling, formerly attached to the Provident Savings' Life Assurance Society. The capital will be \$1,000,000, of which one half is being offered for subscription.