

Nett Premiums received on new risks	£13,456	12	7
Losses paid thereon.....	£5,857	11	9
Do. pending.....	1,340	15	0
			7,198 6 9

Leaving a surplus of £6258 5s. 10d. to cover the value of £66,841 3s. 4d. subsisting risks, which is estimated at £1336 10s. 0d.

7. Your Directors cannot leave this branch of the business without expressing their opinion that the safety and interests of the public at large imperatively demand at the hands of the Government both a compulsory registration and a compulsory inspection of vessels navigating the inland waters. As the law now stands both are optional with the owners, and though registration is pretty general, yet inspection is rarely resorted to, the Government Inspector having no power to inspect except on the requisition of the owner, whose interests it too often is to conceal the defects of his vessel. Under such circumstances no precautions can adequately protect the underwriters against fraud and misrepresentation, or the public against danger, and to their absence is mainly owing the late loss of life which took place upon the *St. Lawrence*. In that case, however, the facts which have come out on the inquest, and those known to the underwriters on the ill-fated vessel, are such as may probably exonerate the underwriters from the pecuniary loss which has taken place. Much has been done by the united action of the Board of Lake underwriters, composed of both American and Canadian Companies to remedy the short-comings of the law. With this view they have effected a very extensive registration and inspection of both American and Canadian vessels at an annual outlay of about £5000. And the effect of such inspection is apparent in a great improvement in the existing craft, and the building of a superior description of vessels. But as their Inspectors have no right to inspect any vessel, and do so only by sufferance, registration and inspection are still short of what is really needed. It is hoped by your directors that the late catastrophe may rouse the Canadian Legislature to such action as might