

THE WOOL QUESTION.

It is gratifying to find that the necessity of a change in the quality of Canadian wool is beginning to be recognized. We observe the articles on this subject in our recent issues copied into various country journals, and into at least one city daily, whose appreciation of the importance of the subject is thereby indicated. A manufacturer writes us from Waterloo County: "Your views on the wool question are entirely correct and deserving of the earnest attention of our farmers. The figures quoted from the Gaelph Agricultural College, as to different breeds of sheep and their value, are very convincing." An experienced wholesale dry goods merchant says: "I have read the article on Wool in this week's issue. It fully embodies my views with reference to country storekeepers buying wool indiscriminately, being afraid to offend their customers. They buy it as they do butter, one price for all, not discriminating in the quality. Such articles will have a good effect, and I hope you will keep at it."

After quoting the MONETARY TIMES as to the need of changing the breed of our sheep and the character of our wool, the Berlin News says: "When alpaca goods were in fashion, and Randall, Farr & Co.'s mill was at work in Hespeler, then were the days for long-stapled wool. But these goods are now out of vogue in France, Britain and the States. A shorter, finer wool is required for fashionable fabrics, and Waterloo farmers should be told why their Leicester or Cotswold fleeces bring only 22 and 23 cents, where they used to bring from 35 to 60 cents per pound."

As an interesting contribution to the subject we quote from last week's circular of a Philadelphia firm of wool dealers of old standing:

A feature of the present clip of the United States of vital importance to shippers, is the increased proportion of undesirable coarse wool and the decrease of the most desirable and higher priced medium.—This occurs in sections where medium has heretofore been most grown, and is the result of crossing the Canada and other long coarse woollled English breeds on the coarse and low medium native stock. The tendency of this coarse breed is to stamp its character upon the wool of its progeny; and so much of it is now produced, there is a surplus of the coarse grade which is crowding out the more desirable and higher priced medium.

Wool growers can correct this by recrossing these coarse breeds with the merino, and can thereby improve the value of the wool from five to ten cents per pound.

No. 1 Medium or half bred merino wool has never been in over supply, and to-day commands a higher price, and is the most wanted of all qualities. It is also the only grade that is seldom if ever menaced by foreign competition, while the coarse English and Canada wools are only now excluded by a slender margin.

While the most desirable as well as the undesirable qualities are bought for about the same

price from the grower, it makes but little difference to him what he raises; but it makes a vast difference to the purchaser whether he buys wool worth in the Eastern market five to seven cents per pound above cost landed here, or that much less.

BRITISH AMERICA ASSURANCE CO.

The annual meeting of shareholders last week was much less numerously attended than usual. Whether this circumstance arose from the fact that, contrary to the policy of the former management, no statement of the company's affairs was made by circular to stockholders, we cannot say. The figures which the Board had to submit were less favorable than those of last year in respect of earnings, less favorable, indeed, than those of several previous years, thus:—

	1879.	1880.	1881.
Fire Premium receipts .....	\$719,476	\$878,695	\$920,279
Marine " .....	98,099	174,366	135,498
Fire losses .....	373,038	473,459	603,634
Marine " .....	58,989	125,686	123,911
Commission and charges .....	240,659	280,161	301,714
Surplus, rec'pts over losses and charges .....	244,579	174,055	46,518

It is shown by these figures that the fire losses of the last year are 64.28 of the premiums, while the marine losses are 93 per cent. of the premium receipts. The conclusion has been reached to stop writing hull risks in the meantime, as a profitless business. Commission and charges absorb, we observe, 30.28 per cent. of the net premiums. On the other hand it gives us pleasure to note a reduction in the items of Bills Receivable, Accounts due, and also, notwithstanding the larger business, a slight lessening in Agents' Balances. There is a smaller amount of cash, debentures and mortgages held, but a greater sum in such assets as United States and Dominion bonds, Bank and other stocks. There is \$22,790 written off the premises of the company, an abrupt reduction of over 20 per cent. on the former valuation, and \$7,161 for doubtful assets, of the character, we presume, of past due bills or accounts.

To offset the decline in net income from \$174,000 in 1880, to \$46,000 in 1881, the management places to the credit of profit and loss, an item of \$68,654, increase in the value of investments, which represents the enhanced value placed in the stock market at present upon such "Bank and other dividend-paying stock" as we have already remarked is held in increased aggregate.

Part of this unfavorable difference is explained by the writing-off process adopted by the management, which may be quite necessary, and with which we find no fault. Still, it is only a small part. Of the \$129,000 discrepancy in net receipts, this accounts for but one fourth. The other fourth must be explained by the heavy losses, heavier than in any year but 1877. The

receipts from premiums have been swelled to very handsome proportions, approaching as they do a million of dollars, for the last twelve months' business. But the net proceeds of this large Canadian and American business, disappointing as they are, only serve to point out the unprofitable rates at which fire & marine insurance is done in these days, and the impolicy of forcing an increase of business while they prevail. The time of year at which the meeting is held, renders the showing a less favorable one for the company. We shall be very glad to find the next twelvemonths' underwriting yield better results to the company, and meantime indulge the hope that, in the United States as well as in Canada, insurance rates may be placed upon a better basis.

THE GRAND TRUNK IN THE RAILWAY WAR.

If railway wars could be avoided and fair rates always be secured, the Grand Trunk Railway would almost certainly become, some day, a good property. Last half year the net earnings fell short by £16,000 of the amount necessary to pay the second preferences. The dividends on the first and second preferences were paid however. Half a year has passed since then, and the new half year commences with £23,000 to the good. Unless the war now going on between the Trunk lines materially reduces the profits, there will, at the end of this half year, be something for the third preferences. The net profit in May was £9,464 more than in the same month of the previous year. This shows what might be done if the tariff could be maintained. Eastern shipments from Chicago have been enormous this summer. Not long ago, they were from one third to one half greater than at the same period last year; more recently they have undergone some decline, though still very large. Shipments from the west, south of Chicago show approaching exhaustion of stocks, in that quarter, being less than at this time last year. The low rate of 15c. per 100 lbs. seems to have stimulated shipments; at all events, shipments while that rate prevailed were very large, and there is in the fact probably more than a coincidence. But this does not show that the low rate is good for the railway companies. If the tariff had been maintained, something like the same amount of traffic would have had to be done, one time or another, though shipping competition would have decreased the share which the railway would have got.

That there will ever be permanent peace between half a dozen trunk lines, which compete for traffic, is improbable. It is more reasonable to suppose that, whenever there is a scarcity of traffic, rates will come down. This is the natural law, which arrangements between the companies may from time to time suspend, but can never repeal. The conditions of permanent peace are to be found only in some sort of permanent combination, in the nature of a mono-