

As we had anticipated, the original amendment was rejected by a majority of 86, and several others by large majorities, and without any desertions from the ministerial ranks.

MARINE AND INLAND MARINE UNDERWRITING IN 1880.

To an outsider unfamiliar with the technicalities of the business, the operations of the Marine Insurance Companies are full of interest, because he, perhaps not unnaturally, expects to find the managers endowed with that prescience which foresees not only the financial position, the probability of profitable ventures by its patrons, and the discretion with which they may conduct their operations, but also a knowledge of the seasons, their storms, and their influences.

To him it appears reasonable that the managers should be able to establish, from experience and foresight, both average and special rates for insurance, which should afford sufficient margin to cover all contingencies; yet he is not surprised that a sudden cold wave should close the navigation of rivers and the entrances to harbours in such wise as to prevent the voyage of vessels en route for distant ports or their arrival at home stations, exposing them to the fury of winds and the danger of destruction without probability of rescue for crew or cargo; but he is not satisfied that there should not enter into their calculations the storms which usually follow the opening of navigation or precede its close.

To him it would seem to be right that special rates should cover the seasons of special contingencies and that "average" rates should cover the intermediate times only when the navigation is comparatively free from perils, but when he sees the averages computed upon the basis of absence of undue peril, and then the rates thus found stretched so as to cover the seasons of contingencies he is surprised to find his ideas as to the wisdom of the manager of the marine companies suddenly changed, and his own mind unsettled as to the basis upon which the business of marine underwriting is operated.

It is necessary to the welfare of Canada and the North-West that Marine insurance to any extent shall be procurable during all the time that cargoes may be afloat, and it is as necessary to this end that remunerative rates shall be obtainable by the underwriters; it is therefore not necessary that the companies should compete with each other on the principle of the Kilkenny cats, so that, at the end of such a season as the one just closed,

their appendages only should be visible and the prospect of companies to carry on next season's business be very indistinct, only a few fortunate exceptions remaining in their proper proportions staunch and true. There are wild tales of risks accepted by the office boy of one of our companies after the early November storm had wrecked the risks, the manager and the assistant manager not having taken sufficient interest in their business or the storm which so seriously affected it as to present themselves at their office in time to scrutinise the offerings of business, although they ought to have known that ordinary mortals whose cargoes were afloat were filled with anxieties as to the safety of their ventures and doubly anxious to pay whatever might be demanded for insurance on them.

For laziness and remissness there is no more excuse than there is for accepting as "season" rates those which are calculated upon the basis of the summer months' experiences. Fogs, storms and the errors of pilots are necessarily contingent to the business, and no reasonable man will insist upon their absence from the calculations of underwriters, because no one can guarantee their non-occurrence; but, at the same time, it is not to be expected that any man will propose to pay higher rates than are required from him, because of being offered rates which he knows to be inadequate; he will simply calculate as to the present ability of the underwriter to fulfil the obligation he proposes to assume, and will often be found consenting to try that company "this time" with a set determination to carry his business in the future to companies whose rates are computed upon the basis of the hazards they assume.

The business of the past year does not present a fair standard of the risks attending the navigation of our rivers and lakes, nor yet of the seas and oceans, because that storms have been unprecedentedly frequent and violent throughout the whole world, but it does show that provision should be made during more favorable seasons for just such years as 1880, and that it would be more proper to charge rates based upon the experiences of last year with a proviso for return of bonus in case of long continued prosperity by immunity from bad seasons, than it is to ignore the probability of a succession of such seasons; consequently, in presenting the statements for 1880, we trust that an improvement in this direction will be insisted upon without causing the establishment of such rates as will operate against the business of the ship-pers.

THE FINANCIAL POSITION OF THE DOMINION.

At a time when public attention is concentrated on the discussion of an enterprise, the most stupendous of the numerous works which Canada has yet undertaken, it may be interesting to our readers that we should submit for their consideration a statement of the financial position of the Dominion, as exhibited in the public accounts for the year ending 30th June, 1880, which completed a period of thirteen years since the confederation of the Provinces comprised in the Dominion of Canada. During the first eight years of that period the revenue invariably exceeded the expenditure, and at the close of 1875 the aggregate surplus of revenue had been a little over twelve millions of dollars, while over three millions had been added to the sinking fund. During the subsequent five years, the expenditure exceeded the revenue by about eight millions, but the payments to the sinking fund were increased, and reached very nearly five millions of dollars in the five years. On the whole thirteen years there is a surplus of revenue of rather over four millions, and an addition to the sinking fund of a little over eight millions. The debt has, of course, been largely increased, something like 114 per cent., but it is gratifying to find that the interest has by no means increased in the same proportion. In 1867 the total debt was \$93,046,051 and the average rate of interest 5.21 per cent., while in 1880 the debt was \$199,125,323 and the average rate of interest only 3.82. Against this debt there are stated to be assets amounting to about \$42,000,000, the average interest on which is only 1.79. This arises partly from the large cash balances not bearing interest and the specie reserve held to protect the Dominion note issues, which issues not bearing interest, have reduced the average rate of interest on the debt. In the assets there is an item of \$13,432,094 under the heading Provincial Accounts, while the Dominion appears to be indebted to Ontario and Québec \$10,841,820. Mr. Courtney, Deputy Minister of Finance, states in his report that he had already submitted for the consideration of the Public Accounts Committee his opinion that "the balance sheet should be carefully revised and all doubtful items adjusted." He likewise expressed a hope that "ere the present fiscal year closes the long unsettled account between the Dominion and the Provinces of Ontario, and Québec will be adjusted and removed from the balance sheet." He adds that at the request of the Treasurers of the