

chine invented by V. L. Emerson for the purpose of making acetylene gas. There have been so many plans proposed for the utilization of sawdust, which have not succeeded, that we can scarcely dare to hope this one will be successful. Reports received from reliable sources state, however, that the expectations of the promoters have been fully realized.

The season's export trade from St. Lawrence ports is about closed. Although we are not in possession of statistics as to the total amount of timber and lumber exported, it appears to be the general opinion that considerably less has gone forward than a year ago, the deficiency being principally in spruce lumber and waney timber. The high freight rates that have existed between St. Lawrence ports and Great Britain for some time, have been detrimental to the lumber trade. A number of vessels are executing old contracts at 38s. 9d. to 40s., Liverpool and London. Engagements are reported to have been made for deals f.o.b. at 43s. 9d., small range of p.p. and loading at Montreal or Saguenay. A meeting was held at the London Chamber of Commerce, October 25th, to consider a new British North American charter party, which has been issued by the Chamber of Shipping, and was to be considered by that body on November 2nd. The result of the conference will be awaited with interest.

THE RAILWAY RATE WAR.

By way of showing what view is taken abroad of the war of rates between the two great Canadian railways which has been going on for most of this year, we quote a portion of a lengthy article from the London Economist of October 22nd. That journal suggests that both roads ought by this time to be heartily sick of the low competitive passenger rates. And perhaps if the truth were known, both of them are. We quote:

"By far the most important subject of discussion, however, is the question of the rates charged respectively by the Canadian Pacific company between Ontario and Manitoba and locally between Ontario and Quebec. It is not easy to explain the position without a map, but it may be stated generally, that much of the traffic which still forms the subject of dispute at certain points passes from the Dominion to the States and back again en route, and that upon the Canadian Pacific portion of the traffic that company was "accorded," or "accorded" to itself, differential rates while its route was an incomplete one, including a waterway section. Upon purely transcontinental business the Canadian Pacific has had to give way, but it refuses to extend the same treatment to the Grand Trunk, and it also refuses the arbitration upon the points at issue proposed over and over again by the Grand Trunk Board.

To make the matter clear, we may take as a concrete example traffic between Toronto and Winnipeg, which both companies carry, partly on Canadian and partly on American territory. The Canadian Pacific company claims in effect that the Grand Trunk has no right to sell tickets on "even" terms with the Canadian Pacific to and from those points, although the latter company has the shorter and more advantageous route; and as the Grand Trunk people resisted this claim, the Canadian Pacific announced its intention of cutting local rates in Canada. Both systems run between Montreal and Toronto; and until this year uniform rates were charged by each; but in order, if possible, to coerce the Grand Trunk into conceding "differentials" on the longer journey traffic, the Canadian Pacific decided to cut rates to one-half the old charges upon all competitive points from Montreal to Toronto. It is necessary to emphasize this point, because from the correspondence which passed between Mr. Shaughnessy, the vice-president of the Canadian Pacific, and Mr. Hays, the general manager of the Grand Trunk, it might be inferred that the offer of the former to restore rates between all points in Canada east of British Columbia "to the figures which were in force previous to recent disturbances" was one which the Grand Trunk should have at once accepted. As a matter of fact, however, the restoration of the ante-bellum rates would mean the concession of "differentials" to the Canadian Pacific on an amount of traffic little, if at all, less in importance than the transcontinental traffic upon which the "differentials" have been partly and will be wholly abolished.

In demanding the same treatment as that accorded to the

American lines, and as an alternative, inviting arbitration upon the question at issue, it seems to us that the Grand Trunk has right on its side. The Canadian Pacific is the stronger company, and, it may be hoped, by cutting local rates to obtain an increase of that popular favor which it has done so much to cultivate, and it may also have in view grants in aid of the projected Ontario line, which would enable it to carry more directly the traffic it now takes round by Smith's Falls, but the gross traffics of both undertakings have for months past shown what an enormous cost the war of rates is entailing. A certain amount of allowance has, of course, to be made for official rivalry and amour propre; but the shareholders are the people who suffer, and they may well be excused for claiming that it is about time their interests were studied, and the costly warfare was brought to an end."

FIRE INSURANCE IN 1898.

The results of the current year to fire insurance companies are being considered with some apprehension by underwriters; and indeed the prospect of earning dividends is getting to be, in the case of some of them, remote. We have not the October figures of losses yet, for the United States and Canada, but for the nine months ended with September the fire loss was heavy. For nine months of 1897 the fire losses of these countries was \$80,413,000. For the like period of this year, as we showed the other day, they were \$89,164,000, or almost nine millions greater. In every month since April last the fire waste has been greatly, in two of the months enormously, larger than in the corresponding months of the previous year. It is to be borne in mind also that the revenues of the companies have suffered in a large degree from the breakdown of the New York Tariff Association, which has led to a war of rates, which have been cut down far below the paying point. Commenting on this state of things The London Economist anticipates a decidedly bad year for British companies doing business on this side the Atlantic. Speaking of the war of premium rates that journal says:

"And this has affected not only new business but current policies also, because in the States both the insurer and the office have the right to terminate the insurance contract at any time, and if existing business is to be retained, any cut in rates must be extended to policies in force at the time it is made. And to add to this evil, the fire losses in the States have this year been abnormally large. So also have they been in Canada, where our fire offices do a considerable business, and at home, too, heavier losses than usual have been experienced." But the comfort of having reserves which were built up by adequate rates in good years is shown in the following: "Of course, some offices will be less severely hit by this combination of adverse circumstances than others, and all fire companies must lay their account for an alteration of bad and good years. Their business always fluctuates in that way. For some years everything seems to work in their favor, but, as surely as night follows day, those prosperous times are succeeded by periods of adversity, and so the pendulum keeps constantly swinging from one side to the other. And knowing this characteristic of their business, the offices have provided for it by accumulating big reserves, to which they make liberal additions in good years, and the income from which can be used in bad years to supplement any deficiency of ordinary revenue. In this way dividends are equalized. Shareholders, therefore, may regard the unfavorable outlook for this year with comparative equanimity; but it is as well that they should realize the fact that many of the offices are likely to show in their trading accounts a balance on the wrong side."

THE COAL QUESTION.

The owners of the anthracite coal mines of the Pennsylvania district have for years been referred to as the "Coal Barons," and well might they be designated with this title, for they have controlled the fuel trade of the large consuming centres of the United States and Canada. Recent developments indicate, however, that they are being deposed from the high position they have held so long. Since 1893 the production of anthracite coal has failed to make the yearly gains that had