

showed last week, very much worse than 1869. With an increase in premiums of over four hundred thousand dollars, involving a much larger re-insurance liability, there was an actual deficiency last year of \$57,689, against a surplus in 1869 of \$137,685. Taking the three years together, there is a total deficiency of \$338,080. Such is the showing of our figures, and we feel assured that they are not very wide of the mark. The fact here presented derives additional interest from the inference which we draw from general premises, in the absence of collected facts, that the first four months of 1872 exhibit no signs of improvement. The "Iron Block" fire was a bad commencement, and to the many losses there occasioned, others in nearly every section of the country are almost daily to be added.

Mrs. Malaprop, or some other equally wise dame, has said that "comparisons are odious." We shall hardly be accused of making offensive distinctions, if, in trying to throw light on a subject of such great interest, we find it necessary to classify the Companies. If any set of offices are doing business too cheaply or on unsound principles, it is well that the fact should be pointed out. In such a case the danger is that the remaining Companies—under the operation of the law of competition—may follow suit.

It appears, then, that the business of 1871 was apportioned as follows:—

Premiums rec'd by English Companies.....	\$1,320,507	
Expenses 25 per cent.....	\$330,127	
Losses paid in suspense and resisted.....	1,038,990	1,369,117
English Cos. loss or deficiency....		\$48,610
Premiums rec'd by American Companies.....	\$246,091	
Expenses 25 per cent.....	\$61,523	
Losses paid in suspense and resisted.....	213,635	275,158
American Cos. loss or deficiency..	\$29,067	
Premiums rec'd by Canadian Companies.....	\$535,064	
Expenses 25 per cent.....	\$133,766	
Losses paid in suspense and resisted.....	381,310	515,076
Canadian Cos. profit or surplus...	\$19,988	

From these figures it appears that both the English and American companies, as classes, paid away more than they received, while the Canadian companies show a small balance on the right side, making no allowance for re-insurance.

It is only necessary to notice that the bulk of the business is done by British companies, in order to see that they are masters of the situation. Their large capital and funds, their *prestige*, the heavy lines they can write, and their intimate connection with the banking and other business establish-

ments of the country, give them a controlling influence. If, then, the business does not pay, to whom shall the blame be attributed? A complaint that we are insured at ruinous rates, would come with little grace from the Canadian people so long as foreign capitalists foot the bill; if they choose to do it for nothing, or very much less than nothing, we are not likely to clamor for a change. But everyone knows that such a state of things cannot be lasting. Far better would it be to place the business on a remunerative basis, than to lose the public advantages that seem to be implied in large foreign corporations competing for a share of our insurances.

It cannot be denied that a radical reform is demanded; and that can only take one shape—an advance in rates. Careful supervision, writing policies so that they will read right when the loss happens, a careful selection of risks so as to avoid the moral and other hazards—all this may do much to place the business on a better footing, but so long as it is done *too cheaply* no amount of care, skill or experience can overcome this radical and fatal error.

THE PACIFIC RAILWAY.

On Friday last Sir George Cartier, in the House of Commons, introduced a Bill relating to the Pacific Railway, and explained the Government scheme for the construction of that work. Most of the facts are well-known. By the terms of the union with British Columbia, the Dominion Government undertake to construct a line of railway across the continent, connecting the seaboard of the Pacific with the railway system of Canada, within ten years from the date of the union, or before the 28th of July, 1881; the line is to be built by a private company, and not by the Government; work is to be commenced on the Pacific coast, building the line eastward, and at the Rocky Mountains, working westward at the same time. The financial basis is a grant of fifty millions of acres of the public lands to a company or companies, and a cash subsidy of \$30,000,000, a portion of which will carry the Imperial guarantee. A distance of 2,700 miles is assumed as the length of the road from its eastern terminus at Lake Nipissing to the Pacific coast. Land to the extent of 20 miles on each side of the railway, in alternate blocks, will be given throughout the entire distance, but as this grant will amount to but two-thirds of fifty millions of acres promised, the balance will be made up from other lands belonging to the Dominion. Power is taken in the bill to make a contract with any one company having

\$10,000,000 capital, with \$1,000,000 paid into the hands of the Receiver General, or with a company formed of the different companies seeking incorporation, or the Government may grant a charter to capitalists without the intervention of Parliament. Such is the substance of Sir George Cartier's statement.

Success in managing this elephant depends largely upon the set of circumstances under which the job is undertaken. It would be difficult to find in history a parallel to the attempt by four millions of people to accomplish such a task in less than a decade. The very idea is still hooted at in some quarters; and incredulous laggards are to be found who describe the undertaking as a physical impossibility. That it is not such the exploratory surveys are understood to prove.

Railways.

GRAND TRUNK RAILWAY.

REPORT FOR THE HALF-YEAR ENDING DEC. 31, 1871
Dec. half Dec. half
of 1870. of 1871.

The gross receipts upon the whole undertaking, including the Buffalo and Cham-plain lines have been.....£935,341

Deduct—
The ordinary working expenses (being at the rate of 59.70 per cent., against 67.12 of the corresponding half of 532,762..last year).....£558,567
The renewals, &c., of the permanent way and works in the half-year debited to 136,101..revenue..... 154,157

712,724

Leaving an available balance £124,877..earned in the half-year of..£222,617
Less amount of sundry expenditure, as per revenue account..... 43,540

£124,877 £179,077
Deduct the loss on American 8,284..currency..... 18,183

£116,593 £160,894
To this sum of £160,894 has to be added the balance carried from the net revenue account of last half-year of £18,311, making a total balance of £179,205; from this, however, has to be deducted the amount of postal and military revenue due for the half-year to the postal bondholders of £17,025, leaving the balance of £162,180 applicable for the following payments, viz:—

	£	£
Car-hire (including sinking fund and maintenance and repairs of 700 changeable gauge cars...)		40,070
Interest, &c., paid on lands....	1,648	
Do. on mortgage to Bank of Upper Canada.....	4,424	
Interest on loans, bankers' balances, promissory notes, European exchange, &c.....	1,815	
Interest on British American Land Company's debentures..	616	