trade is in favor of our neighbours; under their present illiberal policy, the balance turns largely in favor of us! Such irrefragable facts as these, we fear, make "ducks and drakes" of the protectionist fallacies to which some musty minds still instinctively cling.

The returns from trade into the United States, during 1870, furnish further evidence if that were needed, to prove that the abrogation of the Reciprocity Treaty has not been much, if at all, injuriously felt by this country. The volume of trade between us would doubtless have been greater under freer commercial intercourse; but then our transactions with Great Britain and the Maritime Provinces would have been so much less. The principal effect produced by the restrictive legislation of Congress, has been to reverse the relative position of the two countries as importers and exporters—"the United States, under the treaty having, as a general rule, been the larger exporters to the British North American Provinces, whilst Canada has, since the abrogation of the Treaty imported less from the United States, and exported considerably more."

A very considerable quantity of goods were brought through the United States in bond by Canadian importers last year. The value was no less than $11,593,495. Our people also purchased $3,000,000 worth of goods in bond from American importers—making a total amount of transit trade through that country to Canada, of $14,593,495. The bonding system is one of great consequence and advantage to the people of both countries, and it is gratifying to know that, under the Treaty of Washington, it is to be continued.

NORTH BRITISH AND MERCANTILE.

We have received from this Company the annual report of the Directors for 1870, and a report drawn up by the Actuaries on the result of the valuation of the Company's life liabilities. The former is given in other columns. Both contain a good deal of information relative to the Company's position and progress.

The fire premiums in 1870 were, less reassurance, £555,179, and the losses £323,925, or 58 per cent.; the per centage of losses to premiums for five years was 52½ per cent., showing an average yearly gross profit of 47½ per cent. A sum equal to one-third of the year's premiums is placed among the Company's liabilities along with other items—a feature that all our Companies should incorporate in their statements if they desire to represent their position fairly to the public.

Out of the fire profits of 1870 a sum of £107,549 was added to the rest account. The large amount of this fund (£547,332), together with interest earnings of over forty thousand pounds per annum, goes to account for the high premium at which the Company's stock is quoted about £30 on every £6¼ paid up.

A valuation of the life policies, made on the basis of the Carlisle Table and 3 per cent. shows a total liability under policies and annuities of £1,879,151, with assets of £2,059,351, showing a surplus of £216,199, or more than one million of dollars. Out of this a bonus of £1 5s. per cent. per annum was declared. To show the conscientious accuracy with which the valuation seems to have been made, we make this extract from the Actuaries' report: "Recent experience has demonstrated that at the higher ages the Carlisle Table is too favorable to the expectation of life. To meet the additional liability thus arising, and to meet the further claims which may be anticipated in subsequent years from the operation of what is termed by writers on the subject "*Suspended Mortality*," we would therefore recommend that the sum of £33,925 6s. 2d. be reserved, and this sum we consider ample for the purpose, and for other contingencies."

RED RIVER LOSSES.

The claims sent into the Dominion Government on account of losses sustained during the insurrection at Red River, turn out to be somewhat formidable. Aside altogether from the military expenditure, the cost to this country of getting possession of the North West has been considerable, and many claims are not yet adjusted. There was first the expenditure of the Hon. Wm. Macdougall and the other gentlemen of his party; that was $29,341. This sum includes, we believe, the supplies, compensation for services, and all other expenses. Then there is a further sum of $21,216. This was paid to some twenty different persons for travelling expenses, services and supplies, and of which Bishop Taché received $1,000, Grand Vicar Thibault $3,000, Lieut.-Col. Dennis $3,209, and Dr. Schultz $2,131. There still remain claims, either real or pretended, for losses sustained during the rebellion, to about $150,000. These claims the Government have not yet settled. Most of them are for moderate sums except two—that of Dr. Schultz, which has been put in at $69,450 and that of A. Boyd, $58,464. The particulars of the former are "loss of stock-in-trade, buildings, horses, furniture, drugs, damage to medical practice, &c.," and the principal part of Boyd's claim is made up of "advances to parties who through the insurrection became unable to pay their debts, cost of removing goods and other damages." We fancy the pruning knife will have to be applied pretty freely to some of the demands made upon the Government, and from the fact that Ministers only took a vote of $40,000 last Session to pay these claims, it is pretty evident that they are of the same opinion.

THE NARROW GAUGE RAILWAYS.

A resolution moved by the Toronto Corn Exchange, condemning the action of the Directors of the narrow gauge railways, in placing small stations at the junctions of these lines with the Grand Trunk at Scarboro and Weston, was the means of bringing together a large meeting of mercantile men at the Corn Exchange Room, on Friday last, to hear the matter discussed.

The supporters of the resolution contended that these stations, placed at the point of junction with the Grand Trunk, would have the effect of diverting a large share of the trade from Toronto; and, therefore, that such an arrangement was a violation of the pledges originally made by the companies, on the faith of which bonuses to the amount of $400,000 were granted by the City of Toronto, and large subscriptions of stock were made by the citizens. It cannot be denied that such a pledge was given, informally at least, and that being given it must be adhered to; but in the arrangements mentioned, and taking all the facts into account, we do not discover any violation of these pledges or any disposition to act in bad faith. These stations are necessary for commercial reasons, and we cannot see that their existence will in any degree neutralize the controlling influence that Toronto must exercise over two enterprises so essentially local. The Corn Exchange are, however, quite right in insisting that faith shall be kept and ought to be encouraged in whatever steps may be necessary to that end.

A far graver matter, and one which is of real interest to the stockholders of the Nipissing Railway, are the statements which leaked out at the meeting, regarding differences at the Board, and which have already evoked unmistakable signs of developing into openly avowed hostility. Mr. Laidlaw, writing in a daily paper, utters a note of warning, which coming from so well-informed a source, is calculated to excite apprehension. After defending Mr. Shedden, from the charge of buying up the stock for the purpose of bringing the line under the control of the Grand Trunk, he says: "There is far more danger to the general interests of the citizens of Toronto, and the public at large, that a selfish clique in Toronto should get the railway, and manipulate it exclusively for their own profit and advantage." Now