

tee is a *sine qua non* in the matter, we have to make the best of what many consider rather a bad bargain. The scheme for a railroad between Quebec and Halifax was brought before the Canadian public by a Nova Scotian about the year 1845, addresses were adopted which led to the offer from the Imperial Secretary of State to cause a survey to be made by an officer of the Royal Engineers, provided Canada, Nova Scotia and New Brunswick would bear the expense. This offer was accepted, and Major Robinson's report was the result. In subsequent negotiations with the Imperial Government, the Robinson route was insisted on by them, New Brunswick refused to adopt it, Nova Scotia naturally preferred it, and Canada seemed willing to accept either it or the line by the valley of the St. John; but conflicting interests brought about the failure of that attempt to secure an Intercolonial Railway. Earl Derby's government decided against the St. John route, basing their decision on the advantage to be derived from security from attack in case of hostilities. It has been stated that Mr. Hincks and some of the English railway contractors, who afterwards had so much to do with the Grand Trunk, were at the bottom of the disagreement, but this has been denied by Mr. Hincks over his own signature, and the failure of negotiations attributed to New Brunswick. At least two members of the present Cabinet at Ottawa were in favor of the Central Route, but it seems that the longest and most expensive, and the least valuable (in a commercial point of view) route carried the day. The estimate made by Mr. Sanford Fleming of the cost of the line is \$20,000,000. The British Government guarantees interest on the loan of \$15,000,000.

The next question that presents itself is the probable returns for such an expenditure. Halifax is 550 miles nearer to Liverpool than New York, 357 nearer than Boston, 373 nearer than Quebec, and 316 nearer than Portland. It is said the Robinson route will best secure the largest European passenger traffic, the carriage of mail matter and express freight, and could accommodate, next to the Frontier line, the largest amount of "local" traffic. The favourable position of New York and Portland renders them the convenient winter outlets for freight from the Provinces that constituted old Canada. The nearest United States port to Toronto is New York, 540 miles; the nearest to Montreal is Portland, 297 miles; while the distance from Toronto to St. John, by Riviere du Loup, is 913 miles, and from Montreal to the same place 583 miles. However, should the United States prevent our freight from passing through their territory, all we have to do

is take it round another way, and the Intercolonial would carry during winter all the freight to and from the seaboard which would bear the cost of transportation.

Toronto is distant from Halifax over 1,168 miles. It costs two cents a ton per mile to move freight by rail, and it would cost \$2.23 per barrel to move flour from Toronto to Halifax, while a barrel of flour can now be sent via the St. Lawrence at 50 cents. The fact is, and we may as well admit it, the Intercolonial is a sentimental railway. The money to be spent on it forms the consideration on which the Confederation contract rests. It is rather pleasant to think that Ontario, a Province deriving little or no immediate advantage from the concern, is sufficiently patriotic to shoulder the twelve millions of dollars of debt for the benefit of Nova Scotia, but it is not so pleasant to reflect on the small share of thanks we receive for the sacrifice.

#### REINSURANCE FUNDS.

The annual statements to be furnished to the Minister of Finance by Fire Insurance Companies whose deposits are under one thousand dollars, embrace two items, namely: "Amount of premiums earned for the past year," and "Amount of premiums unearned for the past year," which will enable one to calculate what the amount of the Reinsurance Fund of such companies should be, and to determine their solvency or insolvency. The statements heretofore made public by some of our home companies have lacked in this particular, so that an outsider could only guess at the probable condition of a company. So much ignorance has prevailed on the subject of a Reinsurance Fund that we were led to explain its object, and to show how in Massachusetts and New York a provision of the kind was rendered obligatory by statutory enactment. We have every reason to consider that our remarks were not lost on some of the Directors of home companies, and that greater attention will be given, for the future, to the subject.

#### THE PACKING TRADE.

The packing season is now commencing; live hogs are being bought up to a considerable extent. One packing house took, during the last week, 350 head at prices ranging from 5¢ to 5½¢ live weight. Dressed hogs will not begin to come in freely for three or four weeks yet, and not then unless the weather becomes cold. Should the weather be favourable, there is every reason to anticipate an early commencement and a short season. The high prices of peas, potatoes, and almost every kind of farm produce renders it unprofitable for farmers to feed their hogs long; for this reason also, and on account of the dry sum-

mer, we may expect a good many hogs in poor condition. We anticipate a pretty lively market here, and think prices must rule high. A good supply of money will be forthcoming and competition will be keen. The present high figures, at which pork rules, is an element of danger that should not be lost sight of. This will make the drain on the funds of our banks heavier, and by tending to make the more cautious dealers hold back, may check to a wholesome extent the spirit of speculation. Stocks of cutmeats of all kinds are run very low. Our lumbermen had to supply themselves lately almost wholly from the Chicago market, where very considerable operations have taken place recently on Canadian account. Most of these purchases were no doubt made in anticipation of a scarcity at the commencement of lumbering operations and prospective high prices in Canadian markets.

From the carefully written circular of Messrs. Henry Milward & Co., published elsewhere, a good idea may be formed of the prospects of the Western trade. The season there will open late. A careful estimate shows that there will be no increase of consequence in the number of hogs in the West. In Canada we think there has been no increase whatever, but it is probable that the number of hogs marketed will be much the same as last season. A private letter from a leading firm in Dublin, Ireland, estimates a decrease of 500,000 in the number of hogs in that country as compared with last year. Our dealers, while generally feeling the necessity of caution, take a hopeful view of the trade. So far as the Toronto market is concerned, there will be a considerable extension of this already important and growing branch of industry.

#### Communications.

##### WOODEN AND IRON HULLS.

To the Editor Monetary Times.

The occasional though serious disasters which have befallen the Royal Mail Line of Steamers in descending the River St. Lawrence, between Kingston and Montreal, during the past three or four years, and the severe losses sustained in consequence of these disasters, render it, I think, a matter worthy the consideration of underwriters, whether hulls built wholly of iron are so well adapted for the navigation of our inland waters as those built of wood. For ocean-going craft, which have not to encounter the hidden dangers of river navigation, I am prepared to admit the superiority of the former material, but for rapid and shallow water, such as often prevails on that part of the St. Lawrence to which I have made reference, where the slightest error in judgment of the person in command, the momentary inattention of the wheelmen, or the trifling derangement of any portion of the machinery, causes ever so slight a deviation from the proper channel, and the vessel at all touches those hidden enemies, a shock, which might perhaps cause the starting of a plank or two and the displacement of one or two timbers of a wooden hull, may possibly result in fatal injury to the iron vessel. As an example of this I may mention, I think the "Grecian," some three months ago, although her encounter with the sharp point of a rock created, at the moment, no undue alarm amongst those on board, yet, so rapid was her submersion, that she was run aground at the head of