

We have borrowed in London in the past seven years more than £72,000,000 or \$360,000,000 for railroad purposes. At 4 per cent, the interest on those obligations amounts to \$14,400,000. The Grand Trunk Pacific has borrowed in the seven years from 1905 to 1911, £17,900,000, and with its branch lines £19,170,500. The Canadian Northern has borrowed overseas £21,181,140. Adding its Ontario branch lines, its total borrowings in that period, were £22,774,709. These two roads had obtained in that period £41,945,209.

Saskatchewan's Railroad Programme.

The following are the details in connection with the Saskatchewan railroad programme:—Guarantees are proposed for four of the lines included in the proposed charter of the Grand Trunk Pacific Southern Railway Company, Saskatoon to Battleford, 95 miles; Watrous through Swift Current to the international boundary 75 miles; from a point in Township 9 or 10 Range 13, west, through Weyburn, southwesterly and westerly to the boundary, 50 miles; Melville to Watrous, 75 miles; also for an extension of 40 miles on any of these lines or others to be designated.

For the Canadian Northern Saskatchewan Railway Company, the guarantees are for the following lines mentioned in the charter: From a point in Township 26, Range 8, southerly and south-westerly, 35 miles; from a point on the Rosburn branch to Yorkton, 45 miles; from the Prince Albert Denholm branch to Shellbrook, a distance of 45 miles to connect with the Jack Fish line; Lampman on the Maryfield extension northerly to the Brandon Regina branch, 45 miles; also an extension of any of these lines, or other lines, that may be designated 50 miles.

Guarantees.

For the Canadian Northern Railway guarantees mentioned are: Extensions to the Maryfield line, 60 miles; from a point in Township 13, Range, 5, towards New Warren, 35 miles; further extension of the Thunderhill extension westerly, 40 miles; also extensions of any of the lines mentioned, and others that may be designated, 40 miles.

Lines Covered by Alberta's Guarantees.

The railway lines to be covered by the guarantees of the Alberta Government are as follows:—

The Peace River line from Onoway towards the Peace River, 250 miles at \$20,000 per mile.

The road from Athabaska Landing to Peace River, 100 miles of that road at \$15,000 per mile.

The road from Athabaska Landing to Fort McMurray, 175 miles, and from that line to Lac La Biche, 40 miles, each at \$15,000 per mile.

The road north of the Saskatchewan River running towards St. Paul de Metis, 100 miles, at \$15,000 per mile.

The road running south of the Saskatchewan River through Bruderheim to the eastern boundary of the province, 200 miles, at \$13,000 per mile.

The road running to the west of Calgary and Edmonton line to the west of Pigeon Lake, 100 miles, at \$15,000 per mile.

The extension of the Brazeau line south-easterly to the extension of the Goose Lake line of the Canadian Northern, 130 miles, at 13,000.

The extension of the line from Camrose, 80 miles, at \$13,000.

The line from Calgary east of Calgary and Edmonton line, 100 miles, at \$13,000.

And under the Canadian Northern charter, the extension of the Goose Lake branch of that railway from the eastern boundary of the province to the junction of the Calgary-Vegreville line at the crossing of the Red Deer River, 130 miles, at \$13,000.

The total mileage is 1,405 miles of which 150 are revotes covered by former guarantee under federal charters, so that the new lines amount to 1,225 miles.

British Columbia's Policy.

The British Columbia programme is briefly as follows: Aid will be extended for the construction of the Kettle Valley Railway from Coldwater Junction to Hope, a distance of fifty miles, and down the Coquahalla River. The Vancouver, Victoria and Esquimalt Railway is to have running rights over this road satisfactory to the Great Northern.

The Canadian Northern Pacific will build a road from Kamloops to Kelowna via Grand Prairie and Vernon and will also have a branch line to Lumby, a distance of 145 miles.

Pacific and Great Eastern Railway will be aided in construction from Fort George to North Vancouver and on by way of the second narrows bridge into Vancouver and New Westminster. This line will come down through the Pemberton Meadows and absorb the present Howe Sound line, coming down Howe Sound and into North Vancouver from the west side. This will be the first link in the railway to tap the Peace River country. It is provided that a ferry

service will be maintained between the mainland and Victoria.

The Canadian Northern Pacific will receive a grant for 150 miles on Vancouver Island from Campbell River to Hardy Bay.

Assistance to be Given to Various Enterprises.

The assistance to be given by the Government to these various enterprises will be as follows:—

The Kettle Valley line will get a cash grant of \$10,000 per mile, approximately half a million dollars in all. The province is also to give \$200,000 for the construction of a bridge across the Fraser River to Hope. This will afford connection between the Kettle Valley line and Canadian Pacific Railway and will provide a short line between Vancouver and the Kootenays.

The Canadian Northern Pacific will receive a guarantee to the extent of \$35,000 per mile for the construction of its line on Vancouver Island. This line will furnish an entrance to Strathcona Park.

The Canadian Pacific on Vancouver Island will build from Parksville to Como. The lease of the Esquimalt and Nanaimo to the Canadian Pacific is authorized so that the road may be used as the Vancouver Island division of the Canadian Pacific.

The Canadian Pacific will take over the Kaslo and Slocan Railway and for this will receive \$100,000 from the province. It will cost the Canadian Pacific four hundred thousand dollars to take this line over from the Great Northern. The Kaslo and Slocan line is to be standardized.

The line from Fort George to North Vancouver will be built by Foley, Welch & Stewart, who will be given the same guarantee of bonds and assistance as were the Canadian Northern in the construction of their main line in British Columbia.

WESTERN ASSURANCE COMPANY.

The business of the Western Assurance Company for the year 1911, while disappointing in some respects, was gratifying in others. A somewhat larger business was done and an increased trading profit was shown. In the fire branch the results in Canada were fairly satisfactory, but the returns from the London, England, branch were not so. And as to the United States, a very large volume of business there afforded almost no profit by reason of the enormous losses. The marine branch made an improved return, attributable to a change from ocean hull risks to coastwise hulls and cargoes, and probably to the abandonment of writing hulls on the Pacific Coast of the United States.

The earning power of the company is attested by the fact that during five years last past, an adverse balance of \$350,000 (the result mainly of losses by the San Francisco conflagration) has been converted into a balance in hand of \$402,700. A further improvement is a reduction of \$215,363 in the liability for unearned premiums, as a result of curtailment of business. It is much to be hoped that the more promising showing produced by the more compact business and recent economical measures may be continued for some years. In such case the preferred shares may be paid off and the ordinary shareholders resume proprietary control. The Government Act of 1910, however, which imposed a higher standard of reserve for unearned premiums, to be applied in 1915, will delay dividends on the ordinary stock.

Out of total fire premiums of \$2,071,265, it is not very encouraging to find \$1,187,436, or say, fifty-seven and a third per cent, swept away by losses. There is a slight offset to this in the reduction effected in the ratio set aside for agents' commissions, taxes and expenses of management. From the language of the vice-president's address in this connection it may be inferred that the management is at one with other fire underwriting companies on this continent in a resolve to have this item of outgo reduced to something less than thirty odd per cent. It is gratifying to find the marine branch, so long a drag upon the prosperity of the company, turning in for the year 1911 a profit almost double that of the fire branch. The latter suffered, as all fire underwriters have suffered, from the excessively cold weather of the last month or two of the year.

It very possibly seems, to the ordinary shareholders, weary waiting for the result of the company's house-cleaning and change of policy. But something of the kind was necessary, and it is pretty certain to be found that the restriction of business and the strict measures of economy adopted will sooner bring about dividends on the ordinary shares than a continuance of the former method of a widespread business and a greatly swelled volume of premiums with undesirable risks. The year has been an exceptional one in its fire losses; and it is not unlikely that a favorable twelve-month will show consequences auspicious to the proprietors.