

connection with American lines. The Company complied with this requirement. A main trunk line was contemplated originally and described in a Royal proclamation, (after the Act of 1851) as extending from some point in the parish of St. Joseph de la Pointe Levi to Toronto, "thence to the City of Hamilton, or some convenient point on the line of the Great Western Railroad, and thence to the Detroit River including any part of the said Great Western Railroad which may be constructed from the City of Hamilton to the Niagara River."

It was concluded from this that the Great Western would, as far as legislation was concerned, be left in possession of the western peninsula; but, instead of such being the case rival lines have been chartered and subsidized. The Grand Trunk was permitted to extend westward, thereby attracting a large portion of the trade which the Great Western would otherwise have enjoyed. After the competition created by the opening of the Grand Trunk between Toronto and London in 1858, and between St. Mary's and Sarnia in 1859, the Great Western was only able to pay a 2 per cent. dividend, while before that it had paid the Government interest and a dividend of six per cent. to its shareholders. The amalgamation of the Buffalo and Lake Huron with the Grand Trunk was another instance of legislation to the prejudice of the Great Western. More recently the Legislature of Ontario granted a charter to the Southern Railway, which not only gave to a knot of individuals an influence over the interests of the Great Western that may be used to its hurt, but raised the spectre of further competition. Against all these combinations the Great Western has had to contend, and Mr. Swinyard concludes very naturally that his Company has a right to come boldly forward and ask for some consideration at the hands of the Government. A liberal policy has been pursued towards the Grand Trunk and the Northern, and the principle of the appeal has been recognized and adopted by the Government. Had the Great Western continued as profitable as it was before adverse legislation—had its dividend not gone down to an average of two per cent. it would not now be justified in asking favours, but under the circumstances the claim to have the payment of the Government debt postponed cannot be regarded as unreasonable.

The Minister of Finance has reported against Mr. Swinyard's application, but it is considered not improbable that the Privy Council will accede to the postponement. The Minister's argument is in substance as follows. It was optional with the Great Western to accept Provincial aid or not on the conditions on which it was offered; that the amount promised by Government was more than four times the sum promised by the American Companies; that the American Companies did not withdraw their subscriptions, but paid them, and afterwards sold

their shares in London at a profit; that the Great Western had no right to assume that they would be left in the exclusive possession of the western peninsula; that the legislation on the subject was neither hasty nor inadvertent; that nearly the whole amount due was advanced by the Government after the granting of the charters creating competing lines; that the present proprietors purchased at depreciated rates; and that when the relief was granted the Great Western was able to meet its engagements towards the Government, and continued even afterwards to credit the Government with the interest which has not been paid over.

Mr. Rose goes on to state that an examination of the Company's accounts establishes that during all this period not only have the liabilities of the Company been reduced; but its capital has been increased by the outlay of the third rail and other works to the amount of £300,000 sterling, towards which amount the shareholders only contributed £90,000. On the whole he comes to the conclusion that the former reasons for indulgence no longer exist, for not only has the Company punctually met its engagements every year, diminished its debt, and increased its works, but it has also given a moderate return on the share capital, after setting apart every half year the amount due to the Government, the accounts of the Company shewing that the proprietors have been paid an aggregate sum of \$5,860,000 in dividends up to July, 1867. He considers there is no parallel between the position of the Great Western and Grand Trunk, and says when the Government postponed its *lien* on the Grand Trunk, it was actually unable to finish its work for want of capital, and if the Government had not postponed its first *lien*, no further capital could have been obtained, and the national policy which dictated the construction of the Grand Trunk would have been defeated. Had the Great Western been in such an extremity, its works stopped and unable to raise capital to prosecute them, and the progress of that work deemed a matter of public concern, it would have been entitled, Mr. Rose contends, to have asked and received the same measure of consideration as was extended to the Grand Trunk.

The Great Western is a railway of which we are justly proud. It is kept in a high state of efficiency, and its management as one journal remarks, is "judicious and exceptionally able." It has undoubtedly suffered from the facilities afforded by Government to competing lines, and it will tend greatly to promote the interest of future enterprises of a similar nature if we can convince the foreign investor that we are disposed to make sacrifices rather than suffer their investments in Canada to be injuriously affected. The Indian Government guaranteed five per cent. dividend on capital embarked in the Indian railways. In the Western States im-

mense tracts of public lands have been granted to railway companies to assist enterprises so beneficial. In New Brunswick the Government paid a bonus of \$10,000 per mile to private companies. In Nova Scotia the whole expense of building railroads was borne by the Government, and the Government continues to run the roads so built at a little more than half running expenses. Independently therefore of all claims by reason of adverse legislation, the Great Western can appeal to public policy as full excuse for expecting liberal treatment from our Government.

LANCASHIRE INSURANCE COMPANY.

In another part of this paper will be found the substance of the Annual Report, and the proceedings taken at the annual meeting of this Company. The life premiums received for the year amounted to £44,159, and the death claims to £15,750, so that after paying all claims and charges there remained £17,291 to be added to the Life Reserve Fund, bringing it up to more than £150,000. The fire premiums were £104,923, the fire losses £46,321, and the cost of re-insuring surplus risks £16,225, leaving, after the payment of all expenses and charges, and providing for unadjusted claims, a clear profit of nearly £20,500 on the business of the year in this department. A dividend of 10 per cent. on the paid up capital was declared, which absorbed the sum of £14,614, leaving £12,890, which is appropriated to the Birmingham purchase and the augmentation of the Reserve Fund. The whole statement is a very favorable one.

We may mention in this connection, as a matter of some local interest, that the claim of Messrs. Gooderham & Worts on account of a risk taken by the Lancashire on their flax mills in Streetville, the payment of which was open to dispute on account of the withdrawal of the night watchman, contrary to an express condition in the policy, has been settled by the payment of \$5,000, the full amount claimed.

—We give in another column a condensation of the amendments to the Insurance Bill. They are of such a character as to remove most of the objections we urged.

—The evidence given before the Senate Committee appointed to inquire into the late financial crisis in Ontario, will repay a careful perusal, and is worthy of preservation. A large portion of our space is devoted to it, but our readers will appreciate its importance. The statements made were in answer to a series of questions proposed by the Committee, the tenor of which is sufficiently apparent from the answers themselves.

We give elsewhere a communication in reference to the Etna Insurance Co. of Dublin. Our report was correct, being obtained from reliable sources. Some general, unimportant remarks at the conclusion of the report were omitted, to economize space. The statement that the capital is £5,309 is manifestly absurd.