

regularly." When we fail in either of these conditions the Government of Canada may claim their bonds. If they do so they are bound to pay the Atlantic and St. Lawrence in full, because if they do not pay them in full they shut up the winter access to Canada. They are bound to pay the first and second equipment bonds in full, because if they do not two millions worth of rolling stock is seized by those gentlemen; and where are you? You will not receive one farthing of your bond or interest (I mean according to law) until the three millions has been satisfied due to Government of Canada. He would move—"That the board be authorized to apply to the Parliament of the Dominion of Canada, in its next ensuing session, for an act to continue the provisions of the Grand Trunk Arrangements Act (1862) so far as relates to the first and second preference bonds, for a further period of three years, commencing on 1st January, 1873; and also for power to create and issue further bonds of the company, to be termed 'second equipment bonds,' for the nominal amount of £1,100,000, to rank in all respects *pari passu* with the second equipment bonds authorized to be created by the third section of the Grand Trunk Railway Act (1867, provided that £500,000 of the nominal amount so to be created shall be applied solely to the payment of the first equipment bonds of the company.

The resolution was adopted.

The Chairman—The second resolution is—"That the board be authorised at their discretion to issue or otherwise deal with for the general purposes of the Company any Atlantic and St. Lawrence securities now in possession of the Company." Carried.

The third resolution is—"That the board be authorised to apply to the Parliament of the Dominion of Canada in its next ensuing session for an Act to continue the provisions of the Grand Trunk Arrangements Act, 1862, so far as relate to the first and second preferential bonds for a further period of three years, commencing on 1st January, 1873, and also for power to create and issue further bonds of the Company, to be termed second equipment bonds, for the nominal amount of £1,100,000, to rank in all respects *pari passu* with the second equipment bonds authorised to be created by the third section of the Grand Trunk Act, 1867, provided that £500,000 of the nominal amount so to be created shall be applied solely in the redemption of the first equipment bonds of the Company." Carried.

Special Meeting.—The Chairman—The resolution for the special meeting is simply a resolution to confirm and accept the Act passed by the Parliament of the Dominion of Canada giving us the possession of the bridge and confirming our arrangements with the bridge company. The resolution runs in this way:—"The Chairman having submitted to the meeting the Grand Trunk Intercolonial Bridge Act, 1872, in accordance with the provisions of the 10th clause of the same Act: Resolved, that this meeting do and hereby approve of the same Act." Carried.

Mr. Creak proposed, "That the cordial thanks of this meeting be given to Richard Potter, Esq., for his zealous attention to the interests of this Company, and more especially for the time and care he has bestowed in the investigation into its affairs during his recent lengthened visit to Canada, and hereby requests him to accept 1,200 guineas in acknowledgment of his valuable services." Carried.

The Chairman—Mr. Creak, Mr. M'Gavin, and Gentlemen—I really do feel most deeply thankful to you for this vote. But I would only say this—that rewards are given to successful generals for accomplished victories in the field and railway chairmen who have performed as well as promised. I cannot receive any money

from this Company. I assure you that the unanimity with which, at very short notice, this meeting has passed resolutions of a very grave character affecting various interests is a circumstance that I do not think has any parallel in railway history. I doubt whether there is any circumstance in railway history of a chairman of a company bringing before a large body of the proprietors who have sectional interests, so large a scheme as I have brought to-day, without notice, and carrying it I may say unanimously. I think that is worth thousands. Nevertheless, gentlemen, I don't wish you to understand it at all that in not accepting this proposal I wish in any way to show disrespect to you. I am deeply thankful to you for having made it, but I cannot accept it. (Loud cheers.)

Mr. Allport was also tendered 1,000 guineas, but refused it.

The proceedings then terminated.

Insurance.

FIRE RECORD.—Hamilton Dec. 16.—A fire originated in the rear of the premises occupied by John Harvey and Co., wool brokers on King Street. The firm had a heavy stock of wool and woollen goods on hand, which is a total loss. John Harvey & Co., are sufferers to the amount of nearly \$100,000; McKenzie & McKay and J. Davis & Co., had their stocks considerably damaged by water; but it was well covered with insurance. John Harvey & Co., hold policies in the following Companies:—The Liverpool, London, and Globe, \$10,000; Aetna of Hartford, \$10,000; Hartford, \$10,000; Scottish Fire, \$10,000; Guardian, \$12,000; British American, \$10,000; Victoria Mutual, \$2,000. The building is well insured. The total loss sustained will not be far short of \$100,000. The fire broke out again and damaged the stock of Messrs. Mackenzie & Mackay, adjoining Harvey & Co.; insured in North British & Mercantile \$2000, Scottish Imperial \$2000. The store of J. Davis & Co., wool brokers was gutted; insured in the Imperial for \$8000, Commercial Union \$8000, Hartford \$7000, Guardian \$10,000, British America \$5,000. The premises of James Turner & Co., were damaged to the extent of about \$1,000; insured in Guardian \$10,000, Phoenix \$10,000, Scottish Imperial \$7,000, Royal \$10,000.

Welland, Dec. 17.—The Tremont House, kept by Mr. Walkerson, caught fire on the roof from the chimney and was burned to the ground. The premises were insured in the Western for \$2,000, and the furniture for \$1,500.

Toronto Dec. 16.—Some goods in the retail dry goods store of Pearson & Co., caught fire and were damaged to the extent of \$200, insured.

Barrie, Dec. 13.—The brewery owned by Anderton Bros. was burned. The building is a total loss, and the machinery partial. Damage \$3,500. Insured in the Western for \$2,000; Royal \$3,000.

Acton, Dec. 15.—The tannery, owned by Messrs. George L. Beardmore & Sons, of Toronto was burned. The fire is supposed to have originated from one of the stoves used for drying purposes. The men had all left work and gone home, leaving a watchman in charge, but he being employed in the far end of the building, and down in bottom of a vat, did not discover the fire till too late. Insurance on building and contents:—In Hartford, \$2,500; Phoenix, \$2,600; Aetna, \$1,800; Western, \$4,500; London Assurance \$3,400; Queen, \$2,500; British American, \$2,500; Total Insurance, \$19,800; Loss about \$23,000. Nearly all the leather and hides in the vats will be saved, they being covered with water.

St. Thomas, Dec. 16.—A fire broke out in the livery stables owned by Daniel Barnes. The total loss is probably \$2,000, partly insured. The origin of the fire is unknown.

St. Catharines, Dec. 16.—A fire broke out in P. B. Owens' dry goods store, St. Paul street. The steam fire engine arriving promptly the fire was put out in a short time. The goods were damaged by fire, smoke and water to the extent of about \$8,000. Insured for \$24,000, as follows:—Hartford, Western, Aetna, and Andes, \$5,000 each; Lancashire and Provincial 2,000 each. Origin of the fire unknown.

Drummondville, Dec. 14.—The barn and shed of Mr. Abram Todd, about three miles from this village, were burned with contents. Cause unknown, uninsured.

Vienna, Dec. 13.—The barns and stables of Richard McCurdy, about three miles from this village, were burned with contents. The loss is estimated at about \$4,000. Cause unknown.

Guelph Dec. 9.—The Stables of the Albion Hotel were burned; insured in the Imperial for \$500.

THE AVERAGE CLAUSE.

Editor MONETARY TIMES.

SIR,—I beg to offer a few suggestions in relation to the average clause and the reasons set forth by the fire insurance companies for adopting it. Allow me first to set out a few elementary principles.

Insurance is based on the principle of indemnifying losers by fire, on a basis as agreed between the parties. Certain information is furnished by applicant to the company, being necessary that they may judge of the description of the risk, and calculate the liability they are asked to assume. One of the most important points to be considered by the company is the value of the property—whether real or personal. Suppose it is stated that the value is only equal to the sum asked to be covered, does any company, or would any properly managed company assume the full value (that is, on general principles, as there may be rare and exceptional cases). Presuming, then, that companies in the conception of their contracts do not purpose to assume the covering of the whole value, let us see how the proposed average clause would work.

I shall consider first the 1st section of the average clause, which is really the essential portion of the condition, and is similar in effect to that in use in marine policies, and accords with the French and German average clauses in use in their policies. If a building valued at \$5,000 is covered from year to year for \$4,000, and in the course of time or other circumstances deteriorates in value say to a sum only equal to the sum assured, the average clause is wholly inoperative in case of loss, and the company is covering a risk equal to the full value.

Take a merchant's stock. It is the practice, or certainly ought to be, for the company to enquire what the value of the goods is. It may be said that the value of goods changes so frequently that it is useless or of no effect ascertaining this information when taking such risks, and that very many companies fail to require it.

I know that such practice holds to a great extent in regard to large mercantile establishments, but it is it sound practice? If a storekeeper applies to an office for a risk on his goods of \$500, does not the agent or manager, before he accepts the risk, ascertain what amount of goods the applicant has. If there is reason for obtaining information of this kind in a matter of small liability, so much more reason I apprehend is there in making similar enquiries in matters of greater moment and involving so much more extensive liabilities.

If, then, the conception and object of the average clause proper is to keep the insurance on the property at a figure below the actual value of the property, so that the assured may