

commercial war. A war of prices intended to break down a rival establishment has destruction for its object, and is not to be regarded as the beneficent effect of free competition. The steamboat or the railway which carries passengers below cost is aiming at monopoly; and the present sacrifice is the price the competitor is willing to pay for the attainment of his ends. An attempt to crush out rival manufactures, in the weakness of infancy, is not regular trade but commercial war, exceptional in its aims and instrumentalities; and is as much to be resisted as any less covert attacks upon national development.

A FINANCIAL CONTRAST.

While Canada is constantly increasing its public debt, the United States is quietly lightening the enormous load of debt which the civil war piled up. In seven years the Federal Government paid off the enormous sum of \$435,000,000 of war debt. While Canada is importing largely in excess of its exports the United States has, in the last three years, exported \$314,884,000 more than it imported. While the States has an enormous surplus applicable to the payment of old indebtedness, the revenue of Canada fell far short of the expenditure last year.

These opposite roads lead to opposite results. The time may be calculated with certainty when the States will, at the present rate of payment, wipe out its public indebtedness; the time may also be estimated, when, at the present rate of piling up debt, the obligations in the shape of interest will reach the full measure of the contributory power of Canada. It may be urged on behalf of Canada that, with its immense territory and sparse population, the progressive accumulation of public debt was inevitable; that the construction and maintenance of a railway across the continent and the enlargement of the canals were imposed upon us by the act of Confederation and the annexation of British Columbia. But if a population of four millions undertakes expenditures that would tax the resources of three times their number, there can be only one result. The burthen of debt would retard instead of accelerating progress. National development must be gradual. We cannot, with our population and resources, do in a short time all that may appear desirable and that may become necessary some years hence. The construction of railways by the Government is for Canada a new policy. It commenced with the Intercolonial, and it was intended that it should end there. The first official idea in connection with the

Pacific Railway was that it should be built by a company and its construction should be aided by a grant of land and \$30,000,000 in money. When that scheme fell through the idea of building the whole road by public money, after the example of the Intercolonial, was entertained. It was a hasty conclusion, and no one can now tell how it is to be carried into effect. If Canada had adopted the policy of making even the main lines of railway public works, at the outset, the public debt would already have reached a figure that would have forbidden any idea of further increase. There is no reason to suppose that a company could now be induced to build the Pacific Railway on the terms originally proposed. At what rate the Government intends to push the construction, or whether the purpose of building a railway from the Ottawa to the Pacific still lingers among the official resolves, is not known. When Mr. Foster was relieved from his contract to build the Georgian Bay branch, the popular conclusion was that that section had been definitely abandoned. But this, it seems, was an error; for it has since been authoritatively announced in Parliament that the annulling of that particular contract does not mean the abandonment of this branch. When the now annulled contract was let, this branch was represented as a temporary provision for a mixed land and water route. The intention to build a road north of Lakes Huron and Superior, at some future time, was still avowed. It was never determined how far the Georgian Bay branch could be utilized when the all rail route came to be built, or how far it would then prove to be an addition to the main line.

The uncertainty that hangs over the western end of the proposed railway is at least as great as that was which shrouds the eastern. When a member for British Columbia had raised the disintegrating question of a separate tariff for his Province, and it had been suggested that such exceptional tariff should last till the Pacific Railway was built, the Minister of Justice is reported to have interjected the remark: "That would be for ever." All this is very puzzling to the ordinary mind. No one seems to know what is the Government policy to-day with regard to the Pacific Railway. Over the "sea of mountains" the route has not yet been determined on. It may be that the Government is waiting for further information to be derived from surveys before determining what is to be done; and the negotiations with British Columbia may make reticence a diplomatic virtue for the moment. But it would be a great relief to the public mind if the assurance were given, at the earliest moment,

that there would be no undue haste in pushing on the parts of the road which are not at present required, and that there is no intention to involve the country in inextricable difficulties of debt merely because an intention to build this railway within an impossible time had once been announced.

CONNECTICUT MUTUAL LIFE INSURANCE CO.—The thirty-first yearly statement of this reliable company is just issued. The extent of its business may be inferred from the fact that its premium receipts last year were \$6,725,120, and receipts from rents and interest \$2,893,993, equal to seven per cent. on its investments. The surplus shown, after re-insuring all outstanding risks, exceeds four millions of dollars. It is re-assuring, after all that has transpired about the extravagant management of companies now defunct, to find the ratio of management expenses to receipts a fraction under seven per cent. in the case of this company. Such a result is in keeping with the assured position and the experienced management of the Connecticut Mutual.

THE ROYAL CANADIAN INSURANCE CO.—The Insurance Commissioner of New York State has made a call upon this company to make up what the law of that State treats as an impairment of capital, or else to decrease their capital to the extent of the impairment. The Commissioner for Michigan also finds that under the re-insurance liability clause of the law of that State the company requires to restore the impairment shown. It is, among other things, to enable the company to comply with these requirements that it has made the call upon its stockholders, and now seeks power from the Legislature to lessen the capital stock.

MERCHANTS' MARINE INSURANCE COMPANY.—The annual meeting of this company was held in Montreal on Tuesday last. The report submitted to the shareholders showed that the company had a prosperous year. Its premium income amounted to \$172,658. Of this sum \$31,266 was deducted for cancelled policies, re-insurances, &c, leaving the amount of \$141,499 net premiums. The losses were small, amounting only to \$26,449.56. Upon the payment of this sum and all other charges a balance of \$93,378.60 is left to the credit of profit and loss account. After providing for all claims there remains a balance of \$88,032, which we believe is considerably in excess of the necessary amount for a re insurance fund. In view of the payment of an eight per cent. divi-