

to a minimum; and the question of Inter-colonial freight may probably be reconsidered to advantage. For the rest, the present state of the iron industry is such as to bear heavily on enterprises of this kind, as the following facts will show:

The appliances for producing iron, both in England and the United States, greatly exceed the demand. At the close of last year, only 265 out of a total of 472 furnaces, were in blast, in the United States. Still, there was a considerable improvement in production, as compared with the year 1877, when the number in blast was 270, out of a total of 446. The production of pig iron in that country was greater by 262,776 tons last year than in 1877; and was greater than in any year since 1874. The total production for the last seven years has been in tons of 2,000 lbs.:

1872	2,854,558 tons
1873	2,688,278 "
1874	2,689,413 "
1875	2,266,581 "
1876	2,093,236 "
1877	2,314,585 "
1878	2,577,361 "

The Secretary of the American Iron and Steel Association, Mr. Swank, expects that the increase of the present year will maintain the ratio of 1878. Should this estimate prove correct, the present year will witness the greatest production of iron that has ever occurred in the United States. The increased consumption of pig iron, in the last two years, is due in part to the growth of the Bessemer branch of the steel industry. Last year, 550,398 tons of Bessemer steel rails were made; an increase of 118,299 over 1877. Of iron rails 322,890 tons were made. Bessemer steel rails were first imported, into the States, in small quantities, in 1863; \$150 a ton in gold being paid for them. The price of American Bessemer rails has since declined to \$42, a reduction which is claimed to be due to domestic production.

Bituminous coal and coke are used to a greater extent in the manufacture of iron than Anthracite; 1,092,870 tons being made with the latter, and 1,191,092 tons with a mixture of bituminous coal and coke. From this, we may conclude that Nova Scotia possesses the kind of coal most suitable for smelting. The use of coke in blast furnaces has been steadily increasing for some years; and it is mentioned, as a significant feature of this increase, that coke is now being used in districts where anthracite had previously held full sway. It is, however, never used alone, but is always mixed with anthracite. The production of charcoal pig iron, which ran up to about 575,000 tons in 1873 and 1874, declined last year to 293,399.

While there has been an increase in the production of pig iron in the last two years, the price has continued to go down. From 1872 to 1878, the decline was no less than 64 per cent; the highest price being \$53.87½, and the lowest, reached last November, \$16.50. From this lowest figure, there has since been a slight advance. Steel rails now sell for less than half what iron rails cost in 1872. It is obvious that, with the prevailing low prices, and the immense means of production unutilized—162 blast furnaces lying idle in the United States—a new industry of this kind, in Canada, labors under great difficulties.

MARINE INSURANCE IN CANADA, 1878.

Having considered the business of Fire Insurance in the Dominion for the past year, taking the figures from those furnished by the Superintendent, we will now turn to marine, comparing the results with those of the preceding year. But in this we shall be unable to give the ratio of expenses, inasmuch as most of the companies making returns also transact fire business, and do not divide the said expenses as regards each branch.

The following is the comparison respecting premiums received and losses incurred during the two years last past.

ANCHOR MARINE.					
1877.			1878.		
Prem.	Losses	p. c. of loss	Prem.	Losses	p. c. of loss
Inland...\$31,802	\$11,043	35	\$31,825	\$16,768	52
Ocean...14,142	17,826	126	26,930	27,541	102
Total...\$45,944	\$28,869	63	\$58,755	\$44,309	75
BRITISH AMERICA.					
Inland...\$46,815	\$28,211	60	\$24,082	\$ 7,734	32
Ocean...45,878	41,087	89	49,522	42,087	82
Total...\$92,693	\$69,248	74	\$73,604	\$49,771	67
CANADA FIRE AND MARINE.					
Inland...Nil	Nil		\$ 5,886	\$1,733	29
Ocean...\$ 2,489	\$2,700	108	3,117	2,337	75
Total...\$ 2,489	\$2,700	108	\$9,003	\$4,070	45
MERCHANTS MARINE.					
Inland...\$22,427	\$23,817	106	\$11,958	\$6,005	50
Ocean...114,501	107,933	94	94,835	68,239	72
Total...\$136,928	\$131,750	96	\$106,793	\$74,244	69
ROYAL CANADIAN.					
Inland...\$76,566	\$31,890	41	\$30,028	\$17,194	57
Ocean...66,203	41,844	63	60,948	42,558	69
Total...\$142,769	\$73,734	51	\$90,976	\$59,752	65
WESTERN.					
Inland...\$64,222	\$62,185	96	\$34,484	\$19,816	57
Ocean...33,828	21,156	64	38,915	35,795	90
Total...\$98,050	\$83,341	85	\$73,340	\$55,611	76
PHENIX (BROOKLYN).					
Inland...\$28,216	\$ 8,875	38	\$20,641	\$19,987	50
Ocean...23,917	31,577	131	Not complete		
Total...\$47,133	\$40,452	85	\$20,641	\$19,987	50
TOTALS ALL COMPANIES.					
Inland...\$264,548	\$166,011	63	\$158,854	\$80,287	50
Ocean...300,958	261,513	88	286,225	224,512	78
Total...\$565,506	\$430,524	76	\$445,079	\$304,749	68

From the above it will be seen that there is a slight improvement in the aggregate

ratio of losses in 1878 over 1877, but not sufficient to form matter for much congratulation; while on the other hand rates on the average show a marked decline during last year, especially for the Inland business, the following being the comparison:

ANCHOR MARINE.			
1877	avge. p.c.	1878	avge. p.c.
Inland.....	60c.	Inland.....	31c.
Ocean.....	95c.	Ocean.....	79c.
BRITISH AMERICA.			
Inland.....	67c.	Inland.....	51c.
Ocean.....	\$1.90	Ocean.....	1.57.
CANADA FIRE & MARINE.			
Inland.....	—	Inland.....	not given
Ocean.....	39c.	Ocean.....	"
MERCHANTS MARINE.			
Inland.....	\$1.34	Inland.....	95c.
Ocean.....	1.95	Ocean.....	\$2.47
ROYAL CANADIAN.			
Inland.....	\$1.10	Inland.....	67c.
Ocean.....	1.30	Ocean.....	\$1.10
WESTERN.			
Inland.....	80c.	Inland.....	98c.
Ocean.....	\$1.32	Ocean.....	75c.
PHENIX.			
Inland.....	83c.	Inland.....	93c.
Ocean.....	66c.	Ocean.....	86c.

The total amount written by all companies and the average rates charged were as follows:

1877	p. c.	1878	p. c.
Inland...\$31,604,306	83c.	Inland...\$26,294,844	58c.
Ocean...\$21,324,189	\$1.41	Ocean...\$25,423,748	\$1.26

Thus showing, as far as inland navigation is concerned, that with a decline in rates on the average of thirty per cent. there is also a decrease in the amount written of upwards of \$5,000,000 in 1878 from the figures of the previous year, owing, we believe, to the greater amount of produce carried by rail in 1878 over 1877. As regards Ocean business, although the volume of amounts insured has increased last year, yet rates have diminished about ten per cent; and glancing over the returns this branch of the trade (if we except, perhaps, the "Royal Canadian") does not appear to have been profitable to our Canadian companies. The cause of this is not far to seek, in our opinion. It is merely another illustration of what we have already written upon, viz., "class" insurance, for none of our companies have at present the means or facilities for doing an extended Ocean Marine business. In being confined therefore to certain limits they resemble a fire company, which, instead of doing a general business, confines itself to one or two particular classes of risks.

In conclusion, the outlook for Inland Insurance is by no means cheering; but, on the contrary, the Pool, which has been formed by a large number of American and two or three of our Canadian companies has fixed the rates for the season at ruinously low figures (being 50 p. c. or more be-