

	Tons.
Pig Iron made from Canadian ore.....	59,451
do do do Foreign.....	327,267
Puddled Iron Bars.....	3,508
Steel Ingots.....	300,420
Rolled round steel wire rods.....	36,894
Rolled angle bars.....	1,493
do angles.....	1,740
do plates.....	84
Gross weight, Tons.....	730,862

A resolution was introduced into the House of Commons last week, by Mr. Connée to confine the bounties on the production of pig iron to that smelted from Canadian ore, the idea, apparently being that there was no necessity for foreign iron ore being used. The resolution was withdrawn. To confine the smelting of ore for pig iron to the ores drawn from Canadian mines is impracticable. To produce a certain grade of a merchantable quality of pig iron, or iron available for converting into steel, a mixture of ores is necessary, and the foreign iron ore used in Canadian furnaces is utilized for this purpose.

The production of pig iron in Canada amounted in 1904 to 278,219 tons as compared with 265,418 tons in 1903, 319,557 tons in 1902, 244,976 tons in 1901, 85,000 in 1900, and 68,755 in 1898. The production in 1905, as shown by the bounties paid, amounted to 386,719 tons, which is 108,500 more than last year.

IMPORTS OF IRON AND STEEL AND MANUFACTURES THEREOF.

	1901.	1903.	1905.
	\$	\$	\$
Great Britain, Dutiable....	2,601,430	7,394,643	5,531,818
do do Free.....	786,123	2,801,339	1,088,770
United States, Dutiable....	16,161,355	21,179,938	26,637,606
do do Free.....	6,892,995	7,070,186	7,894,857
Other Countries, Dutiable..	422,486	2,424,005	1,181,208
do do Free.....	243,020	1,286,104	245,012

Germany and Belgium supply the bulk of iron and steel manufactures thereof which are not imported from Great Britain or the United States.

From the extent of these imports it is evident that there is room in Canada for a great increase in the production of iron and steel goods.

FINANCIAL SITUATION.

A prominent London financial journal considers that high interest rates will continue because of the great demand for capital for nearly every country. This demand, it states, is three-fold, the great activity of trade calls for more capital, there are foreign loans to be provided, and a considerable sum of money is being drawn to San Francisco.

So far as trade activity affects the money market there is nothing known, or anticipated respecting the expansion of trade which justifies the idea that any such expansion is eminent as will cause any demand for capital likely to increase the rate for money. Money diverted to industries creates

money and at present industrial enterprises are so active as to render any marked expansion improbable.

As to foreign loans there may be some new ones proposed, but what are known to be required have been practically provided for and their effect on the money market discounted.

The third influence, viz., the demand for money for San Francisco, is over-estimated as a factor in the money market which tends, or will tend, to advance rates. As fast as provided the funds sent to San Francisco will be distributed in trade channels, and will flow back to its sources. There will be no locking up of money by the San Francisco banks, nor hoarding by any class. As an element affecting the price of money San Francisco seems to be over-estimated.

A far more important factor is the very large and growing excess of exports from the United States over imports, the gross excess in last 10 months having been \$468,000,000 against \$339,000,000 for same period in 1904-5. This enormous outflow of exports cannot fail to exert an influence on the money market that will tend to restrain an advance in rates. Although speculated upon it is too early to have any reliable estimates of the next harvest, but what is known is favourable.

This also may be said in regard to other indications of a financial nature.

NORTHERN ASSURANCE COMPANY.

The more recent reports of the British fire companies are shadowed by the San Francisco conflagrations.

In the case of the Northern Assurance Company the calamity found the institution occupying a financial position of such great strength as will enable the claims to be paid without weakening it, but, only as the chairman at the annual meeting said, rendering less strong than before the fire.

He was inclined to think that the loss sustained by the Northern would be considerably less than was first estimated. Assuming, however, that the worst has to be reckoned with and that the company has to pay a loss of \$2,500,000 the funds available are sufficient to meet this and leave the company in a sound and strong position. The Chairman stated the company's present position as follows: "We have the following reserve funds, exclusive of paid-up capital, of \$1,500,000, general fund \$5,500,000; unearned premium reserve, \$2,780,000; investment reserve, \$370,000; amount carried to profit and loss, \$825,000, making the splendid total of \$9,475,000. If from this there has to be paid, \$2,500,000, the total reserves would be reduced to \$6,975,000." A company that is able to meet the enormous loss of 2½ millions by the San