

head of "general expenses" in Professor Cherriman's report. We give below the percentage of general expenses on the net cash premiums of each company and also the average rate of premium received on the net amount at risk. We do not give the expense percentage of the British America and Western, because these apply to the whole business, American as well as Canadian, of these companies, and the comparison would be unfair.

CANADIAN.	Expenses.	Average rate of premium.
British America	per cent.	\$0.87
Citizens	36 "	0.97
London Mutual	25 "	0.28
Quebec	19 "	0.98
Sovereign		
Western		0.90
BRITISH.		
Caledonian	23 "	1.08
City of London	24 1/2 "	1.50
Commercial Union	30 "	0.74
Fire Insurance Ass'n	30 "	0.85
Guardian	22 1/2 "	0.87
Imperial	21 "	1.00
Lancashire	21 1/2 "	0.98
Liv. & Lon. & Globe	18 "	1.08
London & Lancashire	23 "	1.01
London Assurance	20 "	0.90
National of Ireland	40 "	1.22
North British	23 "	0.79
Northern	20 "	1.07
Norwich Union	19 "	1.05
Phoenix of England	22 "	1.00
Queen	22 "	1.04
Royal	21 "	0.59
Scot. Union & Natl.	24 "	0.86
AMERICAN.		
Ætna	18 "	1.57
Agricultural of Water-town	31 "	0.41
Hartford	16 "	0.93
Phoenix of Brooklyn	20 "	1.64

Of Canadian companies the Quebec appears to be the most economically managed, and the Citizens shows the largest percentage of expenses, it being 36 nearly double that of the Quebec Assurance Company. The greater the amount of business done by any company, the less the percentage of expenses should be. We think there is room for improvement on the part of some companies under this head. The British companies range from 18 to 40 per cent. The American companies range from 16 to 31 per cent.

It is very difficult to arrive at any definite practical conclusion from the average rate of premium received by each of the companies. Those doing exclusively a farm and private-dwelling business, will show a much less average rate of premium than those doing a general business; and a company doing a large business in special hazards will show the greatest average. We think there must be some mistake in the figures of the City of London, the Ætna and Phoenix of Brooklyn and those of the Royal—the former three showing an average rate of percentage of 1.54 and 1.57 and 1.64 respectively while the Royal shows only 0.59. The latter company probably does a larger proportion of farm business than any other doing a general business; and this may account in some degree account for the lowness of the average rate of premium.

Next year a legitimate deduction can be drawn from the average rate of premium received by companies, as the rates received by all stock companies are the same on each class of risk, as a result of the recent combination. We are glad to learn that the Underwriters' Association is working well.

The rates are said to be well kept up, and there is comparatively little grumbling on the part of the public. The principal increase in rates is on special risks which were, previous to the formation of the association taken at totally inadequate rates. The mode of arriving at the proper rate on specials appears to give great satisfaction to such as have endeavored to decrease the fire hazards as every improvement made in any given class of risks, as compared with another of the same class void of such improvements is recognized and a suitable deduction is made therefor. This is as it should be and commends itself to the judgment of all who would like to see the great loss of property by fire lessened in Canada.

PROGRESSIVE CHEAPENING OF RAILWAY FREIGHTS.

If anyone should attempt to conceive how the world would get on without railways, he might obtain a pretty accurate idea of the value of this mode of communication. Advantages which we are accustomed to enjoy we are apt to undervalue. The public has a keen eye upon railway monopolists, or what it insists on classing under this designation, and its jealous watchfulness conduces to the public safety. Whatever the railway companies have done in the way of pooling, amalgamation, agreements not to cut established rates, one thing is clear as the result of the railway experience of the United States, for several years past: the rates of freight have materially diminished. Mr. Nimmo, chief of the United States Bureau of Statistics, at Washington, gives the average cost in cents, of carrying a bushel of wheat from Chicago to New York, each year from 1868 to 1883, by three different modes of conveyance: lake and canal, lake and rail, and all rail:

YEARS.	By lake & canal.	By lake & rail.	By all-rail.
1868.....	25.3	29.0	42.6
1869.....	24.1	25.0	35.1
1870.....	17.5	22.0	33.3
1871.....	21.6	25.0	31.0
1872.....	26.6	28.0	33.5
1873.....	19.2	26.9	33.2
1874.....	14.2	16.9	28.7
1875.....	11.4	14.6	24.1
1876.....	9.7	11.8	16.5
1877.....	7.5	15.8	20.3
1878.....	10.1	11.4	17.7
1879.....	18.0	13.3	17.3
1880.....	13.2	15.7	19.7
1881.....	8.66	10.4	14.4
1882.....	8.7	10.9	14.6
1883, (Jan. to Nov.)	9.16	12.0	16.1

From this table we learn that, during the whole of this period, freights were lowest on the water routes, of which the little Erie canal formed part. But the greatest reduction was on the all-rail route. But while this is true, the all-rail route is still the dearest of the three. Lake and rail occupies an intermediate position between the other two routes. The smallest reduction, though not inconsiderable, was on lake and canal. Whither does all this tend? Have the greatest possible reductions been reached? On none of the routes were freights so low, last year, as in the two previous years. The abolition of the canal tolls, by the State of New York, does not announce itself in a reduction of freight charges; on the contrary, those charges were higher last year

than in either of the two previous years. But as freights on all the routes were higher, the cause of the increase was one, whatever it was, greater than the abolition of tolls could compensate. The water routes, there cannot be a doubt, had a decided effect on railway freights; and while they made a reduction of rail freights necessary, the advent of the steel rail has made such a reduction practicable. If the late route in combination with the little Erie canal, has so marked an effect on rail freights, our water route in which there is no little canal of great length, may be relied on to temper the ill-effects of any possible railway combination in future.

Mr. Nimmo gives another table which shows the charge per ton per mile on thirteen leading railroads of the United States during the years 1873 and 1880:

LINES OF RAILROAD.	RATE PER TON PER MILE.	
	1873.	1880.
Boston & Albany.....	1.96	1.21
New York Central & Hudson R..	1.57	0.88
New York, Lake Erie & Western.	1.45	0.83
Pennsylvania	1.41	0.88
Pittsburg, Fort Wayne & Chicago	1.41	0.91
Lake Shore & Michigan Southern	1.33	0.75
Michigan Central.....	1.22	0.84
Chicago & Alton.....	2.12	1.21
Chicago, Burlington & Quincy..	1.62	1.04
Chicago, Milwaukee & St. Paul..	2.49	1.76
Chicago & Northwestern	2.35	1.49
Chicago, Rock Island & Pacific..	2.29	1.21
Illinois Central.....	1.51	0.97
Average.....	1.77	1.07

This great reduction is largely owing to the introduction of the steel rail. The following from the *Railway Review* contains facts of great significance: "In his manual of the Railroads of the United States for 1881 Mr. Poor says that 'the charge in 1860 for moving a ton of freight one mile on the New York Central Railroad was 2.065 cents; the cost was 1.343 cents; net, 7.22 mills. The charge in 1870 was 1.863 cents; cost, 1.153 cents; net, 7.10 mills. In 1880 the charge was 8.79 mills; cost, 5.42 mills; net, 3.37 mills per ton per mile. The charge in 1880 was about 8 mills less than the cost in 1870. The percentage of profit, notwithstanding, was greater in 1880 than in 1860 or in 1870.' Mr. Poor further states that, 'in 1870, at the rates then prevailing, the laboring man in the city of New York paid \$1.60 for the conveyance to him of a barrel of flour from Chicago. In 1880 he paid only 86 cents for the same service.' In November, 1881, in consequence of the sharp competition between the railroads in that year, it cost only 50 cents to take a barrel of flour by railroad from Chicago to New York, a distance of nearly 1,000 miles. Mr. Edward Atkinson, of Boston, has recently shown that the freight charges for the movement from Chicago to Boston, a distance of 1,000 miles, of one year's subsistence of grain and meat for an adult workingman amounts to about \$1.25, which sum is only one day's wages of a common laborer, or half the daily wages of a good carpenter or mason." Nevertheless railways may be built faster than they are required and the capital put into them may for years be unproductive, while they confer very great indirect advantages on the public.