

the month in which it was issued. The result is that under the "daily assessment" system an assessment for loss may be made on the very day of advice, while under the other system the assessment can only take place sometime after the occurrence of losses. Further, in one case revenue is constantly coming in, while, in the other, the bulk of revenue comes in during one or two months in the year. The working of the system is more clearly shown by the statement in the report.

There is a short reference to the discussion concerning the propriety of Mutual Companies adopting the Cash System which shows that the question is one of general interest. When the various Mutuals have expressed their opinions we shall treat the question more fully. We agree with the Directors in their estimate of the importance of united action in securing uniformity of rates and such statutory provisions as will place all companies on a common basis. At the meeting of the representatives of Mutual Companies held in Hamilton, on the 29th of April, this seemed to be generally acquiesced in.

The Gore District is evidently making good progress. The receipts for the last year exceeded those of the year previous by \$2,000, with an expenditure less by \$500. The company has now in force over one thousand policies more than it had in July, 1865. It was natural, in the face of such an exhibit, that satisfaction was expressed with the manner in which the Secretary, Mr. Simons, and the Inspector, Mr. McLean, had discharged their duties. Some objection was taken to the amount of salary paid these gentlemen, but, as Mr. McGill well put it, "good men should be well paid." It is false economy to pay inadequate salaries to efficient officers. Their value is soon learned by rivals, and competent, energetic, and trustworthy men always will command their price. As regards inspectors, there seems to be an idea abroad that they are to a degree superfluities. This is quite a mistake. As a class of men they are ill-paid, considering the temptations to which they are exposed and the nature of their duties. An inspector with a stinted salary may, if possessed of an elastic conscience, make considerable additions to it in the way of perquisites, presents, &c., to say nothing of the sums of money that might be got by questionable compromises. We have heard of an inspector who levied systematically on claimants, and almost furnished a house with articles obtained as thank-offerings. We conclude, therefore, and insurance men generally will coincide with us, that a fair salary to an inspector is the best safeguard against such practices.

The President of the Gore District is an

excellent business man, intelligent and fully capable of discharging the duties of his office aright. He is surrounded by a Board of practical business men. The prospects of this Company are, therefore, on all hands, of the most satisfactory character.

It is not improbable that the British Government will sever its connection with the Bank of England. In a recent debate the Chancellor of the Exchequer announced that the Government contemplated making a new arrangement respecting the disbursement of the public funds. He spoke of the bank as "a private institution," whose sovereignty was baneful, and that it was largely maintained by means of the deposits of public money intrusted to the bank. It is objected that its management is illiberal, and that its whole policy seems to consist in embarrassing trade by making money artificially dear at the time when it should be cheap, and *vice versa*. It is now claimed that the time has arrived for establishing free trade in money and in banking, the same as in other departments of business. This stirring up of the "old lady" will be interesting news to those wiseacres among us who sigh for a similar institution in Canada, and would have the Bank of Montreal lifted into that position.

#### GRAND TRUNK RAILWAY.

Mr. Brydges has parried a good many thrusts, but in few cases with more success than in his replies to the interrogatories of Mr. Creak, who may be called the leader of the opposition to those who at present control the management of the Grand Trunk Railway. Of course Mr. Creak, or any other shareholder in the company, is justified in getting all the information respecting the property in which he has an interest, and in taking all fair means to correct errors of management, but there is a limit beyond which such endeavours cease to be productive of good results. The following is the substance of Mr. Brydges replies:

Scoville never sent me a copy of the printed letter Mr. Creak refers to, and I know nothing of its contents. Scoville's price for wheels was \$15 each from November, 1861, to April 1864, when he raised it to \$16, at which it remained till December, 1865, after which we took what he made from materials he had on hand or had contracted for at \$15 each up to June, 1867, when we ceased buying from him. In the early part of 1864 the Three Rivers concern got into difficulties, and we could not depend upon their supply. Scoville delivered all his wheels at Toronto, we carrying those used at Montreal, a distance of 333 miles, at our own cost. The consumption of wheels at Montreal is about five sixths of the whole. The carriage of Scoville's wheels from Toronto to Montreal added for bare cost at least 50c. to his price

for each wheel. We got the first wheels from Montreal in the spring of 1865 at \$15 each. Finding Scoville impracticable we agreed to buy all our wheels from the Montreal Foundry at \$14.50 each, delivered where we use them. All those we take at other points besides Montreal are delivered at the places we use them at the cost of the makers, we paying only \$14.50. We pay now \$14.50 each wheel, which is fully \$1 a wheel, less than Scoville's price, carriage included. I did refuse to make a contract with Scoville, because he declined to deliver anywhere except at his works at Toronto, which, as I have said, added \$1 at least to his price, as compared with the Montreal rate.

The rise of wages in 1867 and 1868 is owing to the fact that the increase in the rate of American wages culminated or reached its highest point at the end of 1866. Wages in the States to-day are at the highest point they have ever been at in my experience of sixteen years. Our staff is not larger, but each man costs more now than he did in the first half of 1866 and previously.

The increase in fuel is owing to several causes—greater proportion of soft wood supplied by contractors, financial necessities causing stock to be low, and therefore necessitating the use of green wood; and the severe unusual cold of the winter of 1867-8, causing more wood to be burned to haul the same loads.

Very few complimentary passes are issued—the exceptions being the press and Americans whose interest as controllers of freight is important, and who are invariably passed on their own lines. No passes are given to M. P's or their families or other private parties.

A few rails in our own shops are repaired where it is economy to do so by our own men at day's wages. I have examined Baines plan, and do not consider, after careful consideration, that it is desirable to adopt it. I can give my reasons, of course if necessary, but I suppose that an opinion is all that is now needed.

The volunteer corps has not cost the company anything, the whole of the outlay being borne by the Government and the men themselves. Drilling did not and does not come out of the company's time, nor did it ever interfere with a single train. Full particulars will be found in my letters to the London office.

Old rails vary in price according to the markets in the United States, the prices ranging from \$18 to \$25 a ton. The charge of re-rolling at Toronto is \$25.50 a ton in gold, at Portland \$40 in greenbacks, and at Detroit \$38½ in greenbacks.

Cleveland coal laid down at Lake Ontario ports will cost from \$5.80 to 6.20 a ton in gold. It is not economy to burn it at the present price of wood. Coal is being used in the Western States very partially, and only in prairie countries where no wood can be had and seams of coal can be met with.

Experiments have so far proved that Pictou coal is not suitable for locomotives. For stationary engines, it is at least 25 per cent. less profitable than English coal.

The subsequent action of Mr. Creak, and those who support him, has been strongly condemned by the English railway press. *Herapath's Railway Journal*, referring to Mr. Creak's action, denounces it as un-English, and likely to be detrimental to the company's