We are here but yet in the transition state. Our friends on the other side have more fully developed this mixture of character. Outside of their money market the grain trade is probably the worst infected, and on the eve of our own opening fall business, with unsettled gold values and an equally uncertain and probably inflated market, our operations cannot be too carefully watched, and unless the season's transactions can be placed on a satisfactory basis, the money might as well have been lost at cards as gambled away in grain.

MR. SPOONER, the engineer of the Festiniog Railway—a Welsh two-feet road—summarizes the advantages of the light narrow gauge system thus:—

1st. The large comparative saving in first construction.
2nd. The large proportion of paying load to non-paying or tare weight of train.
3rd. The great reduction of wear and tear of permanent way, through advantage gained by light rolling stock.
4th. Saving in reduced wear and tear of wheel tyres from reduced weight on each wheel.
5th. Large proportionate increased power of locomotives.
6th. Proportionate increased velocities gained by the light system.
7th. Greater economy in working traffic.
8th. Comparative increase in capabilities of traffic.
9th. Great advantages gained by application of the Fairlie system of locomotive engines in concentrated power, equalisation of adhesion of all the wheels to the rails, economy from reduced friction on wheel flanges, reduction of wear and tear to the permanent way, great saving in fuel, and economy in wages for given power secured.

The railways of India are mostly constructed on this principle; but it appears by a recent official report that one of these lines is being taken up and replaced by a first-class railway of 5 ft. 6 in. gauge. It seems to have been found in that country that light railways are well adapted to the service of districts where the traffic is light and the surface hilly; in a word that the gauge and the stability of construction should have the qualities of lightness or solidity according to the extent of the traffic to be accommodated, and that it is only where this principle is conformed to that financial soundness can be secured.

ONTARIO MUTUAL LIFE INSURANCE COMPANY.—This bald project has just passed through a crisis, in which Moses Springer, M.P.P., the principal promoter, has severed his connection as Secretary, and Mr. Wm. Hendry appointed in his stead. Mr. Springer has struggled hard in the up-hill work of trying to float the scheme, and it strikes us as a little singular that he should be got rid of at this stage. We do not know whether these Waterloo directors have ever heard of Abe Lincoln's story about swapping horses when crossing a stream, but it seems to us peculiarly applicable to their case. Unless the plan of the Company is stripped of some of its inconsistencies, and remodelled in harmony with the stern teachings of experience, it would show wisdom on the part of the promoters to drop it altogether.

ANSWERS TO CORRESPONDENTS.—"Insurance agent," Brockville, states the following query:—"The Agricultural Insurance Company of Waterloo, is issuing policies of insurance without taking any premium or due bill for premium. In the event of loss has the claimant any legal claim against the company not having paid the premium or given any note for same." There is an apparent absurdity in the case stated; giving away insurance is a novelty which savors of the improbable. We cannot imagine any reason why a company would assume liability under an insurance policy without securing a consideration in some way. Evidently further explanation is necessary.

GREAT FIRE IN MONTREAL.—By telegraph to the MONETARY and COMMERCIAL TIMES. Montreal, Aug. 18.—A calamitous fire occured at 1 o'clock this morning. The village of St. Augustin, the western suburb of Montreal, was devasted; forty houses were burned, and fifty families were rendered homeless.

INSURANCE MATTERS IN NEW YORK.

(From our own Correspondent.)

NEW YORK, August 15, 1870.

The recent heavy rains, followed by the first cool breezes of the season, give promise that the heated term is drawing to a close. This is an important consideration, for business has been especially depressed by the protracted heat. Men who never complained before are sick this summer, and every enterprise is, as far as possible, deferred till the dog star shall have ceased to "rage." The hegira to the watering-places and other summer resorts has been unusually large this season, which also has a depressing effect. The insurance business, which is but a reflection of trade, naturally feels these influences. A recent tour through several of the offices satisfied the writer that the officers were enjoying all the "elegant leisure" they could reasonably desire.

The fire business presents substantially the same features that have characterized it ever since the last session of the National Board. Rates being regarded as "advisory," the companies severally write at such terms as they can get. One of the largest of our city offices, not long since, took a line of $100,000 at 50c., with 15 off, the regular rate being 65c. But then they got the risk away from another first-class company, which had offered to take it at 60c. So they go—cut and come again. And yet the fires continue unusually heavy in every section of the Union. The results of the year must inevitably dissipate all the advantages which the companies had gained by the good luck of 1869. They will soon reach another period of disorganization, such as existed when the National Board was called into existence, and which it did so much to remove. Commissioner Godwin, of the Ohio Department, noticing, in his annual report, the fact that some State companies had retired during the year, advises the smaller fire offices to amalgamate by twos and threes; out of a number of weak and inefficient concerns to reorganize a few good companies that may be worthy the confidence of the commercial community. The same advice will answer for certain New York companies. There are too many of them for the legitimate business attainable. The amalgamation of a score of the smaller offices would save many thousands of dollars annually in the expenses of management alone.

We are closing upon autumn, and yet we hear onthing from the two great insurance guns—the Commissioner of Massachussets and the Superintendent of New York—in regard to the most interesting portion of their "annuals," the life insurance reports. A recently prepared chart of the general operations of sixty-nine life companies reporting to Superintendent Miller has been issued by that accomplished journalist, Mr. J. B. Ecclesine, of the New York *Underwriter*. This synopsis is the only really correct one yet issued, as it is made up from certified copies of the sworn returns to the Department. Total assets of these companies, $222,933,209; total premium receipts of the year 1869, $85,445,621; receipts from all sources, $97,339,339; policy claims paid in the year, $15,548,714, dividend additions, $14,110,-755; expenses of management, $15,703,426; number of policies issued in the year, 237,871; amount insured, $619,930,197; total number of policies in force; 656,140; total amount of insurance in force, $1,935,539,169; policy reserve or re-insurance fund, on New York standard, $164,-803,104; average ratio of expenses to total premiums, 18.31; ratio of expenses to income, 16.08. The assets are about $50,000,000 more than total liabilities, and the average ratio of expenses is not high. But this fair average showing is maintained at the expense of the old companies. In the list, thirty-three companies show a ratio of expenses to premium receipts of over 30 per cent. and several of them exceeding 50 per cent.! Several of the offices referred to have been in business long enough to have got over the necessity for extraordinary expenditure incident to the first two or three years of a new company. But what can be expected while the business is being pushed upon the present high pressure plan, but ultimate failures. It is nothing uncommon now for good agents to get 50 per cent. commission for the first, 25 per cent. for the second year, and 20 per cent. for subsequent years. The anxiety to do business leads to the other great evil of taking impaired lives. Certain companies will hear from the mortality from this source soon, in a way that will be a timely warning to others. Think of it—46 of those 69 companies are less than ten years of age, and 36 of them date no further back than 1865! There's progress for you with a vengeance.

Hon. Benjamin Noyes, insurance commissioner of Connecticut, has just issued his report, which has been delayed by the commissioner's protracted illness. The report is more thorough and critical than any of Mr. Noye's previous efforts in this direction. He finds that the capital of the 66 fire companies of other States doing business last year in Connecticut, did not earn anything on an average during the year, and for the ten previous years but about 1 1-5 per cent. on the capital employed, if applied to the State of New York. "These facts show that the companies should reform their mode of transacting business," a very reasonable inference. In his report for 1869, Mr. Noyes showed that 60 per cent. of the receipts were consumed by losses; 30 per cent. for expenses and that as capital earned 9 per cent., but 1 per cent. was left for profit.

During the past year 32 life companies have operated in the "nutmeg" State. In connection with the question of the security presented by their aggregate assets, Mr. Noyes opens up the much vexed question of "unrealized assets," which was such a great hobby with Superintendent Barnes, of the New York department. He insists that accrued interest, rents, premium notes, deferred premiums, agency balances, furniture, unusual stationery, agency supplies, &c., are not investments, because they are amounts not actually collected. They amount to 30 per cent. of the gross assets of these 32 companies, and according to the balance sheet, given in the report, the companies have a surplus of $14,438,-654, all in unrealized assets. "The figures" says Mr. Noyes, "do not go far towards justifying the modern practice of enormous dividends and expenses." We conclude our allusion to Mr. Noyes' report with a rather significant extract: "It cannot be said that the public are entirely satisfied with the present status of life insurance,