

sold more than Canadians in Newfoundland in 1902, their respective totals being \$2,570,300 against \$2,373,400. As the leading import into Newfoundland is flour, it would seem as though this might be the monopoly of Canada for certainly no other country could supply a better quality, nor at a lower price. Textiles, which are the next in rank in the Island's imports, are largely derived from Great Britain. Salt pork, molasses, hardware, tea, butter, leather, leading imports do not promise much for Canada. Of the total exports of the Island in 1902, 57 p.c. consisted of dried cod, and other fishery and seal products, 20 p.c., copper and ore, 5 p.c., and iron ore and pyrites, 8 p.c.

RESOURCES, TRADE FINANCES, ETC.

The value of the fish caught yearly by the Newfoundlanders is over \$5,000,000, equal to over \$105 per head annually of the adult population.

The total number of vessels registered on Dec. 31, 1902, was 2,751 sailing vessels of 109,205 tons, 48 steam vessels of 9,720 tons. There are 638 miles of railway open. The transportation facilities of the Island, both internally and by navigation are very commodious.

The annual revenue from Customs is over two millions. Import duties are not imposed upon machinery and certain raw materials that are not for sale by the importer, such as fishing gear, nails, ship's plates, salt for fisheries, live stock, meal for cattle feeding. The duties cannot be described as protective for they are imposed on goods that are not made, and products not found in the Island.

The banking accommodation and facilities of Newfoundland are, and for long have been provided by Canadian institutions. The Dominion is bound to the Island also by ten thousand personal ties, the sons and daughters of Newfoundland being found all over Canada, where they form a highly reputable section of the population. The two colonies are British to the core and their best interests would be promoted by annexation.

The public debt in 1902 is stated to have been \$20,185,000, which would be a trifling sum for the Dominion to assume to acquire a new Province so rich in resources and prospects. The annual interest would be provided for directly by the Island's revenue.

The trade advantages which would accrue to the Dominion at large and Newfoundland in particular, were this ancient Colony to come into Confederation, would be so considerable as to ensure annexation being an exceeding popular arrangement for all concerned.

The two colonies are British to the core. They have historic records in common. Their best interests, political, social, educational, financial and

mercantile, would be enlarged and promoted by annexation. The Newfoundlanders would be very heartily welcomed. They would increase rather than lose any of their political rights and powers. They would form an integral portion of a country which is destined to be prominent in the list of nations. This high destiny they would help to further, and would share in the noble work of Canada's government and development.

We very earnestly hope that the time will soon arrive when we shall salute "The Province of Newfoundland."

RATES AND RESERVES IN FIRE INSURANCE.

In our issue of January 26, we stated that a prosperous year was no reason for making a general reduction in the rates of fire insurance and we are fully upheld in this statement by the returns we have before us.

Last year in Canada was very satisfactory to the companies, the Government Blue Book showing that not only had the total premiums increased by over one million dollars, the exact figures for the totals being \$13,169,882 for 1904, and \$14,298,750 for 1905, but that the loss ratio had decreased from 107 p.c. to 42 p.c. for the said years respectively.

Of course, the high loss ratio in 1904 was largely due to the Toronto conflagration, which, however, is one of those exceptional occurrences that fire insurance companies have to be prepared for otherwise their business would cease to be insurance, in the strict sense of the term, and would simply become a "Heads I win, Tails you lose" transaction.

The rates of fire insurance must not only be sufficient to cover ordinary losses and expenses, leaving also a fair margin for profit, but they have likewise to provide a reserve for possible contingencies in the shape of extraordinary conflagrations, such as no human foresight can guard against.

A fire insurance policy is a promise to pay loss sustained by fire without any proviso that such fire must originate in the premises insured and not outside. Reserves are, therefore, absolutely necessary to the sound life of a fire insurance company, and this is thoroughly understood by those trained to the business. It will not be upset by the public, even when backed by the Manufacturers' Association, in trying to prove that large sums of money have for years been unnecessarily squeezed out of the pockets of the people by the fire insurance companies, as though, forsooth, banks, railways, merchants, nay manufacturers themselves did not earn their incomes from the people!

In judging of rates, therefore, they must be taken in relation to what they have to meet, and