

authority of the Church to which Victoria belongs is not going to have its resolves balked by an intrigue in the Senate of the University. The gentlemen who are making the opposition must be assumed to have counted the cost, and they must not complain if, in the end, they have to count with the consequences of defeat, however unpleasant some of these may be.

INSURANCE FOR COUNTRY MERCHANTS.

If a merchant, in the prosecution of his business, neglects to take precautions which are essential to his prosperity, it is well that he should be kept in mind of them by persons who are interested in his welfare. Among the unpleasant features which are found in connection with bankrupt estates in Canada is the lack of adequate insurance, or any insurance at all, against loss by fire. So many instances of this kind of negligence, and of disastrous loss to principal and creditors by a failure to insure, induced the Wholesale Grocers' Guild, in the summer of last year, to come to an agreement that they would not, after November 1st, 1888, consent to or accept any compromise from their customers where it had been found that the failure was caused through insufficient insurance. With this object in view, the grocers agreed that the minimum amount of insurance, under this agreement, on the stock, chattels, and buildings of a merchant must be at least sixty per cent. (60%) of their value. A very similar agreement was reached last month by the Wholesale Dry Goods Section of the Board of Trade of this city. Such unanimity of opinion on the part of between one and two hundred wholesale merchants shows how strong are the views held by business men as to the propriety of some such regulation. Of course it is conceivable that exceptional cases may arise where even this refusal would be harsh, and where modification might be necessary, but such cases are one in the hundred of failures.

To know what fire insurance a man carries ought to be part of the information possessed by every wholesale merchant about the storekeeper who buys on credit, and we confess to some surprise that the Mercantile Agencies have not found their way to incorporate this as one of the items about which they are systematically informed. It appears that the Fire Underwriters, who were relied upon by wholesale merchants to assist in this needful work by furnishing information as to the amount of insurance carried, have shown small favor to the project, deeming that it would prove, in some occult way, injurious to them. So far as we have been made aware of the nature of these objections we cannot admit their force. On the contrary, reciprocity of information with merchants on this point would show the underwriters who were their dangerous customers, and would help them to deal with the class of conscienceless over-insurers who are now so great a thorn in the side of the underwriters. On the side of the wholesale merchant it is

under-insurance which has to be contended with.

THE RAILWAYS OF CANADA.

The Government Blue Book of the railway statistics of Canada consists of a mass of undigested figures, without note or comment to add to their value. There is here a noticeable falling off since the time when Mr. Brydges used to make up these reports and illuminate them by his own knowledge and experience. Still the main figures are here, and in their way are intelligible enough. But mere figures with no side lights thrown upon them possess only a minimum value.

From these figures we find that 12,701.66 miles of track have been laid and 1,531.86 of sidings. Of this total constructed 12,162.88 miles are in operation. A noticeable feature is the great extent to which iron have been replaced by steel rails; there being 11,664.11 miles of steel rails and only 1,037.55 of iron in the main lines. This result was sure to come as fast as the iron rails wore out; the superior advantages of steel benefited not only the companies but also the public, which obtained through the steel rail a heavy reduction of charges. Only under exceptional circumstances, not likely often to occur, will iron rails be laid in future.

Railway finance has a history of its own, not always creditable to those most deeply concerned in it. In one way or another, the aggregate capital of all the railways of Canada has reached the large figure of \$727,180,448.75. In this total some water is included, but a far less proportion we imagine than is to be found in United States railway capital. The Government advances all told amount to \$134,278,219.36, entirely in solid cash. When securities were issued below par, the capital was abnormally swelled; but the rate obtained being the market rate, the discount is sometimes quite different from water. The case was that of a corporation which obtained assistance to raise capital when its credit was not good. Under such circumstances, hard conditions always have to be accepted whether the borrower be an individual or a railway corporation. Government bonuses to railways when they bear a large proportion to the whole capital represent a doubtful policy. The United States, with their greater population and larger traffic, were naturally able to make better terms with the constructors of their transcontinental lines, or rather the western portion of them, than Canada did or could.

It would have been very difficult for the Canadian Government to have raised all the capital necessary to build the Canadian Pacific, and not much less difficult to have got better terms than were obtained. The wisest among us could not say, at the time, whether the Government or railway Syndicate was making the better bargain; and if we are now certain that the Government got the worst of it, the revelation comes from experience. It is easy to say now that it would have been better for the Government, if it could have accomplished the task, to build the Canadian Pacific itself. The experience of the Intercolonial,

built by the Government, was then and is now not encouraging, whatever the future may have in store. But the Intercolonial was originally projected and in fact built as a national and not as a commercial work. But it is not even now certain that it could have done so. Perhaps the best arrangement would have been one under which the road should revert to the Government. If loans could have been made to supply the place of bonuses, as in the United States, we might have been better off, but even this is not certain; when the Canadian Pacific was built, all the experience we had showed that there was very little hope of Government loans of money to railway companies being got back. Under the circumstances, perhaps as good an arrangement as was possible was made with the Pacific Syndicate. No doubt it was too favorable, as seen by the light of experience, but this light was not then available. In addition to the bonuses, \$20,920,085.27 of Government loans to railways which have been made remain unpaid, and are in fact converted into bonuses, whatever way they may as a mere question of book-keeping be treated; and the \$300,000 of share capital subscribed by the Government may equally be set down as a gift.

Municipal aid to railways has been granted to the amount of \$13,144,224.43, on which there may sometimes, as when bonds were granted, have been some discount, but it was for the most part solid cash.

The weak point in Canadian railway finances is the large proportion of working expenses to earnings. It was on this point that the expectations of the original Grand Trunk shareholders were disappointed. The total earnings of our railways are \$42,159,152.65, of which \$30,652,046.03 goes in working expenses. The compiler of the report has not taken the trouble to add up the percentage of working expenses to earnings of the different lines, a piece of necessary information which Mr. Brydges was accustomed to give.

The ordinary share capital is \$231,623,291, equal to \$18,236.67 per mile, and the preference capital is \$95,870,491.19, equal to \$7,548.26 per mile. The bonded debt is less than the share capital, being \$228,617,728.17, or \$17,999.98 per mile. The total capital of the roads is \$57,253.81 per mile, part of which is nominal, but how much is not stated. Government aid came from every province as well as the Dominion, the policy of bonusing being common to all the Governments.

Passenger traffic brings much less revenue than freight, the relative figures being \$12,744,636.66 and \$26,410,084.90. Mails and express freight yield \$1,627,731.84, and from other unnamed sources come \$1,376,699.25. The percentage of earnings to capital is not worked out, and no statement of the dividends paid is given. These defects detract greatly from the value of the report, and we trust they will be supplied in future. No doubt the means are given by which each reader could work out these results for himself, but life is too short to be wasted in this prodigal way. The style of blue book literature embodied in this report is of a sort that neither rail-