

parsimony has, in cases which have come under our notice, been carried to such an extent that the officials of wealthy corporations have been known to keep account of the hours employed, and to measure the fees paid, not by the responsibility attaching to the office and the experience and reputation of the auditors, but by the time occupied in the work.

It is a common mistake to measure the necessity of auditing by the competency and accuracy of the officials who are responsible for the book-keeping of public establishments. There is an old adage that prevention is better than cure, and the fact that every entry, every addition, and every voucher comes under an independent supervision, is a great guarantee for correctness. Whilst on this subject we would suggest that if large private firms submitted their affairs annually to an independent audit, it would be attended with very favorable results.

MANITOBA AND NORTH-WEST COMPLAINTS.

Manitoba and the North-West are getting a response to some of their legitimate complaints. The Pacific Railway company has reduced its rates from fifteen to twenty five per cent. This is one great point gained. The supposed organ of the company in Montreal, argues that the monopoly clauses must be retained. This is possibly done for the purpose of making a bargain with the government. In respect to another of the complaints from the prairie country, the legitimacy of which needs to be established, Manitoba is encouraged to hope. It seems that Premier Norquay has been asking for better terms, and has been told that his demand will be fully considered. What the demands may be, beyond an extension of the province to the north east, outside the possible line of the disputed territory, is not known. M. Norquay recently told a deputation that waited on him in Winnipeg, that his government intended to ask for this extension, in order that it might be able to grant some of these lands in aid of a Hudson Bay railway. Sir John expects the two companies chartered to build railways to Hudson's Bay to unite. The loan is of very little value. If the road went to the mouth of the Churchill river, most of the land through which it would run would be valueless. If the line of the Nelson river were taken some fair pine lands would be passed through, near the western shores of Lake Winnipeg. At Port Nelson, the water of the sea recede, at low tide, quite out of sight; and large boulders strew the beach about mid-way between the high and the low water mark.

Too little is known of the facilities for navigation offered by the Straits and Bay of Hudson to justify any one in putting faith in this route. What is positively known is not favorable. To talk about the relative distances of New York and Port Nelson from Liverpool is to make a comparison on false grounds. The question is not here merely one of distance; it is much more a question of time and cost. And time, in carrying freight, is of less importance than cost. Time, when steam is used, means cost of coal, seamen's wages, a greater or less number of voyages. And where the navigable season

is very short, a loss of time by detention in the ice is very serious.

These Hudson's Bay railway projects are among the wildest of all the wild schemes which speculation has brought to the surface within the last few years. It is quite safe to grant lands in aid of such schemes, provided the lands are only given as construction proceeds. Nobody is likely to put any money into them. There are no municipalities along the route to do it, and individuals are not likely to take on themselves a venture of this kind. What is wanted before any serious step is taken towards carrying out these projects, is adequate knowledge of the annual duration of the navigable season, in Hudson's Bay and Straits. Until this knowledge is obtained, the talk of building a railway to this ice-encumbered sea is a folly too great for capitalists to countenance.

When the question was under discussion before the Winnipeg Board of Trade, one member took the ground that the *onus* lay on disbelievers in the value of this water route to disprove its practicability. This is a new doctrine in railway economics. The advocates of a railway to Hudson's Bay are bound to show that their scheme, as a whole, is feasible. A very essential part of it is the navigation of the Bay and Straits, and unless these waters be open for navigation a certain length of time every year, the railway would be useless; since it could only carry what produce could be sent by water. When the navigation was closed, there would be no business for it to do. A railway that could not be worked more than two, or three, or even four months in the year, could not be worked at all; for it could not clear running expenses. Another speaker said the period of doubt had passed; that the feasibility of the water route was to be taken for granted. There is no evidence before the public capable of removing doubt. Railway building is not entered upon as a matter of faith without evidence, nor will the sympathy which the Winnipeg Board of Trade has given the project pay for the ties, steel rails and grading. 'The government'—what government we do not know—should, in the opinion of some, build the road. If there were good and sufficient reasons why any government should build the road, the previous question of the feasibility of the navigation would have to be settled. This is really all that could be done at present; and it cannot be begun until next summer. And one season's observation would not give a sufficient experience to base a conclusion upon.

Complaints are made of opposition to this railway, but we really do not know of the existence of such opposition. All that is done is to call for proof that what is proposed is feasible and that it is worth while to build the railway. There is such a call for evidence as is always made when a proposal to build a railway comes up. If the line of railway were to be laid down anywhere else, the same demand for evidence would be made.

The people of Dakota and Minnesota are said to feel an interest in a railway to Hudson's Bay. But we are not informed how much stock they are willing to take, and unless they back their good will with substantial aid, their sympathy will count for nothing. A Winnipeg promoter is willing to

burden Manitoba with a debt of \$20,000,000 to build the railway. This is very wild talk. Where could a province which has scarcely any revenue find people to loan it twenty millions of dollars to build a railway which, when built, could not be expected to pay running expenses?

MORE ABOUT CO-OPERATIVES.

Inquiry having been made respecting a co-operative life insurance assessment society known as the Hartford Mutual Benefit, which is endeavoring to do business in various parts of the Dominion, though having no license, and making no deposit with the Government at Ottawa under the Insurance Act of 1877, we give the following table referring to its affairs, substantially as it is found in the Connecticut official reports:—

Year.	New Members.	Remaining Dec. 31.	Amount in force.	Deaths Paid.
1879	3,996	5,385	\$7,280,500	\$4,899
1880	2,014	2,460	3,362,000	12,882
1881	2,684	3,119	4,588,000	54,294
1882	1,189	2,144	3,602,000	72,125

It is the same old story of increasing death losses and increasing assessments, these producing their natural fruits of discontent and decrease of membership.

In 1879 the death losses were only \$4,899 upon \$7,280,500 of insurance carried, which is a little less than \$1.00 per \$1,000. But in the following year they rose to \$3.83 per \$1,000, in 1881 to \$12.04 and in 1882 to no less than \$20.02 per thousand dollars.

During the three years the amount of certificates in force had decreased more than one half, while the deaths had increased fifteen times over. In round figures they were, during the four years, \$5,000, \$13,000, \$54,000 and \$72,000. But the expenses have been heavy as well as the death losses, the total outgo being \$95,720 in 1882, or about \$36 per member for the mere present cost of deaths—more than three times what the same items would have cost in an ordinary life insurance company of the same age.

The question may be asked, why do they pay it when free to drop out and escape it. The answer is found in a glance at the large number of lapsed certificates on the one hand and the heavy death losses on the other. From the first column above it may be seen that 9,883 new members entered during the four years, which added to 2,121 who were there in 1878, make 12,004 members to account for. Of these only 2,144 were left December 31st, 1882, shewing that 9,866 believers in assessments dropped out, or died, during the four years, withdrawing their pocket reserves. Undoubtedly the sorry 2,144 remaining in the pool on December 31st, embrace a very large proportion of depreciated lives, unable to insure elsewhere.

Of the \$100,000 of capital stock of the Company, no less than \$86,000 is in stockholders' notes, and the Insurance Commissioner states that these notes are not available to pay losses if assessments should prove insufficient. Another item of \$14,000 is shown to be worthless.

We learn that the Mutual Benefit is proposing to take over what is left of the defunct "Provident Association of America," whose headquarters were at London, Ont. What have its directors, Messrs. H. E. Sharp, S.