

the process of payment? We commend to accountants this new description of asset. Where are "sundry debtors \$40,013," who appeared to such advantage in the last statement? Surely the manager must have forgotten this valuable asset. Under these suspicious circumstances, we are compelled to doubt the balances, the investments, the calls, and to regard as worthless, for immediate convertibility, the bills receivable. The account would therefore stand:

Losses	\$39,378	
Mortgage	8,000	
Debentures	15,000	
Reinsurance Fund	75,000	
		\$137,378
CR.		
Cash (say)	\$1,000	
Deposit	16,666	
Real and personal prop'ty	22,308	
Good debts	5,247	
		45,228
Deficit		\$92,150

We have again and again called the attention of the Directors to the wrong they do themselves and their policy holders in allowing the Company to drag out a miserable hand-to-mouth existence when there is every inducement to place it on a sound footing. Its stock is worthless, its credit at the Bank nothing, it is looked upon as a pauper by all conversant with insurance matters, and is treated as such. If the subscribed capital, \$470,760, is a good asset why is it not called up, instead of raising money at ten per cent. on mortgages and debentures. Why borrow \$23,000 at ten per cent. while \$48,000 is allowed to lie in the hands of agents? Why heap up law costs in litigation to gain time with \$70,000, the "net profit" of two years in hand? Why be dependent on banks for money to pay the current expenses? When a merchant is compelled to resort to such expedients, he is set down as one going to ruin. Before the public will be satisfied with such statements, an independent investigation should be made; and with such skilled accountants as Mr. J. H. Mason, Mr. W. T. Mason, Mr. Charles Robertson and Mr. Lee, whose services could possibly be secured, we do not see why the present uncertainty should be permitted to continue.

A most important economical question is involved in the competition now existing between lines of railway and water communication on both sides of these lakes. The great American roads running between Chicago and New York, in their keen rivalry for the immense trade passing between these cities both in summer and winter, have reduced rates to so low a point that freight is now carried almost as cheaply as by water. The water rates for grain from Chicago to Buffalo last

season averaged as follows: wheat, 14 cents per 100 lbs; corn, 19 8-10 cents per 100 lbs; oats, 15 cents per 100 lbs. Canal rates from Buffalo are estimated at 23 4-10 cents per 100 lbs; making a total average rate from Chicago to New York, via lakes and canal, including 3 cents for insurance, warehouse commissions and transfer at Buffalo, of 40 cents per 100 lbs., or \$8.00 per ton. It has been suggested in the interest of the railways that the different kinds of freight might be arranged into classes paying \$7, \$8 and \$9 per ton during the season of navigation, and \$9, \$10 and \$11 per ton in winter, making an average of \$8 in summer, and of \$9 per ton throughout the year.

A writer in a western paper, demonstrated by an analysis of the inward and outward trade of Chicago, that it could all be handled by a railway with a double track for freight trains, and another for passenger trains. In fact this writer goes so far as to say that the capacity of such a road would be equal to five times the volume of that trade. Trains would be run at a low rate of speed, say six or eight miles per hour, and with the double track could run within fifteen or twenty minutes of each other. The capacity of such a road would be equal to five canals in this latitude, as the speed of the train is three times that of the canal movement during navigation, and the railway would have five months of winter traffic in its favor.

Even with the present intermixing, and often necessary conflict, of freight and passenger traffic, these American roads have carried at rates almost as low as those charged by water. If this can be accomplished under existing circumstances, it is not too much to expect that when the great improvements and the increased economy of which railway transportation is undoubtedly susceptible, are realized, freight will be carried quite as cheaply as by our present mixed system of inland navigation. The idea is a most important one, as it points the direction that our proposed public improvements should take for opening up the country, and extending facilities for easy ingress and egress to the newer and more unsettled districts.

Sir Edward Watkin retired from the Presidency of the Grand Trunk on the 23rd of March, and Messrs. Blake and Young retired from the Direction on the same day. Messrs. Grosvenor, Hodgkinson, Gillespie and Graham Menzies succeeded these gentlemen on the Board.

We learn by telegraph that the steamer "Calumet" was burned last night at Portage du Fort. The boat was insured for about \$9,000 in the British America and the Western Insurance Companies. She was the property of the Union Forwarding Company. Value, \$14,000.

LONDON CORRESPONDENCE.

(From Our Own Correspondent.)

LONDON, March 25, 1869.

Yesterday the shareholders of the Hudson's Bay Company assembled to consider the terms of settlement proposed by Earl Granville. As might have been expected the meeting was by no means favorable to an acceptance of these terms. Many shareholders think that they have been badly treated. Their grievance is a two-fold one. In their opinion, Canada ought to buy them out on their own terms; failing this, the directors of the Company should give effect to the policy enunciated in 1863, and hitherto shirked. They consider that the re-constitution of the Company in 1863, and the increase of the capital to the extent of a million and a half sterling, were sanctioned and supported subject to the application of the fresh funds to the colonization of the North West. Having been disappointed in this matter, their next hope was that what the directors had failed to accomplish the Government of Canada would undertake, and that prior to commencing operations, the Canadian Government would satisfy the Company's claims. Believing as they do, that a million sterling is the smallest sum which could be accepted, they naturally regard Lord Granville's proposal to compensate them with a cash payment of three hundred thousand pounds as little better than a mockery. One of them told the meeting that his first impression was that the whole affair was a hoax. Although Sir Stafford Northcote, the Governor, Sir Curtis Lamson, the Deputy Governor and their colleagues were unanimous in recommending acquiescence in the proposal, yet the majority were in favor of adjourning the decision, in the expectation that something might yet occur to turn the current into a more propitious course. It is not impossible that the end will be a reference of the question to the Judicial Committee of the Privy Council. Nearly all the shareholders believe in the validity of the charter; hence, they have no fear that it can be successfully impugned. They argue that, if a confident tribunal pronounced the charter to be a binding document and if its powers proved to be as comprehensive as has been supposed, the position of the Company would be strengthened and that it might then conclude whatever arrangement it chose with Canada. On the other hand, there are persons whose impartiality cannot be questioned and whose capacity for pronouncing a valid judgment is acknowledged, who maintain that the charter is legally worth nothing more than the parchment on which it is engrossed. For my own part, I hold that the Judicial Committee of the Privy Council would pronounce a decision adverse to the Company's title. Yet it is desirable that the dispute should be settled, if possible, without recourse being had to arbitration or litigation. It is now twenty-three years since the Company first made a formal claim for compensation by the United States for the loss incurred owing to having to abandon its settlements in Oregon. I think the present case would be determined more rapidly. Still, there might be delay of a year or two. During this time the completion of Confederation by the incorporation of British Columbia into the Dominion would be postponed. The shareholders assemble again a fortnight hence, when the question will be put to the vote. I hope that the result will be the approval of the proposed arrangements.

The continuous fall in the value of shares in the Electric Telegraph Companies is attracting public notice. A year ago these shares rose nearly as rapidly. As soon as it became known that the Government meant to purchase the lines of telegraph throughout the country, the price of the shares increased enormously. This was due to the speculators having inferred that the bargain about to be made would have been most advantageous to the companies. Had the Administration of Mr. Disraeli continued in office their