

never received; large sales and deliveries were not charged; stocks recorded as in hand, and burnt, were all safe in a bonded warehouse. With facts like these before them in the case of merchants doing an apparently large and prosperous business, the managers of fire insurance companies may well take every possible precaution to guard the interests they are entrusted with from such possible risks.

How to reckon insurance profits:

THE MISSISSIPPI VALLEY *Lumberman* has been devoting its talents to giving the public a lesson on how to reckon the profits of insurance companies. The task, as performed, does not show any striking arithmetical ability, but it does evidence a mischievous intention, and power for confirming popular ill-will to the underwriters. The writer takes the gross premiums of sixteen Minnesota companies which amounted in 1892 to \$930,576; from this sum it deducts \$672,647 for fire losses, and declares the difference, \$257,929, to be the net profits on the year's business. However absurd this view is, it is one so generally held as to have created a prejudice against insurance companies, which they suffer from seriously. That mode of ascertaining the profits of fire insurance is not a whit more rational than calculating a storekeeper's profit by the difference between his gross receipts and his bad debts. An insurance company has very heavy management expenses to meet, and to lay by something for a reserve fund. This seems too manifest to need stating, but when a newspaper with a large circulation is so grossly in error, and yet tries to teach the public what the profits of insurance companies are, we can hardly wonder at juries being so prejudiced that justice is rarely granted in a suit against an insurance company. The only remedy is to keep on correcting such false ideas at every opportunity.

A Railway Fallacy.

WHEN COMPARISONS BETWEEN different things are made, the oversight of some item which is not common to both is apt to spoil the statement. Secretary Mosely of the Interstate Commerce Commission recently stated before a railway club that the United States had the best workers in the world for its railways. He backed this up by stating that English railroads require 18 men per mile, while those in the States need only 5 men per mile. The Interstate Secretary overlooked this vital difference between railways on this continent and those of Great Britain, here there are spaces of "dead" line, without stations, or population on them, of such lengths as do not exist in England. On thousands of miles of old country railways the train service is ten times as active and frequent as is usual here. Through large sections in Lancashire, South Yorkshire, Staffordshire and Middlesex, there are many hundreds of stations only a mile apart. To compare then the number of men engaged on a system of railroads running through densely populated England, where trains follow each other

every few minutes, and stoppages occur at such short intervals, with the system on this side where the traffic in proportion to mileage is not a tenth of what it is in England, is misleading and so illogical as to be unworthy of a State official.

The Manchester Ship Canal.

MANCHESTER, AFTER FRETTING a generation over her distance from the sea, has now direct water connection with tidal waters, along which a class of ocean vessels can pass. Over sixteen years, and \$75,000,000 have been expended in building the canal which was opened last week. The docks at Manchester will serve the most densely populated manufacturing district in the world, for around Manchester is a belt of large towns clustered so closely as to make that section of country practically one vast congeries of factories. The drop between Manchester and Liverpool being sixty feet in less than forty miles, a number of locks are provided. We are inclined to think that there will at once arise a very keen competition for freight with the old railway between those points, which will seriously affect profit making by the canal, as it cannot compete with the railway in time of transit. The canal may, however, meet this by saving transshipments, but the railways have ramifications, spur lines, and all the conveniences for collecting and distributing freight throughout that vast area of mills and warehouses. One of the most interesting economic questions of the day is that of canals versus railways; the new canal will, by success or failure, help to settle the question.

Southampton vs. Liverpool.

THE CONTRACTS FOR trans-Atlantic mails are about expiring between the British government and ocean line proprietors. The question is one of the greatest interest to Canada. Leaving London out of the calculation, there is an overwhelming preponderance of business interests and of population, with which this country are connected in close proximity to Liverpool, and which are wholly cut off from ready approach to Southampton. Lancashire, South Yorkshire, Birmingham, and its vast industrial suburbs are many hours nearer to Liverpool than the southern port. Frequency of sailings by ocean steamers is a most important factor in a national mail service. To concentrate the postal service at one port is to increase this advantage. Southampton can never be a terminus for ocean liners, it is a mere port of call for foreign vessels, so that all our mail matter by that route goes under a foreign flag. To subsidize foreign vessels is to weaken the service of our own. We trust then the government and the press of the Dominion will speak out strongly in favor of our ocean mail service being performed to the utmost extent by Canadian or British vessels, and especially that no contracts be signed which would hamper the development of a faster service between here and Liverpool. The Southampton route, we may add, has proved to be far the slower, as compared with Queenston and Liverpool.