

fits had been earned through selling securities on the rise. Also it must have been that book values have lately been marked up, just as they were previously marked down. It is reasonable to suppose that profit-taking sales have been especially large in the last half of 1904. But all the bankers are not, of course, of the same opinion. Some believe that investments will in future yield lower returns than they do to-day. Holding this opinion they prefer to hold what they have, and even to continue buying in the rising market, rather than risk having to pay higher prices for the same class of bonds a little later.

MONTREAL FIRE PROTECTION.

ITS WATER SUPPLY.

During the past twelve months a great deal has been written and spoken on the subject of the water supply of Montreal. After the conflagrations in the cities of Baltimore and Toronto; the Fire Underwriters naturally began to consider from what point the next heavy blow would be likely to come, and as a result a most thorough and searching investigation was made with regard to the ability of the authorities to deal with a large fire in this city. The general inspector of the fire offices, Mr. Robert Howe, C.E., had made a report about three years previously, or shortly after the heavy fire loss of 1901. In this report which dealt with both the water supply, and the Fire Brigade and its appliances, several recommendations were made. The majority of the most important have only been partially complied with, and many entirely ignored. On several occasions we have already commented upon these recommendations and called attention to Mr. Howe's report of 1904. We will limit our observations to the water supply of this city, which, apart altogether from the question of fires, is of much importance to the citizens generally. Fancy the conditions that would arise from a shortage, and the possibility of these conditions arising cannot be over-estimated.

The high pressure system by direct pumping would be the best remedy for existing deficiencies, but it would be so expensive we doubt whether the City Council would be prepared to face the music, so to speak. That system would, in brief, necessitate the laying down of new mains, and the cost would be in the neighbourhood of a million dollars. Of course, some of our citizens would reap a large benefit by this expenditure in the shape of reduced rates. However, we have not the high pressure system, but there is no reason why we should not have an ample water supply. Buffalo for instance, has a low pressure service, and a daily pumping capacity of 213,000,000 of gallons of water, and if Montreal's capacity was in equal ratio to its population, it would have a pumping capacity of 150,000,000 of gallons, instead of as it is now, about 44,000,000. Mr. Howe recommended an additional 15,000,000 gallon pump; enlargement of mains in the congested district (this has been partially complied

with), and a 24 inch main cut for railway purposes in Notre Dame street has been connected. These are simple matters and would not entail a very large outlay. We do not wish to contemplate the misery and the possibility of disaster which might occur if we had a shortage of water for forty-eight hours. It must not be forgotten that the reservoir has only a capacity of about thirty hours normal consumption. It is essential that nothing should be allowed to interfere with placing the low level pumping station in a state of efficiency. The building is only of an ordinary construction sheathed inside with wood, and lighted by coal oil lamps. With very little cost it seems to us that the station could be made fireproof, and it certainly should be lighted with electricity. It would be desirable to have a reserve steam plant, the present plant might be made available for this purpose, and to take prompt steps to erect an electrical plant, for we have seen the statement in the newspapers that electricity can be had to run the pumps at a cost of \$5 per million gallons. The cost of steam is, we believe, in the neighbourhood of \$8 per million gallons, while, of course, water power costs in the vicinity of \$1.50.

At the present juncture, it is doubtful whether it would be wise to undertake the bringing of water from St. Laurent, or going to an expenditure of a couple of million dollars for a system which, in any case, would take some years to complete. Meanwhile the citizens have a right to demand that every available precaution be taken to place Montreal's water supply in such a condition that it would be beyond question.

BRITISH AMERICA ASSURANCE COMPANY.

The severe conditions under which the companies labour who are engaged in fire insurance business in Canada is shown by our having to repeat what was said only as far back as 1900 when we had to congratulate Mr. J. J. Kenny, the managing director, and Mr. P. Henry Sims, secretary, on having steered the company through the trying experiences of 1890, during which year fire losses were very enormous. Last year the fire companies had an exceptionally disastrous record, and as one of the conflagrations was in the home of the British America it was inevitable for that company to suffer heavily by the fire almost at its very door. This old Canadian company is an especial favourite in the United States, where its prompt and liberal settlements have secured it an extensive business in all the leading business centres. Owing to this it was a heavy sufferer by the Baltimore conflagration in February, 1904. Such a succession of conflagrations as occurred early last year, at Baltimore, Rochester and Toronto, with large fires at Des Moines, Cincinnati, Chicago, Oswego, Brooklyn, etc., is without precedent, but, through this terrible ordeal the Bri-