

the Underwriters not to discriminate between risks, and that they do discriminate is evident from the rates charged upon those buildings lately burned. We are all more or less apt to look at matters from a personal, if not a selfish point of view, and a man paying a high rate of insurance, will complain as bitterly as he who cannot find a house at a more moderate rent, or one who cannot purchase certain goods at what he considers a fair price, overlooking the fact that, as we have before stated in these columns, there is a market value for all articles, fire insurance among the number, below which the vendor, if wise, will not sell.

Losses to the insurance companies can only be met by a corresponding income from premiums, and in order to make the latter moderate, such devastating fires, as the two above alluded to, entailing a loss of about half a million, must be of very rare occurrence. It is neither within the power of the city nor the insurance companies to make good buildings out of bad, as that depends upon the property owners, but the city can by increased protection reduce the fire waste, which is assuredly the sole method for bringing down the rates.

We shall cordially support the city's efforts to introduce the high pressure water system, which was the ultimatum of the Underwriters some years ago, after a thorough inspection made by their Mr. Howe. The Underwriters have stood to their guns and there is no fear, but that they will ratify their agreement for reducing the rates as soon as the proposition becomes an accomplished fact. Deeds not mere promises are what will work the oracle.

RAILROAD EARNINGS AND PROSPERITY.

The New York "Financial Chronicle" reports the gross earnings of the railroads, reported to date of writing, for the month of November, to be \$87,110,750, as compared with \$83,250,084 in November last year. The gain is smaller than the same month has shown for two years back—being 4.65 per cent as against 9.11 in 1905, and 9.88 in 1904. But, taking the eleven months of the year, 1906 shows up much better in gross earnings than other recent years. This is amply demonstrated by the table given by THE CHRONICLE, part of which is here transcribed:

RAILROAD GROSS EARNINGS—JANUARY 1, TO NOVEMBER, 30.

	Year given.	Year preceding.	Increase.	p. c.
1906	\$900,355,234	\$794,728,647	\$105,626,587	13.29
1905	673,611,217	626,496,472	47,114,745	7.52
1904	613,553,405	606,552,863	7,000,542	1.15
1903	639,339,998	576,573,058	62,766,940	10.88
1902	623,776,463	576,882,954	46,893,509	8.12
1901	677,212,805	609,239,714	67,973,091	11.15
1900	595,487,645	542,700,820	52,786,825	9.72

It has been well known that the offerings of freight all over the States and Canada have been so large through the year as to overtax the facilities possessed by the roads. The profits earned in

the various industries and trades are said to continue good, and all the indications point to heavy movements of freight all through the winter. The great strength of the market for the various forms of iron and steel goods illustrates pretty well the activity and prosperity of industry and trade. Notwithstanding that the range of prices is high already, the demands coming upon the mills are so heavy that prices are tending strongly upwards. Railroad earnings are watched closely to see if they give indications of waning prosperity. This is particularly so in times like the present when prosperity has been with us for a number of years. Everybody wants to know when the turn has come. In judging the course of earnings during the coming winter it will be necessary to remember each month that comparisons will be made with an exceptionally favourable season. So open a winter as that of 1905-6 may not again be seen for a long time. There was a remarkable absence of big storms, and the weather was so open and mild that many important out-door works of construction were pushed more or less vigorously all winter. The gain to the railroads was two-fold. They were not impeded in handling their traffic, and an extra amount of traffic was created for them to handle. It is to be expected, then, that if we have a normal winter, with the average number of great storms, average temperature and average snowfall, the railroads will have considerable difficulty in increasing their gross earnings, even with the increased equipment and facilities they now possess. If the winter is abnormally severe gross earnings might very well fall below last year's records without causing the well-informed to fear that the phenomenon presaged the coming of bad times.

With regard to net earnings several other considerations enter the calculations. The Wall Street Journal of the 14th December, has the following interesting information as to the net figures for the month of October, and for the four months since 30th June. The exhibit is the aggregate of 88 roads.

	1906.	1905.	Increase.	p. c.
Oct. gross...	\$142,226,339	\$126,932,354	\$15,293,985	12.04
Expenses...	90,181,633	80,026,452	10,155,181	12.56
Oct. net...	\$ 52,044,706	\$ 46,905,902	\$ 5,138,804	10.95
4 mos. gross...	531,095,935	474,887,912	56,208,023	11.83
Expenses...	342,924,235	305,938,720	36,985,515	12.08
4 mos. net...	\$188,171,700	\$167,949,192	\$19,222,508	11.45

The following table of percentage increases is also given:

	1906-7.	1905-6.	1904-5.
	p. c.	p. c.	p. c.
July net...	17.33	9.46	8.04
August net...	14.49	6.19	5.15
September net...	5.41	6.28	10.68
October net...	10.95	5.67	10.79
November net...		11.88	16.17
December net...		19.54	12.34
January net...		44.08	10.35
February net...		67.91	14.06
March net...		12.93	16.51
April net...		5.97	6.73
May net...		12.85	10.94
June net...		22.75	6.00

* Decrease.