

expected that supplies will be ample for all requirements through the summer season.

MONTREAL FIRE APPLIANCES.

The condition of the appliances for protecting Montreal from fire is causing great uneasiness to her citizens. The past winter has witnessed a succession of serious fires in that city; and while allowance is of course to be made for the severe climatic conditions which hold the firemen at a disadvantage and probably lessen the water pressure, yet the opinion is expressed among mercantile men that the fire brigade is ill-managed. Furthermore it is clear that the pumping power is inadequate. The water works superintendent reported to the council a few weeks ago that having had to pump all the city supply of water by steam this winter, their two engines were called on to work night and day without intermission. In case of an emergency, the report goes on, or anything happening to these two engines, the community might be left without water.

There is little wonder that in these ominous circumstances the representatives of the insurance are disturbed. Up to the end of March, the losses of 1893 by fire on city risks, mainly mercantile, have amounted to \$550,000, which is enough to absorb nearly three-fourths of their premiums for the whole year. Their natural course, therefore, was to consider an advance in rates on such risks as have sustained this abnormal loss. Before ordering an advance they instructed a committee to enquire and report upon the large fires of March, notably those on St. James and William streets, where various four, five and six storey, some of them first-class, buildings, were destroyed. The testimony given by a large number of merchants and manufacturers who witnessed these fires, and by occupants of the burned buildings, is to the effect that the fire brigade was inefficiently organized and not properly handled. The chief did not attend the St. James street fire, and did not appear at the St. Paul street fire for a full hour after the alarm. The steam fire engines arrived at fire with their fires unlit, and were unable to throw water for thirty or forty minutes, and even their full pressure could not be used for fear of bursting the hose. Eye-witnesses of the St. Paul street fire state that the supply of water was miserably weak, rarely reaching higher than the second storey windows. This too, in a locality where, from the size of mains and connections, the supply and pressure should have been ample. An important suggestion, and one that should induce further enquiry is, that the flow of water may have been obstructed by ice in the hydrants, or in the pipes connecting them to the mains.

A practical recommendation in view of the facts developed would seem to be that the system of testing hydrants during the winter, especially in very cold weather, is in need of improvement. The fact, too, is deserving of notice that the waterworks superintendent asks for the immediate erection of a pumping engine of ten million gallons capacity. Also, that as the old

steam boilers are being worn out, three new boilers are needed. As to the engine desired, "there is not a day to lose, as it will take from nine to twelve months to set it up."

The Fire Underwriters' Association, Montreal branch, at its meeting on Wednesday last, decided to raise rates of premium on several descriptions of risks, notably an advance of 30 per cent. on retail dry goods and fancy goods stocks, and an advance of 25 per cent. on printers' and lithographers' stocks. The lines mentioned have been, it is alleged, unprofitable to the insurance companies for some time back. The advance takes place from to-day on these lines, with an 80 per cent. co-insurance clause. The application of a general advance in rates is still, we understand, under consideration by the Association.

TWELVE PER CENT. ON FARM LOANS.

In the course of a reply to a Peterboro' correspondent, the *Bobcaygeon Independent* suggests that farming does not pay and the farmers are in a bad position—which statement about "the farmers" of Canada generally we deny—and the reason is, he alleges, that unjust social arrangements do not permit them to receive a sufficient compensation for their labor. "Capital obtains too much, labor too little." And as one of the indications in support of his position he cites the fact that one of the loan companies, the Canada Permanent, pays its shareholders a dividend of 12 per cent. per year. "Therefore, capitalists bleed the farmers at the rate of 12 per cent. for interest; and that's how it is that farmers are poor and farming does not pay."

We are sure that our ingenious friend, the *Independent*, does not here wilfully misstate matters. Nor do we quite think he is in his customary vein of writing nonsense with a good object—nonsense with good sense behind it. But, in the present case, he makes it appear that farmers are paying 12 per cent. interest for money, because a certain company pays its shareholders that rate on their shares. This is a mistake. If our contemporary will consult the returns made by the loan companies to the Ontario Government, he will find that the rates charged upon its mortgages by the company in question average six to seven per cent. per annum.

The company has a shareholders' capital of \$2,600,000 to pay dividend on, and in order to pay 12 per cent. on that sum, it must earn \$312,000 a year. But, besides this \$2,600,000, it has some \$8,000,000 of Old Country and Canadian money, borrowed for the purpose of lending again, and its total loans are \$11,553,000. If it were lending the whole of this money at 12 per cent., its income would be near a million and a-half. But the whole year's gross earnings were only \$745,545—and a little calculation will show our friend that this is but 6.45 per cent. on its loans. Thus, the measure of profit made upon the whole volume of business done, cannot be made the measure of profit on the share capital,

which is not one-fourth of the whole sum used.

To illustrate: Suppose that Mr. Smiff has \$5,400 capital of his own, which he philanthropically lends to farmers at six per cent. We apologise for making him out for the moment a bloated and abused capitalist. This \$5,400 personal capital brings him in \$324 a year. Then suppose he borrows \$20,000 at four per cent. abroad and lends it at six per cent. at home: this brings him in a profit of \$400, which added to the \$324 earned by his own \$5,400, shows \$724 profit upon his own capital possessed, more than twelve per cent., although he has charged no customer more than six per cent. The transactions here supposed precisely illustrate what loan companies are doing (allowing for expenses of the companies) and because some of them earn seven or eight, one ten and one twelve per cent. by reason of an extended business, it is absurd to say that the rate of dividend they pay is the rate they obtain as interest on money. This by no means follows. As well say that because the printing office of our friend earns him 12 per cent. annually upon his capital—and if it does not earn more, we are sorry for his tailor—that he is therefore charging 12 per cent. interest on the overdue bills of his patrons, a mode of grinding the faces of the "poor," but intelligent, dwellers in Verulam that we feel sure he will never adopt.

THE GENERAL MANAGER, CANADIAN BANK OF COMMERCE.

The subject of this sketch, Byron Edmund Walker, is a Canadian, of English parentage on both sides. He was born in the township of Seneca, county of Haldimand, Ontario, on the 14th October, 1848, and is consequently in his forty-fifth year. When a lad of about thirteen he entered the private banking office of his uncle, Mr. J. W. Murton, who had a banker's and broker's office in Hamilton. Here young Walker became familiar with what was at that time (1861) growing to be a very active business, that of buying and selling American currency. The reciprocity treaty between the United States and Canada was then in force, and the volume of trade over the frontier line at various points from Montreal to Kingston—from Niagara Falls to Detroit and Sarnia, was great. It was, too, the period of the civil war, and gold was at a premium, so that the dealers in exchange had a busy time, and Mr. Murton's office was among the busiest. The experience of those years was of value to the youth, who gave token of an unusual aptitude for business, as well as of an observant disposition, and promptness of decision. It is related of him that once during the absence of his uncle in Europe, word came by telegraph of the failure of the Bank of Upper Canada. The news that the doors of that bank were closed in Toronto, while still open in Hamilton, was flashed to the latter place before any official instruction was given to the Hamilton office to close. The moment young Walker learned the news he drew from the bank (holding power of attorney at the age of seventeen), in gold and notes of other banks, all that Mr. Murton had at stake with the bank—a very large amount—and so saved his employer from embarrassment and possible loss.

In July, 1868, Mr. Walker entered the