against sealing on the ground of necessity and impossibility. It is necessary for them to use firearms where they may be used, outside Behring Sea, and they cannot go back hundreds of miles to get them sealed before entering the water in which they cannot be used. But why not empower British or American cruisers to seal them on entrance into Behring Sea, first under proper restrictions, authorizing some one on board each sealer to do so? Then the possession of unsealed firearms might fairly be taken as *prima facie* intention of intent to do a forbidden act.

The directors of the Canadian Pacific Railway are reported to have passed a resolution intended as a protest against the Government of Canada giving a bonus to the Hudson Bay railway project. They object, it seems, that for nearly 200 miles, this road would parallel theirs, west of Winnipeg, and their contention is that the road is not required. These objections, it would seem, are intended to lay the foundation of a claim for an additional allowance for the carrying of the mails. Would not this, in fact, be, under another name, a demand for an additional subsidy? If this railway company is insatiable, the Government is obliged to bear in mind that the resources of Canada are not illimitable, and that many other things have prior claims on its bounty. Even great corporations, whatever their ambition, so far as they depend on the Government, must be confined within limits which the Government cannot in prudence overstep.

If the members of the Toronto city council would look at the water tunnel matter in the light of the evidence furnished by Chicago, in the precisely similar case, they might change their views as to the urgency of the improvement. In 1892, Chicago extended its intake water-pipe into Lake Michigan four miles, twice the previous distance. And the result on the health of the city was that the death rate has since been reduced at a rate which has, in two years, saved the lives of 2,153 persons. Up to 1892, Chicago's death rate from typhoid fever was higher than that of any other of seventeen cities having a population of more than 20,000; since that date it has risen to the position of the sixth on the list. Typhoid fever in Toronto has been conveyed in the sewage-contaminated water. The remedy is the tunnel suggested, and a matter of such paramount importance ought not to be put off to a more convenient season.

THE TORONTO RAILWAY COMPANY'S ACCOUNTING.

In their last report, the directors of the Toronto Street Railway Company give as a reason for not paying a dividend that they have been "expending their surplus earnings in the improvement of property." The company which, in the same paper, puts its capital stock at $6,000,000, and its bonded debt at $2,800,000 ought to have had twice as much capital as would have sufficed to produce a completed railway and all its belongings, without trenching upon earnings for objects which the capital account ought to cover. If the company find themselves in such a strait, in the first years of their lease, what will happen as time goes on, when the cost of maintenance will be greatly increased? On this point it may be interesting to quote the *Engineering Record*, which speaks with authority on such questions. "Investors in electric securities," it says, "are beginning to learn now that it is hazardous to judge of the cost of running any plant as complicated as that of a trolley road by the returns of the first few years of operation. Repairs to track are naturally light during the first few years succeeding laying, and the cost of keeping electric cars in a condition for service is generally much greater than originally estimated." The *Financial Chronicle* of New York quotes the president of a trolley road as saying that "for the first three years the average number of his motor cars in the repair shop was 8 per cent. of the whole number, but it had now risen to 14 per cent." In like manner, "repairs to track cost three cents a foot during the first three years, but they now come to 7.25 cents." And of cars the same was true. They were estimated at first "to be good for a service of twenty, but if they last ten years the company will be satisfied." These facts suggest the enquiry that if the Toronto company, which has had an experience of only three years, has had to draw on earnings for providing, in the words of its report, "electrical and steam power, cars, car houses, machine shops, tools and machinery," what will happen when the cost of maintenance becomes greatly increased?

What has the company set apart for a fund for renewals, which will certainly have to be made? There is nothing in the last annual statement, which is about as bald as it could be made, to show. There is, on this point, in fact, nothing but the general statement that the income over all expenses, including interest, is $250,695. The prudent investor would require to know how this figure is arrived at, whether the mileage payable to the city, aggregating $60,000 for the year, has been deducted. The point is one which on the face of the report ought to be clear beyond doubt. Has a proper proportion been set down for renewals, and the amount payable to the city in mileage and percentage, and after this is allowed for is there left $250,000? Investors would naturally be grateful for an answer to this question, and it must be admitted they are entitled to receive it. The company says that under its power of borrowing, $35,000 a mile, it can find the means of making extensions. This is true; but the $35,000 a mile can only be borrowed once. When the roadway built with the borrowed money is worn out, it must be renewed from some other source. Is any provision being made for this, and if so, what?

The Board of Railway Commissioners of Massachusetts, whose position and duties give them full knowledge of the facts, tell us that "there is but an ordinary profit in electric railways." If this is true, when the capital is all put into the roads, what are the chances of continuously earning dividends on watered stock, of which only a fractional part is real?

MUNICIPAL FIRE INSURANCE.

It was stated in last issue that the idea of economizing by limiting fire insurance to one certain description of property or to one particular locality, was not a new one. And instances were given of attempts to demonstrate this in practice. Another example, and a still more recent one, occurs to us. Many years ago, the Agricultural Insurance Company, of Watertown, N.Y., did business in Canada in farm risks. When it withdrew from the Dominion twenty years ago, its risks in this country were assumed by the Agricultural, of Canada. This company struggled for some years on the same line of risks, but finally went down. The old Agricultural of Watertown, a sound and well-conducted concern, returned to do farm business in the Dominion in 1880 or 1882, and built up an aggregate of, say, $20,000,000 in force, mainly in isolated risks on farm buildings, which was regarded as a reasonably safe and staple description of underwriting. But so unprofitable did it find the business that some eighteen months ago it relinquished farm risks in Canada *for the second time in its history*, and re-insured them all in the London Mutual.