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GRAND TRUNK RAILWAY.

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a burden on the company." This is the policy of "watch and wait," and manifests a disposition not to plunge headlong into new enterprises till there is a reasonable prospect that they will pay. Extension to James' Bay is looked upon as an achievement which the future will make desirable. There are forces at work outside of this company which make for railway extension in that direction. Ontario has in that region an extensive territory, containing timber and minerals, which can only be opened up by railway. And the first subsidy was granted in aid of construction there last session. In extending towards James' Bay, the Grand Trunk may rely upon active and vigorous support in Ontario. Whether the line be built separately or not, it must practically become a part of the Grand Trunk system. Virtually it would be an extension of the Northern Railway, the purchase of which by the Grand Trunk is fully justified by the returns.

The St. Clair tunnel is progressing satisfactorily in spite of some drawbacks in the form of land slides. The approaches on both sides have been made, and 541 feet out of 6,000 of the tunnel have been achieved. The whole length including the approach to the portals will be about three miles. This tunnel will be a great improvement over the present method of crossing the river on floating bridges, and will give the Grand Trunk a decided advantage over its competitors. With these rivals the company continues from necessity to be at war. No agreement with the Canadian Pacific as to rates has been made, though Sir Henry Tyler expects the time to arrive when a settlement will be come to.

The Grand Trunk, like other borrowers, finds a valuable resource in the conversion of securities, which may always be made possible either by a lowering of the rate of interest or an improvement of the credit of the borrower. The annual saving from past conversions now reaches £79,000 a year. At first it was thought that the saving by this means would not yield more than the cost of doubling the track between Toronto and Montreal. But it is now foreseen that this resource will enable the company to do much more. The conversion of pre-preferences into four per cent. debenture stock has practically enabled the company, in the last three years, to meet all its capital charges. More is expected from future conversions, so much that the president, Sir Henry Tyler, declines to mention the figures of the estimate. But he states, in general terms, that he expects greater results in future from conversions than have been achieved in the past. The facility with which the conversions have been accepted may be judged by the fact that in three years they reached the figure of £3,881,484. It will take three years more to complete the double-tracking now in hand.

Among the bonds hereafter to be offered for conversion are those of the Detroit, Grand Haven, and Milwaukee road, which the president describes as "our weak brother," though he expects that it will do better this autumn than in the past. The weakness of this section of the road con-

sists in the fact that it is not earning quite enough to pay interest on the bonds. This it seems has created an uncomfortable feeling among some of the bondholders, and the directors are seeking to turn the fact to account by founding on it an argument in favor of conversion, by which it is pointed out they would better their security, while the company would make a saving of interest.

Sir Henry detailed some of the obstacles thrown in the way of the international traffic of the company. "In January last," he said, "the deputy collector of Customs at Detroit issued instructions that Canadian-built cars must either be stopped on the frontier of the St. Clair River or their loads must be transferred to United States cars." This was an extraordinary act of a subordinate official. The Treaty of Washington distinctly provides that merchandise from Canada may be carried in bond overland in the United States, and though it does not detail the method of transportation, it never could have been contemplated that a forced transfer should take place; the alternative of stopping the goods at the frontier was directly in the teeth of the Treaty of Washington, of which presumably this deputy-collector had never heard. The Treasury Department however corrected the blunder of the subordinate officer. It said: "Under the laws of the United States, the cars of foreign railway companies may enter the United States when laden and proceed to destination, and cars of both countries may be used for international traffic, but Canadian cars cannot, of course, be used for local United States traffic." A decision which Sir Henry Tyler accepts as "perfectly reasonable," which it undoubtedly is.

Some of the State legislatures assume to exercise a concurrent right of legislation with Congress over railways which run over their territory, though they may belong to interstate and international systems. Thus the State of Michigan has passed a law making a minimum passenger rate of two cents a mile. Whether the Detroit, Grand Haven, and Milwaukee would come under this restriction is a question which incidentally interested American roads are disputing in their own interest, and the decision of which, whatever it be, will determine the rights of this section of the Grand Trunk. Should the law be held to apply, it would cause some slight decrease in Grand Trunk revenue, and perhaps determine the bondholders to hasten the conversion of their securities, so that in that way the company would find some compensating profit in its own misfortune.

REDUCING THE RAVAGES OF FIRE.

Public attention is drawn in a recent number of the *New York Commercial Bulletin* to the great good accomplished by the National Board of Fire Underwriters of the United States, which, it seems, has nothing to do with the question of rates. There exists in connection with the National Board an "Inspection Bureau" that has instituted a regular and effective system of inspection of the fire appliances of different cities and towns, and their method of hand-

ling fires. At an expense of less than one hundredth of one per cent. of the annual insurance premiums of National Board companies, the inspections made by their expert resulted in the improvement of the fire appliances of many cities and towns, on the recommendation of the Inspection Bureau. This is a commendable movement in the way of reducing the hazard to meet the rate, instead of raising the rate to cover the hazard.

The plan adopted by the Canadian Fire Underwriters' Association is, to our mind, more likely to effect the same object than that adopted by the Inspection Bureau mentioned. In 1883, when the C. F. U. Association was organized, the various cities, towns, and villages of Canada were classified A, B, C, D, E, and F, according to the facilities possessed by each for preventing and extinguishing fires, and the rates of insurance were graded on the same basis. At that time five places were put in class A, five in B, seven in C, forty-one in D, and all the others were put in E or F. Class E represented places that had only hand fire engines, and F places having no fire appliances of any kind.

The inducement held out of a reduction of rates in accordance with the nature and extent of the improvements made by any place in its fire appliances has worked most successfully in Canada. The following is the present classification of places in Ontario by the fire underwriters up to the present time. The thirty-five places in italics are those that have been raised from a lower to a higher classification. We understand that Simcoe, West Toronto Junction, and the village of East York are about ready for a higher classification. The improved fire appliances of so many places must of necessity have a salutary effect in reducing the fire waste, which, as our weekly experience in Canada shows, needs to be reduced:

CLASS A.

Brockville,
Guelph,
Hamilton,

London,
Ottawa, including
New Edinburgh,
St. Catharines.

CLASS B.

Bellefonte,
Brantford,
Peterboro',

Sarnia,
St. Thomas,
Windsor.

CLASS C.

Aurora,
Berlin,
Brampton,
Chatham,
Cobourg,
Dundas,
Galt,
Ingersoll,
Kingston,
Lindsay,
Merrittton,
Morrisburg,

Newmarket,
Niagara Falls,
Owen Sound,
Paris,
Port Hope,
Seaford,
Stratford,
Tilsonburg,
Welland,
Wingham,
Woodstock

CLASS D.

Almonte,
Amherstburg,
Arnprior,
Aylmer,
Barrie,
Blythe,
Bowmanville,
Brussels,
Carleton Place,
Clinton,
Collingwood,
Cornwall,
Deseronto,
Dresden,
Forest,

Mitchell,
Napane,
New Hamburg,
Orangeville,
Orillia,
Oshawa,
Paisley,
Pembroke,
Perth,
Petrolia,
Point Edward,
Port Perry,
Prescott,
Ridgetown,
Smith's Falls (or Oronio),