

adian Northern lines. At present the Canadian Northern System is disconnected. A complete and comprehensive network exists in the West, but the entities in the east are segregated. To unite the parts will, undoubtedly, result in the system's being in far better position to compete for through traffic. The key to the whole situation lies in the West. The growth of the West justifies much of the new construction in the East. As one newspaper pointed out the other day 20,000 new farmers in that part of Canada, each raising 1,000 bushels of wheat in a year, means 20,000,000 bushels more of a production, and it means huge new traffic for the railways both eastbound and westbound, both locally in the East and locally in the West. So long as these lines are built by strong, well-established companies with experienced management, it is not likely that English investors will suffer losses through buying their bonds. The Grand Trunk may lose something in the East, through some of its traffic being taken by the C.P.R. or the Canadian Northern, and through reductions in freight rates which it is obliged to make in the fight to hold its business, but everybody believes that it will gain in the West far more than it loses in the East. In the case of the Grand Trunk, too, it will be necessary then to consider the Eastern section, on Grand Trunk proper, as merely a part of the whole Grand Trunk and Grand Trunk Pacific system.

#### ROYAL BANK OF CANADA.

Year by year in clear and succinct form the Royal Bank of Canada publishes its statement of progress and standing. The record for 1906 cannot but be gratifying, alike to shareholders and to the general public interested in Canada's financial growth. A comparison between the figures in the 1905 and 1906 columns of the report show noteworthy advance all along the line—the increase of \$6,000,000 in deposits being a fair indication of general progress. The substantial amount of \$150,000 has been written off bank premises account, and \$73,000 of the year's profits has been devoted to writing down to 80 the bank's holdings of British consols. The net profits for the year, after making full provision for all bad and doubtful debts, amount to over \$600,000, showing a return of over 17 p.c. on the year's average capital. The premium of \$900,000 received during the year on \$900,000 new stock, was transferred to reserve fund which now stands at \$4,390,000—the total paid-up capital being \$3,900,000. The quick assets amount to \$21,578,097 out of total assets of \$45,437,517.

For thirty-seven years the Royal Bank of Canada has held an enviable position among the country's staunchest financial institutions and its

notable growth of late years has been accomplished without departure from sound and accepted banking methods. It is an institution that illustrates the effectiveness of progressive conservatism in financial growth.

#### MONTREAL FIRE PROTECTION.

Three times within about a month we were called on to report a disastrous fire in the business section of Montreal, the last entailing a loss of nearly half a million. The loss on the three fires totals up to somewhere about the entire annual premiums collected from the congested district and to nearly fifty per cent. of the total yearly premiums in Montreal. Regarding these results from an insurance point of view it is evident that no rates obtainable can meet such fire waste, and the companies will be compelled to curtail their lines materially or to decline entirely writing lines in the district affected. The underwriters are quite able to protect themselves and we shall leave them to deal with the matter as they deem best. But the public has a right to look for an adequate return for the taxes it pays. Insurance is undoubtedly a tax upon the trade of a city, and if the rates are high, there is a reason and should be a remedy as well. The frequency of heavy fires in Montreal and the apparent difficulty, if not impossibility, of confining a fire to the building in which it starts, has attracted unenviable attention. In the last fire on St. Antoine Street, not only were adjoining buildings burned, but the fire leaped across the court yard in the rear and damaged the buildings on St. James Street.

This is far too serious a matter to be lightly passed over. Besides the temporary interference with business, merchants or property holders may have to face the problem of being able to obtain little or no insurance, and it is difficult to estimate the paralyzing effect such a state of affairs would have upon trade. The cause for these sweeping fires is largely insufficient protection; whether owing to want of water pressure, too small mains, inadequate number of firemen, or the handling of the fires, it is not our place to say. But whatever the defect, it is the duty of the City Council to ascertain and remedy it with the least possible delay. The situation strikes far beyond the mere question of insurance for it imperils the commerce of a centre that bids fair to permanent rank among the leading cities of this continent.

We have no desire to exaggerate evils, nor to assume the croak of the bird of ill omen, but when it is remembered that the loss caused by the St. Antoine Street fire was within a space of about two-thirds of an acre, some faint idea may be formed of the enormous values in our business centre that are daily exposed to similar dangers. Doubtless the average citizen deems himself taxed enough already for adequate protection, but better an additional tax than a continuance of conditions that make devastating fires a frequent possibility.