

Banking Departments; (b) that "reserve" refers more directly to the latter department and consists of the sum of "notes reserved" and "gold and silver coin"; (c) "notes reserved" are those notes issued but not at present in (d) "circulation," being held as part of the reserve; (e) the "proportion" of such reserve to liability is obtained by considering the liabilities to the public, consisting chiefly of (f) "public deposits" and (g) "other deposits"—to which is to be added the comparatively trifling item of "seven-day and other bills"; that (h) "Government securities" and (i) "other securities" with the reserves above mentioned make up the total assets of the banking department.

STEEL-COAL TRIAL.

Noted Case Closed at Sydney on Monday Last.

Letters from President Plummer of the Steel Company to Mr. Graham Fraser, manager of works for the company, and to General Manager Duggan of the Coal Company were features of last week's closing evidence at the Sydney trial. In the latter, Mr. Plummer admitted that the Steel Company would have to take chances as to varying amounts of sulphur in the coal supplied, and added: "This is a variation we must make the best of. We shall not, however, be content unless we receive 'freshly mined run of mine' coal 'reasonably free from stone and shale,' from the seam at present designated by us, with such exceptions as are specially agreed to."

The defendant Coal Company tendered in evidence the draft contract submitted by the Steel Company and rejected by the Coal Company at the time the contract sued on was made, in which the Steel Company proposed that the Coal Company should agree to "deliver coal to the Steel Company suitable for the purposes for which such coal is to be used by the Steel Company." It is contended that the Steel Company now seek to read into the contract the precise words which the Coal Company declined to agree to.

On Monday the trial was brought to a close after addresses from Mr. H. A. Lovett and Mr. Wallace Nesbitt. It is expected that Judge Longley's decision will be given within a month.

For the Coal Company Mr. Lovett referred first to the assignment of the contract to the National Trust Company. He contended that there cannot be two parties owning the same contract at the same time. As to the facts submitted, he thought His Lordship should consider the following:—

First, the coal that was delivered was run of mine, and, second, the coal was from the seam designated by the Steel Company.

Mr. Nesbitt submitted that the object of the contract was to supply coal suitable for metallurgical purposes, and for nothing else. He cited a number of cases in support of his contention that an article is fit and proper for the use for which it was purchased. "In the case before us we have a large area from which to select the coal, and the implication is that coal we get must be fit for a particular purpose, viz., steel making. The contract was for the sale of coal to the Steel Company for use of the Steel Company for making steel. It was selected from a certain region and when found it was to be treated in a certain manner, but it always was to be coal suitable for steel purposes.

"Unless we could use coal sent us we had to return it to the Coal Company, and coal the Coal Company

sent us was utterly useless. In order to interpret properly what is meant by coal 'reasonably free from stone and shale,' reference must be had as to the purpose for which the coal was intended. What might be reasonably free in one case would not in another."

A MODERN HIGH PRESSURE SYSTEM.

How Congested New York is to be Protected Against Conflagration.

Years ago New York, like cities nearer home, outgrew its water system from the fire fighting view point. Two years or so ago Chief Engineer de Varona was directed to devise an adequate high pressure fire main system for the Borough of Manhattan, an expenditure of about \$4,000,000 being authorized for carrying out some approved plan. Since that time construction has proceeded more or less rapidly, and by April of this year a portion of the new system was connected with the old network of pipes in order to give the city all possible benefits for the larger mains, even before the plan as a whole was completed. It is hoped that by January 1, 1908, the work of laying the mains will be finished. The system is described in detail and fully illustrated in "Insurance Engineering" for March. A summary of this article follows:

AREA TO BE PROTECTED.

The boundary mains are laid, on the north, through Twenty-third street; on the east, through Broadway to Fourteenth street, through Fourteenth street to Third avenue, down Third avenue to the Bowery, down the Bowery to Chambers street, through Chambers street, on the south, to West street, and, on the west, through West street. The district was selected after consultation with the fire department, as that in which the fire losses were the greatest and which more urgently needed fire protection. The plans were prepared so that the system may be readily extended.

PUMPING STATIONS.

The capacity of each of the two proposed pumping stations supplying this system will be for the present 15,000 gallons per minute, or a capacity for the combined stations of 43,000,000 gallons per day, and, by the installation of the three additional units, for which provision is made in each station, this capacity can be increased to 24,000 gallons per minute at each station, or a combined capacity for both stations of, in round numbers, 69,000,000 gallons per day.

These two stations are both outside of the limits of districts in which the fire risk is at all hazardous. A conflagration could not practically affect either station and certainly could not affect both stations.

An auxiliary salt water suction supply, consisting of two 36-inch pipes about 140 feet long, will bring the salt water from the East river to a suction chamber located directly in front of each pumping station. This suction is so constructed that the pipes will always be below mean low water, thus insuring a supply at all times and avoiding the possibility of a break in the suction caused by air getting into the suction lines.

MOTORS AND PUMPS.

The pumping units will consist of centrifugal pumps, driven by electric motors, the pump and motor being supported on one bed.

The pumps are the Allis-Chalmers six-stage centri-