

and assets of the Company will be formally sold to the "Home Savings Bank of Canada," of which the present shareholders of the Savings and Home Company will become the shareholders. The conservative policy which has ever characterized this Company, by which it has secured so large a measure of public confidence, will no doubt be maintained when it has been transformed into a bank.

We were gratified at the election of Mr. James Mason as a Director, with the office and title of Managing Director, an honour he has well earned by many years of sagacious management.

BRITISH AMERICA ASSURANCE COMPANY.

The improved conditions generally prevalent in the fire insurance field last year, coupled with the advance in rates necessitated by a series of disastrous years, caused the results of the business of the British America to realize the hopes expressed a year ago by the President, the Hon. Senator Cox. The year, however, had not a record clear of conflagration losses. The profit realized by the Company was entirely made out of the business of the last six or eight months, as the conflagrations at Washington, Conn., and Paterson, N.J., in February, 1902, made the loss ratio unduly heavy for the earlier months of the year. As the President said at the annual meeting, the report, which is published in full on a later page, sets forth the results of the year's transactions so clearly as to call for no enlarged comments.

The fire losses, including those under adjustments in 1902, were \$945,817 and marine losses \$338,299, a loss total of \$1,284,116. The fire premiums were \$2,056,194 and marine \$454,363, making a gross total of \$2,510,557, from which was deducted \$316,362 for reinsurance, leaving the net premium income of the fire and marine business \$2,164,195, the aggregate losses of both classes of business yielding an average loss ratio of 59.3 per cent., which is evidence of the expert underwriting of Mr. P. H. Sims. To the net premium income of \$2,164,195 was added \$42,136 from interests and rents, making the total income \$2,206,331. When the losses, commissions, taxes and other charges were paid out of this there was a balance of \$173,713 left of income over expenditure. Against this \$7,894 was written off to bring the securities down to their market value on 31st Dec., 1902, \$15,000 was applied to reduce Premises and Furniture account and \$60,000 was devoted to paying two half-yearly dividends at 6 per cent. per annum. The above three items aggregate \$82,894, which sum being taken from the net income of \$173,713 left \$90,819 to be transferred to the Reserve Fund, which was

accordingly raised from \$612,002 to \$702,821, which amount was carried forward to 1903. The reputation of the British America throughout this continent stands very high for judicious selection of risks, fair treatment of policyholders and due care of their interests. A company with so long and so honourable a record is a just source of pride to Canadians who generally will be much gratified at its report for 1902.

THE U. S. NEW CURRENCY BILL.

A Bill is before the United States Senate relating to the currency of that country. The main object of this measure is to remove certain restrictions upon the National Banks which, when removed, will set at liberty a large amount of bonds that they have to hold as security for public deposits. The effect is expected to be a considerable increase of funds available for loans in times of emergency, more especially when the demand for currency is so great in the harvest season.

It seems never to have been realized by American currency doctors that banks cannot buy bonds and at the same time keep the money needed for their purchase for the service of their customers. A box full of government bonds is a nice thing for the owner to look upon, but if the owner is a banker such bonds are as useless as so many bricks for the work of distributing funds to meet the demand for money.

The National Banks now hold \$143,000,000 of public, that is government deposits, and they hold \$125,000,000 of government bonds as security for such deposits. This practically means that 125 millions of public money is withdrawn from circulation and locked up in bank vaults. The Bill under consideration provides that "the Government may deposit any public money including this \$143,000,000 with National Banks, in no case exceeding in amount 75 per cent. of the paid-up and unimpaired capital of any national bank without exacting government or other bonds, but the government shall have a first lien upon the assets of such bank, and shall receive interest on such deposit at the rate of 2 per cent. per annum. The effect of this provision will be to release the total amount of bonds now deposited to secure government deposits, viz., 125 millions of government bonds, and 22 millions of state and other bonds, now held by the Treasury, in addition thereto, as security for such deposits. The bonds so released may then be used by the banks for further increasing their bond secured circulation, which will undoubtedly be much needed during the coming fall months."

As it is a step towards a more rational, more elastic currency system we trust the proposed Act will be adopted.