It is generally understood that the work which a bank Rest is supposed to do is something of this nature: For the stockholders it provides a bulwark, or reinforcement to their capital. When heavy losses are met, and when the wherewithal to provide for them does not exist in other forms, then the reserve fund can be drawn upon and the capital with its valuable note-issuing privileges, is preserved intact. And when profits fall because of temporary depressions in trade, then the stockholders may, if they wish, draw upon reserve to maintain the steady continuity of a dividend rate that has not, perhaps, been broken for years. A reserve fund also does good work for the stockholders, in gaining for the bank the confidence of the public. Lastly, a reserve fund, whether accumulated from profits or from new payments, represents fresh capital invested in the business, and the bank's earning power is increased every year by the extent of the addition.

To the public and to bank creditors of all kinds, every addition to the reserve funds of banks should be welcome, because it increases the assets, against which they can rank, without any concurrent increase in the liabilities. It would seem that most, if not all these purposes, could be served quite as well by premiums on new stock as by contributions out of earnings. The paid-up capital with its powers of note issue is strengthened and reinforced quite as efficiently by a fund accumulated in one way, as it would be by one accumulated in the other; losses can be met out of either. The same in the second case, where it is desired to maintain a given dividend rate irrespective of trade fluctuations. It is true that conservative general managers prefer to buttress the Rest by yet other funds, which they hold available for contingencies. Some would reduce dividends rather than reduce the "Rest." The public confidence is gained by the advertisement of a reserve fund in respectable proportion to the capital, whichever way it may have been accumulated.

In regard to bank creditors, however, it is argued by some writers that they are secured the better by additions to the reserve fund, resulting from new capital issues in exactly the same way as some writers argue that the position of railroad or industrial bondholders is strengthened by new stock, when the proceeds are invested in the property or the business.

FIRE AT VALLEYFIELD.

By the fire which occurred in the Palace Hotel block, Valleyfield, on the 10th inst., the following companies are interested. The loss is stated to be about $30,000, largely carried by non-tariff companies, a list of which we are unable to secure at time of going to press:

Northern, $2,300; London & Lancashire, $2,-300; Guardian, $4,000; Norwich Union, $1,000; Liverpool & London & Globe, $1,550.

FIRE IN JOURNAL OF COMMERCE OFFICE, MONTREAL.

A fire occurred in the premises occupied by the Journal of Commerce, on St. James Street, in this City, on the 5th inst., causing almost a total loss. The cigar store underneath, occupied by S. Hyman & Son, is also nearly a total loss. The firm of R. J. Tooke & Son, next door, suffered a loss of 10 per cent.

The insurance companies interested, are as follows:

Journal of Commerce office.

North British & Mer..	$2,500
Royal..................	2,500
Western...............	2,500
National of Ireland ...	2,500
London & Lancashire.	2,500
Norwich Union.......	1,500
Ottawa	2,000
Loss nearly total....	$16,000

S. Hyman & Son.

Royal..................	$2,000
North B. & Mercantile.	5,500
Guardian	3,000
Loss nearly total....	$10,500

Building.

Alliance..............	$2,500
Brit. America	2,500
Com'l Union.........	1,500
Hartford.............	2,500
Queen................	2,500
Sun	1,000
Loss nearly total....	$15,000

R. J. Tooke (stock).

Alliance..............	$5,000
Caledonian	5,000
Commercial Union....	5,000
Guardian..............	6,000
Hartford..............	5,000
Home..................	5,000
Liv. & Lon. & Globe..	10,000
London Assurance....	5,000
North B. & Mercantile.	6,000
Royal..................	5,000
Western........... ...	3,000
Loss 10 p.c..........	$60,000

Rents.

Com'l Union.........	$1,000
Sun	1,000
	$2,000

THE JANUARY FIRE LOSS.

The fire loss of the United States and Canada for the month of January, as compiled from the carefully kept records of the "Journal of Commerce and Commercial Bulletin," shows a total of $21,790,200. The following comparison exhibits the increase in the January fire loss as compared with the same month in 1902 and 1903:

	1902.	1903.	1904.
January............	$15,032,800	$12,166,350	$21,790,200

During the month there were 364 fires of a greater destructiveness, each, than $10,000. Our figures show that January was the worst month from a fire loss standpoint since May, 1901, in which month the Jacksonville, Fla., conflagration occurred. January, 1904, falls behind that total by less than $600,000, while no large conflagration is included in it. The sum charged against the month just closed is made up of an unusual number of fires of ordinary size. Probably the effect will be to strengthen the rate-making organizations which were commencing to feel the influence of unusual prosperity.

HARTFORD LIFE RETIRES FROM INDUSTRIAL BUSINESS.

The Hartford Life Insurance Company has decided to retire from the industrial business, and has made a contract with the Metropolitan Life Insurance Company to assume all its outstanding in-