

of fire business must recognize the conflagration hazard, or the alleged average is valueless. Those who object to the view that rates must be so regulated as to provide for this contingency should suggest some source from whence the companies could draw the money required to pay conflagration claims if they reduce their income by not fixing rates high enough to cover such claims.

What would have happened to Chicago, Boston, Milwaukee, Oshkosh, Patterson, St. John's, Quebec, Hull, Ottawa, and this city had the fire companies made no provision for meeting conflagration hazards. Thousands of merchants would have been ruined; the years of one generation would have been needed to restore such cities, as they were restored by aid of the fire companies, which help would not have been available had they not provided for conflagration losses. Scores, literally scores, of insurance companies have collapsed, and their policyholders left without the indemnity they had paid for, because no reserve had been laid up to meet exceptionally heavy losses. They treated the conflagration hazard with contempt and the conflagration hazard retaliated by putting them into insolvency.

Municipal rulers are prone to ignore this danger. If they were wise they would reduce it to almost a vanishing point as is quite feasible by so equipping the fire brigade, and so perfecting the supply of water as to render it impossible for a fire to spread. The responsibility for fire rates being enhanced because of the necessity for providing against the conflagration hazard rests wholly upon municipal authorities, not here in particular, but in most large cities and in smaller communities. The insurance companies cannot prevent such disaster, but, it is their duty to take such steps as will prevent themselves from being overwhelmed, and a very grave responsibility rests upon fire underwriters to so manage their finances as to guard the interests of policyholders. It is not an unknown event for a merchant to be ruined owing to a conflagration for meeting the losses of which the company he insured in had made no provision.

A factor in this question which needs to be kept in mind is, the greater risk of fire in a new country with such climatic and other conditions as exist in Canada, and generally on this continent. Intense cold and tropical heat are both incendiary characters. The former creates the special risks incident to careless handling of heating apparatus, and over-heating of buildings, while the latter so dries such combustible materials as wooden buildings, shingle-roofs, fences, dead leaves, that fire soon spreads into a conflagration in hot weather. Such conditions demand adequate fire protection, which ought not to be considered satisfactory until the conflagration hazard had become only a memory. It may be noted that the average fire loss ratio in

Canada, even under such conditions has not been higher than in the United States, but in both countries it might be considerably and permanently reduced.

NEW BANKS IN CANADA.

In the last two years there were more new banks organized in Canada than in many preceding years. These were:—

	Capital paid up.	Rate of issue.	Reserve Fund.
	\$		\$
*The Sovereign Bank.....	1,293,876	25 prem.	323,008
*The Metropolitan Bank.....	1,000,000	100 "	1,000,000
The Crown Bank.....	1,000,000		
The Bank of Canada.....			
The Pacific Bank.....			

*These are in operation.

Besides the above there are notices in the "Canada Gazette" of applications for incorporation of two banks whose names are not advertised, both originating in Toronto. Since 1897, when the depression period ended, the following changes have taken place in the position of the banks, the number of which in 1897 being 38, and the present number 35:—

	1903.	1897.	Increase since 1897.
	\$	\$	\$
Paid up capital.....	75,448,829	61,903,524	13,545,205
Deposits.....	412,188,387	196,625,888	215,562,499
Current loans and dis- counts.....	385,845,325	216,284,936	158,560,389
Call loans.....	84,928,558	13,540,564	71,387,994

It needs no expert in banking statistics to see in the above figures evidences of such expansion in business needs and in resources as naturally suggested the organizing of new banks. The increase of deposits since 1897 has been 110 per cent., that is they are now 10 per cent. more than double what they were six years ago. The loans in same period have increased 105 per cent., and the capital only 21 per cent. Here plainly there was an opening for new banks, though the time was more promising a few years ago when the expansion began to set in. However, the organizers are full of hope and energy, they have confidence in the growth continuing, and we have nothing but the best wishes for the success of these new banks as the field is large enough for them and they will, as the saying is, "grow up with the country."

The most important question arising out of the organization of a new bank is, the choice of its officers as upon the judicious or unwise selection of the officials depends the success or failure of a new institution. Capable and trained bankers, men of experience, sound judgment, with the requisite gifts for success as bankers, are not plentiful. If put in charge of a bank without large practical experience a manager, however, smart and clever in a general sense, is apt to meet with difficulties and pitfalls he little dreamt of and is not