

to bankers in Great Britain. The net result of these changes was a reduction in the company's "liabilities to the public," to the extent of \$503,179.

The above operations show a movement to rely more upon Canadian supplies of money than in years gone by, the difference in cost now being fractional, if any.

The profits were sufficient to pay two half-yearly dividends of 3 per cent. each, and to carry \$159,942 to the Reserve Fund, which must be considered a highly satisfactory result after so disturbed a year as 1903.

THE EQUITY FIRE INSURANCE COMPANY.

The Equity Fire Insurance Company in 1903 fulfilled the anticipations expressed by the president, Mr. Thomas Crawford, at the annual meeting held a year ago, as the business last year showed a substantial increase. The gross premium income was \$193,235, against \$172,295 in previous year. The reinsurances and cancellations amounted to \$56,660, leaving \$136,575 as the net premium income, which exceeds that of 1902 by \$11,213.

The fire loss was slightly more favourable than in 1902, the amount being \$86,070, which equalled 44.5 per cent. on the net premium income, as compared with a ratio of 44.9 in previous year. The income from interest was \$3,427, which is an increase in the year of \$441.

The result of the year's operations was to leave a balance of \$60,768 of revenue in excess of outgo, from this a dividend on the paid-up capital was paid, amounting to \$3,000, which left \$57,768 as a "reinsurance reserve," or reserve against unexpired risks. The accumulation of a strong reserve fund; the avoidance of large individual risks; observance of the strictest economy; spreading risks over as varied an area as possible, are the lines followed by all companies of the Equity class, to ensure prosperity. The general manager, Mr. W. Greenwood Brown, and the President, assure the stockholders and policyholders that on such safe lines the business is being conducted.

THE CROWN BANK OF CANADA.

The Crown Bank of Canada is completing its organization by offering \$1,000,000 of the capital stock to the public, being one-half the amount authorized. The shares are \$100 each, issued at \$110 per share. The terms are, \$5 per share on application, \$25 per share on allotment, and the balance in eight successive monthly payments.

The president, is Mr. Edward Gurney, president of the Gurney Foundry Co., Ltd., Toronto, who enjoys a large measure of public confidence. The vice-president is Mr. Charles Magee, ex-president of the Bank of Ottawa, one of whose colleagues, in the provisional Board is Lt.-Col. Burland, president of the Canada Engraving and Lithographic Co., Montreal. The general manager is Mr. Gerald deCourcy O'Grady, late manager of the London, Ont., branch

of the Bank of Commerce, which bank has provided several other institutions with their manager and principal members of the staff. Messrs. Riddell & Co., brokers, are acting for the Crown Bank in this city. We are informed that the stock is being subscribed for freely, and that the prospects are bright for a good paying business.

BANK RESERVE FUNDS.

(Contributed.)

Between 31st December, 1900, and 31st December, 1903, the paid-in capital of the Canadian banks increased \$11,476,125. During the same three years the "rests" or reserve funds of the banks increased \$16,097,162. The increased reserves have been built chiefly from profits on new stock issues; when to these were added the appropriation from current earnings the total exceeded by far the increase in the capital. These figures raise interesting questions: "What is the difference between a reserve fund accumulated from premiums on new stock, and a reserve fund accumulated from earnings?" Which is safer? Which more advantageous to bank shareholders, and which offers more security to bank creditors?

To show exactly the proportion filled by each source of supply, the following table has been compiled from the various bank statements issued during 1903:—

CANADIAN BANKS—ADDITIONS TO RESERVE FUNDS, 1903.

	From Earnings.	From Premiums on New Stock.	Total.
	\$	\$	\$
Bank of Montreal.....	618,532	1,381,468	2,000,000
Bank of Toronto.....	100,000	454,430	554,430
Bank of Ottawa.....	100,000	424,179	524,179
Imperial Bank of Canada.....	100,000	411,312	511,312
Canadian Bank of Commerce....	206,972	293,028	500,000
Royal Bank of Canada.....	.....	500,000	500,000
Molson's Bank.....	150,000	320,778	470,778
Union Bank of Canada.....	217,056	182,944	350,000
Union Bank of Halifax.....	50,564	199,436	250,000
Merchants Bank of Canada....	200,000	.....	200,000
*People's Bank of Halifax....	25,000	112,433	137,433
Bank of British N. America....	121,666	.....	121,666
Eastern Townships' Bank.....	250,000	118,442	118,442
Quebec Bank.....	100,000	.....	100,000
Bank of Nova Scotia.....	100,000	.....	100,000
Bank of Hamilton.....	100,000	.....	100,000
Banque d'Hochelaga.....	91,750	8,250	100,000
Traders' Bank of Canada.....	70,000	30,000	100,000
Standard Bank of Canada.....	75,000	.....	75,000
Ontario Bank.....	39,932	35,068	75,000
*Merchants Bank of P.E.I.....	30,000	31,000	61,000
Banque Nationale.....	50,000	.....	50,000
Sovereign Bank of Canada.....	44,881	.....	44,881
Bank of New Brunswick.....	25,000	.....	25,000
Dominion Bank.....	.....	16,135	16,135
People's Bank of N. Brunswick.	5,000	.....	5,000
Western Bank of Canada.....	25,000	.....	25,000
	\$2,646,353	\$4,468,903	\$7,115,256

* In both these instances the total addition to reserve is correctly stated; the distribution of the amount is estimated.