tween his first year and the date of his retirement. The bank that was nearly a wreck was so restored as to have greater strength than ever before. These figures will ever be Hague's title to the grateful, the honourable remembrance of all interested in the Merchants' Bank of Canada and the respect of every Canadian, for he saved this country from a disastrous scandal.

On Mr. Hague's retirement he was succeeded by Mr. Thomas Fyshe, who had been successful in his management of the Bank of Nova Scotia, to which he was appointed in 1875, and whose business and resources he had largely increased. This appointment opened the third period of the history of the Merchants' Bank of Canada. The following shows the more important changes since Mr. Fyshe assumed control:—

	1905. $	1897. $	Increaes. $
Capital paid up........	6,000,000	6,000,000	
Reserve Fund..........	3,200,000	3,000,000	200,000
Price of shares........	170%	175%	decrease 5%
Deposits...............	25,925,657	11.122,193	14,803,464
Discounts..............	19,600,157	17,449,710	2,150,447

Between 1897 and 1905 the deposits of all the banks increased on the average by 130 per cent., the Merchants' Bank increase having been 128 per cent., and the current loans of all the banks increased on the average between 1897 and 1905 by 115 per cent. and those of the Merchants' Bank by 12.30 per cent.

This month, Mr. Fyshe retires, and so ends the third chapter in the history of this institution.

ROYAL INSURANCE COMPANY.

In commenting, last year, upon the report of the Royal for 1903, we said, "The Royal enjoys a reputation for extent of business and results which must be surpassed year after year to maintain its record—its most active competitor is its own history."

The statement for last year shows that the development of business in the fire department was much larger than in the preceding year. The progress made by the Royal in the last 5 years, is shown by the following statitics:—

Year.	Net fire premiums. $	Net losses. $	Total assets. $
1904....................	14,978,330	8.675,150	68,747,990
1903....................	14,241,705	6,934,415	66,741,675
1902....................	13,817,695	7,231,380	62,474,335
1901....................	12,548,600	7,424,400	59,940,615
1900....................	10,391,490	6,200,310	51,817,255
Increase in five years...	$ 4,586,840	....	$16,930.735
Increase per cent........	44.14%	....	32,67%

The benefit of the splendid results in 1903, on which the management was congratulating itself early in 1904, was somewhat discounted by the Baltimore, Toronto and other conflagrations, which, though fatal to a number of companies, left hardly any mark on the returns of the Royal. To such a financial giant as the Royal blows of that character are insignificant. The company is organized to carry extensive risks and such extensive losses as periodically occur are more than amply provided for.

The losses last year were, doubtless, heavy, but the premiums were also large, so large indeed as to make the loss ratio 57.8, which is quite a moderate percentage. The Royal is comparable to the great rock of which it was said "It smiles as tempestuous waves waste their strength in attacking its base," for, out of successive conflagrations, it has emerged in all the plenitude and pride of impregnable strength.

Last year the Fire Fund was raised from $6,000,000 to $7,000,000, an increase of one million dollars.

The Life Department of the Royal had a premium income last year of $3,305,450, and from interest $1,494,920. The new assurances issued in 1904 were $6,544,310. The expense ratio was only 8½ per cent. of the income, which is phenomenally low. The surplus to policy-holders disclosed by the valuation for quinquennal period ending 31st December, 1904, is $3,314,965, which is sufficient to provide a Revisionary Bonus of $15 per $1,000 per annum.

The present rate of bonus is the same as has been declared for the past 7 quinquennal periods, covering a period of 35 years.

The Royal is noted for its stringent valuation of life assurances. The basis almost throughout is the O. M. & O. M. 5 with interest at 3%. In the process of valuation, it has been assumed that the next premium after the valuation date was due immediately or at the end of the year, according as the interval until the next renewal date was more or less than six months. By making this assumption, instead of regarding the premiums as evenly distributed over the whole year, the liability was increased by $331,000, being an instance of how full and even severe has been the estimate of every element of liability.

A summary of the valuation report has been published, exhibiting full particulars of the policies in force in every system of insurance and liabilities in each. The large surplus realized clearly indicates the care bestowed upon the selection of lives, the expenses of management and the investment of funds.

Mr. A. R. Howell, superintendent of the life department in Canada, has a good technical knowledge of the business. The company is making arrangements to increase its life business, considerably throughout the Dominion. In doing which, its high prestige, its record for the payment of large profits, its excellent financial position, and the liberal conditions of its policies, should afford material assistance to its agents.