

of previous years. From a loss ratio in 1898 of 74.37 per cent., in 1899, 57.75; 1900, 97.00, and 1901, 70.29 per cent., they had, in 1902, the lighter losses of 40.54 per cent. and in 1903, of 51.57 per cent., which were some little compensation for the heavy loss ratios of a number of previous years. While indulging in the hope that a series of "fat years" had set in to offset so many lean years, the Toronto conflagration came to dash such hope to pieces and substitute the depressing realization of losses having occurred that would sweep away all the profits for many years, past and future. Not that any heavy disaster was required to clear off the profits of past years, for they were so light as to be very readily swept away.

The table of fire business for 1904 is especially commended to the notice of those who consider the fire companies unjustified in raising their rates. It would be very interesting to have a group of such objectors placed in the witness box and examined as to the grounds of their condemnation of fire companies for raising rates. How would they explain from what source a fire company ought to secure an income sufficient to meet such conditions as prevailed last year and in some preceding ones, if they were debarred from raising their premiums to an extent proportionate to the losses? Are the fire companies to go on year by year losing money by conducting their business, and, if so, on what grounds? Are property owners so blunt of intellect as not to see this, that, if fire companies continue to lose money year by year their extinction is dead certain and their obligations to policy-holders are very uncertain of payment when called for?

There is an old saying, "You can't drink a quart of beer out of a pint pot," so you cannot get less claims against a fire company paid out of rates which yield a less sum than those claims. To enable a fire company to pay claims in due course, and to keep on year after year meeting its obligations so as to justify confidence being reposed in its policy contracts, such company must, of necessity, have an income from its business not only proportionate to such claims, but adequate for meeting its current expenses, also for laying aside provision for conflagrations, and leaving a fair amount of profit on the capital involved. In past years it is demonstrated by the fire loss record that the premiums have been too small for the needs of the business. Property owners, for many years, have not paid a fair price for their insurance; they should bear this in mind, and realize as well that rates to be equitable must be sufficient to cover the obligations of the companies.

**DEATH OF A LIFE INSURANCE VETERAN.**—Mr. Shepar, who died recently, held one of the policies issued by the Mutual Life of New York during its first year. His policy was No. 11, taken out in 1843. Up to 1867 the premiums were paid in cash, but since then to the year of his death the dividends were enough to make the policy self-supporting.

#### BANK STATEMENT FOR MARCH.

The business of the banks in March last showed considerable expansion, but not to the extent which obtained in the same month 1904, which went beyond precedent.

The circulation remained stationary last month, the change for the whole of the banks being the trifling decrease of \$107,746. Out of 34 banks 14 had a decrease in their note issues and 20 an increase, but in only one case was the decrease over \$120,000, and the largest increase was only \$148,000, so the changes in circulation were quite insignificant. The March note issues had a total less by \$1,038,946 than the amount in same month last year. This is out of the ordinary course in recent years during which the rule has been for each year to show larger figures than its predecessor as the following shows; the March returns being given:

	1904.	1903.	1902.	1901.
	\$	\$	\$	\$
Circulation.....	59,760,119	58,293,484	52,242,982	47,611,967
Increase in year	1,476,635	5,840,502	4,831,015	3,797,049

For this annual movement to have been checked and a decrease of circulation to have occurred in March instead of the usual increase may be taken to indicate that the demand for currency is slackening, or that the public is holding less on hand than some time ago. There is a stricter limit to the capacity of the public for retaining notes in their tills, safes and purses than some realize who imagine that circulation can be poured out without limit and retained for a time without limit. This is not so, for when the notes in the hands of the public exceed what they care to carry about, or need for business uses, such excess flows back to the issuing banks just as water runs off the land when it is fully saturated.

The movement in call loans was not active in March, the total increase in and outside Canada having been only \$574,940. The increase, however, over March, 1904, was \$4,489,054, chiefly elsewhere than in Canada.

There was an expansion to extent of \$8,117,313 in current loans and discounts in Canada. As compared with previous years the March increase stands as follows:

	1904.	1903.	1902.
	\$	\$	\$
Current loans in Canada.	403,566,588	346,292,550	300,066,699
Months' increase.....	13,938,902	14,616,330	8,006,920
Current loans elsewhere..	41,004,443	29,468,472	27,776,895
Months' increase.....	609,104	Dec. 2,650,026	1,556,041

The total current loans and discounts and call loans were as follows for this and four preceding years at the end of March, those elsewhere included: