

has been 32.03 per cent., as compared with an increase of 45.78 per cent. in current loans.

The following shows the aggregate amount of the capital, reserve fund, circulation and deposits in 1900 and 1904, with the aggregate current and call loans, with the excess of the above class of resources over the loans in each of those years:

	Resources as above.	Loans.	Excess of resource.
1890.....	\$470,704,626	\$355,215,509	\$115,489,117
1904.....	690,861,441	518,857,663	172,003,778

The total foreign trade of Canada in the years under review, 1900 to 1904 (fiscal years) rose from \$386,903,157 to \$472,733,038, an increase of \$85,829,881, which equals 22.18 per cent. The difference between this expansion of foreign trade and that of banking business in the same period, the former having been less than half the latter, affords some measure, however imperfect, of the proportion between the foreign and the domestic business of the country.

PHOENIX ASSURANCE COMPANY.

The report of the Phoenix Assurance Company for 1904, bears marks of the conflagrations at Baltimore and Toronto, marks which only serve to display and draw closer attention to the company's strength.

The year's premiums, net, amounted to \$7,242,850, against \$7,105,935 in 1903. The losses and expenses, paid and outstanding, were \$7,213,240 compared with \$6,123,130 in previous year in which, however, the losses had been much below their amount for some previous years. The heavy conflagration losses left the company's reserves intact as the following shows:

	Dec., 31, 1904.	Dec., 31, 1903
	\$	\$
Reserve for unexpired risks	2,897,140	2,842,375.
Investment reserve	177,075	147,395
General reserve fund	3,243,950	3,243,950

There was \$54,765 added to the reserve for unexpired risks from the revenue account and \$29,680 was added to the investment reserve.

The effect of the disastrous fires at Baltimore and Toronto is seen in the balance at credit of profit and loss account having been reduced from \$1,412,335 to \$1,148,050. The decrease was not sufficient to reduce the fund out of which dividends are paid below what was needed to pay the same dividends as in previous year, viz., \$8.75 per share for the year.

It was an unfortunate coincidence for two of the worst conflagrations in its history on this side the Atlantic to have occurred in the year when its 100th anniversary in Canada was celebrated under such joyous, auspicious and honourable circumstances. But, as we said in our sketch of the history of this world-wide famous company, "The Phoenix was born in a very stormy time," it was, however, founded by men of great foresight and administrative capacity

who seem to have stamped their qualities upon their successors, for, throughout its long career of over 125 years the word "Phoenix," in regard to fire insurance matters, has always stood for stability, for honourable dealings, for liberality to policy-holders, for prompt settlements, for everything in a word that is creditable to fire insurance business.

The Phoenix has been fortunate in its representatives in Canada, as is shown by the changes in the Canadian agency having been very few. At the Jubilee banquet Mr. Paterson said: "In 1826 the Canadian agency originally held by Mr. Alexander Auldjo was transferred to the late firm of Gillespie, Moffatt & Co., and on its dissolution, in 1889, was continued by my son and myself, so that the Canadian agency has been held uninterruptedly by us and our connection for 78 years." This is a unique record, which is alike honourable to the Phoenix Assurance Company and to its representatives in Canada, the firm of A. T. Paterson & Son, the members of which are: Mr. A. T. Paterson, a director of the Bank of Montreal, and his sons, Mr. R. McD. Paterson and Mr. James Paterson.

THE FINANCIAL SITUATION IN RUSSIA.

The financial situation in Russia is exciting widespread anxiety. The enormous war expenditures in the past twelve months have withdrawn an immense amount of capital from the ordinary reservoirs and channels of finance and trade.

The negotiations for a new Russian loan last month brought out evidence that Russia's credit has been weakened by the vast outlays over the war which necessitated borrowing on a large scale.

How sensitive the Russian Government has become in regard to the Imperial credit was proven by a remarkable invitation sent by the Finance Minister to the Editor of the "London Times." That journal had expressed doubts as to the alleged gold reserves held in Russia being really available as a tangible asset.

This imputation nettled the Russian Minister of Finance who wired "The Times" as follows:

"I beg to suggest that you should come to St. Petersburg in order to see and verify personally the gold reserve kept in the vaults of the State Bank. You may bring with you trustworthy and technically trained experts in auditing gold, bullion and moneys.

"KOKOVTSOFF, Minister of Finance."

To this telegram the following reply was sent:

We regret we are unable to undertake the proposed financial investigation, which hardly comes within the province of a newspaper. We must point out that your quotation from "The Times" of March 11, should be read in the light of the context, which expressly acknowledges the existence of a large gold reserve. The point at issue is to what extent the Russian Government can draw upon that reserve without impairing the credit of the State.

"The Times," London.