

losses have swept ordinary accumulations away.

There are other considerations arising from the wide-spread character of the transactions engaged in by our banks in these times of enterprise, and their prodigiously diversified operations, especially when carried on in centres like New York, all involving liability to losses: but we must defer treating of these until another opportunity.

MUTUAL INSURANCE RATES.

A meeting of managing officers of the mutual fire insurance companies of Ontario was held at the Anglo-American Hotel, Hamilton, on the 7th inst. The following companies were represented:—Gore District; Beaver and Toronto; Waterloo County; Victoria of Hamilton; Canada Farmers; Ontario of London; Hastings County; Perth County; Canadian of Hamilton; and the Niagara District of St. Catharines. After discussion the following resolutions were passed:—

"1. That this meeting is of the opinion that the minimum three years cash rate for homestead risks should be sixty per cent. on the premium note.

"2. That the President, Vice-President, Secretary, and James Johnson, Esq., be a committee for the furtherance of the object of the preceding resolution.

"3. That the officers of the Association, with Messrs. Street and Taylor, be a standing committee, with power to employ counsel to conduct any case to which any member of the Association may be a party, and in which the general interests of the Association may be involved."

On the subject of rates the feeling of the meeting, as expressed in the first resolution, was unanimous, it being apparent that no company could with safety continue to do business at the rates now received for homestead risks. In the last annual report of two of the companies—the Agricultural of London and Gore District—this idea was forcibly urged. The former company express themselves thus: "They (the Board of Directors) began to entertain doubts whether, in view of the adverse seasons there have been of late, the mutuals have not pitched their rates too low—and that without providing for dividends." The experience of the company in question, so far as we have observed it, appears fully to justify the view here taken—that rates are too low.

It may be mentioned in this connection that the mutual companies have formed an association and adopted a constitution. Mr. Samuel Thompson, managing director of the Beaver and Toronto Mutual is the President; Mr. Geo. H. Mills, President of the Victoria Mutual of Hamilton, is Vice-President; and Mr. Thos. M. Simons, Secretary of the Gore District Mutual, is

Secretary-Treasurer. A scale of rates has been adopted. For homestead risks, the premium note for a three years' risk, isolated, is 1 per cent for first class, $1\frac{1}{4}$ for second class, $1\frac{3}{4}$ for third class, $1\frac{1}{2}$ for fourth class, and a proportional rate for longer periods. Isolation shall be 80 feet for farm properties, and 66 feet for town and village property. The premium note rate for three years on commercial risks is four times the annual rate charged by the Associated Underwriters, except within range of the hydrants in the city of Hamilton. The minimum cash premium for one year on commercial risks is four-fifths of that charged by the Associated Underwriters. The fee on each farm risk is \$1.50, to be collected from applicants for insurance. It is proposed to draw up a form of application and policy that can be adopted by all the members of the Association. This, we trust, may be carried into effect.

BANK OF COMMERCE.

It will be observed from the report that the rapid growth the Bank has made from the commencement has been fully maintained during the past year. The number of agencies has been increased, the volume of transactions greatly expanded and a much larger net profit realized than in any previous year. After making provision for all bad and doubtful debts the divisible profits remaining as the result of the year's transactions, and from premiums realized on the issue of new stock, were \$969,159. Out of this two 4 per cent. dividends were paid, \$10,000 set aside as rebate on bills discounted, and \$500,000 added to the permanent reserve. There was some clamor for a larger dividend; and we believe that the general expectation was that 5 per cent. would have been declared for the last half year. The large profits naturally led to this expectation; but in view of the fact that nearly two-thirds of these profits arose from the issue of new stock, we think the directors have taken the wiser course. We have not a doubt that it is both expedient and necessary for a bank with a wide-spread business, and carrying on such extensive operations to so strengthen itself as to be prepared for any emergency.

BANK CASH RESERVES.

It is complained by some banks that our comparisons of last week scarcely do them justice. They state that where a bank has its centre at a point where arrangements prevail for settlements of balances by drafts on another city, prudence requires that a proportion of the reserve of the

bank shall be kept at the point where settlement takes place. Some banks, therefore, may require to hold but a moderate reserve at their own centre, having the rest deposited at call in the bank which settles for them. There is reason in this beyond doubt, and consequently, in such cases, the real reserve of the bank consists not only in the specie on hand, but in the amount it has deposited with another institution. The amount of this can be ascertained by reference to the column "due from other banks in Canada;" and taking this into account, some banks whose reserves appear low may occupy a respectable position.

In such cases, however, two things are important: First, that the arrangements to pay by drafts on another point shall be definite and binding; and second, that the bank selected as the custodian of the settling funds shall be beyond question.

APPOINTMENT.—In addition to the changes in the management of the British America Assurance Company mentioned last week, we learn that Mr. F. A. Ball has been appointed Manager. Mr. Ball has been for a long time associated with the Canadian Branch of the Liverpool & London & Globe Insurance Company, in the capacity of inspector, in which position he has acquired a good deal of valuable experience. We have no doubt he will fill the new post with efficiency and credit. Mr. E. Roby O'Brien, the inspector of the British America, also assumes additional responsibilities under the new arrangements, and his very valuable services have, we believe, been recognized by a suitable increase of salary.

Financial Summary.

THE BILL introduced into the English Parliament respecting Bank of England notes, provides that whenever the first Lord of the Treasury and the Chancellor of the Exchequer, after communication with the Governor and Deputy-Governor of the Bank of England, are satisfied (1) that the minimum rate of interest then being charged by the Bank on discounts and temporary advances is not less than 12 per cent. per annum; (2) that the foreign exchanges are favorable to England, (3) and that a large portion of the existing amount of Bank of England and other bank notes in circulation is rendered ineffective for its purpose by reason of internal panic, they may empower the issue department of the Bank of England to make, in excess of the authorised issue, a special and temporary issue of notes, by delivering the same into the banking department in exchange for, and on the credit of an equal amount of Government securities, to be transferred to the issue department. The Bank is to pay 12 per cent. interest to the Government on the amount of such