equivalent to a regular company organization of commission-paid agents. And, as already pointed out, the business is being carried on at an increasing expense in the obtaining of new insurants. But, it may be asked, while the New Zealand department is increasing its expenses is it not, even so, much more economically managed than ordinary companies? At first glance, its expense ratio does seem lower than that of most Canadian companies—if the percentage of expenses to total premiums be considered. But if account is taken of the proportion of new business to old it becomes clear that the advantage rests with several of the Canadian companies. A detailed calculation as to this appeared recently in The Economist of Toronto. It was stated that the New Zealand percentage of expenses to new premiums was over 124 p.c. and to renewal premiums 12.4 p.c. A number of the Canadian companies were instanced as being able to show considerably more economical management than these ratios would indicate.

Judging by the experience of New Zealand—and government insurance there has had exceptionally able management under Mr. Morris Fox—would it be well for the Dominion to follow its lead? Can the state give better returns to policy-holders than regular companies—that is, on a business basis, and without drawing upon other government resources?

DOMINION COAL COMPANY.

The report of the operations of the Dominion Coal Company for the year ending December 31, 1906, has just been issued. The output for the year was 3,552,746 tons as compared with 3,189,657 tons for the year 1905. Despite the increased tonnage, the net earnings show a decrease for the year, which is accounted for by varying circumstances mentioned in the report. Amongst them were the increased demands of the Dominion Iron & Steel Company and of the New England Gas & Coke Company, in addition to the larger amount required by the Dominion Coal Company itself for the use of its plant to overtake the increased output in these directions. The report states that as both these contracts were filled at a loss, the net earnings were materially reduced. Lack of labour and the necessity of importing labour from Britain, the amount of development work and repairs needed to keep the plant up to the mark, stated to be $250,000 in excess of the previous year, are other reasons advanced for the decrease in net earnings. The total earnings for the year 1906 amounted to $1,137,370.92 as compared with $1,573,832.19 in 1905. From this interest on bonds absorbed $250,000 as compared with $212,249.73 in the previous year. The dividend on the preferred stock required $210,000, the amount required in the previous year being $220,-916.04. Miscellaneous interest absorbed $45,-555.28; the amount in 1905 being $96,679.94. The deduction in sinking fund in 1905 was $20,315.10. There is no charge on this account this year owing to the re-arrangement of the finances whereby the sinking fund for the bonds is eliminated for a period of 5 years. After making all these deductions, the net earnings were $631,815.64 as compared with $1,023,671.38 in 1905, and this amount was carried forward to surplus account. An amount of $200,000 for depreciation of works, stores, etc., was written off surplus, leaving the balance at the credit of this account on December 31, 1906, at $1,825,940.38.

THE MANUFACTURERS' MUTUAL.

A great deal of discussion has taken place at Ottawa before the Committee on Banking and Commerce regarding the bill to incorporate the Central Canada Manufacturers' Mutual Fire Insurance Company of Toronto.

According to the statement of those promoting it the bill is to secure cheaper insurance for manufacturers, whose complaint is that they are paying too dearly to ordinary companies. Mr. C. Murphy stated that the plan of mutual insurance had therefore been formulated and that a desire to take advantage of the measure had already been expressed by three hundred of the chief manufacturers of the Dominion. Objection was taken to the bill on the ground that it made no provision for a guarantee deposit, and in reply, Mr. E. P. Heaton, made the contention that the responsibility and liability of those who joined the company would be mutual. Mutual companies in New England were now carrying a lot of Canadian business. Opposition was raised to the measure by Mr. T. L. Morrisey, of Montreal, who argued that as there would be no deposit the new company would be able to enter into unfair competition with joint stock companies. Mr. Wisemiller, general manager of the London Mutual Insurance Company, suggested that the application for a Dominion charter was in order to evade the provisions of the act existing in Ontario precluding companies paying no deposit from undertaking hazardous risks.

If the manufacturers desire to establish a fire insurance company it would be well, in their own best interests, to do it on an adequate financial basis. Certainly, considering the large liabilities which such a company would be called upon to assume, the deposit of $50,000, that is favoured by the Minister of Finance, seems not at all un-