

THE U. S. NATIONAL BANK SYSTEM.—There is an impression that large profits are made by the American National Banks from the circulation of National Bank notes. That this can hardly be is apparent from the following statement of their mode of working, which we find in the Philadelphia Record: "A National Bank with a capital of \$500,000 in United States bonds, deposited in the National Treasury, is entitled to a circulation of \$450,000, on which it must pay the Government an annual tax of 1 per cent. Then suppose it to have a line of deposits of \$2,000,000. On this it would pay to the Government an annual tax of  $\frac{1}{2}$  per cent. At a low estimate its rent would cost \$12,000 a year; salaries, \$25,000; State and city taxes (direct and indirect), \$6,000. These expenses would aggregate \$57,500 per year. To obtain the bonds the bank must pay 4 per cent. premium, so that it must lose interest on the amount of the premium—\$20,000—which, at 6 per cent., would be \$1,200 per year. It must keep at Washington a redemption fund of 5 per cent. of its circulation, and must keep a reserve of 20 per cent. of its deposits in its vaults in "lawful money," making a total reserve of \$422,500, on which the interest lost at 6 per cent. would be \$25,350. The sum of these items is \$84,050, representing the annual expenses (including loss of interest) of running a national bank such as described. These expenses represent about  $3\frac{1}{2}$  per cent. on the circulation and deposits combined, and between 18 and 19 per cent. on the circulation alone." It is stated, indeed, that not one of the leading National Banks in New York, Philadelphia and Boston makes enough on its circulation to pay rent, taxes and salaries. The chief profit is made on the deposits.

#### VICTORIA MUTUAL FIRE INSURANCE COMPANY.

This Company is divided into branches, styled 'General,' 'Hamilton,' and 'Water Works,' each of which may be regarded as a separate company. For the information of those interested in the management of it and of similar companies, we give the following particulars: For the year just ended the receipts proper of the general branch amounted to \$31,231.47, and its expenditure, exclusive of claims and cost of reinsurances, to \$11,380.89 or 36 $\frac{1}{2}$  p. c. of its receipts. Inclusive of these charges the out-go was \$30,801.41. Postage and telegrams cost the branch \$800 exactly; printing, advertising, and stationery, \$710.37; salaries, \$4,386; auditors \$105.08; directors \$949.13, and office contingencies \$98.00. It owed \$15,000 for bills payable, precisely the same amount it had owed at the end of the previous year

and the total amount which it had paid by way of interest was \$385, but its liabilities' list contained no "interest accrued." Division Court costs, we cannot help remarking, amounted to \$713.82. The receipts at the Hamilton Branch amounted to \$6,097.14, and its expenditure, exclusive of claims, to \$2,650; or over 43 per cent of its receipts. The receipts of the Water Works branch had been \$12,549.17, and its expenditure, exclusive of claims and reinsurances amounted to \$6,311.08, or over 50 per cent. of its receipts.

If economy of management were the object which a division of the companies business into branches aimed at, that has not been attained. For to manage an income of \$49,887.78, it has cost \$13,037.19 in salaries, directors 'fees' auditing and commissions. While "office contingencies," whatever the expression may mean, amount in the aggregate to \$203.60. The total receipts of the company for the year were \$49,877.78, and its total expenditure including claims and reinsurance was \$50,860.18; the total of its liabilities differs but little from that of this previous year, among assets however we find "B. R." (due bills we presume) figuring at \$8,915, assessments at \$18,048.36, agencies debts at \$3,666, the sum of which would, if collected, be ample to satisfy nearly all the immediate liabilities if the company. We approve of the action of the insurance Inspector in regard to past due bills and assessments, he having made it incumbent on the companies to show how much of these so called assets is one year or more over-due; intending, we fancy, to write them off, or a large part of them. An item in the Victoria's assets is Division Court cost amounting to \$1,943.85. This is hardly creditable to the management, although Division Court costs is one of those troubles apparently inseparable from the mutual system. While we have said this much upon the accounts and methods of the company, it is still evident, assuming that the value of assets is correctly stated that the company is in a very fair position. It shows a ratio of assets to liabilities, including those under sums insured, of 1.44 nearly, a better proportion than many other companies.

#### "FIFTY PER CENT" THEN AND NOW.

We have a suggestion for importers of dry goods in the retail trade, who have been in the habit of putting say 50 to 52 per cent average "advance" upon their sterling invoices to cover the expense of laying down the merchandise in Ontario. The hint may be of service, indeed, to not a few wholesale merchants, who have perhaps not given sufficient thought to the larger proportion of low-priced lines in stocks of late years. A leading firm of importers has taken pains to calculate separately the cost laid down in Toronto of various lines of dry goods. The result shows that the ordinary method of "lumping" a variety of lines in an invoice is misleading in a marked degree. For example: Bradford winceys at 3 $\frac{1}{4}$ d. per yard,

which it used to be considered 50 per cent. advance would lay down, are calculated to cost 59 per cent. under present tariff of 20 per cent. Dress goods, such as Cashmere Merinos, which pay 20 per cent. duty, it now takes 57 $\frac{1}{2}$  per cent. to lay down in Toronto. Cotton dress goods at 3d sterling per yard, cost, according to our informants, 61 per cent. advance on invoice; this implies, however, a per centage for "making up." Bulky, though not weighty, goods, such as ruchings, cost 75 per cent. to bring out; while velvet ribbons, more expensive but relatively less bulky, are calculated at 62 $\frac{1}{2}$ . Cheap crash towellings and narrow linens, invoiced at 1 $\frac{3}{4}$ d. to 2d. stg., baled, will cost in Ontario nearly 60 per cent. Umbrellas, which pay 20 per cent. duty, are barely covered by 55 per cent. advance. In the matter of exchange, too, 10 per cent. is considered to be safer, over a series of years, than the customary 9 $\frac{1}{2}$  for sight exchange. The lower average price, or rather the larger proportion of low-priced dress goods in recent years, makes the cost of an invoice "on the sterling" greater than before. And the altered duties make it needful to calculate cost of each separate line to be on the safe side.

#### A COLLAPSE.

The trial of the contestation of the claim of J. Fee against the estate of the now notorious F. W. Rimer, took place before the York County Judge on Tuesday afternoon. The claim was for \$2,105, balance alleged to be due to Mr. Fee on a promissory note for \$4,000 made by the insolvent. The contestation was instituted by Mr. Gray, the assignee, on behalf of the estate. The grounds were that the note had not been properly stamped; that there was no consideration for the making of it; and that it was given in fraud of the insolvent's other creditors. The assignee attempted to prove his case by the evidence of Rimer, who was brought up from Kingston Penitentiary for the purpose of giving evidence. To the surprise of every one, however, the prisoner, instead of giving the evidence expected of him, corroborated in every particular Mr. Fee's own statement, and clearly established the correctness of the claim. On being asked to explain how he had come to make different statements when examined before the assignee while in jail here, Rimer asserted that such statements had been obtained from him on the representation that if they were satisfactory, money would be advanced by the creditors to carry on his defence. The learned Judge commented severely on the course taken to elicit Rimer's former confessions, and dismissed the contestation with costs. Some of the creditors appear to think that this estate is being largely squandered in legal expenses.

—The annual meeting of the Citizens Insurance Company, which was to have been held in Montreal, on February 2nd, has been postponed to the 16th inst.