

In our issue of 14th August, 1874, we used the following language with reference to the Dominion Savings and Loan Society of London: "The management still clings to the delusive idea of making money by selling stock at a premium." And it is probably realized, if not admitted, by the management of this company to-day, after nine years experience, that the drawbacks of a Reserve mainly formed by the method indicated, outweigh its advantages. The business of 1880 has yielded reduced profits compared with former years. This is in part owing to the considerable sum the company had on hand, which it could not profitably employ. It has been found needful to reduce the dividend of ten per cent., with which the company began in 1872, by one fifth, while no addition to Rest is found possible out of last year's business, but a sum of \$7,995.23 is found at contingent account against possible losses on loans. A reduction was made in the rate of interest paid depositors during the past year, and the sale of debentures in Britain has been suspended. We understand that since the first of January last, a considerable increase has taken place in the amount of loans made by this society, which must tend to increase its earning power during the current year.

The Royal Loan and Savings' Company of Brantford has passed its fifth year, and, as the table in its report shows, has increased its paid-up capital to \$217,000, and its loans to \$441,000, while we find its deposits have grown from \$39,000 in the first year, to \$215,000 now. Out of the net profits of the year, eight per cent. dividend has been paid, and the Rest increased to \$10,000. With reference to the issue of new stock, it is prudently concluded that, while deposits are within the legal limit, it is not desirable that new shares should be issued faster than is needful to conform to the statute.

A feature in the report of the British Mortgage Loan Company of Stratford is that it employs no agents, and pays no valuers, the directors value the properties, and accept no fees. The expenses are thus kept down to what is a very reasonable percentage for a young company. \$12,000 has been placed to Rest, on a paid capital of \$100,000. Some favorable stress appears to be placed by the report upon the "activity" of the Savings' branch, through which deposits and withdrawals to a large amount had passed during the year. We should think the permanency of deposits, provided they are cheap enough, rather to be aimed at and welcomed rather than their "activity" of movement.

The second annual report of the Home Savings' and Loan Company is to hand, showing an increase of deposits by \$180,000,

and an increase of mortgage loans of \$68,000, during the year 1880. The report refers to the lessened proportion of good investments offering to the quantity of funds seeking employment, the reduced rate of interest obtainable, and the greater difficulty in placing money. In the opinion of the directors, "the more prudent, if less profitable investment for the larger proportion of the Company's deposits are loans payable on call on good collateral securities," albeit "more difficulty has been experienced in lending money on these latter securities, lower rates of interest have been obtained than formerly." The reduction made during the year on the rate of interest for deposits to four per cent. is expected to favorably affect the earnings of the current year. The net earnings amounted to 10½ per cent. upon the capital. After deducting 6½ per cent. dividend, and expenses of \$10,115, including directors' fees, \$5900 was added to Rest, and preliminary expense account reduced by one-sixth.

#### REFUNDING IN THE STATES.

The United States Refunding Bill has made a commotion among the national banks. This bill obliges the banks to base their circulation on a three per cent. security, and the effect, it is contended by the banks, would be to decrease their profits. But the Treasury Department has undertaken to show that when the interest of money is five, six, or seven per cent., the three per cent. security at par would yield more than a four per cent. bond at the present rate of premium, 14 per cent. If the National Banks can be compelled to use the new three per cents, about half the new securities (\$490,000,000 in all) would at once be absorbed as the basis of circulation. Congress has held no terms with the National Banks, but has steadily kept them at arms' length. Whether this is wise, the event will tell. The Senate has amended the bill so as to remit the duty on deposits; but the House has never yet admitted the right of the Senate to originate a money bill, even in the form of a remission of taxes, and is not likely to do so now. The House may, however, see the necessity of remitting this tax; for the National Banks are subject to multifarious taxes, originating in the necessities of war, which amount altogether to about 2½ per cent. on their capital. The unfavorable feeling in Congress against banks is a survival of a state of things which grew out of the imperfect and often dishonest banking system of forty years ago, and is now without any rational cause whatever.

#### FIRE INSURANCE COMPANIES' MEETINGS.

The thirtieth annual statement of the Western Assurance Company exhibits large figures and important results. The receipts from all sources in 1880, reached \$1,301,734. Of this sum, \$1,004,318 was derived from fire premiums, the fire losses were \$567,874, and expenses—of both departments we presume—\$307,105 or 26 per cent. nearly, upon the fire and marine premiums. The fire losses were not excessive, being 56½ per cent of the premium receipts, a good profit is shown in that branch. But in common with most other companies doing a marine business during the last season, the Western was out of pocket by that department. With marine premiums of \$236,427, the marine losses were \$263,582, leaving a wide margin on the wrong side. However, the result of the entire business was a profit of \$75,655, enabling the directors to pay the usual dividend—a very large one—to put \$40,000 to Reserve and to carry forward \$5,785 to the credit of profit and loss. The net surplus over unearned premium, reserve, paid-up capital, and every other liability, is \$467,758, which sufficiently indicates the standing and safety of this excellent company.

It is not often that a mutual insurance company can show such a record of success as that found in the history of the Wellington Mutual Fire Company. For years it has done what is termed a general business; and probably no other company transacting a similar business in Canada, has been enabled to sell insurance at such low rates. With but one exception, it is the oldest native company in the Dominion, and the last was its fortieth annual meeting. Out of a total insurance of \$2,575,602 in 1880, against which premium notes were held of \$263,527, the amount of losses had been \$2,847.78, and of its expenses of management \$4,255.50; so that its cost of insurance was about 27½ cents for every \$100 insured. It had received during the year \$15,215, and had expended \$15,193. These figures may seem insignificant, but they are not so, for they are significant of success. By dint of good management its requirements have been small, and it has not called for more than it wanted. The last report of this company is worthy of perusal; there is a simplicity about it which is quite refreshing. How true the following: "The competition in insurance business was never so great, nor at such cutting rates." The company has evidently had a horror of agents' commissions, but, on the recommendations of the Secretary, its directors had arrived at a plan which, without giving any stimulant to over insurance, would have the effect of