

be closed at two o'clock in the afternoon, or as soon before that hour as five minutes shall elapse without any vote being polled, and that the scrutineers, on the close of the poll, do hand to the Chairman a certificate of the result of the poll.

Mr. W. S. Lee moved, seconded by Mr. R. S. Cassels,

That the thanks of this meeting be given to Mr. James Austin for his able conduct in the chair.

The scrutineers declared the following gentlemen duly elected Directors for the ensuing year:—

Messrs. James Austin, James Crowther, P. Howland, Hon. Frank Smith, E. Leadlay, E. B. Osler, and James Scott.

At a subsequent meeting of the Directors Mr. James Austin was elected President and Mr. Peleg Howland Vice-President for the ensuing year.

The new stock was issued to the shareholders at a premium of fifty per cent., a resolution to that effect being moved by Mr. Aaron Ross and seconded by Mr. Walter S. Lee, which was unanimously approved of. Shareholders at the date of the 10th of June next will receive the allotment. Details of mode of payment will be forwarded to the shareholders by circular.

In moving the adoption of the report the President made the following remarks:—

I am much pleased to be able, on this the 11th year since this bank commenced business, to present to you a report in advance of any previously laid before you. The amount placed to rest account has considerably exceeded that at any former year, and has now reached to fifty per cent. on the capital, a result perhaps unprecedented by any similar institution in the Dominion. It is also a source of satisfaction to know that the public have confidence in its future, as evinced by the value of the stock, now the highest of any bank in Canada.

During the whole period since the bank opened our dividend never fluctuated, and the average amount placed to rest account annually being over forty-five thousand dollars (45,000), notwithstanding that five of those years were times of depression in almost every branch of business. Now that we are firmly established in one of the best business locations in the city, I think I may safely predict good results in the future under the management of our worthy cashier, who has in the past so nobly performed his part of the work, and whose devotion to its interests deserves the thanks of the stockholders.

For some time past we have laboured under considerable disadvantage from the smallness of our capital, want of circulation, and rapid increase in business, and after mature deliberation the directors have arrived at the conclusion that the interests of the bank would be advanced by the issue of an additional half million, and a resolution will be submitted for your approval at this meeting at a premium of fifty per cent.

The usual inspection of the head office and agencies have been made by Mr. Kane, our inspector, who is in every way qualified for the position. In addition, I have visited each of the agencies, sometimes accompanied by one of the directors, and I scrutinized every account closely, and I am happy to be able to state that the business is in a healthy state. This course I would strongly recommend to be carried out in the future, as it will show both agents and customers that the affairs of the bank are being looked after by the directors personally, and will have a beneficial effect upon all concerned.

Since we last met I regret to have to announce the death of James Holden, one of our Directors since we commenced business, and who was partly instrumental in getting the charter, and was always greatly devoted to its welfare. His place has been filled by E. B. Osler, Esq., a gentleman well known to you all as a successful financial man, and who is well qualified for the position from the general knowledge he possesses of business men in the community.

FIRE RECORD.

ONTARIO.—Teeswater, May 30th, John Campbell's planing mill and contents destroyed, loss over \$6,000; insured \$1,500 Gore Dist.—Rothsay, 25th.—Fairhall & Dulmage's stables burned; loss \$600, not insured.—Lynden, 23rd.—Troy hotel, fired by incendiary; insured \$1000.

—Port Hope, 25th.—*Weekly News* office with contents, and Stevenson's tailor shop destroyed supposed incendiary—News insured \$1,000; Stevenson \$300 on stock.—Colborne, 25th.—The following are losses and insurance at late fire, Globe Hotel \$1,000 in Western; Estate G. W. Cumming, \$3000 in Northern; S. J. Kemp, Harness shop, complete loss; J. A. Kemp, tin-smith, \$800 in Northern; O. A. Chapin & Sons, loss \$1,500, insured \$400 in Phoenix; W. A. Hawkins, no insurance; R. B. Scott, brick block, loss \$3000, insured \$1,500 in British America; the C. M. Parsonage, loss \$600, insured; Mrs. Pomeroy \$800 in Royal.—Napanee.—Arthur Toomey's woollen mill destroyed, loss about \$5,000; insurance not known.

OTHER PROVINCES.—Halifax May 30.—J. Mulcahy's Cooperage burned, insured in Queen's \$2000 stock not insured loss \$300.—St. Johns 2.—Catudal's carriage factory burned loss \$1,000 no insurance.—Halifax 30.—Dewolf's storehouse and customs warehouse burned insurance \$1,000 each in Commercial Union, Holstead & Brundage junk shop also damaged: \$600 in Canada Fire and Marine.

LIFE INSURANCE NOTES.

Not every policy holder is sufficiently acquainted with insurance law and technical terms to fully understand the relationship between assets and liabilities, and the differences which appear in the official reports of the several States in the item of surplus. As a partial explanation it may be stated that the law of Maine, and several other States, assumes that the interest earnings upon assets will equal four per cent. annually, while another set of States, including the great State of New York, accept four and one-half per cent. as the standard, and the liabilities of the companies are calculated upon this basis. Thus under the New York law the liabilities of the Union Life Insurance Company are estimated to be \$5,585,670.04 which, deducted from its assets which are \$6,264,215.57, leaves a surplus of \$678,545.53, while under the more stringent law of Maine the liabilities of that company on a four per cent. basis are \$5,908,179.04, which, taken from the assets, leaves a surplus over liabilities of \$356,036.53. In the year 1877, taking the assets at cash value, the Union Mutual had a surplus of \$77,269.53. In 1879 it had become \$250,950.73, and in 1881 it was \$356,036.53. Thus the Company has by gradual conservative steps made a clear gain of \$278,767.00 in that fund from which all dividends are declared, and which is also, with a proper valuation of assets, the best indication of financial prosperity.

Deputy McCall, in his report on the Mutual Benefit Associates, makes the following suggestion or recommendation: "It appears from the damages claimed in the various suits that have been instituted, that the beneficiaries are of the opinion that they are entitled to \$2,000 on each claim, and the correspondence with said claimants confirms the views set forth in the complaint. The truth is, that in this 'dealing in futures' nothing is contracted for except to pay what may be collected, and the law governing these institutions (chap. 256 of the laws of 1881), should be amended so as to compel all co-operative institutions to set forth in their contracts in plain and distinct types, that there is no obligation to pay any amount except the sums received from the assessments."

The Aetna Life insurance company announces that it has a surplus of \$750,000, calculating its reserve liability upon the basis that it will hereafter receive but three per cent. interest on its investments. If in future years the company is unable to obtain as large a rate of interest as it is now receiving it has abundantly provided for such contingencies. Notwithstanding the large dividends to its policy-holders, its prospects for the continuation of these favorable results are encouraging.

An exposition of business done by mutual aid associations during the year ending December 31, 1881, is compiled by the *Cincinnati Enquirer* from reports on file in the state insurance department: Number of certificates at end of 1880 44,246; number issued during 1881, 41,621; total, 86,367. Terminated by death, 1,558; terminated by lapse, 21,946; total terminated 29,172 total in force, December 31, 1881, 59,195. This shows an increase of membership of 14,449, and a death rate of nearly 39 per thousand lives. Income from assessments \$587,575.98; from membership fees, etc., \$291,185.12; total income \$878,761.10. Of this sum there was paid on death claims \$460,700.94; of certificates on which losses were paid the face value amounted to \$2,098,195. There was paid thereon \$408,158.40, being less than 20 per cent.: while on the gross amount collected there was paid to beneficiaries 52½ per cent. Remarking upon this rather startling showing, the insurance *Chronicle* has the following: "How does the co-operative pretence of cheapness compare with the fact as shown by the figures? The average payment to representatives of deceased policyholders last year in Ohio was but twenty per cent. of the policy's maximum promise. That is to say, the average co-operative policy for \$1,000 yielded only \$200. And how much was collected in order to pay this \$200? On an average \$375.70. In other words, out of every dollar collected only fifty-two and a half cents was used for effectuating the life insurance purpose, the remaining forty-seven and a half cents inuring to the sole benefit of the society's managers and agents. Is this economy? Yes, of the co operative type."

GROCERIES AND DRY GOODS.

The wholesale grocery business has never attained that degree of consolidation and concentration reached by the dry goods business in the United States. Very few wholesale grocery houses have succeeded in doing a business exceeding in sales \$5,000,000 per year, and the number of houses actually wholesaling groceries to this amount can be enumerated on the fingers of both hands, while a business of this magnitude in dry goods is considered but ordinarily good, there being several houses claiming sales of \$25,000,000 to \$50,000,000 per annum. The most important hindrance to the accomplishment of such concentration in the wholesale grocery business is the relatively greater proportion or percentage of freight charges to the cost of goods when shipped in small quantities, by which discrimination in favor of large buyers, car-load freights, etc., a jobbing or wholesale business is rendered possible and profitable at almost every railroad crossing, or at any point where a competing freight rate can be had. These small interior jobbing houses can in many instances sell goods just as cheaply as the larger wholesalers at business centres, especially in proprietary goods, where prices are made on a delivered basis by manufacturers.

Another hindrance has been the prevalence of specialty dealers and houses selling this or that line of goods properly belonging to a wholesale grocer's stock. These specialty dealers have blossomed and thrived around the corners of the wholesale grocer's warehouse, taking from him