

this point, we are disposed to wait patiently until the Government scheme is before us.

There are, however, other questions more immediately affecting bank shareholders, and Mr. John Crawford, who has had considerable experience, has made several suggestions in an open letter to Sir Leonard Tilley. One of these is the continuance of the double liability clause, which we presume is not likely to be altered. The other three suggestions of Mr. Crawford are: 1st. The abolition of proxy voting. 2nd. A sliding scale, the maximum number of votes not to be greater than 10. 3rd. The appointment of auditors by the shareholders, which, it is to be presumed, is in Mr. Crawford's opinion preferable to Government inspection. We must confess that we doubt the practicability of either a Government Inspector or an Auditor appointed by vote of a public meeting, arriving at any satisfactory estimate of the value of the assets of a bank, and especially of one with a large number of agencies. The bulk of those assets consist of current notes and bills of persons engaged in commerce. The persons most competent to judge of the value of such assets are the Bank Manager and the Inspector. One great difficulty in the way of Mr. Crawford's suggestion, which, as we understand it, is to put the shareholders in possession of the fullest information, is that it is inexpedient to make public the transactions of a bank. If this were not so, the simplest plan would be for the Inspector to attend the bank meetings, and to answer such questions as might be put to him by the shareholders. The question is surrounded with difficulties, but we doubt much whether any of the proposals for audit or even inspection will secure good management.

COST OF GOVERNMENT.

A writer in the Canadian Monthly has sounded an alarm on the subject of the cost of Government in the Dominion, as well as in the Province of Ontario. When the policy of adopting the present federal system was under consideration, the increased cost of Government was strongly urged as an objection, but without effect. There is a very general feeling in Quebec that an effort should be made to effect retrenchment, and some are desirous of agitating for legislative union. The most practicable reforms would be the abolition of the second chambers in the Provinces, and possibly a reduction in the number of members in the local legislatures. After all, the most oppressive load is the municipal taxation, which is but slightly no-

ticed by the writer in the Canadian Monthly. We confess that we doubt very much whether it would be possible to get a majority either in Ontario, Quebec, or in any one of the Maritime Provinces, to give up their local legislatures even if the result should be a small saving in the cost of Government. Nothing is easier than to find fault with the aggregate expenditure, but the difficulty is to hit upon a safe remedy. In Ontario there is only one legislative chamber, and yet, with that example before the other Provinces, more than a decade has passed without any vigorous effort having been made to abolish the nominated chambers in the other Provinces, and there seems little chance of legislative union in the Maritime Provinces, where there are no such difficulties in the way as would be found in Quebec.

ROYAL CANADIAN INSURANCE COMPANY.

THE ANNUAL GENERAL MEETING.

The annual general meeting of the Royal Canadian Insurance Company was held at the offices, St. James street, yesterday afternoon, Mr. Andrew Robertson, President, occupying the chair, and the following gentlemen were present:—Hon. J. R. Thibault, Duncan McIntyre, Hugh Mackay, W. F. Kay, Jonathan Hodgson, Robert Archer, John Ostell, Hon. J. G. Laviolette, Geo. R. Robertson, James Stewart, A. Desforges, Wm. O'Brien, J. Dupré, Wm. Clendinning, B. J. Coghlin, Dr. O. Raymond, Hy. Lyman, A. St. Denis, J. O. Gravel, S. Bethune, Q. C., C. Beausoleil, J. Shearer, F.E. Gilman, W. V. B. Hall, S. Evans, J. S. Evans, J. Valade, M. S. Foley, M. Mackenzie, Mr. Beauvais, Mr. Prévost, James Strachan, A. W. Ogilvie, S. Pedlar, George F. Hart, T. J. Claxton, A. C. Clark, John Kerry, Mr. Vian, C. S. J. Phillips, J. K. Ward, F. B. Matthews, and others.

After the minutes of the previous meeting had been read, the annual report subjoined was taken as read:—

THE ANNUAL REPORT.

The Directors respectfully submit the Annual Report of the operations of the Company for the past year, which they hope will meet with your approval.

At the opening of the year your Directors were in anticipation, in consequence of the arrangements then in existence, that they would be able to report a prosperous year's business in the United States. Unfortunately, this anticipation has not been realized. The losses in the early part of the year, especially in the Southern States, proved to us, as to nearly all other companies, very disastrous. At the end of the half year, your Board considered it prudent to withdraw, and reinsured or cancelled its risks in that department.

The whole business of the United States seemed, however, to be in a very hazardous state, and towards the end of the third quarter of the year your Directors considered it wise to abandon the field altogether. They consequently reinsured the remaining business with the Commercial Union Assurance Company, a first-class company, on terms considered mutually satisfactory. This was only done after the most serious consideration of the Board; and they believe, considering all the circumstances, that the course they adopted was prudent, and in the best interests of the Company.

In this connection it may be mentioned that, out of eighty-one companies in the State of New York, seventy-two lost capital, ranging from

five thousand to two hundred thousand dollars, during last year. The year 1879 has been the most disastrous to the insurance companies of the last five years, not even excepting the year of the St. John fire.

It is gratifying to state that our Canadian business has again shown a small profit. The expenses have been readjusted for the coming year to suit our reduced business; and, being now a purely home institution, the Directors hope that all the influence of the shareholders will be used to give the Company business, which, with its reduced liabilities, is now one of the strongest among the Canadian companies.

The retiring Directors are Messrs. Andrew Robertson, the Honorable J. R. Thibault, D. McIntyre, Hugh Mackay, and W. F. Kay, who are eligible for re-election.

Respectfully submitted,
ANDREW ROBERTSON, President.

Montreal, 4th March, 1880.

STATEMENT FOR YEAR ENDING 31st DECEMBER, 1879.

ASSETS.

United States Bonds.....	\$271,562 50
Montreal Harbour Bonds.....	57,400 00
Montreal Warehousing Bonds.....	18,250 00
Sincennes-McNaughton line stock...	1,000 00
Mortgages and real estate.....	48,500 00
Cash in Bank.....	50,754 48
Cash in head office.....	769 52
Bills receivable.....	29,878 53
Agents' balances and sundry debtors	52,018 45

\$530,133 48

LIABILITIES.

Capital stock paid-up.....	\$300,000 00
Due to sundry creditors.....	43,379 72
Losses under adjustment.....	53,648 75
Balance.....	133,105 01

\$530,133 48

PROFIT AND LOSS ACCOUNT.

Expenditure.

<i>United States:</i>	
Losses, Fire and Marine.....	\$302,045 20
Re-Insurances and Ret. Prems., Fire and Marine.....	50,619 10
Commissions and charges, Fire and Marine.....	154,778 87
	\$507,443 17

Canada:

Losses, Fire and Marine.....	\$140,526 81
Re-Insurances and Ret. Prems., Fire & Marine.....	56,533 65
Commissions and charges, Fire and Marine.....	61,872 81
	258,933 27

\$766,376 44

Revenue.

<i>United States:</i>	
Premiums, Fire and Marine.....	\$299,871 99
<i>Canada:</i>	
Premiums, Fire and Marine.....	269,030 90

Interest account:

Interest on investment.....	20,456 06
Balance to contingent account.....	177,017 49
	\$766,376 44

CONTINGENT ACCOUNT.

Dividend No. 3.....	\$15,000 00
Re-insurance of all outstanding risks in the United States.....	176,684 66
Written off for Bad Debts and Depreciated Assets.....	61,515 02
Balance from Profit and Loss.....	177,017 49
Balance.....	133,105 01

\$563,286 18