laid before the public, it will be better to realize the assets than to peril what is now on hand in a new career based on deception. We believe that the shareholders are bent on knowing their real position and when that knowledge is obtained it will be for them to take such measures as will be deemed most expedient.

PROVINCIAL INSURANCE COMPANY.

The report read to the shareholders at the last annual meeting of this Company, shows that a large increase has taken place in the business—the premiums for the year having exceeded those of the year previous by $44,735.98. The net profit realized is placed at $35,549, and a dividend of three per cent. was declared. In analysing the figures given in the report, we find that the per centage of loss to premiums (less re-insurance) is over 60; on the Fire business, nearly 53; and on the Marine, over 67. The average rate of premium on Fire risks is probably 1¼, and on Marine, 6 per cent.

In making the calculations we have taken the figures as they stand in the report, but, on reflection, we feel scarcely justified in allowing ourselves to be carried away by their specious appearance. Balance at agencies $36,655. On referring to the report of the British America, whose paid up capital is $200,000, we find they have out in agent's hands only about $19,000. We suppose that the $35,665 represents, for the most part, premium notes on the marine business. However the amount out in this way does seem large considering that the profits of the year are $35,549. The next item is Sundry Debtors $40,013. This mysterious generalization would be more intelligible if it were replaced by the designation "Bad and Doubtful debts." It looks so suspicious that we take the risk of advising the company not to rely upon it as an asset. On the heels of "Sundry Debtors," we see "Salvage claim and unpaid stock $19,425." Salvage claim and unpaid stock! The in harmonious blending of the two reflects little credit on the analytical powers of the author of the report. Surely it would have been an easy thing to say Salvage so much, and Unpaid Stock so much. If the combination was intentional, then we beg to assure the Directors that transparent tricks of the kind are not harmless, but well calculated to beget suspicions in the minds of stockholders, and to stamp the report as unreliable. The books of the company are not open to the public, and seeming trifles are apt to do a great deal of harm. When a company with a paid up capital of only $89,738, and no reserve carries risks to the amount of $8,000,000, a little trick may prove dangerous.

We do not think the Director's report is fair. It most certainly does not "exhibit a full and unreserved statement of the affairs" as the Act of Incorporation requires. We can easily understand why the annual meeting was harmonious, as it undoubtedly was, seeing that the report was merely read by the President instead of printed copies being in the hands of every one present. Its round numbers were pleasant to hear, and its announcement of a three per cent. dividend was not unwelcome. Dissatisfaction, if there were any, had no material. Somebody did ask if the $11,878 were actually in the bank, and the President assured the inquirer that such was actually the case. But no one asked, for we suppose that few knew, why the company's premises were lately mortgaged to a Building Society for $6000. Nobody asked why such a proceeding was necessary in the face of a net profit of $35,549. True, the deposit of $16,666 had to be made with the government, but the "net profit" exceeded by far the required amount.

However, a three per cent. dividend was declared. We hope that the clause in the Act of Incorporation which states "that no dividend or bonus shall be declared or paid out of the capital stock of the Company was kept in mind by the Directors. At all events, this declaration of a dividend has not brought Provincial Insurance Company stock up even to a quotation mark. Its increased business has not brought forward purchasers. Why? Its shareholders are for the most part substantial persons; its directors are men of worth, respectability and means; its prospects are seemingly good; it has realized $35,549 profits from one year's business; and a dividend of three per cent. has been declared. Why then is its stock valueless. It is not for us to answer this question, we simply state the fact. What has become of the capital? Where is the reserve? Where is the reinsurance fund? An Insurance Company is not an institution chartered to gamble. There are certain well understood principles which Insurance Companies find it necessary and expedient to apply, and certain fixed rules, the essence of experience, which they should not, if they value their existence, ignore. If such be disregarded, the shareholders feel the consequences in the loss of their investment.

But we are not without hope that the Directors of this Company will see how dangerous this hand-to-mouth, trust-to-luck system of doing business is, and make some effort to improve a state of affairs which they must know is unsatisfactory. We are aware that the present is an improvement on the past, but that is the strongest reason why an effort should now be made to understand how matters are with them. Let a President be got who will give his attention to the affairs of the Company, and pay him well for doing it, for however able the present incumbent may be, he certainly has not the requisite time at his disposal. Let this declaration of dividends be put a stop to until the capital be restored and a reserve formed. Let further calls be made on the subscribed capital, and a fresh start had. A committee should be appointed to investigate the state of the Company and settle on some definite plan. Were things on a proper footing, the business would increase; a good profit be realized, and the stock would soon rise in the market. We strongly advise the Directors to go to the office of the British America and humbly accept instructions in the art of reviving an Insurance Company.

We use the word reviving advisedly. If we applied to the affairs of the Provincial, the test to which the Insurance Commissioners of the State of New York subject the Fire Insurance Companies of that State, we should find that the Provincial would compare far from favourably with similar corporations. A reinsurance fund of fifty per cent. of the premiums on unexpired fire risks, and one hundred on marine risks, is there insisted upon. The unpaid liabilities of the Provincial are given at $51,251; a reinsurance fund of (to place it at an absurdly low figure) say $110,000, should be available; the capital paid up is $89,738. The total liabilities would then be $250,989. Taking for granted that the "Funds and property" represent cash assets of $181,039, there would be a deficiency of $68,950. But if we deduct from the sum total of "Funds and property" bad and doubtful debts the assets would be greatly reduced, and the startling fact appear that the paid up capital is lost. However, we submit these remarks to the Directors in good faith, trusting some one will be found among them with courage enough to insist on knowing the truth.

New York Life.—An exchange says that this Company has decided to deposit $100,000 in this Dominion, and otherwise to comply with the new Insurance Law. It is added that the deposit will be made without delay.

Withdrawels.—The Secretary of the Berkshire Life Insurance Company of Massachusetts, informs us by a private letter of the fact that this Company has withdrawn from the Dominion. The reason assigned is that the Company cannot, under the State Laws of Massachusetts, comply with our law.

The Western of Buffalo, Phœnix of Brooklyn, and Security of New York, all marine, are among the Companies that have withdrawn.

Mr. Young, of Georgetown, has been appointed the Stratford agent of the Royal Canadian Bank.