

cannot materially alter the financial position.

The meeting of the Canada Fire and Marine Insurance Company was held in Hamilton on the 12th inst. The report presented was exceptionally full and clear, nothing being omitted which is necessary to arrive at a conclusion as to the condition of the company. The net premiums received in the year were \$94,788.17 and the losses paid \$35,688.35 with \$7,148.01 claims yet to be settled, in all \$42,736.36. It is true, the available assets are insufficient to form the re-insurance fund which the law requires, but the company, although young gives evidence of a prudent policy which will make the proper settlement of this point their first aim. The company have not yet begun to do the marine business. Their fire agencies have however been distributed widely, as the report indicates, and it is claimed that all but six of these show a profit; The Cayuga and Kingston fires absorbed one third of their total losses.

The Ottawa Agricultural Insurance Company held its second meeting on the 7th instant, the first having been held in January of last year, when the company had been but five months in operation. The number of policies written in 1876 was over eleven thousand; the premiums on which amounted to \$83,011, on which the commissions appear to be \$16,472.00. The fire losses paid were \$14,361.87; nothing is said of unadjusted claims. Their expenses of management are shown to be large, amounting to forty per cent of the receipts. This is exclusive of \$6,000 of preliminary expenses. The report which has been largely circulated that this company has been foremost in cutting rates, does not, after a personal examination of many of their risks appear to be well founded. We hope to see next year a more favourable showing with regard to expenses, now that the company have evidently secured a large patronage.

The National Fire Insurance Company, which completed its first year's business last month, and held the annual meeting in Montreal, shows a return of \$102,815 99 net premiums, losses paid \$46,629 64; expenses, which are by no means light, \$32,889 29, and a further sum of \$10,000 for a proportion only of the organization expenses written off last year. Nothing is said about losses unpaid. The company thus demonstrates a profit of \$25,021 21 on the year's business.

However, according to our mode of showing, we have, making a deduction from the premium receipts for expired risks, say \$49,408 required to reinsure; bills, open accounts, &c. \$12,110 66; capital stock paid n \$73,900; total liabilities \$135,418 66,

against which are assets nominally \$111,031 87, from which should be taken the \$20,000 of organization expenses, set down under this head. The difference will show, we think, a need, in this case also, for the calling up of more capital.

So far, as regards the book-keeping, the details and the principles of underwriting we feel satisfied that this company is in good hands, and is likely to pursue a healthy policy. The management will, we have no doubt, agree with us in the need for further payments on capital account to strengthen their hands.

It may be noticed that the necessity of a re-insurance provision of fifty per cent, as provided by law, is a stumbling block to many companies in this disastrous year. But for this it would be an easier matter for some to exhibit a surplus. Viewed in this light, the Citizens falls behind, although having done a business last year which does them no discredit. We have heard it stated too, on good authority, that some of the assets of this company have been estimated unfairly high; Metropolitan Bank stock for instance.

A number of the companies have adopted the curious device of calculating among their assets the sums expended in organization, stating that they were, however, "to be written off hereafter," and in some cases a portion of them has already been written off. Inasmuch as these sums are spent, are most unlikely ever to return, and are entirely unavailable for paying purposes they cannot be correctly called assets, and it is misleading to so allot them. We can understand a desire on the part of a company to show these sums in its statement, and to distribute them over a series of years, but let them be inserted where they belong, and called by their right name. Why not also particularize the items? The sums appear to be excessively large, and there should be no reason to withhold the particulars.

THE SUPPLY OF GAS IN CITIES.

The application to the Legislature for a charter incorporating a new Gas Company, in the city of Toronto, brings up the whole question of the best means of supplying cities with gas. This service is performed in three different ways. Sometimes a single company has the exclusive right of furnishing this illuminator; and when this is the case, the common vices of a monopoly are sure to be developed with exceptional aggravations. Sometimes rival companies compete for the patronage of the gas-consumers, Two companies cannot supply gas as cheaply as one could; because they are necessarily at double the expense for

plant. But they do supply it cheaper than one would. The consumers gain the difference; but that difference is not all quite clear gain; it is purchased at the inconvenience which attends an unnecessary opening of the streets.

The supply of gas can properly be made a monopoly, on condition that the privileged party is deprived of the usual motive of monopolists; the desire to swell the profits to the largest possible amount. The municipality, as trustee for the public, may safely be trusted with the monopoly of gas-making. The object should be less to make a profit than to serve the public well; but the supply of gas, in the hands of a municipality may, within reasonable limits, properly be made a source of revenue. The corporation is itself a large consumer, and it is proper that it should supply both itself and the private consumers. Having a monopoly of the right of supplying this illuminator, it would be bound to act in the spirit in which it received the exclusive right, and it is the only agency that can be relied on to act in the public interest. In that case, no more capital is fixed in the works than is absolutely necessary; and as there is no waste in this direction, a city can produce gas much cheaper than it can be supplied by two companies, who would have to earn a dividend on twice as much capital. Nor would there be any unnecessary disturbance of the streets; they would be opened as often as absolutely needful and no oftener.

There ought to be inserted a general provision in the municipal law, giving town corporations, where there is now no gas, the exclusive right of supplying it; and in towns and cities where gas is now supplied by companies, the right to assume the works of these companies on equitable considerations, in which the rights of property would be scrupulously protected.

CANADA GUARANTEE COMPANY.—The report of this company, which was submitted at the annual meeting on Tuesday of last week, will be found in another column. As a full and clear exposition of the position and growth of the company it leaves nothing to be desired; and the result shown of a dividend of 8 per cent., and a profit besides of \$13,369 19 on the year, (being over fifty per cent of the paid up capital), is something that was not at all to be expected in 1876, and could not be otherwise than satisfactory to the proprietary. It is deserving of notice that very full provision has been made for strengthening the position of the company; \$10,000 having been set aside to cover unexpired risks, a larger sum for claims outstanding, and the Gov-