

ham, Esq., M.D., Kenneth MacKenzie, Esq., W. Redford Mulock, Esq., K.C.

At a subsequent meeting of the directors, Mr. J. T. Gordon was re-elected president, Mr. William Whyte, first vice-president, Mr. William Harvey, second vice-president and managing director, and Mr. W. E. Lugsdin, secretary-treasurer.

The executive committee, composed of Messrs. William Whyte, J. T. Gordon, William Harvey, N. Bawlf, John A. Girvin, W. R. Mulock, K.C., and Dr. Popham, was re-elected, with Mr. Whyte as chairman.

The meeting then adjourned.

BANKING PRACTICE.

(Continued from Page 1455.)

the crop-moving problems. In various parts of the Union interest rates rise and money becomes tight. In ordinary years nothing like this is seen in the Dominion. The business men and others dealing with the banks notice no difference whatever in the attitude of their bankers. They are able to borrow just as easily and at the ordinary rates—the moving of the crops makes practically no difference to them. A brief description of how the Western wheat crop—the most important part of the harvest—is financed will give some idea of the excellent working of the banking system. The operation is described as seen from the inside of a bank.

During the summer the banks prepare for the crop-moving by ordering large supplies of new bank notes from the bank note companies. Big parcels of these come in at more or less frequent intervals; at the head office, and perhaps at several depot branches, clerks are set to work countersigning them. Every year, between August and the end of November, the amount of bank notes in circulation increases over \$15,000,000. This increase is chiefly in fives and tens. Then there may be anywhere from \$10,000,000 to \$15,000,000 of notes withdrawn as worn out or disabled each year. To replace those withdrawn, and to provide the fresh notes needed when the maximum circulation of one year exceeds the maximum of the preceding year, \$20,000,000 might be required. If this \$20,000,000 were half fives and half tens, three million notes would have to be got ready. Preparation for the crop is also made in another way. The grain firms arrange their lines of credits, and their respective banks undertake to advance the monies needed for buying the grain. The manager of the Manitoba branch office is expected to keep himself informed as to the exact date on which grain deliveries will commence at his town. We may suppose that he has as his customer a grain buying firm, with elevators at four or five points in the neighborhood, and which has arranged for a line of credit of \$50,000. A few days previous to the expected beginning of deliveries the manager will arrange to have a supply of the bank's notes sent to the branch to augment his stock-in-hand. These are mere printed promises to pay, and represent no actual cash whatever.

How Loans Are Made.

The deliveries commence. The day before, the grain firm will come in with cheques for \$6,000 or so, and will ask for cash to send to the points at which it is buying. Then, perhaps, every day the firm will require some cash—taking it in the bank's notes. It will begin by using its own money, but that will soon be exhausted; then it begins to borrow under the terms of its line of credit. As fast as the grain is bought it is put through the elevators and loaded on cars for Fort William, Port Arthur, or Duluth, the terminal points on Lake Superior. As soon as the car is loaded, the railroad station agent gives the shipper the railroad bill of lading, made out for a round number of bushels—the capacity of the car. So the grain firm is receiving, day by day, the bills of lading for cars loaded from its elevators at its buying points. These bills of lading constitute the security it is to give the bank.

1879

GOVERNMENT DEPOSIT, \$60,000.00

1908

THE RICHMOND AND DRUMMOND FIRE INSURANCE COMPANY, OF RICHMOND, Que.

STATEMENT AT 31st DECEMBER, 1907.

Assets.	
Cash—	
On hand and in banks	\$ 39,175 86
Bonds—	
City of Victoria, B.C.	\$25,000 00
City of Hamilton, Ont.	1,000 00
Town of St. Paul, Que.	2,000 00
Town of Westmount, Que.	5,000 00
City of Belleville, Ont.	5,000 00
City of Ottawa, Ont.	6,000 00
City of Winnipeg, Man.	10,000 00
Town of Verdun, Que.	6,000 00
Nova Scotia Steel Company	1,515 00
	61,515 00
Accrued Interest	450 46
Agents' Balances	6,920 18
Insurance Plans	4,278 70
Office Furniture	1,000 00
	\$113,340 20

Liabilities.	
Losses in process of settlement	\$5,158 33
Due other Companies	2,888 01
	\$8,047 24
Balance of Assets over Liabilities	\$105,292 96
Uncalled capital	185,295 00
Total Security to Policyholders	\$290,587 96

REVENUE ACCOUNT FOR THE YEAR ENDING 31st DECEMBER, 1907.

Received.	
Premiums (net)	\$91,162 39
Interest and Sundry Receipts	3,710 50
	\$94,872 89
Disbursed.	
Losses (net)	\$36,144 33
Commissions and Expenses	39,590 29
Balance	19,138 27
	\$94,872 89

SUMMARY.

Amount of Net Insurance in force	\$4,622,657 00
Number of Policies in force	4,773
Average Net Liability per Policy	968 00
Average Rate of Premium per cent.	1.97

J. C. McCAIG,
General Manager.

1908.

BOARD OF DIRECTORS.

Hon. Wm. Mitchell, President, Montreal, Que.
Alex. Ames, Vice-President, Sherbrooke, Que.

Branch Managers.

J. H. Ewart, 18 Wellington Street East, Toronto, Ont.
O. H. Day, Traders Bank Building, Winnipeg, Man.
John J. Banfield, 607 Hastings Street, Vancouver, B.C.
Judson G. Lee, 160 St. James Street, Montreal, Que.
Beverley R. Armstrong, St. John, N.B.

E. W. Tobin, M.P. Bromptonville, Que.
M. G. Crombie Kingsbury, Que.
C. N. Lyster Kirkdale, Que.
S. McMorine Richmond, Que.
F. Prefontaine South Durham, Que.
J. C. McCaig Richmond, Que.
D. H. Pennington Lyster, Que.
N. B. Prichard Tweed, Ont.
G. E. Loyd Farnham, Que.
Dr. T. McCurdy Coaticook, Que.
F. N. McCrea Sherbrooke, Que.
Col. M. B. McAulay Scottstown, Que.

J. C. McCaig, General Manager.
S. C. Fowler, Secretary.
J. A. Bothwell, Inspector.
C. A. Miller, Inspector.