

ket to England. It is equally clear that farmers or other holders must obtain advantage through the duties.

(5) Free trade in bread. This is not the question. Admitting that breadstuffs should be free, the question is, that under the present Government and in the state of public feeling duties on wheat and flour are going to be levied. Is it fair, then, to our millers and forwarders, that the duty on flour should be lower than on wheat, relatively?

ROBERT H. LAWDER.

COLLECTIONS BETWEEN BANKS.

Editor THE MONETARY TIMES.

SIR,—I should like, through your columns, to invite an expression of opinion from bankers generally throughout the Dominion on the subject of foreign collections between banks, and the settlement thereof. The custom now, as is well known to those connected with banking, is to settle by draft, either on Montreal or on Toronto. But it is a roundabout process, involving not only delay but a mass of unnecessary correspondence and no small amount in the way of postage and stationery. To illustrate:—

A country branch of a bank sends a collection to a branch of another bank, and when paid the receiving office has to make out a settlement draft either on Montreal or Toronto, passing the same through a number of books, writing a letter and enclosing the draft to the remitting office. The office sending out the collection on receipt of settlement has then to bring it to account, pass it through all the books, write another letter enclosing it to Montreal or Toronto as the case may be. The receiving officer at either of those settling points then has finally to make it (the settlement draft) up in its deposit with the bank upon which it is drawn.

Now, could not all this be very much simplified, and a system somewhat similar to that in the United States be adopted? Why could not all collections between banks be sent out with the request that the same when paid be transferred to either of the settling points, and the remitting office advised? It might entail a little more work at the settling points perhaps, but the volume of the work, I contend, would be greatly diminished. It is customary for American banks, in payment of Canadian collections, to advise payment in this way, viz.:—"We have deposited with your agents in New York (stating the amount) in payment of your collection (giving the number and letter) less our charges." Again I ask, why this could not be as well done between banks in Canada?

To make my meaning still clearer I will further illustrate. The Standard Bank, Markham, sends a collection to the Bank of British Columbia, Kamloops; the note or acceptance is paid, the bank at Kamloops sends a draft less its charges to the bank at Markham, which latter brings it to account, then sends it on to its Toronto office, where it is finally made up in the Standard's deposit with the bank upon which it is drawn. That is the way it is done now. Would it not be much simpler if the bank at Kamloops advised the Standard at Markham of the amount of collection being at its credit in, say, the Bank of Montreal, Toronto, the agent of the British Columbia bank? It would not take long to revolutionize the whole affair.

Of course, what I have written is a matter entirely between banks. I may have something to say later on in this same connection between the banks and their customers. The idea which I have endeavored to put forward, perhaps not very clearly, may not be new to some and may not meet with approval by many. At the same time I should like hear the pros and cons from those likely to be the best judges, and I know of no other medium than THE MONETARY TIMES for an intelligent expression of opinion on the subject.

I am, sir, yours, &c., BANKER.

Oshawa, Feb. 1, 1889.

"One of these dollars is a counterfeit, Ma'am." "How can you tell?" "Simply by sound. Just tap it and hear how clear the genuine sounds. That's tenor. Notice when I tap the other one. That's base."—Texas Siftings.

Meetings.

NORTH AMERICAN LIFE ASSURANCE COMPANY.

The annual meeting of the North American Life Assurance Company was held in the company's head office, Toronto, on Tuesday, the 29th ult., the president, Hon. Alex. Mackenzie, M.P., in the chair, when the following report was read:

REPORT.

The directors submit to the meeting the accompanying financial statements, which exhibit the transactions of the company in a clear and comprehensive manner.

During the year 1,636 applications for insurance for \$2,626,000 were received, upon which were issued 1,549 policies, securing \$2,464,500.

This large addition to the company's business is most gratifying, in view of the competition which existed during the year, and which in some instances, in the opinion of your directors, has been of a character most injurious to the best interests of life insurance. The directors have carried the balance of the year's income, after paying losses and expenses and providing for all liabilities, into the Reserve Fund. The large amount of the company's premiums invested in solid interest-bearing securities held in reserve added to the Guarantee Fund (of \$300,000) makes the company's resources over \$900,000, and furnishes a security to policy-holders unsurpassed on this continent.

The assets of the company have been increased by a sum amounting to over 53 per cent. of the premiums, all of which has been invested in first mortgages and debentures.

The company's semi-tontine investment plan continues to be most acceptable to insurers, combining as it does the privileges of the paid-up and surrender cash values given to the holders of ordinary policies, with the various options given under tontine policies at the end of the investment period.

The North American was the pioneer home company in giving Canadian insurers the many advantages of this form of policy, which, after being denounced for years by most of its competitors, has now been adopted under one name or another by all the principal home companies.

The reports of the Superintendent of Insurance show that from 1869 to 1887, inclusive, foreign life companies received in premiums from Canadian policy-holders nearly thirty-eight millions of dollars, a great part of which was withdrawn from the available capital of this country and went abroad, thereby aiding the advancement of commercial competitors. By dealing with our home companies, such money would have been utilized in building up and extending Canadian interests. The reserves and the resources of this company are invested in Canada.

Dr. James Thorburn, the company's able and experienced medical director, has prepared his usual report of the company's mortality experience.

Reports of the company's business for the year were mailed to the Government within a few hours after the close of business on the last day of the year, and the examination of the company's books and returns by the Government Insurance Department was completed on the 10th inst. at the head office.

The same minute and complete audit of the sources of income and expenditure, and of the property of the company, has been continued by the auditors appointed by the annual meeting. Their certificates are annexed to the balance sheet. Every documentary security held by the company has been examined and verified independently by the auditors and the auditing committee of the board.

The directors have declared a dividend at the rate of 8 per cent. per annum, payable half-yearly to the guarantors, as interest on the paid-up portion of the Guarantee Fund.

The services of the company's staff of officers, inspectors, and agents again deserve favorable recognition.

The directors all retire, but are eligible for re-election.

ALEXANDER MACKENZIE, President.

Toronto, January 29th, 1889.

ABSTRACT OF FINANCIAL STATEMENT FOR THE YEAR ENDING DECEMBER 31ST, 1888.

Cash income for the year 1888	... \$275,161 25
Expenditure (including payment to policy-holders of \$58,759.20)	... 154,577 83
Assets (including uncalled guarantee fund)	... 917,074 19
Reserve fund (including claims under policies awaiting proofs \$11,000)	... 553,694 32
Surplus for security of policy-holders	... 363,379 87

WILLIAM McCABE, Managing Director.

We have examined the books, documents, and vouchers representing the foregoing revenue account, and also each of the securities for the property in the above balance sheet, and certify to their correctness.

JAMES CARLYLE, M. D., } Auditors.
W. G. CASSELS, }

Toronto, January 3rd, 1889.

We concur in the foregoing certificate, and have personally made an independent examination of the said books quarterly, and also of each of the securities representing said property.

E. A. MEREDITH, L.L.D.,
E. B. HUGHES,

Auditing Committee of the Board.

Hon. A. Mackenzie, president, in moving the adoption of the report said:—I have great pleasure in being again with you at this our annual meeting, and in making the usual formal motion to adopt the report, printed copies of which you have in your hands. The financial statement before you exhibits very clearly the solid position attained by this company. Following my usual custom, I propose to make some reference to the progress and position of our company; in the first place I draw your attention to our assets; our investments are all in excellent interest-bearing securities, and so carefully have these been selected by our finance committee, that at the close of the year there was only due thereon the small sum of \$603.36 for interest. Since the close of the year, this sum, I understand, has been reduced to about \$100. In the matter of security to policy-holders, we may justly say that we stand unexcelled by any of our competitors. My co-directors have always been in unison with myself in determining that this company should be built on a solid foundation; and the statement before you is strong evidence of how well we have succeeded. It must be remembered that the majority of our policies being on our investment plans of insurance, will probably not mature until many of those present will not be here when they are presented for payment; it is therefore our duty to see that full provision for such policies be made. This I can assure you has been done. This should be gratifying to our policy-holders, and also to our agents; particularly to you, gentlemen, the agents of the company who are present with us to-day, and who by your active, persistent, and energetic efforts have done so much towards bringing this company to the very strong position I am proud to say it occupies as one of the leading financial corporations of the Dominion. It seems but a short time since we held our second annual meeting, and yet six years have slipped away since then. It was interesting to me, as no doubt it will be to you, to notice the very substantial progress we have made in that time. I will give you the figures:—At the close of the year 1882 we had Premium Income, \$82,680; Interest Income, \$3,947; New Insurance, \$1,413,171; Reserve Fund, \$73,692; Assets, \$155,522; Surplus, \$8,430; and now at the close of the year 1888 we have:—Premium Income, \$244,038; Interest Income, \$31,123; New Insurance, \$2,464,500; Reserve Fund, \$542,694; Assets, \$677,074; Surplus, \$55,575. When you take into account the number of companies competing for business in this country, you will agree with me that our progress has not only been satisfactory, but exceedingly gratifying to all interested in this company.

Now a word about competition: it has undoubtedly been keener and of a more reckless kind during the past year than was probably ever experienced before in this country. In common with other well-managed Canadian companies, we hope never to see it so again. Some of the inexperienced appear to think that the only object is to secure insurance, irrespective of the premium rate or its payment. This