

from this Bank assure us that they are simply filling orders, and confidently anticipate that in a very few months all surplus stock will have gone into consumers' hands. Importations, as the customs' returns demonstrate, have been largely reduced. If this policy is adhered to, and no other will knowingly be facilitated by the Bank, a healthier condition of trade must ensue."

It was, indeed, as Mr. E. H. King said, a graceful way of celebrating the arrival of the institution at "the promised land" of a 50 per cent. rest, to authorize a scheme under the control of the Bank itself, for the superannuation of officers when age or ill-health shall overtake them, and of provision for their families after their death. This step, while it can scarcely enhance the attachment to and pride in the service of the Bank felt by so many of its employes, will yet prove an element of satisfaction and confidence for the future. Such a scheme is worthy of the institution. There was already in connection with the Bank an organization known as the Annuity and Guarantee Funds Society, which, begun in 1861, has now nearly two hundred members, and has accumulated funds of close upon \$200,000. At the formation of this society, the then officials were at liberty to go into it or not as they pleased. Afterwards, however, those joining the Bank's service were obliged to subscribe. The single men contributed from six to twelve dollars each towards this guarantee fund, without any prospective benefit. The married officials paid about three times as much, with certain rights to their widows and children. A number of families are now in the receipt of annuities from this admirable association, upon the successful growth of which, assisted as it was by donations from the Bank, a much larger scheme is now to be grafted. Mr. Drummond's language was not extravagant when he stated that the actual administration depends more upon the executive officers of a Bank than upon its directors. And the removal of the friction of anxiety from so essential a part of the machinery is a step which might well inspire the eloquent acknowledgement which Mr. Buchanan made of it as "a crowning act of liberality."

In the case of the Quebec Bank, too, a smaller percentage of net earnings is shown this year than last. This was to be expected, by reason of the dulness of the trade in wood. The markets in Europe for our square timber are still unfavorable, and the demand very slack; but it is agreeable to learn that the demand for sawed lumber in the States, as well as for deals in Britain, is now somewhat more satisfactory. Any activity in this branch of our trade is now somewhat more satisfactory. Any activity in this branch of our trade is promptly felt by the Quebec Bank. Deposits are shown to be somewhat less, as is circulation; loans to corporations are much less, and those on stocks and bonds rather more. Current discounts are not materially changed in extent while overdue debts are lessened by \$50,000. The items of real estate held, and mortgages on real estate, are the same in the aggregate, but the proportions indicate some sales of land during the year. We miss the customary

lucid sketch of the affairs of the institution by the cashier, but it is evidently well looked after and in a position to take advantage of the favorable harvest and the livelier movement which is foreshadowed in the report.

PURELY MUTUAL FIRE INSURANCE COMPANIES.

Of this class of companies there are fifty-one doing principally a farm property business. They issue no cash premium policies. All persons insured in this way require to give a premium note or undertaking the assessments on which, from time to time meet the losses and expenses of the Company, during the time such note is intended to cover, which is from one to five years. These premium notes, which are usually designed to cover a period of three years, are amply sufficient in amount to meet the losses and expenses of the Company. In many cases, owing to the assessments being made yearly, and at the close of the year the companies have to borrow money to meet demands made upon them which are repaid when the assessments have been collected.

By far the greater number of these purely mutual companies confine their business to one or two townships, and their operations are usually on so small a scale that their business is of local rather than general interest. Of such of these companies as confine their business exclusively to farm and private dwelling property, the Dominion Grange Mutual does the largest business; its operations extending throughout the entire Province are therefore of general interest. This Company had property at risk on the 31st Dec. last amounting to \$6,855,426, covered by 1,184 policies in the "General Branch," and 4,399 policies in the "Grange Branch" averaging about \$1,230 per policy. During the past year its first payments on premium notes amounted to \$2,543 in the "General Branch" and \$10,579 in the "Grange Branch." It does not appear that any assessment was made during 1883 beyond first payments made at the time the insurances were effected. Its fire losses in the former were \$1,359 and in the latter \$4,403. Its general expenses amounted to \$871 in the General, and \$3,805 in the "Grange Branch," being over 37 per cent. of the income, rather a large amount to go to middle men in a grange insurance company. One curious feature in connection with these expenses is, that they are proportionably larger in the "Grange" than in the "General" Branch. Making the comparison according to the number of policies issued by each branch, we find the cost per policy in the "General Branch" is less than 75 cents, while in the "Grange Branch" it is 86 cents. It would seem from this that the former is more economically managed than the latter. Such an experience as is afforded by the practical working of these two branches, is the only thing that will convince a Granger, that a general business of any kind cannot successfully be carried on without the intervention of the indispensable "Middleman."

The only purely mutual fire companies in Ontario that do a general business are the following:—

Economical, of Berlin, insuring under

1,975 policies, \$1,729,856; Huron and Middlesex, London, insuring under 1,990 policies \$1,297,074; Wellington Mutual, Guelph, insuring under 2,307 policies, \$2,753,844.

Of these three companies the Wellington Mutual is the oldest, and is one of the companies which has never experienced any serious disaster by fires in any one year. Its assessments have always been low. It confines its business within a comparatively small circle, and every one insured in the company is personally known to the manager, Mr. Charles Davidson, or to some one of the directors, who are chosen with reference to geographical position.

Of the fifty-one purely mutual fire companies doing business in Ontario, one of them, the Canadian Millers' Mutual, insures only flouring and grist mills and their contents. This company has not succeeded as well as anticipated in rolling up a large business. There were only 75 policies in force in it on the 31st Dec. last, covering property amounting to \$128,000 thus averaging \$1,706 per policy. At that date it had on hand in cash \$2,931.84, in unassessed premium notes \$9,428.70. The progress of this Company has been very slow. It commenced with an assessment of 20 per cent. on its premium notes, afterwards reduced to 15 per cent., but we understand that the latter has not been found sufficient to meet the losses and expenses of the Company. It will, therefore, have to be increased to the original figure, and if kept there will furnish insurance about 20 per cent. cheaper than that usually charged by stock companies. This no doubt is quite a saving to the patrons of the Canadian Millers' Mutual, but they must not forget that they are subject at any time to be called upon for an assessment very much higher than would be required to be paid to cash premium companies. We think the Grange principle has been applied too much to the working of this company; and its line of 75 policies is far too limited to afford sufficient margin for a profitable business. The Company should push its business and not be content with its present slow progress. To be successful, the Company should increase its business fourfold at least. Mr. Seneca Jones, an experienced underwriter, is the secretary, and if he intend to make this first venture of its kind in Canada a success, he must spread his sails and show that he is capable of doing a larger and safer business for the Canadian Millers' than has been done so far. We have been watching the progress of this Company with a considerable degree of interest, and confess ourselves very much disappointed with the result.

—If any error has been made, in the mode in which the canal tolls reduction has been declared, it will of course have to be corrected. Certain it is there could have been no intention to discriminate against the St. Lawrence; the object was to help that route, and we cannot be wrong in assuming that, if the reduction of one half the tolls will secure it, that object is now within reach. There is an obscurity in the official announcement, which errs on the side of brevity and does not use words enough to cover the ground.