

to the amount of \$76,072 to which has to be added the premiums received on new stock issued amounting to \$28,230, making the total profits of the year \$104,302. Out of this sum two five per cent dividends were paid, absorbing \$61,068.52 and \$39,000 were added to the reserve, making that fund stand at the close of the year at \$112,000, or nearly 16 per cent. on the paid up capital. In every department of the Society's operations a decided increase of its business is apparent, keeping pace with the development of the wealthy and prosperous agricultural district of which London is the commercial and financial centre.

SOUND VIEWS OF CREDIT.

We have seen a circular, issued by a firm in the retail trade of one of our western towns, in which the relative merits of "Cash" and "Credit" are placed before their customers in a style that evinces a clear knowledge of the true principles that govern successful trade. We have unfortunately mislaid it, but recollect the substance of its contents. The firm admit frankly that they have charged a considerable extra per centage of profit to cover the risk of bad accounts and the cost of collection. This margin they propose hereafter to give wholly to their customers. They express the apprehension that some, whose trade they much desire to keep, will be offended at the strict enforcement of the ready-cash rule; but this difficulty they are prepared to meet, in the belief that time and a little reflection will reconcile this class to the new state of things. They are firm in the conviction that credit is dangerous to themselves and most expensive to their customers, and therefore is suited to the wants of neither. This is the general drift of the circular. There can be no doubt in the minds of intelligent men as to the soundness of these views, and we are pleased to witness and encourage all such laudable efforts to educate the community up to a right apprehension of their true interests in this matter.

No class needs this education so much as the farmers of Canada. They are horrified at the idea of being charged 10 or 12 per cent. for money, but pay the village storekeeper two or three times that rate, with the utmost complacency, in the shape of extra profit on their goods for the sake of "buying on time." If the substantial class who pay are not thus charged, the blow must fall on some one else. That a large margin beyond a reasonable profit has to be added to credit prices, in order to conduct a successful retail trade, is a proposition that, in order to be conceded, has

only to be stated. Else who pays the bad debts? What becomes of the interest on the capital invested in the goods sold on credit? Both of these charges fall somewhere, and upon whom more likely than the consumer? According to a statement in the Mercantile Agency Annual—a copy of which has just reached us—there were at least six millions lost by bad debts among traders in the Dominion during 1873. These are divided up as shown in the following statement:—

	Insol- vents.	Liabili- ties.	Assets.	Deficiency.
Quebec	272	\$2,735,910	\$1,389,273	\$1,346,619
Ontario	430	3,031,132	1,989,595	1,041,537
New Brunswick ..	71	1,235,150	586,800	668,350
Nova Scotia	192	3,263,000	1,630,000	1,633,000
Prince E. Island ..	20	297,000	193,000
Newfoundland ..	9	1,752,000	1,226,000
	994	\$12,334,192	\$5,595,686	\$6,108,506

Who, then, liquidates all this heavy account of six millions and more of bad debts? They are doubtless, spread over the whole trade, from the manufacturer to the consumer. When wholesale houses fail, or compromise, the manufacturer suffers; when the retailer or jobber meets with a like mishap, the wholesale merchant's turn to lose comes; and when the consumer will not, or cannot, pay, the retailer feels the weight of the blow. It is apparent, therefore, that all parties concerned are deeply interested in having the trade in imported and home manufactured goods placed on a sound basis. The whole superstructure rests, in a measure, on the sandy foundation of country "book debts"—the most delusive of all evidences of debt.

HAMILTON PROVIDENT AND LOAN SOCIETY.

This Society's report shows a profitable year's operations. Besides paying two dividends amounting to eight per cent. per annum, the profits of the year enabled the directors to place the sum of \$12,000 to reserve fund. The Society has an excellent field of operations in the progressive city of Hamilton; and we are convinced, from the satisfactory results already achieved that it is under the management of business men of sound views, so that no doubts need be entertained as to the successful future before the Institution.

CANADA PERMANENT BUILDING SOCIETY.

There is really no limit to the growth of a building society, so long as the needed supply of money can be obtained by the issue of stock, or the reception of deposits from the public, and the necessary borrowers can be found for the money so acquired. The competition of other similar depositories of public savings is the only practical

limit to the expansion of such a society as the Canada Permanent. In spite of the operation of this retarding influence, the growth of the Society continues at about the same rate as in previous years. Its loans now amount to nearly three millions of dollars; its deposits exceed one million; the reserve is now three hundred thousand, and the capital one and a half millions. The magnitude of these figures, when fully appreciated, give a clear idea of the extent of the business under Mr. Mason's management, and which depends upon his skill and talents—with the counsels of a prudent and experienced president in Mr. Ridout—for its success. Though the Society has attained its twentieth year it will be seen that it is not effete, nor at all disposed to fall into the wake of any of its sturdy and ambitious competitors.

VICTORIA MUTUAL FIRE INSURANCE COMPANY.—It appears by the annual report that this Company has now in force 9,155 policies, insuring the sum of \$7,797,595. Last year's operations were characterized by a moderate ratio of losses with an increasing business, in consequence of which the assets at the end of the period covered by the report were \$33,651 greater than on the occasion of the last previous annual meeting. Low rates of assessment in the different branches—of which there are three—sufficed for the payment of the losses and expenses. These favorable results were attributed by the President to a careful selection of risks. It is proposed to extend the Water Works Branch, just established, to Brantford and to other towns having a good system of water-works. The risks in this branch are all in easy reach of water, a circumstance from which the owners of property in such localities derive the full benefit in low rates of premium, or, what is the same thing, low rates of assessment.

NIAGARA DISTRICT MUTUAL FIRE INSURANCE Co.—A statement of this company's operations and financial position, elsewhere, is full and explicit. The losses of the year were pretty heavy, especially in the first six months. Under the head of liabilities will be noticed an item of over eight thousand dollars of unearned cash premiums. It is too much the custom among Canadian companies to ignore this form of liability altogether, whereas it is as much deserving of a place under that head as promissory notes, if the intention be to show a company's true position. A balance of over \$20,000 of assets over liabilities will also be observed in the statement, showing that, with the assessments paid, the company has ample resources to meet all its obligations.