

THE NORTH BRITISH AND MERCANTILE INSURANCE COMPANY.

For the eightieth time this well known company, distinguished for British grit and the national characteristic of conquest, presents its annual statement of transactions in the great work of providing indemnity for loss, both of life and property. Like previous reports, that for 1889 is a record of growth in all the elements of strength, alike gratifying to the insuring public and the shareholders, as may be seen by an examination of the statement printed on another page. In the fire department, the volume of business transacted was nearly the same as for the previous year, the net premium income amounting to \$6,350,155, while the net losses were \$3,554,009, or 55.9 per cent. of the premiums, as against 57.5 for 1888, and a somewhat lower ratio than for the average of the nine past years. After paying losses and all expenses of whatever kind, there was a balance to credit of profit and loss amounting to \$1,493,598, including \$325,629 of unappropriated balance brought forward from 1888.

During the year past, the North British absorbed the business of the Scottish Provincial Assurance Company, with surplus assets in the fire branch amounting to \$1,978,035, of which \$1,300,000 has been carried to the reserve fund of the company, making the total of that fund \$7,750,000. This is an acquisition of no ordinary kind, and adds materially to the strength of an already strong company. It may also here be stated that the North British now holds a premium reserve amounting to \$2,172,004, besides its reserve fund of \$7,750,000, and dividend reserve of \$500,000. Its fire branch assets, including paid up capital, have reached the large sum of \$16,908,930.

In the life branch, the business of the past year has been very satisfactory, though not quite so large in volume as in 1888, notwithstanding a large number of policies were issued. The total new assurance amounted to \$4,519,580, and the premiums thereon to \$182,207. The total income from premiums and interest in the life branch was \$2,680,240. The life assurance fund amounted to \$20,021,532, of which there was added from the profits of the year \$656,103, making a very satisfactory showing. By the absorption of the Scottish Provincial the total life assurance fund has become \$27,799,372. Adding the annuity fund—\$5,017,019,—the total for the life department is \$32,816,391. The North British carries along a very comfortable annuity business, as will be seen from the statement that the receipts on annuity account last year (including \$144,525 from interest) were \$1,353,079. The total assets of the life department now stand at \$33,467,162, and those of the fire branch, as above stated, to \$16,908,930, thus making a grand total of \$50,376,064, an amount which entitles it to rank as a giant among British companies.

The Canadian branch of the North British under the guidance of its well known managing director, Mr. Thomas Davidson, contributed its full share to the foregoing results, the net fire premium income for last year reaching \$309,504, and the risks written amount-

ing to over \$33,000,000. Mr. Davidson is ably assisted by his son, Mr. Randolph Davidson, and Mr. William Ewing, inspector, who is, we believe, one of the oldest fire underwriters in the Dominion. With such skillful management as the company enjoys at the head office, and its various branches so ably manned, the friends of the North British may well look forward to see its prosperity continue and increase with years.

Financial and Statistical.

HOW TO DEAL WITH "COMBINATIONS."

We have frequently in these columns emphasized the fact that the true cure for the evils of combination in trade, and in business generally, is to be found, not in arbitrary legislation, but in competition. The application of this principle with its complete success has been strikingly illustrated during several years of experiment in London by the co-operative stores, organized mainly by the employees of the various branches of the Government service. The retail groceries and other trades had by combinations put prices up to a figure representing enormous profits and held them there, imposing a burden on the classes who had and could look forward to have only a fixed and limited income. Applying the principles of common sense, and with a commendable spirit of independence characteristic of the true Briton, the employees of the Government proceeded to organize co-operative stores, for the purpose of furnishing groceries and general family supplies to the members of the various societies at the lowest cost of first purchase and expense of handling. There are five of these co-operative associations—three among the civil service and two among the army and navy employees. The result, as given in an extensive statistical exhibit for ten years by *The Statist*, has been a continued and unqualified success. Speaking of this result *The Statist* says:—

At the time when the first store was started, many branches of the retail provision, grocery and other trades were in the hands of cliques, who charged, and in the absence of effective competition were able to obtain virtually, what they chose to ask for their goods. *** The exactions of retailers led to the formation of co-operative societies, with the express object of supplying articles at a small addition to cost price. But the influence of the stores has been much wider than merely allowing Government servants to increase the purchasing power of their incomes. These stores have been instrumental in reducing retail prices throughout the metropolis, and even in distant country towns. Their rapid progress was looked upon with envy by the shopkeepers, who previously had the trade in their own hands, and who regarded with something of dismay the comparatively low prices quoted by the stores. *** The increasing prosperity and the fame of the stores have, by slow degrees, brought home to tradesmen that they were on the wrong tack, and that "small profits and quick returns" is the surest way to secure custom and make profits. As a consequence, therefore, of the example set by the stores, retail prices have been appreciably reduced throughout the Kingdom, and the public generally, as well as professional men and civil servants, have been benefited.

The statistics show many interesting things during