

Cameron, Q. C. ; for the defence, J. S. Sinclair. Evidence was led in four cases, the charges in all of which resolved themselves into the two following:—1st. That Mr. Sills ordered and received from the Company certain Life Policies, payable in American currency, and maliciously, and for purposes of fraud, forged and altered the same by interlining the words, "in gold or its equivalent" 2nd. That Mr. Sills embezzled from the Company large amounts by receiving Premiums from sub-agents appointed by him, and not accounting for the same to the Company. Mr. Cameron said that the amount claimed by the Company to have been embezzled was over \$2,000. The evidence is very voluminous, and the Court was proceeding with it deliberately. We mentioned last week, incidentally, that Mr. Sills has recently been acting for the "Ontario Mutual Insurance Company" which was not sufficiently explicit. It was the Ontario Mutual Life Insurance Company that Mr. Sills represented and not the Ontario Fire Insurance Company, the head office of which is in London.

THE CITIZENS' INSURANCE COMPANY (OF CANADA.)

Subscribed Capital..... 1,000,000

Especially empowered by Act of Parliament, and fully authorized by Government under the Insurance Bill.

HUGH ALLAN, PRESIDENT.

Life Department.

THIS sound and reliable Canadian Company—formed by the association of nearly 100 of the wealthiest citizens of Montreal—issues policies on all the Modern Plans, including—Limited Payments, Endowments, Part Credit Premiums (without notes), Income Producing System; and several new and valuable plans.

A comparison of the very Low Rates, and of the liberal and unrestricted nature of this Company's Policies, with those of any other Company, British or American, is specially invited.

All Life Policies are absolutely Non-forfeitable.

Persons intending to assure their lives are particularly requested to first examine the Prospectus, List of Shareholders, and Policies of this Company, which, together with all information concerning the constitution of the Company, the working of the various plans, &c. may be obtained at the

Head Office, Montreal—No. 71 GREAT ST. JAMES STREET.
EDWARD RAWLINGS, Manager.

Agent for Toronto: W. T. MASON. Agent for Hamilton: R. BENNER.

THE CANADIAN MONETARY TIMES AND INSURANCE CHRONICLE is printed every Thursday evening and distributed to Subscribers on the following morning.

Publishing office, No. 60 Church-street, 3 doors north of Court-street.

Subscription price—

Canada \$2.00 per annum.

England, stg. 10s. per annum.

United States (U.S.Cy.) \$3.00 per annum.

Casual advertisements will be charged at the rate of ten cents per line, each insertion.

Address all letters to "THE MONETARY TIMES."

Cheques, money orders, &c. should be made payable to J. M. TROUT, Business Manager, who alone authorized to issue receipts for money.

The Canadian Monetary Times.

FRIDAY, MARCH 4, 1870.

SOME time ago we published a series of articles from the pen of an accomplished engineer on the subject of the canals, which were replete with information and almost conclusive in argument. If it is intended to push the matter vigorously, and we think it is clearly the intention of all the Provinces to have it so dealt with, it might be considered advisable to have these articles collected in pamphlet form for general distribution.

THE GOVERNMENT BANKING RESOLUTIONS.

The long controversy on the subject of the terms on which the bank charters shall be renewed will probably be terminated this session, if the Ministry are strong enough to carry the measure they have just brought down. There have been two well-defined sets of opinions on the subject, which have been seething and bubbling in financial and banking circles for a long time back. Briefly put, these opinions may be defined as follows: In every case, the main object sought being to make the public secure in taking bank notes, it was proposed in one case that all circulating notes should be issued by the government, and in another that they should be issued by the banks, but only to such an amount as the banks might lend to the government, which loan should be held as security to the bill-holders. The objections to the first were, that if the government issued all the bank notes in the country, the temptation to extravagance would be irresistible, and the bills, like the bills of all governments now issuing them, would become irredeemable, and fall to a discount; besides which, to deprive the banks of the power to circulate would deprive them of the power to accommodate the mercantile community to the extent of many millions of dollars. The objection to the second was, mainly, that by this measure, equally with the other, the power of the banks to accommodate the mercantile business of the country would be curtailed to such an extent that universal distress must ensue; while, by fluctuation in the value of government securities, the security of the note would be endangered, and the soundness of its basis impaired.

These objections on being weighed by the mercantile community in every part of the country, and by many members of both houses of Parliament, were found to be so grave as to justify the most strenuous opposition to measures introduced first by Mr. Galt and then by Mr. Rose to give effect to them.

As a third and last alternative, a large majority of the bankers of the Dominion proposed to amend and reform the existing system in such a way as would enable the banks to accommodate the mercantile community to as great an extent as before, while at the same time safeguards were introduced which would prevent notes from becoming depreciated, and either note holders or depositors from suffering loss. The recommendations made at various times to this effect have evidently formed the basis on which the present proposals of the government rest, and we now propose to give a brief summary of them, pointing out what is intended to

be effected, and what will be their practical operation. Before doing so, it will be well to note the amendments above referred to, which are briefly as follows:—

1st. To increase the qualification of Directors, by compelling them to hold more stock.

2nd. To compel banks to accumulate a guarantee fund, to meet losses.

3rd. To make the stock holders liable to double the amount of their stock, and to provide means for enforcing the obligation.

4th. To amend the bank returns in such a way as to shew whether the bank was doing a legitimate business or not.

5th. To prohibit banks with a small capital from obtaining charters.

All these have been embodied in the resolutions just submitted.

The qualification of Directors, by sect. 12, is fixed at not less than \$5,000; but there is the important proviso, that the whole Board shall hold not less than five per cent. of the whole stock. The directors of a large bank will therefore be required to hold more stock than the directors of a small one, and the scandalous abuse will be prevented of Directors having only a mere fraction of the stock controlling the operations of a bank.

The second provision is incorporated in sect. 9, which enacts, that not more than eight per cent. shall be divided, unless the reserved fund shall amount to at least 20 per cent. of the capital. This will prevent those absurd divisions of profits which so much weakened the Bank of Upper Canada and the Commercial Bank and the retention of which might have saved them from ruin.

The third will be found in sections 4 & 5, which provide, that after six months from the failure of a bank, the directors shall make calls on the stockholders, which calls, if necessary, may be to an amount equal to the whole amount subscribed, and to prevent improper transfers being made, in anticipation of insolvency, it is provided—that all persons found on the register of the stockholders, within three months of the failure, shall be liable to such calls. Had these provisions been in force when the Bank of Upper Canada failed, its debts would have been paid in full long ago, and its notes would never have fallen to a discount of more than 10 per cent. at the very most. This single provision, in fact, will render every creditor of a chartered bank secure, unless there is an amount of fraud as to the stock list, which is almost inconceivable. To enable creditors of banks to see who are liable as stockholders, it is provided, that a list of them shall be laid before Parliament every year. This section might go further, and provide, that a certified list of the stockholders of every bank should be hung up in a conspicuous place in