

more timid bankers. Bold, resolute, energetic, and, as some say, unscrupulous, thoroughly versed in the theory and practice of banking, he has heaped up profits in a way that defies all precedent in this country. With the proprietors of the Bank he is, therefore, popular. He has deserved well of them, and they have not left themselves open to the charge of ingratitude. Mr. King will retire from the Presidency a wealthy man. From some cause or other, this admiration is not shared to a very large extent by the public, outside of Montreal. We do not propose to revive the almost forgotten events which might be cited in illustration; nor do we care to say a single deprecatory word at this juncture, of Mr. King's achievements. But we find in a New Brunswick journal which has just reached us, an article of the same tone as many others that have come to our notice at various times, and whether well or ill founded it may be accepted as a fair indication of the view taken by many in the Lower Provinces:—

"Perhaps no greater evil can befall a thriving community than to have an institution like that of the Bank of Montreal seek to bind in fetters the active, thriving, healthy trade of the community, by exacting the highest rates of usury without the least shadow of reason. This commercial concern seems to arrogate to itself the office of crushing out all the smaller banking institutions that come within the reach of its omnivorous maw. It is uncharitable to its own customers. It is grasping in its nature, to the uttermost farthing. Its propensities in this direction are notorious the world over; and its 'special rates' of discount in the case of *Les Miserables* who require its aid, are patent perhaps, more particularly to these once caught in the meshes of financial difficulties, than to the outside world. When times are hard and money scarce, then, and now when every respectable bank in the country charges its usual and legitimate tariff, the Bank of Montreal, forsooth, exacts the maximum rate of interest, and the sufferers take the money or hand over the counter of the shaving shop good names, and pay ten and even in some cases fifteen per cent. for the privilege."

Whether the Bank in question has treated its customers and the public with harshness is a question that we shall not attempt to settle. That these charges are so often repeated and always directed against this Bank, shows pretty conclusively that they cannot be entirely devoid of truth, though perhaps often based on a misconception of the facts.

The proposed enlargement of this Bank's capital is a measure of doubtful expediency. With new banks multiplying rapidly under our very free banking law, no institution can hope to have anything like a monopoly. In the United States the force of competition has limited the capital of their largest bank to ten millions of dollars. The Bank of England is a monopoly, and hence its

capital of seventy millions of dollars. If it is impossible to profitably employ this new capital in Canada—and we have Mr. King's word for that—then there is another argument against raising it. In fact it may be pretty safely assumed that the object had in view by this enlargement, if carried into effect, is not altogether to provide funds wherewith to give greater accommodation to borrowers, but rather to meet the demands of shareholders, who find this the readiest way of sharing in the tempting surplus that has been accumulated. Should this unnecessary step be taken it will have to be retraced at some period in the future. We are quite hopeless that the heavy charge thus imposed on the dividend making power of the Bank can be met out of the profits of legitimate banking in Canada, and the present rate of dividends maintained; either dividends or capital would have to be reduced. On the eve of an important change in the management it can scarcely be prudent to assume the responsibility of making so large an addition as \$4,000,000 to the already sufficient capital of the Bank.

TAXATION OF INSURANCE.—The amount annually realized in the United States by the taxation of insurance companies is enormous. The Life Insurance Companies named paid in 1870 the following sums:—Ætna, \$90,575; Connecticut Mutual, \$137,486; Mutual Benefit, \$93,418; Phoenix Mutual, \$37,381; Union Mutual of Maine, \$14,522; Travelers', \$13,759; St. Louis Mutual, \$18,834; New York Life, \$32,675; Mutual Life, \$117,905; Equitable, \$42,611. The total taxes paid by the Life Insurance Companies represented in the State of New York in the year named was, \$1,007,588, or one-fifteenth part of their total expenditures for all purposes. In England insurance policies have been exempted from the stamp tax, but in the States imports in every possible form have been levied. This policy is most unwise and inexpedient, especially so far as it affects life insurance. It amounts to a tax on a most commendable foresight and prudence, by the exercise of which the whole community is benefitted. We know nothing of such odious taxes in Canada, and "where ignorance is bliss 'tis folly to be wise."

THE PACIFIC RAILWAY.—A St. John journal mentions the departure from that city of Hon. Mr. Tilley and Hon. Dr. Tupper for Ottawa, on whose arrival, it is stated, the Pacific Railway contract will be disposed of. This statement, though perhaps not official, harmonizes with the de-

clarations of Sir George Cartier and Sir Hugh Allan on the eve of the election in Montreal. In contradiction of the statement that the two rival companies had amalgamated, we hear that a serious hitch has occurred; that they cannot come to terms, and that the contract is not likely to be let till some new basis of arrangement can be arrived at. Meantime we have news from the surveyors operating to the west of the Rocky Mountains, which appears elsewhere. Mr. Marcus Smith, the engineer in charge of the survey on the Pacific coast division, makes the statement that "after careful surveys he found the country not so difficult as was expected, and is hopeful that a good line of railway can be obtained even through the Cascade range at less cost than was at first anticipated." Doubtless the Government are by this time in possession of sufficient information to enable one to form a pretty good opinion of the general character of the route, and of the main difficulties to be encountered in building the road.

CONTRACTION.—While the fire insurance companies both in Canada and the United States are deliberating about rates, and discussing the condition of affairs, the Liverpool and London and Globe Company have taken vigorous action in the way of contracting their business on this continent. In the United States they have gone completely off about thirteen different classes of risks, which it is said will have the effect of reducing their transactions in that country to about one-third of their former extent. In Canada some thing has been done in the same direction, but not in so sweeping a manner. The Commercial Union have closed all their agencies except in a few of the principal cities. The Andes is no longer in the field; and after the disastrous fire of Tuesday night in Montreal, we shall not be surprised to see at least one company withdraw altogether. It is apparent, therefore, that matters have reached that stage when some change has become a necessity; and as they can scarcely get any worse we may expect them to mend.

THE MINIMUM TARIFF.—A meeting of Insurance Managers was held in Toronto this week, when the scale of rates proposed and discussed at the late meeting in Montreal was considered. After a good deal of conversation it was finally resolved to refer the question of rates to a committee composed of all the inspectors of the local companies, and of those having a head office in Toronto. This committee will meet immediately and take the matter up and