

the premiums were much larger than last year, the losses fell off by the sum of £77,995, bringing them down to 50 per cent. of the net income, against 68 per cent. the preceding year. The foreign business was satisfactory and profitable, yielding in itself a sufficient sum to pay the usual 10 per cent. dividend. In the Life department a steady increase on the average business of several preceding years is shewn, testifying to a steady and regular rate of progress.

The results of the twelve month's operations may be stated thus: a clear disposable surplus of profit was made amounting to £90,000 sterling; a dividend and bonus equal to 20 shillings per share, or about 16 per cent. on the entire paid-up capital of the Company has been declared, and the balance of £53,000, carried to the reserve fund. The Company has now available at any time for the payment of unexpected losses the sum of £362,129, or \$1,810,645, without at all interfering with the ordinary working of the business. It will be seen, therefore, that while a liberal distribution of profits was made amongst the proprietors, the interests of the public were not forgotten; the reserves receiving an addition more than corresponding to the extension of the Company's liabilities. The accumulated fund now amounts to £2,687,313 14s. 10d. The interesting remarks of the chairman and other speakers at the meeting, are worthy of careful perusal.

THE PROVINCIAL NOTE ACT.

It is stated by the manager of the Bank of Montreal, in his replies to the interrogatories of the Senate, that the effect of the Provincial Note Act "upon the general interests of the country has been to transfer from the Bank of Montreal to the general public, a portion of the floating indebtedness of the Government." If we remember aright, the floating debt due to the Bank of Montreal in September, 1866, was \$1,500,000. According to Mr. Rose's statement that debt was \$2,500,000 in December, 1867. At first sight there would seem to be a conclusion involved at variance with Mr. King's assertion. But there was an increase, and hence there is no contradiction. While such increase is no less than a million, on which the Bank of Montreal apparently receives seven per cent. interest, the Government had, in December, 1867, nearly \$4,000,000 more lying in the hands of the Bank of Montreal without interest than it had in September, 1866. Mr. Rose, therefore, may be quite right in saying that the Government pay the Bank of Montreal interest on a floating debt of \$2,500,000, and Mr. King may be equally correct in asserting that the practical effect of the act has been to transfer to the shoulders of the public the floating debt of \$1,500,000 due to the Bank of Montreal in September, 1866.

Again, the Manager of the Bank of Montreal says: "The effect of the Provincial

Note Act so far, upon the banking circulation of the country, has been little more than to replace the notes of the Bank of Montreal with those of the Government." This admission seems very like full proof that the Act has not realized the expectations originally formed of it, much less justified the enormous expenditure occasioned by setting it in motion. In September, 1866, the circulation of the Bank of Montreal was \$3,107,995; in September, 1867, it was \$657,862. The difference, \$2,450,133, represents, therefore, the displacement spoken of, and the real amount of Provincial Notes estimated to be in the hands of the public last September. The apparent circulation of Provincial Notes on the 30th September, 1867, was \$3,385,693, so that after deducting the \$2,450,133 in the hands of the public, we have \$935,560 as the amount of those notes in the vaults of the Banks at that date. But, as the Banks held at least that sum by arrangement with the Bank of Montreal; as the Provincial Notes received by the Banks in the ordinary course of their business have to be added to the sum held under the arrangement mentioned; and as the Provincial Notes in the hands of the Bank of Montreal received by it in the ordinary course of its business, would also appear in its balance amongst the "Coin, Bullion and Provincial Notes;" we shall not be far astray if we estimate that out of this \$3,385,693 of Provincial Notes in circulation, \$2,000,000 are in the hands of the public for the legitimate purposes of commerce, and \$1,385,693 are in the hands of the Banks themselves, counted by them as specie, and liable at any moment to be exchanged for specie.

It would seem, therefore, from Mr. King's own evidence that the Provincial Note Act has not realized the expectations originally formed of it, inasmuch as the floating debt due to the Bank of Montreal in 1866, was not paid off, but was actually increased by \$1,000,000; and according to Mr. King's admission the Provincial notes in the hands of the public amount only to two millions of dollars for which, as we have already pointed out, the Government paid a large sum last year, and will pay another large sum this year.

LONDON AND LANCASHIRE LIFE ASSURANCE COMPANY.

By the Annual Report of this Company, given elsewhere, it appears that the new assurances for the year 1867, were nearly two hundred thousand pounds sterling, producing in annual premiums the sum of £5,784. The proprietors receive 5 per cent. interest, after which there remained a balance of £10,000, enabling the directors to add to the accumulation fund 43 per cent. of the net premiums. The directors report that the total additions made to the accumulation fund since the commencement equal 41 per cent. of the net premiums received.

NEW INSURANCE PUBLICATIONS.—We must apologize to our iron-clad contemporary the *Insurance Times*, of New York, for not acknowledging its appearance before. Minerva-like it sprang into existence, and like Hercules, it indicated its strength with its second breath. We wish it every success.

The first number of the *Insurance Advocate*, of Hartford, is received. It is seemingly published in the interest of the Connecticut Mutual, and if that Company cannot sustain it, it will not be for want of assets.

Law Report.

LINCOLN ASSIZES.—There were two cases of *Smith v. The Royal Insurance Company*, and *Smith v. The Provincial*, tried at the last assizes at St. Catharines. They were actions brought by John B. Smith for the recovery of an insurance effected in these Companies, on his mill at Centreville, which was burned in February, 1867. The defence was that there had been a transfer of the property without the knowledge of defendants. Verdict for plaintiff, \$2,100 against the Royal, and \$2,000 against the Provincial.

THE PATENT LAWS.—The new bill respecting patents provides that the Minister of Agriculture shall be the Commissioner of Patents of Invention. Any person having been a resident of Canada, for at least one year next before his application, and having discovered or invented any new and useful art, machine, manufacture or composition of matter, or any new and useful improvement therein, not known or used by others before his invention thereof, and not being at the time of his application in public use or on sale in Canada, with his consent or allowance as the discoverer thereof, may, on application, obtain letters patent therefor. The patent may be granted to any person to whom the inventor has assigned or bequeathed the right of obtaining the same and the exclusive property in the invention in Canada. The petitioner for a patent is required to select his domicile at some known and specified place in Canada. Patents are to issue for five years, and be renewable twice, making the whole period fifteen years. The Government may use the patentee's invention for a reasonable compensation. Patents are to be null at the end of three years, unless the manufacture of the invention shall have been commenced by the patentee in Canada; also, if after eighteen months the patentee or assignee import the invention into Canada. Patents may be assigned, and must be registered in the Patent Office. Patents in all the Provinces shall remain in force, as if the Act under which they were issued had not been repealed; but subject to this act as far as practicable. The fees are greatly increased under the Bill. At present they are \$20 for fourteen years. By this Bill they are proposed to be \$20 for each period of five years. There is also an increase in the other fees charged. Intending applicants may file a caveat in order to cover an application for an invention which they have not yet perfected, which will be kept secret. The Commissioner has the power to repress a patent in certain cases. The applicant must be fully informed of the reasons therefor, and he may appeal to the Governor in Council. All documents are to be opened to inspection by the public in the Patent Office.

SHORTAGE.—The following case was lately before the Supreme Court of Oswego:

A cargo of wheat was shipped from Chicago and consigned to the defendant at Oswego. On the arrival of the vessel at the port of destination, the cargo fell short some 80 bushels of the amount called for in the bill of lading. The defendant refused to pay the freight unless the plaintiffs would pay for the shortage, which they refused to do. The defendant was then sued by plaintiffs, and the Court decided in their favor. The Court also held that the party who advanced on their cargo, and took the bill of lading as security, was not in law, the "innocent third person," on the ground that the