

its limit, would have to be fifty per cent. in excess of the limit, and yet, if banks are permitted such a reserve, the danger of an over-issue is not removed but only curtailed.

It seems to us, however, that it would not be unjust, or even burdensome upon the banks, to require them to deposit acceptable securities with the Government against any notes they may hold beyond their legal limit of issue, but this would not protect the depositor from loss through an over-issue.

It has been suggested that the circulation account of every bank should be subjected to inspection, but the objections already brought forward in previous articles against inspection are just as powerful in this case as in any other.

We are almost induced to suggest that the Note Circulation Redemption Fund, if continued in the new Act, should be made liable for all over-issues, the Canadian Bankers' Association being given powers to take such steps as it may think wisest to control the issue of notes on the part of its members, and we would leave the Association very free to act as it deems best in any instance on the decision of its Executive Council.

As the Association is shortly to become a corporate body, these powers might properly be lodged with it. Its interest in the note circulation through the Redemption Fund certainly entitles it, rather than the Government, to this right.

Before concluding this article on the Bank Note, it may not be out of place to call attention to the advantages to be derived from the adoption of an uniform Bank note for all banks, the name of the bank alone to be altered. As it is, bank-tellers and business men in general are confronted by a condition of affairs resembling pilotage on the Mississippi as described by Mark Twain. They must be acquainted with the peculiarities of scores of bank notes of different design, for not only has every bank a different note from the others, but frequently, if not generally, a different design according to denomination. And just as soon as a person gets familiar with these, one or more of the banks is sure to issue a new note, and thus the danger of a counterfeit or raised note being passed is multiplied.

Were an uniform bank note to be adopted, it would be easy to make it practically beyond illegal reproduction. It might be printed in colors, to defy photography, on special paper, and the engraving might be beyond rivalry, and it would tend to harmonize the bank-note with the other notes of the country, on a Dominion scale.

NATIONAL SUPERVISION OF INSURANCE.

The substitution in the United States of a national system of supervision of insurance for the separate State Department is now occupying the attention of the Senate of that country. As we have frequently remarked, any change likely to put an end to the frequent disputes between the companies and the insur-

ance commissioners appointed by the numerous States of the Union will be welcomed by the British and Canadian corporations transacting business in the United States. From our point of view, the abolition of an army of commissioners or superintendents, each one of whom exercises almost complete sway over his particular territory, and the substitution of a system of supervision such as we have in the Dominion of Canada, is a change so desirable that the only thing requiring discussion is the best and quickest way of bringing it about. That the important work of exercising judicious supervision over the companies will be more efficiently and intelligently performed by a well-equipped national bureau than by the meddlesome and incompetent inquisitors sometimes appointed as examiners is absolutely certain.

The national importance of the insurance interests, and the danger of allowing such interests to be imperilled by the action of our ignorant or corrupt official in any particular State has long been apparent, and now, as a result of the discussion of the Plate bill, agents and policy-holders who were luke-warm in the matter of a change are said to be almost united in condemning the abuses arising from state regulation, and are asking for the system of national supervision contained in the Plate bills.

At a recent meeting of life underwriters at Omaha, Mr. C. Z. Gould, in discussing the question, is reported as saying:

"Insurance suffers and must always suffer from lack of uniform laws. How much the business has been and still is harassed must be plain when it is shown that fifteen states have anti-compact laws; twenty-one have anti-rebate laws; ten prohibit the co-insurance clause; seven require a special deposit from insurance companies; thirty have resident agent laws; twenty have valued policy laws, and thirty-one have retaliatory laws. Besides these conflicting interests, twenty-eight states tax gross premiums; seven states tax net premiums, while some require special licenses. Municipal licenses are also required in some cities. No good can come from setting the interests of one state against those of another. Under present state regulations one state can exclude any company not accepting its findings. New York state recently refused entrance to Prussian fire companies, and they were obliged to appeal to the United States government before the matter was settled. Nebraska does its share of state supervision, and it was only last year that the public was let into the secret methods of special examiners and their peculiar and thrifty ways of obtaining revenue for their own pockets."

Benefits to be derived from governmental supervision would be three-fold:

"First, a just taxation would materially lessen the expenses of insurance to policy-holders, and possibly disabuse the mind of the average politician that insurance companies are legitimate subjects for extortion.

"Second, stability of national laws would react most