

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 unrestrictive 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

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The Canadian Monetary Times.

FRIDAY, FEBRUARY 18, 1870.

THE FINANCE MINISTER'S BANKING MEASURE.

Speeches from the Throne are well known to be vague and indefinite; and so far as the paragraph in the Speech just delivered by Her Majesty's representative on the subject of Banking is concerned, there is not much to be made of it. That some measure will be introduced, and that an endeavor will be made to insure safety to the community (we presume as to circulating notes), without interfering with the legitimate operations of the banks, is all that appears on the surface. Those who believe that Sir Francis Hincks will take care not to bring down upon himself such a combination of influences as compelled Mr. Rose to withdraw the bill of last session, will be inclined to gather, from the wording of the paragraph, that whatever may be the details of the measure introduced, it will be so framed as not to interfere with the ability of the banks to accommodate their customers. Proceeding from this con-

clusion, it is inferred that the fundamental principle of Mr. Rose's bill must be given up—that, viz., which required all bank circulation to be covered by government securities—for if this be retained, there must inevitably be a very serious interference in the direction spoken of. Rumor, indeed, says that this is the case; that, in fact, the banks will not be required to hold government securities at all, thus, in effect, releasing so much of their capital formerly thus employed, and rendering so much more available for the business community. Should this prove correct, it will be evident that the Government has adopted the view so strongly urged by a majority of the banks, especially of the West, that the true security to the public is to be found in the adoption of certain improvements which will render the business of banking of a more stable character than it has been for some time past: such as enforcing double liability, compelling the accumulation of a rest, raising the qualification of directors, modifying the character of returns, the prohibiting charters to small banks, &c., &c. The operation of these improvements would be steady and constant in checking irregularity at its outset, and prevent mischief making headway; and they could all be adopted without interfering in any degree with the powers which banks have to accommodate the trading interests of the country.

Rumor has also been busy with other details, and asserts that the Legal Tender system is to be continued, and that the idea of a sub-treasury is abandoned. As to the former, we do trust it may be so far modified that the power and prestige it confers upon one institution, and which have not been always used for the public advantage may be entirely taken away. If the legal tender notes have to be issued, let it not be through one bank, and let not one bank have the sole management of their redemption.

It would be far better in our judgment, if these notes were withdrawn altogether. The government ought not to be the issuer of notes payable on demand, and intended to circulate as money. If they are issued and redeemed through a bank, that bank will have advantages and opportunities which it may use to the disadvantage both of the government and the public, indeed, this is precisely what has happened already. If issued and redeemed direct, a door is opened to irregularity in detail and to extravagance in principle; besides which the business of redemption may bring the government itself into embarrassment. On every ground, therefore, it would be far better to abolish the legal tender notes altogether, and to borrow the necessary funds in the open market; and this, though apparently involv-

ing an increase of expenditure for interest, we believe, will be found to be the most economical in the end. It will be found too that this is the only means by which the whole of the banks can be placed upon an equal footing.

If the legal tender notes are not withdrawn altogether, we trust at any rate, that they may be withdrawn from general circulation. We can easily conceive that provided some arrangement were made for their redemption in gold, the banks might find it convenient to hold a large portion of them as a medium for making their exchanges. In this case the small denominations might be exchanged for large ones—say five hundreds and thousands—and the use of gold be largely economised.

During his short tenure of office, the Finance Minister has justified the expectations of his friends by adopting a course of action which, by its boldness and independence, contrasts strikingly with the subserviency to the Bank of Montreal, which has been so common for years back. It is true that times have changed, and fortunate it is that they have. The Finance Minister no longer needs to go about, as an humble suppliant for accommodation, after the manner of a needy merchant, and he is not liable to be cuffed from pillar to post, as Mr. Galt was only a few years ago. Now that the Government is a lender instead of a borrower, the Finance Minister can assume the attitude which should never have been lost, viz.: that of perfect independence, and if he follows up the policy which has been foreshadowed, by distributing the Government account fairly amongst the chartered banks, and taking care that there shall be equitable dealing on all sides, and ample security afforded the public, he will have earned the gratitude of the country.

STAMPS ON BILLS AND NOTES.

IN 1864, an Act was passed imposing certain duties on promissory notes and bills of exchange; every bill, draft, order or instrument for the payment of any sum by a bill or promissory note, whether such payment were required to be made to the bearer or order; every document usually termed a letter of credit or whereby any person would be entitled to have credit with, or to receive from, or draw upon, any person for any sum of money; and every receipt for money given by any bank or person which entitled the person paying, or the bearer of the receipt, to receive the money from any third person, being embraced by the terms of the act, as chargeable with the duty. The only exceptions were declared to be bills, &c., drawn by or on officers of the Government,