

that any company would allow the insured to take up arms against his country, and which he could not do without their permission, as the clause in the policy expressly provides that they cannot do so. I think that, in order to avoid any difficulty in the future, all intending insurers should insist upon seeing a copy of a policy before signing an application. Another important difference is, that the deposits made by the American companies are applicable to the whole of the policy-holders, both in America and Canada, and not, as in the case of the English companies, for Canadian policy-holders only. The next consideration is the balance sheet, shewing the expenses, mode of investment, &c. The rule which, in my opinion, ought to govern a company, is to impose no restrictions but what are essential, and to carry out their contract with the utmost liberality, bearing in mind that it is with those for whose benefit the insurance was taken out that they will have to arrange. Let a person reflect what a comfort it will be to him to feel that those he is bound by every tie to protect, and prevent their being left to the cold charity of the world, are provided for, and the small pecuniary sacrifice it has cost him to do so, and he will never regret having undertaken such a charge. But in order that he may have such a feeling, he must have the utmost confidence in the company he selects.

Yours, &c.,

INSURANCE.

Toronto, May 8, 1869.

Insurance.

FIRE RECORD.—Dundas, May 12.—John Leslie's brick store, occupied by A. D. Calder, druggist, was consumed, with most of the contents; also some adjoining property. A local paper says: Mr. Leslie estimates his loss on buildings, furniture, &c., at nearly \$8,000, on which he has an insurance of \$4,000—\$2,000 in the Victoria Mutual, of Hamilton, and \$2,000 in the Home District Mutual. Mr. Calder estimates his stock to have been between \$4,000 and \$5,000, on which he has an insurance of \$3,000—\$1,700 in the Western, of Canada, and \$1,300 in the Commercial Union. The Engine House, which was the property of the town was worth, probably \$300; no insurance.

Essa Township, Ont., May.—Outbuildings of Robert Latimer, with contents, were destroyed; loss estimated at \$1,500; no insurance; cause—a coal from Latimer's pipe.

Brooklin, May 11.—Daniel Halliday's barn, stables and sheds, with contents, were consumed. The fire originated from a burning chimney at the house. Loss about \$1,500; partly covered by insurance.

Bridgewater, Ont., May 11.—Five buildings were consumed; said to be without insurance.

Carleton, N. B., May.—House of T. Witchenhall; insured for \$1,200.

Breslau, Ont., May 9.—Barn of Jacob Clemens, with contents; loss estimated at \$1,200; the fire originated from a heap of rubbish which a hired man had, contrary to orders, lighted.

Quebec, May.—House of Smith, butcher, was entirely destroyed.

Port Perry, May.—J. B. Lazier's drying kiln, with contents; loss estimated at \$1,000.

Trafalgar Township, Ont., May 8.—Barn and outbuildings of A. Mitchell; caused by a heap of rubbish in the yard taking fire in some way.

Esqueving Township, Ont., May 11.—Saw-mill and shingle factory of James Morrison; loss stated at \$1,600; without insurance.

Flamboro Township, Ont., May 11.—William Mordens's frame building, near Flamboro Village, took fire from sparks from the chimney, and with adjoining house of A. Raymond, was consumed; contents mostly saved; loss stated at \$1,000.

Waterdown, Ont., May 11.—House and barn of Richard Attridge, and barn of William Attridge,

in East Flamboro; and 500 cords wood were consumed. A local paper states the insurance on R. Attridge's barn at \$800.

Paisley, Ont., May 11.—Store of W. C. Bruce, and hotel of Robert Mitchell. The last named insured in the Toronto Mutual for \$800 on buildings; most of the furniture saved; barn said to be insured for \$1,000 on building, and \$2,000 on stock.

Sarnia, May 11.—Dr. Shobotham's stable and barn. Loss stated at \$1,000.

Canifiton, Ont., May 11.—Fairman's hotel, and a number of houses and barns; Fairman's loss is stated at \$3,000, and the total loss at \$7,000 part of which is said to be covered by insurance.

—We regret to learn from the Ottawa papers of the death of Mr. Donough O'Brien, for some years assistant secretary of the Provincial Insurance Company, a position he filled most creditably until he was compelled to resign on account of failing health.

Railway News.

GREAT WESTERN RAILWAY.—Traffic for week ending April 23, 1869.

Passengers	\$27,904 60
Freight	55,973 30
Mails and Sundries	2,060 56

Total Receipts for week	\$85,938 46
Corresponding week, 1868	80,756 53

Increase

NORTHERN RAILWAY.—Traffic receipts for week ending May 8, 1869:

Passengers	\$2,572 17
Freight	11,360 61
Mails and sundries	204 36

Total receipts for week	\$14,137 14
Corresponding week 1868	13,243 82

Increase

THE GOVERNMENT BANKING SYSTEM.

Hon. Mr. Rose, in bringing forward his resolutions, said that three systems were now in force in the Provinces. In Nova Scotia the bank charters provide that the banks' liabilities shall not exceed three times the amount of their capital, and there is no special restriction with reference to circulation, nor provision for keeping specie on hand. In New Brunswick there is a provision that the total liabilities of the bank shall not exceed twice the amount of their capital. In Ontario and Quebec the general provision exists that circulation shall not exceed the amount of capital stock plus the specie kept in vault and the government securities held. Many of the banks are now asking the renewal of their charters, and the enlargement of their operations, consequent on Confederation, calls for great consideration. He would admit that most prudent, conservative, and cautious management had, on the whole, distinguished the operations of the various Provinces. But without further restrictions than exist in the present charters, it was possible for a bank to begin its operations, lend money to the public, and make the public its first creditor, without having any capital actually paid in. Such a thing as this was quite possible under the present provisions governing bank charters; for if a certain number of persons subscribed the amount of stock required to start a bank, such an institution could commence operations and issue its notes; those notes would be discounted, and its circulation would be placed in the hands of the public, although the bank had no real capital except the notes of the individuals starting it. It was possible so to insure the power given under the present banking charters as to produce the result.

It was possible to start such a bank and to circulate its notes, though it need have no specie behind its circulation to protect the public. He had to ask the calm and deliberate attention of the House to those weak points of the existing system, and to the question whether they were to be perpetuated in the future or not. And there was another difficulty. Not only might there be a circulation out without any capital actually behind it, but even after the capital had been all paid in, there might be a circulation kept up to the amount permitted by the charter, after the whole capital had been entirely annihilated, and the public had nothing whatever to look to; for there was no provision requiring an amount of specie to be kept in the vaults in order to represent the circulation.

After referring to the various bank failures, he continued: There were at this moment in the Dominion about forty chartered banks, with capitals varying from \$60,000 up to \$6,000,000. One bank had a capital of \$129,000, with an average circulation of \$154,000, and specie to the amount of only \$11,000. Another, with a capital of \$200,000, had a circulation of \$205,000, and but \$29,000 in specie to meet the circulation. A third, with a capital of \$72,000, had a circulation of \$154,000, and only \$32,000 of specie. Now, although the past management of our banks might have been conducted without resulting in any general or overwhelming calamity to the country, circumstances were very different now from what they had been when the business of the various banks was restricted by the isolated condition of the Provinces in which they were situated. Now the means of communication between all parts of the Dominion were becoming rapidly improved, and the notes of any of our banks might circulate from British Columbia on the one side to Halifax on the other. This consideration, that the operation of the various banks would now extend to the whole of British North America, made it all the more incumbent on Parliament to consider whether the system on which they had hitherto been conducted was a safe one to be continued under these altered circumstances. We are about engaging, very shortly, in large and extensive public works. The temptation to over-circulate would soon be very great, and it was, therefore, of essential importance that the circulating medium should be placed on a sound basis. The Government had no special object of its own to obtain in this matter. They were not urged by any pressing wants, but they were actuated solely by a single-minded desire to place the banking institutions of the country on the soundest and most wholesome basis that could be reached. He admitted that they could not deal with existing interests or existing institutions rashly or inconsiderately. The average circulation of the banks of Ontario and Quebec was about \$12,000,000. The highest circulation ever reached was in October, 1868—\$15,120,000. The capital of these banks at this time was \$30,000,000, and they had deposits to the amount of \$11,600,000, so that they had, above the highest point of circulation they had ever reached, \$45,000,000 of available cash for the general purpose of trade. The average circulation represented only one-fifth of the capital which the banks had at their disposal. The Government proposed to allow the banks to continue as they were without any change whatever in their condition, or any further restriction upon their operations until July, 1871, that being the time when their charters expire. The limitation as to time in their charters was, that they should continue till 1st July, 1870, and thence to the end of the next session of Parliament. They, therefore, proposed that until the 1st July, 1871, banks should be left in possession of their existing charters, but that after that time they should gradually reduce their circulation by 20 per cent. a year, until the circulation should be ultimately entirely based on government securities. Thus for the year ending July, 1872, the banks should be allowed to circulate 80 per cent. of the highest