hibits the Bank from engaging in any trade, "except as a dealer in gold and "silver bullion bills of exchange, dis- "counting of promissory notes and *nego- "tiable securities.*" The question arises, "whether, if section 51 had been omitted altogether, the bank would have been authorized by section 40 to loan on the stocks of corporations such as the City Passenger Railway Co. Are such stocks "negotiable securities?"

The language of section 51 is peculiar. It must have originated with some one who feared that the term "negotiable securities" was not sufficiently comprehensive, and who wanted to give power in express terms to loan on certain securities all which were already clearly authorized by section 40. It says "nothing in the Act shall prevent, &c." We copy the clause:

And nothing in this Act contained shall prevent the bank from acquiring or holding as collateral security for any advance by or debt to the bank, or for any credit or liability incurred by the Bank to or on behalf of any person (and either at the time of such advance by, or the contracting of such debt to the Bank or the opening of such credit, or the incurring of such liability by the bank), the shares of the capital stock of any other bank, the bonds or debentures of municipal or other corporations, or Dominion, provincial, British or foreign public securities, and such stock, bonds, debentures and securities, may, in case of default to pay the debt for securing which they were so acquired and held, be dealt with, sold and conveyed in like manner, and subject to the same restrictions as are herein provided in respect of stock of the bank on which it has acquired a lien under this Act."

It is singular enough that it is only on the eve of the expiration of the bank Charters that the question of the legality of such loans has been raised. We cannot concur in the opinion of the Gazette that the action of Parliament last year has set the question at rest. On the contrary, on the assumption that the term "negotiable securities" has the meaning which appears to us to attach to it, we should think that there is at present no prohibition of loaning on bank stocks. We do not think either that because in the Savings Bank Act the power to loan on stocks is given in distinct terms, it follows that in another Act passed in a different year the same power may not have been given in general terms. The whole question turns on the meaning of the expressions, "negotiable securities" and "nothing in this Act contained shall prevent." We are under the impression that all doubt on the subject will be removed by the Bill now before Parliament, and that sufficiently comprehensive terms will be used to enable the banks to loan on all stocks other than those of banks. That most assuredly was the intention of the Act of 1871, although it is quite possible that the amendment to section 51 may have had the effect of nullifying section 40. We have no idea whether the case will be appealed, but, as Parliament is engaged in passing a new Act, it is immaterial in the interests of the public at large, whether the judgment of the highest Court of Appeal should be obtained on what we cannot but think a knotty point.

COMMERCIAL UNION.

Mr. Wharton Barker, aided by the New York Herald, continues to advocate commercial Union between the United States and Canada, and the few separationists in our midst, who appear not to have even a solitary representative in Parliament, are using their best efforts to encourage them. It is, perhaps, natural enough that extreme protectionists like Mr. Barker should advocate such a policy, but there is no evidence whatever that it has any considerable support, even in the United States. We consider the Bankers' Magazine to be at least as high an authority on such a subject as any that has been adduced, and in the May number of that periodical the scheme is termed "the idlest of follies, and has "never been considered at all practicable "by any body who has any knowledge of "such subjects." This opinion is based not so much on the opposition that it would encounter from Great Britain, but because "it is impossible that the United "States would ever admit Canada to any "voice in their tariff regulations, and it is "hardly conceivable that Canada on its "side would submit to a tariff in the "making of which it could take no part." The truth is, that the few Canadian advocates of the scheme are merely using it for the ulterior object of bringing about separation from the Mother Country to which they have committed themselves, and which some of them advocated without reference to Commercial Union. We have no doubt whatever that the Bankers' Magazine is a much more correct exponent of public opinion in the United States as represented in Congress, than extreme protectionists like Mr. Wharton Barker.

THE new sleeping cars on the Q. M. O. & O. Railway, built at the Company's workshops, were put in use on Saturday last on a trial excursion trip to St. Martin's Junction and return.

THE ONTARIO STATUTORY CONDITIONS OF INSURANCE.

In our volume for 1875-6 will be found a series of articles upon this subject which will again be found interesting in view of the probability of an early decision by the Supreme Court of Canada as to the constitutionality of this act of the Ontario Legislature, which was designed for the purpose of making the conditions of all fire insurance policies as nearly uniform as possible, a standard being prescribed and variations only allowed according to their justice and reasonableness—as viewed by the Court before whom disputed cases might come.

Supposing for the moment that the idea was correct, and that it was wise to endeavour to attain the object aimed at, we must not forget that it was an attempt to deprive the fire insurance companies of the right of private contract, and that although it is the duty and the privilege of legislatures to *facilitate* all matters pertaining to legitimate trade and commerce, and to restrain all illegitimate and dishonest dealings, yet when they go between two parties to a legitimate contract and say to one, "you shall not stipulate," and to the other, "you need not perform," they open the door to grave considerations as to their power and the possible results of its exercise.

We believe the companies generally do not object to the wording of the statutory conditions so much as to the fact of them, which presents the possibility, or rather the probability, of continuous changes and amendments in Ontario, as subsequent sessions of the Legislature may be held, necessitating continuous and confusing changes in policies, and, worse than that, similar but not exactly concurrent enactments in each of the provinces, to be followed by endless changes and amendments, which would render fire insurance almost impossible, unless at such great cost as would drive the business into the hands of petty local mutuals not affording *insurance* against conflagrations.

The underwriters of the United States have a continuous and woeful experience in this kind of legislation; at every session of nearly every State Legislature, but most especially at Albany, it is a regular and annual custom for one set of members to introduce measures distasteful to the companies and disgraceful to the legislators, simply for the purpose of causing the companies to employ other members and counsel to lobby against their enactment, in fact, the persons who officiously and expensively defend the interests of the companies often prepare the measures