

A NOVELTY IN INSURANCE.

M. Molleur, of the Legislative Assembly of Quebec, has produced a startling novelty in insurance. He has brought in a Bill to constitute every municipality in that Province an Insurance corporation, in which insurance of all buildings is to be compulsory. The insurance would be against fire, lightning and wind, and it would be effected on the mutual principle.

We cannot imagine that the Bill has any chance of passing; and if it should pass, we believe the result would be disastrous. Municipal corporations are of all possible contrivances about the least capable of carrying on with advantage the business of insurance. They are elective bodies which are liable to be changed, and to a great extent are changed, every year. The average municipal councillor has no knowledge of insurance; and if any one of them gained a little experience there is no guarantee that he would not be turned out at the end of the year to make way for one who would not have the least knowledge on the subject. Even the permanent officers, who might form the insurance staff of the corporation, would be liable to be constantly interfered with by councillors ignorant of insurance and having schemes of their own, as crude as this Bill, to test. Some idea of the difficulty of working such a bill as this may be imagined when we state that it is proposed to submit the rules of the Insurance Department to a vote of all the electors. A valuation of all the buildings in the municipality would have to be made; and when this was done the wisdom of the council would be evoked to establish different classes of risks. The difficulty of getting the preliminary work done by the assessors, with fairness and equity, will be understood when it is remembered that municipal assessors, with all sorts of penalties hanging over their heads, persist in valuing whole counties, in Ontario, at one-half their value, and committing innumerable irregularities of other kinds. It would not mend matters that the valuations would be made on oath: so are assessments now without being even an approach to the truth. When the valuations were got in, unequal and false as they would be, they would go before a body of men in no way qualified to classify them into different grades of risks.

The premiums, it is proposed, would stand on the same footing as taxes; and eight per cent. interest be payable on overdue amounts, of which we suspect there would always be a large crop. For the payment of losses what is the security? The author of the Bill points, in reply, to the responsi-

bility of the corporation. But what, let us ask, would be the responsibility of a town reduced to ashes? What would have been the responsibility of the city of Quebec, on the morrow of either of its great fires? What would have been the responsibility of Montreal, the first city of the Dominion, if this scheme of insurance had been in force in the day of its greatest calamity? Need we increase the list by mentioning the name of Chicago? These cases all afford illustrations of how the proposed plan must break down.

The compulsory feature of the Bill must not be overlooked. The owners of buildings would have no choice: they would be obliged to go to the corporation shop. But suppose the buildings were in a town built almost entirely of wood, the whole of which was liable to be swept out of existence; the security of the municipal insurance would be a poor reliance. In fact, no owner of buildings would be safe without also insuring in a company; which would be insuring twice. If there could in any case be any ground for forcing all to insure, it could only be on the condition that the security would be absolute. To compel a man to make an insurance from which he got no certain security would be contingent robbery, under cover of law.

We believe that some experiments more or less in the nature of the proposal of this Bill are being made in Germany; but they have not yet passed into assured success. And even if the plan should succeed there, under conditions quite different from what we find here, it does not follow that they would succeed in Canada. The experiment is altogether too hazardous for any Canadian Legislature to enter upon.

AN EXTRADITION TREATY.

In a late number of the *Canada Gazette* we find a notification of an extradition treaty between Great Britain and Austria, some of the provisions of which ought to be introduced into an amended treaty between Canada and the United States. It has long been desirable that some steps be taken in the matter, for there are notorious criminals who have taken shelter from justice, openly living in Canada, who are a constant source of danger to society, and who cannot be extradited under the existing treaty. The number of persons who abscond after embezzling or defrauding creditors is we believe also on the increase. In the treaty referred to, in addition to such crimes as murder, &c., the following are included, and it can be seen at a glance how valuable such provisions would be to a community like ours with a frontier so easily crossed by fugitives from justice.

Under article 2 of the treaty, extradition can be demanded for counterfeiting or altering money, or circulating such; forgery or counterfeiting, or falsification of paper money or securities, or public or private documents; embezzlement, or larceny; obtaining money or goods under false pretences; crimes against the bankruptcy law; fraud by a bailee, broker, agent or trustee, or a director or public officer of a company; burglary, arson, robbery with violence, or menaces. Extradition can be demanded for participation in any or all of the above crimes as accessory, either before or after the fact. Some of the clauses of the above would be an immense improvement on our present treaty and would doubtless diminish the temptation to embezzle or make away with goods and fly across the frontier, which has become so alarmingly prevalent of late years. We have now a reform Government in office, and we do not know of a more practical reform than to improve our extradition law. Of course the mother country must move in the matter, but the initiatory steps might be taken by Canada, as we are so much more directly interested.

THE SPECIE RESERVES.—Probably the most interesting fact in connection with financial matters is the large demand for specie which has existed during two or three weeks past, and the consequent drain on the supplies in the sub-treasuries. The aggregate demands within that time are assumed to be not very much less than a million of dollars. The Assistant Receiver-General have been redeeming legal tenders in sovereigns, which has had the result of putting gold drafts on New York at a considerable premium, say $\frac{1}{4}$ per cent. It is the policy of the Treasury, as on former occasions when a demand for gold arose, to redeem legal tenders in the coin that was not wanted. Sovereigns are not the article required in New York, because the shipments of gold are on French or German account, and for this purpose double eagles are preferred. It is believed in banking circles that a new system has been adopted by the Government in keeping their specie reserves against legal tenders. We notice that the "excess of specie" over the amount required by law to be held against the legal tender issue does not undergo the spasmodic fluctuations to which it was for a period subject. Now it has been observed for some weeks that just as the Government pays out \$100,000 of specie, another \$100,000 is sent in to the Treasury from the Bank of Montreal; and it is presumed that the Government balance on call in the Bank named is called for the purposes of the Act, a specie reserve. If this belief be