

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.

Agent for Toronto:
W. T. MASON.

Agent for Hamilton:
R. BENNER.

J. GILLESPIE & CO.,

HAVE NOW ON HAND,

OVER ONE THOUSAND CASES

SPRING GOODS,

AND ARE

PREPARED TO SHOW THE LARGEST VARIETY

OF

FELT AND STRAW HATS

IN THE DOMINION.

Inspection respectfully invited.

64 YONGE STREET,

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TORONTO.

THE Monetary and Commercial Times.

TORONTO, FRIDAY, APRIL 29, 1870.

THE USURY FALLACY.

The very absurd position in which the bill regulating the rate of interest now stands will surely convince our legislators of the desirableness of avoiding any further tinkering on the subject. It would, perhaps, be vain to attempt to convince those whose habits of thinking have been moulded on the idea that the rate of interest *ought* to be regulated by law, and with whom a certain religious element of opposition to usury adds force to previous prejudice; but, surely, any one who will think for five minutes on the subject must see that the value of a loan of money is greater when money is scarce than when it is plentiful, and that the risk of loaning is greater to one man than to another, and should be charged for accordingly. These two elements enter into the consideration of every loan. It is not merely a question of supply and demand; that is only half of it. The other half, and equally important, is the difference between the risk of

lending to one man and to another. To say that the quantity of money and the demand for it is constantly changing, is only to express the general changeableness of human affairs; and to say that some men are perfectly trustworthy, and that others are utterly dishonest, and that there is all manner of degrees between the two, is to express what is matter of universal experience. The money market is as changeable as the wheat market, and there are more varieties in the quality of loans than there are in the quality of grain. When, therefore, it is proposed to fix a uniform rate as the value of loans, we do somewhat wonder that the principle is not extended so as to include a uniform rate as the value of wheat—all *qualities* of wheat, of course, to be alike. The same reasons will apply in both cases. Does not wheat sometimes bring so high a price as to bear very hard upon the poor? and are not farmers and speculators sometimes very hard-hearted in refusing to sell except at prices which will cause that suffering. Would it not be well for the bulk of the people if flour could always be bought for \$4 per barrel? Would it not be a great protection against the rapacity of greedy speculators to forbid wheat being sold at more than seventy-five cents per bushel? These surely are obvious considerations, and they all point to the desirableness of our legislators taking the matter in hand for the benefit of the poor and the weak. And, in fact, while they were about it, they might as well include meat as bread, and enact a uniform rate of five cents per pound for fresh meat, and fifteen dollars per barrel for pork. And since cloth and fuel are necessities of life, and the poor find it very hard to get them at times, the act would of course include them, and fix a low tariff rate at which staple cottons and woollens should be sold, and also coal and firewood.

In the view of a benevolent legislator, in fact nothing would be forgotten, and a general tariff for everything might be framed for the purpose of ensuring cheap houses, cheap clothing, cheap food, cheap fuel, and even cheap travelling, and recreation. The business of buying and selling would then be delightfully simple. The unwary would be protected from imposition; the rich would have no advantage over the poor; there would be an end to that miserable bargaining which consumes so much time, and leads to so much heart-burning; buyers would have no need to study the weather, the crops, and the dealings of their neighbors; and sellers would be saved all the anxiety of selling well, for all sellers and buyers, and all goods, would be placed on the same footing of perfect and constant uniformity. The mind, in fact, is

quite carried away with the delightful prospect. Persons of small and moderate income would almost think, with such legislation, that the millennium was at hand; and sure we are, that any member of parliament who went to the country upon this platform, would be counted a hero. Some might think that human nature would be too strong for such legislation; but such people evidently knew little of the power of Parliament. Parliament can enact anything. Parliament is omnipotent. It can decree, if it so please, that the Falls of Niagara shall be abolished, after six months notice to that effect. And who is so bold as to say it would not come to pass?

Seriously, it is time this nonsense about fixing a uniform rate of interest was dropped. It is simply legislating that Niagara Falls shall be abolished, to enact that all distinctions between one time and another, and one security and another shall be done away with; and all loans, to whomsoever made, shall be at a uniform rate. To loan money, is, strictly speaking, to buy the right of receiving it back at a given period. Five people come to the office of a money-lender, all wanting to sell the obligation to pay a \$100 this time next year. No. 1 is plodding and cautious, strictly honorable, money-making and money-saving, never failed to pay to the day, his word as good as his bond! He offers a security which can at once be made available on default. His obligation commands a high price—say 95 cents, for men like him are in request. No. 2 is the same style of man, but not so well known, besides, his security would take longer to realize, though the ultimate safety is undoubted. This would not fetch so high a price as the other, it might go perhaps for 92. No. 3 is an honorable man, but somewhat speculative, consequently is at times "hard up," and not punctual; his friends, too, shake their heads now and then, when they hear of some particularly bold operation he is engaged in. The security is fair. This obligation is obviously more risky than the others, and would certainly not realize more than 90. No. 4 is industrious and painstaking, but sadly deficient in management. He cannot calculate, is always undertaking what he cannot perform, has had to get time from his creditors more than once, and once made a compromise. The security is very much like himself. There is a rapid descent from the value of the previous obligations to this, and if he sells his at 80, he will think himself very well off. Finally we come to No. 5, who is a mystery to everybody. How he got into trade at all no one can tell. He is so utterly unscrupulous in promising that people have long ceased to believe a word he says. He is familiar with all the rogueries