

European Assurance Society,

Established.....A. D. 1849.
Incorporated.....A. D. 1854.

EMPOWERED by British and Canadian Parliaments for

LIFE ASSURANCE,

Annuities, Endowments,
and

FIDELITY GUARANTEE.

Capital.....£1,000,000.....Sterling.
Annual Income, over £330,000 Sterling.

THE ROYAL NAVAL AND MILITARY LIFE

Department is under the Special Patronage of

Her Most Gracious Majesty

THE QUEEN.

The EUROPEAN is one of the largest LIFE ASSURANCE Societies, (independent of its Guarantee Branch,) in Great Britain. It has paid over Two Millions Sterling, in Claims and Bonuses, to representatives of Policy Holders.

HEAD OFFICE IN CANADA:

71 GREAT ST. JAMES STREET, MONTREAL.

DIRECTORS IN CANADA:

(All of whom are fully qualified Shareholders.)

HENRY THOMAS, Esq., WILLIAM WORKMAN, Esq.,
HUGH ALLAN, Esq., FRANÇOIS LECLAIRE, Esq.,
C. J. BRYDGES, Esq., The Hon. CHAR. ALLEYN.

Manager for Canada,

EDWARD RAWLINGS.

Agent in Toronto,

W. T. MASON,

15-17r

ONTARIO HALL.

**Berkshire Life Insurance Co.
OF MASSACHUSETTS.**

MONTREAL OFFICE:

9 GREAT ST. JAMES STREET.

INCORPORATED 1851—SECURED BY LAW.

AMOUNT INSURED.....\$7,000,000.
CASH ASSETS...ONE MILLION DOLLARS.

\$100,000 deposited with the Receiver General for the protection of Policy holders.

ANNUAL INCOME.....\$500,000.

\$100,000 divided this year in cash amongst its Policy holders.

Montreal Board of Referees:—Hon. Geo. E. Cartier, Minister of Militia; Wm. Workman, Esq., President City Bank; Hon. J. O. Bureau, M.C.S.; E. Hudon, Fils & Co.; John Torrance, Esq., Merchant; James Ferrier, Jr., Esq., Merchant; Edward Carter, Esq., Q.C., M.L.A.; C. D. Proctor, Esq., Merchant.

Examining Physicians:—J. Emery Coderre, M.D., Professor of Materia Medica, &c., &c., of the School of Medicine and Surgery, Montreal, and of the Faculty of Medicine of the University of Victoria College; William Wood Squire, A.M., M.D., Graduate of McGill College; Francis W. Campbell, M.D., L.R.C.P., London.

For a sufficient test of merit we beg to state since the commencement of this old and reliable company in Canada, we have had the pleasure of insuring members of Parliament, some of the leading legal talent, and amongst numerous others, several of the leading merchants in this city.

This Company was the Pioneer Company of the non-forfeiture principle, and still takes the lead for every Policy it issues is non-forfeitable after one payment. The Company is now erecting a new stone building, five stories in height, at the cost of \$100,000, similar to the Molson's Bank of this city, but of much larger capacity, having 75 feet front, and 116 feet depth, containing three Banks, some Express Offices, and the Post-Office, yielding about \$8000 income, annually, all of which is the accumulating property of every Policy-holder.

The Company has issued nearly 2,000 Policies since the 1st January, 1867, which is the largest number, in comparison to the expenses, of any Company in Europe or America.

Such are the Results of the Cash System.

Full particulars, history of the Company, Rates, &c., can be obtained at the Managing Office for the Canada.

EDW. R. TAYLOR & Co.,

20 Great St. James St. (over Pickup's News Office).

THE CANADIAN MONETARY TIMES AND INSURANCE CHRONICLE is printed every Thursday Evening, in time for the English Mail.

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Registered letters so addressed are at the risk of the Publishers. Cheques should be made payable to J. M. TROUT, Business Manager, who will, in future, issue all receipts for money.

The Canadian Monetary Times.

THURSDAY, JUNE 4, 1868.

ONTARIO BANK.

The reports of the various banks will be perused with interest by our business community, as money is close, and there is great anxiety prevailing respecting the amount of accommodation likely to be afforded. In the report of the Ontario Bank allusion is made to the effects of the recent financial crisis, and the many injurious consequences that have followed from the adoption of what is known as the Provincial Note Act. The Directors express the hope "that the system partially introduced in 1866, which has seriously disturbed commercial undertakings and curtailed the facilities previously afforded by the banks to the country generally, will not only not be extended but abandoned." Such expressions should not be lightly treated, for they come not from private bankers, in the ordinary sense of the term private, but from a board of bank directors who are engaged actively and largely in business of various kinds, some in agriculture, some in manufactures, and others in commerce.

The business of the bank has steadily increased, and the year's accounts show a profit of \$220,361.37. After payment of a good dividend, and adding \$30,000 to the reserve, a balance is left to the credit of profit and loss of \$25,240.82.

FREEHOLD PERMANENT BUILDING AND SAVINGS SOCIETY.

From the Annual Report of this Society it appears that the net profits on the year's operations were \$41,935. After deducting from this sum two half-yearly dividends of four per cent. there remained a clear surplus of \$9,865, which was added to the reserve fund. With this addition the total reserve now amounts to \$32,476. The repayments on loans exceeded those of the previous year by \$21,922; and the gratifying fact is stated in this connection, that borrowers are prompt in their repayments, leaving but a comparatively small sum in arrears. The

deposit branch shows only a slight increase, for the reason that the Directors declined to receive a great portion of those offered, owing to the difficulty of finding safe and profitable investment for them. In this respect an amount of caution and prudence has been shown, which is calculated to give confidence and tell upon the future of the Society.

PROVINCIAL NOTES AND SPECIE RESERVES.

A general impression seems to prevail amongst the Western bankers, that the Provincial Note Act, besides being a most expensive affair, has caused a heavy depletion of specie from the country. If its effect has been to reduce the amount of specie below that proportion which prudence and experience dictate as the reserve necessary to insure the convertibility of notes in circulation, it is a source of weakness and danger as well as of expense.

This question of specie reserves is of such importance as to demand a careful and patient investigation. We shall best arrive at its solution by a comparison of the present statements of banks with those of former years. These, however, are framed in such a manner that, since the Act came into operation, they tend to mislead touching the real amount of specie held by the banks; and, in order to ascertain this amount, it is necessary to take into consideration the relations which the Government and the Bank of Montreal hold towards each other.

The Act provides that specie shall be held, equal to one-fifth of the amount of Provincial notes in circulation, as a reserve for their redemption. The executive, however, as a compliance with the Act, hands over, from time to time, the specie necessary to form this reserve, to its fiscal agent, the Bank of Montreal, which places the amounts so received to the credit of the Receiver-General in "Specie Reserve Account," and forthwith they appear as assets of the Bank, under the head "Coin, Bullion and Provincial Notes," and also as liabilities under the head "Deposits not bearing interest." While, however, the Government reserve is thus included in the coin and bullion of the Bank, as part of its assets, these statements do not disclose that a large amount of Provincial notes are in circulation, against which this very specie is supposed to be held. Now, although, theoretically, these notes are not a direct liability of the Bank, yet, inasmuch as it holds sufficient Government funds in its hands to meet all demands, it practically is liable, and might, therefore, be called upon to redeem these notes in specie, just as any other bank might be to redeem its notes. The responsibility is the same in both cases. This is confirmed by the fact already mentioned, that the specie held to redeem these notes forms part of the assets of the Bank; for the specie which is held to redeem Provincial notes, cannot be also held against its general liabi-