theory that all the hostility to banks of issue rested. The mistake was to blame the banks altogether for the expansions and contractions. Borrowers certainly had their share in the expansion; the contraction came by a natural law, in virtue of which the banks saved or tried to save themselves.

Jefferson favored treasury notes as the best means by which the Government could borrow; and Mr. Cooper believes that "the first law passed for the preservation of our nation's life was for the issue of treasury notes, that were made a legal tender and convertible at the pleasure of the owner into five and six per cent. bonds." Mr. F. E. Spinner, once of the U. S. Treasury, renouncing what he regarded as the hard money heresy of his youth, expressed the hope that Congress would authorize "the issue of a bond bearing a low rate of interest, that can, at the will of the owner, be at any time converted into a legal tender Government note, and the note in like manner, convertable into such a bond." In time of war or depression, neither the note nor the bond could be relied upon to pay foreign indebtedness. Calhoun did not allow for exceptions when he said that the credit of the Government is better than that of a bank. Much depends on how the credit of the Government is sustained and what are the constitution and management of the bank. As Calhoun objected to convertible bank notes for currency, he must have intended that the Government obligation to take the place of the bank note should be inconvertible. At several periods of the history of the United States, we know how inconvertible Government paper has sunk in value; and very few persons would now desire to trust to such an obligation as the sole currency of the United States.

—The revenues of the United States Government are pouring into the Treasury in such an increasing volume that, as the *Financial Chronicle* remarks, "it is becoming a serious question how to get them out." In the first twelve days of October, the receipts were $18,541,526 against $13,706,853, for the corresponding days of last year. Gold pours into the Treasury, and the question is how to get it out. The Department calls in bonds before they are due, but they come in very tardily. The Treasury absorbs undue amounts of gold and the natural consequence is a scarcity of the precious metal. The scarcity is wholly artificial, and is due to the fact that the Government insists on being paid in gold. Why should it not take its own notes in payment of taxes? It is difficult to imagine any good reason why it should not. To maintain the convertibility of its notes, it requires a large amount of gold. Granted; but that is no reason why it should insist on the taxes being paid in gold. If legal tenders were accepted indifferently with gold, in the payment of taxes, the present artificial state of things would come to an end; and if gold became scarce, it would be a real not an artificial scarcity. If the Government wanted gold it could buy it in the open market. Bankers and others who want gold have to do so; why should the Government not do the same? The Government notes would come back, by a natural law, for redemption, a healthy condition of the currency would be induced by the elasticity that would be given to it, and the injurious effects of obstruction in the channels of circulation would disappear.

—The enquiry into the loss of the *Asia* has ended as might have been expected from the drift of the evidence. The build of the class of boats to which the *Asia* belonged is condemned, and the necessity of captains of lake vessels giving proof of the necessary ability for their task is pointed out. Nobody is blamed for the loss of the vessel, except the captain, who has answered his temerity with his life. Thus all practical responsibility for the disaster vanishes. But this calamity is likely to lead to reforms that may save many lives hereafter.

—The Legislature of the State of New York, so far as in it lies, has resolved to make the State canals free of tolls. The final decision rests with the electorate; the vote, yea or nay, will be taken on the 7th November. It is probable that the electors will ratify the resolutions of the legislature; and in that event Canada will find it necessary to re-consider her canal policy.

—There has been a notable increase in the earnings of American railways since the commencement of the year. The gross increase to the 1st September, $26,770,447, was made on an extended mileage equal to ten per cent., but the increase in the earnings was fourteen per cent. The average earnings per mile were $623, against $603 for the corresponding part of 1881.

THE RIGHT TO INSURE.

An insurance case of some interest is that of Baxter vs. the Hartford Fire Insurance Co. recently decided in the United States Circuit Court D., Indiana. The action was on a fire policy issued "on grain seeds and sacks, their own, or held by them in trust or on commission, or sold but not delivered" contained in their elevator in Rochester, Ind. Upon destruction of the elevator and its contents by fire and refusal of the Company to pay, this action was brought. The Company disputed its liability as to 2,238 bushels of wheat in the elevator at the time of the fire. As to this wheat it was claimed that it was delivered to the plaintiffs by farmers after the insurance had been effected. Further that each of such farmers had received and accepted from the plaintiffs a written contract setting out the amount and kind of wheat delivered by him and concluding with the words "wheat in store subject to our charges, fire at owner's risk." It was also alleged that it was not the intention of those depositing, nor of the plaintiffs, that it should be covered by the policy sued upon. Relying on these facts the Company denies liability for anything more than the plaintiff's lien for charges on the 2238 bushels of wheat.

On the part of the plaintiffs it was objected that the facts stated constituted no defence and this demurrer of the plaintiffs coming for decision the judgment of the Court was delivered by Mr. Justice Gresham. The learned Judge in opening referred to the nature of the plaintiff's business as commission merchants. It was pointed out that those who deposited wheat in the elevator in question took receipts for the same knowing that it could not be distinguished from the mass in which it was mingled, and that the plaintiffs in the ordinary course of their business could and would ship it as their own. It was not pretended that the 2,238 bushels of wheat in question were to be kept separate from other wheat in the elevator of the same grade. The contract made between the plaintiffs and depositors was not that the latter should on demand receive the very wheat stored by them in the elevator but that the plaintiffs should deliver wheat equal in amount and grade to that deposited, or account for its value.

Being thus authorized to sell the wheat on their own account as fast as it was deposited, the the plaintiffs had according to his Lordship's ruling an interest in it which authorized them to insure for its full value. It was further held that even on the theory that the wheat deposited remained the property of the depositors the plaintiffs might still insure the wheat to its full value to protect themselves against their liability to make good any loss which might be sustained through fire arising from carelessness on the part of their employes. The Court further intimated that the plaintiffs as bailors of the wheat, even if it were held to be the property of the depositors, had a right notwithstanding the agreement, if they saw fit to insure it for the benefit of the owners, and that the defendants who were not parties of the agreement had no right to object to such a course of dealing.

Certainly it would be unfortunate if the defendant Company should escape liability for the loss complained of under the circumstances stated. The policy had evidently been framed with special reference to the nature of the business carried on by the plantiff's. The intention evidently was that the company should be liable for any loss which occured through the destruction of any grain held by the plaintiffs in their elevator.

THE ENGLISH LOAN COMPANY.

Over the management of the English Loan Co. London, Ont., an open quarrel is going on. At a recent meeting of the stockholders, the number of directors was reduced from seven to five. One party contends that the meeting was irregularly called; and this seems to be admitted on the other side, since a new meeting has been called apparently to confirm what has already been done. Complaints are made about the use of proxies, though there does not appear to have been any irregularity, in this respect. Threats are made by the defeated party to apply for an injunction to restrain the five new directors from doing business. The votes cast at the late meeting were given under a very singular provision, recently obtained as an amendment to the Company's charter. This provision, which must have been smuggled through the Legislature, entitles stockholders to vote, at a general meeting in respect of stock which they may be "entitled to pay up;" that is to vote on their debts. It is admitted that losses have been made and the two parties are quarreling over the question whether a statement of the Company's affairs should now be published or whether publication should be deferred. Delay would it is thought, improve matters; but the time for publishing a regular statement does not occur till February. It looks as if the new hands who have got hold of the management, want to make things look as bad as possible at the commencement of their control. There has been bad management in the past, and the recent changes do not promise better for the future. We trust that if any attempt at a wrecking policy is made, it will be nipped in the bud.