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Insurance and Finance Chronicle.

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THE NEW INSURANCE BILL.

The most important matter affecting insurance which has occurred for some time is the passing of the Act consolidating the laws relating to insurance in all its branches. We have procured an advance copy of the Act as it passed the senate, and as it became law, with all the final amendments. To be able to insert the whole Act in this issue, and thus give it to our readers at the earliest possible moment, necessitated our enlarging the paper, but the importance of the matter justified us in doing so. We think every underwriter in the Dominion—fire, life, marine and accident—should carefully preserve this issue of the Chronicle for reference in future years; for the law we have now published is the one which will control the business for many years to come, in all probability.

The new law consolidates the old ones in more than the mere name, for the wording has been much abbreviated and simplified. Mr. Fitzgerald, the Superintendent of Insurance, is no doubt its author, and is to be congratulated on his work. We may draw attention to the more important changes in our next issue.

BANQUE DE ST. JEAN.

An action has been for some time pending in the Court charging the President of this Bank, Mr. Louis Molleur, with having caused false returns to be made to the Government as to its financial condition. The chief item in the indictment is, we understand, that the capital of the bank was reported as paid-up in cash, whereas a large proportion was paid in promissory notes only. The action has had a most injurious effect on the business of the bank, for public confidence has been withdrawn to such an extent that it has had practically to abandon its business, and it is rumored that it will soon wind up. The Banque du Peuple is opening an agency in St. John's to replace it.

GOLD AND SILVER.

We reproduce elsewhere a very interesting article on Bimetallism, from *Chambers' Journal*. We recommend our readers to read it carefully, for the clear and simple manner in which the question is discussed will give them a better insight into its merits than a volume of more complicated discourses. The problem which the financiers of the world have to solve, and with which our English exchanges are full, is shown distinctly. We do not intend to make any extended remarks on the subject, but hardly think the conclusion arrived at is entirely correct. "If the supply of gold is too small for the world, then the only alternative is to utilize silver more largely, and to give it an official value in relation to gold." Before this is put as the only escape from the dilemma, it must be shown that the use of gold cannot be economised without in any way interfering injuriously with trade. Gold must of course be retained as the basis of the circulation of the country, but we in Canada know from experience that people can get on very well indeed without a gold coinage, if it is only well understood that our bank notes can be converted into gold at the will of the possessor. The fact is Canadians would rather have government or bank bills or promises to pay gold, as they really are, than the metal itself, and it is only necessary to have a sufficient reserve of gold on hand to provide for possible calls.

The Canadian banks have only about $7,000,000, of specie, including silver (besides Dominion bills of course) to pay about $30,000,000 of circulation. We admit, of course, that if Canada had not the gold coinages of England and the United States to fall back on, a large coinage of her own would be necessary, but it does seem to us that England does not require all the gold she has in circulation. The trouble would be at least greatly lessened if the Bank of England were allowed to issue bills to £1 sterling, instead of £5 as at present, and were not compelled to ret.. in their vaults gold coins for all the bills they issue beyond £15,750,000. At the present time there is lying idle in the Bank of England the enormous sum of £21,038,000 in gold coins and bullion and this is much under the average amount. Probably at least half of this could be released with perfect safety and great advantage. Moreover, if bank notes could be issued for £1 there would very soon be an immense amount of gold now in circulation returned to the coffers of the bank to be replaced by notes, thus increasing the reserve in coin, and helping greatly to strengthen the position of the Bank, for small notes are admittedly the safest and less likely to be "run" on it.