

why petroleum should be taxed any more than tallow, beef, pork, flour or any of the ordinary necessities of life. Besides the tax is a discrimination against a growing and most important home industry. If some loss of revenue should be suffered, it can easily be compensated by putting a little heavier impost on some of the foreign luxuries and fooleries which are imported annually in such large quantities.

#### BEAVER AND TORONTO MUTUAL FIRE INSURANCE COMPANY.

The two companies united by Act of Parliament under the above title, held their first joint meeting last Wednesday. We give the proceedings and annual report in full. The business of the company appears to be well managed, although not in accordance with the ideas of some of our correspondents. It takes small premium notes, and also issues cash policies in about equal proportions. Last year the Directors expressed their desire to confine the cash system in mutual insurance within prescribed limits, and we think probably they were right enough.

The company has 15,872 policies in force, covering risks to the extent of \$11,560,000, a large sum to be insured with such economy both to the insured and the office—the whole expenses of management, covering losses, &c., being but \$36,500 per annum. The report notices a prejudice which farmers entertain against mixed mutual companies, and argue that their division into branches removes all grounds for cavil—an opinion which experience seems to confirm.

Our proprietary insurance companies must look to their laurels, when a new company like this issues several hundred policies in a month, within what they consider their own exclusive domain, and does so with confidence apparently pretty well grounded.

#### THE POSITION OF THE BANKING BILL IN OTTAWA.

The banking resolutions brought in by the Finance Minister, have been so changed and modified in passing through Parliament, that it is hard to say what they are, and what they are not, at the present. What with the bankers on the one side, and the House of Commons on the other, Sir Francis Hincks is having a rough time of it, and it is really impossible to say what may be the ultimate shape in which the affair may pass through Parliament. To the bankers he has to concede the holding of a smaller amount of Dominion Notes than was first intended, as well as a modification in the form of the returns, together with some technical improvements of a minor character. None of

these are really objectionable, for if the Banks hold less Dominion notes they will hold more gold, which will certainly not alter their position. To the House of Commons he has had to yield an immense reduction of the minimum capital on which a Bank can be established, there being a strong pressure from members representing country districts, in favor of the permission to establish small Banks. This is a move entirely in the wrong direction. He has also been compelled to yield to the wish of Parliament for the power of granting charters for new banks, to be with it, rather than with the Governor in Council, though the renewing of old charters may be left as originally proposed.

The whole course of the discussion makes it manifest that the measure was brought forward without due deliberation. Its several parts were not consistent with each other, and though there were many good points, embodying suggestions of men of large experience, there were others which were absurd, inexpedient or impracticable. It is, however, getting 'licked into shape' by the action of committees in and out of the House of Commons, and we still hope its bad features be eliminated, may its good ones retained, and the whole made consistent with itself.

It is reported, however, that the bill is not to be universally applicable, and that exceptional cases are to be allowed on certain conditions. Sir John Macdonald intimated as much on Tuesday night, and this confirms a rumor that has got abroad, that the President of the Bank of Montreal is using every possible influence to withdraw that Bank from the operation of the Act altogether, and is even willing to surrender the privilege of circulation in order to accomplish it. We do trust the Legislature will not allow this. It will only intensify and perpetuate evils which have been felt bitterly enough since the evil day when the Provincial Note Act was passed. It will go in the very teeth of the idea which was the very foundation of Sir Francis Hincks's banking policy, viz: *to place all the Banks on the same footing*. It will create class distinctions, so hateful in a community like that of Canada, and give rise to constant sectional jealousies. If such exemptions are allowed, there will be, in reality, no banking-law and no banking system, and the result will finally be, and we do not know whether this would not be the best solution of the difficulties that beset the question, that banking legislation will be remitted to the local legislatures. It is certainly a question so far as this Province is concerned, whether it would not be most desirable, what with the crude notions of some French

members who fancy that a government currency needs no gold to redeem it; or that Banks have no business with issuing notes at all, and the jealousy of circulating Banks entertained by bankers who know next to nothing of the laws of circulation, it will be very hard to get justice done to this, the most productive region of the Province, and therefore the one which requires the most Bank notes to carry on its business. This however, is a question that may rest at present, but we do trust that members from Ontario, of all parties, as well as from the other Provinces, will stand up for the Banks being all placed on the same footing, and not for exemptions which will make fish of one and flesh of another.

The aspect of the Dominion note resolutions is calculated to give rise to the most serious apprehensions.

There are at present issued of these notes about \$5,000,000, and there is gold to redeem them amounting to about \$1,200,000. We have good reason to believe that when certain bankers consented to an arrangement with the government to continue the issue of small notes, and to hold a portion of their cash resources in government paper, it was simply to provide for those which are at present in circulation. But now the shape of the matter is entirely changed. After putting it before the house once the Finance Minister has amended it so as to make it in the highest degree unsafe and objectionable. He proposes to issue \$9,000,000 of notes, and to hold for their redemption only very little more than he holds now for the redemption of \$5,000,000. He will issue \$9,000,000 of notes, and hold in the first place \$7,000,000 debentures as security for them, which is nothing more than a mere holding his own bond as security for his own promissory note. In addition he will hold an amount of gold which may only be \$1,050,000 or may rise \$1,750,000, but the former is the minimum, and the amount most likely to be retained.

Besides provision for such an immense issue as \$9,000,000 on such a slender basis as \$1,050,000 of gold, it must be remembered that the Government has liabilities to depositors in savings banks, which may be drawn in time of need, and against which there is no provision for reserves at all. And to crown all, the Finance Minister asks the power to issue a further unlimited amount of notes, provided gold to an equal amount is held for their redemption. This looks plausible; but let us consider what this holding gold really means. The Government, we conclude, does not propose to erect buildings in the cities of Montreal, Toronto, St. John, and Halifax, fitted up with vaults and safes for storing gold and bills, and placed