

in the direction pointed at is necessary. The session is now so far advanced that it appears doubtful whether any change in the law will be made this year, though a determined effort by some of the members to have the amended measure passed before the House rises, may be expected.

FINANCES OF THE PROVINCE OF QUEBEC.

Though the amount is not stated, the *Quebec Mercury* recently announced that there will be a considerable deficit in the finances of this Province. All hope of raising a loan in New York being at an end, it was added, the Government will see what can be done in England. The *Montreal Herald*, on the other hand, denies that there is a "considerable deficit;" and says that the loan asked in New York has been negotiated on better terms than could have been obtained at the time in England. The truth may prove to rest on the interpretation of the expression a "considerable deficit," and what one writer considers "considerable," the other may regard as "inconsiderable." If the whole loan has really been taken, it is strange there should be any doubt or uncertainty on the subject. When M. Joly announced that the policy of his administration would be to restore the equilibrium in the finances, not by the imposition of new taxes, but by measures of economy, we expressed a doubt of the possibility of such a feat being performed. The fixed charges, over which the Government has no control, and in which no reduction is possible, have become so large as to prevent the success of an expedient of this kind. In the limited area within which reductions of expenditure was possible, no practical degree of economy could bridge over the gap of the deficit.

It must now become evident, we presume, that new taxes, in one form or another, must be imposed. On whatever objects these taxes may be laid, they must take a direct form. The late ministry did not sufficiently keep in view the distinction between direct and indirect taxes; and the result was that the new sources of revenue which it essayed to tap were declared unconstitutional. The great body of the tax payers in that Province is poor; and the duty of levying new taxes, on whomsoever it may fall, will be extremely unpopular.

Quebec, we fear, has been imprudent in increasing the rate of expenditure under Confederation. A network of railways, intended to aid in developing the resources of the Province, has been undertaken at a very heavy cost. That some of these roads

will pay the cost of working expenses, for some time to come, it is scarcely safe to hope. Indirect benefits may indeed be realized; but it does not follow that the public treasury will share them. At present, besides the subsidy received from the general Government, which is a fixed amount, the revenue of the Province is confined almost entirely to the sales of land and timber dues. In proportion as the railways encourage the extension of settlement, land sales may be expected to increase. There cannot however be a doubt that Quebec has been going too fast, in the way of expenditure; and now, though late, she will find it peremptorily necessary rigidly to stop all avoidable expenditures on capital account.

FRAUDULENT CERTIFICATES OF LOSS BY FIRE.

The statutory conditions in "An Act to secure Uniform Conditions in Policies of Fire Insurance," 39 Vic. cap. 24, makes the following provision: "That the claimant is to produce, if required, a certificate under the hand of a magistrate, notary public, or clergyman residing in the vicinity in which the fire happened, and not concerned in the loss or related to the assured or the sufferers, stating that he has examined the circumstances attending the fire, loss, or damage alleged; that he is acquainted with the character and circumstances of the assured or claimant, and that he verily believes that the assured has by misfortune and without fraud or evil practice sustained loss and damage on the subject assured, to the amount certified."

The ordinary condition is, "Persons sustaining loss or damage by fire shall produce a certificate under the hand and seal of a magistrate or notary public, (nearest to the place of the fire, not concerned in the loss as a creditor or otherwise, nor related to the assured) stating that he has examined the circumstances attending the loss, knows the character and circumstances of the assured, and verily believes that the assured has, without fraud, sustained loss to the amount which such magistrate or Notary Public shall certify."

That the certificate is intended to be a document of weight and importance is shown by its provisions. These are: first, that it shall be under the hand of a magistrate, notary public, or clergyman; or, in other words, a person of education and position in the community. This, in order that he may be able to give intelligent consideration to the subject, and may not, in ignorance of its contents, or of their import, be overawed or cajoled into the making of a certificate which may be false or fraudulent. Then he must reside in the vicinity in which the fire happened in order to be ordinarily informed upon events, rumors and other matters which might put him on his guard against the making of a certificate which might, to his chagrin, be found to contain untruths. He must not be related to the assured or the sufferers. This, in

order that he may not be biased in his declarations concerning the peculiar features of the loss, or its extent. He must not act carelessly in the matter, but certify "that he has examined the circumstances attending the fire, loss or damage alleged"—not merely asked a few questions or listened to a few explanations concerning the loss, but *examined* for himself in order that he may certify with personal knowledge of the facts.

Then he is not to give a certificate to any Tom, Dick or Harry who may apply to him for one, whether they be strangers, new acquaintances or casual residents of the locality, because he must certify further "that he is acquainted with the character and circumstances of the assured or claimant." This he cannot be, unless the parties have been known to him before the fire or have been the subjects of his strict enquiry subsequent thereto and before the making of the certificate.

Again, he is not to act without being convinced, not against his own convictions as to the circumstances, because it is provided that he shall certify that "he verily believes" the matter contained in the certificate he is making. Surely it is no light thing for any man to lend the weight of his intelligence and influence to a document certifying that a fire loss in its causes is without fraud or evil practice, but arises solely from misfortune. The examination provided for is to be so minute and particular as to enable the person making it to certify "to the amount of the loss or damage on the subject assured;" this he cannot do without care and time devoted to the subject.

But, what are the facts relative to the certificates appended to loss claims? Here are a few examples, shown us in one office of certificates to losses of late occurrence. The first set of papers was without a certificate of the date of the proof. The magistrate who signed the form attached to the proof papers, having signed it without filling it in, and being asked by the insurance company to read the document before signing it, had torn it off in fear and disgust. He had been told to "sign here and here," that everything was "all right," and that it was merely a matter of form. He had done so without even looking to see the nature of the document to which he was lending the weight of his official endorsement. When the magistrate was obliged to read what he had signed, and told that he would be held responsible for whatever he might do in the matter, he was alarmed; and to prevent any evil consequences to himself, wholly destroyed the *blank* certificate he had signed, declaring that of his own knowledge the amount of the claim was excessive and that he would not for his life endorse such a fraud.

The second set of proof papers had the certificate attached certifying to a loss of over seven hundred dollars in goods in a small grocery. In this case the fire had been the deliberate act of the assured, who, after reducing his stock to such a degree as to have to buy his coffee in parcels of two or three pounds weight, his tea