

debentures or bonds. As these had to be paid, or renewed at times when money was scarce and dear, the Government took power to pay its debts whenever it was convenient. Hence, Consols to-day are not payable at a fixed date. This feature of Consols creates no difficulty, as they are very readily negotiable by transfer from one owner to another at the current market price. When a succession of wars had swollen the debt of England to a quarter the size it attained a few years later, "the most profound political economist of his time," according to Macaulay, wrote: "Better for England to have been conquered by Prussia or Austria than to be saddled with a debt of one hundred and forty millions." Another highly distinguished writer, when the debt rose to 200 millions sterling, said: "Such a burthen cannot be regarded without terror." Even the great Adam Smith said in his "Wealth of Nations" that "any increase of England's national debt would be fatal." These foolish ideas as to the dangers of national debt inspired an attempt to place part of the burthen on the American colonies increased England's debt by another hundred millions sterling, and lost her, forever, the colonies she had sought by force to share her debt. It was owing, to some extent, to the general prevalence of erroneous ideas as to the supposed danger of the national debt, an echo of which is still heard at times in Canada in regard to our own, that Consols remained for so great a length of time below par, and sank to such low prices when a foreign war was increasing the debt. The same condition which brought Consols into existence, that is, a demand all over the country for investment securities, has sent them up to a figure in the last few years, which, in the last century, or even fifty years ago, would have been considered so excessive as to be incredible. The day is long past since any doubts could be rationally entertained as to the absolute security of Consols, as to principal or regularity of interest payments. A distinguished statesman once said: "Consols rest on so secure a basis that nothing short of a world-wide ruin can shake their stability, as they are built upon the honour of England."

**Not  
Incontestable.**

The Manufacturers' Life Insurance Company, after three years of litigation, have succeeded in obtaining a confirmation by the Privy Council, of a celebrated judgment rendered by the Supreme Court in their favour. The particulars of the action brought by one Anctil against the company, are yet fresh in the memories of life underwriters, and need not be recapitulated.

The Supreme Court found that by the terms of the policy in dispute, it was entered into by the plaintiff in his own name and for his own benefit, and that it was never intended by him that it should be otherwise, and that in consequence Anctil had no insurable interest in the life of Pettigrew, and the policy was de-

clared to be a wagering one, and, therefore, null and void.

The Supreme Court further held that the condition in a policy of life insurance by which the policy is declared to become incontestable, upon any ground whatever, after the lapse of a limited period, does not make the contract binding upon the insurer in the case of a wagering policy.

As the decision of the Supreme Court has been sustained by the Privy Council, we are now compelled to realize that certain circumstances will convert an incontestable policy into a very worthless document, and the highest judicial tribunal has clearly set forth what those circumstances are.

**VILLE MARIE BANK.**

In reviewing the statement of the above institution as submitted at the annual meeting of shareholders, on the 20th ult., *THE CHRONICLE* remarked:—

The statement as submitted showed net profits slightly in excess of the amount realized in the previous year, and the president, Mr. William Weir, in his report upon the condition of the bank he controls expressed his belief that "the progress made last year will be continued in the future."

In reviewing the figures of the profit and loss account, we find that, after adding a balance of \$6,000 carried forward from 1898, the amount at disposal of the directors was \$43,699.29. Of this sum, \$28,777.20 was paid in dividends, \$2,500 appropriated for expenses incurred at new branches, and \$3,000 transferred to a Contingent Fund, towards which \$7,000 was given from the earnings of last year.

The \$10,000 thus set aside is virtually an addition to the reserve fund of the bank, being, *we suppose, held for use in any emergency.*

The emergency has arisen. But the necessity of the bank has apparently been of such a pressing character that the reserve fund (\$10,000), the balance of profit and loss (\$9,000), and the contingent account (to which appropriations have been made for the past two years without the amount of said account appearing in the list of liabilities), are not deemed equal to the strain put upon the bank by a defalcation yet to be explained, and the full amount of which is not yet definitely known. So the bank has availed itself of the chance afforded by the Bank Act, and the doors of the Ville Marie are closed pending self examination of its affairs, when a statement of its condition will be made public. Until the completion of this inspection of the books and assets of the institution, dependence must be placed upon the statement of the bank made to the Government at the close of last month. The capital of the bank is \$479,620. Notes in circulation were stated as \$261,000, and the deposits amounted to about \$1,500,000. Unless the contents of the bank's bill-case exceed in value the estimate placed thereon by those who know how keen the competition between banks for desirable business has become, it is extremely doubtful if the call and current loans, \$1,400,000, would, if collected, realize enough to pay the deposits after notice, \$1,264,000.