

and underwriters; and, moreover, a condition distinctly provided in all marine policies, that whoever may act in any case of disaster, shall do so in the interest of all concerned; and it is declared by the highest legal authorities, that no individual interest shall, under such circumstances, benefit at the expense of another.

We are not ignorant of the fact that cases can be cited in support, to some extent, of the action of the local company. We know that it has been of held that where a vessel being compelled through stress of weather, to seek an intermediate port, and the cargo landed in a damaged condition, and the captain being convinced that to attempt to carry it to its destination would be to endanger the lives and health of his crew, or fearing even, if it were possible to carry, or send it forward, there was not a probability that it would arrive in specie, being articles of the same kind as those shipped, whereby he could earn his freight. The cargo might be sold, the entire freight retained, and the captain justified in the act. The present however, is not a parallel case, the grain, it was allowed, was landed in good condition, and by remaining where it was stored until the opening of navigation, no material deterioration would have taken place when it might have forwarded, and the freighter would have been liable for any extra cost in doing so.

On the whole, the case will scarcely promote good feeling. Had it happened that the underwriters were first apprised of the loss, and sent a representative to the wreck, it would no doubt have been held, had an abandonment taken place, that the salvage should be apportioned amongst them, according to their respective interests, whilst the common carrier or his underwriter would have had difficulties in establishing a claim to any participation therein whatever. The representative of the American companies has we believe announced his intention of testing in a Canadian Court of Law the legality of the action of the Canadian underwriter. If, however, the Americans have, as it is alleged, themselves established the precedent, it will in some measure be an exemplification of the adage "diamond cut diamond."

REPORT OF THE AGRICULTURAL MUTUAL ASSURANCE ASSOCIATION.—CORRECTION.—In the report of this Association published in our issue of last week, the meaning of one paragraph was destroyed by the accidental omission of one line by the compositors. The latter part of the paragraph under the heading "continued preference of the cash system," reads as follows:—"It is conceded no company has ever been more successful or has carried out the mutual principle more fully. Your Directors can see, however, the impropriety of a mutual, as usually constructed in this country, carrying on business on the cash system, if it has not, not only an ample general capital to save its members at large harmless from loss, but also a sufficient cash capital to protect the premium note members from being unduly assessed. Is either danger to be apprehended by our members? Let our Balance Sheet answer—as well as our license from the Dominion Government, we being, by the way, the only Mutual which, having of course made

the deposit, has been so licensed. Until, then, it can be shown *by facts*, that your Directors have gone wrong in the course they have been pursuing, it is not likely that they will be driven, by idle clamour, to disappoint the desire of so many of their fellow subjects as prefer the cash system to the premium note one."—[The words in italic were left out.]

BANKING AND CURRENCY.

The following Resolutions have been adopted by the Halifax Banks:

I. That the Banking system in existence in Nova Scotia has been in successful operation for more than thirty years, and has been largely instrumental in aiding the development of the resources of the Province, and building up its trade and commerce. That there has never been the failure of any Bank, nor any suspension of specie payment. That Bank Notes have always been on a par with gold, and convertible into gold on demand, and note-holders have never sustained any loss by them. That the public are satisfied, and neither ask for nor desire any change,—and, that, as a different system prevails in Great Britain there appears to be no absolute necessity why the Banking system of Nova Scotia should be in all respects assimilated to that of the other Provinces.

II. That under the laws of Nova Scotia which regulate the present system, the Banks have never been required to invest any portion of their capital in Government bonds, nor to give any special security to note-holders. But if it is thought advisable to increase the existing security, this might be done without withdrawing any portion of available banking funds, by making the notes a first charge on the assets of the Banks in case of failure, and by rendering the double liability clause in their charters more efficacious.

III. That in Nova Scotia the circulating medium below \$4 consists altogether of British silver, which is in sufficient quantity for needed purposes. That the introduction of notes of a less denomination than \$4 would cause a redundancy of small currency, and only prove injurious, forcing British silver to a discount, and making it almost as great an inconvenience here as American silver is found to be in Ontario and Quebec, and thus seriously interfere with trade. That the issue of a fractional currency would only intensify the evil, and involve the community in loss. That, therefore, so far as this Province is concerned, there should not be any notes circulated of a less denomination than \$4.

IV. That the circulation of the Banks should be limited to their paid-up capital.

V. That the reserves to be held by the Banks should not be less than 20 per cent. of their demand liabilities.

VI. That in our opinion it would not be safe to hold a large proportion of the reserves of the Banks in legal tender notes. But were the Provincial Treasury notes and those of the Dominion withdrawn, and the Banks permitted to issue notes of \$4 and \$5, they would not object to hold 50 per cent. of the reserve required by law in legal tender notes, provided they are redeemable in specie on demand. The Banks at the same time relieved from the circulation tax.

VII. That no charter should be issued to any new Bank in Nova Scotia, having a subscribed capital of less than \$1,000,000 of which \$200,000 should be paid up before commencing business.

VIII. That the qualifications of Directors should be as follows, viz.:—No director to hold less than \$2,500 paid-up stock, and the whole board to hold 5 per cent. of the paid-up capital.

IX. That no dividend or bonus of more than 8 per cent. should be declared until the rest amounts to 20 per cent. of the capital paid up.

X. That in any legislation which may take place there should not be any interference with

charters which have some considerable period to run.

XI. That we would deprecate in the strongest possible manner any legislation which would permit any bank to obtain a charter under provisions similar to those introduced by the Hon. Mr. Rose last session. Not only would such an alternative scheme destroy the uniformity of the system in any Province, but it would perpetuate those powers of evil in any such Bank which have already proved so detrimental to other banking institutions and to the country at large.

CURRENCY.

XII. That in the absence of any definite decision in regard to an international coinage and in view of the tendency towards the adoption of that agreed upon at the Monetary Conventions held in Paris, as evinced by the advocacy of the Chancellor of the Exchequer during last session of the Imperial Parliament, and by the views of leading men in the United States; and as the unit of Nova Scotia is almost identical with that agreed upon in Paris, it would be highly injudicious to alter the currencies of the several provinces at present. Any change now made could not be final, but would require to be again changed in order to bring the Dominion within the circle of the nations which may adopt the proposed coinage.

(Signed) WM. PRYOR,

President, Halifax Banking Co.

M. B. ALMON,

President, Bank of Nova Scotia.

JAMES A. MOREN,

President, Union Bank of Halifax,

THOS. E. KENNY,

Acting President, Merchants Bank,

GEORGE H. STARR,

President, People's Bank of Halifax.

ECONOMY OF STEEL RAILS.

The following calculations exhibit very clearly the great economy of using hammered steel rails on all roads which have so heavy a traffic that four years will fairly represent the average life of the best unhammered iron rails. The cost of re-rolling is estimated at \$30 per ton, and the loss, at each renewal, from wear of iron, expense of taking up and relaying, and other contingencies at \$15 per ton.

Duration of Steel Rails.	20 yrs.	40 yrs.	60 yrs.
Cost of best hammered steel rails	110	110	110
Compound interest at 6 p. c.	242	1,021	3,518
Total cost of steel rails	352	1,131	3,628
Cost of iron rails	76	76	76
Compound interest	167	705	2,431
Expense of re-rolling	180	405	630
Compound interest	153	1,141	4,809
Total cost of iron rails	577	2,328	7,946
Deduct cost of steel rails	352	1,131	3,628
Saving, per ton by using steel	224	1,197	4,317
Present worth of saving	69	176	130
Present saving per mile	6,995	11,640	13,088

Increase of dividends on a road costing \$40,000 per mile, per cent. 17.49 29.10 32.72

Therefore, if the average life of a steel rail is only 20 years (=5 iron rails), it is as cheap to lay steel rails as to lay the best iron rails at a cost of \$6.05 per ton (\$76—69.95=6.05).

If the life of steel is 40 years (=10 iron rails), which is probably a moderate estimate, a saving of \$4,040 per mile could be made by laying steel even if the best iron rails were offered as a gift.

If the life of steel is 60 years (=15 iron rails), an estimate which is more than justified by the experience of the Pennsylvania, the Philadelphia, Wilmington, and Baltimore and other railroads, and by a long series of experiments at home and abroad, the saving effected, by having the whole road in steel, would be sufficient to add nearly 2