and control of civic affairs, for a few years, to the undivided attention of men not only of integrity, but of financial ability, prudence and experience.

How the National Bank System Works.—The first National Bank of Rockford, Illinois, was started in June, 1864. Its capital stock was $50,000, owned almost entirely by two parties. The Rockford *Register*, says: Early in 1865, Mr. Griggs resigned the cashiership in consequence of his inability to reconcile his ideas of sound banking with those of the principal owner. George W. Stratton succeeded Mr. Griggs, and continued to be cashier up to the time of his sudden disappearance. The bank was, some time after the change in the cashiership, visited by J. H. Dunham, of Chicago, National Bank Examiner for the District, who found such a condition as in his judgment to justify the Government in winding it up, and he so reported to Mr. Clark, Comptroller of the Currency. No action was taken by the Comptroller, and he and his successor, Mr. Hulburd, were afterwards frequently notified by Mr. Dunham that the bank was in an unsound condition, and should be wound up. Secretary McCulloch was also in possession of the same information, but no action was taken by the officials to close the concern. Mr. Dunham finally resigned his office on account of the neglect of the Department to act upon his recommendation.—Within the last few months the bank has been reported as in an unsafe condition, but as in former cases the recommendations of the examiner were disregarded, and the bank allowed to continue. On Monday evening of last week the cashier left the city, ostensibly for the purpose of visiting Chicago to raise funds for the bank, and the next day the doors were closed. S. B. Scott, of Milwaukee, examiner, took possession immediately, and found the entire assets in the vault footed up about ten dollars in postal currency! Everything else had been abstracted. It is difficult to ascertain the liabilities of the bank, but it is believed that they will scarcely fall below $100,000.

International Coinage.—A bill was introduced into Congress last summer to establish an international metrical system of coinage, which was submitted by the Secretary of the Treasury to A. M. Elliot, for examination. This gentleman has just reported favorably upon it, and it may probably shortly become law:—"The bill provides: First, That the future gold coinage of the United States shall weigh one and two-thirds grammes to the dollar, and shall be nine-tenths fine,—that is, each dollar shall contain one and a half grammes of pure gold, and the remainder shall be alloy. Second, Such coins shall be legal tenders in payments after a specified future date, and $1,001 of this new coinage shall be the legal equivalent of $1,000 of the old coinage of the United States. Third, That they shall have their weight in grammes and fineness stamped upon them. Fourth, That silver half-dollars and smaller silver coins shall, in future coinage, consist of standard silver, nine-tenths fine, and weigh twenty five grammes to each dollar of value; and shall have their weight and fineness stamped upon them; and shall be legal tender for payment of all sums not exceeding ten dollars." Were this act in operation, the following gold coins would be equivalent to each other,—viz., three German Union Crowns, twenty American dollars, one hundred French francs, four English sovereigns.

—The St. John *Telegraph*, says of the finances of New Brunswick: It appears then that, throwing out of the accounts the items of income and expenditure properly belonging to the previous fiscal year or years, and also eliminating from them items on both sides not belonging to the regular Provincial income and expenditure, such as Railway construction and Railway subsidies, &c., the proper Provincial Revenue for the year was ..... $442,341
Corresponding Expenditure ..... 412,055

Surplus ..... $30,286

## Law Report.

### MORTGAGE INTEREST.

A mortgagor's interest is in the property, so long as his right of redemption continues. Even after he has sold the property subject to the mortgage, he will still retain an insurable interest, as he is still liable to the mortgagee for any injury that may occur to the mortgaged estate, and thus diminish its value as security. When a mortgagor insures in his own right, and assigns the policy to the mortgagee as security, or makes the policy payable in case of loss to the mortgagee, then the underwriter is subrogated to the mortgagee's securities.

The assignment of a part of a mortgage debt secured by insurance, will not void the policy as to the balance.

In answer to a question in the application as to incumbrance upon the property, the amount as then existing was stated. An additional mortgage was subsequently executed, and an existing policy assigned as collateral security therefor, held: that the execution of the latter mortgage, without notice to the company, did not avoid the policy.

The sale of mortgaged property by a master of chancery, under a foreclosure, terminates the interest of the mortgagor, though no deed has yet been executed.

A mortgagor's insurable interest is not affected by the fact that the mortgage exceeds the value of the property.

A mortgagor, whose equity of redemption has been seized on execution, may recover the entire value of the building, not exceeding the sum insured.

### THE MORTGAGEE.

The mortgagee's interest is in the debt secured by the policy. He must possess an equitable interest when the insurance is effected and when the loss occurs. If a mortgagee insures with his own funds, for his own exclusive benefit, the insurance money paid on the loss is not in discharge of the mortgage; but, he if insures at the request of, and for the benefit of the mortgagor as well as himself, the money paid is in discharge of the indebtedness.

When the interest of a mortgagee is insured by himself, the underwriters, in case of loss, on paying the mortgage debt, are entitled to subrogation of the securities.

The holder of a mortgage for the purchase money may insure for his whole interest; and is not bound to look to the land for its value; the underwriters being entitled to subrogation on payment of the loss under the policy.

A policy of insurance, assigned as collateral security for the payment of a mortgaged debt, is subject to all the express stipulations of the policy; and is liable to be avoided in the hands of the assignee by any subsequent breach of the conditions of the policy by the assignor, though the assignment may have been duly assented to by the insurers.

A lien upon property creates no lien upon any policy held by others upon such property; hence the mortgagee has no claims upon a policy of the mortgagor upon the mortgaged property, nor can the mortgagee insure the property of the mortgagor.

The purchase of property already subject to mortgage for debt, exceeding its value, has no insurable interest therein, unless he has assumed the payment of the debt.

Whether the interest of a mortgagee in property as security for a debt, is insured generally or specifically, he can recover only to the extent of that interest.

Notwithstanding the form of the contract, a mortgagee insures—not the ultimate safety of the whole property—but only so much thereof as may be enough to satisfy his mortgage. It is not the specific property that is insured, but its capacity to pay the debt.

The insurance of an exclusively mortgage interest is not upon the property, but is simply a guaranty of the payment of the debt, in case of loss of the security by fire. In this case the underwriter becomes subrogated to the security.

If a policy of insurance against fire be assigned to a mortgagee, with consent of the insurers, the assignee can recover, in case of loss, only where the assignor could have done so, had no assignment been made. Such assignment does not change the policy into one of indemnity to the assignee; the interest of the mortgor is alone covered by it.

If the owner of an insured mortgage interest part with any of his securities, or if a portion of the mortgage claim to be paid before loss, the underwriter is only liable for the amount remaining unpaid. But if the insured parts with a portion of his securities, or receives a part of the claim after suit is commenced against the underwriter, it does not affect the case.

When the mortgagor effected insurance in his own name, and assigned the policy to mortgagee with consent of the underwriter, and the latter recovered from the company more than enough to pay his debt: held, that as to the balance, he was trustee for the mortgagor.

It is not competent for the underwriter, in order to diminish or defeat recovery by the insured, to show that the mortgaged premises, notwithstanding the loss, are still ample security for the debt.

Condition Requiring Particular Account of Loss.—One of the conditions of the policy in this case required the insured within thirty days after loss "to deliver in a particular account of such loss or damage, signed by their own hand and verified by their oath or affirmation, and by their books of account or other proper vouchers." The plaintiff sent in his affidavit, stating in general terms the value of the different kinds of goods destroyed, but without in any way mentioning his loss on the buildings insured, the mere statement as to them being that they had been totally destroyed, and without verifying his deposition by account books or other proper vouchers. *Held*, the following Greaves vs. Niagara District Mutual Insurance Company, 25 U. C. 127, clearly no compliance with the condition, and a non-suit was therefore ordered to be entered.—*Carter* v. *Niagara District Mut. Ins. Co.*

Different Subjects of Insurance at Separate Amounts; Construction of Policy.—A policy insuring several different subject of insurance at separate amounts, and containing a provision that "the Company shall be liable to pay the insured two-thirds of all such loss or damage by fire as shall happen to the property, amounting to no more in the whole than the aggregate of the amounts insured, and to no more on any of the different properties than two-thirds of the actual cash value of each at the time of the loss, and not exceeding on each the sum it is insured for," is to be treated as a separate insurance upon each subject of insurance, and therefore the Company is liable only for two-thirds of the loss on each subject, notwithstanding that on some of the subjects the loss is less than the amount for which those subjects are insured and notwithstanding that the whole loss is less than the aggregate amount insured.—*King* v. *the Prince Edward County Mutual Ins. Co.*

Fitzgerald vs. Gore District Mutual Insurance Company.—At the Hamilton Assizes this action was brought on trial.—Plaintiffs, in 1865, insured property in Guelph in the above Company to the amount of $1,000. Plaintiff afterwards mortgaged the property to a party named Newton for the amount of $1,000, to whom he transfered the policy—notifying the Insurance Company of the same. The property was afterwards accidentally