

contained in this act shall extend or be construed to authorize the said company to carry on the business of banking, brokerage, dealing in produce or other business, except what properly belongs to a railroad and transportation company, as in this act provided." The history of the Wisconsin Marine & Fire Insurance Company furnishes an explanation of the incorporation of anti-banking clauses in several railroad charters. Section 2 of the charter of the insurance company, authorized the company to receive deposits and to make loans under certain conditions prescribed in the charter, "or other satisfactory security," and to employ its capital in various ways specified in the charter or "in any other monied transactions or operations for the sole benefit of the company."¹ Although the concluding sentence of this section expressly prohibited banking, the company issued bills in small sums, varying from \$1 to \$5, under guise of certificates of deposit. The crisis came in 1846, when a bill was introduced in the legislature repealing the charter of the company. This bill involves constitutional and legal questions which, although extremely interesting, can not be discussed here. The opposition to the insurance company was based largely on constitutional grounds, but there were also those who feared that the company would not redeem its bills. The excitement was great, and when Alexander Mitchell, the secretary of the company, sent a communication to the legislature, attempting to explain matters, and offering "to give any further personal security the legislature might see fit to exact in order to secure their issues," a motion to return the communication to him was lost by a majority of but two votes, the house refusing "to show any such small spite."² With these extraordinary scenes fresh

¹ The charter of the company is found in the *Laws of Wis.*, 1839, p. 64 ff—the last half of section 2 containing the disputed provision. See also newspapers, especially *Sentinel*, from about January 15 to March 1, 1846; Strong's *History of Wisconsin Territory*, p. 491; and *House Journal, Wis. Legis.*, 1839, index.

² *Sentinel*, January 27, 1846.