

provisions are disregarded by certain companies; some offices which stand the most in need of supervision, and from whose operations the public most need to be protected, manage to evade the law altogether.

Something further, is therefore required, as a guarantee of soundness and to secure a healthy growth. We have long been convinced that the most effective means to that end is the appointment of an

#### INSURANCE COMMISSIONER,

and this belief is shared by the management of all the better class of companies—indeed we do not know that there are any exceptions. An effect of this measure, presuming always that a Commissioner is appointed who understands the business of insurance, and has the necessary integrity to discharge the duties of the office faithfully, would be

(1). To secure complete publicity, as to the actual position of each company. It sometimes happens that a company commences well but meets with embarrassing losses, which it is endeavored to conceal, and as in the case of private bankrupts the assets are all gone and the mischief irretrievable, before a note of warning is heard. The facts are not uncommonly kept from the knowledge both of the proprietors and the public. Were the facts known the downward career might perhaps be checked before ruin was complete. Constant publicity usually renders timely action possible; it is the best guarantee of good management. We have heard of one or more cases in this Province in reference to which it is alleged that companies have had upon their books for years, old outstanding losses which were quietly ignored in presenting the annual statements for consecutive years together, as if not in existence at all!

(2). Another effect would be to bring the information and judgment of insurance men to bear directly in shaping the insurance legislation of the country. We have had reason to observe what radical errors are committed in attempting to legislate upon this subject by men who do not fully understand it. Hostility to the law maker is provoked, and the companies are embarrassed in their operations without any compensating advantage. A Commissioner would be fully *en rapport* with representative men in the business; he would be certain to discover defects in the system and could proceed in the most direct and effective way to have them removed. Legislation on the subject would take a more practical shape and would be very much better adapted to attain the great ends had in view.

(3). Not only would legislation be better devised but the laws would be thoroughly enforced. No statute can be of service if suffered to remain a dead letter, and that is certain to be the case without an officer whose duty it is to see that the law is obeyed. One or more companies treat the present Act with contempt, taking no notice of its provisions. This is most unfair; if one company is required to comply so then should all. While the officials charged with the duty of carrying out the requirements of the Act may be blameworthy, yet it is not to be expected that with other matters claiming their time, they will devote the attention to this branch of the service which its importance demands. And even if this view did not hold good there remains the fact that they have no special fitness by knowledge or experience for watching the interests of insurance. What is perhaps still more important, is the fact that the existing statutes do not confer the powers necessary in a public officer to deal with the insurance companies effectively.

In another issue we shall present further and weighty reasons for advocating the creation of an Insurance Commissioner; and it is only because that the reasons are to our mind most convincing that we urge the establishment of a new office when the country has already as many officials as it is convenient to pay.

**—GRAND TRUNK RAILWAY.**—We give up a large portion of our space to the explanations of Mr. Potter, chairman of the Company respecting the position and prospects of this Line. The situation is fully entered into in detail, and dealt with in a masterly manner. Mr. Potter had a difficult task before him and it must be confessed that he executed it with great skill and success. Some dark hints are thrown out relating to the executive in Canada the import of which it would be useless to surmise. The true policy is, we are confident, to reduce the gauge to 4 ft. 8½ in. and lay the whole line with steel rails; once this is done a complete change will come over the horizon; instead of the immensely large annual earnings being devoured with repairs and renewals a portion can be paid over to the proprietors who are naturally disappointed and even exasperated at being so long put off without a satisfactory return on their investments.

—We regret to be compelled to notice the extremely ungracious comments of a leading daily journal (whose zeal in the cause of a "pet institution" has more than once overcame its discretion) upon the mutual fire insurance companies.

Some of these mutuals have been conducted with marked success and satisfaction to their policy-holders for a long series of years, and are perfectly responsible, for their liabilities, as has been proven times without number. Most of them have been conducted with singular economy so that farmers have had insurance at the lowest possible cost; their losses, too, have generally been paid with fairness and promptitude. It is well known that too much latitude has been allowed, and that certain checks ought to be applied in order to ensure the safety of the system. Still every company that we know of in Ontario or Quebec has for twenty years back paid its losses or is now in a position to do so. The danger lies not in the mutual principle but in the partial abandonment of it by mutual companies for what is known as the "cash system." This weak point the companies themselves are most anxious to guard, and have displayed such anxiety in repeated efforts to secure the passage of such necessary legislation as will attain that object.

**WINDING UP.**—That interesting swindle "The Canadian oil works Corporation" has turned up again, this time in the English Court of Chancery before Vice Chancellor Malins. Mr. Glasse on behalf of the bondholders applied for a winding-up order, and to have an official liquidator and a receiver to supersede the trustees. In answer to the Vice Chancellor's enquiry "what property is there left?" Mr. Glasse replied. "Not a single rag, I am instructed." Mr. Pearson who also appeared on behalf of certain bondholders said there were two suits—one, that of Taylor v. the Corporation; and the other, the Corporation v. Longbottom, against whom, whether rightly or wrongly, gross fraud was charged. Mr. Prince, the original owner of the property, gave £80,000 as its full value, but Mr. Longbottom induced a deputation of gentlemen (members of Parliament and others) to make a favourable report, to give in money, to hold shares, and induce others to hold shares to the extent of £360,000. The bill went on to say that the works were worthless—in fact, that oil had been put into the earth and then pumped out again. He thought the suit against Mr. Longbottom should be prosecuted under all circumstances. The winding up order was granted with costs.

**RETRACTED.**—The Mutual Life Insurance Company of New York have abandoned their intention to reduce rates owing to the pressure that was brought to bear upon them by the other companies and the insurance press. In this way a speedy solution has been given to what appeared at one time as a most alarmingly serious peril to the life insurance interests of the United States. Had the contest engendered by the Mutual's action been continued a complete prostration of the business for a good while to come would have inevitably resulted.