

With the exception of those marked "new," all these companies are only seeking amendments to existing powers. Some of these changes are, however, of much importance, and require careful examination at the hands of our legislators. Among other important private measures will be one for the incorporation of the Canadian Industrial Exhibition Co., which has reference to the great International Exhibition which it is proposed to hold in Toronto in 1879. Several churches will also seek legislation. The Synod of the Diocese of Niagara wants power to sell certain lands in the Township of Arthur; the Synod of the Diocese of Toronto wants any Court of Discipline constituted under its Canons, to be empowered to take evidence on oath—rather an unusual application; St. Paul's Church, Newmarket, wants power to sell lands; and the Conference of the Christian Church in Canada, an act of incorporation.

The Orange body will again seek incorporation, and not a few other Bills on various minor subjects, will be submitted for the consideration of the Legislature, the whole making up a budget by no means deficient in size. We are inclined to think, however, that the Private Legislation to come before the Local House this session will be less important than usual, and can be despatched without much trouble. This is probably a fortunate circumstance, for the codification of the Provincial statutes, and the changes to be proposed by the Government in the municipal and school laws, will no doubt give rise to much discussion. Had the Private Bills, in addition to this, required much time for their consideration, the session might have been unduly prolonged.

#### THE NEW INSURANCE BILL.

We have received a copy of the draft Bill to amend and consolidate acts respecting insurance, which is intended to be submitted to Parliament at its coming session.

The only material change from the form in which it first passed through committee last session, was in its action being made altogether prospective, so that its provisions do not apply to any policy issued before March 31, 1878; and thus not only is the charge of its affecting existing contracts done away with, but a company is allowed a year's time for decision as to compliance with it. We observe that by Section 7, as it now stands, greater protection is allowed to policy-holders in foreign companies than in home, although it is strongly held by some that all companies should be put precisely on the same footing, and that no distinction should be made. With reference to the question of deposits of foreign companies, the Chamber of Life Insurance,

N.Y., recently made a report in which the following passage occurs: "The Government of the Dominion of Canada having announced its purpose to procure legislation requiring the deposit in Canada of funds sufficient to secure the policies issued to citizens of the Dominion by foreign companies, counsel to the Chamber were instructed to inquire whether it is within the chartered power of the companies to make such a deposit in the event of the passage of the Bill." In reply, they have furnished the Chamber with their opinion, that "Mutual companies have no right or power to make special deposits for the protection and benefit of any part of their policy-holders to the exclusion of others, unless and except as such deposits may be required by statutory provisions, of the State in which the companies are incorporated respectively; that, therefore, if such deposits shall be required by the Dominion of Canada, as a condition precedent to the transaction of business therein, such requirement cannot lawfully be complied with by mutual companies, and will be equivalent to the exclusion of such companies from the Dominion."

If this opinion adequately represent the law of New York State, it seems clear that the following inferences can be drawn, viz.: (1) The proposed Bill under the proviso, sec. 16, relating to "mutual" companies does *not* require a special deposit for the protection and benefit of Canadian policy-holders to the exclusion of the others, and therefore mutual foreign companies would not be excluded from the Dominion. In fact, this proviso stipulates that all mutual policy-holders in a foreign company, whether Canadian or otherwise, shall share and share alike, and merely secures that the share of Canadians—whatever it may turn out to be—shall be forthcoming when required, and that Canadians shall not be obliged to sue for their share in foreign courts. (2) Under the existing Law of the Dominion (1871) such a deposit is in effect required from foreign companies—mutual or otherwise—for the benefit and protection of Canadian policy-holders to the exclusion of the others, and this requirement has been complied with by foreign companies to the present time. It follows, therefore, that according to the above opinion, foreign mutual companies are excluded from the Dominion, and those now doing business in the Dominion have acted illegally and *ultra vires* in making such deposit. (3) That the laws of the State of New York and other States, require a deposit to be made by foreign companies for the exclusive benefit and protection of their policy-holders in the Western States, and therefore that all foreign mutual companies are excluded from the United States.

But there is something more behind. The phrase in the opinion "unless and except" appears to have a meaning which to understand requires a reference to the laws of N.Y. State, which provide that a company, having deposited with the Insurance Department \$100,000 precedent to transacting business, may, if it wishes to discontinue business, withdraw the said de-

posit, on showing that it has satisfied the claims of policy-holders in the United States. It appears, therefore, that a mutual company organized in New York or other State of the Union which has been operating in Canada or other countries, may discontinue business, pay off claims of its American policy-holders, withdraw its deposit, and leave all foreign policy-holders without adequate security for their claims. This requires amendment before any weight can attach to the professions of "free trade, reciprocity, and the rights of man" made by the mutual companies across the line.

We do not find, in the draft of this bill, any reference to the business of Mutual Fire Insurance Companies, whose charters have been derived from other sources than the Ontario Legislature, or who accept cash for some of their premiums. There is need for a provision affording security to insurers who pay cash to such Companies. We are aware that it is a doubtful point whether the investigation of such companies comes within the power of the Dominion Superintendent. Most, if not all the Mutual Companies now make their returns to the Ontario Treasurer. The decision of the Superior Court, in Montreal, on the question of the right of the Quebec Government to impose a tax upon the policies of Insurance organizations, whose legal existence arose beyond the bounds of that Province, is looked for to settle the question of authority.

Furthermore, it would be well to provide for the investigation of the affairs of those companies whose circumstances are considered unsatisfactory. There is one Mutual Company, the oldest in Canada, we believe, which has been before the public rather frequently of late, as defendant in law suits, (in one of which its defence was severely characterised by the judge,) and whose notes, given in settlement of claims arising out of the Quebec and St. John fires, are now, we are told, lying protested. The Government of this Province have assumed that they have the power to inspect Companies doing business only in this province. Here, it would seem, is a case clearly needing its attention. And though this right was denied by several members, on the floor of the house, when the Act of 1876 was passed, the Act has not been disallowed.

#### OCEAN TELEGRAPH MONOPOLY.

It may be remembered that in 1873 the Direct United States Cable Company was formed, obtained subscriptions of stock, and was afterwards granted a charter by the Canadian Parliament. All this, with the privileges granted them by the United States authorities, and their subsequent arrangements with land lines, were founded upon a memorandum of association which provides that the new company shall not in any way participate in the profits of either of the existing cable companies; the manifest intention being to avoid any chance of a monopoly.

The correspondence which, within two months, has taken place between Mr. Pender, a British