

Assurants are to be entitled to cash surrender values or paid-up policies after an endurance of two years, provided application be made therefor within six months after default in payment of premiums. The bill, to which we hope to give more extended notice in our next issue, is in the hands of the Hon. David Mills and Sir Donald Smith, who are mentioned as being amongst the promoters.

An Insurance Institute.

THE good service being performed by Insurance Institutes in other countries suggests that a similar body might be established in Canada with advantage. Elsewhere they are found to be doing excellent work in promoting good feeling between companies, in cultivating a better knowledge and recognition of proper principles and practices, and in educating the younger members of the profession. That there is plenty of scope for an organization with such objects here will be admitted by all who are acquainted with the business of insurance. Probably never in the history of insurance has there existed a greater necessity for companies to meet and "take counsel with each other," with a view to the observance of sound methods and the suppression of the demoralizing practices engendered by over competition. Individual effort in that direction can at best meet with only partial success, what is needed is united action. That can only be brought about by the friendly interchange of ideas, and what better medium for that purpose than an institute where questions can be freely discussed on their intrinsic merits in the light of general experience, and unhampered by official bias? Moreover, the bringing together of those engaged in the business would tend to reduce the irritating friction which in some measure is only too frequent between the companies. To the many young men who are laudably anxious to rise in the profession, and willing to fit themselves for the more responsible positions, the formation of an institute would fill a long-felt want and prove a valuable aid.

POINTS IN INSOLVENCY LEGISLATION.

Considering how simple are the conditions that cause insolvency, and of the objects sought to be secured by insolvency legislation, it is remarkable how highly complicated are the laws relating to it. The position is this: a trader discovers, or realizes, after efforts to blind himself to the state of his affairs, that he is no longer able to keep up the payment of his debts. Repeated delays in meeting his obligations have caused his creditors to press their claims; some failure to meet this pressure brings on a crisis, which results in his being declared insolvent. The next step is, to place his affairs in the hands of his creditors, in order that his assets may be realized for distribution amongst them on some equitable basis. These are the normal conditions of insolvency, which are possible when the trader in trouble is quite honest. There are other conditions, such as are set forth in the new Insolvency Act, which seem to fall rather within the operation of the criminal law than one merely to close up the affairs of a trader who is unable to pay his debts. He who absconds with intent

to defraud his creditors, or who secretes his assets, or disposes of them surreptitiously, or gives them over to one creditor to the prejudice of others, by any process, is clearly amenable, or should be, to the criminal law; he is not so much an insolvent as a rogue who is bent on committing a fraud. A person may do any of these acts and yet be more than solvent; he may have a large surplus over his debts. Offences of this class are so difficult for creditors to guard against, that the offenders might, with advantage, be placed outside the privileges of an Insolvent Act relating to discharge, as no condonation should be recognized short of his paying all his debts in full, which should be made a condition of his being discharged. The clause in the new Act, which makes a trader an insolvent "if he calls a meeting of his creditors for the purpose of compounding with them, or if he exhibits a statement showing his inability to meet his liabilities," seems needlessly harsh. There are times when a run of adverse circumstances, or mental depression from some outside troubles, may induce a trader to take one or other of these steps without sufficient cause. Many now successful merchants could tell of their having been tempted to give up a hard struggle and go into insolvency, who braced up, and by dint of more severe economy, and securing temporary help, got over the crisis and then pushed their way to success. The creditors, after consultation and enquiry, should have the option of declaring their debtor insolvent, or arranging for his continuance in business, to test whether the case was hopeless or one that gave promise of recovery. Cases are known to us of men being embarrassed by sudden trade disasters—such, for instance, the panic in the States last year—who thereby were placed in a position of practical insolvency, yet were encouraged by their creditors to keep on, the result being an entire justification of their leniency, and the saving of an estate, and business, and reputation from the ruinous effects of bankrupt proceedings.

A prominent iron master in England got badly nipped in 1875 by disturbed trade in the States; he confided his position to his larger creditors, who promptly gave him time; it took him over five years to recover and to pay in full, and to-day he is wealthy. Had he been made bankrupt, his estate would not have paid 25 cents on the dollar, and his fall would have dragged others into the same trouble. We therefore submit that it is not well to make consultation with creditors an act of insolvency, but that it is for them to decide what steps to take when a debtor frankly explains his difficulties.

We do not approve of "official receivers" in insolvency being appointed by the Governor in Council, which means by the Government. This would lead to such officials being appointed for political reasons. This office would be another slice of valuable patronage in the hands of members of Parliament. A more objectionable method of appointing receivers could not be devised.

The duties of this officer are to investigate insolvent estates, to prepare statements of their assets and liabilities, to examine insolvents and their practices, to