

real estate. The question would arise, however, in case of escheat of estate by failure of all the heirs of the proprietor, whether the estate should go to the Sovereign or to the Provincial Government.

After some remarks from **Mr. MILLS**, the motion passed.

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INSPECTION OF INSURANCE COMPANIES

Mr. CAMERON (Huron South) moved for copies of correspondence respecting the appointment of an Inspector of Insurance Companies. He referred to his previous efforts to get an inspector appointed, and commented upon the importance of having such an office established. He quoted from statistics to show the great number of companies doing business in this country, and the enormous amount of money passing through their hands. He considered it was the duty of the Government to make some investigation into their mode of doing business.

He pointed out that the majority of those who invested in these institutions were comparatively poor, and the law afforded them at present but very little protection. He said a very large number of failures took place each year, causing great loss to share and policy holders, and he quoted several cases in point in each of which the dividend was less than four per cent of the liabilities. He found that in many cases the liabilities of companies exceeded their assets, while they were still doing business, while in others the expenditure was five per cent greater than the receipts. He showed that some five millions of people were interested in these companies and he thought their affairs were a fair and just subject of investigation.

He hoped that even this session the Government would use their way to appoint such an officer as he referred to, who would have power to examine all the books and affairs of these companies; and he concluded by formally moving for the papers.

Hon. Mr. MACKENZIE said he had no objection to the motion. It seemed to him, however, that the work of inspection could only be properly performed by an accomplished actuary, and it was evidently difficult to get a person of this class. In the United States great frauds had been perpetrated through the Inspector's office, and the question being one of the utmost importance, it behoved the Government to have a measure carefully matured before bringing it before the country. It was extremely doubtful if it could be prepared this session.

As had been properly said, its mere deposit of \$50,000 with the Government was nothing by way of security, and it would be for the Government to devise some means to obtain greater security for insurers, and at the same time without doing injury to the Company, interfering as little as possible with its rights.

Mr. YOUNG said it was quite true that with regard to some American companies there was not sufficient security given, but he held that this did not obtain with native companies, which as a rule, were on a most sound and satisfactory footing affording security to the public. He was quite confident of the proposal for an efficient improvement which could not fail to secure confidence and do the companies themselves no harm.

Hon. Mr. CAMERON (Cardwell) approved of the action taken by the member for Huron South (Mr. Cameron) and of the proposed inspection, but he hoped that no hasty measure would be brought into the House on the subject, and that the promised action in respect to the matter would be carried out to the full extent promised by the Premier. He thought it would be better to postpone the matter till next session.

Mr. SCATCHERD favoured the appointment of an Inspector, which he thought would be likely to put the public in possession of correct information, and establish greater confidence in those companies than there was at present. He thought the hon. member deserved the greatest credit for having brought the matter before the House.

Mr. SCRIVER also supported the appointment of an Inspector, and gave great credit to the hon. member for Huron South for his pains in collecting statistics and otherwise bringing the matter into prominence. He accounted for the success of American companies by the persistency and ingenuity of their travelling agents.

Right Hon. Sir JOHN A. MACDONALD looked with apprehension upon the appointment of a Government inspector. It might be instrumental in giving to a company a status which would be fallacious. Though there were a Government inspector, he might not give a proper report. Care had to be taken so as not to discriminate to the detriment of any one class of company. He was glad to hear that the subject had engaged the attention of the Government. He would suggest the formation among insurance men themselves of an association analogous to the Stock Exchange, which would itself determine as to the relative standing of the companies.

Hon. Mr. MACKENZIE thought it would be quite possible to have full powers to examine and inspect the state of foreign companies, on the same principle as some States in the Union examined the books and affairs of Canadian companies doing business, or after proposing to do business, within their jurisdiction.

Hon. Mr. BLAKE commented upon the importance of insurance companies, and the large amounts of money which are invested in these institutions. He advocated a system of insurance which would give absolute security to the public, and he had no doubt such a system would soon do the most thriving business.

After a few words from **Mr. PALMER**, who spoke in support of an Inspector of Insurance Companies,

Mr. YOUNG said he had seen it stated that in case of a war between England and the United States, American policies in Canada would practically be cancelled.

Hon. Mr. CAMERON (Cardwell) said the policy would not be cancelled, but its payments would simply be suspended until the close of the war.

The motion was then carried.