Paternalistic legislation, when it unduly limits managerial freedom, runs the risk of greatly lessening, rather than increasing, the value of the service done the community. Capable, honest, management counts for almost everything, and we unhesitatingly say that the insurance companies in this connection compare most favourably with any other business in the world.

Although some objections may be made to the investment provisions of the new bill, in general the lines laid down seem broad enough, having regard to securities suitable for trust funds where safety should be the primary consideration. Speculation, certainly, is entirely out of place in dealing with such funds; rather, they should be placed with a view to permanence during the lifetime of the securities purchased.

The bill having provided as carefully as possible for security of invested funds, adequate reserves and full publicity in all essential matters, the question arises as to the need—and the wisdom—for certain restrictive features of the bill. Competition remains keen in the life assurance business of Canada, and with adequate publicity secured, there seems little danger of errors remaining uncorrected when rivals are on the alert to point out any possible weakness in a company.

That participating policyholders should have some representation upon the board has already been voluntarily recognized by more than one stock company—but there seems no reason in providing, as the bill apparently does provide, that a company writing only non-participating business should still allow policyholders to take part in the management. It is hard to see why such privilege should be granted to non-participating policyholders any more than to debenture holders of a loan company. And, even in the case of a company writing participating business, there seems reason in the objection that efficiency of management is likely to be hampered by the provision that the directorate shall be composed equally of shareholders' and policyholders' representatives. There is much to be said for the contention that a minority on the board, representing policyholders directly, would serve all needed purposes—and would not incur the danger of checking sound business progress by men necessarily less conversant with financial and insurance matters. Already as a rule, directors of insurance companies are large policyholders—and have not shown themselves indifferent to policyholders' interests.

In the matter of limitation of expenses, we question whether this consideration comes rightly within the purview of Government control, and the most careful consideration should be given to the plan outlined in the new bill. That its incidence is upon business as a whole, not arbitrarily upon new business as such, is an improvement over last year's proposal. In view of this fixing of an expense limit, it seems scarcely necessary that the bill should so particularize as to methods of remunerating agents; the restrictions of section 54 in this respect appear somewhat superfluous. It would seem, also, as though in the cases of tropical, subtropical and sub-standard business, the proposed regulations as to marginal expenses might be modified somewhat.

As to the uniform returns called for from the companies, every effort should be made to have them as convenient and as brief as is compatible with adequate publicity. Aside from the desirability of avoiding unnecessary waste of time and labour—alike by the companies and the department—these forms should guard against the danger of becoming obscured by their very over-multiplicity of detail.

Much time and consequent expense would be saved to the companies if half-yearly instead of quarterly returns were required with regard to companies' purchase and sale of securities, and so forth.

The foregoing occur to us as some of the various details which should have careful discussion at Ottawa; others we may touch upon from time to time. The Life Officers will doubtless see to it that no rightly debatable point is overlooked. We hope—indeed, are sure—that all recommendations made by them will receive most careful and detailed consideration.

FIRE INSURANCE AVERAGE ADJUSTMENTS.

At a recent meeting of the Actuarial Society of Glasgow the subject of Fire Insurance Average Adjustments was dealt with by Mr. John Laird, a prominent loss assessor of that city. We are indebted to a correspondent for the following summary of Mr. Laird's interesting treatment of this practical matter, as well as for the appended notice regarding the annual meeting of the society.

Beginning with the simplest form of specific concurrent policies, Mr. Laird passed on to specific non-concurrent policies, showing the mode of apportionment by adopting the mean between the different methods of rotation up to 14 rotations, the lecturer pointing out that the insured was entitled to adopt the rotation most favourable to himself. Concurrent *pro rata* average policies were next considered, following on which the apportionment of non-concurrent pro rata average policies was discussed. Then followed illustrations of specific non-average and specific pro rata average policies entering into contribution, leading up to apportionments of specific and floating policies both with the pro rata clause. Examples were given of allocations between average pro rata policies and floaters with the two conditions of average, and between policies of different ranges all having