

only when the Bureau "is requested by such company." In the case of foreign companies the Bureau is to have full power to examine them before entering the States, but in the case of American companies this power is only to be exercised at the request of a company.

It is difficult to see what benefit to the policyholders, or the public, such a Federal Insurance Bureau would confer which is not amply provided by the present system. It is more difficult still to discover in what way the companies would be strengthened in public confidence, or relieved from any portion of the irritating and oppressive burdens placed upon them under the present system of State supervision by the establishment of a Federal Insurance Bureau. It would, however, increase the patronage of the Government, which is a powerful argument in its favour from the official standpoint.

### THE INSURANCE AND COMMERCE QUESTION.

Whether the business of insurance is a form of "Commerce" has been discussed and decided by the Supreme Court of the United States, the decision being that insurance is not "commerce." This is a debateable question of itself and it is also open to discussion as to what the decision of the Supreme Court really implies. A Court of law has full power to declare that insurance is not commerce in a legal sense, in regard to its relations to the law, but there its power ends. The Supreme Court is not a philological authority, it is not an organized authoritative dictionary tribunal. This question is a very tender one, but, though many insurance experts agree with the Supreme Court, others dissent. Our New York namesake may be trusted to avoid disparaging insurance, yet it disagrees with the decision that insurance is not commerce. The New York "Chronicle" points out that the ordinary theory that commerce is the exchange of commodities does not apply to banking, "yet one of the most important phases of commerce is banking, and the United States Government has recognized it to be so and has refused to permit inter-state banking, that is, branch banks in different States. This is justified on the ground that banking is an instrument of commerce while insurance is not so considered. What is commerce more or other than business? And what business in the United States is to-day more improving in value and of greater importance than insurance. It is not merely business, but, as one of its great luminaries has said of life assurance, it is the greatest business in the world!"

Our contemporary affirms that most serious injury has been done to the interests of insurance by its not being legally held to be commerce, and expresses a hope that the Supreme Court will reverse its decision on this point.

In this connection it is interesting to recall the words used by Mr. E. B. Greenshields, B.A., of this city, whose views as a distinguished merchant are entitled to much respect. In his address before the Insurance Institute, 7th Oct. 1901, he said, "I understand the term 'Commerce' not in its restricted sense, as referring only to the exchange of commodities, but rather as meaning all the products and business of the country, that is, everything connected with and that affects its earning power."

### THE PREPARATION OF GOVERNMENT RETURNS.

A SYNOPSIS OF PAPER READ BEFORE THE MONTREAL INSURANCE INSTITUTE BY MR. A. K. BLACKADER, A.M., F.I.A.

The paper read by Mr. Blackader, Actuary, Insurance Department, Ottawa, before the Montreal Insurance Institute on "The Preparation of Government Returns," by the insurance companies, is one of exceptional interest. The author has been long associated with the work of the Insurance Department, Ottawa, and has a thorough, expert knowledge of the subject he so ably and so exhaustively treats.

As he regards it impossible in a single paper to explain in detail the preparation of each item in the blank forms required to be filled up by companies, he takes up a number of cases that have in past times proved a stumbling block to many officials who have to compile the returns.

An error in a statement may be made by placing an interpretation of an item at variance with the intention of the schedule, or the question asked may be incorrectly worked out, or the correct result may be reached by a long, laborious process where a shorter and easier method might be employed.

There are 110 companies making returns to the Insurance Department, viz., 44 Canadian, 36 British, and 30 American.

Foreign companies are required to furnish the Canadian Department with a return "in such form as such company is required by law to furnish to the government of the country where its head office is situated, or, where such return is not required, it must be in such form as the company submits to its members or shareholders, or, in the case where no such return is made, the return must show the assets and liabilities of the company at balancing day, and the income and expenditure for the year ending on such day.

The British companies make a return to the Board of Trade showing the premiums in the income or revenue account which are the premiums on the total business written or placed on the books during the year. The premium income thus includes all the outstanding premiums that are taken credit for in the assets statement of the Balance