rience, but, for their own good, invite. If such be the case, what guarantee have the policyholders that its condition is what is claimed by its managers? Who will vouch for the correctness of its statements, printed as canvassing documents? In the absence of Government supervision, who, outside the office, knows or can know the real condition of its affairs? We do not charge that the managers would make absolutely false statements, but, suppose it to be for their interest to make *incomplete* statements? Government supervision has for its object the prevention of statements which, even while truthful, are very misleading, from the suppression of a part of the truth. Government requires sworn statements of certain vital facts to be made in a certain specified way, which, when so made, constitute a complete index to a company's actual condition.

Judging from the 1888 statement of La Canadienne, which we published in our April number for 1889, the managers have a very unique and entirely original way of formulating its statements, which differs very materially from the form required by the Government at Ottawa. As we have so far been unable to find its published statement for 1889, we cannot say whether the former original method has or has not been improved upon. It should seem clear to everybody that no honest company can afford to invite suspicion by staying outside the pale of such Government supervision as its competitors are subjected to; and certainly no officials in the Province of Quebec or elsewhere can excuse themselves for allowing a longer continuance of this non-responsible status as applied to a single company, whatever its name may be.

A LEGALISED PLUNDER SYSTEM.

It is unquestionably true that the laws of the various States of the American Union for the supervision of life insurance are founded neither on equity nor common sense in the feature which is most essential, viz.: the protection of the policyholder. This is the more strange from the fact that as a collector and prompt disseminator of statistics, the American insurance department is very nearly perfect, and immeasurably ahead of most other countries, while for purposes of regulation the superintendent is clothed with ample authority. And yet companies are frequently failing, and such is the system in vogue that the supervisor of insurance, when he discovers the thing he should have prevented, at once lifts his official boot to kick the company to the dogs, instead of saving what might be saved from the wreck for the policyholder. The smallest stock of school-boy common sense would naturally suggest that when a life company's ability to carry out its engagements ceases or is likely to cease, its affairs should be placed in the hands of the men who made and who really own the company—the policyholders—and who have millions at stake on the outcome. Instead, its affairs are plunged by the machinery of the law at once into the hands of some hungry place-hunter—usually a third-rate politician—with the certainty that, either by the active or passive collusion of some subordinate court, he will be allowed to obstruct all attempts at business-like settlements by or for anybody, and to procure tedious delay and promote legal higgling over every plain question until years are consumed in the winding up, and the assets, under forms of law, have mainly been transferred to the pockets of the "receiver" and his friends.

The policyholders are not consulted in the least either as to the manner or the men to be employed in handling what, to them, is more than any ordinary property interest can possibly represent. As a tolerably fair sample of the result under the receivership system, we may cite the case of the New Jersey Mutual Life, for which a receiver was appointed in February, 1877, having something over a million and a half of assets, we believe. How the interests of the policyholders have been looked after will appear from the experience of the editor of the *Monitor*, who in the last issue says: "We were the unfortunate holder of two policies in that company, and we got an official request to forward them to the receiver, which we promptly did; and from that day to this we have never heard one word or received any communication or report or other intimation whatever that anything has been done for the benefit of the policyholders." This statement was called out by the inquiry of another policyholder, who complained that he had written both to the receiver and to the clerk of the court at Trenton, with whom reports are supposed to be filed, and could get no reply of any kind from either. This is a pretty state of affairs truly, but yet not very much worse than will be found in the winding-up history of the Continental, the Guardian Mutual, the Security Life, the Universal, the Atlantic Mutual and half a dozen other companies wound up or stil being wound up under the New York law.

That the most undisguised contempt for the interests or even inquiries of policyholders, and the most barefaced plundering of the assets—always under the forms of law—have been conspicuous in nearly all cases, shows that the average American citizen has an unlimited capacity for bearing with meekness the grossest outrage on his rights under the abuse of a system which he has the power to change, if he so wills. The late failure of the American Life and the hot haste with which Insurance Commissioner Forster plunged it into the hands of a receiver as soon as the insurance press made public the rottenness which he ought to have known months before, has called attention anew to the facility which the law gives for the delivery of a company over to the mercy of the licensed plunderer, against whose court-endorsed fiat the policyholder is as powerless as he is against the ukase of the Czar of Russia. The same old story will probably be repeated, the people will indulge in a ten-days' spasm of protest, and then "winding-up" will go on, like Tennyson's brook, forever—so far as material benefit to the policyholder is concerned. The present system, giving the supervisor of insurance the power to declare a company insolvent under a technical and arbitrary standard of liability, and to hand it over with its millions of assets, regardless of its thousands of policyholders, to the con-