

## THE DOMINION LICENSE ACT.

M. Houde, a French member from the Province of Quebec, has proposed the repeal of the Dominion License Act of 1883. He takes the ground that the Act is an encroachment on the rights of the Local Legislatures. On the other hand, one of the French organs, *L'Etendard*, of Montreal, expresses the opinion that the measure is not, as a whole, unconstitutional; and that the proper thing to do is to amend the Act, leaving untouched such parts of it as are clearly within the competence of the Parliament of the Dominion. As a rule, the Province of Quebec is more tenacious of its rights than any other Province; a fact explained by its French nationality and separate civil laws. The French journal, which treats the question at great length, and with much fairness, argue that all the minor licenses—retail—fall within the power of the local legislatures, while those for the wholesale trade, coming under "the regulation of traffic and commerce," properly come under the control of the general legislature. This is not an unreasonable view of the matter; but it is not the view on which either Government has hitherto acted. But the Ontario Government may possibly now take the same view, since in the new license law, now before the Legislature, no provision is made for issuing shop licenses. If this be so, the Ontario Legislature is taking a step in the direction in which the French journal advises the Dominion Parliament to move. Is it not possible that, by mutual action of this kind, some accommodation could be arrived at?

The Dominion Government has just obtained the consent of the House of Commons to submit the question of legislative competence to the Privy Council. A bill will be brought in providing that no penalties be imposed till a decision be had. But will this preclude the Canadian courts from acting if they believe the local license laws to be constitutional? The Dominion Act will be amended in several particulars.

The division of legislative power, over this question, is probably more minute than has been generally assumed; and it is quite possible that neither legislature has, in its action, been wholly in the right, or wholly in the wrong. We know, from the decisions of the Privy Council, that the Crooks Act is constitutional, and that the regulation of billiard tables, in taverns, is within the powers of the local legislatures. It has been assumed that the general legislature can, by passing a general law, take from the local legislature the power to grant certain licenses which have been specifically granted to them. But may not this assumption rest on a misapprehension? It was decided, by the Privy Council, that the legislature of one province could not pass a law affecting the property of the Temporalities Fund of the Scottish Church, because the property lay in two provinces. The reason of this can be understood. But does it follow that the power to authorize the issue of certain licenses, specifically mentioned, vested in the local legislatures, can be annulled by the general legislature providing for the issue of all licenses, in all the provinces? The reason seems far fetched.

Another question may possibly arise on the right of a local legislature to put a discriminating duty on Dominion licenses. But this question could scarcely arise unless a concurrent right in regard to certain licenses, were decided to exist in the two legislative authorities. In that case, would the discrimination against Dominion licenses be held to derogate from the rights of the Dominion? The right to put a duty on licenses for the purpose of raising a provincial revenue, is not doubted; but it may become a question whether such duties are not required to be uniform.

## CO-OPERATIVE LIFE SOCIETIES.

The Minister of Finance last week brought in a bill to amend the Insurance Act of 1877 with respect to companies transacting life assurance in Canada, under the title of "Co-operative Life Companies" or "Mutual Benefit Associations." These companies having increased in number, and some of them having of late greatly extended their operations, it was deemed necessary to bring them under the operation of the Act relating to life assurance, from which they have hitherto been exempt, in so far as no license was required to be taken out, nor was any deposit required from them. The Superintendent of Insurance in his report uses the following language respecting co-operative or mutual benefit concerns: "Many organizations under these or similar titles are believed to exist in Canada and to have largely extended their operations of late. Some of these have their headquarters in the Union and are debarred by law from operating in many of the States. The schemes presented by them to the public are various, but are mainly founded on the principle of levying, on the death of a member, an assessment on the surviving members, thus professing to give what they term life insurance at cost. The Department of Justice has given an opinion that these companies come within the scope of the Canadian statutes relating to life insurance, and are required to take out a license, without which their proceedings are illegal and subject the parties concerned to the penalties prescribed by the statute." Mr. Superintendent Cherriman does not enter into the question whether the theory upon which these cheap insurance concerns are based, is sound, but admits it to be important that full information should be obtained as to their practical working and its results, "not only as furnishing a test of the soundness of their principles, but also because it is unfair to the regular life insurance companies, with whom they are entering into vigorous competition, that the latter should be subjected to governmental supervision, and compelled to lay before the public the fullest details of their condition and operations, while these are free of all control and can keep their operations completely concealed."

It was certainly time that something was done, not only to remove the injustice which subjected sound and well-conducted life companies to restrictions not imposed upon these ephemeral competitors, but to protect honest or credulous persons who are too often ready to pay money to any sort of swindle which is plausibly put before them.

Sir Leonard Tilley's bill will make a distinction between companies of this kind having their head quarters in the States and those incorporated in Canada. The latter are, by its provisions, required to make returns to Government, to be included in the annual report of the Insurance Department, and their titles must be duly registered in that department. If their condition and modes of business are deemed satisfactory they may be exempted from the operation of the general act requiring a deposit of \$50,000.

The fifth section of the bill provides, however, that no such company shall do business in Canada without having either made the deposit or been registered, under penalty of its officers as cited in the Act. The deposit having been made, we presume these American companies will then be, in so far as government supervision goes, on the same footing with regularly organized life assurance companies; they will likely establish local boards, and set themselves more vigorously than ever to canvass for business.

But the formation of a respectable board of directors, while it may be an evidence of propriety of intention, is not by any means a security that the principle of such companies' operations is sound or the indemnity which they offer secure. Very few business men, for example, have taken the trouble to inform themselves adequately upon the proper price to pay for safe insurance. The investments of merchants in the policies of some of these cheap benefit concerns proves this. Men jump at cheap life insurance as they do at cheap fire insurance, and the victims of both are numerous enough. It should be apparent to a reflective business man that if a fire insurance company which cuts premiums to a point below that which experience has shown to be necessary, cannot succeed—and there are instances enough of failure of such companies and loss to their policy-holders—no more can a life company succeed or indemnify its policy-holders if it does not charge adequate rates, or if it builds on the sandy foundation of assessment contributions. A large element in the success of some such companies in Canada has been the paraded names of well-known persons who have been persuaded into taking policies for large amounts in them.

## BANKING REVIEW.

The figures of the February bank statement will be found in condensed form below, and are compared with those for the previous month:

	LIABILITIES.	
	Feb., 1884.	Jan. 1884.
Capital authorized....	\$70,869,666	\$69,396,666
Capital paid up.....	61,599,469	61,474,273
Reserved Funds.....	17,562,718	17,512,718
Notes in Circulation..	29,576,176	30,081,076
Dominion and Provincial Gov't deposits...	9,166,887	10,181,752
Deposits held to secure Governm't contracts and for Insurance Companies.....	486,214	1,019,282
Public deposits on demand.....	42,842,817	44,188,585
Public deposits after notice .....	53,522,408	53,025,976
Bank loans or deposits from other banks secured.....	.....	14,000