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THE ROYAL COMMISSION ON INSURANCE

In the closing part of his evidence Mr. Marshall, manager of the Excelsior Life, testified—that the new business cost in the first year nearly fifty per cent. more than the amount of the premiums, and this, too, in face of the fact that the expenses of the Excelsior Life as compared to income are lower than those of the majority of Canadian companies.

The Crown Life Company then came under investigation, and in its case, also, the question of expense formed a very important feature of the examination. This company has been established only a few years and is not yet on what can be called a paying basis, yet its officers have received remuneration on an extremely liberal basis.

The witness for the Crown Life was Mr. C. J. Hughes, manager since February last, who gave information as to the organization of the company. Respecting promissory notes given for stock the following occurred:

"How did you treat these notes in your annual statement?" asked Mr. Tilley. "Did you treat them as bills receivable?"

"No, they were treated as cash. They were discounted towards the end of the year in the Union and Sovereign Banks."

"Then," said Mr. Tilley, "you would take the notes back a few days after, so that they were not really discounted."

Mr. Hughes replied that they were really discounted as the banks paid cash for them.

He stated that on the directors effecting insurance in the Crown Life they were allowed 15 per cent. commission for 5 or 7 years. He condemned rebating as leading to transient business, nor did he approve of giving a president any percentage on the business. He stated that the rules of the company had been arrived at by, "adding the rates of English, American and Canadian companies and striking a mean." This, to say the least, is a curiosity in actuarial work.

Mr. Tilley read a letter addressed to Mr. G. H. Allen, president of Dominion Life Underwriters' Association, by Mr. Shepley, in which mention was made of a circular issued by the association under date of June 11, which set forth as an object of the association the desire to promote an intelligent appreciation of the problems engaging the attention of the commission falling into the errors which are supposed to characterize the work of the New York Legislative Committee. Mr. Shepley concluded his letter with the following request: "I should be very much pleased if your association would at the earliest possible moment appoint a representative committee fully charged with the views of your association and arrange for a meeting between that committee and the counsel employed in prosecuting the present enquiry, so that the views your association entertains upon the various questions with which the commission must deal may be fully appreciated and adequately presented to the commission." As Mr. Shepley will be absent from the city for two months the association was asked to arrange the matter with Mr. Tilley.

After the Crown and Excelsior witness had been dismissed a very unpleasant episode of this enquiry occurred arising out of the examination of the vice-president of the Continental Life.

Owing to the very mixed style of reporting now in vogue it is not easy to get a clear view of what was disclosed by the evidence. If the reports were verbatim the facts would be disclosed, but when the reporter mixes his personal opinions of the witnesses and their evidence with a straight report of their testimony, and when a report is first written in a descriptive style and then harks back to give scraps of verbatim evidence, there is a muddle made which is most irritating and perplexing.

The Continental Life appears to have acquired some of the bonds of the Atlas Loan Company that failed, which were bought for the Continental