

not the same. Even the fundamental law—that part of it on which the House of Lords reposes—presents anomalous varieties: the mode of appointing Peers is not the same in Ireland and Scotland as in England.

We formed this federal union for mutual benefit; among other things to assimilate laws that all would be the better for having made common; but not to carry the process to the extent of extorting from Ontario an unwilling conformity to the religious opinions or prejudices of any other Province. Ontario seeks for herself no such domination, and she is not likely to submit to have it imposed on her. The sooner this is understood the better, and Ontario be relieved from the nuisance of being yearly threatened with the infraction of a law against which the public intelligence revolts, and the forced imposition of which would be seriously detrimental to her interests. This is to be done by enacting a separate usury law for each Province, in accordance with the state of its opinion or general enlightenment. Ontario would remove any shackles that remain; and the rest might follow their own notions. All Ontario asks, as we understand it, is to be let alone in this matter, and she will be content with nothing less. To the other Provinces she is willing to award the same right. This should, and in the end must, settle the question, once for all.

STATE SUPERVISION OF LIFE INSURANCE.

Those who have watched the progress of the Insurance Bill now before the British House of Commons, will have noticed that there is a disposition both on the floor of Parliament and in the Press, to treat the subject tenderly—to discuss the measure in coy and courtly phrase. The Scottish offices and the best English Offices have given in their adhesion to the bill, although objecting to some of its provisions; and its passage seems tolerably certain if it is pressed upon the House.

Life Insurance is, in its nature, a specially fit subject for legislative supervision. Safeguards of the most effective kind must be thrown around it in order to prevent it being made the instrument of speculators and knaves to deceive the present generation and rob the next. One of the essential elements of life insurance, is *security*. This element wanting, all the rest is but a delusion and a snare. What avail promises of large bonuses or dividends, low rates of premium, high rates of interest on investments, if these dividends are absorbed in expenses, if the premiums are frittered away in the payment of unjust claims, or if the investments are in fancy stocks, or loaned out in

doubtful securities, merely because they bear high rates of interest? Money that is to be used—not by the present, but by the next generation—should surely be invested carefully. Any business man can see that under these circumstances only the soundest securities should be sought, however low the rate of interest.

Safety being a primary requirement, it is needful that stringent laws should be enacted with the object of securing it. The great body of policy-holders in a life company have no means of protecting themselves against official mismanagement, not to say dishonesty, but by the intervention of the state for that purpose. This supervision the companies should court in their own interest, so long as it is exercised with the sole object of giving greater security to insurers and increasing public confidence.

By the experience of the State of New York it would appear that the more stringent the legislation the more does insurance grow in popular favor. The life agents thrive under exacting, even inquisitorial laws, as did the Israelites of old under the galling burdens imposed by their Egyptian taskmasters. The laws of Massachusetts and of New York, which are deemed in England inquisitorial and oppressive, which give the State almost unlimited control; which give the power to grant or suspend charters at pleasure; to close a company's doors; in a word, to compel them to be honest whether they will or not, seem to have been the chief cause of the unparalleled growth of the business of companies organized under the laws of these States, for the reason that these laws have, rightly or wrongly, imparted confidence.

Public confidence is as indispensable to life insurance companies as it is to banks of circulation and deposit; neither can go on without it. The life insurance agent is powerless unless he can show that almost absolute safety has been secured, and unless he can build his arguments on a strong substratum of public confidence; armed with this he becomes a power, and finds himself able to "slay his thousands and his ten thousands." Built on this basis the work gathers strength as it proceeds. As an illustration, the experience of companies doing business in the State of New York, may be cited. Ten years ago there were but 17 life companies in that state, now there are 72. The premiums were then \$4,770,347, they were last year \$90,460,522; the policies in force rose from 56,046 to 693,127; the amount at risk under these policies expanded from \$163,703,455 to \$1,945,363,599. Any one out of twelve companies did more business in 1869 than the entire fourteen companies

which reported to the Superintendent of the Insurance department in 1860.

While these are the undoubted effects of wise enactments, having for their object the safety of the insuring public, yet there is in legislative interference, an element of danger which ought to be carefully guarded against. There is danger that the state, under the pretext of securing policyholders, will go to the length of levying upon the companies, to supply the demands of a depleted treasury. There is also danger that inefficient laws may be made the basis of an ill-founded confidence, which, in case of failure, would greatly embitter the disappointment. These considerations do not by any means outweigh the advantages of State supervision. Strengthening public confidence, it acts as a powerful stimulus to the business of the companies, and should therefore have their warm support. If practical and effective, it is a boon to policyholders, since it would render impossible the recurrence of those disgraceful calamities which have done so much to cast odium upon a cause beneficent in its objects and wise in its inception.

HIGH OR LOW INTEREST ON MORTGAGES.

The illustrations we gave last week to show the absurdity of a fixed rate of interest on all loans, were drawn, as would be perceived, entirely from mercantile examples. We can conceive an objection may be taken to this, as not being applicable to the cases in which the greatest amount of hardship has been felt, viz.: the small farmers of the poorer districts of the country who borrow on mortgages, and particularly the farmers and *habitants* of Lower Canada. The rates of interest paid by these are heavy indeed, and in numbers of instances have swallowed up the farm altogether. The poor cultivator of the soil, struggling under a load of debt, bearing interest at fifteen or twenty per cent., is ready enough to listen to the specious reasoning of those who promise to reduce it by Act of Parliament. Yet this is just as pure a delusion as those indicated in our remarks of last week. The rate of mortgage interest has been variable in the past, and must be variable so long as agriculture continues to give variable returns. The whole philosophy of the business is this: when money is plentiful in the centres of commerce and finance, the amount available for loans is increased, and the competition between lenders will lower the rate of interest. When money is scarce, the amounts available for loans is diminished, and the competition between borrowers to get it will raise the rate of interest. So, as between one time and another, the rate of