

persistence that would endanger the peace of the two countries; and the state of the stock market shows no indications of a fear of such a result.

AN INSURANCE COMMISSIONER ON HIS TRIAL.

An investigation, now in progress, into the conduct of Mr. Geo. W. Miller, Superintendent of Insurance for the State of New York, excites much interest in insurance circles, more especially among the life companies. The rooms of the New York Chamber of Commerce are being used for the purpose; and we have before us a summary of the first three days' proceedings, commencing with Tuesday, the 6th February. The rather edifying spectacle is presented of an ex-Superintendent—Hon. Wm. Barnes—appearing, not, perhaps, as the prosecutor, but as a chief witness for the prosecution. To some of his allegations the *tu quoque* style of defence is set up, which although a very natural course under the circumstances, is but one way of attempting to strengthen a weak case. However, this has the effect of putting both Superintendents on their trial, in some measure, and of throwing more light on the facts, and so enabling the public to form a clearer opinion as to the guilt or innocence of the accused, and as to the practices which are tolerated in the Department.

The charges laid against Mr. Miller are of a character that affords ample justification, for an examination into them. Measured by the strict line of integrity which is prescribed by public opinion for public men in Canada, the case against Mr. Miller looks extremely bad, and, if proven, should result in his ejection from the responsible office to which he has been appointed. The salary appertaining to the office of Superintendent is \$7,000 per annum, with travelling expenses, and he is empowered to appoint a Deputy and a staff of clerks and experts at his discretion. It is contended that the above sum was intended to be the sole remuneration attached to the office, and we cannot say that it looks meagre or insufficient. It is asserted that the law requires all fees derived from the office to be paid over to the State Treasurer, in proof whereof the following clause, from an Act of 1847, is cited:

"Whenever any public officer is or shall be required by law to keep an account of, or pay over to any County Treasurer or to the State Treasurer, the fees of his office, such fees shall be deemed to include all fees which such officer shall be entitled to receive for any act or duty done by him in his official capacity, whether such act or duty pertains to his office, or the business thereof, or not."

In the face of this statute, fees on the most liberal scale seem to have been received, and were not accounted for, but treated as perquisites of the superintendency. The first examination made by Mr. Miller was into the condition of the Mutual Life of New York, and was undertaken at the express desire of the Company. A report was issued, embodying the results of the examination, and accompanied by a most fulsome "puff" of the Company over Mr. Miller's signature. The extravagant language used was made the subject of criticism in these columns at the time, as ill befitting the judicial capacity of their author. A substantial reason for that glowing eulogy may perhaps be found in the \$2,500 fee which was assessed and "cheerfully paid." It is not difficult to see why the document was circulated throughout the length and breadth of the United States, as an advertisement, at a cost of thousands of dollars. An examination of the Knickerbocker Life held subsequently, was compensated by a similar fee, and the report heralded forth as an advertisement. No return was made of the sums obtained from these companies in the superintendent's report to the Legislature. A large number of other companies had their affairs investigated—some voluntarily, others in consequence of rumors as to their solvency. In every case fees of greater or less amount were charged, usually ranging from \$300 to \$500. The payment of these sums to the Superintendent or his representative direct is freely admitted; but in several cases much larger amounts were paid to counsel, and for various and sometimes rather ambiguous services rendered. The Lafayette Fire of Brooklyn paid \$300 to Messrs. Briggs and Southwick for three days' work in looking into its affairs. Mr. Briggs having claimed that the Company paid a dividend in the preceding July, when its capital was impaired, thereby forfeiting its charter, he (!) was retained, professionally, at a cost of \$1,000, to avert that issue, which he succeeded in doing. The President of the Hope Mutual gave one David Rowland \$3,000 to proceed to Albany to hasten the examination of his Company, and to obtain an amendment to the charter; but the bill of particulars as to how the money was expended was said to be lost, and could not be produced. He remembered that \$1,000 was for the examiners, \$200 for Rowland himself, and \$500 to help Mr. Miller in the passage of the bill. Mr. E. A. Jones, of the National Life of New York, paid nothing for the investigation of his Company, though it occupied ten days, but he paid Rowland \$2,500 for promoting the examination, and performing certain

other services. Mr. F. A. Freeman, President of the Widows' and Orphans' Life, paid only \$6 for his examination, but the lawyer's fee was \$1,000. Mr. Stephen English, of the *Insurance Times*, underwent an examination on the second and third days, chiefly in reference to the notorious Home of New Haven. This witness appeared before the committee with a cheque for \$5,000, drawn in favor of Pierce & Sewell, the lawyers employed by the company, the amount of which he swore had been, in his belief, paid to Mr. Miller for a corrupt purpose. This, however, a member of the firm positively denied, though he declined to say to what use it was put. Mr. English was subjected to a severe cross-examination by Mr. Miller.

An Act was passed in 1870 relating to the Insurance Department, in which it was provided that \$37,000 should be expended for the uses of the department, which expenditure was to be repaid by the insurance companies; and that a charge for the transfer of securities of one-fifth of one per cent. upon the amount transferred should be levied. This percentage has been made to swell up the perquisites of the Superintendent.

It is charged that Mr. Miller is a Tammany politician, and that he owes his election to the Tammany clique. It is therefore assumed that he knows how to make the most of "casual advantages." It is inferred from such facts as we have cited that in accordance with the now famous tactics of the Tammany chiefs, he has received large sums through third parties, which he had no legal or moral right to accept.

It can scarcely be denied that the facts in evidence favor this view, though they may be susceptible of explanation. A perusal of the whole proceedings is not calculated to strengthen one's faith in the integrity and value of the official certificates as to the financial standing of the companies. The examinations on which they are based seem to be often made by mere subordinates of the Superintendent at the solicitation of the company concerned, and handsomely paid for. It is more apparent than ever how unwise it is to lay too much stress upon reports and statements of companies, though bearing official endorsement, unless they are corroborated by some knowledge as to the character of a company's management and of the facts of its history.

—The New Glasgow (N.S.) Marine Insurance Company paid a dividend of \$10 per share last year, equal to 40 per cent. of the paid-up capital.

—The Bank of Liverpool was opened Liverpool, N.S., on 31st ult., R. S. Sterns, Esq. cashier.